Texas Windstorm Insurance Association

Annual Report Card

June 1, 2016 – May 31, 2017

Jennifer T. Armstrong
Vice President, Communications & Legislative Affairs

June 1, 2017

June 1, 2017

Re: Annual Report Card – Section 2210.107(b)

The Honorable Greg Abbott, Governor

The Honorable Dan Patrick, Lieutenant Governor

The Honorable Joe Straus, Speaker, Texas House of Representatives

The Honorable Kelly Hancock, Chair, and
Members of the Senate Committee on Business & Commerce

The Honorable Larry Phillips, Chair, and
Members of the House Committee on Insurance

Members, Windstorm Insurance Legislative Oversight Board

The Honorable Cassie Brown, Deputy Commissioner of Insurance, Regulatory Policy, and

The Honorable Doug Slape, Deputy Commissioner of Insurance, Financial Regulation

Dear Ladies and Gentlemen,

Pursuant to Texas Insurance Code Section 2210.107(b), please find enclosed the Annual Report evaluating the extent to which TWIA has met the objectives described therein for the 12-month period immediately preceding the date of this report.

The primary objectives of the Board, as set forth in Chapter 2210 of the Texas Insurance Code, are to ensure that the Board and TWIA: (1) operate in accordance with this chapter, the Plan of Operation, and Commissioner rules; (2) comply with sound insurance principles; (3) meet all standards imposed under this chapter; (4) establish a code of conduct and performance standards for Association employees and persons with which the Association contracts; and (5) establish, and adhere to the terms of, an annual evaluation of Association management necessary to achieve the statutory purpose, Board objectives, and any performance or enterprise risk management objectives established by the Board.

The Annual Report is the culmination of the interim report cards published every two months to the Association's Board of Directors. The Annual Report is organized into the following sections: an **Executive Summary**, highlighting the Association's accomplishments during the reporting period; the **State of the Association**, describing the Association's operational improvements and activities; and the **Statutory Compliance** sections detailing each required area of compliance in order of the statutory reference.

The Association is in full material compliance with all current standards of performance outlined in this report. This is the sixth Annual Report to be issued by TWIA since the enactment of House Bill 3.

Should you have any questions, please feel free to contact me at (512) 637-4031.

Sincerely,

Jennifer Armstrong

Jennifer T. Armstrong
Vice President, Communications & Legislative Affairs

Table of Contents

Executive Summary

The Texas Windstorm Insurance Association was created as a market of last resort to protect coastal Texans who are unable to find coverage in the private market. Without TWIA, many coastal residents would be unable to obtain windstorm and hail insurance, a necessity the Legislature has determined is vital to the economic welfare of Texas. This charge is our mission: to provide essential property insurance products and services to eligible Texas properties when no one else will.

This report highlights the following TWIA accomplishments between June 2016 and May 2017. It includes a number of complex and collaborative programs that were successfully implemented as required by legislative changes; as well as, the improvement of existing technology and the addition of new systems; the securing of sufficient catastrophe funding; and the continued improvement to the quality and cadence of stakeholder communication.

- Maintained an expense ratio at or below 5.5% for the sixth straight year – industry average is 12%.

- Performed below budget on controllable expenses for the sixth straight year.

- Brought the Catastrophe Reserve Trust Fund (CRTF) to its highest balance since inception with $737 million available for the 2017 hurricane season.

- Continued trend of progressively higher funding each year since 2009 with $4.9 billion secured funding for the 2017 hurricane season – sufficient to cover a 125-year season and $400 million in second-season funding that provides protection in the year following a catastrophe.

- Developed depopulation programs that offer TWIA policyholders alternatives in the private market – more than 100,000 offers from four 2016 participating insurers resulting in more than 18,000 agent-approved offers presented to TWIA policyholders.

- Improved claim handling efficiency and productivity with the 2016 implementation new claims administration system, Claims Center – allows policyholders and agents to report, manage, and communicate about claims online.

- Developed a staff field adjuster program in Harris and Galveston County to provide policyholders in those high claim-volume areas with increased claim handling support.

- Developed a Certificate of Compliance process to comply with House Bill 2439 which changed the windstorm certification process and allows TWIA to issue a certificate for completed improvements.

- Implemented a new enterprise-wide, scalable voice communication system that improves efficiency and delivers a higher level of service to policyholders and agents.

- Served as a resource to Tier 1 legislative stakeholders by meeting with 19 of the 22 offices during the 85th Legislative Session.

State of the Association

On April 8, 2016, TDI released TWIA from Administrative Oversight (AO). This marked the end of a five year systematic overhaul of the Association that began in 2011 when TDI placed TWIA under AO. During those five years TWIA made improvements in every area – from corporate governance to the Association's daily operations. However, our release does not mean our improvement is complete.

Our improvements over the past 14 months combined with those made during our five years under AO, lead to only one conclusion: We are a new TWIA. This TWIA is sufficiently funded, provides quality service to its policyholders, complies with applicable statutes, regulatory guidelines, and industry best practices, and is ready to respond to our coverage communities when they need us most.

Recent Legislative Changes & Implementation

A number of bills passed during the 84th Legislative Session in 2015 impacted our work in 2016 at TWIA. Senate Bill (SB) 900 had the most significant impact on the Association's operations, including changes to TWIA's funding structure, board composition, and a requirement for TWIA to administer depopulation programs that encourage the transfer of Association policies to private market insurers through the voluntary market or assumption reinsurance. TDI specifically cited SB 900 in its letter releasing TWIA from AO, noting that the provision allowing the Commissioner to contract with an administrator to manage the Association eliminated the need for AO.

House Bill (HB) 2439, a second notable bill passed in 2015, amended several sections of the Texas Windstorm Insurance Act relating to coastal building code inspection and windstorm certification requirements. More details about each bill are provided in the following sections.

Senate Bill 900

SB 900 is a comprehensive bill with multiple components. Since its passage in 2015, TWIA has worked closely with TDI to implement the requirements of the legislation, which include provisions that have enhanced the Association's funding and depopulation efforts and led to a governing body that better represents the needs of coastal Texans. The primary components of SB 900 are outlined below.

- SB 900 requires changes in the loss funding structure, including provisions relating to reinsurance, requiring TWIA to fund, at a minimum, a 100-year storm season. The bill requires this level of funding every year from the following sources: TWIA premiums and the CRTF, a combination of $1 billion in company assessments and $1 billion in bonds repaid first by TWIA policyholders and by all coastal policyholders, if necessary, and sufficient reinsurance or other risk financing to achieve the 100-year storm season.

- SB 900 requires changes in the Board composition to a 3-3-3 industry/coastal/inland structure from a 4-4-1 industry/coastal/inland structure.

- SB 900 allows for assumption reinsurance agreements between the Association and private insurers to facilitate depopulation, allowing large numbers of TWIA policyholders to obtain coverage from private insurance companies interested in writing on the Texas coast. Policyholders are guaranteed comparable rates and coverages for the first year and the option to renew for at least three years. They will maintain their ability to choose their own agent, and may stay with TWIA, if they desire.

- SB 900 authorizes TWIA to issue a policy for temporary coverage (up to 30 days) if a TDI-approved inspection verification form, or other inspection form adopted by TDI, has been issued for a structure before the WPI-8 is secured.

- SB 900 allows the Commissioner to contract with an administrator (MGA or TPA) to manage the Association and administer the plan of operation if it is in the best interest of policyholders and the public. In light of the many Association improvements in the last few years, it is difficult to envision a scenario in which a third-party management company overseeing TWIA would be necessary.

House Bill 2439

House Bill (HB) 2439 changed the windstorm inspection process by creating two ways to certify that a structure complies with the applicable windstorm building code, required for insurability through TWIA. One significant change is the addition of new Section 2210.2515 in Chapter 2210, titled "Issuance of Certificates of Compliance." This section authorizes a person to apply to TWIA for a certificate of compliance for a completed improvement if a licensed engineer designed the improvement, affixed the engineer's seal to the design, and submits an affirmation of compliance to TWIA, or the licensed engineer completes a sealed post-construction evaluation report that confirms compliance with the applicable building code.

The law provides that TWIA shall issue a Certificate of Compliance (WPI-8-C) once the professional engineer provides the required information. Section 2210.2515 also provides that if TDI cannot issue a Certificate of Compliance (WPI-8) on an ongoing improvement because TDI has not received all of the information and fees TDI requires, a person may apply for a certificate of compliance from TWIA.

The bill went into effect on September 1, 2015 and applies to policies delivered, issued for delivery, or renewed on or after January 1, 2017. TDI issued the final rules for HB 2439 on January 3, 2017, and TWIA immediately implemented a process to accept applications for and issue Certificates of Compliance (WPI-8-C) for completed improvements.

A Commitment to Continuous Improvement

TWIA's current executive leadership team brings with them a commitment to continuous improvement born out of nearly 150 years of combined insurance industry experience. The Association employs extensive controls and detailed financial and operational metrics to measure and evaluate performance at every level of the Association. All operational areas have documented their procedures, and TWIA has greatly increased the level of transparency and communication among all levels of the Association and with external stakeholders.

The TWIA Board of Directors and management fosters an Association culture that is focused on results-oriented accountability with strategic, enterprise-wide initiatives. The Association implemented formal strategic planning in 2013 that resulted in leadership's articulation of a clear mission and vision to guide the organization, a set of shared values to guide employee actions, and strategic goals to guide operations and services. Executive leadership continues to engage in strategic planning annually to drive us closer to exemplifying our mission, vision, and values in everything we do.

Exemplifying Our Mission, Vision, and Values

TWIA's mission is to efficiently provide essential property insurance products and services for eligible Texas properties when no one else will. Accompanied by a vision to be respected and trusted by stakeholders, our mission, vision, and values are the foundation upon which we are built. In carrying out this purpose, TWIA facilitates commerce in the coastal counties by enabling real estate sales and residential and commercial property mortgages and by providing a means to rebuild and recover after a catastrophic event.

TWIA embodies the following values in support of its mission:

Service and Respect
Provide quality service to our policyholders and respect the interest of a broad spectrum of stakeholders.

Efficiency and Stability
Be good stewards of the public trust by ensuring financial stability and operating efficiently.

Integrity and Accountability
Operate with integrity by holding ourselves to a high standard of ethics and being accountable for performance

The Association's leadership has established the following strategic goals:

1. Secure sufficient funding to pay claims and other financial obligations
2. Drive operational efficiency throughout the enterprise

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3. Build a collaborative culture of continuous improvement, service, and accountability
4. Operate transparently through consistent communication with stakeholders
5. Maintain a workforce with the right talent to meet organizational needs

Each year, the executive leadership team sets annual objectives, deadlines, and metrics to make further progress toward these goals in the following year.

Organizational Improvements & Accomplishments

All of TWIA's departments are organized to maximize managerial controls, operational efficiency, and accountability. The Claims and Underwriting Departments have implemented substantial improvements in the last few years to increase the efficiency and effectiveness of the underwriting and claims handling processes. Other departments, including Accounting, IT, and Legal and Compliance have also undergone positive structural changes. The following sections describe these changes in more detail and the resulting accomplishments from these efforts.

Underwriting

Underwriting management has successfully implemented several new systems and initiatives in recent years to automate and improve its underwriting, policy issuance and billing processes, allowing policies to be issued more quickly and at a lower administrative cost. Highlights include:

- implementing a more modern policy administration system, Policy Center, in May 2015, providing numerous benefits to agents and insureds including:

  – More payment and agent self-service options
  – Automated, rules-based determination of eligibility
  – Approximately 90% of new applications and renewals are issued immediately, dramatically reducing the average time for an agent to receive a policy

- reorganizing the Underwriting department to more effectively manage workflows, reducing seasonal backlogs

- incorporating risk visualization into the inspection process, using aerial imagery and third-party data to more efficiently assess insurability, rate more accurately, and increase the total number of property views while reducing the cost per inspection on a per policy basis

- installing a dedicated billing system consistent with industry best practices

- streamlining document production, sorting, and mailing processes, reducing the time and costs associated with both incoming and outgoing mail

The Association monitors the following key underwriting performance metrics to measure the efficacy of those changes and reports on them to leadership and the Board of Directors in a monthly scorecard:

- Budget conformity and underwriting expense per policy
- Policy issuance cycle times
- Residential policies auto-issued and auto-renewed
- Quality assurance scores

Claims

The Claims Department has experienced considerable changes over the years. TWIA's current infrastructure is capable of supporting claims operations during both catastrophe and non-catastrophe years. The department now includes a permanent workforce of approximately 50 managers, examiners, and clerical employees supplemented by a flexible, trained, and pre-certified contingent workforce that varies based on claim volume and can be quickly and effectively deployed if volume warrants additional staff. This staffing model follows industry best practices and comprises one of the largest dedicated catastrophe teams in the industry.

The Claims Department continues to meet or exceed performance metrics while continuously identifying ways to enhance its operational capabilities. In July 2016, TWIA implemented a new claims administration system, Claims Center. The new system is designed to speed up and improve the claims handling process and provide policyholders, agents and TWIA with better ways to communicate and share more accurate information about a claim. As of April 30, 2017, TWIA has entered 4,732 new claims into Claims Center.

Claims Center provides policyholders and agents with online and mobile access to:
- Report new claims
- View important claim documents and correspondence
- Access messages shared between policyholders and TWIA claims examiners
- Track the progress of a claim, including payment status and details
- Directly contact the TWIA staff working on a claim with the ability to send and receive messages and documents

TWIA ended 2016 with 8,393 new claims, as illustrated in the charts below. 2016 claim volume was more consistent with historical averages than 2015; a year in which TWIA experienced the second highest level of new claims compared to the past 12 years due to major storms in the spring and late October. 2017 claim volume through April 30, 2017 is slightly above plan at 1,872 new claims.

Historical TWIA Claim Volume	
Year	Number of Claims
2005	12,783
2006	1,862
2007	4,195
2008	99,813
2009	4,812
2010	4,801
2011	10,608
2012	8,601
2013	10,541
2014	2,843
2015	18,889
2016	8,393
2017	1,872

TWIA Hurricane Events	
Hurricane	Number of Claims
Rita – 2005	11,583
Dolly – 2008	8,374
Ike – 2008	93,046

Financial

Financial metrics are key measures of performance at an enterprise level. TWIA's recent financial accomplishments are based in part on staff's successful budget conformity. Not only have TWIA-controllable expenses been at or below budget for six years straight, but of the 36 property insurance plans in the United States, TWIA maintains the third-lowest operating expense as a percentage of premiums.

Through diligent efforts, staff has achieved several notable financial milestones concerning the Association's funding, including:

- contributing $262.7 million to the CRTF as a result of 2014 operations and $93 million as a result of 2015 operations despite the second largest storm season since Ike, bringing the balance to more than $588 million in 2016,

- contributing $147 million to the CRTF of as a result of 2016 operations, resulting in a balance of $737 million for the 2017 hurricane season – the highest in the history of the CRTF,

- issuing $500 million in pre-event Class 1 public securities in 2014 to provide immediate claims-paying capacity after a storm and additional protection to coastal policyholders and residents, with no associated impact on rates, and

- issuing the Association's first catastrophe bonds, an aggregate amount of $1.1 billion, as part of the overall reinsurance programs in 2014 and 2015, providing multi-year stability and further diversifying and expanding the Association's claims-paying capacity.

Other Areas

Claims and underwriting are the primary operation centers of an insurance company, but they have not been the only areas of focus for operational improvements. In 2014, the Association established an internal audit function to bring systematic and disciplined independent evaluation of management's control environment. The internal audit function evaluates the adequacy and effectiveness of the Association's governance, risk management, and internal processes, as well as the quality of performance in achieving stated goals and objectives. Further, the internal audit function assists management and the Board in the effective discharge of their duties by furnishing them with analyses, appraisals, and recommendations concerning the activities reviewed. The internal audit function reports directly to the Board and demonstrates the Association's commitment to transparency, accountability, and continuous improvement.

TWIA also created a Communications & Legislative Affairs Department in 2015 to ensure open and transparent communications with all stakeholder groups. In order to better understand the interests of all of our diverse stakeholders, the Association has developed a multi-faceted communications strategy to engage each stakeholder group on multiple levels; an outreach program to educate and inform stakeholders about TWIA's mission, operations, and values; and an Agent Advisory Group to solicit input from the agent community and facilitate discussion about TWIA initiatives. Communications deployed a redesigned and user-friendly website in May 2015.

Numerous initiatives in other areas have contributed to meeting strategic goals as well as addressing operational weaknesses noted in past audits. Key accomplishments from the last few years are summarized below.

- Established a policy management program to ensure policies are reviewed annually, approved by management, and communicated properly to all employees, as well as to ensure version control necessary for auditing and incident management.

- Reduced legal costs and reliance on outside counsel by hiring in-house attorneys; insourcing e-discovery and matter management functions; and implementing legal review procedures.

- Implemented a comprehensive performance management program that incorporates developing goals and competencies; conducting quarterly and annual reviews to ensure consistency in performance and outcome-focused accountability; and providing credible, objective criteria to align merit pay with performance.

- Developed training programs for managers and employees to foster a learning and continuously improving organization; this training includes the Association's first extensive new hire orientation program, online business skills training, and instructor-led training.

- Increased quality of new hires by implementing enterprise-wide recruitment and selection programs to effectively acquire and manage talent.

- Reduced costs and cycle times and increased efficiency by reengineering workflows and implementing new staffing models for print services and mail operations.

Statutory Compliance Sections

The Texas Windstorm Insurance Association is in full material compliance with all current standards of performance outlined in this report. TWIA's success in meeting these objectives is described in the following statutory sections. The Association has provided supplemental information regarding each of the relevant provisions of Chapter 2210 of the Texas Insurance Code, and the Association's compliance therewith, as follows:

Statutory Reference	Section	Subject Matter
2210.0025	Section A	Biennial Report
2210.004, 2210.201-302	Section B	Insurable Property and Coverage Requirements
2210.008	Section C	Rulemaking Authority
2210.701-2210.705	Section D	Depopulation
2210.012 & 2210.013, 2210.015	Section E	Standards of Conduct
2210.054	Section F	Annual Statement
2210.057, 2210.058	Section G	Examination of Association
2210.071-075	Section H	Catastrophe Funding
2210.102	Section I	Board Composition
2210.105, 2210.108	Section J	Open Meetings Act
2210.108	Section K	Public Information Act
2210.15-153	Section L	Plan of Operation
2210.203	Section M	Policy Issuance
2210.251-2210.259	Section N	Compliance with Building Codes
2210.352	Section O	Rates
2210.455	Section P	Catastrophe Plan
2210.501-504	Section Q	Limits of Liability
2210.551	Section R, Part 1 & 2	Certain Appeals and Other Actions
2210.014, 2210.572(c), 573	Section R, Part 3	Claims: Settlement and Dispute Resolution
2210.574	Section R, Part 4	Appraisal and Rulemaking
2210.582	Section S	Ombudsman Funding and Program
2210.107(a)	Section T	Annual Evaluation of Association Management

Section A: Biennial Report

Texas Insurance Code Section 2210.0025 requires the Board to submit a biennial report regarding the operations of the Association on or before December 31 of each even-numbered year. The Association submitted its **Biennial Report** on December 30, 2016 to the Commissioner, the appropriate committees of each house of the legislature, and the Sunset Advisory Commission. The report includes recommendations for legislative changes developed by the Board's Legislative and External Affairs Committee and approved by the Board at its December 6, 2016 meeting as well as the reason for the proposed changes and a summary of the Association's accomplishments and operations since the prior legislative session.

Section B: Insurable Property and Coverage Requirements

Texas Insurance Code Section 2210.004 defines insurable property for the purposes of eligibility for TWIA insurance as a structure located in the catastrophe area, built or repaired in compliance with appropriate building code specifications, and confirmed to be in an insurable condition as determined by additional criteria specified by the Association in the TWIA Plan of Operation.

Texas Insurance Code Sections 2210.201-2210.203 describe TWIA coverage and eligibility requirements. Specifically, the Association shall make insurance available to each applicant in the catastrophe area whose property is insurable property but who, after diligent efforts, is unable to obtain property insurance through the voluntary market. Flood insurance coverage is required by law, if available, for specific high-hazard zones. Section 2210.202(b)(2) further requires a statement that the agent acting on behalf of the applicant possesses proof of the inability to obtain substantially equivalent insurance coverage for the perils of windstorm and hail from the private market, as well as proof of flood insurance coverage or unavailability of that coverage.

Since 2013, TWIA has implemented several initiatives, including a risk visualization strategy, a quality assurance and training program, an agent audit process, and a new policy administration system to ensure properties insured by the Association meet these requirements.

Risk Visualization Program

In May 2014, TWIA partnered with EagleView Technologies to provide aerial imagery for the Association's coverage territory. The high-resolution imagery captured on annual flyovers provides the claims and underwriting departments with the ability to visually inspect a property through a web-based solution, and, combined with a patented technology for remote 3D aerial roof measurements and third-party data, provides the Association with information which can be used in risk data verification.

TWIA's risk visualization program provides the following benefits applicable to coverage and eligibility:

- Improved assessment of property insurability and assistance in determining adequacy of insurance-to-value for each risk
- Increase the total number of properties inspected annually while lowering the average cost on a per policy basis
- Efficient use of inspection dollars by effectively identifying properties requiring onsite inspection
- Identification of unrepaired damage and other underwriting concerns related to the general condition of the structure
- Reduced opportunities for fraud

Quality Assurance and Training

The Quality Assurance and Training (QA&T) function was implemented in the Underwriting Department to ensure that department processes and procedures are properly documented, to verify underwriters are adhering to procedures and making correct eligibility decisions, and to identify training opportunities and areas for additional improvement. Every month, each underwriter receives a QA report evaluating his/her performance across six areas related to transaction processing and customer experience. The report includes production data (e.g. type and volume of work processed) as well as metrics pertaining to customer experience, accuracy, and thoroughness. QA scores are split between Residential and Commercial lines. Based on data from January 1, 2017 through April 30, 2017, the QA scores for both lines exceed the department's goal to achieve a 95% QA score with Residential at 97.4% and Commercial at 99.4%.

Agent Compliance Program

As required by Rule 5.4902 of Title 28 of the Texas Administrative Code, an agent audit process was developed and implemented in 2015 to verify agent compliance with the Association's declination and flood insurance requirements. A proposed amendment to the Plan of Operation to establish a procedure for suspending the acceptance of new or renewal insurance applications from an agent if the Association determines that the agent failed to comply with TAC sections §5.4902, §5.4903 and §5.4904 was approved by the Board of Directors on April 5, 2016. The proposed amendment also includes a procedure for an agent to obtain a review of the suspension. The amendment is currently under review by TDI.

Policy Administration System

TWIA implemented a more modern policy administration system, Policy Center, in May 2015. All residential policies have been converted to Policy Center as of August 2016. Commercial and Manufactured Home policies are planned to be incorporated into the system starting in Q4 of 2017.

Approximately 90% of new applications and renewals are issued immediately, dramatically reducing the average time for an agent to receive a policy.

Section C: Rulemaking Authority

Texas Insurance Code Section 2210.008 provides the Commissioner of Insurance general rulemaking authority to issue any orders necessary to implement Section 2210. The following new rules were proposed or adopted during the reporting period.

Subject	Section Number	Adoption Filed	Effective Date
Chapter 5. Property and Casualty Insurance Subchapter E. Texas Windstorm Insurance Association Division 7. Inspections for Windstorm and Hail Insurance	**§5.4605**	**6/28/2016**	7/18/2016
Chapter 5. Property and Casualty Insurance Subchapter E. Texas Windstorm Insurance Association Division 1. Plan of Operation and Division 2. Reinsurance	**§5.4023 and §§5.4029 - 5.4041** **REPEAL OF §5.4016**	**3/8/2017**	3/28/2017
Chapter 5. Property and Casualty Subchapter E. Texas Windstorm Insurance Association Division 7. Inspections for Windstorm and Hail Insurance Division 9. Windstorm Building Code Advisory Committee on Specifications and Maintenance	**§§5.4601, 5.4603, 5.4604, 5.4608 - 5.4610, 5.4612, 5.4615, 5.4620 - 5.4623, 5.4625 - 5.4626, 5.4640, and 5.4642** **Repeal §§5.4601, 5.4602, 5.4604, and 5.4608** **Repeal of 28 TAC §5.4800**	**12/29/2016**	1/18/2017

Section D: Depopulation

SB 900 authorized TWIA to create two new depopulation programs: a Voluntary Market Depopulation Program and an Assumption Reinsurance Depopulation Program. Pursuant to the newly passed Subchapter O of Chapter 2210 (Sections 2210.701-2210.705), TWIA is required to administer a depopulation program that encourages the transfer of Association policies to insurers through the voluntary market or assumption reinsurance. TDI rules governing these programs were published and effective December 22, 2015. TDI formally approved the 2016 Voluntary Market Depopulation Program

effective March 31, 2016 and the 2016 Assumption Reinsurance Depopulation Program effective July 14, 2016.

Detailed descriptions of both programs and an update on their status are outlined below.

Voluntary Market Depopulation Program

The Voluntary Market Depopulation Program functions similarly to TWIA's prior depopulation program, the Voluntary Coastal Windstorm Insurance Portal. Participating insurers must file rates with and have forms approved by TDI and sign a Nondisclosure and Terms of Use Agreement (NDA) to obtain electronic access to TWIA policyholder data. Participating insurers must approach the agent of record to make offers of coverage at least 60 days prior to policy renewal. Acceptance of any offers is strictly voluntary, and no changes will take place unless the agent and policyholder affirmatively accept the participating carrier's offer. Participating insurers may make offers of coverage at any time throughout the year.

Assumption Reinsurance Depopulation Program

The Assumption Reinsurance Depopulation Program allows for assumption reinsurance agreements between TWIA and participating insurers to facilitate depopulation, allowing large numbers of TWIA policyholders to obtain coverage from private market insurance companies interested in writing on the Texas coast. This type of transaction, often called a "takeout," has been used effectively in Florida and Louisiana to minimize the use of those states' residual markets. Under the program, interested insurers must file rates with and have forms approved by TDI and sign an NDA in order to review and select the TWIA policies they are interested in taking out. In contrast to the Voluntary Market Depopulation Program, participating insurers are also subject to financial stress testing. Participating insurers must offer comparable coverage and premiums to the TWIA policy and must offer at least three renewals under these comparable terms to any policy taken out as part of the program.

Agents have the opportunity to approve or reject any offers made by participating insurers through TWIA's depopulation website. Policyholders have the ability to opt out of the depopulation process, and any policyholders who do not opt out will automatically have their TWIA policies assumed, or transferred, by the participating insurer. This program will repeat annually.

Depopulation Programs Status

The Assumption Reinsurance Depopulation Program for 2017-2018 and subsequent years was filed with TDI on March 10, 2017. It was approved on April 12, 2017. TWIA is currently administering the ongoing Voluntary Market Depopulation Program approved last year and is also working on an updated program to submit to TDI for approval.

As of April 30, 2017, a total of 3,188 policyholders had opted out of the Assumption Reinsurance Depopulation Program, choosing to remain with TWIA, and after removing the opt-outs and any policies no longer in-force (due to cancellations, non-renewals, etc.), 12,262 policies remained in the program. The policyholder period of the 2016 Assumption Reinsurance Depopulation Program ended on May 31, 2017.

TWIA continues to provide monthly bordereau reports to participating companies as part of the quota share reinsurance agreements with each company. Through April 30, 2017, the four participating companies have accrued a total of $6.9 million under the reinsurance – $9.8 million in earned premium less approximately $2.9 million in ceding commissions and paid losses. Amounts payable to the participating companies will be remitted in June, after the reinsurance period has ended.

Three companies have received approval to participate in the Voluntary Market Depopulation Program: State National Insurance Company, Weston Insurance Company, and United Property and Casualty Insurance Company. As of May 5, 2017, the participating carriers have reported that 417 policies have been bound through this program.

Section E: Standards of Conduct

Business Ethics and Conflicts of Interest Policy

TWIA developed and implemented a comprehensive Business Ethics & Conflict of Interest Policy ("Ethics Policy") in February 2011. The policy was later revised in September 2011 and April 2012 to incorporate changes mandated by HB 3 and to further define prohibited employment relationships. The Ethics Policy was updated again in February 2016 as part of our normal policy review cycle. The revisions were approved by the TWIA Board and Texas FAIR Plan Governing Committee at their respective February quarterly meetings. The Policy was updated to reflect improvements in Association operations, internal controls, and culture; to address normal business practices; and to modernize and simplify the format and readability of the Policy. The Ethics Policy reflects the statutory standards of Sections 2210.012 and 2210.013 and states that a member of the TWIA Board of Directors or employee shall not:

(1) Accept or solicit any gift, favor, or service that could, by reasonableness standards, tend to influence the person in the performance or nonperformance of his or her job duties and/or that the person knows or should know is being offered to influence the person's actions;

(2) Accept other employment or engage in any activity that the person might reasonably expect would require or induce the person to disclose confidential information the person gained through his or her responsibilities or position within the Associations;

(3) Accept other employment or compensation that could reasonably be expected to impair the person's independent judgment in the performance of his or her job;

(4) Make personal investments that could reasonably be expected to create a substantial conflict between the person's private interest and the interest of the Associations; or

(5) Intentionally or knowingly solicit, accept, or agree to accept any benefit, financial or otherwise, for exercising the person's authority or performing the person's job duties in favor of another.

Section 2210.015, enacted in 2011, prohibits certain contracts and employment relationships. Specifically, the Association is prohibited from contracting with or employing individuals related to a Board member or current employee within the second degree of affinity or the third degree of consanguinity. The Ethics Policy mirrors the Insurance Code provisions to ensure adherence to both the letter and spirit of the law, as well as to avoid even the appearance of improprieties.

Ethics Training and Initiatives

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

(1) The Association conducts stand-alone ethics training for existing employees as well as separate training for new employees and contractors. Legal and Compliance staff teach quarterly TWIA 101 sessions for new employees and conduct regular sessions for new contractors. TWIA 101 is a comprehensive orientation program for new employees and includes, among other topics, an hour-long ethics module. After completion, employees are able to:

   a. Define ethics and conflicts of interest
   b. Understand how to deal with conflicts of interest
   c. Recognize the significance of the appearance of impropriety
   d. Understand how ethics impacts the organization
   e. Understand the TWIA/TFPA Ethics Policy
   f. Know what types of relationships are prohibited and what types must be disclosed
   g. Understand what gifts can be accepted, how to reject a gift, and how to complete the appropriate forms

   TWIA 101 was completed for all existing employees in March 2014. All Board members, employees, and contractors are required to complete an Annual Certification acknowledging review of the Ethics

Policy and agreeing to adhere to its terms. Additionally, all TWIA employees attended a Rights and Responsibilities training in the second quarter of 2016 that reviewed the updated Ethics Policy and other related employee policies.

(2) At the onset of employment or at first discovery, certain business and personal relationships must be disclosed. Extra controls were implemented in the Claims Department in 2012 to ensure Claims Examiners did not issue payments to former employers. Claims conducts regular audits to verify compliance within the department.

(3) All employees and contractors must file gift disclosures for the acceptance of permissible gifts as well as the rejection of certain prohibited gifts. Gift disclosures are tracked and monitored to ensure compliance with limits outlined in the Ethics Policy.

(4) The Ethics Policy is easily accessible to all employees and contractors via a desktop shortcut installed on each PC on the network, as well as a shared central repository dedicated exclusively to housing the Association's policy and procedural documents.

(5) The Association developed a system to record and monitor required certifications and training, such as the Annual Ethics Certification, gift disclosures, and training classes.

(6) Ethics & Compliance training was incorporated into field adjuster training beginning in February 2012, and it continues to be a central theme of this training.

Fraud Reporting

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

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

Special Investigations Unit/Fraud Abatement

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

insurance fraud and fraud indicators. TWIA's SIU program tracks referral rates, results, and reports made to the Texas Department of Insurance Fraud Intake Unit. Generally, wind and hail claims do not generate the same number of SIU referrals and fraud reports as policies with coverage for perils like fire, theft, vandalism, etc. The following chart illustrates a sharp increase in fraud investigations and reports from 2010, evidencing TWIA's increased focus and responsibility on fraud abatement and reporting. After TWIA retained Veracity Research in 2012, reporting levels moderated, reflecting a more sophisticated assessment by the vendor of the "reasonable suspicion of fraud" standard. Increased claim activity in 2015 and 2016 has contributed to the rise in referrals for those years.

Reports Filed	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2014	Dec 2015	Dec 2016	2017 YTD
TDI Fraud	6	32	35	15	19	48	55	10
TDI Enforcement	5	7	24	9	2	9	2	0

Whistleblower Policy

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

Section F: Annual Statement

Texas Insurance Code Section 2210.054 requires TWIA to file annually with TDI and the State Auditor's Office a financial statement summarizing the transactions, conditions, operations, and affairs of the Association during the preceding year. The **2016 Annual Statement** was filed on February 21, 2017. The statutory balance sheet shows the financial position of TWIA in April 2016 compared to April 2017. The statutory income statement shows a comparison between the actual and budgeted revenues and expenses.

TEXAS WINDSTORM INSURANCE ASSOCIATION
Statutory Balance Sheet (000's omitted)

	April-17	December-16
Admitted Assets		
Cash and short term investments:		
Unrestricted	$ 369,167	$ 493,888
Restricted - Funds Held at TTSTC	545,224	535,802
Restricted - Funds Held at TTSTC (Non Admitted)	(74,687)	(59,160)
Total cash and short term investments	839,704	970,530
Premiums receivable & other	11,186	2,178
Amounts recoverable from reinsurers	-	-
Total admitted assets	**$ 850,890**	**$ 972,708**
Liabilities, Surplus and other funds		
Liabilities:		
Loss and Loss adjustment expenses	76,121	53,459
Underwriting expenses payable	10,573	10,281
Unearned premiums, net of ceded unearned premiums	210,821	237,726
Ceded reinsurance funds payable	6,945	29,316
Principal Outstanding on Class 1 Pre Event Bonds	458,400	458,400
Interest Payable on Class 1 Pre Event Bonds	12,168	18,252
Provision for reinsurance	-	-
Other payables	23,421	18,260
Statutory fund payable	52,442	147,015
Total liabilities	**850,890**	**972,708**
Surplus and others funds		
Unassigned surplus	-	-
Total liabilities, surplus and other funds	**$ 850,890**	**$ 972,708**
Balance in CRTF	**$ 737,405**	**$ 587,860**
Balance in CRTF including Statutory fund payable	**$ 789,847**	**$ 734,875**

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

			for the four months ended April 30,		
	Actuals - 2017	**Budget - 2017**	**Variance - 2017**		**Actuals - 2016**
Premiums Written:					
Direct	$ 130,074	$ 145,218	$ (15,144)		$ 146,685
Ceded	-	-	-		-
Ceded - Depopulation	(7,361)	(9,372)	2,012		-
Net	122,714	135,846	(13,132)		146,685
Premiums Earned:					
Direct	$ 156,979	$ 161,432	$ (4,453)		$ 165,718
Ceded	-	-	-		-
Ceded - Depopulation	(7,361)	(9,372)	2,012		-
Net	149,618	152,060	(2,442)		165,718
Deductions:					
Direct Losses and LAE Incurred	42,083	37,904	4,179		37,833
Direct Losses and LAE Incurred - Ike & Dolly	(2,500)	-	(2,500)		-
Ceded Losses and LAE Incurred - Depopulation	(775)	(2,156)	1,380		-
Operating Expenses	8,140	9,124	(984)		8,378
Depopulation Servicing	-	-	-		-
Commission Expense	20,812	23,234	(2,422)		23,473
Ceding commissions / brokerage	-	-	-		-
Ceding commissions / brokerage - Depopulation	(1,767)	(2,249)	483		-
Premium / Maintenance Tax	2,569	2,861	(292)		2,862
Total Deductions	68,562	68,718	(156)		72,547
Net Underwriting Gain or (Loss)	81,056	83,342	(2,285)		93,171
Other Income or (Expense):					
Gross Investment Income	1,872	1,003	869		855
Interest Expense on Class 1 Bonds	(12,168)	(12,168)	-		(12,896)
Debt Issuance & Other Investment Expenses	(52)	(51)	(1)		(48)
Other Income (Expense)	1	-	1		12
Total Other Income or (Expense)	(10,347)	(11,216)	868		(12,077)
Net Income Before Income Taxes	70,709	72,126	(1,417)		81,095
Federal Income Tax Expense (Benefit)	-	-	-		-
Net Income (Loss)	$ 70,709	$ 72,126	$ (1,417)		$ 81,095
Surplus (Deficit) Account:					
Beginning Surplus (Deficit)	-	-	-		-
Net Income (Loss)	70,709	72,126	(1,417)		81,095
Change in Provision for Reinsurance	-	-	-		-
Principal Funded on Class 1 Bonds (net)	(15,526)	(15,106)	(420)		(14,278)
Change in nonadmitted assets - Income Tax Rec	-	-	-		-
Change in nonadmitted assets - Other	(2,740)	(2,653)	(87)		(1,894)
Other	-	-	-		-
Statutory Fund Cost	(52,442)	(54,367)	1,925		(64,922)
Ending Surplus (Deficit)	$ -	$ -	$ 0		$ -
Key Operating Ratios:					
Direct:					
Loss & LAE Ratio	25.2%	23.5%	1.7%		22.8%
UW Expense Ratio:					
Acquisition	18.0%	18.0%	0.0%		18.0%
Non Acquisition	5.2%	5.7%	-0.5%		5.1%
UW Expense Ratio	23.2%	23.6%	-0.5%		23.0%
Combined Ratio	48.4%	47.1%	1.3%		45.8%
Net:					
Loss & LAE Ratio	25.9%	23.5%	2.4%		22.8%
UW Expense Ratio:					
Acquisition	17.7%	17.6%	0.1%		17.9%
Non Acquisition	5.4%	6.0%	-0.6%		5.1%
UW Expense Ratio	23.2%	23.6%	-0.4%		23.0%
Combined Ratio	49.1%	47.1%	2.0%		45.8%

Section G: Examination of Association

Examination by the Texas Department of Insurance

Texas Insurance Code Section 2210.057 states that the Association is subject to examination by TDI pursuant to Sections 401.051, 401.052, 401.054-401.062, 401.151, 401.152, 401.155, and 401.156 and Subchapter A, Chapter 86. The last TDI examination was completed in October 2014, which revealed no material deficiencies or issues with operational or financial controls. All recommendations have been addressed.

Examination by the State Auditor's Office

Texas Insurance Code Section 2210.058 states "the association is subject to audit by the state auditor and shall pay the costs incurred by the state auditor in performing an audit under this section." The most recent audit by the State Auditor's Office (SAO) was completed in August 2012 and concluded that "the Texas Windstorm Insurance Association (Association) has improved its processing of claims. The Association also has controls to help produce accurate financial information, ensure accountability for Association funds, and adequately support and authorize non-claims-related expenditures." The SAO Report identified 13 observations and recommendations which resulted in 15 corrective measures. Implementation of these measures is 100% complete and there are no outstanding action items are reporting requirements.

Section H: Catastrophe Funding

Senate Bill (SB) 900, passed by the 84th Legislature, revised TWIA funding sources, providing a combination of public securities and company assessments and requiring total funding in an amount at least equal to the 100-year Probable Maximum Loss (PML), sufficient to cover 99% of all possible storm seasons.

Subchapter B-1 of Chapter 2210 (Sections 2210.071 – 2210.075), as amended by SB 900, describes the different sources of funding available to pay TWIA losses. Those sources are, in order:

- TWIA premiums and other revenue
- Available reserves and amounts in the CRTF
- Up to $500 million in Class 1 public securities, to be repaid by TWIA premiums and/or surcharges on TWIA policies
- Up to $500 million in Class 1 assessments on TWIA member companies
- Up to $250 million in Class 2 public securities, to be repaid by TWIA premiums and/or surcharges on TWIA policies
- Up to $250 million in Class 2 assessments on TWIA member companies

- Up to $250 million in Class 3 public securities, to be repaid by TWIA premiums and/or surcharges on TWIA policies
- Up to $250 million in Class 3 assessments on TWIA member companies
- Reinsurance or alternative risk financing in an amount sufficient to achieve total funding not less than a 100-year hurricane season
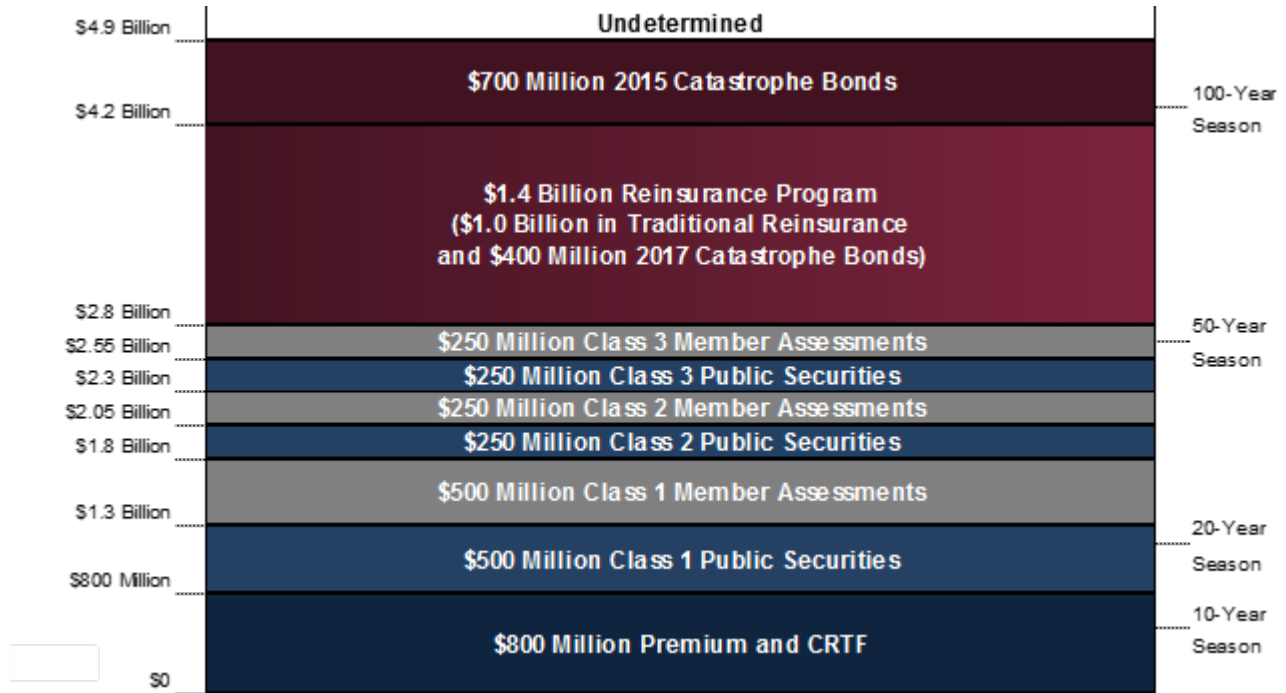
All Classes of public securities are backed solely by TWIA revenues and are not obligations of the State of Texas. Class 2 and 3 public securities, after a finding by the Commissioner of Insurance, may also be repaid by surcharges on coastal property policies.
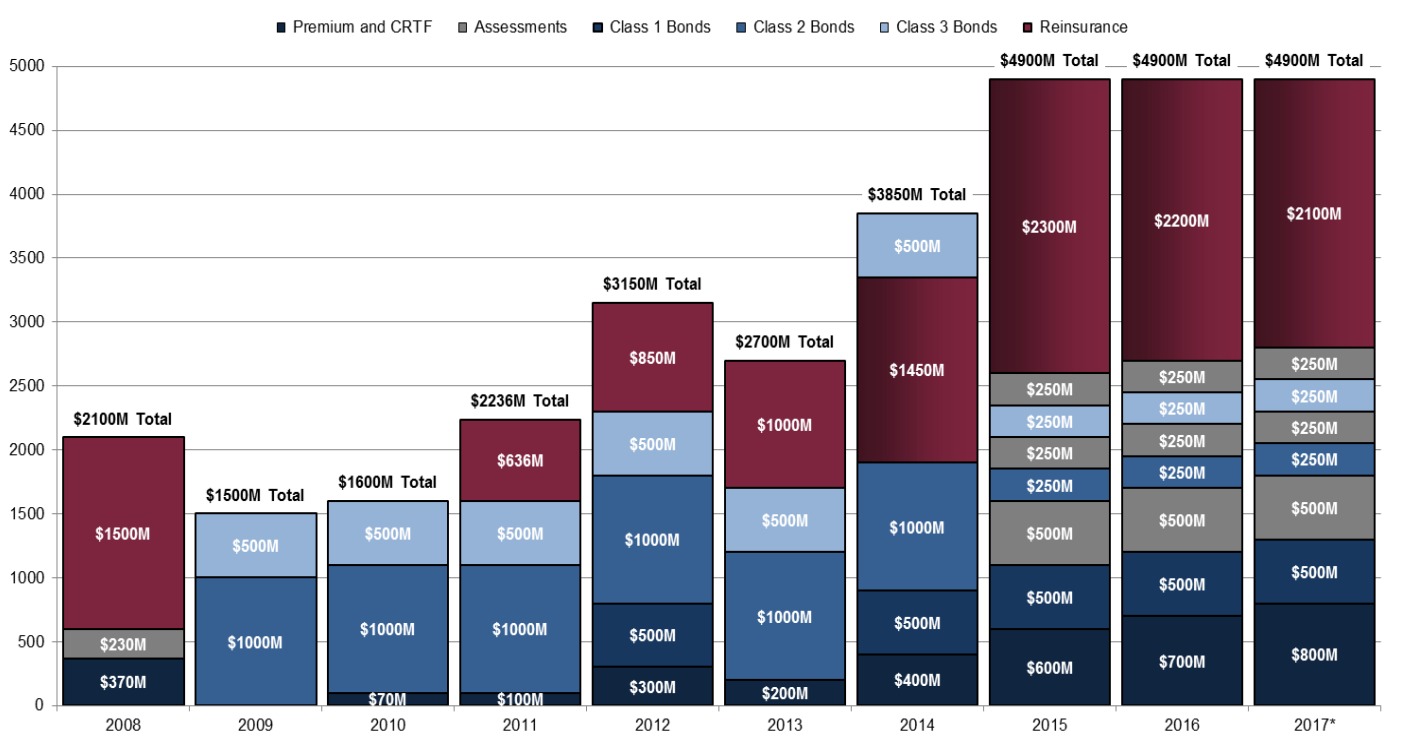
2017 Hurricane Season Funding

TWIA's 2017 reinsurance program, effective June 1, 2017 to May 31, 2018, provides $4.9 billion in total aggregate funding, sufficient for over 99% of all possible storm seasons and in excess of the statutory minimum funding. The reinsurance program provides coverage on an aggregate basis, meaning multiple hurricane events would be covered under the same reinsurance program. The 2017 program also includes catastrophe bonds, an aggregate amount of $1.1 billion, originally issued in 2014 and 2015, with staggered expirations in order to provide multi-year stability, diversification, and expanded claims-paying capacity.

Due to a reduction in TWIA exposures (including the projected impact of TWIA's depopulation programs) and minor changes in the hurricane models, the 100-year PML for 2017 decreased to $4.3 billion from $4.7 billion in 2016. With a record-balance of $737 million in the CRTF, including a contribution of $147 million from 2016 operations, TWIA continues to be well-positioned to meet or exceed its funding requirements.

TWIA's funding for the 2017 hurricane season is illustrated by the chart below and followed by a historical comparison of funding levels.

$4.9 Billion	Undetermined	
$4.2 Billion	$700 Million 2015 Catastrophe Bonds	100-Year Season
	$1.4 Billion Reinsurance Program ($1.0 Billion in Traditional Reinsurance and $400 Million 2017 Catastrophe Bonds)	
$2.8 Billion		50-Year Season
$2.55 Billion	$250 Million Class 3 Member Assessments	
$2.3 Billion	$250 Million Class 3 Public Securities	
$2.05 Billion	$250 Million Class 2 Member Assessments	
$1.8 Billion	$250 Million Class 2 Public Securities	
$1.3 Billion	$500 Million Class 1 Member Assessments	20-Year Season
$800 Million	$500 Million Class 1 Public Securities	
	$800 Million Premium and CRTF	10-Year Season
$0		

Storm frequencies based on modeled losses using TWIA exposures as of 12/31/16

Funding for 2008 shown as it existed for Hurricane Ike, post-Hurricane Dolly; unlimited additional funding available via reimbursable assessments. Funding for 2009-2011, 2013 assumes $0 Class 1 Public Securities issuable. Funding for 2012, 2014-2016 includes $500 million pre-event Class 1 Public Securities. Funding for 2015-16 incorporate bond repayments that differ from prior years. Funding for 2017 based on terms authorized by TWIA Board of Directors.

Section I: Board Composition

SB 900, signed into law on June 16, 2015, changed the composition of the Board of Directors, as described in Texas Insurance Code Section 2210.102. Under SB 900, the Board consists of nine members: three industry representatives from companies actively writing and renewing windstorm and hail insurance in first tier coastal counties, three public members residing in the first tier coastal counties, and three non-coastal representatives who live more than 100 miles from the Texas coast. One of the public members must also be a property and casualty agent who is licensed under this code and is not a captive agent.

New board members were appointed by the Commissioner of Insurance on October 1, 2015. The current membership of the TWIA Board of Directors is as follows:

Name	Position
Blair Crossan	Insurance Industry Representative
Joshua Fields	First Tier Coastal Representative
Chandra Franklin	First Tier Coastal Representative
Michael Gerik	Insurance Industry Representative
R. Scott Kesner	Non-Seacoast Territory Representative
Debbie King	Insurance Industry Representative
Georgia Neblett	First Tier Coastal Representative
Tony Schrader	Non-Seacoast Territory Representative
Bryan Shofner	Non-Seacoast Territory Representative

Section J: Open Meetings Act

Texas Insurance Code Section 2210.105 requires that, except for an emergency meeting, the Association shall notify TDI not later than the 11th day before the date of a meeting of the Board of Directors or of the members of the Association, and, not later than the seventh day before the date of a meeting of the Board of Directors, post notice of the meeting on TWIA's and TDI's websites. Section 2210.105 requires, except for a closed meeting authorized by Subchapter D, Chapter 551, Government Code (Texas Open Meetings Act), a meeting of the Board of Directors or of the members of the Association to be open to the Commissioner or the Commissioner's designated representative and the public. Section 2210.105 requires that TWIA broadcast live on its website all meetings of the Board of Directors, other than closed meetings, and maintain on its Internet website an archive of meetings of the Board of Directors. A recording of a meeting must be maintained in the archive on the website up to the second anniversary of the broadcast. Section 2210.108 provides that, except as specifically provided by Chapter 2210 or another law, TWIA is subject to Chapter 551 Texas Government Code, the Texas Open Meetings Act.

The Association continues to meet the requirements of the Open Meetings Act by complying with posting requirements for meetings of the Board of Directors and its subcommittees, as well as live broadcasting

of meetings and archival of those meetings for later viewing on the **Association website**. The following table lists the meetings conducted during the reporting period as well as upcoming meetings:

Date	Meeting
June 14, 2016	Quarterly Board of Directors Meeting
July 13, 2016	Actuarial and Underwriting Committee Meeting
August 1, 2016	Legislative and External Affairs Committee Meeting
August 2, 2016	Quarterly Board of Directors Meeting
September 12, 2016	Legislative and External Affairs Committee Meeting
October 21, 2016	Legislative and External Affairs Committee Meeting
November 8, 2016	Actuarial and Underwriting Committee Meeting
December 6, 2016	Quarterly Board of Directors Meeting
February 7, 2017	Quarterly Board of Directors Meeting
March 21, 2017	Interim Board of Directors Meeting
May 10, 2017	Quarterly Board of Directors Meeting

Section K: Public Information Act

Texas Insurance Code Section 2210.108 provides that, except as specifically provided by Chapter 2210 or another law, TWIA is subject to Chapter 552 Texas Government Code, the Texas Public Information Act. TWIA receives and responds to requests in accordance with the Act. The following table shows the number of requests received, withdrawn, and referred to the Office of the Attorney General (OAG) for a decision under the Act from 2011 through April 30, 2017.

	2011	2012	2013	2014	2015	2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Total Requests	108	182	162	161	89	41	5	4	3	1
Total Withdrawn Requests	7	16	14	17	9	7	0	2	0	0
Total OAG Rulings Requested	10	20	26	10	3	6	0	1	1	1
% Requests sent to OAG	9%	11%	16%	6%	3%	15%	0%	25%	33%	100%

As illustrated in the table above, requests increased 68.5% from 2011 to 2012, decreased 11% from 2012 to 2013, remained steady from 2013 to 2014, decreased by 44.7% from 2014 to 2015, and decreased another 54% from 2015 to 2016. In addition to the decrease in overall requests, there was a decrease in the number of requests by plaintiff's law firms in the past year: 27 in 2014, 25 in 2015, and six in 2016. Prior increases in the total number of inquiries may be attributed to negative media attention and a lack

of readily-accessible information provided for external stakeholders. These issues have improved as the Association sees more positive and neutral reporting in the media and as the Association's website and external communications efforts have dramatically improved and increased in 2015 and 2016.

Section L: Plan of Operation

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

(1) A plan for the equitable assessment of the members of the association to defray losses and expenses;
(2) Underwriting standards;
(3) Procedures for accepting and ceding reinsurance;
(4) Procedures for obtaining and repaying amounts under any financial instruments authorized under this chapter;
(5) Procedures for determining the amount of insurance to be provided to specific risks;
(6) Time limits and procedures for processing applications for insurance; and
(7) Other provisions as considered necessary by the department to implement the purposes of this chapter.
(8) The plan of operation may provide for liability limits for an insured structure and for the corporeal movable property located in the structure.

The Plan of Operation is in the Texas Administrative Code, Title 28, Chapter 5, Subchapter E.

In 2014, TWIA staff and counsel conducted a comprehensive review of the Plan of Operation to improve readability and eliminate any redundant or unnecessary provisions. TWIA staff and counsel proposed revisions to the Plan to accomplish those objectives. Initial revisions included removing redundancies, reorganizing, improving clarity and overall readability, and incorporating statutory changes through the 84th Legislative Session. Additional changes included adding a section that provides a process for suspending an agent's license if the agent fails to maintain documentation concerning a policyholder's eligibility and adding language to accommodate installment payments. The Board of Directors approved the proposed revisions at their meeting on April 5, 2016. The amended Plan of Operation was filed on May 6, 2016 and is currently under consideration by TDI.

Section M: Policy Issuance

Under Section 2210.203, if the Association determines that the property for which an application for initial insurance coverage is made is insurable property, the Association, on payment of the premium, shall direct the issuance of an insurance policy as provided by the Plan of Operation. A policy is issued for a one-year term and may be renewed annually on application for renewal as long as the property continues to be insurable property. Below are charts illustrating the number of policies currently in-force, the direct liability associated with those policies, and premiums written through April 30, 2017:

Policies In-Force

Policy Type	As of 4/30/16	As of 4/30/17	Change from Prior Year
Mobile Home	911	820	-5.26%
Residential	255,710	238,045	-3.58%
Commercial	11,238	9,770	-6.99%
Totals	267,859	248,635	-15.82%

Direct Liability

Policy Type	As of 4/30/2016	As of 4/30/2017	Change from Prior Year
Mobile Home	$47,556,217	$42,854,772	-5.20%
Residential	$67,642,542,460	$63,408,503,942	-3.23%
Commercial	$9,839,786,537	$8,098,514,243	-9.71%
Totals	$77,529,885,214	$71,549,872,957	-18.14%

Written Premiums (YTD)

Policy Type	As of 4/30/2016	As of 4/30/2017	Change from Prior Year
Mobile Home	$356,294	$310,443	-6.88%
Residential	$116,315,545	$107,222,218	-4.07%
Commercial	$30,012,782	$22,541,739	-14.22%
Totals	$146,684,621	$130,074,400	-25.16%

Section N: Compliance with Building Codes

Subchapter F of Chapter 2210 (Sections 2210.251-2210.259) set forth the building code and inspection requirements for eligibility in the Texas Windstorm Insurance Association and provide for limited exceptions. In accordance with these sections, TWIA requires a Certificate of Compliance (WPI-8 or WPI-8-C) for all structures constructed, altered, remodeled, enlarged, repaired, or to which additions have been made on or after January 1, 1988. TDI issues Certificates of Compliance (WPI-8) for ongoing improvements to structures. House Bill 2439 passed by the 84th Texas Legislature changed the windstorm certification process and required TWIA to implement a program to issue Certificates of Compliance (WPI-8-C) for completed improvements. The new law applies to a TWIA policy delivered, issued for delivery, or renewed on or after January 1, 2017. The Association implemented a process for receiving applications

for and issuing Certificates of Compliance (WPI-8-C) for completed improvements by January 1, 2017. As of April 30, 2017, TWIA has issued 462 Certificates of Compliance (WPI-8-C).

A noncompliant residential structure insured by the Association under the approval process regulations in effect on September 1, 2009 is subject to an annual premium surcharge of 15% of the policy premium. These surcharges are deposited directly into the CRTF. The following tables show the number of TWIA policies in-force under the various compliance standards and the total surcharge amounts deposited into the CRTF each year, as well as the amount contributed in 2017 as of April 30:

Compliance Standard	Policies In-Force	Year	Surcharges
Certificate of Compliance	218,791	2011	$6,675,047
WPI-8 Waiver	29,844	2012	$7,408,157
		2013	$7,233,546
		2014	$7,773,258
		2015	$7,458,898
		2016	$6,632,947
		2017	$1,495,208

The 83rd Texas Legislature enacted Senate Bill 1702, which amended the surcharge program for noncompliant structures and repealed the Alternative Eligibility Program. The bill also required structures insured by the Association on or after December 31, 2015, to comply with the applicable windstorm building code standards. Senate Bill 498 was enacted by the 84th Texas Legislature to indefinitely extend the WPI-8 waiver surcharge program, which allows non-compliant structures to be insured with TWIA for a 15% surcharge. The bill was signed into law by the Governor on May 28, 2015 and took effect immediately.

Section O: Rates

Pursuant to Texas Insurance Code Section 2210.352, not later than August 15 of each year, the Association shall file with TDI a proposed manual rate for all types and classes of risks written by the Association. The TWIA Board of Directors voted to file for a 0% change in rates at the August 2, 2016 board meeting. The filing was made with TDI on August 15, 2016.

Current indicated rate needs are as follows:

Rate Component		TWIA Rate Indications	
		Residential	Commercial
(1)	Non-Hurricane Loss & LAE Ratio	13.9%	8.7%
(2)	Hurricane Loss & LAE Ratio		
	Experience	38.5%	42.3%
	Modeled	47.3%	47.6%
	Combined	42.9%	45.0%
(3)	Net Cost of Reinsurance	15.8%	15.8%
(4)	Other Fixed Expenses	5.3%	5.3%
	Total Indicated Loss & LAE Ratio	77.9%	74.8%
(5)	Contribution to CRTF	20.0%	20.0%
(6)	Other Variable Expenses	18.0%	18.0%
	Variable Permissible LLAE Ratio	62.0%	62.0%
	Indicated Rate Change	+26%	+21%
Notes:	(1) Residential ratio based on industry losses over last 10+ years Commercial ratio based on TWIA losses over last 10+ years (2) Combined ratio selected giving equal weight to experience and modeled losses Experience projected using long-term historical frequency and industry experience Model results projected using long-term frequency (3) Based on the net cost of reinsurance after accounting for potential recoveries (4) Includes general operating expenses of the Association (5) Selected to generate increased contributions to the CRTF; includes repayment of outstanding Class 1 Public Securities (6) Includes commissions, taxes, licenses, and fees		

Section P: Catastrophe Plan

Texas Insurance Code Section 2210.455 requires the Association, not later than June 1 of each year, to submit to the Commissioner, the Legislative Oversight Board, the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives a catastrophe plan covering the period beginning on the date the plan is submitted and ending on the following May 31. The **2017 TWIA Catastrophe (CAT) Incident Response Plan** is included with this 2017 Annual Report Card, published on June 1.

TWIA is constantly improving the Association's claims resource capacity and ability to respond promptly and effectively to catastrophic claims situations. Claims leadership conducts frequent enterprise-wide catastrophe planning meetings to update the CAT Plan with information about these improvements and

with knowledge gained from real and modeled events. The 2017 version of the CAT Plan remains a streamlined, dynamic document that provides detailed information regarding:

- roles and responsibilities for Claims and all other TWIA departments
- information regarding available resources
- details about scalability for larger events, including pre- and post-event loss projection and staffing modeling tools
- operational guidelines and directives for TWIA's response to a catastrophe that align with emergency incident response best practices
- a corrective action program incorporating after-action reporting and improvement planning processes
- requirements for testing, training, and exercises to ensure continuous planning improvement

TWIA has implemented communications initiatives to educate stakeholders about TWIA's capabilities and planned response before, during, and after a storm. Claims continues to meet with Office of Emergency Management officials in various coastal counties. These outreach efforts have given the Association the opportunity to identify areas of improvement related to communication with coastal emergency management offices and deployment of staff in response to incidents. Staff presented the CAT Plan to the Commissioner of Insurance and other TDI and legislative staff in 2014, 2015, and 2016 and plan to do so in 2017 as well.

In April 2017, TWIA implemented a staff field adjuster program in the Harris and Galveston County areas, placing two new staff adjusters on the scene in these high claim volume areas. The staff adjusters are able to work more closely with policyholders to inspect their properties and resolve their claims, which helps to increase service levels and reduce the expenses associated with outsourcing this work to independent field adjusters. In the event of a major storm, the staff adjusters can help to supervise field resources deployed in response to the storm. The Association may add additional staff field adjusters depending on the success of the program and based on needs associated with increased claim volume in the area.

Testing and Activation

TWIA has activated the CAT Plan ten times since January 1, 2012 for localized wind and hail events and has updated the plan based on information gathered from these events. In April 2015, the CAT Plan was activated in response to a prolonged period of severe weather, resulting in the most non-hurricane claims in Association history. 14,706 claims were opened as a result of storms in April, May, and June 2015. The CAT Plan was also activated in October 2015 in response to post-tropical storm Patricia and storms on Halloween weekend. 1,544 claims from these events were filed with TWIA. The Claims Department

maintained low cycle times from receipt of claim to payment, high staff performance, and positive customer satisfaction ratings throughout 2015 despite the high claim volume.

The CAT Plan was not activated in 2016 due to more favorable weather. On February 14, 2017, the CAT Plan was activated in response to severe thunderstorms and multiple tornados touching down in several counties in the coverage area. Less than 300 claims were filed as a result of the storms, resulting in the CAT Plan activation being used as an opportunity to test the plan and serve policyholders impacted by the storms.

TWIA first tested the CAT Plan in an enterprise-wide simulation in June 2014. Results showed a high level of enterprise readiness, with no significant negative findings. Continued testing of the Association's CAT response capabilities occurred in November 2015 with the successful completion of a demonstration of the Mobile Claims Center, TWIA's portable office for providing services after an incident. The two activations of the CAT Plan in 2015 also allowed the Claims Department to create and incorporate after action reports into an improvement plan which has helped determine the need for additional testing, training, and exercises going forward.

TWIA conducted an additional exercise using the Mobile Claims Center in February 2017 to determine if findings from prior exercises were documented and properly addressed. This entailed a full simulation of the Mobile Claims Center that included actors serving as policyholders who went through the process of reporting a claim, obtaining a claim payment, and addressing their claim status. Findings demonstrated TWIA's improvement in most areas, but also identified issues to address. These were submitted in an after action report to TWIA's Corrective Action Program team and included in an improvement plan.

In April 2017, TWIA participated in a FEMA Virtual Table Top Hurricane Exercise with several public and private organizations around the United States. The exercise revealed a high level of Association preparedness to respond to a storm event and an ability to operate successfully under a structured Incident Command System. It also showed the detail and functionality of TWIA's CAT Plan and the Association's overall readiness compared to other participating organizations in the exercise. The CAT Plan will continue to be evaluated annually to determine the need to update plan objectives and for testing, training, and exercises.

Section Q: Limits of Liability

Under Texas Insurance Code Subchapter K of Chapter 2210 (Sections 2210.501 – 2210.504), TWIA is required to propose inflation adjustments to the maximum liability limits under a windstorm and hail policy. The TWIA Board of Directors voted to file for no change in its maximum liability limits at the August 2, 2016 board meeting, based on slight decreases in construction costs. The Commissioner of Insurance approved TWIA's filing on December 2, 2016.

The current maximum limits are:

	2017
Dwellings and individually owned townhouses	$1,773,000
Contents of an apartment, condominium, or townhouse	$374,000
Commercial structures and associated contents	$4,424,000

Section R: Certain Appeal and Other Actions

Part 1. Appeals

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

Part 2. Voluntary Arbitration & Certain Coverages and Claim Disputes

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

Part 3. Claims: Settlement and Dispute Resolution

HB 3 made significant changes to both the process by which insureds can dispute TWIA's decision relating to the payment of, the amount of, or the denial of claims, and the remedies available to insureds. First, Section 2210.014 made Insurance Code Chapters 541 (Bad Faith) and 542 (Prompt Pay Act) inapplicable to TWIA claims. Second, Section 2210.572(c) made the Deceptive Trade Practices Act inapplicable to TWIA. These were three of the main causes of action asserted by insureds who sued TWIA, alleging claims were underpaid or settled in bad faith. The new provisions of Chapter 2210, Subchapter L-1, now provide the process for claims decisions, payments, and disputes.

The TWIA Claims Department has trained all Claims personnel on the new claim-handling procedures and deadlines included in HB 3 and revised the claims decision letters to provide clear explanations of the

portions of claims that the Association has accepted or denied, in full or in part, as required by Section 2210.573(d). In addition, claims decision letters now include instructions for disputing accepted or denied claims and provide forms that insureds can use to begin the dispute resolution process, as required by Section 2210.573(e)-(g).

Below is a table of data (as of April 30, 2017) regarding claims subject to the HB 3 dispute resolution process. The table represents information for all HB 3 claims filed since HB 3's inception in 2011. Dispute frequency tracks the total number of HB 3 claims, and the number and percentage of HB 3 claims in which the policyholder is disputing the claims disposition for any reason.

Disputed Claims Tracker*						
Dispute Frequency			Disputed Claims			
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Notice of Intent	Mediation	Suits
44,749	480	1.07%	306	197	56	7

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

Part 4. Appraisal and Rulemaking

All disputes regarding claims that are accepted by the Association must be submitted to an appraisal process pursuant to Section 2210.574. The Department adopted rules to govern this appraisal process.

Section S: Ombudsman Funding and Program

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

Communications staff has cultivated a strong relationship with TDI's TWIA Ombudsman, a position created by HB 3. TWIA continues to work closely with the Ombudsman to implement and develop an outreach program to promote policyholder education in the coastal areas. As part of this outreach, staff members attend and conduct presentations at a variety of events, many hosted by area chambers of commerce and other local organizations. Presentations have focused on internal changes at TWIA, eligibility and coverage issues, windstorm certification requirements and exceptions, what to expect from the claims process, and important changes resulting from legislation.

Ultimately, the program will include targeted strategies for a variety of objectives in the coastal areas.

During the reporting period (June 2016 to June 2017), TWIA participated in the following events:

2016 Events

- Communications staff participated in the Nueces County Community Hurricane Preparedness Fair in June 2016,
- Communications and Underwriting staff convened an agent focus group in June 2016 to get feedback about the implementation of Policy Center for commercial and manufactured home policies,
- TWIA staff attended the 2016 Mid-Year Property & Casualty Insurance Symposium in July 2016,
- TWIA staff attended the Texas State Collaborative Meeting in August 2016,
- TWIA staff presented the CAT Plan to TDI and legislative staff in August 2016,
- Communications staff presented at the Texas Realtors Conference and met with local government and agency stakeholders in Galveston in September 2016,
- TWIA staff attended the Friendswood Chamber of Commerce's general membership luncheon in October 2016, and
- TWIA staff presented at the Del Mar College Emergency Preparedness for Small Business event in October 2016.

2017 Events

- TWIA staff convened an agent focus group in January 2017 to get feedback about the prioritization of Policy Center enhancements,
- TWIA staff met with key agency and realtor stakeholders and OEM and ISD stakeholders in Galveston and Friendswood in February 2017,
- TWIA and TDI staff jointly presented on Certificates of Compliance (WPI-8s and WPI-8-Cs) at the Structural Insulated Panel Association's annual conference in February 2017,
- TWIA and TDI staff jointly presented on Certificates of Compliance (WPI-8s and WPI-8-Cs) to Corpus Christi and Port Aransas area builders and contractors at the Coastal Bend Home Builders Association in March 2017,
- TWIA's Vice President of Claims presented with Louisiana Citizens Property Insurance Corporation on both organization's hurricane preparedness initiatives In April 2017,
- TWIA and TDI staff jointly presented on Certificates of Compliance (WPI-8s and WPI-8-Cs) at the Coastal Bend Hurricane Conference in May 2017,
- TWIA staff met with Legislative District Directors for Rep. Ed Thompson, Rep. Wayne Faircloth, Rep. Greg Bonnen, Rep. Dennis Bonnen and Sen. Larry Taylor to discuss Association operational updates and constituent concerns in May 2017,
- TWIA and TDI staff jointly presented on Certificates of Compliance (WPI-8s and WPI-8-Cs) to the

Galveston Association of REALTORS in May 2017,

- TWIA and TDI staff jointly presented Certificates of Compliance (WPI-8s and WPI-8-Cs), depopulation and hurricane preparedness at the Friendswood Annual Hurricane Preparedness Meeting and met with key agency stakeholders in Brazoria, Matagorda, and Calhoun Counties in May 2017,
- TWIA staff attended the League City OEM's Hurricane Blowout in May 2017,
- TWIA staff attended the Texas Division of Emergency Management's annual conference in May 2017,
- TWIA staff attended the Galveston Hurricane Preparedness Fair in May 2017, and
- TWIA staff presented on hurricane preparedness to small business owners at Del Mar College in Corpus Christi in May 2017.

Section T: Annual Evaluation of Association Management

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

Beginning January 1, 2012, TWIA's annual budget has been based upon department-level budgets for which department management and their staffs are held accountable. To reflect that accountability and to establish objective standards appropriate to each employee, the Association established individual performance standards for each position. The 2016 budget was reviewed and approved by the Board of Directors at its December 8, 2015 meeting, and the 2017 budget was reviewed and approved by the Board of Directors at its December 6, 2016 meeting.

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

TWIA staff are evaluated against a set of performance standards, including objective performance measures based upon their departments and their individual roles. Each department head is accountable for his or her individual budget, so the individual performance measures comprise a portion of the standard of performance against which department heads are evaluated. Employees within each department have objective measures against which to evaluate performance. Performance evaluation documents reflect these areas of accountability.

The Association has established risk management objectives in the form of business continuity planning, catastrophe response planning, reinsurance, and other funding mechanisms to effectively manage the financial and human resources of the organization in meeting its established purpose.

TEXAS WINDSTORM
INSURANCE ASSOCIATION

TEXAS FAIR PLAN
ASSOCIATION

TWIA & TFPA

Catastrophe Incident

Response Plan

John W. Polak, CPCU
June 1, 2017

General Manager's Message

The Catastrophe (CAT) Incident Response Plan for Texas Windstorm Insurance Association (TWIA) and Texas FAIR Plan Association (TFPA) is at the core of the Association's multi-faceted storm preparedness program. The 2017 Plan that follows reflects the continuing maturation of our program, achieved through increased testing and training, proactive relationship-building with community response organizations, and the development of an actionable Deployment Plan.

At the Association we all share in the ownership of the CAT Plan. Each department has participated in and contributed to testing, exercises, and training. The testing and exercise After Action Reports (AARs) helped us identify improvements that were included in this year's CAT Plan and Deployment Plan.

Externally, we continue to increase our communication and coordination with emergency management organizations and community stakeholders at the local, county, and state levels. This has led to an improved and shared understanding of the roles of TWIA and TFPA in a CAT response.

At the Association we recognize the privilege and accept the responsibility of serving our policyholders and the Texas Coast. As such, the 2017 CAT Plan addresses more than our statutory requirement of full compliance with insurance codes for claims handling during a catastrophe. The 2017 Plan exemplifies how the Association is ready to respond to our coverage communities when they need us most.

With a steadfast commitment to those we serve,

John W. Polak, CPCU
General Manager

Table of Contents

Living Document Disclaimer

This is a living document prepared per Section 2210.455 of the Texas Insurance Code. In the event of any inconsistency or discrepancy, the controlling policy, regulation, or law prevails. All content found within this plan is subject to change, with the exception of that which is mandated by statute. Printed or distributed copies cannot be controlled. Announcements contained in such printed or electronic materials are subject to change without notice, and may not be regarded in the nature of binding obligations on the Association.

Introduction
Purpose

The Catastrophe (CAT) Incident Response Plan describes the activities Texas Windstorm Insurance Association (TWIA) and the Texas FAIR Plan Association (TFPA) will conduct in preparation for, and in response to, a catastrophic incident. This document demonstrates planning and mitigation efforts, deployment procedures, and continuous improvements TWIA and TFPA employ throughout the year.
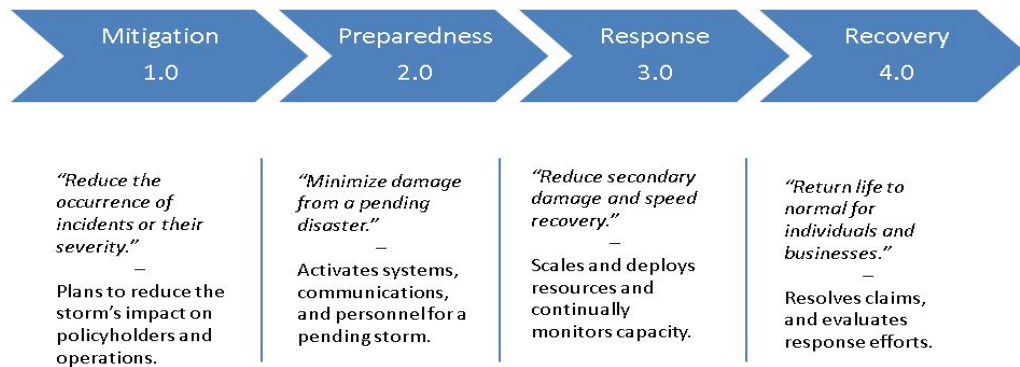
Background

Texas Insurance Code 2210.455 requirements state that TWIA must submit a CAT Plan each year, and that planning should occur for the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year). This Plan describes how the Associations will respond to incidents of varying scales, including how losses are evaluated and claims are processed if a catastrophe affects an area of maximum exposure. TFPA is not subject to Chapter 2210, but fully participates in incident planning and remains ready for the various kinds of incidents that may impact TFPA policyholders. These requirements are guidelines and should not bind the Associations to a particular course of action.

About This Plan

This Plan is aligned with the phases of catastrophic incident response followed by the Texas Division of Emergency Management (TDEM): Mitigation, Preparedness, Response, and Recovery. The Associations focus on helping policyholders recover from catastrophic incidents: in particular, making sure the insurance claims process holds up under extreme claim volume, and helping ensure normal business processes are not interrupted. The Plan provides resources and logistics for repairing covered properties, and thus for helping communities return to their pre-event state.

Plan Phases:

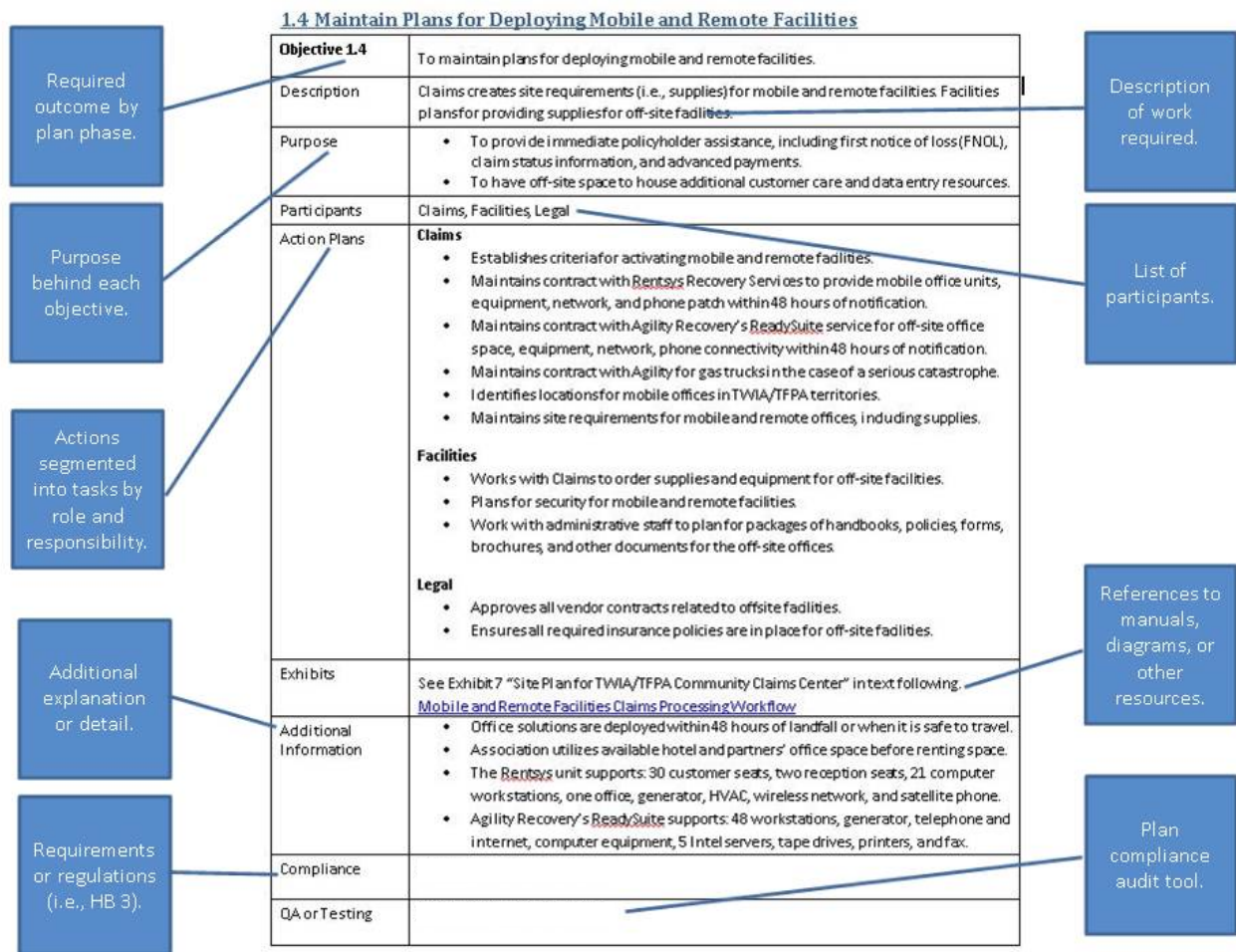| Mitigation 1.0	Preparedness 2.0	Response 3.0	Recovery 4.0
"Reduce the occurrence of incidents or their severity." — Plans to reduce the storm's impact on policyholders and operations.	*"Minimize damage from a pending disaster."* — Activates systems, communications, and personnel for a pending storm.	*"Reduce secondary damage and speed recovery."* — Scales and deploys resources and continually monitors capacity.	*"Return life to normal for individuals and businesses."* — Resolves claims, and evaluates response efforts.

Plan Objectives

Objectives have been established for each phase of the Plan. The objectives are important benchmarks to ensure:

- Compliance with legal and regulatory requirements
- Compliance with required Association procedures
- Uninterrupted essential services with prompt and fair claims handling
- Modeling for staff scalability and catastrophe funding
- Coordination of action plans between Departments
- Clear roles and responsibilities for staff and vendors
- Documented processes for quality assurance
- Leadership in assisting with community recovery

Exhibit 1: Sample Objective from the Catastrophe (CAT) Incident Response Plan

1.4 Maintain Plans for Deploying Mobile and Remote Facilities

Objective 1.4	To maintain plans for deploying mobile and remote facilities.
Description	Claims creates site requirements (i.e., supplies) for mobile and remote facilities. Facilities plans for providing supplies for off-site facilities.
Purpose	• To provide immediate policyholder assistance, including first notice of loss (FNOL), claim status information, and advanced payments. • To have off-site space to house additional customer care and data entry resources.
Participants	Claims, Facilities, Legal
Action Plans	**Claims** • Establishes criteria for activating mobile and remote facilities. • Maintains contract with Rentsys Recovery Services to provide mobile office units, equipment, network, and phone patch within 48 hours of notification. • Maintains contract with Agility Recovery's ReadySuite service for off-site office space, equipment, network, phone connectivity within 48 hours of notification. • Maintains contract with Agility for gas trucks in the case of a serious catastrophe. • Identifies locations for mobile offices in TWIA/TFPA territories. • Maintains site requirements for mobile and remote offices, including supplies. **Facilities** • Works with Claims to order supplies and equipment for off-site facilities. • Plans for security for mobile and remote facilities. • Work with administrative staff to plan for packages of handbooks, policies, forms, brochures, and other documents for the off-site offices. **Legal** • Approves all vendor contracts related to offsite facilities. • Ensures all required insurance policies are in place for off-site facilities.
Exhibits	See Exhibit 7 "Site Plan for TWIA/TFPA Community Claims Center" in text following. Mobile and Remote Facilities Claims Processing Workflow
Additional Information	• Office solutions are deployed within 48 hours of landfall or when it is safe to travel. • Association utilizes available hotel and partners' office space before renting space. • The Rentsys unit supports: 30 customer seats, two reception seats, 21 computer workstations, one office, generator, HVAC, wireless network, and satellite phone. • Agility Recovery's ReadySuite supports: 48 workstations, generator, telephone and internet, computer equipment, 5 Intel servers, tape drives, printers, and fax.
Compliance	
QA or Testing	

Callouts (left): Required outcome by plan phase. • Purpose behind each objective. • Actions segmented into tasks by role and responsibility. • Additional explanation or detail. • Requirements or regulations (i.e., HB 3).

Callouts (right): Description of work required. • List of participants. • References to manuals, diagrams, or other resources. • Plan compliance audit tool.

Mitigation Phase (1.0)

According to the Texas Division of Emergency Management (TDEM), the goal of mitigation is not to prevent natural disasters, but to "reduce their severity." Planning for mitigation occurs Enterprise-wide. Departments participate in personnel training, the updating of documentation, and strategic planning for how to scale up resources and supplies when faced with a catastrophic incident.

Even before an active threat is on the horizon, TWIA and TFPA have completed the work necessary for an efficient and effective catastrophic incident response. Further effort is focused on completing yearly planning, on testing prior to hurricane season, and on corrective action planning.

1.1 Maintain a Catastrophe (CAT) Incident Response Plan

Objective 1.1	To maintain a catastrophe (CAT) incident response plan.
Description	Assure a detailed Plan is in place. Update and make improvements to the Plan after an incident or a test. Annually submit updated Plan as required by Texas Insurance Code 2210.
Purpose	- To plan for delivering essential services in the case of a catastrophic incident. - To keep the Plan current with changes in the Associations' workflows and procedures.
Participants	General Manager, All Departments
Action Plans	**Claims** - Selects the Plan committee and recruits staff to assist with updates. - Sets regular meetings of the committee to develop updates. - Implements feedback from Plan tests. - Meets with TWIA/TFPA Departments to review updates. - Submits the Plan to the Executive Leadership Team for approval. **All Departments** - Review Plan to identify and assess roles and responsibilities. - Assist with updating the Plan, including sending updates to the CAT Plan committee. - Assist with training Department staff on Plan requirements. - Work under Corrective Action Program (CAP) to ensure continuous improvement. - Assist with implementing testing, including Department tests of relevant objectives. **General Manager and Executive Leadership Team** review and give Plan approval. **Communications and Legislative Affairs** submits Plan to internal and external stakeholders no later than June 1. **Claims** works with Executive Leadership Team to identify areas for improvement and creates an improvement plan including testing, training and exercises.
Exhibits, or Related Documents	[Appendix A - CAT Plan Revisions Log](#)
Additional Information	The Vice President of Claims networks with other wind pools concerning CAT mitigation and claims processing.
Compliance	Fulfills the need to model one, two, and four-in-100 year storms, and the need to describe pre- and post-storm processes as per Texas Insurance Code 2210.455.
QA or Testing	

1.2 Maintain Methodologies for Incident Analysis and Exposure Modeling

Objective 1.2	To maintain methodologies for incident data analysis and exposure modeling.
Description	Maintain methodologies to predict and confirm weather data in order to forecast and assess claims for a catastrophic incident.
Purpose	To plan for delivering essential services in the case of a catastrophic incident.
Participants	Claims, Actuarial
Action Plans	**Claims** - Assigns business analyst to gather, format, and update Policy-In-Force (PIF) data. - Receives storm activity data each day across the U.S. from weather data vendor. - Maintains services with weather data vendor to automatically order wind or hail storm reports for the address of a policyholder filing a claim. - Runs regularly scheduled queries for Policy in Force (PIF) data for TWIA/TFPA. - Runs ad hoc queries for Policy in Force (PIF) data, as needed. - Trains resources on weather tracking and exposure modeling. - Evaluates and purchases web tools for storm data tracking. - Maintains process for determining potential PIF impact depending on the number of policies in impacted Association territories. - Maintains spreadsheet with formulas to model potential exposures in the case of a catastrophic incident. **Actuarial** manages the modeling of TWIA and TFPA exposures prior to hurricane season.
Exhibits, or Related Documents	- TWIA and TFPA Policy-In-Force (PIF) Data - Hail/Wind Shape File Data Map - Exhibit 2 "Hurricane/Tropical Storm Loss Projection Model."
Additional Information	
Compliance	Fulfills the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455.
QA or Testing	

Exhibit 2: Hurricane Loss Projection Model

Storm Data Map - Loss Projection Model					
Wind Speed (MPH)	**TWIA Residential PIF**	**TWIA Commercial PIF**	**TWIA Total PIF**	**Projected Claim Frequency**	**Projected Claim Volume**
< 50	51,453	8,445	59,898	5-10%	2, 995 - 5,990
50 - 69	25,248	3,636	28,884	11-35%	3,177 - 7,221
70 - 89	131,142	9,372	140,514	36-50%	36,534 - 70,257
90 - 109	24,828	2,736	27,564	51-75%	14,058 - 20,673
>109	9	2	11	76-100%	<11
Totals	232,680	24,191	256,871	. . .	70,823 - 107,040

1.3 Utilize Scalability Modeling to Predict Staffing Needs

Objective 1.3	To utilize scalability modeling to predict staffing needs.
Description	Model the number and type of staff needed to provide essential services for the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Purpose	- To increase the ability to activate resources after a catastrophic incident. - To uphold the Associations' commitment to deliver prompt and fair claims service.
Participants	Claims, General Manager
Action Plans	**Claims** - Obtains and formats relevant data for incident modeling and exposure modeling. - Creates resource scalability models for one, two, four, and ten-in-100 year incidents. - Continually adapts the "Claims Resource Scalability Model" to estimate capacity based on exposure modeling and projections. - Compares current resources against scalability models to gauge capacity. - Continually assesses need for approved claims examiners, managers, customer care, quality assurance, field re-inspectors, field adjusters, emergency mitigation, engineers, building consultants, and contents specialists. - Publishes approved vendor fee schedules. - Confirms available resources and maintains approved vendor contact information. - Runs indirect incident modeling in the case of incidents outside Association territories. - Maintains mobile office and off-site office staffing plans for various CAT scenarios. **General Manager** reviews quarterly updates on vendor assignment process.
Exhibits, or Related Documents	Exhibit 3 "TWIA One Percent Probability Event," Exhibit 4 "TWIA Two Percent Probability Event, Exhibit 5 "TWIA Four Percent Probability Event, and Exhibit 6 "TWIA Ten Percent Probability Event."
Additional Information	In addition to complying with Texas Insurance Code 2210.455, also models ten-in-100 year incidents (i.e., 10 percent event).
Compliance	- Fulfills the need to model one, two, and four-in-100 year incidents, and the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455. - Fulfills the Texas Insurance Code requirement to implement indirect incident modeling once per year.
QA or Testing	

Exhibit 3: TWIA 1% Probability Event (1 in 100 year event)

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

Exhibit 4: TWIA 2% Probability Event (1 in 50 year event)

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

Exhibit 5: TWIA 4% Probability Event (1 in 25 year event)

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

Exhibit 6: TWIA 10% Probability Event (1 in 10 year event)

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

1.4 Maintain Plans for Deploying Mobile Claims Center and Remote Facilities

Objective 1.4	To maintain plans for deploying mobile claims center and remote facilities.
Description	Create site requirements (i.e., supplies) for mobile and remote facilities.
Purpose	• To prepare a physical location to provide immediate policyholder assistance, including first notice of loss (FNOL), claim status information, and advanced payments. • To have off-site space to house additional customer care and data entry resources.
Participants	Claims, Facilities, Legal and Compliance
Action Plans	**Claims** • Establishes criteria for activating mobile claims center and remote facilities. • Maintains contract with Rentsys Recovery Services to provide mobile office units, equipment, network, and phone patch within 48 hours of notification. • Identifies locations for mobile offices in TWIA/TFPA territories. • Maintains requirements for mobile claims center and remote offices. • Develops plans to identify roles and responsibilities in the event of a deployment of the mobile claims center. **Facilities** • Works with Claims to order supplies and equipment for off-site facilities. • Plans for security for mobile claims center and remote facilities. • Packages approved handbooks, policies, forms, brochures, etc. for off-site offices. • Ensures all required insurance policies are in place for off-site facilities. **Legal and Compliance** • Approves all vendor contracts related to off-site facilities.
Exhibits, or Related Documents	• Mobile Claims Center and Remote Facilities Claims Processing Workflow • Exhibit 7 "Site Plan for TWIA/TFPA Mobile Claims Center."
Additional Information	• Office solutions are deployed within 48 hours of landfall or when it is safe to travel. • Association utilizes available hotel and partners' office space before renting space. • The Rentsys unit supports: 30 customer seats, two reception seats, 21 computer workstations, one office, generator, HVAC, wireless network, and satellite phone. • Rentsys unit qualifies as RV, meaning few restrictions for on-site placement.
Compliance	
QA or Testing	

Exhibit 7: Site Plan for TWIA/TFPA Mobile Claims Center

1.5 Forecast Needs for Office Supplies and Equipment

Objective 1.5	To forecast needs for office supplies and equipment in the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Description	Plan for ordering and repairs in the event of rapidly increased demands on office supplies and equipment, including planning for extended-hour scenarios.
Purpose	• To uphold the Associations' commitment to deliver prompt and fair claims service. • To establish processes for ordering and delivering supplies to mobile claims center and remote facilities.
Participants	Facilities
Action Plans	**Facilities/Operations** • Maintains inventory of supplies (e.g., chairs, workstations, and storage). • Forecasts increased demand on workspaces, supplies, and equipment, including supplies needed at remote facilities. • Plans to obtain additional office supplies, create building access badges, and distribute CAT Supplies Box within 48 hours of the activation of this Plan. • Identifies additional food and drink vendor services and cleaning services needed. • Coordinates additional parking for staff onsite with Aquila Property Management, mobile claims center, and remote facilities. • Coordinates with Claims and IT to determine process for adding mailroom, printer, scanner, and fax server capacity. • Plans for additional security and extended hour security for Austin facilities. • Provides a monthly update to the Workspace Utilization Report to identify available internal office space and posts it to the public drive.
Exhibits, or Related Documents	Workspace Utilization Report CAT Box Inventory List
Additional Information	
Compliance	Fulfills the need to model one, two, and four-in-100 year incidents, and the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455.
QA or Testing	

1.6 Evaluate and Optimize Claims Technology

Objective 1.6	To evaluate and optimize claims technology needed in the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Description	Determine whether current systems are sufficient, or whether upgrades or additional licenses are needed.
Purpose	• To uphold the Associations' commitment to deliver prompt and fair claims service. • To expedite software and hardware purchasing during a catastrophic incident.
Participants	IT, Claims
Action Plans	**IT** • Meets with Claims and Underwriting to review systems, identify necessary upgrades, and implement software and hardware changes. • Maintains quotes for expanding software licenses. • Develops network access solutions for on-site and off-site work spaces, including assessing Rentsys satellite capabilities, wireless phones, and laptops for remote facilities and mobile claims center(s). • Communicates with Claims and Facilities about plans for off-site office equipment. • Manages Austin phones, line/voicemail capacity, and IVR. • Researches whether to increase the number of licenses phone numbers • Conducts performance testing of the data center for scalability response time, availability, and reliability. **Claims** • Evaluates claims technology systems for readiness: Web portals, software, hardware, telephony, remote access, data management, and reporting.
Exhibits, or Related Documents	
Additional Information	
Compliance	Fulfills the need to model one, two, and four-in-100 year incidents, and the need to describe pre and post-incident processes as per Texas Insurance Code 2210.455.
QA or Testing	

1.7 Maintain a Deployment Plan

Objective 1.7	To enlist TWIA/TFPA staff for deployment in the case of a catastrophic incident.
Description	Develop and maintain a deployment plan
Purpose	To set expectations with current staff for possible needs outside of this building.
Participants	CAT Plan Update Team
Action Plans	**CAT Plan Update Team** • Creates a plan to inform both Claims and non-Claims staff of the possibility of deployment in the case of a catastrophic incident. • Prepares a formal list of Claims and non-Claims staff, willing to relocate to the incident area, every year. • Maintains database listing volunteers for deployment. • Identifies possible testing, training, and exercise opportunities • Works with business units to ensure policies and procedures are in place to enable resources in the event of a deployment. **Communications and Legislative Affairs** • Assists with communication of recruitment and activation for deployment **All Departments** • Assist with identifying staff by role available for deployment.
Exhibits, or Related Documents	[Appendix D - Plan for Volunteer Enlisting for Catastrophe (CAT) Incident Response Deployment](#)
Additional Information	
Compliance	Fulfills the need to model one, two, and four-in-100 year incidents, and the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455.
QA or Testing	

1.8 Onboarding of Fixed and Variable Staff

Objective 1.8	To onboard fixed and variable staff.
Description	Contract with vendor resources so they can be prepared for CAT response. Develop and retain resources prepared to serve after a catastrophic incident.
Purpose	To uphold the Associations' commitment to deliver prompt and fair claims service.
Participants	Claims, Human Resources, Legal and Compliance
Action Plans	**Claims** • Verifies that vendor partners remain compliant with TWIA/TFPA requirements. • Maintains a list of approved vendors. • Provides copies of new employment contracts for Legal & Compliance and Human Resources. • Fills out SAEF for all onboarding staff (performed by Claims support staff). • Maintains claim adjuster licensing database for staff and contractors. • Conducts audits to determine any conflicts of interest with vendor contractors. • Maintains relationship with a network of contractors. • Hosts the following yearly certifications: TWIA/TFPA Residential Adjuster Certification, TWIA Commercial Adjuster Certification, TWIA/TFPA Desk Examiner Certification, TWIA/TFPA Manager and Supervisor Training. • Sends "Vendor Business Continuity Procedures Form" to approved vendors for the following: point of contact with person responsible for disaster recovery planning, disasters they are prepared to withstand, frequency of DR/BC testing, location for disaster recovery, backup power planning, and recovery time objective (RTO). **Human Resources** • Administers temporary/contract resources to supply labor for the Mobile Claims Unit. • Distributes ethics policies and verifies signed conflicts of interest forms for staff, contractors, and vendors. **Legal and Compliance** • Establishes and oversees policies for staff and contractors. • Trains new staff and contractors in TWIA 101 and TWIA 201. • Through training, encourage Claims personnel to continue to refer non-compliance of public adjusters to Compliance • Make formal referrals to TDI Enforcement unit for further investigation • Reviews any reported potential conflicts of interest with Claims management to develop action plan to mitigate or rectify conflicts.
Exhibits, or Related Documents	• Field Adjuster Online Training • Vendor Business Continuity Procedures Form • Exhibit 8 "Screenshot of Online Field Adjuster and Examiner Training."
Additional Information	
Compliance	Fulfills the need to model one, two, and four-in-100 year incidents, and the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455.

QA or Testing	

Exhibit 8: Screenshot of Online Field Adjuster and Examiner Training

TWIA/TFPA

2021 Training > TWIA/TFPA

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

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

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

Field Adjusters

2017 TWIA / TFPA Residential Field Adjuster Certification (4 hrs)
Course #106883 $55
4 General Texas CE Credits

This certification is required to adjust **Residential** claims for **TWIA/TFPA** and renews annually. Your certification will be valid for one year from the date of your course completion.

Buy Now

2017 TWIA Commercial Field Adjuster Certification (1 hr)
No CE Available $15
No Texas CE Credit Hour

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

Buy Now

Desk Examiners

2017 TWIA / TFPA Desk Examiner Certification (4.5 hrs)
Course #106884 $55
4.5 General Texas CE Credits

This certification is required to adjust claims for **TWIA and TFPA as a Desk Examiner.** This is an annual certification. See a list of CAT companies contracted with TWIA/TFPA in the FAQs at the bottom of the screen.

Buy Now

1.9 Foster Compliance with Mandated Claims-Handling Timelines

Objective 1.9	To foster compliance with mandated claims-handling timelines.
Description	Administer training for claims-handling timelines. Coordinate Departments whose workflows are interdependent with the claims process.
Purpose	• To efficiently provide essential insurance products and services for policyholders. • To comply with sound insurance principles and regulations.
Participants	Claims, Legal and Compliance, Underwriting
Action Plans	**Claims** trains staff in timelines, including but not limited to the following: • **First Contact Timeline**: Same day contact with insured if received before 4pm, 24 hours if received after 4pm. • **Independent Adjuster (IA) First Contact:** Contact with insured within 24 hours after assignment. Send letter if contact not established within three days. • **IA Report Timeline:** Within 15 days of assignment. Additional reports every 15 days thereafter until completed. (Examiner contacts IA Firm if 48+ hours late.) • **Supplemental Request for Information.** Examiner sends to insured not later than 30 days after claim received (TIC 2210.573(b)). • **Supplemental Investigation:** Complete within 55 days after claim is filed. • **Claim Decision Timeframe:** Notify insured of claim decision in writing not later than 60 days after claim received, or the 60th day after adjuster or TWIA receives information requested from the insured (TIC 2210.573(d)). • **Texas Insurance Code 2210.541 and 2210.542** trainings for TFPA resources. • Provides documentation to inform all TWIA/TFPA staff how to assist customers submitting first notice of loss (FNOL) or other routine requests. **Legal and Compliance** trains resources in potential coverage, regulatory or legal concerns which could arise from a catastrophic incident, and plans for compliance with Texas Insurance Code 2210.455. **Underwriting** • Maintains a process for verifying coverage with policy validation workflows with Claims (e.g., coverage verification and "no policy" processes). • Prepares dedicated resources for real-time CAT response.
Exhibits, or Related Documents	Appendix C - How to Submit a Claim for TWIA and TFPA Staff
Additional Information	• All intervals reflect TWIA service goals and not necessarily the full period permitted by statute or industry standards; all intervals subject to change for catastrophe claims or based on extensions by Commissioner of Insurance (TIC 2210.581).
Compliance	
QA or Testing	

1.10 Ensure the Ability to Issue Claim Payments

Objective 1.10	To ensure the ability to issue claim payments in the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Description	Maintain trained TWIA/TFPA resources and documented processes for making claim payments after a catastrophic incident.
Purpose	To ensure expected service levels are met or exceeded.
Participants	Claims, Accounting and Finance, IT
Action Plans	**Claims** trains internal resources in guidelines, including but not limited to the following: • **Payment timelines:** Trains all staff on expected speed to payment requirements. • **Advanced payment guidelines:** including additional living expenses (ALE), business interruption (BI), personal/business property, and food spoilage. • **Names required on claims checks:** Communicates thresholds for including mortgage companies, additional insureds, or loss payee names on claim payment checks. (Will vary depending on size of incident: not to exceed aggregate dwelling loss of $5,000 for TFPA and $10,000 for TWIA.) • **Guidelines for replacement cost coverage (RCC):** Communicates thresholds for activating the reserving and payment process. (Varies based on size of incident: not to exceed aggregate dwelling loss of $5,000 for TFPA and $10,000 for TWIA.) **Accounting and Finance** • Coordinates with Claims on manual check processes, instructions for printing checks, and information about check stock. • Helps plan for mobile claims center and remote facility scenarios, including workflows for mobile claims center check issuance. • Manual checks issued at mobile and remote facilities are limited to $2,500 to provide additional living expenses. Additional funds may be issued through the normal claims process. • Prepares team members to deploy in the case of a catastrophe to handle check issuance at mobile claims center and remote facilities. **IT** ensures check-printing capabilities are available as needed internally and in the field.
Exhibits, or Related Documents	• [Check Issuance Procedures](#) • The following items to be included in the ["TWIA Claim Examiner Handbook"](#): RCC guidelines, advanced living expenses (ALE) guidelines, and depreciation thresholds.
Additional Information	
Compliance	
QA or Testing	

1.11 Establish Total Loss Claim-handling Guidelines

Objective 1.11	To establish total loss claim-handling guidelines.
Description	Address the variety of total loss scenarios that could occur from a catastrophic incident.
Purpose	To ensure complex losses are quickly identified and addressed efficiently.
Participants	Legal and Compliance, Claims, Actuarial and Enterprise Analytics, Underwriting
Action Plans	**Legal and Compliance** • Helps interpret concurrent causation methodologies (i.e., Texas Insurance Code 2210.578). • Documents processes and procedures for determining slab claims and implementing the concurrent loss methodology (when expert panel methodology becomes available). • Plans to use outside counsel for executing concurrent causation methodologies in the case of a large catastrophe. **Claims** • Identifies the number and locations of potential total losses for any event. • Determines the need to establish dedicated work group(s) in Claims Center to address those claims • Ensures that ensuing losses (e.g., fire, theft, vandalism) are handled correctly. • Identifies when and how to use experts to resolve total loss claims. • Maintains specific procedures for resolving commercial, mobile, and residential total losses. • Maintains before and after aerial imaging to resolve total loss claims. **Underwriting** • Plans for assisting with gathering and interpreting specific data on total loss properties. • Plans for providing dedicated resources to the total loss units should a dedicated work group be formed. • Assists with agent relationships and customer relations related to total loss claims. • Plans to communicate with agent and obtain flood certificate in the case of a CAT. **Actuarial and Enterprise Analytics** • Identifies properties at risk due to storm surge exposures, or those most likely to have slab or total loss claims, prior to storm season. • Develops pre-incident total loss/slab claim projections (i.e., heat maps and potential numbers). • Works with experts to identify detailed property characteristics to improve projections. • Makes projections based on data put into the expert panel tool/methodology.
Exhibits, or Related Documents	• TDI Expert Panel Rules • Property Damage Evaluation Guidelines (PDEG) • Claim Examiners Handbook
Additional Information	
Compliance	See Texas Insurance Code 2210.578 for information on the expert panel.
QA or Testing	

1.12 Provide Capability for Claims Processing for Telecommuting Staff

Objective 1.12	To provide capability for claims processing in scenarios with telecommuting staff.
Description	Prepare people, processes, and tools for claims processing in telecommuting scenarios.
Purpose	To uphold the Associations' commitment to deliver prompt and fair claims service.
Participants	Claims, IT
Action Plans	**Claims** • Provide Claim Examiners with instructions for remote access to VOIP system • Ensure proper resources have access to the Catastrophe GoTo Account • Ensures roles and permissions are set for each on-boarded user in Claims Center • Procedures for batch processing Xactanalysis IDs, including emailing representative with batch names and emails of onboarded staff. **IT** • Plans for batch-processing email accounts in the case of a CAT. • Maintains instructions for Webmail login for telecommuters. • Updates password requirements, or creates a workflow to accommodate password changes for telecommuters. • Ensures Citrix access for telecommuting Managers for QA purposes.
Exhibits, or Related Documents	• [Avaya Voice Guides](#) technical specs and user documents
Additional Information	• Claims Center is a web-based administration system that allows access from anywhere with an internet connection and will provide the remote claims processing capability. • Currently, telecommuters would be locked out of email after 40 days due to password change requirements administered within the Network (i.e., in Citrix).
Compliance	
QA or Testing	

1.13 Ensure Ability to Process Complaints Promptly and Accurately

Objective 1.13	To ensure the ability to process complaints promptly and accurately.
Description	Train resources on best practices for processing TDI and non-TDI complaints. Ensure awareness of statutes related to complaints processing.
Purpose	To ensure compliance with statutes, regulations, and internal policies regarding complaints.
Participants	Legal and Compliance, Claims, Underwriting
Action Plans	**Legal and Compliance** • Trains resources on complaint procedures, including TDI requirements • Trains staff in the process for appeals in unresolved complaints • Provides applicable laws and regulatory requirements. • Plans for scalable resources. **Claims and Underwriting** • Identify scalable resources to respond to complaints. • Establish workflows and levels of approval authority. • Ensure follow up with customers to resolve complaints.
Exhibits, or Related Documents	• Complaint Training PowerPoint • Complaint Training FAQs
Additional Information	• Generally, there are three types of complaints (i.e., legislative, TDI, and direct). • An insurer must maintain a complete record of all complaints received during the preceding three years, or since the date of its most recent financial examination by the Commissioner of Insurance (28 Texas Administrative Code Rule 21.2503). • The standard for compliance purposes is a 15-day resolution of complaints.
Compliance	• See TAC Part 1, Chapter 21, Subchapter Q, for more information on insurers' obligations regarding complaints.
QA or Testing	

1.14 Ensure Personnel Can Identify Issues of Fraud, Compliance, and Ethics

Objective 1.14	To ensure personnel can identify issues of fraud, compliance, and ethics.
Description	Train internal resources and train approved vendor resources on issues of fraud, compliance, and ethics.
Purpose	To ensure timely and accurate payments on valid claims only.
Participants	Legal and Compliance, Special Investigation Unit (SIU), Claims, Underwriting, Internal Audit
Action Plans	**Legal and Compliance** • Trains new staff and contractors in fraud reporting, compliance, and ethics (i.e., TWIA 101 and TWIA 201). • Communicates about Lighthouse Services whistleblower program for anonymous fraud reporting. • Administrates Ethics Policy. • Ensures compliance with applicable fraud reporting requirements. **Special Investigation Unit (SIU)** provides additional detail on the services offered by VRC and the list of primary indicators for desk examiners to consider. **Claims and Underwriting** • Establish processes and procedures for identifying Claims and Underwriting fraud. • Create guidelines for reviewing files for "red flag" indicators to determine if referral to SIU is appropriate. • Conduct audits to determine any conflicts of interest with vendor contractors. **Internal Audit** monitors requirements for all Departments for internal fraud control (i.e., corporate fidelity).
Exhibits, or Related Documents	Exhibit 9 "Special Investigation Unit (SIU) and Fraud Reporting Requirements."
Additional Information	Lighthouse Services, Reporting Hotline English (877)472-2110 and Spanish (800)216-1288.
Compliance	See Texas Insurance Code Section 701.051 regarding our affirmative duty to report suspected insurance fraud to TDI.
QA or Testing	

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· Comprehensive Database
· Subrogation Investigations
· Accident/Site Investigations
· Property Loss Verification
· Public Records Check

SURVEILLANCE

· Video Surveillance
· Activity Checks

VERACITY RESEARCH COMPANY INVESTIGATIONS

SIU SERVICES

Mandatory Referral to SIU

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

Recommended Referral or Reasons to Update SIU

1) Premises are over-insured
2) Insured has previous or similar loss history
3) Property was under renovation or in poor condition at the time of loss
4) On storm-related perils, insured property is located outside of area of known storm activity
5) Individual provides altered documents

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

SIU CONTACTS

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1.15 Coordinate Information about Internal and External Bi-Lingual Resources

Objective 1.15	To coordinate information about internal and external bi-lingual resources.
Description	Share information on internal and external bi-lingual resources, and ensure availability and scalability of bi-lingual resources.
Purpose	To improve communication with policyholders and their representatives.
Participants	Claims, Human Resources
Action Plans	**Claims** • Maintains list of external bi-lingual resources, including translation services. • Confirms approved vendors have bi-lingual resources. • Assists with Enterprise training for use of available bi-lingual resources. • Documents process for requesting bi-lingual services at TWIA/TFPA. • Distributes the most up-to-date resources regarding Globo Language Line to each Claims employee. **Human Resources** • Communicates to internal resources to update ADP for the languages they speak in order to identify available bi-lingual resources. • Circulates information about the bi-lingual database on Workforce Now.
Exhibits, or Related Documents	TWIA and TFPA Vendor Contact Information Globo Telephone Interpreting Instructions
Additional Information	
Compliance	
QA or Testing	

1.16 Project Staffing Costs

Objective 1.16	To project staffing costs the Associations would incur in the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Description	Calculate the four-week cost of contracted personnel during catastrophe response using the average cost and the number of staff needed during peak periods.
Purpose	To maintain a funding strategy with plans for paying for peak CAT staffing.
Participants	Claims
Action Plans	**Claims** • Maintains competitive pricing information for catastrophe pay in the insurance industry. • Utilizes the scalability model to forecast the number of staff needed and average costs for each kind of contracted staff. • Updates cost projections on a regular basis to reflect scalability and industry data. • Provides sample staffing cost projections to relevant business units.
Exhibits, or Related Documents	Exhibit 10 "Sample Staffing Cost Projections."
Additional Information	• Assumptions are based on a four-week period at maximum staffing costs with a four-week period defined by seven-day workweeks. • Projections serve as approximations only.
Compliance	Fulfills the Texas Insurance Code 2210.455 requirement to describe the manner in which the Association will evaluate losses and fund claims after a catastrophic incident.
QA or Testing	

Exhibit 10: Sample Staffing Cost Projections

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

1.17 Maintain a CAT Funding Strategy and Plans for Managing Reinsurance

Objective 1.17	To maintain a CAT funding strategy and plans for managing reinsurance.
Description	Maintain plans for how to fund losses, including excess losses, in the case of a catastrophic incident.
Purpose	To secure sufficient funding to pay claims and other financial obligations.
Participants	Actuarial, Accounting and Finance, General Manager
Action Plans	**Actuarial** • Communicates with reinsurance brokers to get information on contract terms and available reinsurance. • Coordinates with reinsurance brokers to present recommendations on the amount of reinsurance to purchase each year and the terms of each year's reinsurance contracts to the TWIA Board of Directors. • Manages reinsurance placement for TWIA and TFPA yearly. **Accounting and Finance** • Provides financial projections, balance sheet, income statement, and cash flows. **General Manager** • Coordinates between Actuarial and the CFO to make decisions about reinsurance and funding strategies. • Oversees communication with the Board of Directors/Governing Committee related to funding strategy.
Exhibits, or Related Documents	
Additional Information	
Compliance	Fulfills the Texas Insurance Code 2210.455 requirement to describe the manner in which the Association will evaluate losses and fund claims after a catastrophic incident.
QA or Testing	

1.18 Prepare CAT Communications Collateral and Plans

Objective 1.18	To prepare CAT communications ensuring delivery of key messages to stakeholders, including policyholders, agents, and the public.
Description	Prepare communications in advance for readiness throughout the year including a suite of printed and digital materials (e.g., advertisements, educational materials, social media messaging, website blogs and announcements).
Purpose	• To uphold TWIA's commitment to a swift, effective response to a catastrophe. • To operate transparently through open communication with stakeholders.
Participants	Communications and Legislative Affairs, Claims
Action Plans	**Communications and Legislative Affairs** • Manages the creation and distribution of hurricane preparedness educational packets (printed and digital) yearly during hurricane season. • Prepares hurricane season advertisements and reserves space for publishing. • Maintains a Media Briefing Book; a reference guide for media. • Develops hurricane preparedness workshops for the coastal counties. • Communicates regularly to policyholders and agents on what to do in the case of an incident. • Leverages media to disseminate messages to policyholders, agents, and the public, including scheduling media tours when appropriate. • Develops social media messaging for rapid response to incidents. • Prepares catastrophe bulletins and advertisements. • Prepares bi-lingual catastrophe bulletins and advertisements. **Claims** • Coordinates with the Communications Department to provide written catastrophe instructions for release on the TWIA and TFPA websites. • Works with Communications to maintain accurate information about processing claims for the TWIA/TFPA websites, including CAT claims information.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

1.19 To Document Information on Technology Scalability Plans

Objective 1.19	To document information on technology scalability plans for Network, IT Ops, Data Center, and Production Application in the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year).
Description	Identify the core areas of information technology that need to be scaled pre-event or are scalable post-event.
Purpose	To ensure Associations' readiness for capacity demands up to a one-in-100-year event.
Participants	IT
Action Plans	**IT Ops** establishes plans for the following: • Purchasing printing services and/or printers, toner, fax machines, scanners, printers, headsets, and other office equipment. • Ensuring pre- and post-incident processes and procedures are in place to quickly scale up to meet user demands for hardware, software, and telephone needs. • Establishing relationships with staffing firms in order to scale up required resources to add and configure additional users. **Network** • Maintains the Internet bandwidth and capacity for up to a one-in-100-year event. • Maintains plans for ordering, installing, and configuring network switches in order to scale up ports for network access in the Austin office. (May be outsourced.) • Maintains adequate capacity for up to a one-in-100-year event at this time TWIA currently has enough capacity to for all cubes currently in the building. **Production Application Support** • Works with business users to prepare a list of mission critical applications necessary to support an incident response. • Establishes change management controls to ensure problems are not introduced into production environments during an incident response. • Partners with business users to determine whether or not any interruptions to production environments will be allowed and when. • Works with HR to determine staffing needs. **Data Center Systems** • Maintains adequate server capacity for up to a one-in-100-year event; if need arises, IT can add server capacity with no more than a two week turnaround. • Maintains contract through Rentsys for workstations, network, computer, telephone, and supplies.
Exhibits, or Related Documents	
Additional Information	• IT has ownership for Enterprise disaster recovery (DR) planning covering Data Center Recovery and Office Space.
Compliance	
QA or Testing	

1.20 Understand Associations' Role in Emergency Management Incident Response

Objective 1.20	To understand the role the Associations play in the Emergency Management Incident Response System, and how to coordinate and interact with local, county, state, and federal emergency management agencies.
Description	Understand the emergency management incident response command structure. Establish points of contact and meet with local, county, state, and federal emergency management.
Purpose	• To share information and solicit feedback about TWIA's CAT planning and response. • To improve coordination with emergency management resources. • To ensure optimal response for the people and businesses we commonly serve.
Participants	Claims, Communications and Legislative Affairs
Action Plans	**Claims and Communications and Legislative Affairs** • Maintains relationships with the following agencies: Texas Division of Emergency Management (TDEM) - disaster district coordinators, county emergency management coordinators (EMCs), relevant city management, and FEMA. • Attends relevant meetings/conferences (e.g., Texas State Disaster Coalition (TSDC) meetings, Texas Emergency Management Conference, Coastal Bend Hurricane Conference, Emergency Management Association of Texas symposium.) • Attends meetings with state, county, local, and federal emergency management. • Obtains local mitigation plans, emergency management newsletters, and public hurricane plans for the coastal territories. • Considers whether to include TWIA information in local mitigation plans, newsletters, and hurricane plans. • Creates a plan for ongoing communication and test training and exercises (TT&E) for each of these entities (where invited, or where possible).
Exhibits, or Related Documents	• Emergency Management Resources Contact List • TDEM District Coordinator Areas • Texas State Disaster Coalition Catastrophe Plan
Additional Information	**Websites** Texas State Disaster Coalition:http://www.tdi.texas.gov/consumer/storms/hcoalition.html Local and regional mitigation plans unit: TDEM.PLANS@dps.texas.gov Emergency Management Association of Texas: http://www.emat-tx.org/ Texas Emergency Management Conference: http://www.txdps.state.tx.us/dem/conference/txEmerMgmtConf.htm Texas Division of Emergency Management: http://www.txdps.state.tx.us/dem/Operations/index.htm
Compliance	
QA or Testing	

1.21 Identify Junctures to Inform Internal and External Stakeholders of Plan Efforts

Objective 1.21	To identify appropriate junctures to inform internal and external stakeholders of Plan efforts.
Description	Update the TWIA/TFPA Board of Directors, TDI and the Texas Legislature of the Associations' CAT readiness, testing, and compliance. Assist with posting notices, including bulletins on the TWIA/TFPA website.
Purpose	To operate transparently through open communication with stakeholders.
Participants	Communications and Legislative Affairs, General Manager
Action Plans	**Communications and Legislative Affairs** • Informs Texas Legislature, Board of Directors, and TDI of modeled exposures and funding structure, and of TWIA/TFPA's Plan. • Creates all messages for distribution and posting on the TWIA/TFPA websites. **General Manager** • Oversees all communication with the TWIA/TFPA Board of Directors, TDI, and the Texas Legislature. • Prepares Board of Directors meeting agendas and the posting of notices. • Submits agenda items for the Board of Directors' meetings.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

1.22 Implement a Document Review Unit

Objective 1.22	Develop a Document Review Unit to review documents
Description	Onboard legal resources to provide Claims with reviews of disposition letters, reservations of rights, and other documents.
Purpose	- To ensure consistent handling of claims - To comply with sound insurance principles and regulations.
Participants	Claims, Legal and Compliance
Action Plans	**Legal** - Meets with Claims Management to determine the need for a Document Review Unit to assist with reviews of Claims documents. - Identify staffing firms to provide legal resources. - Onboards and trains resources to ensure an understanding of the governing statutes and timelines associated with TWIA/TFPA. **Claims** - Management meets with Legal to determine the need for a Document Review Unit based on the event size, types of perils involved, and other factors. - Develop a workflow to ensure that Denials, Partial Denials, and Reservation of Rights are reviewed by the Document Review Unit prior to sending. - Manages the Document Review Unit to ensure quality and compliance with statutory guidelines.
Exhibits, or Related Documents	
Additional Information	The activation of a Document Review Unit is at the discretion of Claims and Legal Management.
Compliance	
QA or Testing	

Preparedness Phase (2.0)

Since disasters cannot be prevented, it is necessary to promote a state of preparation for expected or pending incidents. This phase is called preparedness, and it is a response to a known potential threat. For TWIA and TFPA, preparedness means minimizing impact to claims processing by closely monitoring the severity and development of a particular incident.

Based on the development of an incident, executive leadership decides whether to activate catastrophe plans and communicate with external stakeholders. When it is clear the disaster will strike, TWIA and TFPA begin to set in motion the resources and business processes necessary for a timely response. This phase happens from the first notice of the incident and continues until landfall, or until it is reasonable to begin responding to the incident.

2.1 Track Weather and Model Exposures

Objective 2.1	To track weather and model exposures.
Description	Monitor potential incident(s) and location(s) for severe weather and other catastrophic incidents (e.g., wind, hail, lightning, and wildfire). Track available incident information in real-time to determine whether or not to activate the Plan.
Purpose	To have sufficient incident data for determining whether to activate the Associations' Plan and/or suspend new business.
Participants	Claims, Actuarial, Accounting and Finance, Underwriting
Action Plans	**Claims** • Conducts pre- incident claim volume modeling using available policy in force (PIF) and storm shape data. • Monitors weather and other conditions (i.e., wildfires) to assist with understanding the likelihood of a catastrophic incident, and to assess if pre- or post- incident analytical activity is required for helping determine whether to activate the Plan. • Stays informed of National Weather Service (NWS) alerts through iNWS, which also provide non-weather data (e.g., aerial imagery, infrared, lidar). **Actuarial and Accounting & Finance** • Models expected claim volume, average payments, and total incurred. • Provides guidance to the General Manager whether a pending incident will be a catastrophic loss that could impact funding adequacy. **Underwriting** reviews projected path of incident(s) and discusses with the General Manager the suspension of policy/coverage binding activity.
Exhibits, or Related Documents	Exhibit 11 "Sample Storm Data Map Hurricane Ike" and Exhibit 12 "Sample Storm Data Map Angleton April 2015."
Additional Information	• Incidents will be monitored up to two weeks before potential impact. • The following sites are used to help track activity: Verisk Climate <http://www.veriskclimate.com/ NOAA Storm Prediction Center <http://www.spc.noaa.gov/> Weather Underground <http://www.wunderground.com/hurricane/> Hailwatch Reports <http://www.hailwatch.com/> iNWS alerts, <Hurricane.gov>, <mobile.weather.gov>, <NWSChat.weather.gov>, www.weather.gov, morning and other NWS briefings (email, phone, Webinar)
Compliance	
QA or Testing	

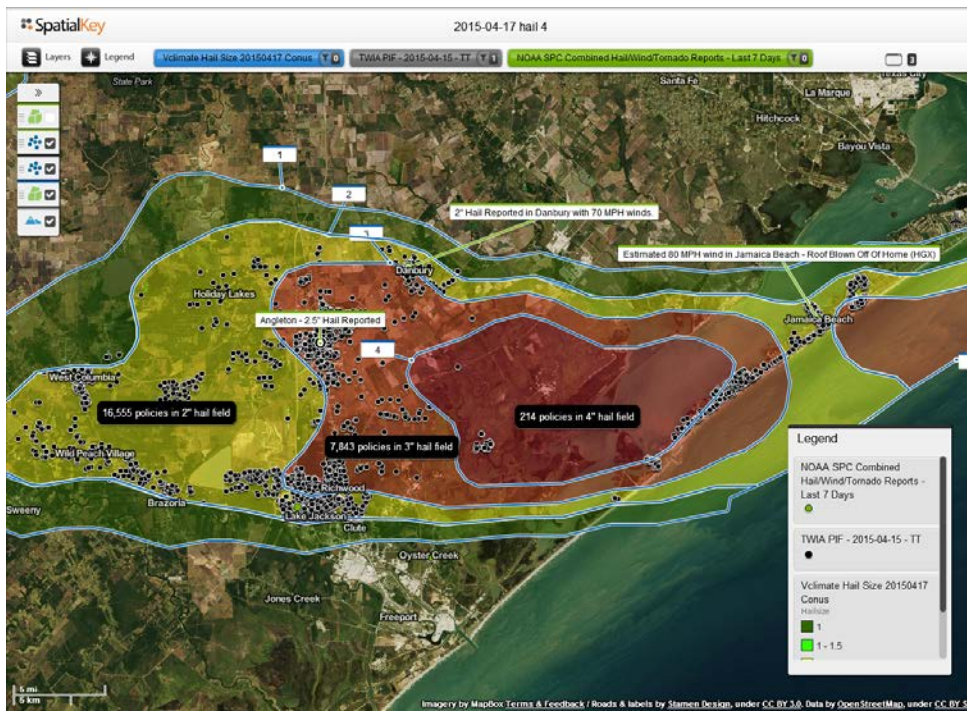**Exhibit 11: Sample Storm Data Map Hurricane Ike**

Exhibit 12: Sample Storm Data Map Angleton, Texas April 2015

2.2 Communicate CAT Plan Activation Criteria

Objective 2.2	To communicate CAT Plan activation criteria when 500+ claims are expected or received from a single incident.
Description	Analyze criteria to help determine when to activate the CAT Plan.
Purpose	To ensure appropriate response for every type of catastrophic incident. To identify critical success factors for early identification and response.
Participants	Claims, General Manager
Action Plans	**Claims** considers the following in the decision to activate Plan: • Involved cause(s) of loss (e.g., hurricane, tornado, wind and hail). • Severity of the incident (e.g., wind speed, hail size, depth of storm surge). • Location and concentration of claims (e.g., widespread or centralized). • Access to food and water. • Status of communication resources. • Habitability of homes and building mobility within the affected area. **Claims** • Determines if CAT Plan should be activated, as per Objective 2.1 above. • Recommends Plan should be activated by the General Manager. **General Manager** • Approves activation of the Plan.
Exhibits, or Related Documents	
Additional Information	• Incident type determines how far in advance the Plan is activated, such as hurricane incidents, which are typically activated three to five days in advance of landfall.
Compliance	
QA or Testing	

2.3 Prioritize CAT Preparation and Response Activities upon CAT Plan Activation

Objective 2.3	To prioritize CAT preparation and response activities upon CAT Plan activation for potential immediate action.
Description	Identify critical success factors for early identification and response. Review these priorities to ensure transparency and communication from the start.
Purpose	To ensure appropriate response for every type of catastrophic incident. To promote accountability to the Plan for all Departments.
Participants	General Manager, Executive Leadership Team, Claims, IT, Communications & Legislative Affairs, All Departments
Action Plans	**General Manager and Executive Leadership Team** meet and review priorities to decide on: • Activating vendor resources and deployed resources. • Setting claims systems and website to "CAT mode." • Notifies vendor of authorization for customer surveys above set limit. • Activating disaster recovery and business continuity (DR/BC) plans. • Establishing the estimated date of the incident and when to advise Departments to schedule strategic planning (96 hours before landfall). • Determining whether preparation and response activities take priority over other Enterprise Department functions or projects. • Determine the level of priority for communication with external stakeholders. **Claims** • Management to establish and communicate changes in work hours through Claims Center's broadcast messaging tool, so team members can remain on alert for mandatory overtime. • Determines whether to activate mobile claims center and remote facilities. • Establishes the name of the incident templates. • Meets with Communications to determine the level of communication with external stakeholders **Communications & Legislative Affairs** • Determines whether to publish CAT communications within 72 hours of catastrophe designation, depending on severity of incident. • Determines whether to notify agents, TDI, the Texas Legislature, TWIA/TFPA staff, and the Board of Directors about Plan activation and estimated exposure within 24 hours of catastrophe designation, depending on severity of incident. **IT** • Determines whether to order supplies and equipment. • Changes telephone systems (i.e., IVR) to CAT Mode. • Determines whether to add software licenses to scale for additional users. **All Departments** • Schedule preliminary team meetings for individual departments to advise separately on Plan activation and identify duties and responsibilities found within. • Schedule an all departmental strategic planning meeting 96 hours before landfall.

	Facilities notifies all personnel and contractors of CAT status using one-call messaging.
Exhibits, or Related Documents	
Additional Information	- For TFPA the incident naming convention is a 3-digit numerical code that is the sequential number of the incident followed by the last two digits of the year (e.g., 1st incident of 2015 is 115). - For TWIA the naming convention is the month, date, and a location name we give it (e.g., 041415Coastal and 042715Beaumont).
Compliance	
QA or Testing	

2.4 Coordinate with Local, County, State, and Federal Emergency Management

Objective 2.4	To coordinate with local, county, state, and federal emergency management resources in response to a catastrophic incident.
Description	Obtain and share information to coordinate action plans to ensure we comply with command structure for emergency response, while also executing on our Plan.
Purpose	To ensure timely and compliant response to the CAT Plan in an emergency environment controlled by governmental entities.
Participants	Claims, Communications and Legislative Affairs
Action Plans	**Claims** • Refers to TDEM's emergency condition alerts (e.g., Level I, Level II, and Level III). • Checks FEMA Region VI Situational Awareness Briefing, or Weather Threat Briefing. • Makes contact with district coordinators, mayors, and emergency managers in relevant counties and territories. • Gathers a list of essential services that may be affected by the event and ensures that information is shared with local authorities to gain access to the affected areas and identify claims on buildings that are essential to the recovery effort. • Watches for reentry orders to determine when deployments can begin • Works to place one resource at the main Emergency Operation Center (EOC). • Arranges tour of the disaster area with disaster coordinators when it is safe. **Communications and Legislative Affairs** works as needed with Claims and other stakeholders.
Exhibits, or Related Documents	• [Emergency Management Contact Information](#)
Additional Information	
Compliance	
QA or Testing	

2.5 Decide Whether Incident Requires the Suspension of New Business

Objective 2.5	To decide whether incident requires the suspension of new business.
Description	Decide whether to suspend issuance of new business, and notify relevant stakeholders (e.g., agents and regulatory authorities). Prioritize new business process during suspension.
Purpose	• To efficiently provide essential insurance products and services for policyholders. • To comply with the TWIA Plan of Operation and sound insurance principles.
Participants	Claims, Actuarial, Underwriting, General Manager, Communications and Legislative Affairs
Action Plans	**Claims** • Sends data on the projected path of the incident to Underwriting for the purposes of work prioritization. • Sends incident data to Actuarial to get assistance determining when an incident is encroaching upon or has breached the area delimited by the 20th parallel north and the 80th meridian west in the Gulf of Mexico (i.e., 80/20 designation). **Actuarial** • Sends assessment of 80/20 designation to Underwriting and to the General Manager for determination of the Associations accepted/projected incident location. **Underwriting** • Recommends appropriate action on hurricane binding exception based on the Associations' accepted/projected incident location. **General Manager** • Decides whether to approve the recommendation to implement the hurricane binding exception by Underwriting. • Decides whether to approve "CAT mode," and alerts executive leadership team. **Underwriting** • Sends IT updates to CGI Agent Portal with banner re: suspension of business in affected counties. • Activates Storm Mode in NOTUS • Prioritizes new business processing when applications and quotes are suspended, requalifying renewals and endorsement requests. • Serves as a resource to Claims for template catastrophe reserving. • Sends Communications and Legislative Affairs an agent bulletin on suspensions for the TWIA website. • Considers pulling a list of top agents to contact via the call center. **Communications and Legislative Affairs** • Reports to Texas Legislature and TDI on TFPA /TWIA's suspension of acceptance to new business in impacted counties. • Distributes an Agent Bulletin, updates the website with an Agent specific posting, and posts on Facebook and Twitter regarding the suspension of new business. • Distributes an Agent Bulletin, updates the website with an Agent specific posting, and posts on Facebook and Twitter regarding claim reporting procedures when TWIA predicts a

	significant multi-county impact but the incident does not result in the suspension of business
	Actuarial • Models actual exposure to an incident and other data analysis, as needed.
Exhibits, or Related Documents	• [How to Activate Storm Mode](#)
Additional Information	• **Hurricane Binding Exception:** After a windstorm is designated as a hurricane by the United States Weather Bureau being in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude. • The following roles have permission to activate Storm Mode in NOTUS: General Manager, Vice President of Underwriting, Chief Actuary and Vice President of Enterprise Analytics, Senior Underwriting Managers, UW Support Services
Compliance	Hurricane binding exception found in the Plan of Operation at 28 TAC 5.4001(d)(2)(E)(ii).
QA or Testing	

2.6 Activate and Optimize Claims Technology for CAT Response

Objective 2.6	To activate and optimize Claims technology for CAT response.
Description	Coordinate the updating of the Claims system, portals, and websites. Purchase additional computers. Communicate about IT support during a CAT.
Purpose	To ensure staff have the technology to respond in accordance with the Plan.
Participants	General Manager and Executive Leadership Team, Claims, IT
Action Plans	**Claims** • Requests incident template from CGI and sets reserves (e.g., indemnity and expense). • Reports to General Manager and Claims when templates are ready. • Recommends activation of "CAT mode" in Claims Center, the Claims Center for Policyholders and Agents, and sets the estimate incident dates • Updates Claims Center to "CAT mode," with incident name, date range, and reserves. **Underwriting** • Recommends activation of "Storm Mode" to update policy systems to the General Manager and, upon approval, activates "Storm Mode" • Requests that IT activate "CAT Mode" in CGI Agent Portal **IT** • Prices new PC computers, extra monitors, and supplies such as toner. • Communicates the request for additional equipment to the General Manager. • Works with Rentsys to ensure availability of required technology. • Orders computers at first notice of the incident since delivery takes two weeks. **General Manager and Executive Leadership Team** approve equipment purchases.
Exhibits, or Related Documents	
Additional Information	• The following roles have permissions to set TWIA TOS systems in CAT mode: General Manager, Underwriting Management, Vice President of Claims, & and the Chief Information Officer. • May decide to use equipment in training rooms in lieu of ordering new equipment to shorten time frames.
Compliance	
QA or Testing	

2.7 Manage Publication of CAT Communications and Advertisements

Objective 2.7	To manage publication of CAT communications and advertisements.
Description	Execute the communications plan to inform the public, policyholders, and stakeholders of preparations in the pre-incident phase, as well as response efforts.
Purpose	To operate transparently through open communication with stakeholders.
Participants	Communications and Legislative Affairs, General Manager and Executive Leadership Team
Action Plans	**Claims** • Works with Communications & Legislative Affairs to provide needed information. **Communications and Legislative Affairs determines whether to:** • Gets input from Claims to determine which stakeholder groups need to be notified of CAT Plan activation. • Meets with team to review communications plan and reviews for execution. • Runs print advertisements in appropriate news outlets to report claims procedures. • Runs radio spots in appropriate outlets to report claims procedures. • Posts messaging across pertinent social channels (Facebook and Twitter) to promote claims procedures. • Publishes announcements on the TWIA/TFPA websites. • Alerts agents of the status of the catastrophe planning and response. • Alerts evacuating policyholders to bring their policy and agent contact information via print advertisements, radio spots, social media and TWIA/TFPA websites. • Includes remote office information in print advertisements and radio spots. • Determines where to buy media for geographies identified as impacted by the incident. • Distributes press release with information on the incident, either: "Advice on Hurricane Preparedness in Context of Approaching Storm" or "Hurricane Has Hit." • Establishes a relationship with the Texas Disaster Recovery liaison and attends phone conferences on behalf of TWIA and TFPA. • Conducts media training for executives and disaster duty spokespersons, and prepares talking points for media interviews. • Meets with approved media contacts and confirms Associations' level of readiness at agreed intervals. **General Manager and Executive Leadership Team** • Coordinates with Communications and Legislative Affairs to develop catastrophe preparedness and response media content.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

2.8 Activate an Efficient and Scalable Enterprise Call Center

Objective 2.8	To activate efficient and scalable Enterprise call center solutions.
Description	Optimize the configuration of our internal and external call centers to scale up our communications with stakeholders in response to a catastrophic incident.
Purpose	• To ensure the customer's ability to communication in real-time with a live person. • To ensure no interruption to the service levels we offer. • To establish performance metrics and tracking mechanisms.
Participants	Claims, General Manager and Executive Leadership Team
Action Plans	**Communications & Legislative Affairs** • Creates call routing scripts for catastrophic incidents and edits diagram accordingly. • Works with Claims to create talking points or scripts for the Call Center staff in the case of an incident. **Claims** • Provides a diagram for the call routing and the script for the messages to the Call Center. • Coordinates with IT and All Departments to record the messages (English and Spanish). • Confirms available resources for recording messaging, or confirms back up plans. • Plans to measure call agent performance and quality using VOIP recordings. • Evaluates existing phone numbers (~81) and whether there is additional need. • Evaluates whether to update and modify telephony to implement IVR capabilities. • Configures the order of options according to IVR diagram from Claims. • Notifies translation service providers of expected volume spike per contract requirement. • Notifies outsourced Enterprise call center providers of expected volume spike per contract requirement. • Assigns dedicated resource(s) to monitor and evaluate call volumes, agent capacity, and compliance with average speed of answer (ASA) and call abandonment rates. • Confirms ability to make outgoing customer satisfaction survey calls, if requested. • Tests call center's ability to provide 24/7/365 loss reporting services, such as confirming call routing matches IVR workflows. **General Manager and Executive Leadership Team** approve changes to call center configurations, and call routing, including IVR.
Exhibits, or Related Documents	• Interactive Voice Response (IVR) Workflows • Exhibit 13 "TWIA and TFPA Enterprise Call Center and Key Stakeholders," Exhibit 14 "Call by Day Report: Call Center," Exhibit 15 "Calls Answered Report: Call Center," Exhibit 16 "Abandoned Calls Report: Call Center."

Additional Information	There are multiple configurations, separate for TWIA and FAIR Plan: • **Business Hours:** Gives English or Spanish options, and instructions for reaching correct Department. New claims are routed to a call center vendor and existing claims to a desk examiner. • **After-hours**: Announces an "after-hours" message. Routes general callers to voicemail and claims status calls to the claims call center vendor. • **Business Hours during Incident Response**: Given expected increase in claims call volume, the option to select Claims is presented to the caller first. • **After Hours during Incident Response:** The option to select Claims is presented first, before the option that the office is closed.
Compliance	
QA or Testing	

Exhibit 13: TWIA and TFPA Enterprise Call Center and Key Stakeholders

TWIA & TFPA Enterprise Call Center &
Key Stakeholders

Exhibit 14: Call by Day Report: Call Center

LYNX Services

SAMPLE Insurance FNOL Weekly Results Report

Jun 2014	Total Offered	Total Handled	Total Aband	AWT Aband	ASA	% Aband	Talk Time	After Call Work	AHT	SL%	FNOL Claims	% FNOL Claims
07	13	13	0	0	0	0%	691	136	828	100%	2	15%
08	8	8	0	0	0	0%	728	157	885	100%	0	0%
09	150	146	4	151	19	3%	666	267	933	89%	0	0%
10	127	125	2	48	20	2%	612	178	790	91%	0	0%
11	117	116	1	22	9	1%	657	149	806	91%	1	1%
12	135	134	1	140	23	1%	706	154	861	84%	6	4%
13	97	96	1	192	21	1%	715	220	935	89%	0	0%
14	14	14	0	0	0	0%	420	147	566	100%	1	7%
15	15	15	0	0	0	0%	642	213	855	100%	0	0%

2.9 Activate and Scale Up Staff and Vendor Resources for Claims Processing

Objective 2.9	To activate and scale up staff and vendor resources for claims processing.
Description	Identify potential increase in business activity for a variety of incidents in order to scale up and activate additional resources. Determine the number and type of resources needed based on predicted new business activity, including claim volumes.
Purpose	To ensure all Departments are prepared for changes or increases in business activities after a catastrophic incident.
Participants	Claims
Action Plans	**Claims** • Notifies all staffing firms to complete process of identifying, notifying and preparing all resources by requested role for immediate deployment upon request. • Confirms current available staff and support staff capacity with Human Resources. • Anticipates and prepares for attrition with any staff type to ensure identification and staging of additional resources for immediate onboarding as needed. • Compares to needed capacity considering loss complexity, and determines numbers of desk examiners, field adjusters, and field adjusters for re-inspection. • Activates Special Investigation Unit (SIU) resources for coordination with desk and field resources. • Republishes the current vendor fee schedule document. • Notifies vendors of claim projections, locations, and incident staffing models, and sends a current TWIA/TFPA Claims organizational chart with contact information. • Adjusts desk claim examiner staffing based on incident models and claims received. • Conducts orientation and training to certify additional resources as TWIA/TFPA trained staff, including field adjuster training on workflows and procedures. • Requests scalability Plans from firms and tracks current vendor commitments.
Exhibits, or Related Documents	• TWIA/TFPA Adjuster Fee Schedule • TWIA and TFPA Vendor & Contact Information
Additional Information	
Compliance	
QA or Testing	

2.10 Activate and Scale Up Staff and Vendor Resources at the Enterprise Level

Objective 2.10	To activate and scale up staff and vendor resources at the Enterprise level.
Description	Identify the potential increase in business activity for a variety of incidents in order to scale up and activate additional resources. Determine the number and type of resources needed based on predicted new business activity.
Purpose	To ensure all Departments are prepared for changes or increases in business activities after a catastrophic incident.
Participants	All Departments
Action Plans	**IT** considers increasing work hours for existing staff, re-prioritizing current projects, or adding staff to scale to support stakeholders before, during, and after an incident including: • System User Admin – user access and controls. • Help Desk – user support. • Desktop Hardware/Software and Network – configuration and utilization. • Ongoing monitoring of printers/copiers. **Communications and Legislative Affairs** considers increasing work hours for existing staff, re-prioritizing current projects, or adding staff to scale for increase in need to communicate with all stakeholders before, during, and after an incident. **Facilities & Operations** scales up mail room processing hours and production capabilities to meet increased demand for postal services including after-hours and weekends. **Actuarial & Enterprise Analytics** considers increasing resources to assist with reporting to reinsurers, conducting reserve adequacy activities, and analytics support for Enterprise. **HR** scales up to assist with onboarding potential large numbers of internal and external resources. **Legal & Compliance:** • Understands any increases in need for additional legal support, taking into consideration the TWIA expert panel and levels of disputed or litigated claims become a concern. • Ensures additional resources are available to assess compliance with the CAT Plan and all laws, rules and regulations related to a response to any incident. • Scales up to assist with the onboarding process as needed. **Accounting & Finance** • Identifies Accounting & Finance support functions for other Departments either in the office or at mobile claim centers. • Monitors check activity for increases in requests for check clearance status, stop pays, or voids. **Underwriting** identify functions that need to scale up to: • Assist with any increases in Underwriting business activity. • Backfill deployed staff. • Help other Departments either in the office or at mobile claim centers.
Exhibits, or Related Documents	
Additional Information	

Compliance	
QA or Testing	

2.11 Activate Association Employee Catastrophe and Deployment Compensation Policy

Objective 2.11	To activate policies and procedures as required for "Association Employee Catastrophe and Deployment Compensation Policy."
Description	Address pay provided to staff and managers who are deployed or working extended hours due to a weather incident.
Purpose	To compensate both non-exempt and exempt staff for deployment and/or extended hour work.
Participants	Claims, General Manager, Human Resources
Action Plans	**Claims** • Evaluates the results of pre-incident modeling suggesting the scale of incident. • Establishes extended hours based on operating requirements and business needs. • Proposes CAT pay authorization. **General Manager** authorizes the catastrophe pay provisions and alerts Executive Leadership Team. **Human Resources** • Collects catastrophe timesheets for processing. • Enters time inputting on the catastrophe timesheets for non-exempt staff into ADP. • Enters deployment pay and extended shift pay on payroll log for processing.
Exhibits, or Related Documents	• CAT Pay Policy
Additional Information	• This policy does not apply to contracted workers. • Deployment pay and extended shift pay are not included in an employee's annual base salary for classification and pay purposes. • Provisions remain in effect until the General Manager determines deployment sites and extended hours are no longer necessary to support the response. • Association Employee Catastrophe and Deployment Compensation Policy under review by Claims Management to provide guidance and definitions where needed.
Compliance	
QA or Testing	

2.12 Determine Pre-Incident Staging Needs and Processes to Follow

Objective 2.12	To determine pre-incident staging needs and processes to follow.
Description	Pre-incident staging is the assembly of responders for each of these areas: Independent Adjusters, quality assurance, SIU, and legal and policy services.
Purpose	To onboard and orient leadership and trainers in real-time to ensure cascading of policies and procedures to be followed by each entity in response to a specific incident.
Participants	Claims, Legal and Compliance, Communications and Legislative Affairs
Action Plans	**Claims** • Works with vendors to determine if incident requires pre-incident staging. • Manages SIU vendor and ensures stakeholders are protected against fraud. • Identifies staging and site deployment locations. • Prepares staging locations, and coordinates the deployment of resources to those sites. • Begins staging locations for vendor orientation and deploy vendors so they are on the ground near landfall (i.e., safe locations proximate to the impacted area). • Coordinates with SIU mobile unit to set up in the same location. • Contacts approved vendors to activate temporary living facilities. • Provides regular updates to CAT Manager on site status. • Alerts Communications & Legislative Affairs if SIU is being deployed and what collateral they may need **Legal and Compliance** approves orientation material for best practices and compliance. **Communications and Legislative Affairs** • Sends communications to let the public know about incident staging and fraud awareness. • Provides communication collateral for SIU vendor personnel to distribute.
Exhibits, or Related Documents	
Additional	
Compliance	
QA or Testing	

2.13 Procure Post-Incident Aerial Imagery of Incident Damage

Objective 2.13	To procure post-incident aerial imagery of incident damage.
Description	Schedule flyovers to confirm exposures and incident damage as part of the post-incident process.
Purpose	• To provide TWIA expert panel with aerial images and other services in support of their requirements. • To facilitate before and after comparisons of the condition of the property.
Participants	Underwriting, Claims, Aerial Imagery Vendor, General Manager
Action Plans	**Underwriting** provides pre-incident risk management reports, including aerial imagery, obtained via the Risk Visualization Program. **Claims** works with aerial imagery vendor pre- or post- incident to obtain aerial images. **Aerial Imagery Vendor** • Tracks major incidents and maps out flight plans according as soon as it is safe. • Maps paths for aerial imagery, typically covering up to 200 square miles per day. • Sends flight plans to Claims via the Vendor Manager. • Proceeds once they receive approval from TWIA and clearance from the FAA. • Sends aerial images within 24-48 hours of flight completion. **Claims** obtains approval from General Manager to incur costs. **General Manager** approves cost for aerial imagery.
Exhibits, or Related Documents	
Additional Information	• FAA clearance is typically given within 24-48 hours after the incident. • EagleView is TWIA/TFPA's aerial imagery vendor. Point of contact is Jim King. • Aerial imagery will be 6" resolution or greater, and will be available in a separate tab in EagleView CONNECT Explorer. • EagleView has agreed that for significant incidents of industry interest, they will do a flyover. Cost will be determined at time based on number of people who sign up. We will determine whether we sign up, based on estimated costs and needs.
Compliance	
QA or Testing	

Response Phase (3.0)

Response represents the time period immediately after a catastrophic incident occurs and typically lasts up to 90 days post- incident. The response phase is characterized by heavy customer contact and high property inspection, payment, and claim closure activity, with the majority (90 percent or more) of all the incident claims reported, evaluated, processed, and closed during this time.

During this phase, it is important for the Enterprise to immediately recognize needs to increase capacity for serving our policyholders, including claims, vendor manager, mobile claims offices and remote facilities to serve impacted communities on the ground.

3.1 Ensure Compliance with Established Guidelines and Performance Standards

Objective 3.1	To ensure compliance with established Association guidelines and performance standards.
Description	Ensure ethical, timely, and efficient incident response.
Purpose	• To efficiently provide essential insurance products and services for policyholders. • To comply with sound insurance principles.
Participants	Claims, Legal and Compliance, Underwriting
Action Plans	**Claims:** • Assesses stakeholder needs for loss reporting, securing advance payments, and guidance for temporary repairs/protection of property. • Communicates thresholds for withholding replacement cost coverage (RCC) benefits, including mortgagee on claim payments. • Sends a reminder about best practices for administering thresholds, including how to distribute threshold information. • Communicates manner in which ALE claims will be handled during catastrophe. • Ensures examiners are placed in the appropriate groups in Claims Center • Monitors total loss procedures and advanced payments during an incident. • Reminds examiners to help policyholders with finding emergency repair service providers and board up services. • Enforces claim handling timeframes, IA timelines, and payment timelines. • Utilizes the services of experts (e.g., engineers and building consultants) to help mitigate disputed claims. • Measures first notice of loss (FNOL) and call center metrics, adjuster and examiner cycle times payments, file closings, and reopen rates. • Evaluates desk examiner claims handling using quality assurance criteria. • Distributes regular incident summary reports, including claim volume, volume of escalated claims, projected new claim volume and expected total incurred. • Deploys re-inspectors to monitor field adjuster performance. • Sets in place a workflow to have examiners escalate any Underwriting issues to their direct supervisor/manager, who in-turn will inform the resources identified by the Underwriting Department. **Legal and Compliance** • Temporarily staffs the floor to answer questions. • Brings in outside counsel to assist depending on size of incident. • Establishes assistance paths via phone calls and email where onsite presence is not available. **Underwriting** • Researches in real-time to support Claims handling process when claim is filed where no policy is identified. • Immediately coordinates with Claims to determine the need for resource availability for extended hours and weekend work. • Provides dedicated resources to assist with identifying which buildings and items are covered and which are not, where a commercial policy has multiple items.

	• Provides Claims with the names and contact information (phone and e mail) of the identified resources, two primary contacts and their back-ups, to assists in resolving commercial and residential coverage issues for TWIA and TFPA claims. • Provides Underwriting information as needed in real time, including information from Underwriting files: policy application and renewal information, inspection reports, risk visualization reports, other insurance company information for fire and flood, certified copies of policies and endorsements. • Provides Workforce optimization/planning for assistance to Claims.
Exhibits, or Related Documents	• Exhibit 18 "Sample Daily Incident Summary Report."
Additional Information	
Compliance	
QA or Testing	

Exhibit 18: Sample Daily Incident Summary Report

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

3.3 Administrate Complaint-Handling Process

Objective 3.3	To administrate complaint-handling process.
Description	Coordinate processing general written complaints, appeal complaints, and legislative complaints. Ensure appropriate complaint response, consistent with statutory requirements and aligned with our commitment to providing quality customer service.
Purpose	To ensure complaints are properly addressed to avoid further escalation and to prevent future complaints where possible.
Participants	Claims, Legal and Compliance
Action Plans	**Claims** • Ensures that staff follows complaint-handling process. • Communicates information from escalated complaint calls to impacted personnel. • Administers surveys to gauge whether claim handling is satisfactory to customers. • Communicates with principals of approved vendors and the Legal and Compliance Department on issues of ethics, conflicts of interest or fraud. • Uses compliant information for continuous improvement to reduce complaints. • Arranges meetings with staff to reinforce customer service objectives and telephone etiquette as trends emerge from complaint data **Legal & Compliance** • Monitors complaint resolution process. • Meets to review complaints disputed, claim data and survey results. • Estimates complaint volume based on exposure, and estimates time needed for complaint handling and resources needed to meet additional complaint volume. • Ensures all direct complaints are being logged accurately and completely, and responded to as appropriate for all business units.
Exhibits, or Related Documents	• Complaint Training PowerPoint • Complaint Training FAQs
Additional Information	• TDI assigns a document number to complaint file and sends letter to the insured letting them know the complaint is being sent to TWIA/TFPA for review. • An insurer must maintain a complete record of all complaints received during the preceding three years, or since the date of its most recent financial examination by the commissioner of insurance.
Compliance	See 28 TAC Part 1, Chapter 21, Subchapter Q, for more information on insurers' obligations regarding complaints
QA or Testing	

3.4 Communicate Roles and Responsibilities of Claims Support and Customer Care

Objective 3.4	To communicate roles and responsibilities of Claims support staff and customer care.
Description	Perform tasks to support the claim lifecycle. Assume responsibilities beyond normal staff roles in the case of an incident.
Purpose	To efficiently provide essential insurance products and services for policyholders.
Participants	Claims
Action Plans	**Claims Support Staff** oversees parts of the Claim lifecycle, including but not limited to: • Inputting claim information from main TWIA/TFPA email boxes into the system. • Maintaining records data on vendor services and invoices, and paying invoices. • Researching coverage and contacting insured or agent in the case of no coverage. • Voiding checks and issuing stop pays for claim files. • Managing the CGI fax queue. **Claims Support Staff and /or Customer Care Staff** may assume the following during a CAT: • Completing contacts, such as: acknowledging receipt of claim, providing insured a claim number, obtaining a description of damage, advising insured of next steps, providing claim status and field adjuster information, advising on reporting concerns. • Assisting in assigning claims. • Handling urgent calls and transfers policyholders to claims examiner when needed. • Escalating serious claims (e.g., uninhabitable property or business interruption). • Coordinating with field adjusters on priority inspections. • Assisting with payment processing for emergency ALE payments, indemnity payments, and vendor invoices, if given proper authorities. • Processing incoming/outgoing mail and paper FNOL documents.
Exhibits, or Related Documents	
Additional Information	Based on incident size, multiple claims support and/or customer care units may be utilized.
Compliance	
QA or Testing	

3.5 Manage IT Support

Objective 3.5	To manage ongoing IT support after landfall of a catastrophic incident.
Description	Determine whether to suspend regular IT operations to provide support for Claims' extended hours of operation.
Purpose	To uphold the Associations' commitment to deliver prompt and fair claims service.
Participants	IT
Action Plans	**IT** • Provides support for Rentsys unit and Agility Recovery's Readysuite site. • Provides support in Austin for extended hours of operations. • Assists with computer issues, setting up new PCs as needed, and internet support. • Developers provide support for all TWIA applications such as Claims Center, Call Center Portal, Policy Explorer, and Claims Center for Policyholder and Agents. • Evaluates impact for changes to nightly maintenance runs vs. Claims' extended hours and evaluates if iteration deployment plan can be deferred or frozen. • Communicates with business units to evaluate iteration risks and deployment plan. • Monitors systems with Orion (monitoring tool) on an ongoing basis.
Exhibits, or Related Documents	
Additional Information	• IT generally works in production enhancements and fixes which are developed, tested, and deployed every two weeks. These will be reconsidered during a CAT to allow for IT to scale up support functions. • IT personnel should be available 24 hours a day including weekends to provide support for CAT operations.
Compliance	
QA or Testing	

3.6 Manage Office Supplies, Office Space, and Equipment

Objective 3.6	To manage office supplies, office space, and equipment during a response.
Description	Manage all aspects of the main Austin office, including supplies and space, security, and vendor services (e.g., catering and cleaning). Set up and maintain equipment for office spaces.
Purpose	To drive operational efficiency and safety in the case of an incident.
Participants	IT, Facilities
Action Plans	**Claims** • Houses an up-to-date seating chart for the Department. This list shall be updated upon notification of an influx of contractors, sent to Facilities and all Claims Employees. **IT** • Researches, purchases, and configures new equipment during an incident. • Works with Facilities to setup PCs and phones for additional cubicles. • Uses tool allowing IT Operation to create Active Directory accounts in large volumes, which saves an average of 15 minutes per account. • Confirms hardware, software, network connectivity and voice communications capabilities are functioning and secure. **Facilities** • Manages the Austin physical plant. • Enlists security guards, cleaning services 7 days a week, 24-7 building repairs vendors, and enlists janitorial to secure the building nightly. • Orders mailroom supplies (printer, scanner and fax server capacity), including paper, supply closet, postage funds, and access cards. • Coordinates additional coffee, vending, and common area supplies. • Programs HVAC system for extended office hours. • Manages additional staff parking needs with Aquila Property Management and the Austin Oaks Church. • Marks TWIA parking permit spaces, and issues, tracks parking permits. • Makes arrangements for remote parking and a shuttle in the event of the parking lot overflowing. • Coordinates with management to assign workstations based on availability. • Locates off-site office space and off-site storage space, if needed.
Exhibits, or Related Documents	• [Workspace Utilization Report](#)
Additional Information	• As of March 2015, there are 122 cubicles and 3 offices available with an additional 119 spaces in various conference and meeting rooms. • Available cubicles are equipped with PCs and phones.
Compliance	
QA or Testing	

3.7 Manage Check Stock for Payments and Check Processor

Objective 3.7	To manage check stock and check processor when payments exceed typical volume.
Description	Manages check issuance onsite in mobile claims center and remote facilities. Maintain check-printing equipment.
Purpose	To drive operational efficiency in the case of an incident.
Participants	Accounting and Finance, IT, Claims
Action Plans	**Accounting and Finance:** • Determines need for remote manual check process and/or electronic funds transfer. • Funds manual check accounts with initial balances. • Establishes and maintains a check log. • Manages inventory for the following options: system-generated checks, manual checks, advanced payments, and signature stamps. • Maintains communications with mobile and off-site offices to regularly check on the status of check inventory. • Reconciles on-site payments immediately with on-site computers and network access, and reconciles daily where network access is not available. • Controls check endorsement process. • Manages banking relationships to minimize disruptions to customer payments. **IT** • Administers permissions for CheckProcessor.exe file in the check processor machine from list of claims users with permissions to print claims checks. • Purchases rollers and toner supplies and replaces weekly or as needed. • Advises personnel to regularly check printers and assists with daily check printing. • Supports on-site printing and mailing from Austin, as well as off-site (e.g., desk examiner or customer care unit). **Claims** coordinates with Accounting for secure check issuance and exceptions.
Exhibits, or Related Documents	• [Check Issuance Procedures](#)
Additional Information	
Compliance	
QA or Testing	

3.8 Identify and Evaluate Possible Fraudulent Activity

Objective 3.8	To identify and evaluate possible fraudulent activity.
Description	Utilize Special Investigation Unit (SIU) services for compliance with state fraud reporting requirements. Support enterprise-wide awareness of different types of fraud: vendor fraud, policyholder fraud, and internal fraud.
Purpose	• To ensure stakeholders are aware of potential fraudulent activities. • To ensure all claims are legal and accurate. • To fulfill duties to report any cases of fraud.
Participants	All Departments
Action Plans	**SIU** • Assists with identifying suspicious claim practices, including gathering information and following up with suspected policyholders or vendors. • Works with other carriers to identify trends in suspect claims. • Communicates with Claims on any suspicious practices or red flag items. • Makes fraud referrals to TDI and sends copies to Compliance **Legal and Compliance** • Investigates any reported or suspected cases of fraud including the following types: vendor fraud, policyholder fraud, and internal fraud, and refers to TDI for further investigation. • Communicates with TDI fraud staff and/or appropriate federal, state and local governments when necessary. **Claims** refers the claim to SIU for evaluation based on internal SIU referral requirements.
Exhibits, or Related Documents	• TWIA/TFPA Fraud Referral Form • Claim Examiner Handbook • Exhibit 9 "Special Investigation Unit (SIU) and Fraud Reporting Requirements."
Additional Information	• Web portal or phone call to SIU. • Suspected Insurance Fraud Report via TDI. • Under Texas Insurance Code 701.051 there is an affirmative duty for TWIA to report suspected insurance fraud to TDI. • Duty to report not later than the 30th day after the date.
Compliance	See Texas Insurance Code Section 701.051 regarding our affirmative duty to report suspected insurance fraud to TDI
QA or Testing	

3.9 Coordinate Emerging Legal Issues with In-House and/or Outside Counsel

Objective 3.9	To coordinate emerging legal issues with in-house and/or outside counsel.
Description	Maintain proper resources to correctly interpret policy contracts and claim handling requirements, including staffing for: disputed or litigated claims and Texas Insurance Code 2210.578 expert panel claims.
Purpose	• To scale legal resources to assist with catastrophic incidents. • To ensure compliance with applicable laws and statutes.
Participants	Legal and Compliance
Action Plans	**Legal and Compliance** • Maintains up-to-date knowledge of case law in order to determine trends in disputed claims industry-wide. • Conducts in-depth research on issues lending towards litigation (e.g., depreciation). • Identifies and confirms the availability of contracted counsel to assist with coverage interpretations. • Projects disputes and litigation rates to determine resources needed. • Identifies the patterns of issues and determine avenues to find resolution. • Coordinates between different firms to handle workload on lawsuits emerging if volume of suits exceeds Association capacity. • Understands any increases in need for additional legal support especially where the Texas Insurance Code 2210.578 mandated TWIA expert panel may be involved or levels of disputed or litigated claims become a concern.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

3.10 Determine Need for Extension of Claim Handling Timelines

Objective 3.10	To determine need for extension of time for claim acceptance and/or denial.
Description	Determine when a request of extension of time is needed because the Associations do not have the capacity to accept claims in 60 days. Apply for extension with TDI.
Purpose	To ensure claims are processed within statutory guidelines.
Participants	Claims, Legal and Compliance, and Communications & Legislative Affairs
Action Plans	**Claims** determines the need for an extension of time to accept claims and defines the required extension. **Legal and Compliance** • Assists Claims in formatting the request for an extension. • Sends request for extension to the appropriate stakeholders at TDI. **Communications & Legislative Affairs** • Informs Legislators, Board Members, and other external stakeholders as appropriate if and when an extension is granted.
Exhibits, or Related Documents	
Additional Information	
Compliance	Statute 2210.581 governs the amount of time the Associations have to process and accept claims.
QA or Testing	

3.11 Secure Catastrophe Funding
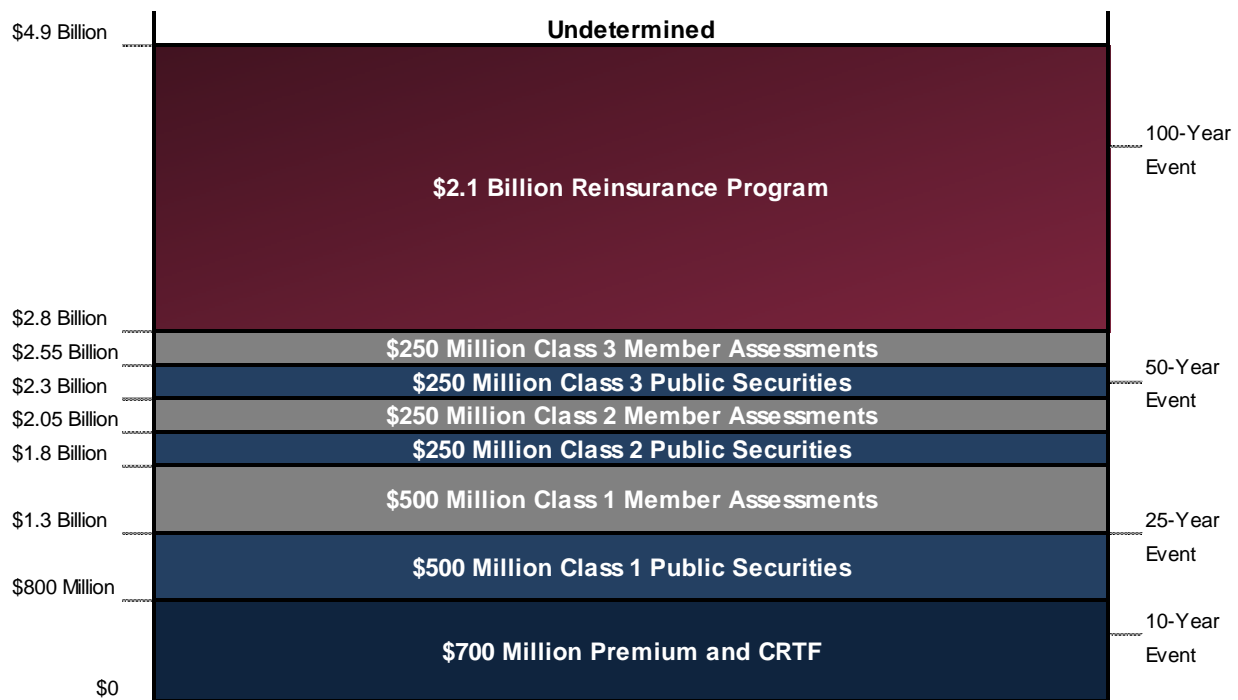
Objective 3.11	To secure catastrophe funding to support the funding needs based on loss estimates and actual claims experience.
Description	Estimate short term and long term funding needs. Assist with public security funding and reinsurance. Communicate with external stakeholders about securities issuance and assessments.
Purpose	To ensure adequate funds are available to pay claims in a timely manner.
Participants	Actuarial, General Manager, Accounting and Finance
Action Plans	**Actuarial** • Manages reinsurance recovery process with reinsurance brokers, including onsite claim file reviews. • Manages short and long term funding needs with the Board of Directors and the General Manager. • Assists in securing funding from public securities. **Accounting and Finance** • Assists in securing funding from public securities. • Manages short and long term funding needs with the Board of Directors and the General Manager. **General Manager** • Informs the Commissioner and Comptroller of total estimated catastrophic losses and potential reinsurance recoveries, and updates them with changes to estimates. • Communicates with bond and other legal counsel as to proper processes in statute and plan of operation for post- incident securities issuance. • Should a deficit occur, at the direction of the Commissioner, TWIA/TFPA shall either request the issuance of public securities as authorized by Chapters 2210 and 2211 of the Insurance Code (respectively), or assess participating insurers.
Exhibits, or Related Documents	Exhibit 19 "Sources of Funding - Single Storm" and Exhibit 20 "Sources of Funding – Hurricane Season."
Additional Information	Note that Exhibit 20 demonstrates compliance with Texas Insurance Code 2210 by planning for scenarios with a single storm (1 in 100, 1 in 50, and 24 year storms). Exhibits 19 and 20 include funding plans for the entire hurricane season with plans for funding in the case of multiple storms.
Compliance	
QA or Testing	

Exhibit 19: Sources of Funding – Single Storm Scenarios*

Event	Estimated Losses (in millions)	Planned Sources of Funding (in millions)				
		Premium Revenue	CRTF	Public Securities	Member Assessments	Reinsurance
1% (1 in 100)	$4,127	$65	$735	$1,000	$1,000	$1,327
2% (1 in 50)	$2,447	$65	$735	$897	$750	$0
4% (1 in 25)	$1,315	$65	$735	$500	$15	$0
10% (1 in 10)	$456	$65	$391	$0	$0	$0

*Estimates current as of 3/31/2017

Exhibit 20: Planned Sources of Funding – 2017 Hurricane Season*

$4.9 Billion	
	Undetermined
	$2.1 Billion Reinsurance Program — 100-Year Event
$2.8 Billion	
$2.55 Billion	$250 Million Class 3 Member Assessments
$2.3 Billion	$250 Million Class 3 Public Securities — 50-Year Event
$2.05 Billion	$250 Million Class 2 Member Assessments
$1.8 Billion	$250 Million Class 2 Public Securities
$1.3 Billion	$500 Million Class 1 Member Assessments — 25-Year Event
$800 Million	$500 Million Class 1 Public Securities
	$700 Million Premium and CRTF — 10-Year Event
$0	

3.12 Track Losses and Reserve Adequacy

Objective 3.12	To track losses and reserve adequacy.
Description	Monitor losses and projections to ensure adequate reserves and funding are allocated for paying claims and other financial obligations.
Purpose	To secure sufficient funding to pay claims and other financial obligations.
Participants	Actuarial, Claims, Accounting and Finance
Action Plans	**Actuarial** • Conducts quarterly reserve reviews and estimates incurred but not reported (IBNR). • Calculates potential funding needs and assists in communications to stakeholders. • Monitors reported losses, payment projections, and reserve adequacy. • Reports on expected cash flows and ultimates, and key projected financial metrics attached for TWIA and TFPA. • Serves as a resource to Claims for template catastrophe reserving. **Claims** • Ensures that workgroups are set up properly in Claims Center to ensure proper segmentation. • Works with actuary and General Manager on volume, severity, complexity of reported losses, expected losses and status of plan implementation. **Accounting and Finance** • Manages and projects cash flow
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

Recovery Phase (4.0)

According to Texas Division of Emergency Management, recovery is defined as "long–term activities that help return life to normal for individuals, businesses, and infrastructure." In the recovery phase, the vast majority of claims are closed and Association operations are being scaled back to normal.

During this phase, the corrective action program is fully implemented and activated, including review of all after action reports to determine the level of Plan updates and need for future testing, training, and exercises.

4.1 Restore Normal Insurance Application Procedures

Objective 4.1	To restore normal insurance application procedures if weather incident meets 'Hurricane Binding Exception' and threat has passed.
Description	Initiate the restoration of normal business. Update the settings in the policy system.
Purpose	To restore essential insurance services after a catastrophic incident.
Participants	Underwriting, General Manager, Communications and Legislative Affairs, Underwriting
Action Plans	**General Manager** determines whether to deactivate "Storm Mode" and "CAT mode," and alerts executive leadership team. **Underwriting** - Recommends to General Manager the deactivation of "Storm Mode" and the restoration of normal insurance application procedures in impacted counties - Upon approval from the General Manager, deactivates "Storm Mode" - Notifies IT to deactivate "CAT Mode" in the CGI Agent Portal. - Notifies Communications and Legislative Affairs to place "Normal Processing Mode" Agent Bulletin on TWIA Website. - Advises staff of return to normal processing guidelines **Claims** - Recommends to the General Manager the deactivation of "CAT Mode" in Claims Center and Claims Center for Policyholders and Agents - Determines the final dates for the templates used for the incident **Communications and Legislative Affairs** - Oversees taking down the "CAT mode banner" on the website. - Reports to Texas Legislature and TDI on TFPA /TWIA's restoration of normal insurance procedures in impacted counties. - Prepares agent bulletin and email to send TWIA/TFPA agents information on restoration of normal submission procedures, offsite office closings, restating agent binding authority, and claim reporting procedures. **IT** - Deactivate "CAT Mode" in the CGI Agent Portal.
Exhibits, or Related Documents	How to Deactivate Storm Mode
Additional Information	The following roles have permission to deactivate Storm Mode in NOTUS: General Manager, Vice President of Underwriting, Chief Actuary and Vice President of Enterprise Analytics, and assigned Senior Underwriting Managers
Compliance	
QA or Testing	

4.2 Communicate with Public and External Stakeholders

Objective 4.2	To communicate with public and external stakeholders about the recovery phase.
Description	Alert the public and external stakeholders when catastrophe response has been successful, and outline steps for the phase of recovery.
Purpose	- To operate transparently through open communication with stakeholders. - To ensure a quality customer service experience.
Participants	Communications and Legislative Affairs
Action Plans	**Communications and Legislative Affairs determines whether to:** - Run full-page "After the Storm" newspaper ads with claims process and contact information. - Run radio ads with claims process and contact information. - Send press release to follow up with media in affected areas. - Offer interviews with TWIA/TFPA to key reporters regarding insurance issues. - Craft and post "After the Storm" message for publication on the TWIA/TFPA websites. - Post "After the Storm" information on social platforms (Facebook, Twitter). - Host outreach events in affected areas.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

4.3 Transition Supplies to Pre-CAT Status

Objective 4.3	To transition supplies to the level needed for normal business procedures.
Description	Return supplies, security, and vendor services to pre-CAT levels. Deactivate extra equipment and phones.
Purpose	To drive operational efficiency.
Participants	IT, Facilities, Claims
Action Plans	**IT** • Works with Rentsys to deactivate systems technology for mobile claims center. • Deactivates excess phones. • Inventories computers, extra monitors, and supplies such as toner. • Returns excess, mistakenly ordered, or faulty equipment if applicable. • Returns any equipment taken from training rooms and reconciles supplies. **Facilities** • Deactivates security badge for contractors. • Inventories and reconciles supplies (e.g., chairs, workstations, and storage). • Evaluates actual demand on workspaces, supplies, and equipment to determine changes to supply planning. • Communicates with security services to restore pre-CAT status. • Communicates with food and drink vendor services and cleaning services to restore pre-CAT status. • Communicates to restore parking to pre-CAT status. **Claims** works with IT and Facilities to ensure that supplies and technologies are transitioned to pre-CAT status.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

4.4 Conduct Reviews of Vendors, Contractors, and Service Providers

Objective 4.4	To conduct reviews of vendors, contractors, and service providers.
Description	Evaluate vendors and contractors based on observations made during the incident activities and make recommendations for changes to vendors, or processes and procedures.
Purpose	To ensure we partner with the best available vendor resources.
Participants	Claims, Facilities, Human Resources, All Departments
Action Plans	**Claims** • Participates in Association debriefs after response efforts. • Gathers feedback from units that worked with vendors, contractors, and service providers for recommendations on improvements to be made. • Conducts surveys to rank vendors by degree of performance. • Assigns Department personnel to evaluate the observations and recommendation. • Schedules Department meeting to discuss recommendations, and plan changes. • Sends report to General Manager within 30 days of response efforts. **Facilities and Human Resources** • Participate in Association debriefs after response efforts. • Conduct surveys to rank vendors by degree of performance. • Assign Department personnel to evaluate the observations and make recommendations. • Schedule Department meeting to discuss recommendations. • Schedule Department meeting to discuss recommendations, and plan changes. • Send report to General Manager within 30 days of response efforts. **All Departments** • Evaluate compliance of vendors, contractors, and service providers with agreements and assess need for any resulting amendments, terminations, or new agreements.
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

4.5 Implement a Corrective Action Program (CAP)

Objective 4.5	To implement and follow a corrective action program (CAP) to ensure continuous Improvement of the Plan.
Description	Evaluate Enterprise performance and Plan adequacy based on lessons learned or observations made during an incident, or during testing training and exercises (TTE).
Purpose	- To compel Enterprise resources to identify strengths and weaknesses. - To ensure a process is in place so the value of lessons learned is not lost.
Participants	CAT Plan Update Team, Claims
Action Plans	**CAT Plan Update Team** ensure awareness and compliance with the CAP including: - Assigning Department personnel to evaluate the observations and recommendations. - Documenting activities or findings into after action report format and file with designated CAP manager. - Participating in Association debriefs after response efforts. - Scheduling Department-wide meeting to discuss recommendations. - Participating in Enterprise feedback sessions for a full review with all key players within several weeks of the incident. **Claims** - Creates an After Action Report with all documented issues to assess product, services and future recommendations. - Creates a CAP document to include: issues raised in the after-action report and their recommended resolutions, work assignments for each issue or cluster of issues, timeframes for review and completion, a TTE plan with milestones for implementing and documenting the solutions.
Exhibits, or Related Documents	[After Action Program Template](#)
Additional Information	
Compliance	
QA or Testing	

4.6 Conduct Testing, Training, and Exercises (TTE)

Objective 4.6	To conduct testing, training, and exercises (TTE) of the catastrophe (CAT) incident response plan.
Description	Ensure that the CAT Plan supports the common overall goal of preparedness.
Purpose	To provide activities to identify areas of strength, areas of improvement, obtain leadership buy-in, allow staff to practice procedures, help to inform and train staff.
Participants	All Departments
Action Plans	**All Departments** Assist with development and execution of test, training, and exercises (TTE), including: • System tests – Performance, Scalability, Reliability, and Functionality. • Procedures tests – Claims and non-Claims • Discussion-based exercises (e.g., Seminars, Workshops, Tabletop, and Games) • Operations-based exercises (e.g., Drills, Functional, and Full-scale) • Training: Leadership - by plan roles and responsibilities • Training: All Staff – for roles and responsibility • Training: Desire is to include cross-training where possible especially for mobile or remote workers • Controls- Process and analytics for plan compliance and testing
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

Appendices

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Appendix A - CAT Plan Revisions Log

Date	Revised By	Description
08/23/11	Julie Kronbach, Consultant	Rewrite of TWIA and TFPA Catastrophe Plan
03/31/12	David Williams, Vice President and Claims Management Team	Rewrite of TWIA and TFPA Catastrophe Plan to include updated workflows and procedures
05/06/13	David Williams, Vice President, and Claims Management Team	Completed rewrite of TWIA and TFPA Catastrophe Plan to include HB3 requirements and updated workflows and procedures
08/22/13	John Morrison	Added Appendix U: Association Employee CAT Pay Policy
08/29/13	John Morrison	Moved phone system responsibilities from Operations to IT
05/15/14	Claims Management Team	Revised and updated Catastrophe Plan including House Bill 3 requirements
5/31/15	General Manager, Executive Leadership Team, and Enterprise Subject Matter Experts	Rewrite of TWIA and TFPA Catastrophe Plan
5/25/16	CAT Plan Update Team, David Williams, Vice President	Inclusion of After Action Report Items
11/28/16	Christine Reschke, David Lawson, and Erin Espinoza	Revisions to Objectives 2.6 and 4.1 to ensure proper assignment of responsibilities relating to Storm Mode
12/13/16	David Lawson, Jim Murphy	Reassignment of responsibilities in Objective 3.12
05/01/17	CAT Plan Update Team	Inclusion of After Action Report Items and adjusted funding structure information

Appendix B - CAT Summary Checklist for TWIA and TFPA Staff

Before Hurricane Season:

☐ Participate in development and testing of the CAT Plan

☐ Participate in development and testing of the Disaster Recovery/Business Continuity (DR/BC), the plan for when a disaster affects the Austin office.

☐ Participate in all TWIA/TFPA mandatory trainings

☐ Learn how to take first notice of loss (FNOL) information from policyholders in the case of a misdirected call

☐ Update emergency contact information and all languages spoken in the ADP system

☐ Create a plan for your household in the case of CAT deployment and/or mandatory overtime

☐ Identify where to check for information on office closings, and regularly access for information.

While Monitoring a Pending Storm:

☐ Remain on alert for one-call messaging notifying of activation of the CAT Plan

☐ Remain on alert for mandatory overtime based on Association needs

☐ Activate plans at home for deployment and/or overtime

☐ Attend preliminary Department meeting for briefing on CAT Plan duties and roles

☐ Attend Department strategic planning meeting 96 hours before landfall

☐ Remain on alert for the activation of "storm mode" in the policy system, and pay attention to emails from IT indicating updates to systems technology

☐ Refer all media requests to Communications

☐ Prepare for role transitions (i.e., taking on a temporary position specific to the CAT)

☐ If chosen to deploy, prepare to travel to the impacted area or a nearby staging area when it safe to do so.

☐ In the case of DR/BC activation, remain alert for department-level instructions for recovery.

After Landfall of a Storm:

☐ Follow statutory timelines for claims and complaints

☐ Assist contract resources in complying with Association policies

☐ Report the following kinds of fraud when you see them: vendor fraud, policyholder fraud, internal fraud, and independent resource fraud

☐ For all misdirected calls, help the policyholder as much as possible, including taking FNOL information

☐ Participate in ongoing CAT meetings and briefings

☐ Continue referring all media requests to Communications

☐ If deployed, uphold TWIA and TFPA policies and procedures for professional behavior

Post-Event Phase:

☐ If deployed or at an offsite facility, assist with dismantling and cleaning the site

☐ Return equipment and supplies distributed to you for CAT response

☐ Remain on alert for the de-activation of "storm mode" in the policy system, and pay attention to emails from IT indicating updates to systems technology

☐ Prepare for role transitions (i.e., transitioning out of your temporary CAT role)

☐ Participate in Department Enterprise evaluations of CAT response

☐ Participate in conducting reviews of contractors and service providers

Appendix D – TWIA/TFPA Catastrophe Deployment Plan

2016 CAT Deployment Plan

&

Volunteer Handbook

June 1st, 2017

Table of Contents

Living Document Disclaimer

This is a living document prepared for the Texas Windstorm Insurance Association and Texas FAIR Plan Association. In the event of any inconsistency or discrepancy, the controlling policy, regulation, or law prevails. All content found within this plan is subject to change. Printed or distributed copies cannot be controlled. Announcements contained in such printed or electronic materials are subject to change without notice, and may not be regarded in the nature of binding obligations on the Association.

Introduction

Overview

The 2017 Deployment Plan and Volunteer Handbook is intended to outline a strategy to identify staff and recruit volunteers in the event that the Association deploys in response to an incident, to identify the roles and responsibilities of individual business units in the event of a deployment, and to provide deployment guidelines and preparation information for volunteers.

A deployment of TWIA and TFPA's resources in response to an incident is an important piece of the Associations' catastrophe operations, providing immediate assistance to our policyholders throughout our coverage areas. Our deployed staff will be the face of the Associations in our response to a disaster and are a way we are able to provide quality service to our policyholders in extreme circumstances.

As well as providing Association operating procedures for deployment, this handbook provides expectations, guidelines, roles and responsibilities, and tips on preparing volunteer's family for a disaster and making contingency plans when deployed. Preparation for the unique demands of deployment is necessary to mitigate staffing issues and to ensure employees are truly able to meet the goals we set when responding to a catastrophe.

Pre-Season Activities (1.0)

Pre-season activities involved the yearly planning and actions that need to be addressed prior to any actual deployment, as well as addressing those actions that will need to take place in closer proximity to an event. This includes enlisting volunteers, training and testing, setting expectations for deployment communication, and preparing policies and procedures.

1.1 Maintain a Deployment Plan

Objective 1.1	To maintain a plan that prepares for deployment in response to an incident
Description	Ensure a detailed plan is in place. Update and make improvements to the plan after a deployment or a test.
Purpose	To plan for deploying employees to impacted coverage areas in the case of a catastrophic incident.
Participants	General Manager, Executive Leadership Team, CAT Plan Update Team, All Departments
Action Plans	**CAT Plan Update Team** • Reviews After Action Reports (AARs) and works with Executive Leadership Team to identify areas for improvement • Creates recommendations to the executive sponsor regarding possible testing, training and exercises to ensure continuous improvement. • Meets with TWIA/TFPA Department Subject Matter Experts (SMEs) to review updates. • Submits the plan to the Executive Leadership Team for approval no later than June 1st of each year. **All Departments** • Review plan to identify and assess ownership of roles and responsibilities. • Assist with updating the plan, including sending updates to the CAT Plan Update Team • Assist with training Department staff on plan requirements. • Assist with implementing testing, including Department tests of relevant objectives. **Legal & Compliance** • Review Remote Unit layouts to compliance with the Americans with Disabilities Act. **General Manager and Executive Leadership Team** • Review and give plan approval. **Communications and Legislative Affairs** • Attaches Deployment Plan to the Annual Report Card and sends to external stakeholders.
Exhibits	
Additional Information	

1.2 Identify Staff with Skills & Experience to Deploy

Objective 1.2	To maintain a staffing model that accounts for the skills and experience needed to successfully deploy in response to a catastrophic incident.
Description	The Associations will have a deployment volunteers who are available to serve policyholders in a variety of deployment scenarios, as well as discern the appropriate staff to deploy in extreme circumstances.
Purpose	To identify available volunteer resources for deployments and select appropriate staff.
Participants	General Manager, All Departments
Action Plans	**CAT Plan Update Team** • Sends requirements and responsibilities for deployed employees to Departments with attention to skills in customer service. • Identifies employees who have prior deployment or disaster response experience. • Identifies employees who are fluent in more than one language, including Spanish. • Recommends employees who have prior experience or language skills to the heads of their Departments as possible candidates. • Identifies employees who are first responders and are trained in first aid and trauma. • Sends reminders for updating ADP (languages spoken, address, and emergency info). • Identifies backups for deployment volunteers, who would deploy in the case that the primary volunteer is unavailable or when there is more than one deployment location. **All Departments** • Review requirements and responsibilities for deployed employees and any staffing recommendations from CAT Plan Update Team. • Communicate with staff about requirements and responsibilities of deployment, including the ability to be away from home, living and working in adverse conditions for two weeks or more. • Request volunteers for deployment and select appropriate team members. • Submit list of deployment volunteers by March 16th of each year, prior to the publication of the CAT plan and deployment plan. **Deployment Volunteers** • Signs an agreement annually to acknowledge the duties and responsibilities of the volunteer and that they acknowledge that all policies and procedures apply while deployed **General Manager and Executive Leadership Team** • Review and approve deployment volunteers.
Exhibits	
Additional Information	• See Appendix D – Acknowledgement of Receipt

1.3 Train in Customer Service & Conduct during Catastrophic Incidents

Objective 1.3	To train staff in customer service skills and codes of conduct when working at a deployment site.
Description	Assure standards of customer service and professional behavior are in place and that deployment volunteers are familiar with them.
Purpose	To provide policyholders with a safe, professional experience, and to uphold the Association's ethics and best business practices when out in the field.
Participants	General Manager, All Departments
Action Plans	**CAT Plan Update Team** • Benchmarks against industry deployment plans and their codes of conduct and customer service standards. • Meets with departments to adapt policies they own to the Plan • Recommends training to ensure staff are prepared to exhibit behaviors and practices appropriate for deployment • Meets with TWIA/TFPA Departments to solicit feedback and promote awareness. • Makes staff aware of overtime and volunteer and/or mandatory CAT deployment. • Ensures that the latest Deployment and CAT Pay Policy are available and reviewed by deployment volunteers **All Departments** • Makes recommendations of any changes needed. **General Manager and Executive Leadership Team** • Review and give policies approval during the review of the deployment plan. **All Departments** • Attend training in deployment customer service and codes of conduct.
Exhibits	
Additional Information	

1.4 Maintain Vendor Relationships to Quickly Enlist Services

Objective 1.4	To maintain vendor relationships to quickly enlist services for a deployment event.
Description	Assure the Association has contacts with vendors that can provide manual labor, security, and other services in the event of an incident
Purpose	• To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	General Manager, All Departments
Action Plans	**Operations** • Ensure contracts with security firms to provide 24/7 security for the deployment sites. • Maintains relationships with rental car vendors. • Maintains relationships with hotels/motels and other lodging options as primary or secondary options for housing, meals, and meeting spaces. **Claims** • Explores options for basecamp sites and other housing, meals, and meeting space options that could serve as a primary alternative to hotels and motels for deployed staff. **HR** • Maintains contracts with vendors to provide manual labor and greeters at the deployment site
Exhibits	
Additional Information	TWIA understands that vendors relationships should account for the fact that vendors located on the coast and in close proximity to the coast may not be available if evacuations occur.

Pre-Event Activities (2.0)

Pre-event activities include the activities needed once a known storm or other incident is approaching and the Associations have determined that deployment may be needed. These activities include alerting volunteers of a possible deployment, initiating work with vendors to procure supplies and resources, and setting up plans to be ready for the day of deployment.

2.1 Communicate with Deployment Volunteers & External Stakeholders about Deployment Sites

Objective 2.1	To ensure constant and clear communication with deployment resources and external stakeholders
Description	Once the CAT Plan has been activated and an incident is imminent, deployment communications will need to cascade effectively to internal and external stakeholders
Purpose	To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	General Manager, Executive Leadership Team, Communications & Legislative Affairs, Claims, Operations
Action Plans	**Claims** • VP of Claims to advise the Executive Leadership Team and the General Manager regarding the location of the deployment sites and the resources needed. • Manages One-Call groups for Volunteer • Coordinates with local, county, state, and federal emergency management personnel to communicate the location of the deployment site **Communications & Legislative Affairs** • Prepares templates of communications to be sent to deployment volunteers throughout the stages of activation of the CAT Plan. • Coordinates with Operations to send pre-deployment communications, alerting volunteers to the potential for deployment and providing details for each phase of response. • Sends pre-deployment communications through Operations' One-Call technology • Announces the watch phase (notification of a hurricane or tropical storm watch for coverage areas); • Announces stand-by phase (three days prior to expected landfall); • Announces a 24-hour activation alert (notification to prepare for an anticipated deployment); and • Sends information about deployment sites to the TWIA Ombudsman, legislative offices, media, and other interested parties • Communicates the location of deployment sites to external stakeholders via the TWIA website, social media, and other channels. **Operations** • Maintains a contract with One-Call, or a vendor like it, to send mass text messages to volunteers and staff • Works with Communications to obtain messages to send to deployment volunteers through One-Call
Exhibits	
Additional Information	It is important to note that in a non-storm catastrophe, there may be no watch phase, volunteer standby phase, or 24-hour activation alert.

2.2 Initiate Services with Approved Vendors for Logistics

Objective 2.2	To engage approved vendors to acquire transportation, lodging, meals and other on-site supplies needed.
Description	Assure the Association has resources for transportation, lodging, and meals during a deployment event.
Purpose	• To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	Operations, Accounting, HR
Action Plans	**Operations** • Contacts car rental vendors to obtain enough vehicles for the deployment. • Ensures the Associations maintain insurance for drivers. • Engages hotels and motels in the vicinity of the deployment site to determine availability. • Communicates with Claims as to the availability of lodging in the affected area. • Coordinates with Communications to send out information on lodging, transportation, and meals during the various phases of announcements prior to a storm. • Ensures deployment sites are equipped with food and water • Works with accounting to ensure all purchasing policies are adhered to. **Claims** • Determines if Base Camp solutions are available including lodging, meals, meeting spaces, etc. • Engages Cotton, the Associations' ALE provider, to identify possible basecamps. **HR** • Maintains a list of deployment volunteers who are qualified to drive. • Maintains contract with contract labor vendor to help set up the deployment site. • Works with legal to determine guidelines for vehicle use.
Exhibits	
Additional Information	The Associations' Purchasing Policy applies unless instructed otherwise by the General Manager.

2.3 Initiate Technological Systems for Deployment

Objective 2.3	To communicate with IT and vendors to deploy remote communications technology
Description	Communicate with TWIA/TFPA IT Department and Rentsys to deploy remote satellites and other needed technology to the location of the Mobile Claims Center(s).
Purpose	To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders. Ensure remote connectivity is available at remote sites.
Participants	Claims, IT, Executive Leadership Team
Action Plans	**Claims** • Provides information and recommendations to the Executive Leadership Team to guide decisions regarding the level of deployment. • Maintain contract with Rentsys, or other vendors, for remote satellite communication technology that is deployable with the Mobile Claims Center • Communicates with IT regarding the scale of deployment to ensure enough equipment is deployed. **Executive Leadership Team** • Determines the level of deployment and whether to deploy Mobile Claims Center(s) or Rentsys unit(s), based on recommendations from Claims. **IT** • Communicates with Rentsys to ensure the availability of required technology. • Ensures the appropriate amount of equipment is deployed (i.e., laptops, printers, etc.). • Begins prepping laptops at the 24-hour Activation alert. • Ensure that each laptop is imaged with all of the most recent software downloads. • Provides support throughout the deployment.
Exhibits	See Appendix B for the layout of the Mobile Claims Center
Additional Information	

Day of Deployment Activities (3.0)

Activities on the day of deployment play a crucial role in the overall implementation of the deployment plan. This section refers to the activities surrounding the deployment volunteers assembling before leaving for the remote site. They will be debriefed as to the specifics of the deployment situation, receive necessary resources, supplies, communications, and training. Any needed legal notices or agreements should be executed on this day if they have not been already. The day of deployment will also include safe transportation to the field office or mobile claims center, as well as coordinating the logistics for setting up the mobile claims center.

3.1 Coordinate Staff for Rapid and Safe Deployment to Impacted Areas

Objective 3.1	To coordinate deployment volunteers and staff to ensure an organized deployment
Description	The Association needs to be able to gather all deployment volunteers and organize contractors for a rapid and organized deployment to the impacted area.
Purpose	• To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	Operations, Claims, HR, Deployment Volunteers
Action Plans	**Operations** • Works with Communications, Claims, and HR to determine where to meet on the day of deployment. • Sends communication on where to meet based on instructions from Communications • Generates and distributes I.D. badges for deployment volunteers. • Distributes shirts, hats, vest, office supplies, etc. • Determines if contract labor is required for the set up and engages vendors to request resources. **Communications & Legislative Affairs** • Announces activation (issued after a hurricane or tropical storm has made landfall and will include logistical details surrounding the deployment). • Coordinates with Operations to send an alert of where teams will meet on the day of deployment. • Prepares additional collateral and instructions for how to deal with media inquiries or legislative inquiries while in the field. **Claims** • Coordinates and communicates with Operations regarding the level of deployment • Communicates with the adjusting resources and other relevant vendors to inform them of the deployment location • Coordinates with local, county, state, and federal officials as needed • Works with the Texas State Disaster Coalition to understand other remote claims operations in the area **HR** • Maintains a list of deployment volunteer's personal information for I.D. badges • Communicates with labor firms to make sure manual labor contractors can get to the deployment site easily. • Decides whether to provide I.D. badges to deployment firms. • Maintains contracts with vendors to supply contract labor. **Deployment Volunteers** • Meet at TWIA's home offices at the time communicated to them
Exhibits	
Additional Information	

3.2 Coordinate Equipment for Rapid and Safe Deployment to Impacted Areas

Objective 3.2	To gather all of the necessary equipment for a deployment
Description	Some of the equipment for deployment is kept in a storage unit. It is important to ensure all of the needed equipment is deployed.
Purpose	To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	Claims, Operations
Action Plans	**Claims** - Communicates the specific supplies and equipment needed and the number of resources that will be deployed to Operations **Operations** - Ensures a site map is created for the layout and location of items in the storage unit - Designates employee(s) to gain access to the storage facility to pick up equipment (i.e., generators, tents, tables, etc…) - Ensures sanitation stations and restroom facilities have all appropriate amenities - Obtains a vehicle to haul supplies and equipment to the deployment site - Works with Claims and other departments to understand the amount of supplies needed
Exhibits	
Additional Information	Information regarding the storage unit, its inventory, and its location can be obtained through the Operations/Facilities Department.

Deployment Phase (4.0)

Ongoing deployment activities are needed to maintain a safe, appropriate, and effective work environment while at the deployment site. This includes ways to check that policies and procedures are being followed and that best practices for safety on site are maintained. There need to be channels for communication with the Associations' main offices throughout deployment to ensure business operations are meeting Association standards and to mitigate any risks during deployment.

4.1 Enforce TWIA/TFPA Codes of Conduct/HR policies and Maintain Safety at the Site

Objective 4.1	To ensure compliance with all TWIA/TFPA policies, procedures, and codes of conduct and to maintain safety at the site
Description	While deployed, all TWIA/TFPA policies and procedures apply to staff members. The policies and codes of conduct shall be enforced by management and the HR representative.
Purpose	To ensure the safety and security of all TWIA/TFPA personnel while deployed.
Participants	HR, Operations, Claims Deployment Volunteers
Action Plans	**Human Resources** • Ensures the enforcement of all TWIA/TFPA policies and codes of conduct • Works with Incident Commander to enforce policies • Handles all issues that arise surrounding these policies • Provides materials to reinforce policies (i.e., OSHA Guidelines, Gun Policies, etc.), including all TWIA and TFPA policies • Identifies medical facilities in the area and confirms that they are operational • Communicates emergency contacts (e.g., hospital, police, fire) to deployed staff • Provides information on evacuation procedures and stays apprised of local evacuation orders and communicates to staff if there is a need. • Provide material surrounding safety practices **Operations** • Maintains contracts with on-site security vendors that can provide 24/7 protection at the deployment site • There should be no less than 2 security officers on duty at once • Provides safety equipment for the deployment site (i.e., first aid kits, fire extinguishers, defibrillator) and communicates the location to all deployed staff • Ensures that all tripping hazards are identified with red tape and all appropriate areas are barricaded **Claims** • Assigns a staff member to serve as the Site Manager, who is responsible for the overall management of the remote location Incident Commander ensures that any changes to the site are first filtered and approved by Operations
Exhibits	• TWIA/TFPA Employee Handbook • TWIA/TFPA Safety Manual
Additional Information	All TWIA/TFPA policies, procedures, and codes of conduct apply to all staff in the event of an incident

4.2 Maintain Safety on the Deployment Site and Identify First Responders

Objective 4.2	To ensure the Mobile Claims Center site is prepared to begin allowing visitors
Description	Prior to the site being opened, IT and Operations will need to communicate the state of readiness of both the physical site and the readiness of the technology.
Purpose	To ensure the site is fully operational prior to opening
Participants	IT, Operations, Site Manager
Action Plans	**Operations** • Manages the contractors who are setting up the site and ensures the site is set up according the plans • Once the site set-up has been deemed ready by Operations, the Operations lead will communicate this with IT representatives **IT** • Begins set-up of equipment once Operations has completed site • Works with Rentsys staff to ensure the proper set up of remote satellites • Ensures that all laptops, phones, and other equipment is working as expected • Once the connection and performance have been confirmed, IT will communicate this to the Site Manager **Site Manager** Officially opens the site to visitors once IT and Operations have confirmed the site is ready
Exhibits	• Mobile Claims Center - Site Map
Additional Information	

4.3 Ensure a Constant Supply of Items Critical to the Operations of the Deployment Site

Objective 4.2	To keep a constant supply of fuel, water, and office supplies
Description	Dependent on the location and circumstances, deliveries of supplies may need to be made to ensure the site is able to operate for extended periods of time.
Purpose	• To ensure the site is supplied with supplies critical to the operations of the site
Participants	Operations
Action Plans	**Operations** • If conditions are such that fuel may not be readily available near the deployment site, identifies rendezvous points to meet with Operations' volunteers to deliver needed supplies • Ensures that there is at least two days' worth of fuel for generators • Shortages of supplies that can be purchased in bulk and that are critical to the operations of the site should be accounted for in deliveries to site
Exhibits	
Additional Information	

Returning from Deployment (5.0)

An organized and well timed departure is key to the operation. The return should include plans for transitioning employees back to the normal work environment, including clearly communicating relevant information to returning staff, collecting feedback from deployment volunteers, and supporting staff with wellness resources. Managers and staff who have remained at the Association main offices will also need information about returning staff and how to transition from roles and responsibilities that changed with deployment.

5.1 Close Offices and Communicate about Closures

Objective 5.1	To ensure the organized departure of deployment volunteers and the take-down of all deployment sites
Description	Assure the Association closes deployment sites in an organized fashion and ensure proper communication to external stakeholders and deployment volunteers
Purpose	To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	General Manager, Executive Leadership Team, Communications & Legislative Affairs, Claims, Operations
Action Plans	**General Manager and Executive Leadership Team** • Determine when to close the deployment site(s) **Communications & Legislative Affairs** • Sends an approved, templated, message communicating the closing of the deployment site to Operations to send to deployment volunteers through One-Call • Sends communications to external stakeholders about the closing of the deployment site **Claims** • Coordinates with local, county, state, and federal officials to determine the level of any continued presence **Operations** • Receives message from Communications to send approved message through One-Call, announcing the details of closing of the deployment site(s) • Ensures the return of rental cars and other equipment • Organize check-out for any hotel or motel rooms • Returns all equipment taken from the Austin storage unit
Exhibits	
Additional Information	The Site Manager is ultimately responsible for the orderly take down and closing of designated deployment sites.

Volunteer Handbook (6.0)

This section of the Deployment Plan is to serve as a resource for volunteers who are deployed for TWIA or TFPA in response to an incident. Pre-planning for deployment is essential. This portion of the plan will provide you with tips on how to prepare yourself for a deployment. It will also provide information regarding deployment guidelines, volunteer roles and responsibilities, and other resources.

6.1 Deployment Preparation

Objective 6.1	Prepare deployment volunteers for dealing with policyholders after a catastrophic incident
Description	The stress associated with a catastrophe and rebuilding process for policyholders can be overwhelming. As a deployment volunteer, you are responsible for serving as their trusted guide throughout the process.
Purpose	• To prepare volunteers and set expectations
Participants	Deployment Volunteers
Details	**Deployment Volunteers** • **Prepare for varied reactions** - Understanding that policyholders may respond to trauma differently is key in providing appropriate customer service. The emotions you see on site may vary and being aware of how to address each situation is crucial. • **Establish trust by being an active listener** – Avoid making assumptions, give your undivided attention, and be sure to ask follow-up questions. Acknowledge their situation. Avoid diminishing the policyholder's experience by saying 'it's not that bad.' • **Gather the facts** – Who, what, when, why, what next. • **Don't speculate** – Communicate accurate information only. If you don't know, say so and get back with the customer once you have an answer. • **Be the trusted guide, not the hero** – Rather than over promising and setting false expectations, be their expert source of information to guide them through this process. • **Plan ahead** – We encourage you to prepare yourself and your family before a catastrophe occurs. Have the materials you need to perform the duties you are responsible for carrying out.
Exhibits	
Additional Information	

6.2 Deployment Expectations

Objective 6.2	Learn and uphold expectations of deployed staff
Description	As an employee of the Associations, you have responsibilities to your supervisors, managers, and your fellow employees. Even in extreme circumstances, you are to uphold the mission, vision, and values of the Associations
Purpose	• Identify actions that would be regarded as improper conduct
Participants	Deployment Volunteers
Details	**Deployment Volunteers should understand how to avoid the following improper actions:** • Failure to meet the expectations for your responsibilities as a deployment volunteer • Leaving your workstation or the deployment site without first receiving permission from your supervisor or manager • Carelessness or neglect in carry out duties or being insubordinate • Falsifying or withholding of facts on any company records, including applications, time sheets, etc. • Excessive absenteeism or tardiness • Failure to follow policies, procedures, and guidelines contained in the employee handbook • Failure to follow safety rules • Conduct during business hours which could be construed as negative • Contracting with stakeholders to perform work of any kind for them • Non-disclosure of interest in any vendor or stakeholder • Threatening, intimidating, coercing, or interfering with the work of others • Disorderly conduct • Any form of harassment or discrimination • Failure to report accidents immediately • Discourtesy towards policyholders, agents, or any stakeholders • Possession of firearms or explosives or other weapons on company premises, including parking areas • Employees will not show up to the worksite under the influence of drugs or alcohol, nor can employees bring any intoxicant onto company property
Exhibits	
Additional Information	The Associations reserve the right to discipline, up to and including, termination of an employee regardless of whether or not the conduct or performance is described in the above list.

6.3 Reporting for Deployment

Objective 6.3	Report for deployment according to the plans and instructions of the Association
Description	Deployment Volunteers should be alert to the following phases and activities that will happen upon the activation of the CAT Plan, when there are plans to deploy:
Purpose	• Assure the proper communication of the details of departure and the disbursement of supplies, and ensure an organized departure
Participants	Deployment Volunteers
Details	**Deployment Communication Phases** • Watch Phase: Notification of a hurricane or tropical storm watch for the coverage areas • Stand-by: This will be sent up to three days prior to expected landfall • 24-hour activation alert: This will be sent to give notification to prepare for an anticipated deployment • Activation: This will be issued after a hurricane or tropical storm has made landfall and will include logistical details surrounding the deployment **Deployment Staging** • Upon arrival to the meeting site, volunteers will be brief in greater detail regarding the deployment (i.e., directions to the site, lodging information, and information on any road blocks) • Volunteers will be broken up in the travel groups • Operations/facilities will supply TWIA/TFPA polos, vests, hats, and badges at this time • Designated drivers will be issued TWIA/TFPA car magnets and provided with any reentry letters needed **Deployment Attire** • Volunteers should prepare for all types of weather (heat, humidity, rain, etc.) • Dress should reflect a professional appearance • Volunteers will be expected to wear casual Friday dress, their TWIA/TFPA branded shirt, vest, and I.D. badge.
Exhibits	
Additional Information	Volunteers should bring enough supplies (i.e., personal toiletries, shoes, socks) for a deployment of no more than 2 weeks

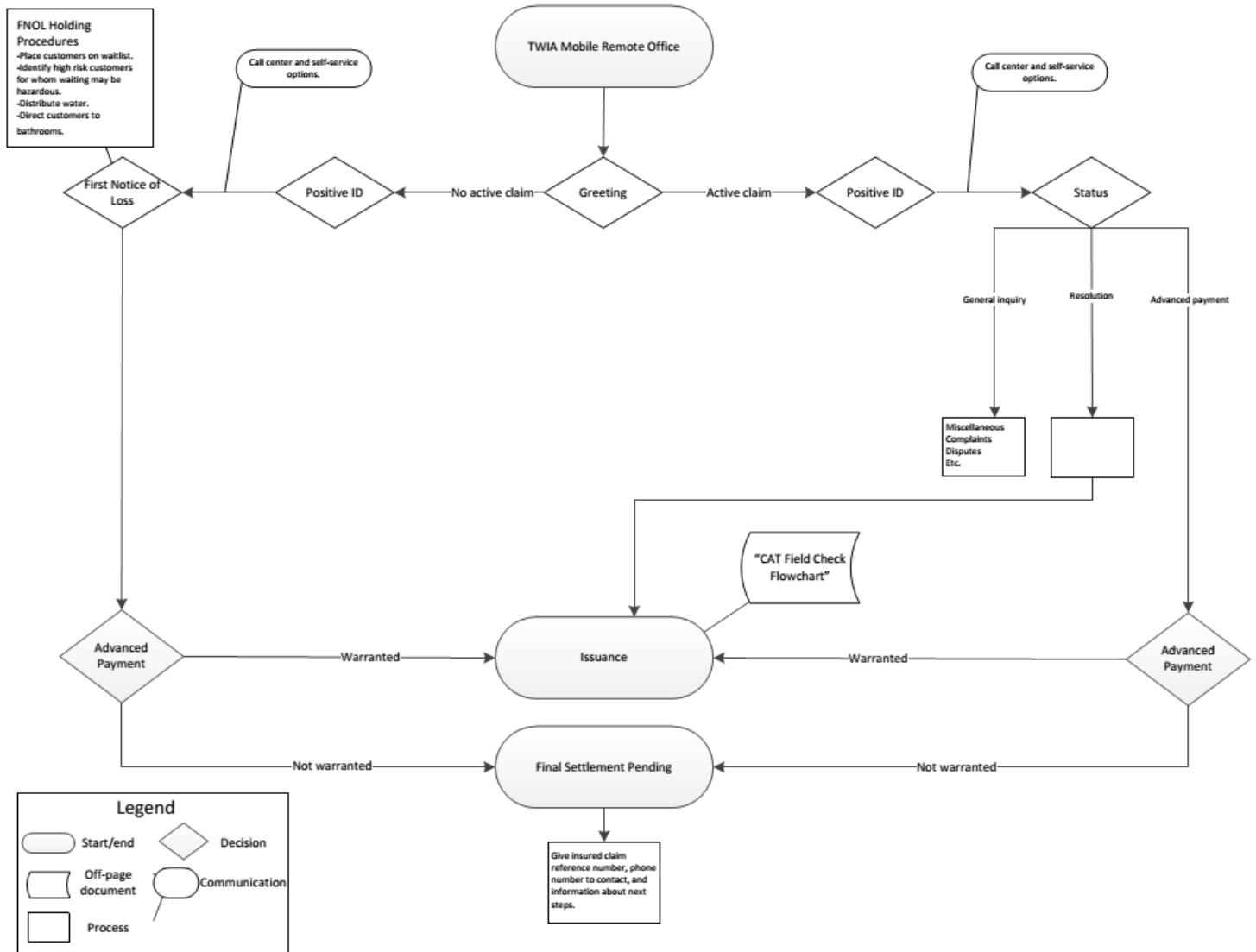## 6.4 Transportation to the Deployment Site and Lodging

Objective 6.4	Be aware of transportation plans to the site, as well as lodging
Description	Deployment volunteers will be provided information regarding standards and expectations surrounding traveling to the site and lodging
Purpose	• Ensure an organized departure
Participants	Deployment Volunteers
Details	**Deployment Transportation** • Deployment Volunteers will travel together to the deployment site from the Association's home offices, or other site if needed. It is likely that volunteers will travel in rental vehicles with no less than three people per car and no more than five; depending on the type of vehicle • Prior to departure, the Operations Department will acquire enough rental vehicles to ensure safe travels to the site. A drive will be selected for each car and that person will be responsible for driving and ensuring the safety of the vehicle • At the end of the deployment, cars will be returned to the Operations Department, who will return the vehicles to the rental company, unless otherwise arranged. **Deployment Lodging** • Where possible, lodging arrangements will be obtained by the Operations Department. Information regarding the location and check-in will be review at the briefing that will occur prior to departure. • If not possible for the Associations to obtain enough lodging in the area, basecamps will be utilized. Basecamps utilize open space as a place to set up sleeping quarters for volunteers • Room assignments will be made by the Site Manager prior to departure. There should be no more than four volunteers to a room and no less than three to a room. • You will responsible for settling any outstanding incidental expenses not reimbursed by the Associations (i.e., room service, laundry service, etc.) • If it is determined that advances will be made for expenses, volunteers will need to submit their
Exhibits	
Additional Information	

6.5 Personal Checklist for Deployments

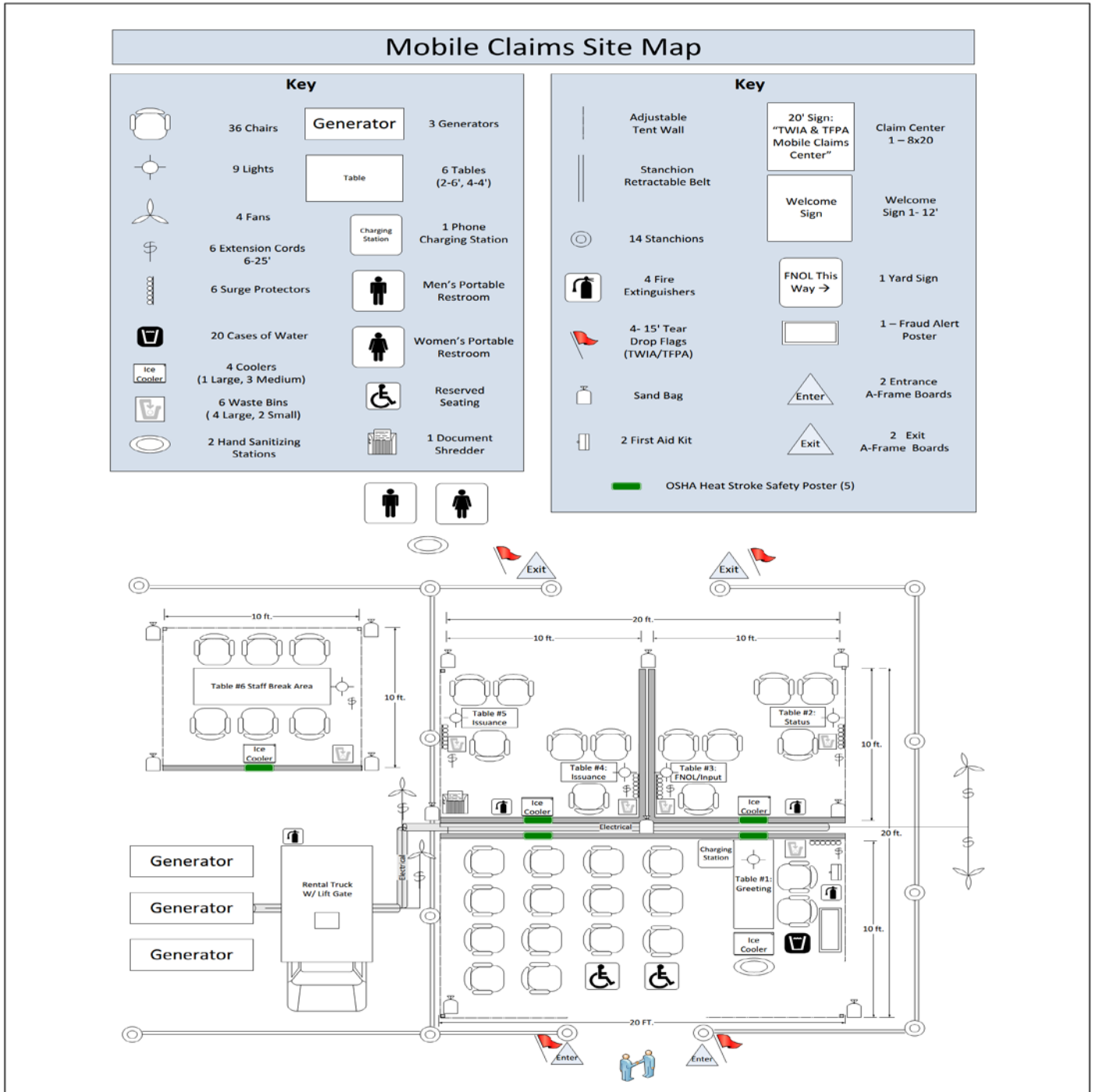| Objective 6.5	Personal Checklists for Deployments
Description	Provide information to volunteers to help prepare them for a deployment
Purpose	• There are certain things that you can do before, during, and after a CAT deployment to make sure that you're ready. Ensuring that you and your family have a plan for when this occurs is very important, as well as understanding your duties while you're deployed
Participants	Deployment Volunteers
Details	**Before a Hurricane** • Participate in development and testing of the CAT Plan • Participate in development and testing of the Disaster Recovery/Business Continuity (DR/BC), the plan for when disaster affects the Austin office • Participate in all TWIA/TFPA trainings • Understand what role you'll play in the event of a deployment • Sign the Deployment Volunteer Acknowledgment of Receipt document • Update emergency contact information and all languages spoken in the ADP system • Create a plan for your household in the case of a CAT deployment **While Monitoring a Storm** • Remain on alert for one-call messaging notifying of activation of the CAT Plan and deployment details • Activate plans at home for deployment (i.e., if you are the person who normally pays the bills for the household, ensure someone else knows how to do that). • Attend preliminary Department meetings for briefings on CAT Plan duties and roles • Be on alert for communications from TWIA/TFPA for deployment watch phase and 24-hour activation alerts via one-call messaging • Attend Department strategic planning meetings 96 hours before landfall • Refer all media inquiries to Communications & Legislative Affairs • Prepare for role transitions **After Landfall of a Storm** • Follow statutory timelines for claims and complaints • Report the following kinds of fraud when you see them: vendor fraud, policyholder fraud, internal fraud, and independent resource fraud • Uphold TWIA and TFPA policies and procedures for professional behavior **Post Event Phase** • Return equipment and supplies distributed to you for CAT response • Be on alert for one-call messages regarding the closing of deployment sites • Participate in Departmental and Enterprise-wide evaluations of CAT response
Exhibits	
Additional Information	

Appendix A – TWIA/TFPA Mobile Remote Offices Workflow

FNOL Holding Procedures
-Place customers on waitlist.
-Identify high risk customers for whom waiting may be hazardous.
-Distribute water.
-Direct customers to bathrooms.

Call center and self-service options.

TWIA Mobile Remote Office

Call center and self-service options.

First Notice of Loss ← Positive ID ← No active claim ← Greeting → Active claim → Positive ID → Status

General inquiry → Miscellaneous Complaints Disputes Etc.

Resolution → [ ]

Advanced payment

"CAT Field Check Flowchart"

Advanced Payment → Warranted → Issuance ← Warranted ← Advanced Payment

Advanced Payment → Not warranted → Final Settlement Pending ← Not warranted ← Advanced Payment

Give insured claim reference number, phone number to contact, and information about next steps.

Legend
- Start/end
- Decision
- Off-page document
- Communication
- Process

Appendix B – Mobile Claims Center Layout

Mobile Claims Site Map

Appendix C – Deployment Position Expectations

Role Expectations – Claims Supervisors

The claims supervisor that is deployed is responsible for ensuring TWIA/TFPA's ability to provide service to its policyholders, including paying claims in a timely manner. The supervisor is also responsible for ensuring the availability of required infrastructure. The Claims Supervisor is also responsible for:

- Supervise the deployment site and the deployment volunteers
- Handle escalated or difficult situations
- Answer general questions
- Meets with claims staff to brief them on expectations, responsibilities, and any specific instructions
- Ensures claims staff are adhering to TWIA/TFPA claims guidelines and are meeting statutory requirements
- Works with staff to identify the need to issue advanced payments
- Review and approve all coverage decisions involving a denial or partial denial of coverage
- Issuing payments that exceed the authority of the Claims Examiners at the deployment site

Role Expectations – Claims Examiner

Reviews the reports generated by the field adjusters, make claims decisions, communicate decisions to the policyholders, and issue claim and expense payments.

- Review adjuster reports and bring claims to conclusion according to TWIA/TFPA guidelines
- Discuss the disposition of the claim with the policyholder and walk them through any next steps
- Service as a resource for policyholders with questions about their coverage
- Ensure all denials and partial denials are approved by TWIA/TFPA management
- Advise policyholders on the need to mitigate damages to prevent further damage to their property
- Identify the need to issue advanced payments to policyholders
- Will be responsible for filling out the Advanced Payment Agreement with the policyholder if any advanced payments are needed and properly document them in Claims Center or CGI
- Advise and explain to policyholders the WPI-8 processes

Role Expectations – Accounting Deployment Specialist Lead

Responsible for maintaining the security of the signature stamp and signing each field check, utilizing the signature stamp, as well as ensure all field check registers are delivered to TWIA's home office.

- This resource will be responsible for checking out the signature stamp from the Accounting Department
- Along with the responsibilities mentioned above, this resource may be needed to assist with other duties at the deployment site
- Will ensure enough check stock for the deployment and will communicate with the home office if more checks are needed
- Responsible for compliance with all Accounting policies and procedures at the deployment site
- Will be responsible for checking out the field check register and will be responsible for the return of this register

Role Expectations – Accounting Specialist

Responsible for maintaining security of field checks and field registers, as well as writing all field checks and maintain a record of the checks written in the register.

- When coverage has been verified by Claims, this resource will be responsible for promptly writing the field check
- This resource may be asked to fulfill other duties at the deployment site if needed
- Responsible for ensuring accounting practices are adhered to, along with the policies and procedures
- Ensures that that the Advanced Payment Agreement is filled out appropriately and signed prior to writing any checks

Role Expectations – Customer Greeters

Welcome customers, answer questions, assist with the filing out of the customer information sheet, and direct policyholders to the correct resources.

- Warmly welcome policyholders
- Must maintain a customer friendly disposition and show empathy with stakeholders affected by the incident
- Is responsible for understanding TWIA/TFPA's claims procedures in order to assist policyholders and answer questions about the process
- Must be able to answer basic questions about the claims processes and TWIA's overall policies and procedures

Role Expectation – Claims Services Representative

Review customer information sheet, assess policyholder's needs and discuss policy information, explain the steps of the claims process, and determine the need for advanced payments.

- Must determine the needs of the policyholder and guide them to the right resource to assist them
- Responsible for reviews of the Policyholder Information Sheet and verifying coverage
- Once coverage is verified, this person will determine the Policyholder's need for an advanced payment
- Will provide additional help to claims staff at the deployment site and fill in any other role, as needed

Role Expectations – Maintenance and Support

This person(s) will be responsible for supplying fuel for generators, assist with site set-up and take down, arrange meals for staff, clean facilities, and run errands as needed.

- Provides office supplies for the deployment site
- The staff member will be responsible for the set-up of the deployment site
- Will be responsible for supervising all contractor laborers used to assist in the set-up and maintenance of the facilities
- Will be responsible for obtaining supplies located in the Austin storage unit
- Must ensure that meals are provided for breakfast, lunch, and dinner for deployed staff
- Will be the point person for checking-in/out of lodging arrangements, if available

Role Expectation – Administrative Positions

This staff member will be responsible for answering customer questions, keep inventory of office supplies, and assists with the First Notice of Loss process.

- Will assist in the administrative tasks associated with the handling of claims
- Responsible for helping policyholders and customers with the process of filing a claim and general questions
- Ensures a daily inventory is taken of office supplies and communicates with the Maintenance and Support representative to ensure more supplies are obtained if needed
- Mans the front table and assists as a greeter if needed

Role Expectations – Site Manager

A Claims or non-Claims leader with overall responsibility for ensuring all activities are taking place in accordance with the Plan. Claims Supervisors on site may also be assigned to this role.

- Ultimately responsible for the set-up, operations, and take down of the deployment site
- Ensures compliance with claims handling processes and with all orders from local, county, state, and federal officials
- Will manage all deployment volunteers and staff at the deployment site
- Responsible for receiving and keeping track of all exempt and non-exempt timesheets and will submit these timesheet to HR every Monday by 9:00am
- Provides daily site operations reports to Incident Commander for general performance of the site, number of site visitors, number of FNOL's entered, number of payments issued, and information as to why the site should continue to operate at that site.

Role Expectations – Underwriting Representative

This resource will service as the expert in policy processing and the Underwriting representative at the deployment site. When not directly involved in underwriting issues, this resource will assist with other roles where possible.

- Is responsible for all inquiries regarding Underwriting issues
- Must be proficient in using TWIA/TFPA policy systems
- Answer general questions
- Be available to assist with a variety of duties at the deployment site

Role Expectation – IT Representative

This person must be an expert in IT to provide support for the hardware, software, and network connectivity at the deployment site.

- Ensures the ability to access TWIA/TFPA's core system applications
- Works with the Austin office to troubleshoot issues if needed
- Make sure there is enough technology equipment for all of the resources

Role Expectation – Communications Representative

Communications & Legislative Affairs may be present to assist with onsite media, collect feedback from stakeholder groups, and coordinate outreach events (e.g., Townhall meetings).

- Handles all media requests at the deployment site
- Works with local agents and officials to make them aware of TWIA/TFPA's presence in the area
- Organizes Townhall and other public events to educate the public on TWIA/TFPA policies and issues specific to the incident
- Provides assistance at the deployment site, where needed

Appendix D – Acknowledgement of Receipt

TWIA & TFPA Deployment Plan

Acknowledgement of Receipt

I hereby acknowledge receipt of the 2016 TWIA & TFPA Deployment Plan. I understand that it is my responsibility to review and become familiar with the contents of this plan and to request any necessary explanation or clarification from my authorized supervisor or Human Resources. I agree to comply with all policies and procedures contained therein and understand that all TWIA & TFPA policies and procedures apply to me while deployed.

X_____

Employee Name
(Print)

X_____

Date

X_____

Employee Signature