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**TEXAS WINDSTORM  
INSURANCE ASSOCIATION**

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# **ANNUAL REPORT**

## **June 1, 2022 - May 31, 2023**



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# ABOUT THIS REPORT

June 1, 2023

Re: Texas Windstorm Insurance Association (TWIA) Annual Report – Section 2210.107(c)

The Honorable Greg Abbott, Governor  
The Honorable Dan Patrick, Lieutenant Governor  
The Honorable Dade Phelan, Speaker, Texas House of Representatives  
The Honorable Cassie Brown, Commissioner of Insurance  
Members of the Senate Committee on Business & Commerce  
Members of the House Committee on Insurance  
Members, Windstorm Insurance Legislative Oversight Board

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

The primary objectives of the TWIA Board of Directors ("the Board"), as set forth in Chapter 2210 of the Texas Insurance Code, are to ensure 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 organized into two sections: The State of the Association, a narrative describing TWIA's activities and accomplishments from June 1, 2022 to May 31, 2023, and a Statutory Compliance section detailing required areas of compliance and operational changes during the reporting period.

The Association is in full material compliance with all current standards of performance outlined in this report.

This is the twelfth Annual Report to be issued by TWIA since the enactment of House Bill 3 (82nd Legislature).


Should you have any questions, please feel free to contact me at (512) 505-2255.



David Durden  
General Manager

A coastal landscape with a large ship on the ocean, a sandy path, and a wooden building. The scene is overlaid with a semi-transparent blue filter. The ship is a large cargo vessel with the name 'AMERICA' visible on its side. The foreground shows a sandy path leading down to a wooden building, possibly a beach house or a small structure. The background features a vast ocean under a clear sky.

# State of the Association



The Texas Windstorm Insurance Association (TWIA) was established by the Texas Legislature as the Texas Catastrophe Property Insurance Association in 1971 after several storms hit the Texas coast, including Hurricane Celia near Corpus Christi in 1970. In the wake of these storms, many private insurance companies opted to exit the market, making it difficult for property owners in the coastal counties of Texas to maintain coverage.

Since then, the Association has become an essential foundation of the economy of the Texas coast. TWIA is the insurer of last resort, offering windstorm and hail insurance to home and commercial property owners who cannot get this coverage in the private market due to the risk of catastrophic hurricanes. The availability of TWIA coverage allows people to live, work, and do business in our coastal communities.

Today, the coastal communities that TWIA serves are facing renewed economic challenges that recall the era of TWIA's founding. An elevated level of inflation, especially in construction and related sectors, means that more insurance coverage – whether obtained from TWIA or a private-market insurer – is needed to protect the same property.

In the past two years, TWIA has seen its policy count increase after a long decline, indicating private insurers are issuing fewer policies covering wind and hail in the areas that TWIA serves. Multiple private insurers that together issued tens of thousands of policies to coastal property owners have withdrawn from the market or been declared insolvent in the past year. Many of those property owners are now TWIA policyholders.

The Association is committed to providing our policyholders with coverage that will allow them to rebuild their lives after a catastrophic hurricane impacts the Texas coast. That includes ensuring that claims are handled professionally and paid promptly. TWIA is also determined to be a good steward of the funds entrusted to us, doing business efficiently and transparently.

The Association will continue collaborating with our stakeholders to better serve our policyholders, including their representatives in the Texas Legislature. The 88<sup>th</sup> Legislature enacted several new laws to improve TWIA's operations. In the coming months, we will implement these new laws and work with the Texas Department of Insurance (TDI) as they develop rules related to these statutory changes.

The Board of Directors and staff of TWIA are proud to be of service to our fellow Texans. The sections below outline the Association's activities and the progress made in that service over the course of this reporting period (June 1, 2022 to May 31, 2023).

# MANAGEMENT CHANGES AND OPERATIONAL ACCOMPLISHMENTS

## New General Manager and Strategic Plan

Early in 2022, General Manager John Polak announced his intention to retire after 11 years of service with the Association. The Board of Directors conducted a nationwide search for a new executive to assume the responsibilities of leading the organization. In September, the Board selected David Durden, TWIA's Vice President of Legal & Compliance, to fill the role. Durden's tenure began October 1, 2022 and overlapped the end of Polak's service which concluded the first part of January 2023.

Durden began working at TWIA in June 2012. Previously, he served as the Deputy Commissioner of Public Affairs from 2007 to 2012 at the Texas Department of Insurance. During the 81st Session of the Texas Legislature, he served as Senior Insurance Policy Advisor to the Speaker of the Texas House of Representatives.

As one of his early initiatives as General Manager, Durden prioritized the completion of an updated strategic plan for the Association. Finalized in January 2023, the strategic plan establishes financial, customer service, and employee engagement goals the Association will pursue over the coming years.

These objectives are guided by the Association's values and oriented to its mission. More information on TWIA's mission and values is on page 20.

TWIA continues to leverage opportunities for cost savings and better customer service presented by technology and remote work. Spurred by the change to a remote operating structure for the COVID-19 pandemic and the expiration of the Association's lease at its previous headquarters, the Association moved to a smaller, less expensive office space in January 2023.

Remote work has also allowed the Association to hire experienced insurance personnel in other locations, including the Texas coast.



*David Durden was named TWIA General Manager in September 2022.*

## Ensuring Policyholders Are Adequately Insured

As TWIA prepares for the 2023 hurricane season, the rising cost of construction materials and labor is expected to be a significant challenge if a major storm strikes the Texas coast. Recent economic trends point to a slow and costly rebuild of homes and businesses damaged in a hurricane.

Residential TWIA policies include an Adjusted Building Cost (ABC) Endorsement to help ensure the coverage amount keeps up with inflation. The ABC Endorsement automatically adjusts the dwelling limits of a TWIA policy at each renewal based on changes to local building and labor costs. Policyholders are not required to accept the automatic increase at renewal and can work with their agent to select an appropriate amount of coverage.

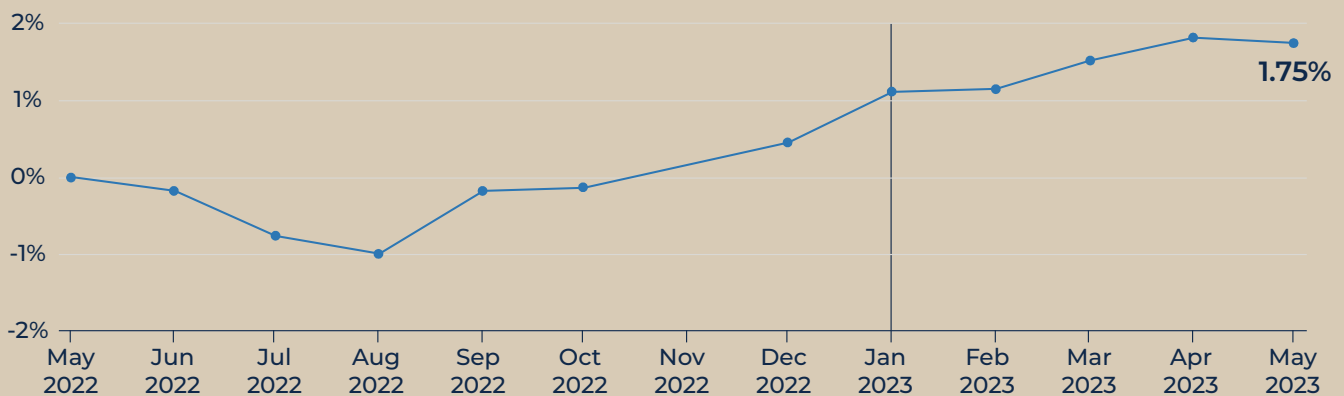
TWIA reintroduced building cost adjustments after a brief pause following Hurricane Harvey. The Association applied updated ABC factors in September 2021 based on a two-year average increase in construction costs to lessen the impact on policyholders. Due to sharply rising inflation in the last couple of years, the ABC factors increased in 2022 to between 10.4% and 11.6%, depending on location. TWIA has conducted extensive outreach to help policyholders understand inflation's impact on their coverage needs.

While policyholders are not required to accept the updated limits, some TWIA policyholders may need to increase coverage to maintain replacement cost coverage. To qualify for replacement cost coverage with TWIA, policy limits must meet a threshold of 80% insurance to value on the policy's effective date. For example, a policyholder insuring a home valued at \$100,000 must insure the home for at least \$80,000 to obtain replacement cost coverage. Any policyholder who accepts the updated limits will receive more insurance coverage in exchange for the higher premium amount. If a policyholder needs to make a claim, this increased coverage will ensure they can more fully recover from the damage inflicted by a major loss.

### Basket of Goods Labor & Materials - Percent Change

United States - Texas

—•— Basket of Goods Labor & Materials



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*This report is based on monthly building cost data published by Xactware for the area selected. The Basket of Goods Estimate is comprised of a set of highly used items (i.e. floor covering, painting, roofing, etc.) in various quantities based on installed pricing. This report is intended to be an indicator of trends within the marketplace. As with all composite reports, movement within the trends is caused as much by the items included as it is by the prices of those items. In order to fully identify the cause of the trend, further research and analysis will be needed.*



## Private Market Insolvencies and Withdrawals

Florida insurance regulators put Weston Property & Casualty Insurance Company into receivership for liquidation on August 8, 2022. Under the liquidation, policies insured by Weston, including those in TWIA's coverage area, were cancelled effective September 7. Weston insured approximately 23,000 policies in Texas— including about 21,000 wind and hail only policies – within TWIA's coverage area.

With these cancellations occurring during the peak of hurricane season, TWIA leadership understood that the Association would likely receive a surge in policy applications from affected Weston policyholders.

TWIA immediately began holding daily meetings with the Texas Department of Insurance to coordinate a response to the crisis. In consultation with TWIA, TDI developed an emergency rule, issued on August 23, to help Weston policyholders more quickly and easily obtain TWIA coverage. The emergency rule included three important provisions:

1. TWIA's policy moratorium, which prevents TWIA from issuing new coverage when a hurricane is in the Gulf of Mexico, would not apply to Weston policyholders seeking TWIA coverage.
2. Starting September 7, 2022, the effective date of Weston policy cancellations, TWIA would offer Weston policyholders a 60-day extended period to submit an application. Once submitted, TWIA was authorized to issue the policy with an effective date of September 7 at the insurance agent's request to avoid a lapse in coverage.
3. Weston policyholders were also offered a temporary payment plan in which they would not have to make a payment for the first 90 days of coverage, with equal monthly payments due to the Association after 90 days.

Turning these rules into reality required TWIA to alter its online and internal systems for accepting and processing applications for coverage. TWIA implemented these changes on August 31, eight days after the issuance of TDI's emergency rule and 23 days after Weston was placed in receivership. In addition, the Association's underwriting staff assisted insurance agents and policyholders in obtaining TWIA coverage to replace the coverage of the insolvent carrier.



In October 2022, another carrier issuing policies on the Texas coast, FedNat (doing business in Texas as Maison), was ordered to cease operations by Florida officials. In February 2023, United Property & Casualty, with more than 11,000 policies in TWIA's coverage area, was also placed into receivership.

TWIA has added more than 14,000 policies that it can attribute directly to the insolvencies of these carriers. This is very likely a significant undercount and more policies added to TWIA's policy count may be due to these insolvencies as well.

## 2023 Upper Coast Storms

On January 24, 2023, severe tornadoes hit the Houston and southeast Texas area. TWIA activated its Catastrophe Incident Response (CAT) Plan to allow the Association to begin scaling up claim resources and respond more quickly to policyholders with wind losses from the storms.

Most claims reported came from areas directly in the storm's path, which ran from the southwest corner of Pearland, up to the beltway, through southern Pasadena, and then through Deer Park and the Houston Ship Channel to Baytown. TWIA also received claims from Jefferson County. As of late May, TWIA had received more than 1,200 claims and issued approximately \$9 million in claim payments to TWIA policyholders impacted by these storms.



Heat map of TWIA claims



Path of the tornado

## Improving Systems and Collaborating with Insurance Agents

TWIA's previous Annual Report discussed the implementation in April 2022 of major upgrades to the Association's online systems for issuing policies and further improving claims handling. These upgrades had been in development for several years and built on off-the-shelf software from Guidewire Software Inc. Guidewire policy, claims, and billing administration systems are used by many private insurance carriers. The Association first implemented a Guidewire platform in 2011. Because TWIA is a unique, named-peril carrier, Guidewire has been customized to meet the needs of our policyholders and insurance agents.

Throughout the process of developing these important technological upgrades, TWIA consulted with coastal insurance agents who are critical to our business. The Association made additional refinements recommended by the insurance agent community during the reporting period. These include:

- Eliminating the requirement to include a policyholder's email address on an application for coverage.
- Allowing agents to make a down payment to initiate a policy.
- Adding a feature to generate a printable quote for the agent to share with the policy applicant.
- Allowing agents to renew their clients' policies through the updated online system.

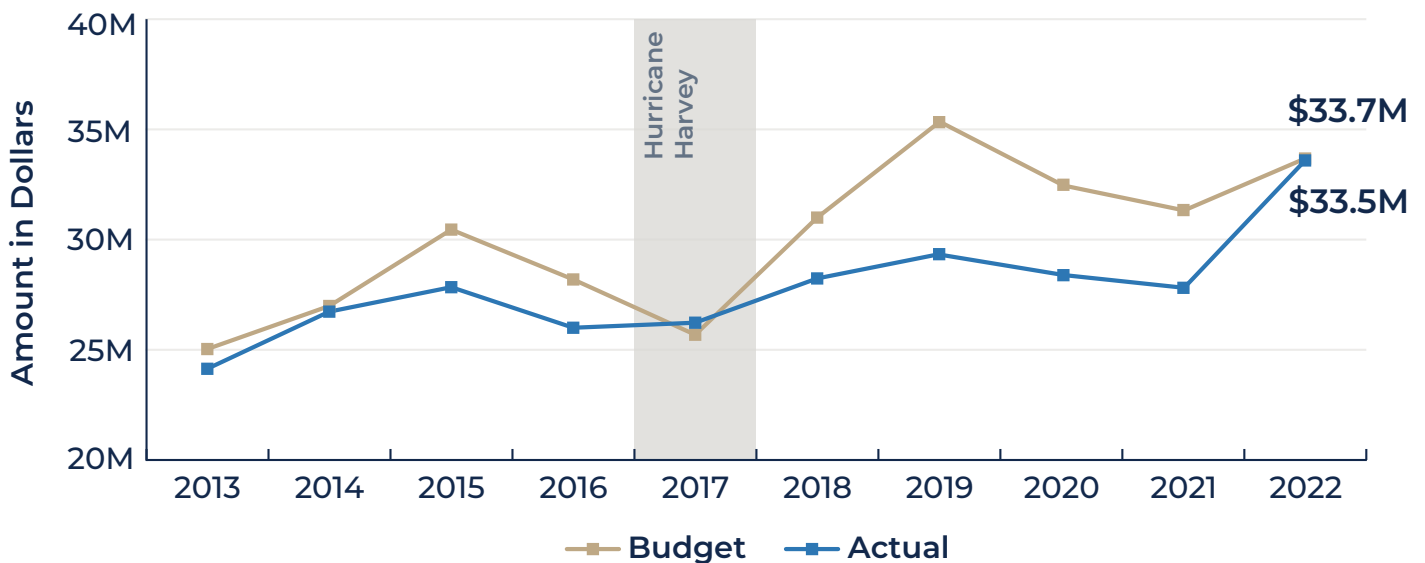
The Association will continue working closely with agents to improve policy issuance and policy administration processes and system performance. TWIA offers online training to agents on the policy application process, payment processes, and issues related to policy moratoriums all with a goal of increasing efficiency and improving agents' experience with the policy application process.



# FINANCIAL ACCOMPLISHMENTS

TWIA kept controllable expenses under budget in 2022 with Association operating expenses below budget by \$192,000. In 2022, TWIA began expensing costs primarily incurred in 2020 and 2021 to significantly upgrade the Association’s online systems for issuing policies and handling claims (see page 10). Consistent with insurance accounting standards, the Association capitalized certain software development costs during the project which reduced reported expenses for those periods. The capitalized costs are expensed and will be reflected in the Association’s operating expenses over five years now that the project is complete.

**TWIA Operating Expenses**



TWIA eliminated its deficit in 2022 due to a net income of \$136.7 million from policy count growth. As of December 31, 2022, the Association’s surplus was \$35.6 million compared to a \$24.6 million deficit the previous year. TWIA contributed \$74.9 million to the Catastrophe Reserve Trust Fund (CRTF) as required by statute in March 2023, which partially offset the surplus increase.

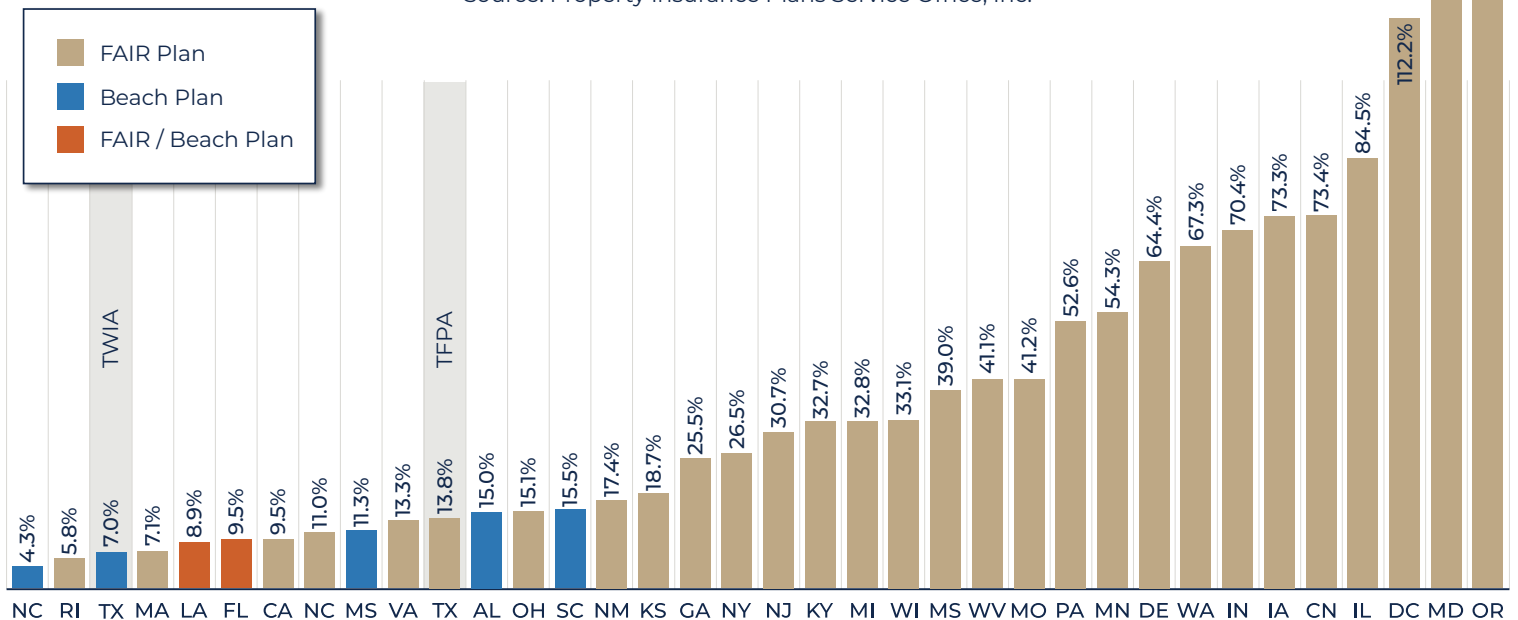
## ***TWIA eliminated its deficit in 2022.***

TWIA made a contribution to the CRTF for the first time in two years. The Association had redirected funds that would have been deposited in the CRTF to complete the early redemption of the Series 2014 Bonds, used to pay Hurricane Harvey claims. This early redemption will save the Association \$16 million in interest expenses through 2024. The fund’s balance is \$267.9 million.

Taking advantage of the current environment of elevated interest rates, in early 2023, TWIA transferred funds to investments and accounts earning higher yields. The new investment program reduces funds in low-earning operating account balances and maximizes the use of US Treasury money market mutual funds. If storm losses remain mild, these changes are expected to generate more than \$13 million in interest income in 2023.

## 2022 Residual Market Plans Operating Expenses to Premium Ratio

Source: Property Insurance Plans Service Office, Inc.



TWIA continues to operate efficiently compared to the 35 other residual market insurance plans in the nation. Based on 2021 data, the most recent available:

- TWIA is the third-largest residual insurance plan in terms of premium volume.
- TWIA has the second-lowest operating expense as a percentage of premium at 7.0% (excluding commissions and premium taxes).
- The average expense for the six other wind pools is 10.8%.

### Hurricane Ike Litigation Resolution

In February 2023, TWIA settled all remaining litigation related to Hurricane Ike claims after securing approval from the entities involved in the suits and finalizing settlement amounts. This action closes out Hurricane Ike litigation and brings total losses for the 2008 event to \$2.582 billion. Hurricane Ike generated more than 99,000 claims and saw a litigation rate of approximately 10%.

Following the event, the Association refined internal controls and procedures related to claims, and the Texas Legislature passed House Bill 3 (82nd Session, 1st Called Session) to reform and clarify the claim dispute resolution process. Hurricane Harvey in 2017 proved the effectiveness of these improvements, with a reduced lawsuit rate of 0.62% on the approximately 77,000 claims received.

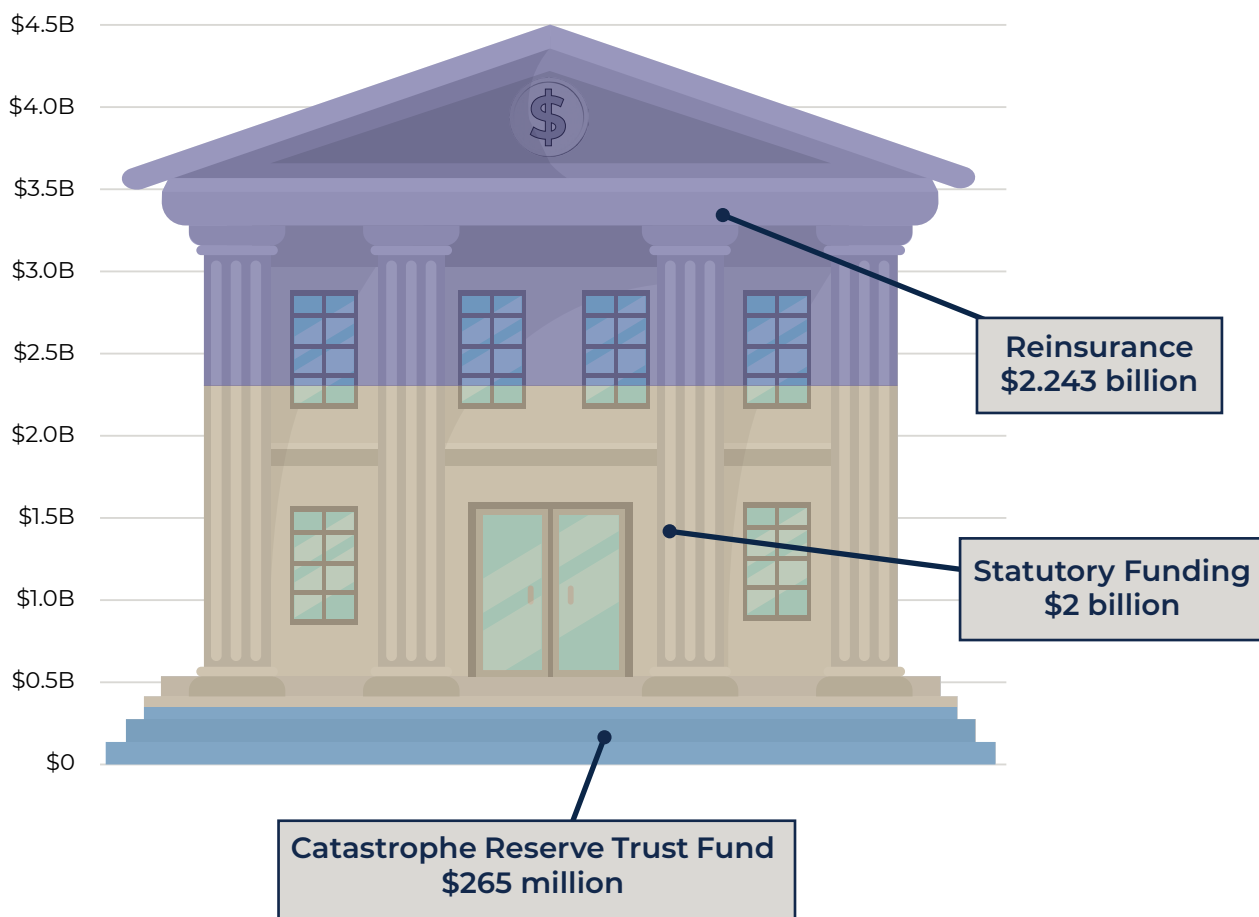
## 2023 Hurricane Season Funding

TWIA's 2023 reinsurance program, effective June 1, 2023, to May 31, 2024, provides \$4.508 billion in total aggregate funding sources, an amount that meets the statutory minimum funding requirement. The increase in policies and the increased value of properties insured require the Association to purchase \$207 million more in reinsurance than in 2022.

TWIA uses a combination of traditional reinsurance contracts and catastrophe bonds to meet these requirements. The reinsurance program provides coverage on an aggregate basis, meaning multiple hurricane events would be covered under the same reinsurance program, up to the coverage limits.

The 2023 reinsurance program includes:

- \$500 million in newly-issued three-year catastrophe bonds (Series 2023-1)
- \$700 million in existing three-year catastrophe bonds (Series 2021-1 and Series 2022-1)
- \$1.043 billion of traditional reinsurance with a one-year term



# 88<sup>TH</sup> LEGISLATIVE SESSION

In August 2022, TWIA issued its Biennial Report to the 88<sup>th</sup> Texas Legislature with 11 legislative recommendations from the Association's Board of Directors. The Biennial Report also provided extensive information on considerations related to TWIA funding and rates. Recognizing that funding and rates are important public policy issues, the Board opted to present consideration rather than provide specific proposals to the Legislature.

## Biennial Report Legislation

Of the 11 recommendations made by the Board in the Association's Biennial Report, seven were filed as legislation in the 88<sup>th</sup> Session, and five were passed by the Legislature and sent to the governor.

**Senate Bill 2232** allows TWIA to establish requirements for agents to sell TWIA policies.

Previously, TWIA has not had express authority to limit an agent's ability to transact business with the Association in the event of audit noncompliance or other inappropriate acts in connection with agents' work on behalf of their clients.

Senate Bill 2232 amends the Insurance Code to authorize TWIA to establish requirements that an insurance agent must comply with to offer or sell a TWIA policy. The bill authorizes the Association to audit such an agent to determine the agent's compliance with the requirements and to take appropriate action to limit or prohibit an agent that TWIA finds is not in compliance from offering or selling a policy until the agent complies with the requirements. The bill also clarifies that an agent who offers or sells Texas windstorm and hail insurance policies is not an agent of TWIA.

**Senate Bill 2233** limits automatic policy renewals to residential policies.

Commercial policy underwriting can be complex, and it may not be in policyholders' best interest to renew commercial policies directly with TWIA through the automatic renewal process.

Senate Bill 2233 amends the Insurance Code to exclude any non-residential insurance policies from the Texas Windstorm Insurance Association's automatic renewal process.

## Biennial Report Recommendations

Item	Topic	Description	Legislation
1	Agent Requirements & Standards	Revise TWIA's statute to enable TWIA to mirror the Texas FAIR Plan Association (TFPA) producer requirements and performance standards.	House Bill 3821 by Rep. Perez Senate Bill 2232 by Sen. LaMantia <b>PASSED</b>
2	Exclude Commercial Risks from Automatic Renewal Process	Revise TWIA's statute to exclude commercial risks from the automatic renewal process.	House Bill 3194 by Rep. Perez Senate Bill 2233 by Sen. LaMantia <b>PASSED</b>
3	Eliminate Expert Panel	Modify statute and regulations to eliminate TIC Section 2210.578 requiring the use of an Expert Panel after the Association's contract to implement the requirements ends in April 2022.	No Legislation Introduced
4	FORTIFIED Home Construction	Consider feasibility and possible public funding of FORTIFIED home construction and other mitigation programs.	House Bill 4354 by Rep. Lozano <b>DID NOT PASS</b>
5	Premium & Maintenance Tax	Exempt TWIA from premium and maintenance taxes.	House Bill 2366 by Rep. Ed Thompson <b>DID NOT PASS</b>
6	Appraisal Deadlines	Set statutory deadlines for completing an appraisal to prevent delays in the process.	House Bill 3310 by Rep. Lozano <b>PASSED</b>
7	Appraisal Process	Allow TWIA to have a formal objection process related to issues or concerns with a policyholder's selected appraiser or umpire.	No Legislation Introduced
8	Payment of Appraisal Costs	Revise the statutory provision requiring TWIA and the policyholder to split the cost of their respective appraisers to require each party to pay their own appraisal costs.	No Legislation Introduced
9	Earned Premium	Revise cancellation rules and procedures so Association policies may be cancelled fully earned for certain reasons.	House Bill 3208 by Rep. Ed Thompson <b>PASSED</b>
10	Depopulation	Authorize TWIA to activate and deactivate the Assumption Reinsurance Depopulation Program as necessary according to market fluctuations.	No Legislation Introduced
11	Board Vacancies	Repeal the provision requiring TWIA to provide TDI with a roster of recommendations to fill Board vacancies.	House Bill 3311 by Rep. Lozano <b>DID NOT PASS</b>

**House Bill 3208** allows TWIA to retain the entire annual premium on a policy cancelled early by a policyholder.

TWIA has not previously had a mechanism to discourage policyholders from obtaining a policy at the start of storm season and then cancelling the policy in December and receiving a pro-rata refund amount.

House Bill 3208 allows TWIA to retain the entire policy on a cancelled premium unless the policy was cancelled due the purchase of similar coverage in the private market, the sale of the insured property, the total loss of the property, or a determination by TWIA that the policy is no longer insurable.

**House Bill 3310** allows the Insurance Commissioner, with the advice of TWIA, to set deadlines for appraisals.

Current statutes and rules define deadlines for beginning the appraisal process, for a policyholder to demand appraisal after receiving TWIA's Notice of Claim Acceptance, and for informing the other party of the fees to be charged when hiring an appraiser. However, there are no deadlines for completing an appraisal.

House Bill 3310 amends current law relating to deadlines for the claims appraisal process of the Texas Windstorm Insurance Association, requiring the Insurance Commissioner to adopt rules establishing the period in which TWIA appraisals must be completed.

**House Bill 3311** repeals the requirement that TWIA provide a slate of nominees to the Insurance Commissioner to fill an industry representative vacancy on the Board.

Statute currently requires insurers who are members of TWIA to nominate a slate of persons to fill vacancies in the portion of the TWIA Board that is reserved for representatives of the insurance industry. In recent years, the Association has been unable to compile the slate of nominees required by statute to fill an insurance industry representative vacancy on the board of directors.

House Bill 3311 repeals this requirement.

## **FAIR Plan Legislation**

The Legislature also passed bills making important changes to the Texas FAIR Plan Association (TFPA). Since TFPA is administered by TWIA under an operating agreement approved by the Insurance Commissioner, it is expected that shared Association staff will dedicate significant resources to implementing these new laws over the next two years.

**House Bill 998** will allow the Insurance Commissioner to designate areas within 10 miles of TWIA's coverage area where property owners' associations would be eligible for TFPA coverage.

**Senate Bill 1393** will allow an offer of private market residential coverage that is at least 10% higher than a TFPA offer for equivalent coverage to be considered a declination for purposes of eligibility for TFPA coverage in areas within four miles of TWIA's coverage area.



## Leveraging TWIA's Accomplishments for Future Optimization

Building on the accomplishments of the previous year, TWIA will continue making operational and management improvements, implement the reforms enacted by the 88<sup>th</sup> Legislature, and maintain our commitment to good stewardship of the funds entrusted to us. As always, the Association's priority is to ensure that we meet the requirements enshrined in statute and maintain our capacity to be there for our policyholders when they turn to us in the wake of catastrophe.





# **TWIA Overview & Statutory Compliance**

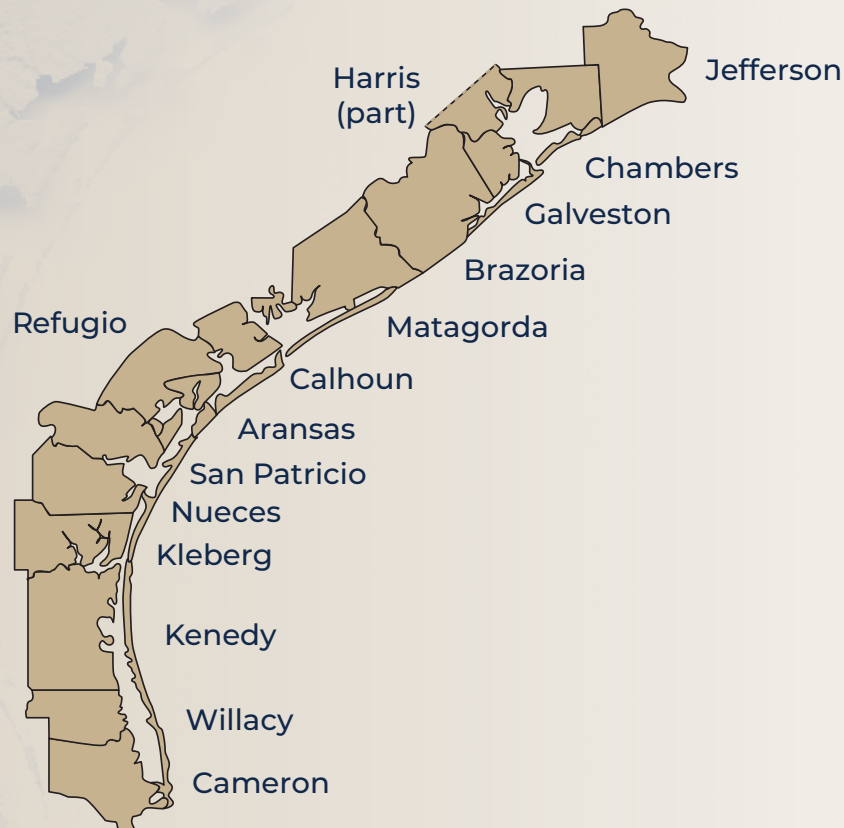
# HISTORY AND PURPOSE

The Texas Windstorm Insurance Association (TWIA) was established in 1971 by the Texas Legislature to provide wind and hail coverage to applicants unable to obtain insurance in the private market. The Legislature's action was a response to market constrictions along the Texas coast after several hurricanes. TWIA is governed by the Texas Insurance Code (TIC). TWIA is not a state agency and does not receive public funds.

TWIA is a residual insurer of last resort and is required by statute to function in a manner as to not be a direct competitor in the private market. TWIA's primary purpose is to provide an adequate market for windstorm and hail insurance in certain designated portions of the seacoast territory of Texas.

The seacoast territory includes 14 first-tier and 14 second-tier coastal counties. The designated catastrophe area is that portion of the seacoast territory where the Commissioner of Insurance has found that windstorm and hail insurance is not reasonably available. It currently includes all first-tier counties and a portion of Harris County (second-tier).

TWIA operates as an insurance company by issuing policies, collecting premiums, and paying losses. TWIA is required by law to transfer its net gain from operations each year into the Catastrophe Reserve Trust Fund (CRTF), an account maintained by the Texas Comptroller dedicated to the payment of future TWIA catastrophe losses and other limited uses as provided by Texas Insurance Code.



# MISSION AND VISION

TWIA's mission is to provide essential property insurance to Texans when no one else will. Accompanied by a vision to be respected and trusted by our stakeholders, TWIA's mission, vision, and values are the foundation upon which the Association is 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 & Respect

We are committed to serving as a reliable, credible, and respectful provider.



## Efficiency & Stability

We are financially stable and can be counted on to fulfill our obligations.



## Integrity & Accountability

We are an ethical organization that is accountable to those we serve.

# ASSOCIATION BOARD OF DIRECTORS

Texas Insurance Code Section 2210.102 describes the composition of the TWIA Board of Directors. Statute provides that the Board shall consist 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 first-tier coastal members must also be a property and casualty agent who is licensed under this code and is not a captive agent.

The current TWIA Board of Directors is as follows:

Name	Position
Chandra Franklin Womack (Chair)	First-Tier Coastal Representative
Georgia Neblett (Vice-Chair)	First-Tier Coastal Representative
Karen Guard (Secretary/Treasurer)	Insurance Industry Representative
Tim Garrett	Non-Seacoast Territory Representative
Michael Gerik	Insurance Industry Representative
Peggy Gonzales	First-Tier Coastal Representative
Esther Grossman	Insurance Industry Representative
Tony Schrader	Non-Seacoast Territory Representative
Ron Walenta	Non-Seacoast Territory Representative

Additional conflict of interest requirements apply to Board members representing the general public (i.e. the non-industry board members), including prohibiting a person from being appointed to the Board in a position reserved for an inland or coastal representative if the person or the person's spouse manages, is employed by, or owns more than 10% interest in a company that:

- Operates in the property and casualty insurance industry in Texas;
- Receives money from the Association other than claim payments; or
- Receives money from Association policyholders with respect to the policyholders' claims.

Texas Insurance Code Section 2210.109 requires all Board members to make public disclosures of potential conflicts in open meetings or on the agenda for closed session items.

Board members must also undergo training and receive and acknowledge a training manual developed by the Association's General Manager. All appointed Board members have completed the statutory training requirements.

# POLICY ISSUANCE AND ELIGIBILITY REQUIREMENTS

Under Texas Insurance Code 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, upon receipt of full or partial payment of the premium, shall direct the issuance of an insurance policy as provided by the Association's Plan of Operation. A policy is issued for a one-year term and may be renewed annually if the property continues to be insurable property.

To be eligible for a TWIA policy, applicants and properties must meet certain criteria defined by the Texas Legislature. Texas Insurance Code Section 2210.004 defines insurable property for the purposes of eligibility for TWIA insurance:

- Applicants must have been denied coverage by at least one insurer in the private market.
- Properties must be located in the designated catastrophe area.
- Properties must be certified as having been built to applicable building codes, with limited exceptions.
- Properties located in specified flood zones (V zones) that were constructed, altered, remodeled, or enlarged after September 1, 2009, and that can obtain flood insurance through the National Flood Insurance Program (NFIP) must provide proof of flood insurance coverage.
- Properties must be in an insurable condition as specified by the Association in the Plan of Operation.

TWIA has implemented several initiatives to ensure properties insured by the Association meet these requirements, including a risk visualization strategy, a quality assurance and training program, agent audit processes, and a more modern policy administration system. At the core of these initiatives is a focus on operational efficiency in TWIA's underwriting methods, allowing the Association to process policy applications more quickly and with fewer staff resources.

Below are charts illustrating the number of TWIA policies currently in force, the direct liability associated with those policies, and premiums written through April 30, 2023, as compared to the previous year:

### Policies in Force

Policy Type	As of 4/30/22	As of 4/30/23	Change from Prior Year
Manufactured Home	882	1,052	19.27%
Residential	187,289	222,130	18.60%
Commercial	6,932	8,015	15.62%
<b>Totals</b>	<b>195,103</b>	<b>231,197</b>	<b>18.50%</b>

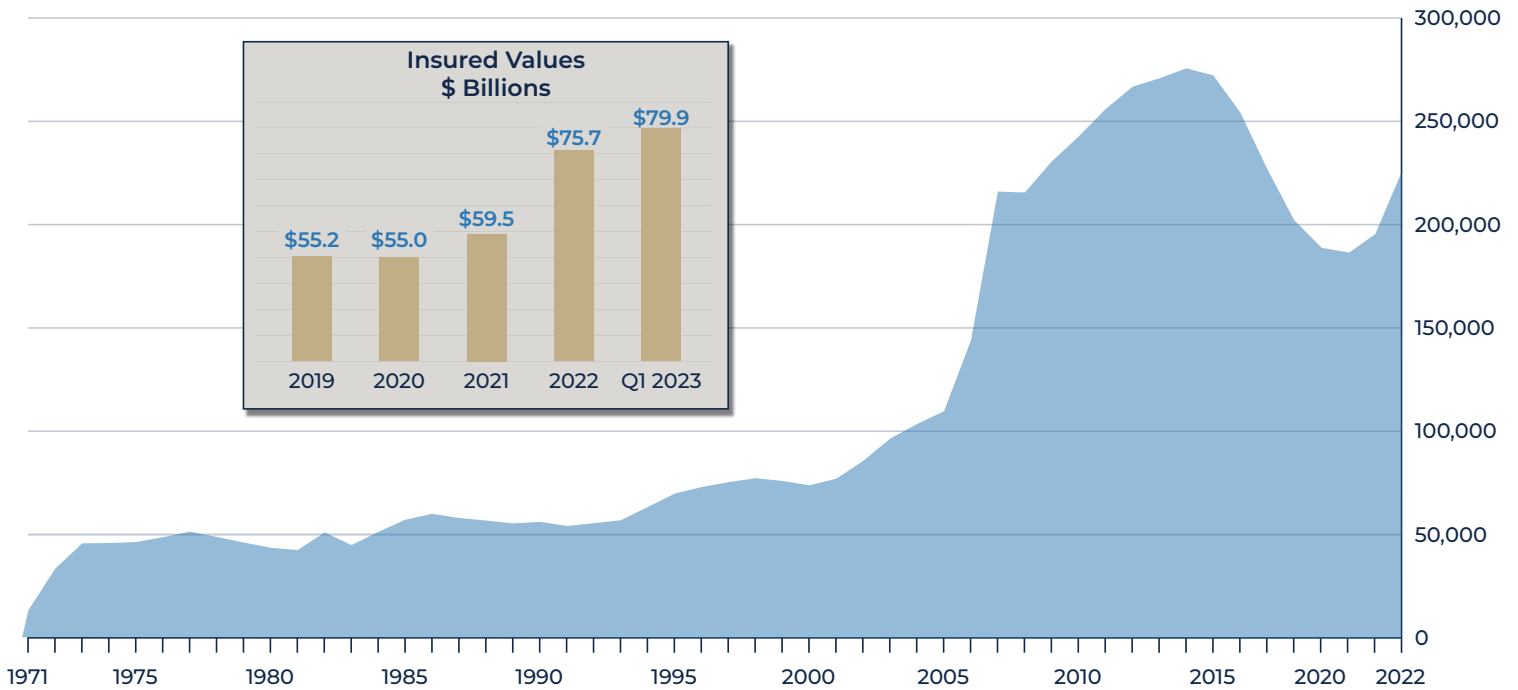
### Direct Liability

Policy Type	As of 4/30/22	As of 4/30/23	Change from Prior Year
Manufactured Home	\$54,396,284	\$70,125,020	28.92%
Residential	\$54,228,757,397	\$71,803,734,623	32.41%
Commercial	\$6,919,014,141	\$9,787,512,520	41.46%
<b>Totals</b>	<b>\$61,202,167,822</b>	<b>\$81,661,372,163</b>	<b>33.43%</b>

### Written Premiums (YTD)

Policy Type	As of 4/30/22	As of 4/30/23	Change from Prior Year
Manufactured Home	\$420,347	\$584,112	38.96%
Residential	\$103,669,513	\$134,341,995	29.59%
Commercial	\$19,782,546	\$31,317,756	58.31%
<b>Totals</b>	<b>\$123,872,406</b>	<b>\$166,243,823</b>	<b>34.21%</b>

## TWIA Policies in Force



*TWIA's policy count reached an all-time high in 2014 with more than 275,000 policies issued by the Association. TWIA then saw a gradual decline in policy count and written premiums, attributed to increasing interest from the private insurance market in providing wind and hail coverage in the designated catastrophe area. In 2022, TWIA's policy count increased substantially as the Association issued policies to former Weston and FedNat (Maison) policyholders. Today, TWIA insures more than 228,000 policies.*



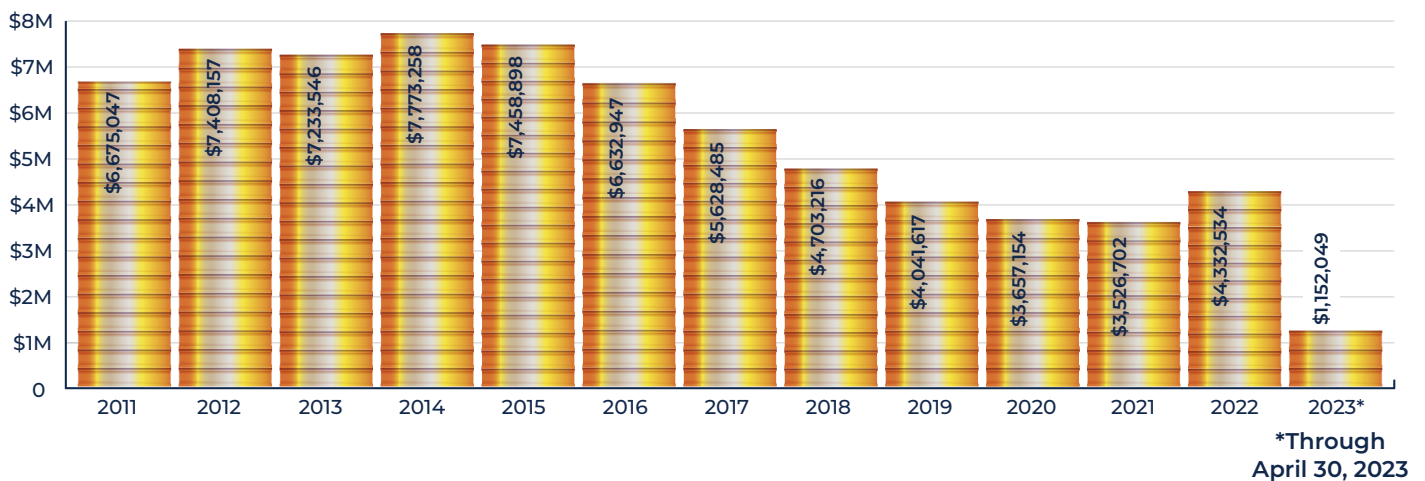
## Building Codes and Certificates of Compliance

Texas Insurance Code Chapter 2210, Subchapter F (Sections 2210.251-2210.259), outlines the building code and inspection requirements for TWIA eligibility and provides for limited exceptions. In accordance with these sections, TWIA requires a Certificate of Compliance (WPI-8, WPI-8-C, or WPI-8-E) for all structures constructed, altered, remodeled, enlarged, repaired, or to which additions have been made on or after January 1, 1988. TDI administers the Windstorm Inspection Program and issues all Certificates of Compliance for structures.

Texas law identifies some exceptions for structures lacking Certificates of Compliance. Residential properties with construction from 1988 to June 19, 2009, that are not certified may still be eligible and are subject to a 15% premium surcharge. These surcharges are deposited directly into the CRTF. Residential properties insured on/after June 19, 2009, by an insurer in the private market that are non-renewed or cancelled by the insurer and missing a required WPI-8 at the time of policy non-renewal/cancellation may be eligible for TWIA coverage.

As of April 30, 2023, there are 16,387 policies in force on the WPI-8 waiver surcharge program. This graph shows the total surcharge amounts deposited into the CRTF each year.

### Surcharge Amounts Deposited by Year



# ANNUAL AND STATUTORY STATEMENT

Texas Insurance Code Section 2210.054 requires TWIA to file a financial statement annually with TDI and the State Auditor's Office summarizing the Association's transactions, conditions, operations, and affairs during the preceding year. The [2022 Annual Statement](https://www.twia.org/wp-content/uploads/2022-TWIA-Annual-Statement.pdf)<sup>1</sup> was filed on March 1, 2023.

TWIA's financial condition and results of operations for 2022 are summarized below:

- TWIA's financial results for the twelve months ended December 31, 2022, reflect net income of \$136.7 million, compared to a budget of \$117.0 million. The higher than budgeted income can be attributed to premiums from new policies that migrated to TWIA after the insolvency of Florida-based carrier Weston Property & Casualty Insurance Company, a less severe storm season in 2022, and the early retirement of the Association's debt.
- Total 2022 direct written premium of \$518.3 million reflects an increase of \$123.2 million (31.2%) from the prior year total of \$395.1 million. Direct written premium was \$88.8 million higher than the budgeted \$430 million.
- Direct premium earned totaled \$443.5 million compared to \$378.5 million in 2021 (an increase of \$65.0 million or 17.2%). Direct premium earned was \$32.6 million higher than the budget of \$410.9 million.
- Reinsurance costs for the 2022-2023 program (ceded earned premium) totaled \$132.1 million and incepted on June 1 using a combination of traditional reinsurance and catastrophe bonds.
- Year-to-date direct losses and loss adjustment expense (LAE) totaled \$51.2 million, which was \$18.0 million below the budgeted amount.
- TWIA reported a Direct Loss and LAE ratio in 2022 of 11.5% compared to the budgeted 16.8%.
- The surplus as of December 31, 2022, was \$38.6 million compared to the deficit of \$24.6 million as of December 31, 2021. The deficit was eliminated due to the year-to-date net income of \$136.7 million. The increase in surplus was partially offset by \$74.9 million in statutory fund cost for the year-to-date CRTF accrual and an increase of \$1.6 million in non-admitted assets which consists primarily of prepaid expenses and capitalized software.

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<sup>1</sup><https://www.twia.org/wp-content/uploads/2022-TWIA-Annual-Statement.pdf>

The statutory balance sheet provided reflects the financial position of TWIA as of April 2023 compared to December 2022. The statutory income statement provides a comparison between the actual and budgeted revenues and expenses for the four months ended April 30, 2023, and April 30, 2022, respectively. Net income for the four months ended April 30, 2023, was \$108.7 million which was \$16.0 million above the budgeted income of \$92.7 million. The higher than budgeted income is due to better than planned loss experience along with better than expected net earned premium and investment returns.

<b>TEXAS WINDSTORM INSURANCE ASSOCIATION</b>			
<b>Statutory Balance Sheet (000's omitted)</b>			
	<u>April-23</u>	<u>December-22</u>	
1			1
2 <b>Admitted Assets</b>			2
3 Cash and short term investments:			3
4   Unrestricted	\$ 433,009	\$ 483,870	4
5   Restricted - Funds Held at TTSTC	-	-	5
6   Restricted - Funds Held at TTSTC (Non Admitted)	-	-	6
7   Total cash and short term investments	<u>433,009</u>	<u>483,870</u>	7
8 Premiums receivable & other	30,364	26,983	8
9 Assessment receivable	-	-	9
10 Amounts recoverable from reinsurers	-	-	10
11 <b>Total admitted assets</b>	<u><u>\$ 463,373</u></u>	<u><u>\$ 510,852</u></u>	11
12			12
13 <b>Liabilities, Surplus and other funds</b>			13
14 <b>Liabilities:</b>			14
15 Loss and Loss adjustment expenses	49,104	58,175	15
16 Underwriting expenses payable	12,958	14,701	16
17 Unearned premiums, net of ceded unearned premiums	267,257	277,334	17
18 Ceded reinsurance premiums payable	-	33,331	18
19 Short Term Debt	-	-	19
20 Interest Payable on Short Term Debt	-	-	20
21 Principal Outstanding on Class 1 Pre Event Bonds	-	-	21
22 Interest Payable on Class 1 Pre Event Bonds	-	-	22
23 Provision for reinsurance	-	-	23
24 Other payables	23,341	13,707	24
25 Statutory fund payable	<u>38,716</u>	<u>74,962</u>	25
26 <b>Total liabilities</b>	<u><b>391,376</b></u>	<u><b>472,209</b></u>	26
27			27
28 <b>Surplus and others funds</b>			28
29 Unassigned surplus (deficit)	71,997	38,643	29
30 <b>Total liabilities, surplus and other funds</b>	<u><u>\$ 463,373</u></u>	<u><u>\$ 510,852</u></u>	30
31			31
32			32
33 <b>Balance in CRTF</b>	<u><u>\$ 269,362</u></u>	<u><u>\$ 190,004</u></u>	33
34			34
35 <b>Balance in CRTF including Statutory fund payable</b>	<u><u>\$ 308,078</u></u>	<u><u>\$ 264,966</u></u>	35
36			36

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

	for the four months ended April 30,			
	Actuals - 2023	Budget - 2023	Variance - 2023	Actuals - 2022
<b>Premiums Written:</b>				
Direct	\$ 166,244	\$ 147,816	\$ 18,427	\$ 123,872
Ceded	-	-	-	-
Ceded - Depopulation	-	-	-	-
Net	<u>166,244</u>	<u>147,816</u>	<u>18,427</u>	<u>123,872</u>
<b>Premiums Earned:</b>				
Direct	\$ 176,321	\$ 172,495	\$ 3,826	\$ 131,932
Ceded	-	-	-	-
Ceded - Depopulation	-	-	-	-
Net	<u>176,321</u>	<u>172,495</u>	<u>3,826</u>	<u>131,932</u>
<b>Deductions:</b>				
Direct Losses and LAE Incurred	32,295	42,415	(10,120)	42,048
Direct Losses and LAE Incurred - Harvey	-	-	-	-
Direct Losses and LAE Incurred - Ike & Dolly	-	-	-	-
Ceded Losses and LAE Incurred - Depopulation	0	-	0	(2)
Operating Expenses	11,303	12,103	(801)	10,600
Commission Expense	26,575	23,651	2,924	19,806
Ceding commissions / brokerage	-	-	-	-
Ceding commissions / brokerage - Depopulation	-	-	-	-
Premium / Maintenance Tax	3,042	2,740	301	2,304
Total Deductions	<u>73,215</u>	<u>80,910</u>	<u>(7,695)</u>	<u>74,756</u>
<b>Net Underwriting Gain or (Loss)</b>	<u>103,106</u>	<u>91,585</u>	<u>11,521</u>	<u>57,176</u>
<b>Other Income or (Expense):</b>				
Gross Investment Income	5,785	1,285	4,500	152
Interest Expense on Class 1 Bonds	-	-	-	(4,868)
Debt Issuance/Maintenance & Other Investment Expenses	(43)	(144)	101	(108)
Interest Expense on Short Term Debt	-	-	-	-
Premium Charge off/Write off	(126)	-	(126)	-
Miscellaneous Income (Expense)	6	-	6	-
Total Other Income or (Expense)	<u>5,623</u>	<u>1,141</u>	<u>4,482</u>	<u>(4,823)</u>
<b>Net Income Before Income Taxes</b>	<u>108,728</u>	<u>92,726</u>	<u>16,002</u>	<u>52,352</u>
Federal Income Tax Expense (Benefit)	-	-	-	-
<b>Net Income (Loss)</b>	<u>\$ 108,728</u>	<u>\$ 92,726</u>	<u>\$ 16,002</u>	<u>\$ 52,352</u>
<b>Surplus (Deficit) Account:</b>				
Beginning Surplus (Deficit)	38,643	38,643	-	(24,584)
Net Income (Loss)	108,728	92,726	16,002	52,352
Change in Provision for Reinsurance	-	-	-	-
Change in nonadmitted assets	(36,658)	(646)	(36,012)	(13,968)
Unassigned Funds - Unrecognized Pension Expense	-	-	-	-
Statutory Fund Cost	(38,716)	(33,382)	(5,334)	(17,928)
Ending Surplus (Deficit)	<u>\$ 71,997</u>	<u>\$ 97,341</u>	<u>\$ (25,344)</u>	<u>\$ (4,128)</u>
<b>Key Operating Ratios:</b>				
Direct:				
Loss & LAE Ratio:				
Non Hurricane	18.3%	24.6%	-6.3%	31.9%
Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
Loss & LAE Ratio	<u>18.3%</u>	<u>24.6%</u>	<u>-6.3%</u>	<u>31.9%</u>
UW Expense Ratio:				
Acquisition	17.8%	17.9%	0.0%	17.8%
Non Acquisition	6.4%	7.0%	(0.6%)	8.0%
UW Expense Ratio	<u>24.2%</u>	<u>24.9%</u>	<u>(0.6%)</u>	<u>25.9%</u>
Combined Ratio	<u>42.5%</u>	<u>49.5%</u>	<u>(6.9%)</u>	<u>57.8%</u>
Net:				
Loss & LAE Ratio:				
Non Hurricane	18.3%	24.6%	-6.3%	31.9%
Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
Loss & LAE Ratio	<u>18.3%</u>	<u>24.6%</u>	<u>-6.3%</u>	<u>31.9%</u>
UW Expense Ratio:				
Acquisition	18.0%	17.8%	0.1%	18.0%
Non Acquisition	6.4%	7.0%	(0.6%)	8.0%
UW Expense Ratio	<u>24.4%</u>	<u>24.9%</u>	<u>(0.5%)</u>	<u>26.0%</u>
Combined Ratio	<u>42.7%</u>	<u>49.4%</u>	<u>(6.7%)</u>	<u>57.9%</u>

**Note: Beginning budgeted deficit adjusted to actual for comparative purposes.**

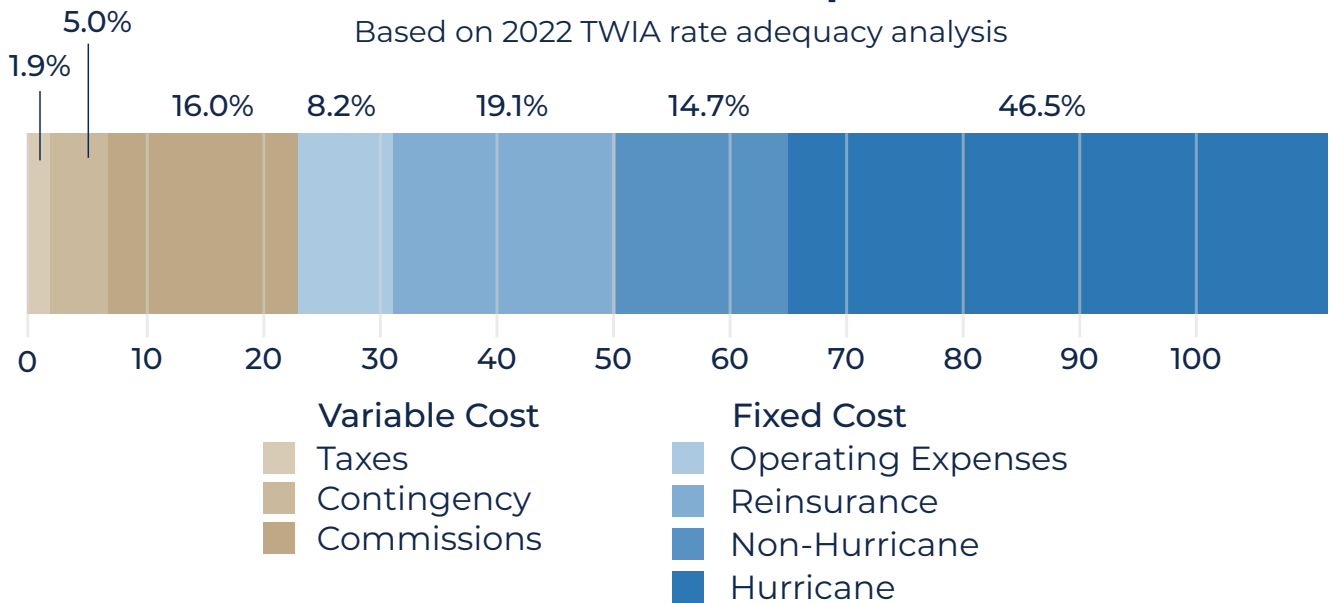
# RATES

TWIA rates affect the amount of premium charged to each TWIA policyholder. Texas Insurance Code Section 2210.352 requires TWIA to make an annual rate filing with TDI by August 15 of each year. The amount of the rate filing is set by the TWIA Board of Directors, who consider the Association’s current rate needs along with feedback from key stakeholders. 2021 legislative changes require the Board to vote by a two-thirds majority to submit a rate increase for an annual or non-annual filing. All rate increase filings are subject to review and approval by the Commissioner of Insurance.

TWIA calculates its premiums based on several different rating factors, including amount of insurance requested, construction type, deductible amount, and optional added coverages. A policy’s premium may change annually based on changes in coverage, such as the amount of insurance provided by the policy. Premium credits may be available for items certified as being built to recent windstorm building codes. TWIA does not use credit scoring or territorial rating.

## Residential Rate Components

Based on 2022 TWIA rate adequacy analysis



*TWIA considers several factors when calculating rate adequacy, as outlined in statute. TWIA’s annual Rate Adequacy Analysis projects losses and operating expenses compared to the percentage of premium remaining after commissions and taxes to determine the Association’s rate need. When TWIA rates are inadequate, the components will add up to more than 100%.*

Texas Insurance Code Section 2210.355 requires that TWIA rates be reasonable, adequate, not unfairly discriminatory, and non-confiscatory as to any class of insurer. TWIA actuarial staff conducts an annual rate adequacy analysis using standard actuarial industry methodologies to compare TWIA's current rate level to the expected costs for providing property insurance coverage for the upcoming year. The actual costs of providing property coverage for a specific year may differ substantially from the indicated required rate level since the windstorm and hail events covered by TWIA are inherently unpredictable from year to year. The analysis includes factors for actual historical and modeled windstorm losses, operational expenses, reinsurance costs, anticipated reinsurance recoveries, projected debt service, and a reasonable provision for contributions to the CRTF.

***TWIA's 2022 actuarial analysis found the Association's rates to be inadequate by 15% for residential policies and 11% for commercial policies.***

Texas Insurance Code Section 2210.3511 requires that TWIA post its rate adequacy analysis on its website at least 14 days before the Board of Directors votes on the submission of a proposed rate filing to TDI and requires public comments on the rate adequacy analysis to be heard at a public meeting of the Board before they vote on the submission of a proposed rate filing to TDI.

### **Recent Rate Actions**

At its August 2022 meeting, the TWIA Board voted to direct staff to file a 0% rate change with TDI for residential and commercial policies issued or renewed on or after January 1, 2023. The rate filing was submitted to TDI on August 5, 2022.

# MAXIMUM LIMITS OF LIABILITY

Under Texas Insurance Code Chapter 2210, Subchapter K (Sections 2210.501-2210.504), TWIA is required to propose inflation adjustments to the maximum liability limits under a windstorm and hail policy with TDI by September 30 each year. TWIA files annual updates to the maximum liability limits based on changes in construction cost indices.

The TWIA Board of Directors voted to approve staff’s recommended changes to the maximum liability limits at its August 2022 meeting. TWIA submitted the annual filing on August 5, 2022. On September 2, 2022, TDI issued a Commissioner’s Order rejecting all proposed increases to the maximum liability limits except the one for manufactured homes. The maximum limit for manufactured homes was increased from \$96,000 to \$115,800. After soliciting public comment and holding a public hearing on the filing on September 27, 2022, the Insurance Commissioner issued an order approving the filing as modified on October 3, 2022. The change for manufactured homes applies to new and renewal policies issued on or after January 1, 2023.



# GENERAL MANAGER AND 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 in 2012, TWIA's annual budget has been based upon the consolidation of department-level budgets for which department management and their staff are held accountable. The Accounting department prepares budget conformity reports at the department level to monitor performance compared with the budget. Under the current management team, TWIA has consistently performed at or below budget for controllable expenses in nearly every area since 2012. The 2023 budget was reviewed and approved by the Board of Directors at its December 2022 meeting.

TWIA staff are evaluated against a set of performance standards established for each position, including objective performance measures based on their department's and individual roles. Each department head is accountable for their department's budget and evaluated against the extent to which objective performance measures established for the department are met. Employees within each department are evaluated using objective performance measures. 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.



# CATASTROPHE (CAT) INCIDENT RESPONSE

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 2023 Catastrophe (CAT) Incident Response Plan looks to incorporate lessons learned from the 2022 hurricane season.

Built into the Association's annual CAT Plan review process is a Corrective Action Program (CAP) designed to identify gaps and deficiencies in the previous year's CAT Plan. The Association uses the information to create After-Action Reports (AARs), which include recommendations to improve the CAT Plan and methods for replicating past successes.

The 2023 CAT Plan includes the following updates:

- The implementation of a new digital payment solution for emergency claim payments which would be used at the Association's Mobile Claims Centers after a major storm.
- Improvements to the Association's deployment plan to clarify staff roles and responsibilities and address possible deployment sites, logistical needs, and technical environments supporting deployments.
- Enhanced coordination and communication with emergency and disaster response organizations and regulatory entities, including FEMA Individual Assistance, FEMA Region VI (Texas, Oklahoma, New Mexico, Louisiana, Arkansas), the National Flood Insurance Program, TDI, the Insurance Council of Texas, Texas Sea Grant, and other organizations on coastal outreach, storm preparedness, and post-catastrophe event activities.
- Increased Resource Scalability numbers associated with the 1-in-100 year, 1-in-50 year, 1-in-25 year, and 1-in-10 year modeled storms.
- Updated informational materials and support for stakeholders interacting with the Association's Policyholder Portal and Agent Portal in the aftermath of a large storm.

Replicating our successes is another key component of the 2023 CAT Plan:

- TWIA is constantly improving the Association's claims resource capabilities and our ability to respond promptly, efficiently, and effectively to an event.
  - Claims leadership continues to improve the initial scaling process for future catastrophic events, support updates to external communications about the claims process, and leverage technology to enhance the policyholder experience.
- The Association currently has contracts with more than a dozen adjusting firms to provide approximately 2,600 approved and trained independent adjusters.
  - A pre-determined fee schedule is included in the contracts between the Association and each independent adjusting firm.
  - Firms are contractually obligated to have adjusters trained and certified before hurricane season.

- The effectiveness of these measures has been borne out in recent hurricanes, in which TWIA has successfully secured a sufficient number of independent adjusters to meet its needs.
- The Association's claims administration system, Claims Center, has improved the claim handling process and provides policyholders, agents, and TWIA with better ways to communicate and share more accurate information about a claim.
  - The Policyholder and Agent Portals provide a valuable tool for remotely interacting with TWIA personnel throughout the life of a claim.
- TWIA supports field operations through relationships with Offices of Emergency Management at the local, county, state, and federal levels.
  - We continue to meet with emergency management, local officials, and response organizations to socialize plans and to find ways to coordinate with them before, during, and after an event.

## CAT Plan Testing and Activation

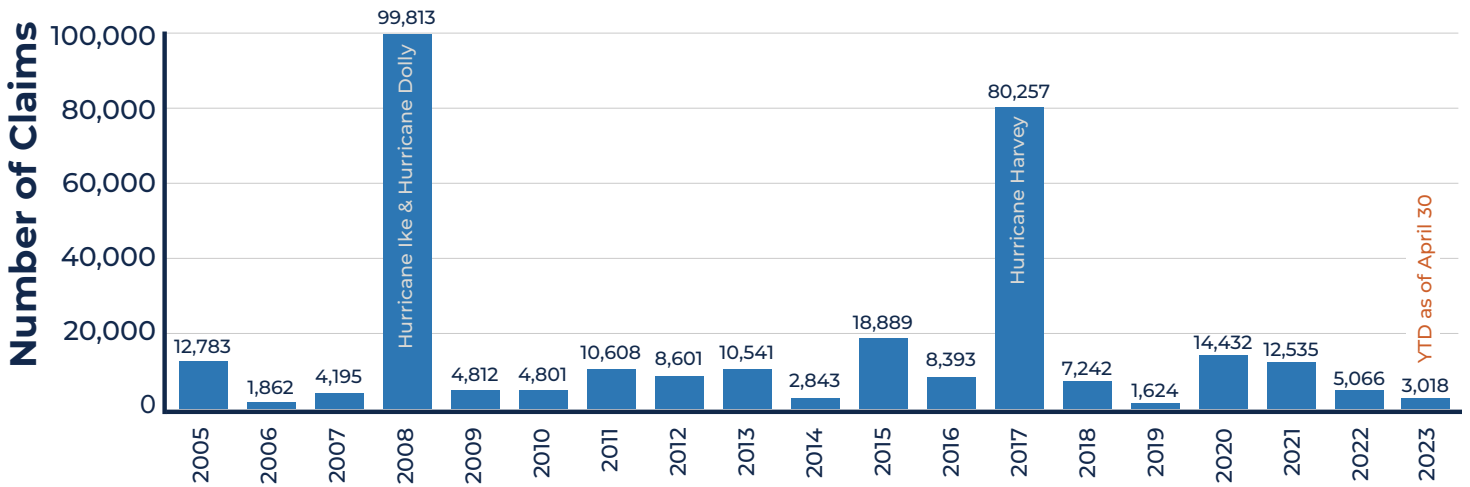
TWIA has activated the CAT Plan 24 times since January 1, 2012, for localized wind and hail events and has updated the CAT Plan based on information gathered from these events. Most recently, the CAT Plan was activated on January 24, 2023, in response to severe storms in the Houston area.

To prepare for CAT Plan activation, the Association has conducted annual testing, training, and exercises for the past five years, focusing on all CAT Plan and response elements. The Association first tested the CAT Plan in an enterprise-wide simulation in June 2014. Testing, training, and exercises have since been developed for staff deployments, claims processes and procedures, cross-departmental communication, and technology to improve overall readiness throughout the organization. To support this and to ensure continuous improvement, the Association has developed a three-year strategic testing, training, and exercise plan covering 2021 to 2024.



Historical TWIA claim volume for the past 14 years and 2023 year to date is reported in the charts below.

### Number of Claims Per Year



### Number of Claims Per Hurricane

As of 4/30/2023



Severe storms impacted the upper Texas coast on January 24, 2023, generating 1,128 claims as of April 30, 2023. TWIA received 5,066 claims total in 2022, a year in which no hurricane events impacted the Texas coast.

# CLAIMS SETTLEMENT AND DISPUTE RESOLUTION

Texas Insurance Code Chapter 2210 outlines the judicial remedies available to TWIA policyholders, including appraisal for disputes arising over the amount of a loss and Alternative Dispute Resolution (ADR) and litigation for disputes regarding coverage of damages. Texas Insurance Code Section 2210.014 made Insurance Code Chapters 541 (Unfair Settlement Practices) and 542 (Prompt Payment of Claims Act) inapplicable to TWIA claims. Texas Insurance Code Section 2210.572(c) made the Deceptive Trade Practices Act inapplicable to TWIA.

The provisions of Texas Insurance Code Chapter 2210, Subchapter L-1 outline the process for claims decisions, payments, and disputes.

- All disputes regarding the amounts paid for claims the Association accepts must be submitted to an appraisal process.
- Texas Insurance Code Section 2210.575 allows policyholders up to two years to provide notification of their intent to sue the Association if TWIA fully or partially denies coverage for a claim.
  - TWIA has the option to require the policyholder to submit the dispute to ADR with mediation as the primary form of dispute resolution used by the Association. Both parties equally share all costs and expenses of appraisal and mediation.
- TWIA is also authorized to offer a supplemental payment process, which allows policyholders to provide TWIA with new information about their claim so the Association may re-evaluate the claim decision for the purposes of issuing additional payment.
- Policyholders do not have to engage in the appraisal process or file a lawsuit to request a supplemental payment.

The following tables outline data regarding disputes related to 2022 claims. Dispute frequency tracks the total number of claims filed with the Association and the number and percentage of claims in which the policyholder is disputing the claims disposition for any reason.

### TWIA - 2022 All Disputed Claims

Total Claims	Dispute Frequency		Type of Dispute		
	Disputed Claims	% of Disputed Claims	Appraisals	Notice of Intent	Suits
<b>8,804</b>	<b>112</b>	<b>1.40%</b>	<b>40</b>	<b>82</b>	<b>13</b>

### TWIA - 2022 Disputed Claims with Appraisal Invoked Total Appraisals: 40

Open/Pending	Appraisal Complete	Appraisal Process Stopped	
Active	Awarded	Withdrawn	Ineligible
<b>23</b>	<b>8</b>	<b>7</b>	<b>2</b>

### TWIA - 2022 Claims with Notice of Intent or Lawsuit Served

Total Notice of Intent / Suit	Notices of Intent Received	Notices of Intent Resolved	Lawsuits Received	Lawsuits Resolved
<b>95</b>	<b>82</b>	<b>16</b>	<b>13</b>	<b>0</b>

# CATASTROPHE FUNDING

Texas Insurance Code Chapter 2210 outlines the funding structure used to pay TWIA's insured losses and operating expenses. TWIA's statutory funding sources provide a combination of public securities and member company assessments and require total funding in an amount not less than the probable maximum loss for the Association for a catastrophe year with a probability of one in 100.

Texas Insurance Code Chapter 2210, Subchapter B-1 (Sections 2210.071-2210.075) describes the different sources of funding available to pay TWIA losses.

Those sources and the order in which they are used are:

- TWIA premiums and other revenue
- Available reserves and amounts in the Catastrophe Reserve Trust Fund (CRTF)
- Up to \$500 million in Class 1 public securities
- Up to \$500 million in Class 1 assessments on TWIA member companies
- Up to \$250 million in Class 2 public securities
- Up to \$250 million in Class 2 assessments on TWIA member companies
- Up to \$250 million in Class 3 public securities
- 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

Texas Insurance Code Chapter 2210 prohibits the Association from paying policyholder excess losses from a catastrophe year with premium and other revenue earned in subsequent years.

Texas Insurance Code Section 2219.453 (f) prohibits TWIA from purchasing reinsurance from an insurer or broker that provides the catastrophe modeling TWIA uses to determine the probable maximum loss or make rate decisions. Statute also requires that the cost of any reinsurance purchased above the minimum required funding level (One in 100 probable maximum loss) be reimbursed by an assessment on member insurers of the Association.

All classes of public securities are backed by TWIA revenues and are not obligations of the State of Texas.

- Class 1, 2, and 3 public securities are repaid by TWIA premiums and other revenues and, if premiums and all other revenues are not sufficient, surcharges on TWIA policies.
- Class 2 and 3 public securities, after a finding by the Commissioner of Insurance, may also be repaid by surcharges on coastal property and auto insurance policies that insure property and automobiles located in the catastrophe area.

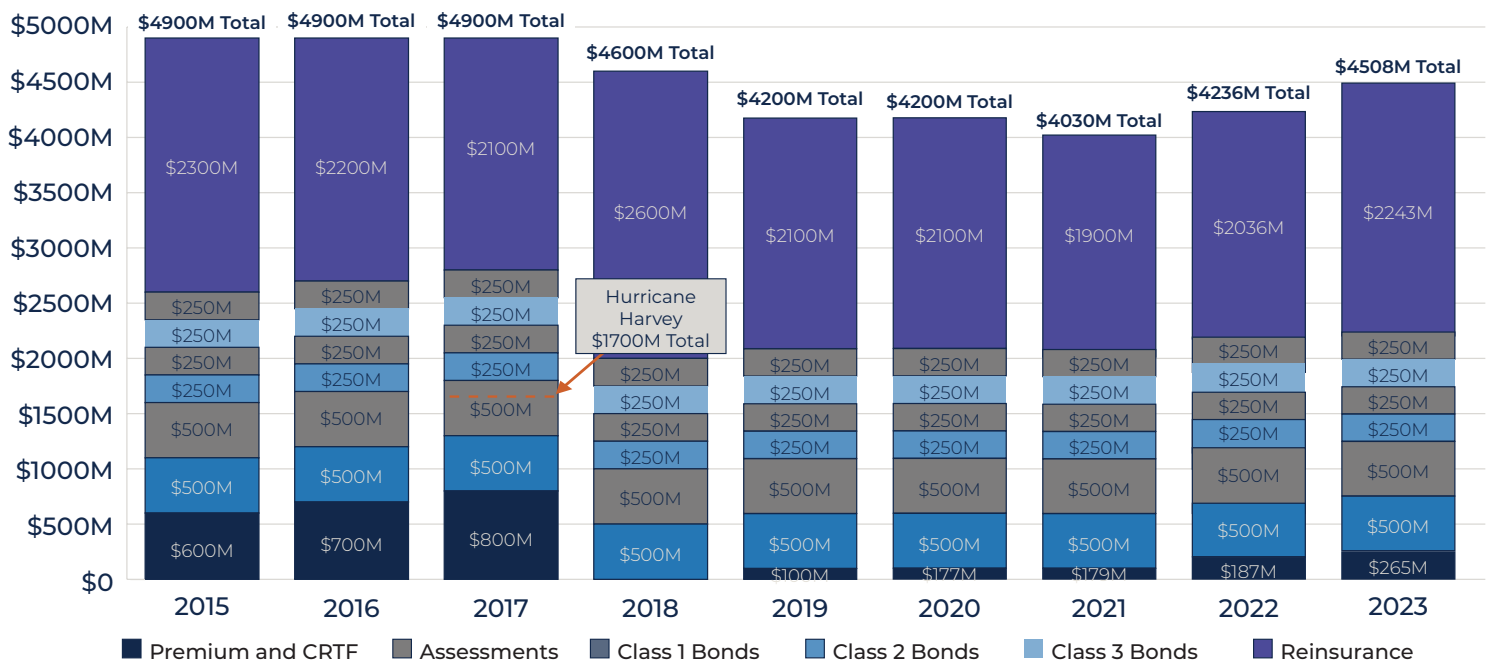
# 2023 HURRICANE SEASON FUNDING

TWIA’s 2023 reinsurance program, effective June 1, 2023, to May 31, 2024, provides \$4.508 billion in total aggregate funding, an amount that meets the statutory minimum funding requirement. TWIA’s funding sources include the purchase of reinsurance, relying on a combination of traditional reinsurance contracts and catastrophe bonds. The traditional reinsurance program provides coverage on an aggregate basis, meaning multiple hurricane events would be covered under the same reinsurance program.

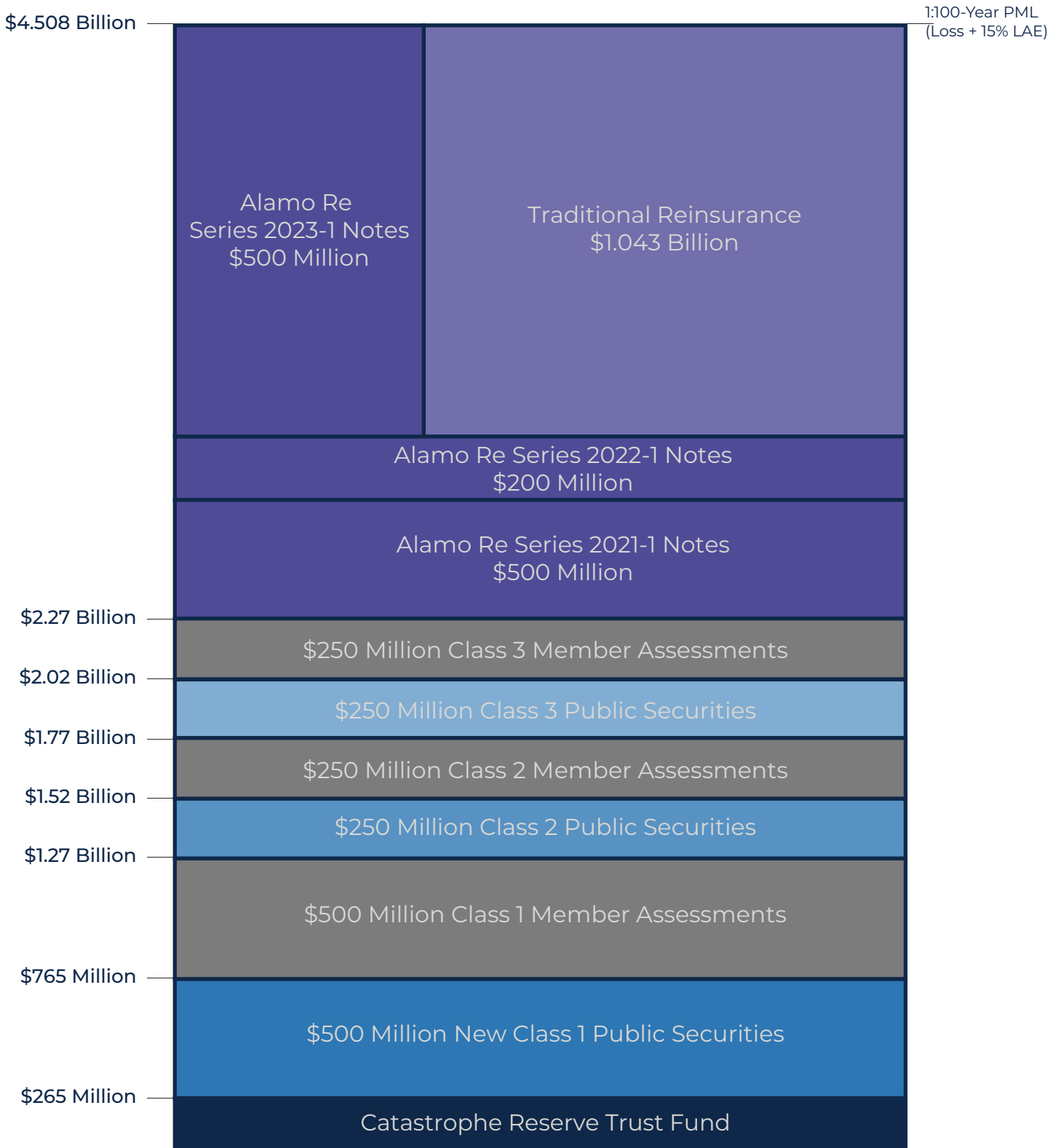
The 2023 reinsurance program includes:

- \$500 million in newly-issued three-year catastrophe bonds (Series 2023-1)
- \$700 million in existing three-year catastrophe bonds (Series 2022-1 and Series 2021-1)
- \$1.043 billion of traditional reinsurance with a one-year term

A historical comparison of funding levels since 2015 is below, followed by TWIA’s funding for the 2023 hurricane season.



## 2023 Hurricane Season Funding





# TDI PROPOSED AND ADOPTED RULES

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 related to the Association were proposed or adopted during the reporting period (June 1, 2022 to May 31, 2023).

## TDI Proposed and Adopted Rules

### EMERGENCY RULE ACTION: Chapter 35. Emergency Rules Subchapter A. Texas Windstorm Insurance Association Emergency Rules

Section Number	Proposal Filed	Proposal Published	Adoption Filed	Adoption Published	Effective Date
§35.4	N/A	N/A	8/23/2022	9/2/2022	8/23/2022

### Chapter 5. Property and Casualty Insurance Subchapter E. Texas Windstorm Insurance Association, Division 7. Inspections for Windstorm and Hail Insurance

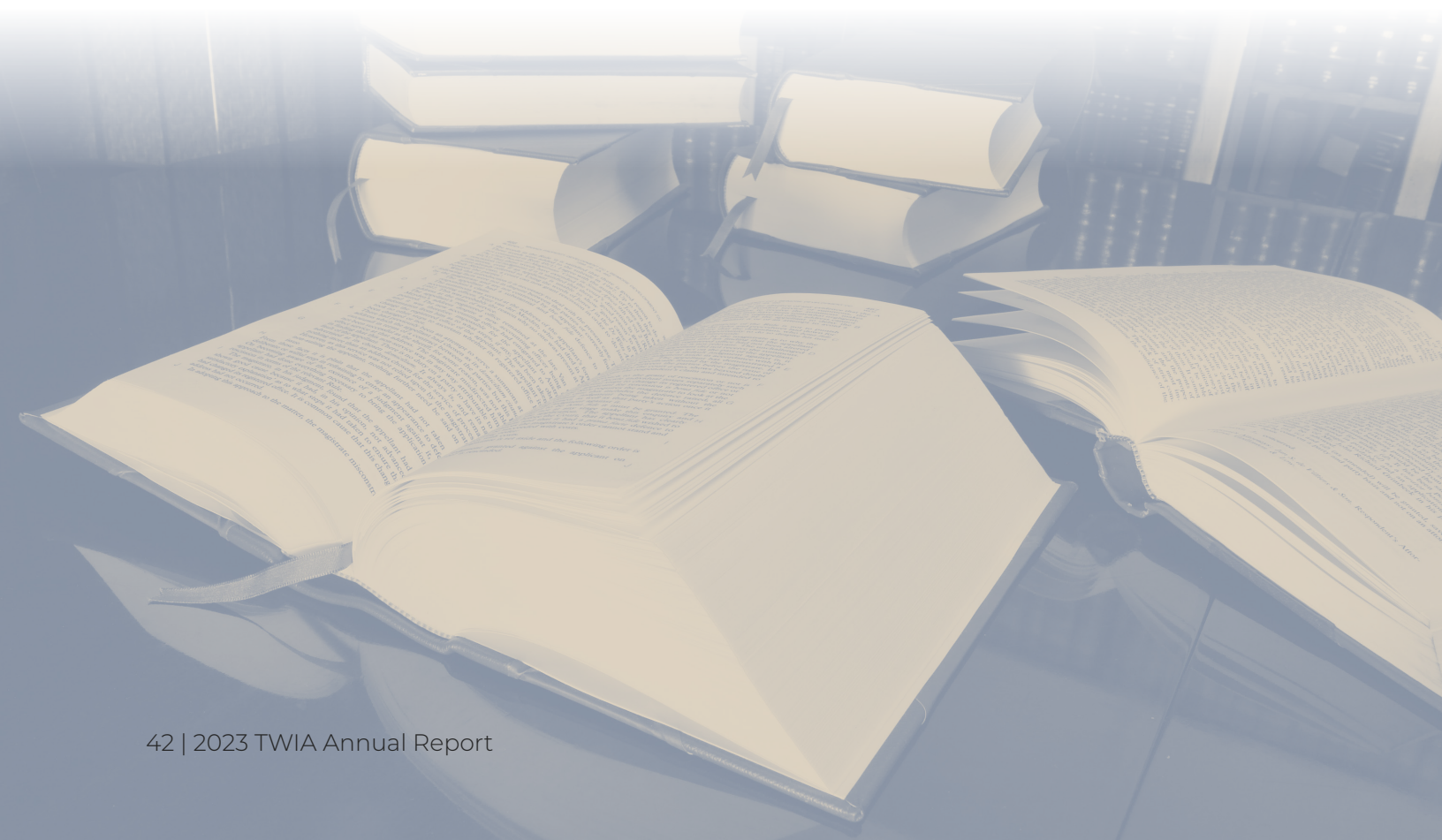
Section Number	Proposal Filed	Proposal Published	Adoption Filed	Adoption Published	Effective Date
§§5.4606, 5.4606, 5.4621, 5.4626, 5.4640	9/9/2022	9/23/2022	1/3/2023	1/20/2023	1/23/2023

# PLAN OF OPERATION REVISIONS

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 is in the Texas Administrative Code, Title 28, Chapter 5, Subchapter E.

TDI continues its review of TWIA's Plan of Operation, which requires updates to implement legislative changes from past sessions and remove outdated information. Association staff and outside counsel have been working with TDI to reorganize the Plan, eliminate unnecessary provisions, and convert the wording to plain language.

The Plan revision project is in progress and consists of two phases. The first phase involved reorganizing the Plan, publishing a table of contents, and requesting comments from the public on the reorganization. The second phase of the revision project, which is currently underway, consists of rewriting, streamlining, and updating the contents of the Plan. Once the working group completes its revision of the content, the Plan of Operation will be published for public review and comments.



# STANDARDS OF CONDUCT

## Business Ethics and Conflicts of Interest Policy

TWIA first developed and implemented a comprehensive Business Ethics and Conflict of Interest Policy (“Ethics Policy”) in February 2011. The policy has undergone revisions over time, most recently in May 2021.

Pursuant to Texas Insurance Code Sections 2210.012 and 2210.013, the Ethics Policy states that an employee of the Association or member of the TWIA Board of Directors shall not:

- Accept gifts or favors that might tend to influence them in the discharge of their duties;
- Accept employment or engage in a business or professional activity that might reasonably cause them to disclose confidential information acquired as a Board member;
- Accept employment or compensation that could impair the member’s independence of judgment related to the operation or business of the Association;
- Make personal investments that could create a conflict;
- Contract with or hire family members to provide services paid with TWIA funds;
- Accept or solicit any benefit for exercising a member’s powers as a director; or
- Accept or solicit any benefit for performing one’s Association duties in favor of another.

Texas Insurance Code 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.

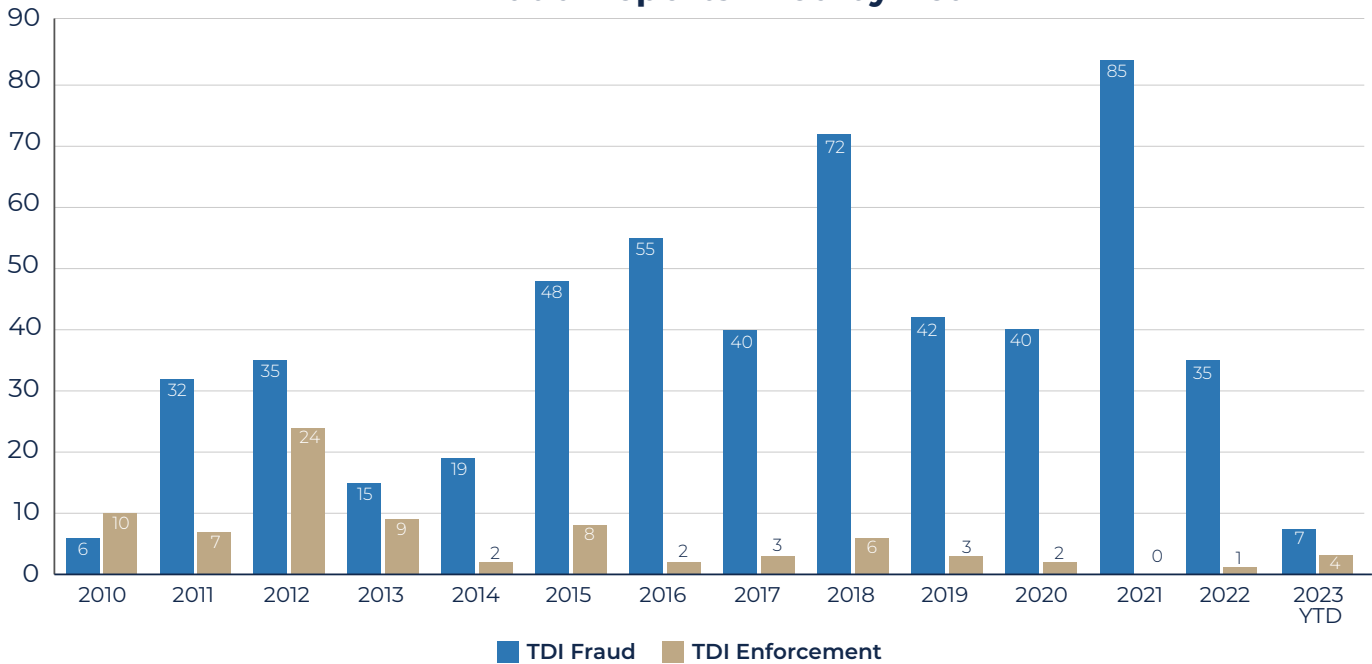
## Fraud Reporting

Texas Insurance Code 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 certain initiatives to ensure compliance with the applicable Insurance Code provisions. The Association’s Special Investigation program for claims uses an experienced investigation firm, Veracity Research Company Investigations (VRC). The program includes mandatory and recommended Special Investigations Unit (SIU) referral guidelines based on industry standards and best practices. TWIA’s SIU program tracks referral rates, results, and reports made to TDI’s 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 since 2010, evidencing TWIA’s increased focus and responsibility on fraud abatement and reporting. After TWIA retained the services of VRC in 2012, reporting levels moderated, reflecting a more sophisticated assessment by the vendor of the “reasonable suspicion of fraud” standard.

**TDI Fraud Reports Filed by Year**



# OPEN MEETINGS AND OPEN RECORDS

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 archiving of those meetings for later viewing on the Association website.

Texas Insurance Code Section 2210.108 also 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. From June 1, 2022, through April 30, 2023, TWIA has received 19 open records requests.

# DEPOPULATION

Pursuant to Texas Insurance Code Chapter 2210, Subchapter O (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. The following sections include detailed descriptions of both programs and an update on their status.

## Voluntary Market Depopulation Program

Authorized by the Texas Legislature in 2015, the Voluntary Market Depopulation Program allows participating insurers to make offers on TWIA policies one at a time at policy renewal. A Texas-authorized insurer must execute a Non-Disclosure Agreement (NDA) and Participation Agreement to access TWIA policy data and identify policies on which it wishes to make offers of insurance. The insurer works with the policyholder's current agent, either through appointment or a limited servicing agreement, to present the offer to the policyholder. The policyholder and agent may accept or reject any offer.

## Assumption Reinsurance Depopulation Program

The Assumption Reinsurance Depopulation Program allows participating insurers to make offers on large numbers of TWIA policies at one time. Under the program, interested insurers must file rates with and have forms approved by TDI and sign an NDA and Participation Agreement to review and select the TWIA policies on which they are interested in making an offer. 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 can approve or reject any offers made by participating insurers through TWIA's depopulation website. Policyholders can opt out of the depopulation process, and any policyholders who do not elect to remain with TWIA will automatically have their TWIA policies assumed by, or transferred to, the participating insurer. This program repeats annually.

## Depopulation Programs Status

### Voluntary Market Depopulation Program

As of April 30, 2023, four carriers have reported a total of 4,854 policies bound through the Voluntary Market Depopulation Program. Weston Insurance Company, State National Insurance Company, United Property and Casualty (UPC), and USAA Casualty Insurance Company each received approval to participate in the program and reported binding multiple policies before electing to discontinue their participation. USAA subsequently applied to renew its participation in the Voluntary Market Depopulation Program, which TDI approved on December 1, 2021. USAA informed TWIA that they have resumed making offers through the program, and 318 approved offers were reported as of April 30, 2023.

### Voluntary Depopulation Program Participation

Carrier	Number of Policies Bound
Weston Insurance Company	2,506
State National Insurance Company	1,876
USAA Casualty Insurance Company	401
United Property and Casualty	71

### Assumption Reinsurance Depopulation Program

One carrier participated in Round 6 (2022-2023) of the Assumption Program: SafePoint Insurance Company. On March 1, 2023, the assumption of policies through Round 6 of the program became effective with 46 policies transferring to the one participating carrier. Per program procedure, TWIA continues to handle policy changes for the assumed policies until they renew on the assumption carrier's policy forms. After removing opt-outs and any policies no longer in force (due to cancellations, non-renewals, etc.), approximately 44 policies remain on TWIA paper from Round 6 as of April 30, 2023.

This chart provides an overview of Rounds 1 through 7 of the Assumption Reinsurance Depopulation Program:

### Assumption Reinsurance Depopulation Program

Program Year	2016-2017	2017-2018	2018-2019	2019-2020	2021-2022	2022-2023	2023-2024
Participating Carriers	4	3	2	2	1	1	0*
Policies Selected by Carriers	102,171	109,356	75,039	64,380	32,318	31,959	N/A
Agent-Approved Offers	18,047	3,091	3,967	1,866	210	79	N/A
Policies Assumed	11,164	1,634	2,080	1,002	125	46	N/A

*\*No carriers have submitted applications to participate in Round 7 (2023-2024) of the Assumption Program.*

# TDI COAST AND OMBUDSMAN PROGRAM

TWIA is in compliance with Texas Insurance Code Section 2210.582 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 in 2012. TWIA's claims correspondence and website include information about the program. TWIA fully funds the program based on the budget provided by TDI each March.

TDI's TWIA ombudsman maintains a network of coastal relationships that allow TDI and TWIA to promote awareness of TWIA's unique operations and claims process.

## “Ready to Respond” Hurricane Preparedness Program

Every year, before and during hurricane season, TWIA undertakes various activities to raise awareness about hurricane preparedness. The aim is to actively participate in the conversation surrounding hurricane preparedness by emphasizing the importance of having both wind and flood insurance. This comprehensive coverage is crucial in ensuring individuals are adequately prepared for a storm and can effectively navigate the recovery process afterward.

By increasing public awareness regarding how coastal residents can prepare for a catastrophic storm, TWIA seeks to minimize hurricane-related losses and enhance the overall claims experience for policyholders.

TWIA's “Ready to Respond” Hurricane Preparedness Program includes three main components:

**Partner Events:** TWIA employees attend and present at a variety of webinars and events, many hosted by FEMA and regional NFIP offices, coastal Offices of Emergency Management, local offices of the National Weather Service, and area economic development groups and chambers of commerce. Presentations focus on how insurance is an integral part of being prepared, coverage types, what to expect from and how to navigate the TWIA claims process, windstorm certification requirements and exceptions, how TWIA's role contributes to a catastrophe response, and important changes resulting from recent legislation.

**“Before the Storm” content:** TWIA develops a range of content including videos, graphics, GIFs, and print and digital advertisements to emphasize the importance of insurance coverage. These materials encourage coastal





## June 1, 2022 - May 31, 2023 TWIA Outreach Event Participation

- 6/7/2022 Severe Weather Open House in Friendswood
- 6/23/2022 Texas Sea Grant Workshop in Aransas Pass
- 6/30/2022 TWIA CAT response training for Eric Casas, new TWIA Ombudsman for TDI
- 4/12/2023 National Tropical Weather Conference in South Padre Island
- 5/3/2023 Coastal Bend Hurricane Conference in Robstown



*Outreach locations*

citizens to review their policy coverages regularly, meet with insurance agents annually, and understand the process of reporting and managing a claim. The Association distributes this content through various channels such as coastal hurricane guides, the TWIA website, Facebook and Nextdoor pages, and content streaming services.

**“After the Storm” content:** TWIA produces various forms of content, including videos, graphics, website content, and printed materials, to provide clear explanations of the TWIA claims process and what policyholders can anticipate. These informative resources are accessible on the TWIA website and are also shared with adjuster firms and agents in advance of an approaching storm. Additionally, the Association prepares printed materials and other communication materials specifically tailored for storm response, which are ready for printing and distribution at mobile claims centers.



*Facebook Banner*



TEXAS WINDSTORM  
INSURANCE ASSOCIATION



TEXAS FAIR PLAN  
ASSOCIATION



# TWIA & TFPA

## Catastrophe Incident Response Plan

David Durden  
June 1, 2023



## General Manager's Message

Our organization, established over fifty years ago by the state of Texas in service to the state of Texas, exists to offer property owners access to essential insurance coverage when denied by others.

The Texas Windstorm Insurance Association (TWIA) and the Texas FAIR Plan Association Catastrophe Incident Response Plan (CAT Plan) is our guiding framework for responding to our policyholders after a catastrophic storm.

Each year the CAT Plan is rigorously reviewed, tested, and subjected to a thorough after-action report (AAR) process. This process continuously improves our ability to respond swiftly, effectively, and efficiently in the aftermath of a storm. It ensures that every year TWIA is more prepared than the last for the hurricane season ahead.

The 2023 Plan incorporates updates focused on strengthening our internal response framework, enhancing our Deployment Plan, streamlining our contractor onboarding process, and emphasizing communication and coordination with federal, state, and local emergency management.

For us, the CAT Plan holds significance beyond its statutory obligation. It's our promise to our policyholders that we will be there when they need us the most.

With gratitude for your trust in us,

A handwritten signature in blue ink, appearing to read 'David Durden'.

David Durden  
TWIA and TFPA General Manager



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## 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 initiatives TWIA and TFPA employ throughout the year.

### Background

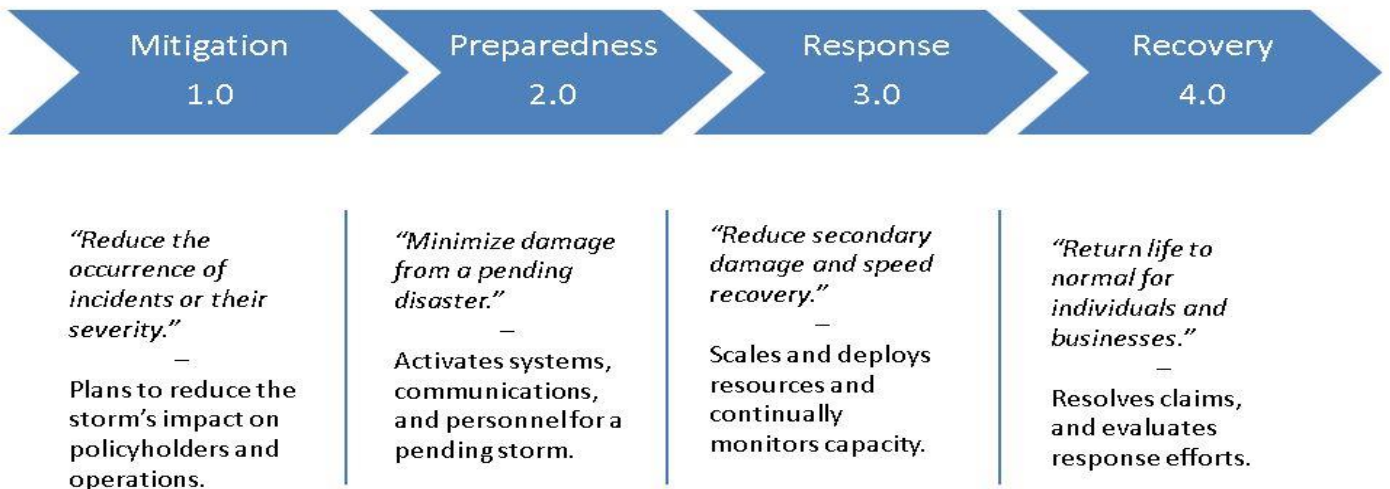
Texas Insurance Code 2210.455 requires TWIA to submit a Catastrophe Response Plan on June 1 of each calendar year, and that planning should occur for the following scenarios: 1% probability event (1 in 100 year), 2% probability event (1 in 50 year), and 4% probability event (1 in 25 year). TFPA is not 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 provides a response framework for the Association and guidance for departments and personnel. Based on principles and best practices utilized by the Federal Emergency Management Agency (FEMA) and other response organizations, the structure of the plan is built around the four phases of a response; mitigation, preparedness, response, and recovery. Each objective in the plan covers actions and duties for both the Association and individual departments.

The objectives in the plan are broken up into eight sections; the description of the objective, the purpose, departmental and individual participants, action plans, exhibits, additional information, compliance, and QA or Testing.

#### Plan Phases:





## Mitigation Phase (1.0)

According to the Federal Emergency Management Agency (FEMA) 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

<b>Objective 1.1</b>	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	<ul style="list-style-type: none"> <li>To plan for delivering essential services in the case of a catastrophic incident.</li> <li>To keep the Plan current with changes in the Associations' workflows and procedures.</li> </ul>
Participants	General Manager, All Departments
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Selects the Plan committee and recruits staff to assist with updates.</li> <li>Sets regular meetings of the committee to develop updates.</li> <li>Implements feedback from Plan tests.</li> <li>Meets with TWIA/TFPA Departments to review updates.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>Review Plan to identify and assess roles and responsibilities.</li> <li>Assist with updating the Plan, including sending updates to the CAT Plan committee.</li> <li>Assist with training Department staff on Plan requirements.</li> <li>Work under Corrective Action Program (CAP) to ensure continuous improvement.</li> <li>Assist with implementing testing, including Department tests of relevant objectives.</li> </ul> <p><b>General Manager and Executive Leadership Team</b> review and give Plan approval.</p> <p><b>Legislative &amp; External Affairs</b> submits Plan to internal and external stakeholders no later than June 1.</p> <p><b>Claims</b> works with Executive Leadership Team to identify areas for improvement and creates an improvement plan including testing, training, and exercises.</p>
Exhibits, or Related Documents	<a href="#">Appendix A - CAT Plan Revisions Log</a>
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

<b>Objective 1.2</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Assigns business analyst to gather, format, and update Policy-In-Force (PIF) data.</li> <li>• Receives storm activity data each day across the U.S. from weather data vendor.</li> <li>• Maintains services with weather data vendor to automatically order wind or hailstorm reports for the address of a policyholder filing a claim.</li> <li>• Runs regularly scheduled queries for Policy in Force (PIF) data for TWIA/TFPA.</li> <li>• Runs ad hoc queries for Policy in Force (PIF) data, as needed.</li> <li>• Trains resources on weather tracking and exposure modeling.</li> <li>• Evaluates and purchases web tools for storm data tracking.</li> <li>• Maintains process for determining potential PIF impact depending on the number of policies in impacted Association territories.</li> <li>• Maintains spreadsheet with formulas to model potential exposures in the case of a catastrophic incident.</li> </ul> <p><b>Actuarial</b> manages the modeling of TWIA and TFPA exposures prior to hurricane season.</p>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• TWIA and TFPA Policy-In-Force (PIF) Data</li> <li>• <a href="#">Hail/Wind Shape File Data Map</a></li> <li>• Exhibit 1 “Hurricane/Tropical Storm Loss Projection Model.”</li> </ul>
Additional Information	
Compliance	Fulfills the need to describe pre- and post-incident processes as per Texas Insurance Code 2210.455.
QA or Testing	



**Exhibit 1: Hurricane Loss Projection Model**

<b>Storm Data Map - Loss Projection Model</b>					
<b>Wind Speed (MPH)</b>	<b>TWIA Residential PIF</b>	<b>TWIA Commercial PIF</b>	<b>TWIA Total PIF</b>	<b>Projected Claim Frequency</b>	<b>Projected Claim Volume</b>
< 50	88,464	2,467	91,261	5-10%	4,563 – 9,126
50 - 69	79,176	3,496	82,893	11-35%	9,118 – 29,013
70 - 89	4,419	223	4,675	36-50%	1,683 – 2,338
90 - 109	37,374	2,097	39,585	51-75%	20,188 – 29,689
>109	21,388	1,105	22,600	76-100%	17,176 – 22,600
<b>Totals</b>	<b>230,821</b>	<b>9,398</b>	<b>241,014</b>	...	<b>52,729 – 92,765</b>

\*\*\*The numbers identified above are based on the storm characteristics of Hurricane Harvey

### 1.3 Utilize Scalability Modeling to Predict Staffing Needs

<b>Objective 1.3</b>	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	<ul style="list-style-type: none"> <li>To increase the ability to activate resources after a catastrophic incident.</li> <li>To uphold the Associations' commitment to deliver prompt and fair claims service.</li> </ul>
Participants	Claims, IT, All Departments, General Manager
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Obtains and formats relevant data for incident modeling and exposure modeling.</li> <li>Creates resource scalability models for one, two, four, and ten-in-100 year incidents.</li> <li>Continually adapts the "Claims Resource Scalability Model" to estimate capacity based on exposure modeling and projections.</li> <li>Compares current resources against scalability models to gauge capacity.</li> <li>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.</li> <li>Publishes approved vendor fee schedules.</li> <li>Confirms available resources and maintains approved vendor contact information.</li> <li>Runs indirect incident modeling in the case of incidents outside Association territories.</li> <li>Maintains mobile office and off-site office staffing plans for various CAT scenarios.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>Use the Resource Scalability Model (<a href="#">Exhibits 2-5</a>) to determine departmental scaling needs</li> </ul> <p><b>General Manager</b> reviews quarterly updates on vendor assignment process.</p>
Exhibits, or Related Documents	Exhibit 2, 3, 4, & 5
Additional Information	<ul style="list-style-type: none"> <li>In addition to complying with Texas Insurance Code 2210.455, also models ten-in-100 year incidents (i.e., 10 percent event).</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>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.</li> <li>Fulfills the Texas Insurance Code requirement to implement indirect incident modeling once per year.</li> </ul>
QA or Testing	



TEXAS FAIR PLAN  
ASSOCIATION



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

**Exhibit 2: TWIA 1% Probability Event (1 in 100 year event)**

Claims Resource Scalability Modeling Tool 2023 Summary - TWIA 1% Probability Event (1 in 100 years)										
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Supervisors	Customer Care	Quality Assurance	TOTAL	Field Adjusters	Field Re-Inspectors	TOTAL
81,894	15	5,459	737	61	74	74	946	1,331	67	1,398
96,979	30	1,006	697	57	68	68	890	727	36	763
104,046	60	253	260	22	26	26	334	130	7	137
107,638	90	119	108	9	11	11	139	54	3	57

**Exhibit 3: TWIA 2% Probability Event (1 in 50 year event)**

Claims Resource Scalability Modeling Tool 2023 Summary - TWIA 2% Probability Event (1 in 50 years)										
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Supervisors	Customer Care	Quality Assurance	TOTAL	Field Adjusters	Field Re-Inspectors	TOTAL
70,317	15	4,687	633	53	63	63	935	1143	57	1200
83,269	30	863	583	49	58	58	748	625	31	656
89,336	60	202	223	19	22	22	286	112	6	118
92,421	90	102	92	8	9	9	118	46	2	48



TEXAS FAIR PLAN  
ASSOCIATION



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

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

Claims Resource Scalability Modeling Tool 2023 Summary - TWIA 4% Probability Event (1 in 25 years)										
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Supervisors	Customer Care	Quality Assurance	TOTAL	Field Adjusters	Field Re-Inspectors	TOTAL
50,097	15	3,340	451	38	45	45	935	814	41	855
59,324	30	615	415	35	42	42	534	445	22	467
63,647	60	144	159	13	16	16	204	80	4	84
65,845	90	73	66	5	7	7	85	33	2	35

**Exhibit 5: TWIA 10% Probability Event (1 in 10 year event)**

Claims Resource Scalability Modeling Tool 2023 Summary - TWIA 10% Probability Event (1 in 10 years)										
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Supervisors	Customer Care	Quality Assurance	TOTAL	Field Adjusters	Field Re-Inspectors	TOTAL
30,437	15	2,029	274	23	27	27	935	495	25	520
36,044	30	373	252	21	25	25	323	270	14	284
38,670	60	87	97	8	10	10	125	48	2	50
40,005	90	44	40	3	4	4	51	20	1	21

## 1.4 Maintain Plans for Deploying Mobile Claims Center and Remote Facilities

<b>Objective 1.4</b>	To maintain plans for deploying mobile claims center and remote facilities.
Description	Create site requirements (i.e., supplies) for mobile and remote facilities.
Purpose	<ul style="list-style-type: none"> <li>To prepare a physical location to provide immediate policyholder assistance, including first notice of loss (FNOL), claim status information, and advanced payments.</li> <li>To have off-site space to house additional customer care and data entry resources.</li> </ul>
Participants	Claims, Facilities, Legal and Compliance
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Establishes criteria for activating mobile claims center and remote facilities.</li> <li>Maintains contract with Agility to provide mobile office units, equipment, network, and phone patch within 48 hours of notification.</li> <li>Identifies locations for mobile offices in TWIA/TFPA territories.</li> <li>Maintains requirements for mobile claims center.</li> <li>Searches each year for additional office space for claim operations during a CAT.</li> <li>Develops plans to identify roles and responsibilities in the event of a deployment of the mobile claims center.</li> <li>Works throughout the year to identify possible basecamps.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Works with Claims to order supplies and equipment for off-site facilities.</li> <li>Plans for security for mobile claims center and remote facilities.</li> <li>Packages approved handbooks, policies, forms, brochures, etc. for off-site offices.</li> <li>Ensures all required insurance policies are in place for off-site facilities.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>Approves all vendor contracts related to off-site facilities.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li><a href="#">Mobile Claims Center and Remote Facilities aims Processing Workflow</a></li> <li>Exhibit 7 “Site Plan for TWIA/TFPA Mobile Claims Center.”</li> </ul>
Additional Information	<ul style="list-style-type: none"> <li>Office solutions are deployed within 48 hours of landfall or when it is safe to travel.</li> <li>Association utilizes available hotel and partners’ office space before renting space.</li> <li>The Agility unit supports: 30 customer seats, two reception seats, 21 computer workstations, one office, generator, HVAC, wireless network, and satellite phone.</li> <li>Agility unit qualifies as RV, meaning few restrictions for on-site placement.</li> </ul>
Compliance	
QA or Testing	

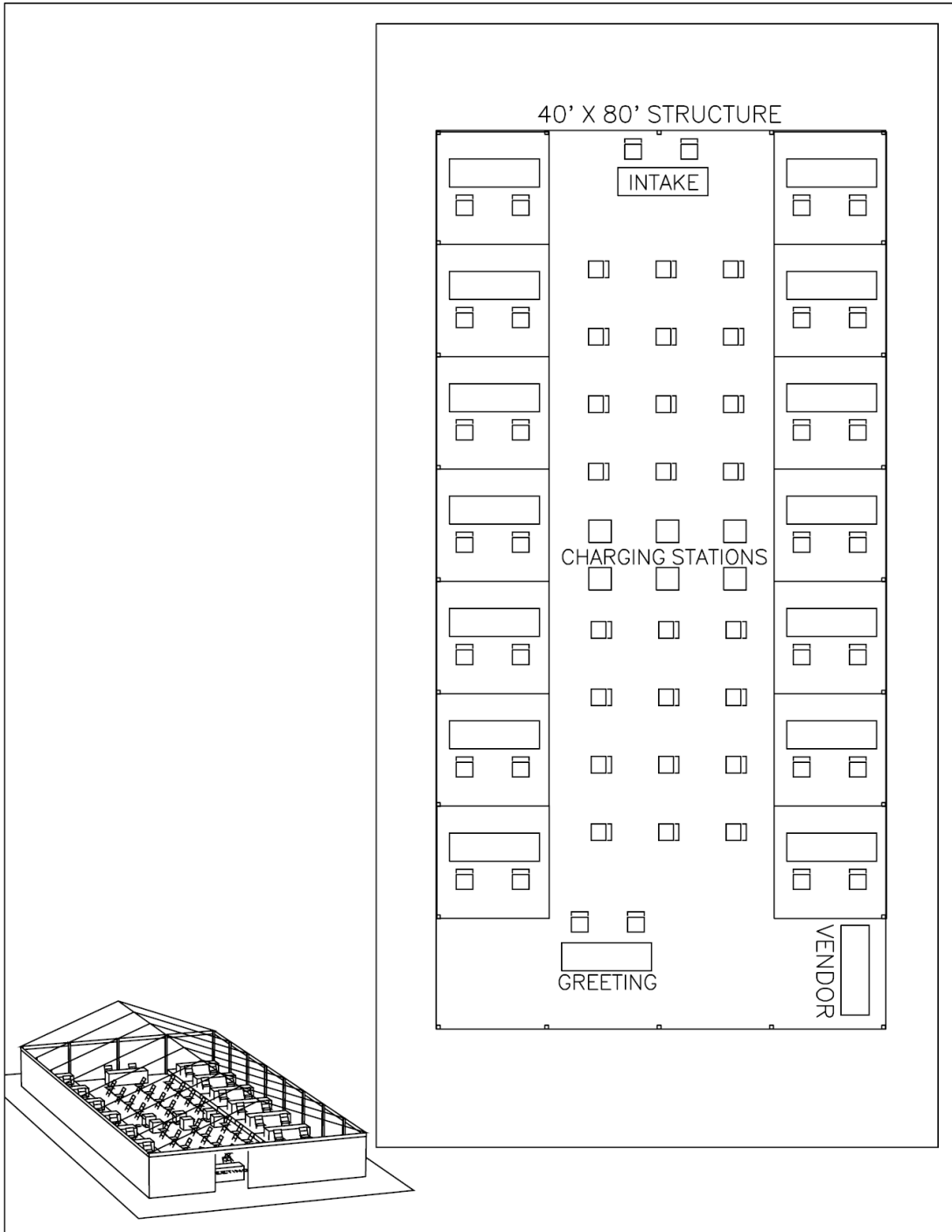


TEXAS FAIR PLAN  
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Exhibit 6: Site Plan for TWIA/TFPA Mobile Claims Center



## 1.5 Forecast Needs for Office Supplies and Equipment

<b>Objective 1.5</b>	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	<ul style="list-style-type: none"> <li>To uphold the Associations' commitment to deliver prompt and fair claims service.</li> <li>To establish processes for ordering and delivering supplies to mobile claims center and remote facilities.</li> </ul>
Participants	Facilities
Action Plans	<p><b>Facilities/Operations</b></p> <ul style="list-style-type: none"> <li>Maintains inventory of supplies (e.g., chairs, workstations, and storage).</li> <li>Forecasts increased demand on workspaces, supplies, and equipment, including supplies needed at remote facilities based on current safety standards.</li> <li>Plans to obtain additional office supplies, create building access badges, and distribute CAT Supplies Box within 48 hours of the activation of this Plan.</li> <li>Identifies additional snacks and drink vendor services and cleaning services needed.</li> <li>Coordinates additional parking for staff onsite with Aquila Property Management, mobile claims center, and remote facilities.</li> <li>Coordinates with Claims and IT to determine process for adding mailroom, printer, scanner, and fax server capacity.</li> <li>Plans for additional security and extended hour security for Austin facilities.</li> </ul>
Exhibits, or Related Documents	Workspace Utilization Report
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

<b>Objective 1.6</b>	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	<ul style="list-style-type: none"> <li>• To uphold the Associations’ commitment to deliver prompt and fair claims service.</li> <li>• To expedite software and hardware purchasing during a catastrophic incident.</li> </ul>
Participants	IT, Claims
Action Plans	<p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Meets with Claims and Underwriting to review systems, identify necessary upgrades, and implement software and hardware changes.</li> <li>• Maintains quotes for expanding software licenses.</li> <li>• Develops network access solutions for on-site and off-site workspaces, including assessing Agility satellite capabilities, wireless phones, and laptops for remote facilities and mobile claims center(s).</li> <li>• Communicates with Claims and Facilities about plans for off-site office equipment.</li> <li>• Manages Austin phones, line/voicemail capacity, and IVR.</li> <li>• Reviews Resource Scalability Model to ensure the ability to scale up phone numbers and licenses for all four modeled storms.</li> <li>• Conducts performance testing of the data center for scalability response time, availability, and reliability.</li> <li>• Reviews all character limits associated with core administration systems and works with tech liaisons to ensure conformity across systems.</li> <li>• Looks to implement automated monitoring of system queues.</li> <li>• Works with Claims to identify software to help handle the influx of videos submitted by policyholders.</li> <li>• Ensures all tickets related to Storm Mode for all core applications are addressed before June 1 of each year.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Evaluates claims technology systems for readiness: Web portals, software, hardware, telephony, remote access, data management, and reporting.</li> <li>• Reviews and addresses roles and authorities in Claims Center on a yearly basis.</li> <li>• Works with other departments to identify Claims Center access needs to create roles.</li> <li>• Works with IT throughout the year to ensure all “workarounds” within the core administration system have been identified and addressed before June 1 of each year.</li> </ul>



	<ul style="list-style-type: none"> <li>• Reviews the system’s roles and groups to ensure preparedness for onboarding of contractors.</li> <li>• Works with Accounting and IT to enhance advanced payment options from MCC locations.</li> <li>• Collaborates with IT and Actuary to enable template-specific indemnity and expense reserves in Claims Center.</li> </ul>
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

<b>Objective 1.7</b>	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	<p><b>CAT Plan Update Team</b></p> <ul style="list-style-type: none"> <li>Creates a plan to inform both Claims and non-Claims staff of the possibility of deployment in the case of a catastrophic incident.</li> <li>Prepares a formal list of Claims and non-Claims staff, willing to relocate to the incident area, every year.</li> <li>Maintains database listing volunteers for deployment.</li> <li>Identifies possible testing, training, and exercise opportunities.</li> <li>Works with business units to ensure policies and procedures are in place to enable resources in the event of a deployment.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>Assist with identifying staff by role available for deployment.</li> </ul>
Exhibits, or Related Documents	<a href="#">Appendix D - Plan for Volunteer Enlisting for Catastrophe (CAT) Incident Response Deployment</a>
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

<b>Objective 1.8</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Verifies that vendor partners remain compliant with TWIA/TFPA requirements.</li> <li>• Maintains a list of approved vendors.</li> <li>• Provides copies of new staffing firm agreements for Legal Compliance and Human Resources.</li> <li>• Maintains claim adjuster licensing database for staff and contractors.</li> <li>• Conducts audits to determine any conflicts of interest with vendor contractors.</li> <li>• Maintains relationship with a network of contractors.</li> <li>• Provide annual in-person training for field adjusters in TWIA's standards, PDEG, and culture.</li> <li>• Hosts the following yearly certifications: TWIA/TFPA Residential Adjuster Certification, TWIA/TFPA Desk Examiner Certification, TWIA/TFPA Manager, and Supervisor Training.</li> <li>• Creates training materials for non-claims resources to assist in status calls, etc.</li> <li>• Sends "Vendor Business Continuity Procedures Form" to approved vendors.</li> </ul> <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Administers temporary/contract resources to supply labor for the Mobile Claims Unit.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Distributes Ethics Policy and reviews Relationship Disclosure forms to identify and address any potential conflicts of interest for staff, contractors, and vendors.</li> <li>• Trains new staff and contractors in TWIA 101.</li> <li>• Reminds staff to continue to refer non-compliance of public adjusters to SIU and/or Compliance.</li> <li>• Refers fraud and enforcement concerns to TDI for additional review and possible investigation.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">Field Adjuster Online Training</a></li> <li>• <a href="#">Vendor Business Continuity Procedures Form</a></li> </ul>
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.

## 1.9 Foster Compliance with Mandated Timelines

<b>Objective 1.9</b>	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	<ul style="list-style-type: none"> <li>• To efficiently provide essential insurance products and services for policyholders.</li> <li>• To comply with sound insurance principles and regulations.</li> </ul>
Participants	Claims, Legal and Compliance, Underwriting
Action Plans	<p><b>Claims</b> train staff in non-catastrophe metrics expectations, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• <b>First Contact Timeline:</b> Same day contact with insured if received before 4pm, 24 hours if received after 4pm.</li> <li>• <b>Independent Adjuster (IA) First Contact:</b> Contact with insured within 24 hours after assignment. Send letter if contact not established within three days.</li> <li>• <b>IA Report Timeline:</b> Within 15 days of assignment. Additional reports every 15 days thereafter until completed. (Examiner contacts IA Firm if 48+ hours late.)</li> <li>• <b>Claim Decision Timeframe:</b> 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)).</li> <li>• <b>Texas Insurance Code 2210.541 and 2210.542</b> trainings for TFPA resources.</li> <li>• Provides documentation to inform all TWIA/TFPA staff how to assist customers submitting first notice of loss (FNOL) or other routine requests.</li> <li>• Provides supervisor and leadership training for TWIA/TFPA Claims staff to ensure readiness if the need arises for staff to lead teams of contract examiners.</li> <li>• Conducts yearly reviews of Claims letters to ensure compliance and readability for policyholders.</li> <li>• Creates a CAT Team Lead Handbook that speaks to the workflows and processes for team leads during a catastrophe.</li> </ul> <p><b>Underwriting</b></p> <ul style="list-style-type: none"> <li>• Maintains a process for verifying coverage with policy validation workflows with Claims (e.g., coverage verification and “no policy” processes).</li> <li>• Prepares dedicated resources for real-time CAT response.</li> <li>• Works with Claims throughout the year to better understand the resources needed in the event of an activation.</li> <li>• Creates awareness with management on how to turn Storm Mode on/off in core applications.</li> </ul>
Exhibits, or Related Documents	<p><a href="#">Appendix C - How to Submit a Claim for TWIA and TFPA Staff</a></p> <p><a href="#">TWIA Team Lead Handbook</a></p>



Additional Information	<ul style="list-style-type: none"> <li>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).</li> </ul>
Compliance	
QA or Testing	

## 1.10 Slab Claim Settlement – Guidelines & Required Actions

<b>Objective 1.10</b>	TWIA Slab Claim Settlement – Guidelines & Pre-Storm Required Activities
Description	The sections prescribe guidelines TWIA must use to settle certain claims. The guidelines are based on the recommendations of a panel of experts, charged with recommending methods or models for determining the extent to which a loss may be or was incurred as a result of wind, waves, tidal surges, or rising waters not caused by waves or surge.
Purpose	<ul style="list-style-type: none"> <li>• To ensure compliance with Texas statutory and regulatory requirements for TWIA to use to resolve slab claims.</li> <li>• Guidelines apply only when TWIA expects at least 500 residential slab claims.</li> </ul>
Participants	VP Claims, designated slab claim data analysts, slab claim team desk examiners
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Gathers, no less than once a year, updated applicable pre-event data on insured residential structures located in the required areas. <ul style="list-style-type: none"> <li>○ TWIA has contracted with RMS to annually, by June 1 identify all insured residential structures located in the National Flood Insurance Program Zones, V, VE, and V1-V30 and provide updated and required property characteristic data.</li> </ul> </li> <li>• Acquires pre-event high-resolution aerial and on-ground photographs of insured residential structures located in the National Flood Insurance Program Zones, V, VE, and V1-V30 to define building characteristics and terrain.</li> <li>• Works with vendors to conduct annual flyovers for aerial imagery. TWIA has contracted with Eagleview for this purpose. Eagleview also maintains a historical database of aerial imagery for TWIA’s use.</li> <li>• Utilizes on-ground photographs, available in the TWIA Underwriting files where property inspections have occurred, prior claim files, and from other sources including Geomni &amp; Google Earth.</li> <li>• Take steps throughout the year to ensure the deployment of mobile measurement platforms and fixed surface-level devices that: <ul style="list-style-type: none"> <li>○ Provide real-time wind speed and direction measurements during the applicable storm.</li> <li>○ Can be used both for forecasting and producing post-event wind field hind casts.</li> </ul> </li> <li>• Wind measurements must be capable of generating gust wind speed and wind-direction time histories during an applicable storm.</li> <li>• Deploy at least 40 to 60 mobile wind measurement platforms in two layers, with the first layer in close proximity to the coastline and the second layer approximately 20 miles inland. The mobile wind measurement platforms must be deployed as follows: <ul style="list-style-type: none"> <li>○ Three to five miles apart in the eyewall region of the storm.</li> <li>○ Up to 10 miles apart in the outer regions of the storm.</li> <li>○ With a wind speed and direction sampling frequency of 10 hertz or higher.</li> <li>○ A temperature, barometric pressure, and relative humidity sampling frequency of 1 hertz or higher.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Deploy sufficient mobile wind measurement platforms along the coast in front of a land-falling storm to ensure that a high-resolution wind field with small errors—no more than <math>\pm 2\%</math> of the maximum sustained wind measured in 30-minute period—can be developed for use in wind damage prediction</li> <li>● Where reasonable, the mobile wind measurement platforms must be co-located with surge and wave gauges. TWIA must develop one or more observational models for constructing a wind field to obtain:             <ul style="list-style-type: none"> <li>○ Site-specific wind speed and direction time histories that are used for wind damage prediction.</li> <li>○ A wind field that can be used as input for a surge and wave model that outputs time histories for surge and wave damage prediction.</li> </ul> </li> <li>● Take steps to minimize errors between model estimates and the observed wind speeds and directions measured during an applicable storm.</li> <li>● Where data is not available from federal or state agencies, TWIA must take steps to acquire physical measurements of surge, wave, and high-water marks. Any contracts must be in place before each hurricane season.</li> </ul>
Exhibits, or Related Documents	Texas 28 TAC 5.4023 – 5.4041, Insurance Code 2210.578, TWIA Slab Claim Settlement Guidelines
Additional Information	See TWIA Slab Claim Settlement Guidelines
Compliance	5.4029 – 5.4041 of the Texas Insurance Code 2210.578, HB 3, 82nd Legislature
QA or Testing	





### 1.11 Ensure the Ability to Issue Claim Payments

<b>Objective 1.10</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Works with Accounting to support mobile payments made at the Mobile Claims Center (MCC).</li> <li>• Payment timelines: Trains all staff on expected speed to payment requirements.</li> <li>• Advanced payment guidelines: A maximum amount of \$2,500 per advanced payment, including additional living expenses (ALE), business interruption (BI), personal/business property, and food spoilage.</li> <li>• 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.)</li> <li>• Guidelines for replacement cost coverage (RCC): Communicates RCC deadlines and process.</li> </ul> <p><b>Accounting and Finance</b></p> <ul style="list-style-type: none"> <li>• Coordinates with Claims on manual check processes, instructions for printing checks, and information about check stock.</li> <li>• Helps plan for mobile claims center and remote facility scenarios, including workflows for mobile claims center check issuance.</li> <li>• Payments 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.</li> <li>• With Claims, develop a Frequently Asked Questions document to be included with the Association’s internal hurricane awareness literature.</li> <li>• Prepares team members to deploy in the case of a catastrophe to handle check issuance at mobile claims center and remote facilities.</li> </ul> <p><b>IT</b> ensures the check printing process with outside vendors is operating as expected.</p>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• RCC guidelines, advanced living expenses (ALE) guidelines, and depreciation thresholds.</li> </ul>
Additional Information	
Compliance	
QA or Testing	

## 1.12 Provide Capability for Claims Processing for Telecommuting Staff

<b>Objective 1.12</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Provides Claim Examiners with instructions for remote access to VOIP system.</li> <li>• Ensures proper resources have access to remote meeting capabilities such as Microsoft Teams or Zoom.</li> <li>• Ensures roles and permissions are set for each on-boarded user in Claims Center.</li> <li>• Procedures for batch processing Xactanalysis IDs, including emailing representative with batch names and emails of onboarded staff.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Plans for batch-processing email accounts in the case of a CAT.</li> <li>• Maintains instructions and requirements for telecommuters.</li> <li>• Updates password requirements or creates a workflow to accommodate password changes for telecommuters.</li> <li>• Ensures Citrix access for telecommuting Managers for QA purposes.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">Avaya Voice Guides</a> technical specs and user documents</li> <li>• Telework Support Documents</li> </ul>
Additional Information	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Telework Information</li> </ul>
Compliance	
QA or Testing	

### 1.13 Ensure Ability to Process Complaints Promptly and Accurately

<b>Objective 1.13</b>	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	<p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Trains resources on complaint handling and response procedures.</li> <li>• Responds to KACE tickets that request legal opinions, highlighting applicable laws and regulatory requirements.</li> <li>• Plans for scalable resources.</li> </ul> <p><b>Claims and Underwriting</b></p> <ul style="list-style-type: none"> <li>• Identifies scalable resources to respond to complaints.</li> <li>• Establishes workflows and levels of approval authority.</li> <li>• Ensures follow up with customers to resolve complaints.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">Complaint Training PowerPoint</a></li> <li>• <a href="#">Complaint Training FAQs</a></li> </ul>
Additional Information	<ul style="list-style-type: none"> <li>• Generally, there are three sources of complaints (i.e., legislative, TDI, and direct).</li> <li>• 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).</li> <li>• The standard for compliance purposes is a 15-day resolution of complaints.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• See TAC Part 1, Chapter 21, Subchapter Q, for more information on insurers' obligations regarding complaints.</li> </ul>
QA or Testing	



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

<b>Objective 1.14</b>	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	<p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Train resources on Legal and Compliance -procedures, including fraud reporting.</li> </ul> <p><b>Special Investigation Unit (SIU)</b> provides additional detail on the services offered by VRC and the list of primary indicators for desk examiners to consider.</p> <p><b>Claims and Underwriting</b></p> <ul style="list-style-type: none"> <li>• Establishes processes and procedures for identifying Claims and Underwriting fraud.</li> <li>• Creates guidelines for reviewing files for “red flag” indicators to determine if referral to SIU is appropriate.</li> <li>• Conducts audits to determine any conflicts of interest with vendor contractors.</li> </ul> <p><b>Internal Audit</b> monitors requirements for all Departments for internal fraud control (i.e., corporate fidelity).</p>
Exhibits, or Related Documents	Exhibit 9 “Special Investigation Unit (SIU) and Fraud Reporting Requirements.”
Additional Information	<p><a href="#">Lighthouse Services</a>, Reporting Hotline English (877)472-2110 and Spanish (800)216-1288.</p> <p><a href="#">Whistleblower Policy</a></p>
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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Exhibit 7: Special Investigation Unit (SIU) and Fraud Reporting Requirements



## VERACITY RESEARCH COMPANY INVESTIGATIONS

# SIU SERVICES

**800-654-2185**  
[www.VRCinvestigations.com](http://www.VRCinvestigations.com)

VRC is a professional investigative services provider that specializes in all aspects of insurance defense investigations. Through our core values of Truthfulness, Accuracy, and Integrity we are dedicated to providing you with the finest service, partnership, and value in the fight against insurance fraud.

**SPECIAL SERVICES**

- SIU (Anti-Fraud) Program
- Medical Clinic Inspection Services
- State Compliance
- Vendor Management
- Due Diligence

**CLAIMS SERVICES**

- Recorded Statements
- Hospital/Medical Canvasses
- Comprehensive Database
- Subrogation Investigations
- Accident/Site Investigations
- Property Loss Verification
- Public Records Check

**SURVEILLANCE**

- Video Surveillance
- Activity Checks

**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 photo graphs, 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**

<p>Jim Schmit Vice President <a href="mailto:james@vrcinvestigations.com">james@vrcinvestigations.com</a> (800) 654-2185 Ext. 138</p>	<p>Ivan Budiselich SIU Investigator <a href="mailto:ivanb@vrcinvestigations.com">ivanb@vrcinvestigations.com</a> (800) 654-2185 Ext. 770</p>	<p>Alicia Bell SIU Analyst <a href="mailto:aliciab@vrcinvestigations.com">aliciab@vrcinvestigations.com</a> (800) 654-2185 Ext. 172</p>
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### 1.15 Coordinate Information about Internal and External Bilingual Resources

<b>Objective 1.15</b>	To coordinate information about internal and external bilingual resources.
Description	Share information on internal and external bilingual resources and ensure availability and scalability of bilingual resources.
Purpose	To improve communication with policyholders and their representatives.
Participants	Claims, Human Resources
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Maintains list of external bilingual resources, including translation services.</li> <li>• Confirms approved vendors have bilingual resources.</li> <li>• Assists with Enterprise training for use of available bilingual resources.</li> <li>• Documents process for requesting bilingual services at TWIA/TFPA.</li> <li>• Distributes the most up-to-date resources regarding Globo Language Line to each Claims employee.</li> </ul> <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Communicates to internal resources to update ADP for the languages they speak in order to identify available bilingual resources.</li> <li>• Circulates information about the bilingual database on Workforce Now.</li> </ul>
Exhibits, or Related Documents	<a href="#">TWIA and TFPA Vendor Contact Information</a> <a href="#">Globo Telephone Interpreting Instructions</a>
Additional Information	
Compliance	
QA or Testing	

## 1.16 Project Staffing Costs

<b>Objective 1.16</b>	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, All Departments
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Maintains competitive pricing information for catastrophe pay in the insurance industry.</li> <li>• Utilizes the scalability model to forecast the number of staff needed and average costs for each kind of contracted staff.</li> <li>• Updates cost projections on a regular basis to reflect scalability and industry data.</li> <li>• Provides sample staffing cost projections to relevant business units.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Work to provide four-week staffing projections based on the resource scalability models.</li> </ul>
Exhibits, or Related Documents	Exhibit 10 “Sample Staffing Cost Projections.”
Additional Information	<ul style="list-style-type: none"> <li>• Assumptions are based on a four-week period at maximum staffing costs with a four-week period defined by seven-day workweeks.</li> <li>• Projections serve as approximations only.</li> </ul>
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 8: Sample Staffing Cost Projections**

<b>1 in 100 (1% Event)</b>			
<b>Type</b>	<b>Average Cost</b>	<b>Number of Resources</b>	<b>4 Week Cost</b>
Claims Examiners	\$800.00	737	\$14,150,400
Managers	\$900.00	61	\$1,317,600
Customer Care	\$600.00	74	\$1,065,600
Quality Assurance	\$700.00	74	\$1,243,200
<b>Total</b>			<b>\$17,776,800</b>
Field Adjusters	Allocated to the claim file		
<b>1 in 50 (2% Event)</b>			
<b>Type</b>	<b>Average Cost</b>	<b>Number of Resources</b>	<b>4 Week Cost</b>
Claims Examiners	\$800.00	633	\$12,153,600
Managers	\$900.00	53	\$1,144,800
Customer Care	\$600.00	63	\$907,200
Quality Assurance	\$700.00	63	\$1,058,400
<b>Total</b>			<b>\$15,264,000</b>
Field Adjusters	Allocated to the claim file		
<b>1 in 25 (4% Event)</b>			
<b>Type</b>	<b>Average Cost</b>	<b>Number of Resources</b>	<b>4 Week Cost</b>
Claims Examiners	\$800.00	451	\$8,659,200
Managers	\$900.00	38	\$820,800
Customer Care	\$600.00	45	\$648,000
Quality Assurance	\$700.00	45	\$756,000
<b>Total</b>			<b>\$10,884,000</b>
Field Adjusters	Allocated to the claim file		
<b>1 in 10 (10% Event)</b>			
<b>Type</b>	<b>Average Cost</b>	<b>Number of Resources</b>	<b>4 Week Cost</b>
Claims Examiners	\$800.00	274	\$5,260,800
Managers	\$900.00	23	\$496,800
Customer Care	\$600.00	27	\$388,800
Quality Assurance	\$700.00	27	\$453,600
<b>Total</b>			<b>\$6,600,000</b>
Field Adjusters	Allocated to the claim file		



## 1.18 Maintain a CAT Funding Strategy and Plans for Managing Reinsurance

<b>Objective 1.18</b>	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 utilizing reinsurance, bonds, and public securities
Purpose	To secure sufficient funding to pay claims and other financial obligations.
Participants	Actuarial, Accounting and Finance, General Manager
Action Plans	<p><b>Actuarial</b></p> <ul style="list-style-type: none"> <li>• Communicates with reinsurance brokers to get information on contract terms and available reinsurance.</li> <li>• 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.</li> <li>• Manages reinsurance placement for TWIA and TFPA yearly.</li> <li>• Work with Claims to create case reserve tables for various catastrophic incident types. These tables will be applied to the Claims Center indemnity and expense reserves after the onset of an event.</li> </ul> <p><b>Accounting and Finance</b></p> <ul style="list-style-type: none"> <li>• Provides financial projections, balance sheet, income statement, and cash flows.</li> </ul> <p><b>General Manager</b></p> <ul style="list-style-type: none"> <li>• Coordinates between Actuarial and the CFO to make decisions about reinsurance and funding strategies.</li> <li>• Oversees communication with the Board of Directors/Governing Committee related to funding strategy.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	Fulfills the Texas Insurance Code 2210.455(c)
QA or Testing	



### 1.19 Prepare CAT Communications Collateral and Plans

<b>Objective 1.19</b>	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	<ul style="list-style-type: none"> <li>• To uphold TWIA’s commitment to a swift, effective response to a catastrophe.</li> <li>• To operate transparently through open communication with stakeholders.</li> </ul>
Participants	Strategic Communications, Legislative & External Affairs, Claims
Action Plans	<p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Manages the creation and distribution of hurricane preparedness educational packets (printed and digital) yearly during hurricane season.</li> <li>• Prepares hurricane season advertisements and reserves space for publishing.</li> <li>• Maintains a Media Briefing Book; a reference guide for media.</li> <li>• Works with internal and external stakeholders to develop an outreach strategy to promote preparedness within coastal communities.</li> <li>• Leverages media to disseminate messages to policyholders, agents, and the public, including scheduling media tours when appropriate.</li> <li>• Ensures that appropriate Association resources obtain necessary media training</li> <li>• Develops social media messaging for rapid response to incidents.</li> <li>• Prepares catastrophe bulletins and advertisements.</li> <li>• Prepares bilingual catastrophe bulletins and advertisements.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Coordinates with Strategic Communications to provide content and appropriate language for printed collateral and content for the TWIA &amp; TFPA websites.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	



## 1.20 To Document Information on Technology Scalability Plans

<b>Objective 1.20</b>	To document information on scalability for technology 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 1-in-100-year event.
Participants	IT
Action Plans	<p><b>IT Ops</b> establishes plans for the following:</p> <ul style="list-style-type: none"> <li>• Purchasing printing services and/or printers, toner, fax machines, scanners, printers, headsets, and other office equipment.</li> <li>• 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.</li> <li>• Establishing relationships with staffing firms in order to scale up required resources to add and configure additional users.</li> </ul> <p><b>Network</b></p> <ul style="list-style-type: none"> <li>• Maintains the Internet bandwidth and capacity for up to a 1-in-100-year event.</li> <li>• 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.)</li> <li>• Maintains adequate capacity for up to a 1-in-100-year event at this time TWIA currently has enough capacity to for all cubes currently in the building.</li> </ul> <p><b>Production Application Support</b></p> <ul style="list-style-type: none"> <li>• Works with business users to prepare a list of mission critical applications necessary to support an incident response.</li> <li>• Establishes change management controls to ensure problems are not introduced into production environments during an incident response.</li> <li>• Partners with business users to determine whether or not any interruptions to production environments will be allowed and when.</li> <li>• Works with HR to determine staffing needs.</li> </ul> <p><b>Data Center Systems</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Maintains contract through Agility for workstations, network, computer, telephone, and supplies.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• IT has ownership for Enterprise disaster recovery (DR) planning covering Data Center Recovery and Office Space.</li> </ul>
Compliance	
QA or Testing	



### 1.21 Understand Associations’ Role in Emergency Management Incident Response

<b>Objective 1.21</b>	To understand the role the Association plays 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	<ul style="list-style-type: none"> <li>• To share information and solicit feedback about TWIA’s CAT planning and response.</li> <li>• To improve coordination with emergency management resources.</li> <li>• To ensure optimal response for the people and businesses we commonly serve.</li> </ul>
Participants	Claims, Strategic Communications, Legislative & External Affairs
Action Plans	<p><b>Claims, Strategic Communications, and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Maintains relationships with the federal, state, county, and local emergency management,, and city management entities.</li> <li>• 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.).</li> <li>• Attends meetings with state, county, local, and federal emergency management.</li> <li>• Obtains local mitigation plans, emergency management newsletters, and public hurricane plans for the coastal territories.</li> <li>• Creates a plan for ongoing communication and test training and exercises (TT&amp;E) for each of these entities (where invited, or where possible).</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• Emergency Management Resources Contact List</li> <li>• TDEM District Coordinator Areas</li> <li>• Texas State Disaster Coalition Catastrophe Plan</li> </ul>
Additional Information	<p><b>Websites</b></p> <p>Texas State Disaster Coalition: <a href="http://www.tdi.texas.gov/consumer/storms/hcoalition.html">http://www.tdi.texas.gov/consumer/storms/hcoalition.html</a></p> <p>Local and regional mitigation plans unit: <a href="mailto:TDEM.PLANS@dps.texas.gov">TDEM.PLANS@dps.texas.gov</a></p> <p>Emergency Management Association of Texas: <a href="http://www.emat-tx.org/">http://www.emat-tx.org/</a></p> <p>Texas Division of Emergency Management: <a href="http://www.txdps.state.tx.us/dem/Operations/index.htm">http://www.txdps.state.tx.us/dem/Operations/index.htm</a></p>
Compliance	
QA or Testing	



## 1.22 Identify Junctures to Inform Internal and External Stakeholders of Plan Efforts

<b>Objective 1.22</b>	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	Strategic Communications, Legislative & External Affairs, General Manager
Action Plans	<p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Informs Texas Legislature, Board of Directors, and TDI of modeled exposures and funding structure, and of TWIA/TFPA’s Plan.</li> <li>• Creates all messages for distribution and posting on the TWIA/TFPA websites.</li> </ul> <p><b>General Manager</b></p> <ul style="list-style-type: none"> <li>• Oversees all communication with the TWIA/TFPA Board of Directors, TDI, and the Texas Legislature.</li> <li>• Prepares Board of Directors meeting agendas and the posting of notices.</li> <li>• Submits agenda items for the Board of Directors’ meetings.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
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 CAT Plan Activation

<b>Objective 2.1</b>	Track environmental conditions, model exposures, and communicate CAT Plan activation criteria when 500+ claims are expected or received from a single incident.
Description	Monitor potential incident(s) and location(s) for severe weather and other catastrophic incidents (e.g., wind, hail, and lightning). Track available incident information in real-time to determine whether or not to activate the Plan. Analyze criteria to help determine when to activate the CAT Plan.
Purpose	To ensure appropriate response for every type of catastrophic incident.
Participants	Claims, Actuarial and Accounting & Finance, Strategic Communications, Legislative & External Affairs, General Manager
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Identifies a resource to track weather that may impact the coverage area and communicate updates of the progress/track of a storm to Association management.</li> <li>• Works with Claims BA resources to conduct pre- incident claim volume modeling using available policy in force (PIF) and storm shape data.</li> <li>• Stays informed of National Weather Service (NWS) alerts and warnings through iNWS products and services.</li> <li>• Provides updates to Executives and Association management to provide insight into current conditions and projections.</li> <li>• Considers the following in the decision to activate Plan: <ul style="list-style-type: none"> <li>○ Involved cause(s) of loss (e.g., wind and/or hail).</li> <li>○ Severity of the incident (e.g., wind speed, hail size, depth of storm surge).</li> <li>○ Location and concentration of claims (e.g., widespread or centralized).</li> <li>○ Access to food and water.</li> <li>○ Status of communication resources.</li> <li>○ Habitability of homes and building mobility within the affected area.</li> </ul> </li> <li>• At the discretion of the VP of Claims – The VP is to send a request to the General Manager to activate the plan. This request should include reasoning for activation.</li> </ul> <p><b>Actuarial and Accounting &amp; Finance</b></p> <ul style="list-style-type: none"> <li>• Models expected claim volume, average payments, and total incurred.</li> <li>• Provides guidance to the General Manager whether a pending incident will be a catastrophic loss that could impact funding adequacy.</li> </ul> <p><b>General Manager</b></p> <ul style="list-style-type: none"> <li>• Reviews conditions and data provided and determines whether or not to activate the Plan.</li> </ul>



	<p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Provides updates to staff, agents, the Board of Directors, and other external stakeholders based on Plan activation.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• The Sr. Business Continuity &amp; Catastrophe Plan Analyst, along with Claims Management, is responsible for tracking current weather conditions that may lead to increased claim volume.</li> <li>• The following sites are used to help track activity:             <ul style="list-style-type: none"> <li>○ Verisk Climate &lt;<a href="http://www.veriskclimate.com/">http://www.veriskclimate.com/</a>&gt;</li> <li>○ NOAA Storm Prediction Center &lt;<a href="http://www.spc.noaa.gov/">http://www.spc.noaa.gov/</a>&gt;</li> <li>○ Weather Underground &lt;<a href="http://www.wunderground.com/hurricane/">http://www.wunderground.com/hurricane/</a>&gt;</li> <li>○ Hailwatch Reports &lt;<a href="http://www.hailwatch.com/">http://www.hailwatch.com/</a>&gt;</li> <li>○ iNWS alerts, Hurricane.gov, mobile.weather.gov, NWSChat.weather.gov, <a href="http://www.weather.gov">www.weather.gov</a>, morning and other NWS briefings (email, phone, Webinar)</li> </ul> </li> </ul>
Compliance	
QA or Testing	





TEXAS FAIR PLAN ASSOCIATION



TEXAS WINDSTORM INSURANCE ASSOCIATION

Exhibit 9: Sample Storm Data Map Hurricane Ike

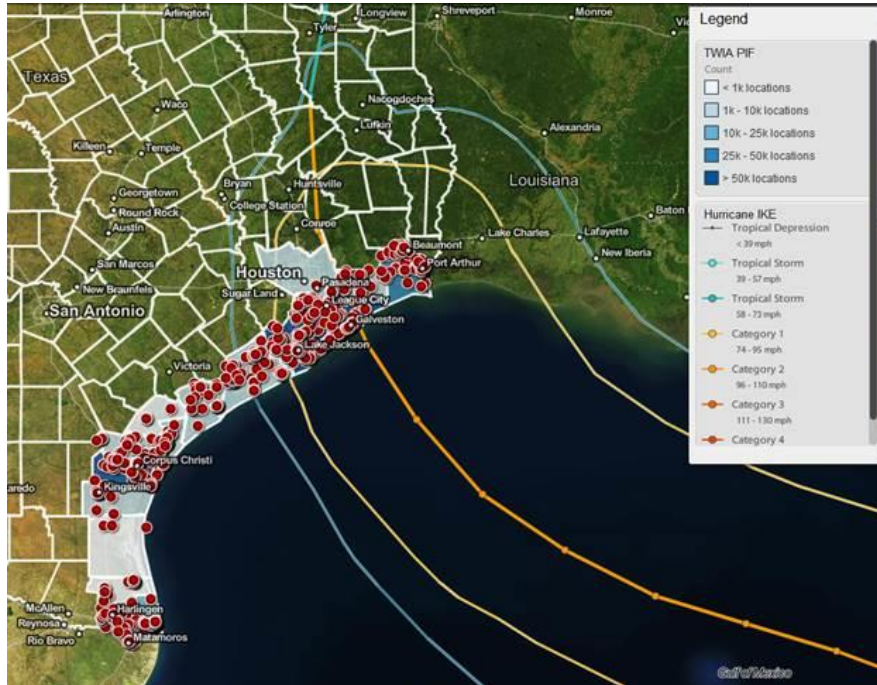
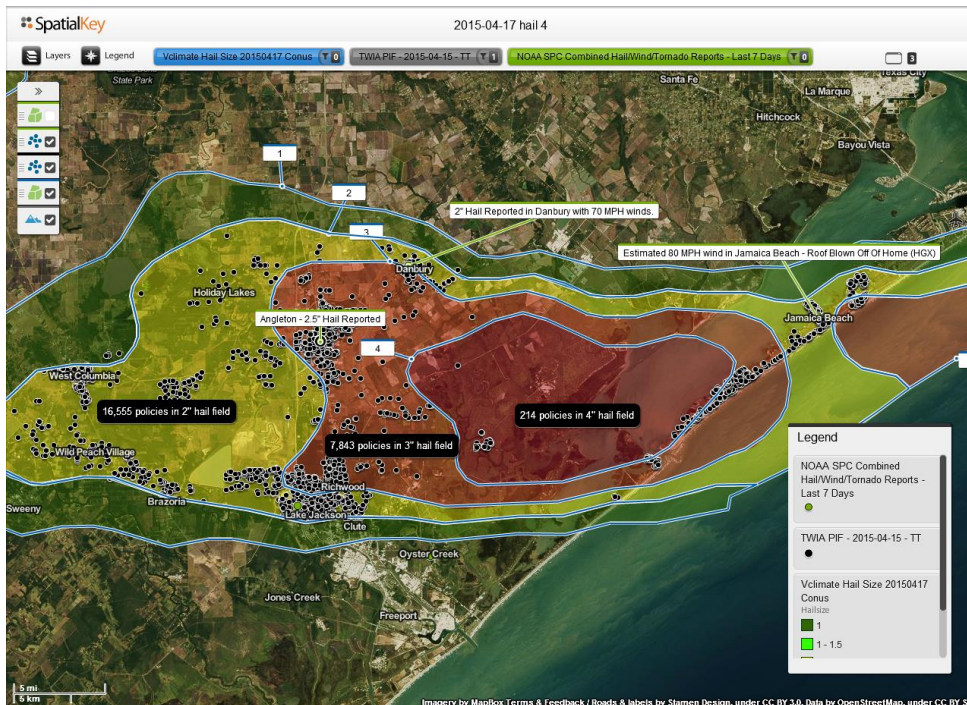


Exhibit 10: Sample Storm Data Map Angleton, Texas



## 2.2 TWIA Slab Claim Settlement: Pre-Storm Requirements

<b>Objective 2.2</b>	TWIA Slab Claim Settlement: Pre-Storm Requirements
Description	The sections prescribe guidelines TWIA must use to settle certain claims. The guidelines are based on the recommendations of a panel of experts, appointed under Insurance Code 2210.578 and charged with recommending methods or models for determining the extent to which a loss may be or was incurred as a result of wind, waves, tidal surges, or rising waters not caused by waves or surge.
Purpose	<ul style="list-style-type: none"> <li>• To ensure compliance with Texas statutory and regulatory requirements for TWIA to use to resolve slab claims</li> <li>• These guidelines apply only when TWIA expects at least 500 residential slab claims</li> </ul>
Participants	Claims – VP Claims and a designated team of slab claim data analysts and slab claim desk examiners
Action Plans	<p><b>Pre-Landfall Requirements and Timing for TWIA Slab Claim Settlements</b></p> <ul style="list-style-type: none"> <li>• TWIA must make an initial determination as to the expected number of claims when the organized weather system is in the Gulf of Mexico or within the boundaries of longitude 80 degrees west and latitude 20 degrees north.</li> <li>• The Association must make a final determination as to the expected number of claims no later than 24 hours before expected landfall.</li> <li>• Ensure the availability of pre-event, high-resolution, aerial, and on-ground photographs of insured residential structures located in the National Flood Insurance Program Zones, V, VE, and V1-V30 to define building characteristics and terrain.</li> <li>• Take steps to ensure that as soon as possible after an applicable storm, the Association can acquire and process high-resolution aerial photographs and light detection and ranging (LIDAR) measurements.</li> <li>• Ensure the deployment of mobile measurement platforms and fixed surface-level devices that:             <ul style="list-style-type: none"> <li>○ Provide real-time wind speed and direction measurements during the applicable storm</li> <li>○ Can be used for both forecasting and producing post-event wind field hind casts</li> </ul> </li> <li>• Deploy at least 40 to 60 mobile wind measurement platforms in two layers, with the first layer in close proximity to the coastline and the second layer approximately 20 miles inland. The mobile wind measurement platforms must be deployed as follows:             <ul style="list-style-type: none"> <li>○ Three to five miles apart in the eyewall region of the storm.</li> <li>○ Up to 10 miles apart in the outer regions of the storm.</li> <li>○ With a wind speed and direction sampling frequency of 10 hertz or higher.</li> <li>○ A temperature, barometric pressure, and relative humidity sampling frequency of 1 hertz or higher.</li> <li>○ Deploy sufficient mobile wind measurement platforms along the coast in front of a land-falling storm to ensure that a high-resolution wind field with small errors—no</li> </ul> </li> </ul>



	<p>more than <math>\pm 2\%</math> of the maximum sustained wind measured in 30-minute period—can be developed for use in wind damage prediction.</p> <ul style="list-style-type: none"> <li>When possible, the mobile wind measurements platforms should be co-located with surge and wave gauges.</li> </ul>
Exhibits, or Related Documents	Texas 28 TAC 5.4023 – 5.4041, Insurance Code 2210.578, TWIA Slab Claim Settlement Guidelines
Additional Information	See TWIA Slab Claim Settlement Guidelines
Compliance	5.4029 – 5.4041 of the Texas Insurance Code 2210.578, HB 3, 82nd Legislature
QA or Testing	

### 2.3 Prioritize CAT Preparation and Response Activities upon CAT Plan Activation

<p><b>Objective 2.3</b></p>	<p>To prioritize CAT preparation and response activities upon CAT Plan activation for potential immediate action.</p>
<p>Description</p>	<p>Identify critical success factors for early identification and response. Review these priorities to ensure transparency and communication from the start.</p>
<p>Purpose</p>	<p>To ensure appropriate response for every type of catastrophic incident. To promote accountability to the Plan for all Departments.</p>
<p>Participants</p>	<p>General Manager, Executive Leadership Team, Claims, IT, Strategic Communications, Legislative &amp; External Affairs, All Departments</p>
<p>Action Plans</p>	<p><b>General Manager and Executive Leadership Team</b> meet and review priorities:</p> <ul style="list-style-type: none"> <li>• Activating vendor resources and deployed resources.</li> <li>• Ensuring the Governance Team reviews Enterprise Project Management (EPM) portfolio and determine whether preparations and response activities take priority over enterprise-wide or department projects.</li> <li>• Setting claims systems and website to “CAT mode.”</li> <li>• Notifying vendor of authorization for customer surveys above set limit.</li> <li>• Activating disaster recovery and business continuity (DR/BC) plans where needed.</li> <li>• Determining the level of priority for communication with external stakeholders.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Management to establish and communicate changes in work hours through Claims Center’s broadcast messaging tool.</li> <li>• Determines whether to activate mobile claims center and remote facilities.</li> <li>• Establishes the name of the incident templates.</li> <li>• Meets with Strategic Communications to provide information to help determine the level of communication with external stakeholders.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Determines whether to publish CAT communications within 72 hours of catastrophe designation, depending on severity of incident.</li> <li>• 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.</li> <li>• Determines if an agent-only webinar is needed.</li> <li>• Identifies needs additional resources to assist with social media.</li> <li>• Provides the Governance Team with the EPM portfolio upon activation of this plan.</li> <li>• Communicate any change in priorities of current programs or projects to employees.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Determines whether to order supplies and equipment.</li> <li>• Works with Claims Tech Liaisons to identify needed test environments (Cln01, Trn03, etc.)</li> </ul>



	<ul style="list-style-type: none"> <li>• Changes telephone systems (i.e., IVR) to CAT Mode.</li> <li>• Determines whether to add software licenses to scale for additional users.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Schedule preliminary team meetings for individual departments to advise separately on Plan activation and identify duties and responsibilities found within.</li> <li>• Schedule an all departmental strategic planning meeting 96 hours before landfall.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• 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).</li> <li>• For TWIA the naming convention is the month, date, and a location name we give it (e.g., 041415Coastal and 042715Beaumont).</li> </ul>
Compliance	
QA or Testing	

## 2.4 Activate CAT Response Team

<b>Objective 2.4</b>	Organize and activate a response team, with representatives from each department, to coordinate an Association-wide response.
Description	Upon activation of this plan and at the direction of the VP of Claims, the Sr. Business Continuity & Catastrophe Plan Analyst is to identify appropriate resources and set up meetings to begin coordinating response activities, as per this Plan.
Purpose	To ensure an organized response and support situational awareness throughout the organization.
Participants	Sr. Business Continuity & Catastrophe Plan Analyst, All Departments
Action Plans	<p><b>Sr. Business Continuity &amp; Catastrophe Plan Analyst</b></p> <ul style="list-style-type: none"> <li>• Sends meeting invites to team members to act as their department’s representative.</li> <li>• Determines if there is a need for space in the office to utilize as the Emergency Operations Center.</li> <li>• Conducts initial situational awareness meeting within 24 hours of the CAT Plan’s activation.</li> <li>• Sets schedule for future meetings throughout the response.</li> <li>• Sends update reports to the Executive Leadership Team.</li> <li>• Disseminates action-item lists to staff to ensure compliance with the Plan.</li> </ul> <p><b>CAT Response Team Members</b></p> <ul style="list-style-type: none"> <li>• Ensures regular reporting back to departmental leaders and compliance with responsibilities within the Plan.</li> <li>• Identifies empowered proxies if unable to attend meeting.</li> </ul>
Exhibits, or Related Documents	<a href="#">CAT Plan Action Item Sheet</a>
Additional Information	
Compliance	
QA or Testing	



## 2.5 Coordinate with Local, County, State, and Federal Officials

<b>Objective 2.5</b>	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, Strategic Communications, and Legislative & External Affairs
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Refers to TDEM’s emergency condition alerts (e.g., Level I, Level II, and Level III).</li> <li>• Checks FEMA Region VI Situational Awareness Briefing, or Weather Threat Briefing.</li> <li>• Makes contact with district coordinators and emergency managers in relevant cities, counties, and territories.</li> <li>• Provides list of essential services to share with local authorities to gain access to the affected areas and identify claims on buildings that are essential to the recovery effort.</li> <li>• Watches for reentry orders to determine when deployments can begin.</li> <li>• Works to place one resource at the main Emergency Operation Center (EOC).</li> <li>• Determines ground conditions based on interaction with emergency managers.</li> <li>• Works with Strategic Communications to set up a post-landfall meeting with agents in the affected area to provide information regarding field operations and identify possible key issues for the response.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Works as needed with Claims.</li> <li>• Identifies a resource to monitor local announcements regarding evacuation/reentry, road closures, and other announcements and provide updates to Incident Commander throughout the event.</li> <li>• Contacts city mayors, chambers of commerce, and other public officials in the affected area.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

## 2.6 Determine Whether Incident Requires the Suspension of New Business

<b>Objective 2.6</b>	To determine whether incident requires the suspension of new business.
Description	Determine whether to suspend issuance of new business, and notify relevant stakeholders (e.g., agents and regulatory authorities). Prioritize new business process during suspension.
Purpose	<ul style="list-style-type: none"> <li>• To efficiently provide essential insurance products and services for policyholders.</li> <li>• To comply with the TWIA Plan of Operation and sound insurance principles.</li> </ul>
Participants	Claims, Actuarial, Underwriting, General Manager, Strategic Communications, and Legislative & External Affairs
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Sr. Business Continuity &amp; Catastrophe Plan Analyst is to track all potential events and storms as they approach the Gulf of Mexico or the 80/20 zone.</li> <li>• Based on the updates from NOAA and/or the National Weather Service, determine if a named hurricane has entered the Gulf of Mexico or the 80/20 zone.</li> <li>• Once confirmed by NOAA and/or the National Weather Service, the Sr. Business Continuity &amp; Catastrophe Plan Analyst is to immediately send a notification to the VP of Underwriting and the Assistant VP that include the following information:             <ul style="list-style-type: none"> <li>○ Exact time the storm entered the zone (or the exact time of the official weather update).</li> <li>○ The most recent NWS Weather Update Report.</li> <li>○ Information regarding the storm’s path and likelihood of impact on the TWIA or TFPA coverage area.</li> </ul> </li> </ul> <p><b>Underwriting</b></p> <ul style="list-style-type: none"> <li>• Activates Storm Mode in TWIA policy administration system immediately after the designation of a Hurricane within the 80/20 point or within the Gulf of Mexico.</li> <li>• Recommends appropriate action for the suspension of TFPA business based on the Associations’ accepted/projected event location.</li> <li>• Updates Policy Administration systems, including informational banners, based on the direction of the General Manager.</li> <li>• Prioritizes new business processing when applications and quotes are suspended, requalifying renewals and endorsement requests.</li> <li>• Serves as a resource to Claims for template catastrophe reserving.</li> <li>• Sends Strategic Communications and Legislative &amp; External Affairs an agent bulletin on suspensions for the TWIA website and works to continue to communicate with agents throughout the moratorium.</li> <li>• Considers pulling a list of top agents to contact via the call center.</li> </ul>



	<p><b>General Manager</b></p> <ul style="list-style-type: none"> <li>Decides whether to approve the recommendation to implement the hurricane binding exception for Texas FAIR Plan by Underwriting.</li> <li>Determines if the projected path of the storm will impact the TWIA coverage area or if it appears that the coverage will not be impacted.</li> <li>Determines whether or not to resume normal business if the Hurricane sits within the 80/20 designation or within the Gulf of Mexico and will not affect the TWIA coverage area.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>Reports to Texas Legislature and TDI on TFPA /TWIA’s suspension of acceptance to new business in impacted counties.</li> <li>Distributes an Agent Bulletin, updates the website with an Agent specific posting, and posts on Facebook regarding the suspension of new business.</li> <li>Distributes an Agent Bulletin, updates the website with an Agent specific posting, and posts on Facebook regarding claim reporting procedures when TWIA predicts a significant multi-county impact but the incident does not result in the suspension of business.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li><a href="#">How to Activate Storm Mode</a></li> </ul>
Additional Information	<ul style="list-style-type: none"> <li><b>Hurricane Binding Exception:</b> 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.</li> <li>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, and UW Support Services.</li> </ul>
Compliance	Hurricane binding exception found in the Plan of Operation at 28 TAC 5.4001(d)(2)(E)(ii).
QA or Testing	

## 2.7 Activate and Optimize Claims Technology for CAT Response

<b>Objective 2.7</b>	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, Actuarial, Underwriting, IT
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Requests incident template from CGI and sets reserves (e.g., indemnity and expense).</li> <li>• Reports to General Manager and Claims when templates are ready.</li> <li>• Recommends a storm template be created in in Claims Center with appropriate incident dates and make any necessary updates for the Claims Center for Policyholders and Agents.</li> <li>• Senior management to meet with Actuarial to determine appropriate indemnity and expense reserves for the incident.</li> <li>• If new reserves amounts have been decided upon, a Senior Claims Manager will instruct Claims Business Analyst(s) to update Claims Center with the new indemnity and expense reserves. The Business Analyst will then send confirmation of the change to the Claims leadership team.</li> </ul> <p><b>Actuarial</b></p> <ul style="list-style-type: none"> <li>• Meets with Claims management to determine the appropriate indemnity and expense reserves for the event.</li> </ul> <p><b>Underwriting</b></p> <ul style="list-style-type: none"> <li>• Requests that IT activate “CAT Mode” in CGI Agent Portal.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Prices new PC computers, extra monitors, and supplies such as toner.</li> <li>• Communicates the request for additional equipment to the General Manager.</li> <li>• Works with Agility to ensure availability of required technology.</li> <li>• Orders computers at first notice of the incident since delivery takes two weeks.</li> </ul> <p><b>Insurance Operations</b></p> <ul style="list-style-type: none"> <li>• Contacts Pitney Bowes Planet Press to make them aware of the expected increased printing volume.</li> </ul> <p><b>General Manager and Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>• Approves equipment purchases beyond applicable authorities.</li> </ul>
Exhibits, or Related Documents	



<p>Additional Information</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The following roles have permissions to set up storm templates and change reserves in Claims Center: VP of Claims, Senior Claims Manager, Senior Claims Business Analyst, and Associate Claims Business Analyst.</li> <li>• May decide to use equipment in training rooms in lieu of ordering new equipment to shorten time frames.</li> </ul>
<p>Compliance</p>	
<p>QA or Testing</p>	



## 2.8 Manage Publication of CAT Communications and Advertisements

<b>Objective 2.8</b>	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	Strategic Communications, Legislative & External Affairs, General Manager, Executive Leadership Team
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Works with Strategic Communications and Legislative &amp; External Affairs to provide information and approvals, as needed.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs determines whether to:</b></p> <ul style="list-style-type: none"> <li>Gets input from Claims to determine which stakeholder groups need to be notified of CAT Plan activation.</li> <li>Meets with team to review communications plan and reviews for execution.</li> <li>Runs print advertisements in appropriate news outlets to report claims procedures.</li> <li>Runs radio spots in appropriate outlets to report claims procedures.</li> <li>Posts messaging across pertinent social channels (Facebook) to promote claims procedures.</li> <li>Publishes announcements on the TWIA/TFPA websites.</li> <li>Alerts agents of the status of the catastrophe planning and response.</li> <li>Alerts evacuating policyholders to bring their policy and agent contact information via print advertisements, radio spots, social media and TWIA/TFPA websites.</li> <li>Includes remote office information in print advertisements and radio spots.</li> <li>Determines where to buy media for geographies identified as impacted by the incident.</li> <li>Distributes press release with information on the incident, either: “Advice on Hurricane Preparedness in Context of Approaching Storm” or “Hurricane Has Hit.”</li> <li>Establishes a relationship with the Texas Disaster Recovery liaison and attends phone conferences on behalf of TWIA and TFPA.</li> <li>Meets with approved media contacts and confirms Associations’ level of readiness at agreed intervals.</li> </ul> <p><b>General Manager and Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>Coordinates with Strategic Communications and Legislative &amp; External Affairs to develop catastrophe preparedness and response media content.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

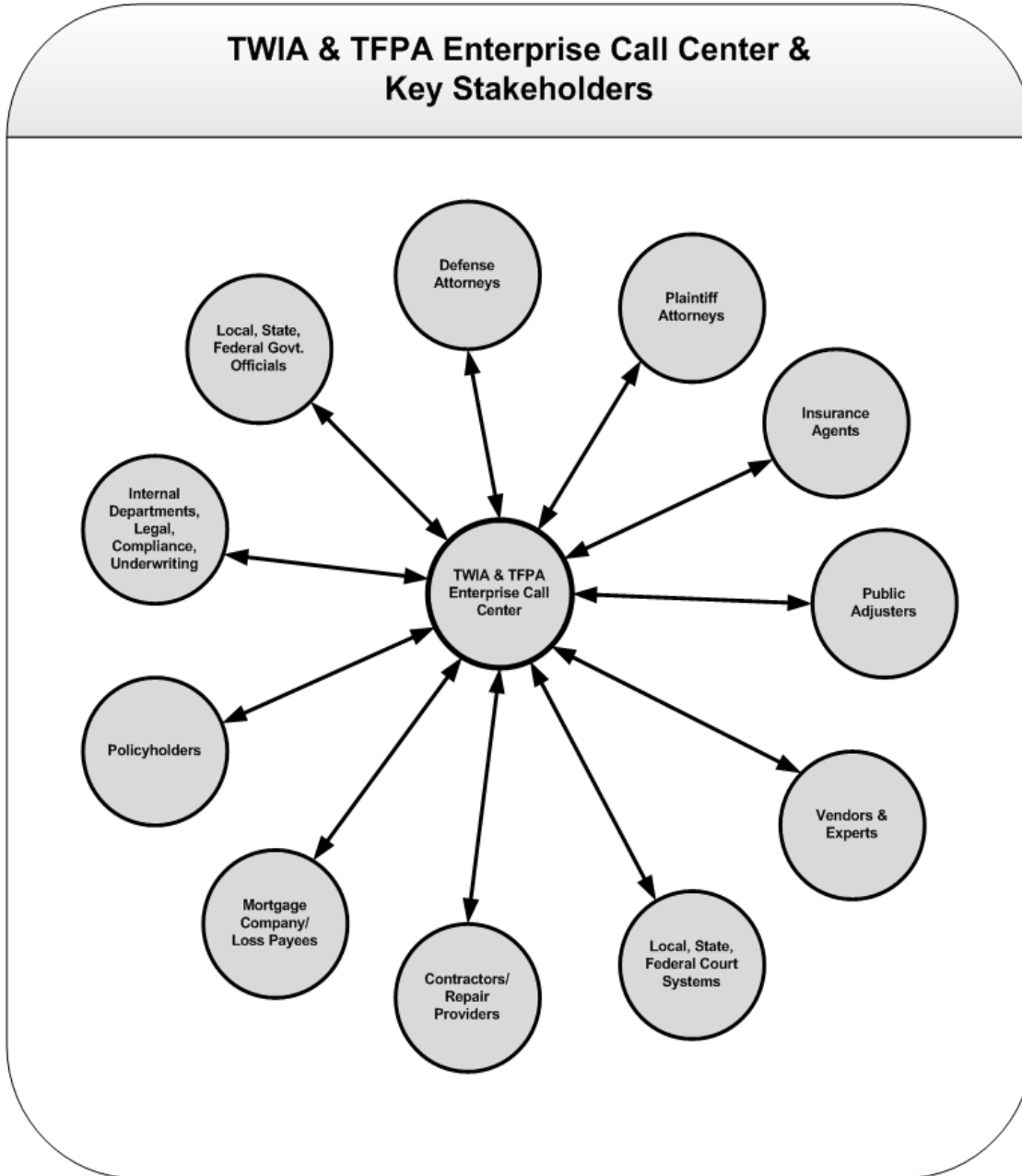
## 2.9 Activate an Efficient and Scalable Enterprise Call Center

<b>Objective 2.9</b>	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	<ul style="list-style-type: none"> <li>• To ensure the customer’s ability to communicate in real-time with a live person.</li> <li>• To ensure no interruption to the service levels we offer.</li> <li>• To establish performance metrics and tracking mechanisms.</li> </ul>
Participants	Claims, General Manager, Executive Leadership Team
Action Plans	<p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Creates call routing scripts for catastrophic incidents and edits diagram accordingly.</li> <li>• Works with Claims to create talking points or scripts for the Call Center staff in the case of an incident.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Provides a diagram for the call routing and the script for the messages to the Call Center.</li> <li>• Coordinates with IT and All Departments to activate the CAT specific IVR set up.</li> <li>• Confirms available resources for recording messaging or confirms back up plans.</li> <li>• Plans to measure call agent performance and quality using VOIP recordings.</li> <li>• Evaluates existing phone numbers and whether there is additional need.</li> <li>• Evaluates whether to update and modify telephony to implement IVR capabilities.</li> <li>• Configures the order of options according to IVR diagram from Claims.</li> <li>• Notifies translation service providers of expected volume spike per contract requirement.</li> <li>• Notifies outsourced Enterprise call center providers of expected volume spike per contract requirement.</li> <li>• Assigns dedicated resource(s) to monitor and evaluate call volumes, agent capacity, and compliance with average speed of answer (ASA) and call abandonment rates.</li> <li>• Confirms ability to make outgoing customer satisfaction survey calls, if requested.</li> <li>• Tests call center’s ability to provide 24/7/365 loss reporting services, such as confirming call routing matches IVR workflows.</li> </ul> <p><b>General Manager and Executive Leadership Team</b> approve changes to call center configurations, and call routing, including IVR.</p>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">Interactive Voice Response (IVR) Workflows</a></li> <li>• 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.”</li> </ul>



Additional Information	<p>There are multiple configurations, separate for TWIA and FAIR Plan:</p> <ul style="list-style-type: none"> <li>• <b>Business Hours:</b> 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.</li> <li>• <b>After-hours:</b> Announces an “after-hours” message. Routes general callers to voicemail and claims status calls to the claims call center vendor.</li> <li>• <b>Business Hours during Incident Response:</b> Given expected increase in claims call volume, the option to select Claims is presented to the caller first.</li> <li>• <b>After Hours during Incident Response:</b> The option to select Claims is presented first, before the option that the office is closed.</li> </ul>
Compliance	
QA or Testing	

**Exhibit 11: TWIA and TFPA Enterprise Call Center and Key Stakeholders**





**Exhibit 12: 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%



## 2.10 Activate and Scale Up Staff and Vendor Resources for Claims Processing

<b>Objective 2.10</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Notifies all staffing firms to complete the process of identifying, notifying, and preparing all resources by requested role for immediate deployment upon request.</li> <li>• Confirms current available staff and support staff capacity with Human Resources.</li> <li>• Works with Facilities to onboard those resources that will work in-person from the Austin office.</li> <li>• Anticipates and prepares for attrition with any staff type to ensure identification and staging of additional resources for immediate onboarding as needed.</li> <li>• Compares to needed capacity considering loss complexity, and determines numbers of desk examiners, field adjusters, and field adjusters for re-inspection.</li> <li>• Activates Special Investigation Unit (SIU) resources for coordination with desk and field resources.</li> <li>• Republishes the current vendor fee schedule document.</li> <li>• Notifies vendors of claim projections, locations, and incident staffing models, and sends a current TWIA/TFPA Claims organizational chart with contact information.</li> <li>• Adjusts desk claim examiner staffing based on incident models and claims received.</li> <li>• Conducts orientation and training to certify additional resources as TWIA/TFPA trained staff, including field adjuster training on workflows and procedures.</li> <li>• Requests scalability Plans from firms and tracks current vendor commitments.</li> <li>• Ensures staff and contractors are provided information about the KACE ticket process and how to troubleshoot problems.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">TWIA and TFPA Vendor &amp; Contact Information</a></li> </ul>
Additional Information	
Compliance	
QA or Testing	

## 2.11 Activate and Scale Up Staff and Vendor Resources at the Enterprise Level

<b>Objective 2.11</b>	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	<p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Ensures SAEFs submitted before 5pm are addressed before 8am the next day. SAEF's received after five will be addressed before 12pm the following day.</li> <li>• 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: <ul style="list-style-type: none"> <li>○ System User Admin – user access and controls</li> <li>○ Help Desk – user support</li> <li>○ Desktop Hardware/Software and Network – configuration and utilization</li> <li>○ Ongoing monitoring of printers/copiers</li> </ul> </li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Operations</b></p> <ul style="list-style-type: none"> <li>• Scales up mail room processing hours and production capabilities to meet increased demand for postal services including after-hours and weekends.</li> </ul> <p><b>Actuarial &amp; Enterprise Analytics</b></p> <ul style="list-style-type: none"> <li>• Considers increasing resources to assist with reporting to reinsurers, conducting reserve adequacy activities, and analytics support for Enterprise.</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>• Scales up to assist with onboarding potential large numbers of internal and external resources.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Understands any increases in need for additional legal support, taking into consideration potential levels of disputed or litigated claims.</li> <li>• 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.</li> </ul>



TEXAS FAIR PLAN  
ASSOCIATION



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

- Scales up to assist with the onboarding process as needed.
- Identify the need to scale up in response to an increase in information requests.

**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**

- Provides a list of Essential Services within the affected area to Claims.
- Helps other Departments either in the office or at mobile claim centers.

	<ul style="list-style-type: none"> <li>• Scales up to assist with the onboarding process as needed.</li> <li>• Identify the need to scale up in response to an increase in information requests.</li> </ul> <p><b>Accounting &amp; Finance</b></p> <ul style="list-style-type: none"> <li>• Identifies Accounting &amp; Finance support functions for other Departments either in the office or at mobile claim centers.</li> <li>• Monitors check activity for increases in requests for check clearance status, stop pays, or voids.</li> </ul> <p><b>Underwriting</b></p> <ul style="list-style-type: none"> <li>• Provides a list of Essential Services within the affected area to Claims.</li> <li>• Helps other Departments either in the office or at mobile claim centers.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

## 2.12 Activate Association Employee Catastrophe and Deployment Compensation Policy

<b>Objective 2.12</b>	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	All Departments, General Manager, Human Resources
Action Plans	<p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Evaluates the results of pre-incident modeling suggesting the scale of incident.</li> <li>• Establishes extended hours based on operating requirements and business needs.</li> <li>• Proposes CAT pay authorization.</li> </ul> <p><b>General Manager</b> authorizes the catastrophe pay provisions and alerts Executive Leadership Team.</p> <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Collects catastrophe <a href="#">timesheets</a> for processing.</li> <li>• Enters time inputting on the catastrophe timesheets for non-exempt staff into ADP.</li> <li>• Enters deployment pay and extended shift pay on payroll log for processing.</li> </ul>
Exhibits, or Related Documents	<a href="#">CAT Pay Policy</a>
Additional Information	<ul style="list-style-type: none"> <li>• This policy does not apply to contracted workers.</li> <li>• Deployment pay and extended shift pay are not included in an employee’s annual base salary for classification and pay purposes.</li> <li>• Provisions remain in effect until the General Manager determines deployment sites and extended hours are no longer necessary to support the response.</li> <li>• Association Employee Catastrophe and Deployment Compensation Policy under review by Claims Management to provide guidance and definitions where needed.</li> </ul>
Compliance	
QA or Testing	

## 2.13 Determine Pre-Incident Staging Needs and Processes to Follow

<b>Objective 2.13</b>	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, Strategic Communications, Legislative & External Affairs
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Works with vendors to determine if incident requires pre-incident staging.</li> <li>• Manages SIU vendor.</li> <li>• Identifies staging and site deployment locations.</li> <li>• Prepares staging locations and coordinates the deployment of resources to those sites.</li> <li>• 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).</li> <li>• Coordinates with SIU mobile unit to set up in the same location.</li> <li>• Contacts approved vendors to activate temporary living facilities.</li> <li>• Provides regular updates to CAT Manager on site status.</li> <li>• Alerts Strategic Communications and Legislative &amp; External Affairs if SIU is being deployed and what collateral they may need.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Approves orientation material for best practices and compliance.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Sends communications to let the public know about incident staging and fraud awareness.</li> <li>• Begins work with municipalities and other partners to host informational events in the affected area(s) within 30 days of landfall.</li> <li>• Provides communication collateral for SIU vendor personnel to distribute.</li> </ul>
Exhibits, or Related Documents	
Additional Compliance	
QA or Testing	



## 2.14 Procure Post-Incident Aerial Imagery of Incident Damage

<b>Objective 2.14</b>	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	<ul style="list-style-type: none"> <li>• To provide TWIA expert panel with aerial images and other services in support of their requirements.</li> <li>• To facilitate before and after comparisons of the condition of the property.</li> </ul>
Participants	Underwriting, Claims, Aerial Imagery Vendor, General Manager
Action Plans	<p><b>Underwriting</b> provides pre-incident risk management reports, including aerial imagery, obtained via the Risk Visualization Program.</p> <p><b>Claims</b> works with aerial imagery vendor pre- or post- incident to obtain aerial images.</p> <p><b>Aerial Imagery Vendor</b></p> <ul style="list-style-type: none"> <li>• Tracks major incidents and maps out flight plans as soon as it is safe.</li> <li>• Maps paths for aerial imagery, typically covering up to 200 square miles per day.</li> <li>• Sends flight plans to Claims via the Vendor Manager.</li> <li>• Proceeds once they receive approval from TWIA and clearance from the FAA.</li> <li>• Sends aerial images within 24-48 hours of flight completion.</li> </ul> <p><b>Claims</b> obtains approval from General Manager to incur costs.</p> <p><b>General Manager</b> approves cost for aerial imagery.</p>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• FAA clearance is typically given within 24-48 hours after the incident.</li> <li>• EagleView is TWIA/TFPA’s aerial imagery vendor. Point of contact is Jim King.</li> <li>• Aerial imagery will be 6” resolution or greater and will be available in a separate tab in EagleView CONNECT Explorer.</li> <li>• 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.</li> </ul>
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

<b>Objective 3.1</b>	To ensure compliance with established Association guidelines and performance standards.
Description	Ensure ethical, timely, and efficient incident response.
Purpose	<ul style="list-style-type: none"> <li>• To efficiently provide essential insurance products and services for policyholders.</li> <li>• To comply with sound insurance principles.</li> </ul>
Participants	Claims, Legal and Compliance, Underwriting
Action Plans	<p><b>Claims:</b></p> <ul style="list-style-type: none"> <li>• Assesses stakeholder needs for loss reporting, securing advance payments, and guidance for temporary repairs/protection of property.</li> <li>• Based on information from Actuary, Senior Claims Manager to request Claims Business Analyst change system indemnity and expense reserves in the applicable claims administration system.</li> <li>• Communicates thresholds for including mortgagee on claim payments.</li> <li>• Sends a reminder about best practices for administering thresholds, including how to distribute threshold information.</li> <li>• Communicates manner in which ALE claims will be handled during catastrophe.</li> <li>• Ensures examiners are placed in the appropriate groups in Claims Center.</li> <li>• Monitors total loss procedures and advanced payments during an incident.</li> <li>• Enforces claim handling timeframes, IA timelines, and payment timelines.</li> <li>• Utilizes the services of experts (e.g., engineers and building consultants) to help mitigate disputed claims.</li> <li>• Measures first notice of loss (FNOL) and call center metrics, adjuster and examiner cycle times payments, file closings, and reopen rates.</li> <li>• Asses the need to adjust the Claims Center Activity Patterns to assist in proactive communication.</li> <li>• Evaluates desk examiner claims handling using quality assurance criteria.</li> <li>• Distributes regular incident summary reports, including claim volume, volume of escalated claims, projected new claim volume and expected total incurred.</li> <li>• Deploys re-inspectors to monitor field adjuster performance.</li> <li>• 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.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Be available to answer questions, establishing communication paths when resources are not available.</li> <li>• Engages outside counsel to assist depending on size of incident.</li> </ul> <p><b>Underwriting</b></p>





	<ul style="list-style-type: none"> <li>• Researches in real-time to support Claims handling process when claim is filed where no policy is identified.</li> <li>• Immediately coordinates with Claims to determine the need for resource availability for extended hours and weekend work.</li> <li>• Ensures underwriters are provided appropriate resources to know how to backdate coverage requests.</li> <li>• Provides dedicated resources to assist with identifying which buildings and items are covered and which are not, where a commercial policy has multiple items.</li> <li>• Provides Claims with the names and contact information (phone and email) of the identified resources, two primary contacts and their back-ups, to assist in resolving commercial and residential coverage issues for TWIA and TFPA claims.</li> <li>• 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.</li> <li>• Provides Workforce optimization/planning for assistance to Claims.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• Exhibit 18 "Sample Daily Incident Summary Report."</li> </ul>
Additional Information	
Compliance	
QA or Testing	



TEXAS FAIR PLAN  
ASSOCIATION



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

**Exhibit 13: Sample Daily Incident Summary Report**

Harvey Claims Storm Report	Grand Total	TWIA					TFPA
		082517 Harvey					
		TWIA Total	Commercial	Residential	Mobile Home	No Policy & Unverified	
New Claims	93,132	75,756	2,638	67,676	340	5,102	17,376
Closed Claims	88,871	71,696	2,286	63,982	328	5,100	17,175
Open Inventory	4,261	4,060	352	3,694	12	2	201
RCC	2	0	-	-	-	-	2
% Closed	95.4%	94.6%	86.7%	94.5%	96.5%	99.96%	98.8%
Closed With Payment	48,637	44,069	1,347	42,473	249	-	4,568
% Closed With Payment	52.2%	58.2%	51.1%	62.8%	73.2%	-	26.3%
Closed Without Payment	40,234	27,627	939	21,509	79	5,100	12,607
% Closed Without Payment	43.2%	36.5%	35.6%	31.8%	23.2%	99.96%	72.6%
Open With Payment	3,542	3,494	303	3,180	11	-	48
% Open With Payment	3.8%	4.6%	11.5%	4.7%	3.2%	-	0.28%
Open Without Payment	719	566	49	514	1	2	153
% Open Without Payment	0.8%	0.7%	1.9%	0.8%	0.3%	0.04%	0.9%
Paid Indemnity	\$ 1,127,410,682	\$ 1,096,334,927	\$ 292,236,973	\$ 800,276,119	\$ 3,821,836	\$ -	\$ 31,075,755
Paid Expense	\$ 135,052,451	\$ 118,619,199	\$ 17,019,779	\$ 101,073,132	\$ 526,288	\$ -	\$ 16,433,251
Outstanding Indemnity	\$ 50,617,055	\$ 49,641,931	\$ 28,128,152	\$ 21,483,119	\$ 30,660	\$ -	\$ 975,124
Outstanding Expense	\$ 10,360,332	\$ 9,860,103	\$ 3,696,852	\$ 6,111,609	\$ 51,721	\$ -	\$ 500,149
Total Incurred	\$ 1,323,440,520	\$ 1,274,456,240	\$ 341,081,755	\$ 928,943,978	\$ 4,430,506	\$ -	\$ 48,984,281
Average Paid	\$ 21,576	\$ 23,064	\$ 177,221	\$ 17,540	\$ 14,699	-	\$ 6,585
Avg # Days - FNOL to Inspect	9.1	9.0	9.9	9.0	9.3	-	9.6
Avg # Days - Inspect to TWIA	6.7	6.8	12.3	6.6	6.6	-	6.1
Avg # Days - TWIA to Payment	27.2	26.7	32.9	26.5	30.2	-	31.9
Avg # Days - FNOL to Payment	40.8	39.2	53.1	38.7	46.0	-	48.0
TDI Claims Complaints	210	172	0	169	0	0	38
# TDI Complaints as a % of All Claims	0.225%	0.227%	-	0.250%	-	-	0.219%

(1) Data current as of: 05/18/2018

(2) Data from daily claims system extracts

(3) Does not include IBNR

(4) Dates of Loss for Harvey: 08/25 - 09/01/2017

### 3.2 Slab Claim Settlement – Guidelines & Post-Storm Activities

<b>Objective 3.2</b>	TWIA Slab Claim Settlement – Guidelines & Post-Storm Required Activities
Description	The sections prescribe guidelines TWIA must use to settle certain claims. The guidelines are based on the recommendations of a panel of experts, appointed under Insurance Code 2210.578 and charged with recommending methods or models for determining the extent to which a loss may be or was incurred as a result of wind, waves, tidal surges, or rising waters not caused by waves or surge.
Purpose	<ul style="list-style-type: none"> <li>• To ensure compliance with Texas statutory and regulatory requirements for TWIA to use to resolve slab claims.</li> </ul>
Participants	VP Claims, slab claim data analysts, and slab claim team desk examiners
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• The adjuster must use the “Damage Estimation Detailed Report” provided based on the information input into the probabilistic model approach.</li> <li>• The Damage Estimation Detailed Report provides the following key information the adjuster must use to understand the extent of damage to the structure including damage to each structural component. The Damage Estimation Detailed Report must be shared with the policyholder including each time the model approach is run and a new updated Damage Estimation Detailed Report is generated. The report includes the following important information:             <ul style="list-style-type: none"> <li>○ Basic information about the slab claim, including storm name, policy number, claim number, address, etc.</li> <li>○ 24 “Property Characteristic” data elements input into the model approach for the structure (e.g., roof shape, roof covering, roof age, length, and width of structure).</li> <li>○ Wind damage at the time of maximum surge</li> <li>○ Weighted damage at the time of maximum surge</li> <li>○ Hydro Time Histories</li> <li>○ Wind Time Histories</li> <li>○ Damage Time Histories</li> <li>○ Damage Time History Table</li> <li>○ Surviving Structure Water Line</li> </ul> </li> <li>• Use the Observational Model Approach, along with the Probabilistic Model Approach. In using the observational model approach, TWIA must consider the following:             <ul style="list-style-type: none"> <li>○ Modeled or observed surge and wave heights</li> <li>○ Peak wind speed</li> <li>○ Post-event high-resolution aerial photographs and light detection and ranging (LIDAR) measurements</li> <li>○ Observed damage to surviving structures</li> </ul> </li> <li>• The observational model approach is used to:</li> </ul>



- Inform the probabilistic model approach to obtain better damage predictions
- Validate the probabilistic model approach; and/or
- Provide an additional methodology to estimate the damage to the structure components that can be used in the adjusting process

#### **Surviving Structure Inspections**

- Desk-top or Virtual Inspections
  - Aerial, satellite, drone, and other photographic images of structure exterior
  - Photographs and measurements of structure interior including attic and crawl spaces where safe
  - Field adjuster and expert reports for surviving surrounding structures
  - LIDAR
  - Professional surveyor water line marks and heights
  - FEMA NFIP claim information
  - Non-FEMA flood carrier information
  - Policyholder provided information
- On-scene Inspections
  - Obtain photographs of exterior, interior, and contents of surviving structures where possible
  - Obtain photographs and measurements of water line levels if found
  - LIDAR measurements

#### **Obtaining and Using Policyholder Provided Information**

- Determine if the information from the property characteristic data and hazard modules used to create the Damage Estimation Detailed Reports is as accurate as possible.
- Ensure the policyholder understands they have the opportunity to obtain, review, challenge, and see corrected, the information TWIA has obtained before and after the storm and used to support their claims decisions.
- Provide the policyholder with the information they have obtained before or after the storm TWIA used as input into the Probabilistic Model Approach for purposes of creating the Damage Estimation Detailed Reports.
- A letter must be sent to the policyholder not later than 30 days after the policyholder files a residential slab claim, that accomplishes the following:
  - Notifies the policyholder that the Association will use the wind damage evaluation method
  - Requests the policyholder sends TWIA any information they have for:
    - Wind speed and direction, and surge and waves, at the site of the structure for the duration of the applicable storm
    - Damage to the structure during the applicable storm
    - New information on the characteristics of the structure
  - Includes a copy of the current data in the property database on the structure's characteristics



Where the policyholder provides new or additional information that is different from the information TWIA has and used to create the Damage Estimation Detailed Report, the slab claim team examiner must determine if the information is correct and usable in its current format.

If the information submitted by the policyholder is correct and in the proper format, the slab claim team examiner must submit the new information to a slab claim data analyst to input into the slab claim model run portal. The slab claim data analyst must then run an updated Damage Estimation Detailed Report based on the information submitted by the policyholder.

Once the updated Damage Estimation Detailed Report is available, the slab claim team examiner must review the new report and determine if any changes in the information in the report would result in a different and improved claim result for the policyholder.

### **Adjusting Residential Slab Claims**

TWIA must adjust residential slab claims using the damage estimates obtained from the Damage Estimation Module.

TWIA must use the wind damage estimates obtained in the Damage Estimation Module to determine the scope of work and associated costs for each component that was likely damaged by wind. The necessary information from the Damage Estimation Module to support the adjustment of exterior and interior damage to a residential structure is provided in the Damage Estimation Detailed Report.

The damage estimation module does not generate estimates on damage to contents. TWIA must determine the amount to pay for contents by taking into consideration:

- The adjuster's knowledge and experience
- Information about the structure from the property characteristics database, the policyholder, and other sources, including applicable information from the damage estimation module

### **Required Initial Notice Letters**

A letter must be sent to the policyholder not later than 30 days after the policyholder files a residential slab claim, that accomplishes the following:

- Notifies the policyholder that the Association will use the wind damage evaluation method
- Requests the policyholder sends TWIA any information they have for:
  - Wind speed and direction, and surge and waves, at the site of the structure for the duration of the applicable storm
  - Damage to the structure during the applicable storm
  - New information on the characteristics of the structure
- Includes a copy of the current data in the property database on the structure's characteristics.

### **Claim Disposition Letters**

- When a claim disposition letter is sent, the letter must include the following:
  - A complete residential slab claim report and a summary of the results of the wind damage evaluation

	<ul style="list-style-type: none"> <li>▪ A complete residential slab claim report must include the following:             <ul style="list-style-type: none"> <li>• The percentage of damage to each component of the structure, as determined in the damage estimation module</li> <li>• All the information that the Association used in making that determination, including the following:                 <ul style="list-style-type: none"> <li>• Information on the characteristics of the structure</li> <li>• Wind and wave and surge time histories</li> <li>• All information used in the observational approach</li> </ul> </li> </ul> </li> </ul>
Exhibits, or Related Documents	Texas 28 TAC 5.4023 – 5.4041, Insurance Code 2210.578, TWIA Slab Claim Settlement Guidelines
Additional Information	<ul style="list-style-type: none"> <li>• TWIA Slab Claim Settlement Guidelines</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• 5.4029 – 5.4041 of the Texas Insurance Code 2210.578, HB 3, 82nd Legislature</li> </ul>
QA or Testing	

### 3.3 Implement a Risk-Based QA Approach

<b>Objective 3.3</b>	Ensure compliance with Association guidelines and statutory requirements using a risk-based approach.
Description	In addition to monitoring the compliance of all claims and ensure compliance with a focus on the claims which pose the highest risk to policyholders, external stakeholders, and the Association.
Purpose	<ul style="list-style-type: none"> <li>• Ensure the claims which pose the highest risk to policyholders, external stakeholders, and the Associations are being handled to the highest standards possible.</li> <li>• Be able to report on and attest to the quality of handling on those claims.</li> </ul>
Participants	Claims, Legal and Compliance, Strategic Communications, Legislative & External Affairs
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Identifies claims with the highest risk to policyholders, external stakeholders, and the Associations.</li> <li>• Enacts Quality Assurance plans to audit, review, and ensure compliance on those claims.</li> <li>• Provides regular reporting during events on the status of those claims.</li> <li>• Identifies opportunities for additional instruction/clarification to improve handling.</li> <li>• Assists Strategic Communications and Legislative &amp; External Affairs in identifying opportunities for outreach to policyholders and external stakeholders.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Works with Quality Assurance to carefully audit, review, and ensure compliance.</li> <li>• Serves as subject matter experts on coverage topics.</li> <li>• Assists with training as needed.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Coordinates and executes messaging and other outreach to help policyholders with these complex, high-risk claims.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• Quality Assurance plans are internal documents, regularly reviewed and updated</li> </ul>
Compliance	Recommendation 3.5 of the 2018 Sunset Advisory Commission’s report.
QA or Testing	Two QA teams; one to focus on desk examiner and supervisory performance and one to focus on IA/expert selection process, communication with stakeholders, estimates, etc. for thoroughness and quality.

### 3.4 Administrative Complaint-Handling Process

<b>Objective 3.4</b>	To administer the 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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Ensures that staff follows the direct, legislative, and TDI complaint-handling process.</li> <li>Communicates information from escalated complaint calls to impacted personnel.</li> <li>Administers surveys to gauge whether claim handling is satisfactory to customers.</li> <li>Communicates with principals of approved vendors and the Legal and Compliance Department on issues of ethics, conflicts of interest or fraud.</li> <li>Uses complaint information for continuous improvement to reduce complaints.</li> <li>Arranges meetings with staff to reinforce customer service objectives and telephone etiquette as trends emerge from complaint data.</li> <li>Works with Strategic Communications and Legislative &amp; External Affairs through a process to identify and address inquiries from external stakeholders.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>Meets to review complaints and disputed claim data.</li> <li>Estimates complaint volume based on exposure and determines whether additional resources are required to assist with responding to increased volume of complaints.</li> <li>Ensures all complaints are logged accurately and that responses appropriately address the issues presented.</li> <li>Ensures response deadlines are met.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>Assists as needed in the complaint handling process, especially related to legislative complaints.</li> <li>Identifies a resource to assist with the process for inquiries.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li><a href="#">Complaint Training PowerPoint</a></li> <li><a href="#">Complaint Training FAQs</a></li> </ul>
Additional Information	<ul style="list-style-type: none"> <li><b>TDI</b> 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.</li> <li>All complaint records must be kept for at least three years or since the date of its most recent financial examination by the commissioner of insurance.</li> </ul>
Compliance	See 28 TAC Part 1, Chapter 21, Subchapter Q, for more information on insurers' obligations regarding complaints
QA or Testing	



### 3.5 Communicate Roles and Responsibilities of Claims Support and Customer Care

<b>Objective 3.5</b>	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	<p><b>Claims Support Staff</b> oversees parts of the Claim lifecycle, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Inputting claim information from main TWIA/TFPA email boxes into the system.</li> <li>• Maintaining records data on vendor services and invoices, and paying invoices.</li> <li>• Researching coverage and contacting insured or agent in the case of no coverage.</li> <li>• Voiding checks and issuing stop pays for claim files.</li> <li>• Managing the CGI fax queue.</li> </ul> <p><b>Claims Support Staff and /or Customer Care Staff</b> may assume the following during a CAT:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Assisting in assigning claims.</li> <li>• Handling urgent calls and transferring policyholders to claims examiner when needed.</li> <li>• Escalating serious claims (e.g., uninhabitable property or business interruption).</li> <li>• Coordinating with field adjusters on priority inspections.</li> <li>• Assisting with payment processing for emergency ALE payments, indemnity payments, and vendor invoices, if given proper authorities.</li> <li>• Processing incoming/outgoing mail and paper FNOL documents.</li> </ul>
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	

### 3.6 Manage IT Support

<b>Objective 3.6</b>	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, Claims
Action Plans	<p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Provides support for Agility unit and Agility Recovery's Readysuite site.</li> <li>• Provides support in Austin for extended hours of operations.</li> <li>• Assists with computer issues, setting up new PCs as needed, and internet support.</li> <li>• Developers provide support for all TWIA applications such as Claims Center, Call Center Portal, Policy Explorer, and Claims Center for Policyholder and Agents.</li> <li>• Evaluates impact for changes to nightly maintenance runs vs. Claims' extended hours and evaluates if iteration deployment plan can be deferred or frozen.</li> <li>• Communicates with business units to evaluate iteration risks and deployment plan.</li> <li>• Monitors systems with Orion (monitoring tool) on an ongoing basis.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Ensures Sr. Claims Manager(s) provide IT Ops management with information regarding overtime and weekend work plans each week.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>• 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.</li> <li>• IT personnel should be available 24 hours a day including weekends to provide support for CAT operations.</li> </ul>
Compliance	
QA or Testing	

### 3.7 Manage Office Supplies, Office Space, and Equipment

<b>Objective 3.7</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Houses an up-to-date seating chart for the Department, if the office is in use. This list shall be updated upon notification of an influx of contractors, sent to Facilities and all Claims employees.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>Researches, purchases, and configures new equipment during an incident.</li> <li>Works with Facilities to setup PCs and phones for additional cubicles.</li> <li>Uses tool allowing IT Operation to create Active Directory accounts in large volumes, which saves an average of 15 minutes per account.</li> <li>Confirms hardware, software, network connectivity and voice communications capabilities are functioning and secure.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Manages the Austin physical plant.</li> <li>Enlists security guards, cleaning services 7 days a week, 24-7 building repairs vendors, and enlists janitorial to secure the building nightly.</li> <li>Coordinates with Operations Manager to order mailroom supplies (printer, scanner, and fax server capacity), including paper, supply closet, postage funds, and access cards.</li> <li>Coordinates additional coffee, vending, and common area supplies.</li> <li>Programs HVAC system for extended office hours.</li> <li>Manages additional staff parking needs with Aquila Property Management and the Austin Oaks Church.</li> <li>Marks TWIA parking spaces.</li> <li>Makes arrangements for remote parking and a shuttle in the event of the parking lot overflowing.</li> <li>Coordinates with management to assign workstations based on availability.</li> <li>Locates off-site office space and off-site storage space, if needed.</li> </ul>
Exhibits, or Related Documents	<a href="#">Workspace Utilization Report</a>
Additional Information	<ul style="list-style-type: none"> <li>There are currently workspace constraints due to safety precautions to protect against the spread of COVID-19.</li> <li>Available cubicles are equipped with PCs and phones.</li> </ul>
Compliance	
QA or Testing	

### 3.8 Manage Check Stock for Payments and Check Processor

<b>Objective 3.8</b>	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	<p><b>Accounting and Finance:</b></p> <ul style="list-style-type: none"> <li>• Determines need for remote manual check process and/or digital distribution.</li> <li>• Ensures staff have FAQ documents for remote digital payments to answer questions about the availability of digital payments and other.</li> <li>• Funds manual check accounts with initial balances.</li> <li>• Establishes and maintains a check log.</li> <li>• Manages inventory for the following options: system-generated checks, manual checks, digital distributions, advanced payments, and signature stamps.</li> <li>• Works with Claims to reconcile on-site payments immediately with on-site computers and network access and reconciles daily where network access is not available.</li> <li>• Provides manual checks for Mobile Claims Centers for the first week of a deployment.</li> <li>• Provides support for on-site electronic payments at the Mobile Claims Centers.</li> <li>• Controls check endorsement process.</li> <li>• Manages banking relationships to minimize disruptions to customer payments.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Administers permissions for CheckProcessor.exe file in the check processor machine from list of claims users with permissions to print claims checks.</li> <li>• Works with Accounting to support digital distribution.</li> <li>• Purchases rollers and toner supplies and replaces weekly or as needed.</li> <li>• Advises personnel to regularly check printers and assists with daily check printing.</li> <li>• Supports on-site printing and mailing from Austin, as well as off-site (e.g., desk examiner or customer care unit).</li> </ul> <p><b>Claims</b> coordinates with Accounting for secure check issuance, proper digital distribution procedures and daily reports for electronic payments, and any exceptions.</p>
Exhibits, or Related Documents	Check Issuance Procedures
Additional Information	
Compliance	
QA or Testing	

### 3.9 Identify, Evaluate, and Report Possible Fraudulent Activity

<b>Objective 3.9</b>	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	<ul style="list-style-type: none"> <li>• To ensure stakeholders are aware of potential fraudulent activities.</li> <li>• To ensure all claims are legal and accurate.</li> <li>• To fulfill duties to report any cases of fraud.</li> </ul>
Participants	All Departments
Action Plans	<p><b>Claims</b> refers the claim to SIU for evaluation based on internal SIU referral requirements.</p> <p><b>SIU</b></p> <ul style="list-style-type: none"> <li>• Assists with identifying suspicious claim practices, including gathering information and following up with suspected policyholders or vendors.</li> <li>• Works with other carriers to identify trends in suspect claims.</li> <li>• Communicates with Claims on any suspicious practices or red flag items.</li> <li>• Makes fraud referrals to TDI and sends copies to Compliance.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Refers cases of suspected fraud and/or enforcement issues to TDI including vendor fraud, policyholder fraud, agent fraud, and internal fraud.</li> <li>• Communicates with TDI fraud and enforcement staff and/or appropriate federal, state, and local governments when necessary.</li> <li>• Sends out Association-wide messaging, reminding all personnel to be alert and how to report suspected fraud.</li> </ul>
Exhibits, or Related Documents	<ul style="list-style-type: none"> <li>• <a href="#">Claim Examiner Handbook</a></li> <li>• Exhibit 7 “Special Investigation Unit (SIU) and Fraud Reporting Requirements.”</li> </ul>
Additional Information	<ul style="list-style-type: none"> <li>• <a href="#">Web portal</a> or phone call to SIU.</li> <li>• <a href="#">Suspected Insurance Fraud Report</a> via TDI.</li> <li>• Under Texas Insurance Code 701.051 there is an affirmative duty for TWIA to report suspected insurance fraud to TDI.</li> <li>• Duty to report not later than the 30th day after the date.</li> </ul>
Compliance	See Texas Insurance Code Section 701.051 regarding our affirmative duty to report suspected insurance fraud to TDI.
QA or Testing	



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

<b>Objective 3.10</b>	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	<ul style="list-style-type: none"> <li>• To scale legal resources to assist with catastrophic incidents.</li> <li>• To ensure compliance with applicable laws and statutes.</li> </ul>
Participants	Legal and Compliance
Action Plans	<p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Maintains up-to-date knowledge of case law in order to determine trends in disputed claims industry-wide.</li> <li>• Conducts in-depth research on issues lending towards litigation (e.g., depreciation).</li> <li>• Identifies and confirms the availability of contracted counsel to assist with coverage interpretations.</li> <li>• Projects disputes and litigation rates to determine resources needed.</li> <li>• Identifies the patterns of issues and determine avenues to find resolution.</li> <li>• Coordinates between different firms to handle workload on lawsuits emerging if volume of suits exceeds Association capacity.</li> <li>• 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.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	



### 3.11 Determine Need for Extension of Time for Claim Acceptance and/or Denial

<b>Objective 3.11</b>	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, Strategic Communications, Legislative & External Affairs
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Determines the need for an extension of time to accept claims and defines the required extension.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>Assists Claims in formatting the request for an extension.</li> <li>Sends request for extension to the appropriate stakeholders at TDI.</li> </ul> <p><b>Strategic Communications and External &amp; Legislative Affairs</b></p> <ul style="list-style-type: none"> <li>Informs Legislators, Board Members, and other external stakeholders as appropriate if and when an extension is granted.</li> </ul>
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	

### 3.12 Secure Catastrophe Funding

<b>Objective 3.12</b>	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	<p><b>Actuarial</b></p> <ul style="list-style-type: none"> <li>• Manages reinsurance recovery process with reinsurance brokers, including onsite claim file reviews.</li> <li>• Manages short and long-term funding needs with the Board of Directors and the General Manager.</li> <li>• Assists in securing funding from public securities.</li> </ul> <p><b>Accounting and Finance</b></p> <ul style="list-style-type: none"> <li>• Assists in securing funding from public securities.</li> <li>• Manages short and long-term funding needs with the Board of Directors and the General Manager.</li> </ul> <p><b>General Manager</b></p> <ul style="list-style-type: none"> <li>• Informs the Commissioner and Comptroller of total estimated catastrophic losses and potential reinsurance recoveries and updates them with changes to estimates.</li> <li>• Communicates with bond and other legal counsel as to proper processes in statute and plan of operation for post- incident securities issuance.</li> <li>• 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.</li> </ul>
Exhibits, or Related Documents	TWIA Annual Report
Additional Information	Exhibits found within the TWIA Annual Report provide visualizations of the funding plans for the entire hurricane season with plans for funding in the case of multiple storms (1 in 100, 1 in 50, and 1 in 25 year storms).
Compliance	Texas Insurance Code Ch.2210.455(c)
QA or Testing	



### 3.13 Track Losses and Reserve Adequacy

<b>Objective 3.13</b>	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	<p><b>Actuarial</b></p> <ul style="list-style-type: none"> <li>• Conducts quarterly reserve reviews and estimates incurred but not reported (IBNR).</li> <li>• Calculates potential funding needs and assists in communications to stakeholders.</li> <li>• Monitors reported losses, payment projections, and reserve adequacy.</li> <li>• Reports on expected cash flows and ultimates, and key projected financial metrics attached for TWIA and TFPA.</li> <li>• Serves as a resource to Claims for template catastrophe reserving.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Ensures that workgroups are set up properly in Claims Center to ensure proper segmentation.</li> <li>• Works with actuary and General Manager on volume, severity, complexity of reported losses, expected losses and status of plan implementation.</li> </ul> <p><b>Accounting and Finance</b></p> <ul style="list-style-type: none"> <li>• Manages and projects cash flow.</li> </ul>
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

<b>Objective 4.1</b>	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	<ul style="list-style-type: none"> <li>To restore essential insurance services after a catastrophic incident.</li> </ul>
Participants	Underwriting, General Manager, Strategic Communications, Legislative & External Affairs
Action Plans	<p><b>General Manager</b> determines whether to deactivate “Storm Mode” and “CAT mode,” and alerts executive leadership team.</p> <p><b>Underwriting</b></p> <ul style="list-style-type: none"> <li>Recommends to General Manager the deactivation of “Storm Mode” and the restoration of normal insurance application procedures in impacted counties.</li> <li>Upon approval from the General Manager, deactivates “Storm Mode.”</li> <li>Notifies Strategic Communications and Legislative &amp; External Affairs to place “Normal Processing Mode” Agent Bulletin on TWIA website.</li> <li>Advises staff of return to normal processing guidelines.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Recommends to the General Manager the deactivation of “CAT Mode” in Claims Center and Claims Center for Policyholders and Agents.</li> <li>Determines the final dates for the templates used for the incident.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>Oversees taking down the “CAT mode banner” on the website.</li> <li>Reports to Texas Legislature and TDI on TFPA /TWIA’s restoration of normal insurance procedures in impacted counties.</li> <li>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.</li> </ul>
Exhibits, or Related Documents	<a href="#">How to Deactivate Storm Mode</a>
Additional Information	<ul style="list-style-type: none"> <li>The following roles have permission to deactivate Storm Mode in policy administration system General Manager, Vice President of Underwriting, Chief Actuary and Vice President of Enterprise Analytics, and assigned Senior Underwriting Managers.</li> </ul>
Compliance	
QA or Testing	

## 4.2 Communicate with Public and External Stakeholders

<b>Objective 4.2</b>	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	<ul style="list-style-type: none"> <li>• To operate transparently through open communication with stakeholders.</li> <li>• To ensure a quality customer service experience.</li> </ul>
Participants	Strategic Communications and Legislative & External Affairs
Action Plans	<p><b>Strategic Communications and Legislative &amp; External Affairs determines whether to:</b></p> <ul style="list-style-type: none"> <li>• Runs full-page “After the Storm” newspaper ads with claims process and contact information.</li> <li>• Runs radio ads with claims process and contact information.</li> <li>• Sends press release to follow up with media in affected areas.</li> <li>• Offers interviews with TWIA/TFPA to key reporters regarding insurance issues.</li> <li>• Crafts and posts “After the Storm” message for publication on the TWIA/TFPA websites.</li> <li>• Posts “After the Storm” information on social platforms (Facebook).</li> <li>• Continues to work with city and state officials to identify needs and help coordinate events.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	

#### 4.4 Transition Supplies to Pre-CAT Status

<b>Objective 4.4</b>	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	<p><b>IT</b></p> <ul style="list-style-type: none"> <li>• Works with Agility to deactivate systems technology for mobile claims center.</li> <li>• Deactivates excess phones.</li> <li>• Inventories computers, extra monitors, and supplies such as toner.</li> <li>• Returns excess, mistakenly ordered, or faulty equipment if applicable.</li> <li>• Returns any equipment taken from training rooms and reconciles supplies.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>• Deactivates security badge for contractors.</li> <li>• Inventories and reconciles supplies (e.g., chairs, workstations, and storage).</li> <li>• Evaluates actual demand on workspaces, supplies, and equipment to determine changes to supply planning.</li> <li>• Communicates with security services to restore pre-CAT status.</li> <li>• Communicates with snack and drink vendor services and cleaning services to restore pre-CAT status.</li> <li>• Communicates to restore parking to pre-CAT status.</li> <li>• Reconciles car rental returns.</li> </ul> <p><b>Claims</b> works with IT and Facilities to ensure that supplies and technologies are transitioned to pre-CAT status.</p>
Exhibits, or Related Documents	
Additional Information	
Compliance	
QA or Testing	



#### 4.5 Conduct Reviews of Vendors, Contractors, and Service Providers

<b>Objective 4.5</b>	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	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Participates in Association debriefs after response efforts.</li> <li>• Gathers feedback from units that worked with vendors, contractors, and service providers for recommendations on improvements to be made.</li> <li>• Conducts surveys to rank vendors by degree of performance.</li> <li>• Assigns Department personnel to evaluate the observations and recommendations.</li> <li>• Schedules Department meeting to discuss recommendations, and plan changes.</li> <li>• Sends report to General Manager within 30 days of response efforts.</li> </ul> <p><b>Facilities and Human Resources</b></p> <ul style="list-style-type: none"> <li>• Participates in Association debriefs after response efforts.</li> <li>• Performs audits of contractors for compliance with requirements.</li> <li>• Conducts surveys to rank vendors by degree of performance.</li> <li>• Assigns Department personnel to evaluate the observations and make recommendations.</li> <li>• Schedules Department meeting to discuss recommendations.</li> <li>• Schedules Department meeting to discuss recommendations, and plan changes.</li> <li>• Sends report to General Manager within 30 days of response efforts.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Evaluates compliance of vendors, contractors, and service providers with agreements and assess need for any resulting amendments, terminations, or new agreements.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Reviews contracts to determine compliance with terms, and identify termination requirements where necessary.</li> </ul>
Exhibits, or Related Documents	
Additional Information	
Compliance	

QA or Testing	
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#### 4.6 Implement a Corrective Action Program (CAP)

Objective 4.6	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	<ul style="list-style-type: none"> <li>To compel Enterprise resources to identify strengths and weaknesses.</li> <li>To ensure a process is in place so the value of lessons learned is not lost.</li> </ul>
Participants	CAT Plan Update Team, Claims
Action Plans	<p><b>CAT Plan Update Team</b> ensure awareness and compliance with the CAP including:</p> <ul style="list-style-type: none"> <li>Assigning Department personnel to evaluate the observations and recommendations.</li> <li>Documenting activities or findings into after action report format and file with designated CAP manager.</li> <li>Participating in Association debriefs after response efforts.</li> <li>Scheduling Department-wide meeting to discuss recommendations.</li> <li>Participating in Enterprise feedback sessions for a full review with all key players within several weeks of the incident.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Creates an After Action Report with all documented issues to assess product, services, and future recommendations.</li> <li>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.</li> </ul>
Exhibits, or Related Documents	
Additional Information	For now, after action reports are filed via email to a central point of contact in Claims.
Compliance	
QA or Testing	

#### 4.7 Conduct Testing, Training, and Exercises (TTE)

Objective 4.7	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	<p><b>All Departments</b> assist with development and execution of test, training, and exercises (TTE), including:</p> <ul style="list-style-type: none"> <li>• System tests – Performance, Scalability, Reliability, and Functionality</li> <li>• Procedures tests – Claims and non-Claims</li> <li>• Discussion-based exercises (e.g., Seminars, Workshops, Tabletop, and Games)</li> <li>• Operations-based exercises (e.g., Drills, Functional, and Full-scale)</li> <li>• Training: Leadership - by plan roles and responsibilities</li> <li>• Training: All Staff – by plan roles and responsibilities</li> <li>• Training: Desire is to include cross-training where possible especially for mobile or remote workers</li> <li>• Controls- Process and analytics for plan compliance and testing</li> </ul>
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
08/22/17	David Lawson, Erin Espinoza	Changed hurricane binding exception language to align with Plan of Operations and fixed hyperlinks in the table of contents
5/30/18	CAT Plan Update Team	Addition of After Action Reports from Hurricane Harvey.
5/28/19	CAT Plan Update Team	Updates from After Action Reports, removal of funding structure exhibits, updates to auxiliary documents, and workflow/process document updates.
7/31/19	David Lawson	Inclusion of new Claims action item in Objective 2.6
5/27/20	CAT Plan Update Team	Addition of After Action Reports from the past year.
5/26/21	CAT Plan Update Team	Addition of After-Action Reports from the past year.
5/25/22	CAT Plan Update Team	Addition of After-Action Reports from the past year and full review of Deployment Plan.
5/30/23	CAT Plan Update Team	Addition of After-Action Reports and update of Resource Scalability Model



## 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 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 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 Legislative & External Affairs
- 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 Legislative & External Affairs
  - 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 C - TWIA/TFPA Catastrophe Deployment Plan**



TEXAS WINDSTORM  
INSURANCE ASSOCIATION



TEXAS FAIR PLAN  
ASSOCIATION



# 2023 CAT Deployment Plan & Volunteer Handbook

June 1, 2023



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## Living Document Disclaimer

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# Introduction

## Overview

The 2023 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

<b>Objective 1.1</b>	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	<p><b>CAT Plan Update Team</b></p> <ul style="list-style-type: none"> <li>• Reviews After Action Reports (AARs) and works with Executive Leadership Team to identify areas for improvement.</li> <li>• Creates recommendations to the executive sponsor regarding possible testing, training, and exercises to ensure continuous improvement.</li> <li>• Meets with TWIA/TFPA Department Subject Matter Experts (SMEs) to review updates.</li> <li>• Submits the plan to the Executive Leadership Team for approval no later than June 1 of each year.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Review plan to identify and assess ownership of roles and responsibilities.</li> <li>• Assist with updating the plan, including sending updates to the CAT Plan Update Team</li> <li>• Assist with training Department staff on plan requirements.</li> <li>• Assist with implementing testing, including Department tests of relevant objectives.</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>• Reviews Mobile Claims Center layouts to ensure compliance with the Americans with Disabilities Act as it relates to TWIA &amp; TFPA staff.</li> </ul> <p><b>Legal and Compliance</b></p> <ul style="list-style-type: none"> <li>• Reviews Mobile Claims Center layouts to ensure compliance with the Americans with Disabilities Act as it relates to policyholders and non-staff visitors to the site(s).</li> </ul> <p><b>General Manager and Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>• Reviews and gives plan approval.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Attaches Deployment Plan to the Annual Report Card and sends to external stakeholders.</li> </ul>
Exhibits	



Additional Information	

## 1.2 Prepare Deployment Staff for Assignment

<b>Objective 1.2</b>	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 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	<p><b>CAT Plan Update Team</b></p> <ul style="list-style-type: none"> <li>• Sends requirements and responsibilities for deployed employees to Departments with attention to skills in customer service.</li> <li>• Identifies employees who have prior deployment or disaster response experience.</li> <li>• Identifies employees who are fluent in more than one language, including Spanish.</li> <li>• Identifies employees who are first responders and are trained in first aid and trauma.</li> <li>• Sends reminders for updating ADP (languages spoken, address, and emergency info).</li> <li>• 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.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Review requirements and responsibilities for deployed employees and any staffing recommendations from CAT Plan Update Team.</li> <li>• 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.</li> <li>• Make sure ADP contact info is up-to-date with staff.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Ensures field staff have CAT Deployment equipment for a deployment (car magnets, lanyards, shirts, hats, etc.).</li> </ul>
Exhibits	



Additional Information	
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### 1.3 Train in Customer Service & Conduct during Catastrophic Incidents

<b>Objective 1.3</b>	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	<p><b>CAT Plan Update Team</b></p> <ul style="list-style-type: none"> <li>• Benchmarks against industry deployment plans and their codes of conduct and customer service standards and include those into the Deployment Volunteer’s Agreement.</li> <li>• Meets with departments to adapt policies they own to the Plan.</li> <li>• Recommends training to ensure staff are prepared to exhibit behaviors and practices appropriate for deployment.</li> <li>• Makes staff aware of overtime and volunteer and/or mandatory CAT deployment.</li> <li>• Ensures that the latest Deployment and CAT Pay Policy are available and reviewed by deployment volunteers.</li> <li>• Provides training to Association resources on an annual basis.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Makes recommendations of any changes needed.</li> </ul> <p><b>General Manager and Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>• Review and give policies approval during the review of the deployment plan.</li> </ul> <p><b>All Departments</b></p> <ul style="list-style-type: none"> <li>• Attend training in deployment customer service and codes of conduct.</li> </ul>
Exhibits	
Additional Information	



### 1.4 Maintain Vendor Relationships to Quickly Enlist Services

<b>Objective 1.4</b>	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	<ul style="list-style-type: none"> <li>To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.</li> </ul>
Participants	General Manager, All Departments
Action Plans	<p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Ensures contracts with security firms to provide 24/7 security for the deployment sites.</li> <li>Maintains relationships with rental car vendors.</li> <li>Maintains relationships with hotels/motels and other lodging options as primary or secondary options for housing</li> <li>Maintains relationship with vendors to provide shirts, hats, etc.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Maintains relationships with hotels and motels and other lodging options as primary or secondary options for housing.</li> <li>Explores options for basecamp sites and other housing, meals, and meeting space options that could serve as a primary alternate to hotels and motels for deployed staff.</li> <li>Maintains contract with Agility for MCC units and access to Prepara.</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Maintains contracts with vendors to provide manual labor and greeters at the deployment site.</li> </ul>
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

<b>Objective 2.1</b>	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, Strategic Communications, Legislative & External Affairs, Claims, Operations
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• VP of Claims to advise the Executive Leadership Team and the General Manager regarding the location of the deployment sites and the resources needed.</li> <li>• Coordinates with local, county, state, and federal emergency management personnel to communicate the location of the deployment site.</li> <li>• Works with FEMA and local officials to identify Disaster Recovery Centers (DRC) locations and work to place resources within the center, if possible.</li> </ul> <p><b>Strategic Communications</b></p> <ul style="list-style-type: none"> <li>• Communicates the location of deployment sites to external stakeholders via the TWIA website, social media, and other channels.</li> </ul> <p><b>Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>• Sends information about deployment sites to the TWIA Ombudsman, legislative offices, media, and other interested parties.</li> </ul>
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

<b>Objective 2.2</b>	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	<ul style="list-style-type: none"> <li>To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.</li> </ul>
Participants	Operations, Accounting, HR
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Determines what deployment solutions are needed including lodging, meals, etc.</li> <li>Once decision on basecamp is provided by ELT, the Sr. Business Continuity &amp; Catastrophe Plan Analyst will contact RK EMS to activate the resources required for the deployed.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Contacts car rental vendors to obtain enough vehicles for the deployment.</li> <li>Ensures the Associations maintain insurance for drivers.</li> <li>Identifies one single point of contact for deployment vendors in the field.</li> <li>Ensures deployment sites are equipped with water and ice for policyholders.</li> <li>Works with accounting to ensure all purchasing policies are adhered to.</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Maintains contract with contract labor vendor to help set up the deployment site.</li> <li>Works with legal to determine guidelines for vehicle use.</li> </ul>
Exhibits	
Additional Information	The Associations' Purchasing Policy applies unless instructed otherwise by the General Manager.
Compliance	

## 2.3 Determine Operational Funding Mechanisms

<b>Objective 2.3</b>	Enable resources and mechanisms to maintain the deployment site and the needs of deployment volunteers.
Description	The daily operations of a deployment site may require bulk purchases, providing meals to volunteers, diesel fuel for the generator(s), and alternative funds in the event that normal purchasing mechanisms are affected. The Association needs to ensure deployment policies and procedures allow for proper controls, while providing flexibility to fund a variety of deployment scenarios.
Purpose	To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.
Participants	Claims, Incident Commander, Executive Leadership Team (ELT), Accounting, Operations
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Provides recommended size and scope of deployment to Operations and Accounting, as well as location of the deployment, in relation to the need to utilize advanced payments.</li> <li>• Identifies which of the scenarios are needed: a small deployment with the Mobile Claims Center, a large scale deployment in response to large events, multiple deployment sites in different areas.</li> <li>• Determines any other constraints related to deployment that may impact the need for funds, i.e., areas without internet access where credit cards cannot be used.</li> <li>• Identifies number of staff that are anticipated for the deployment.</li> </ul> <p><b>Catastrophe Claims Manager</b></p> <ul style="list-style-type: none"> <li>• Communicates any need for deployment volunteers to submit expense reimbursement forms to obtain advances, if appropriate.</li> <li>• Gathers expense reimbursement forms from deployment volunteers and submits to Accounting for advances, if needed.</li> </ul> <p><b>Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>• Makes a determination as to the lodging options based on the projections and recommendations from Claims.</li> <li>• Determines if any deployed staff will need to be issued Credit Cards and follows the process laid out in the Purchasing and Contract Management Policy.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>• Coordinates with Claims Manager to identify the items needed for the deployment site(s) and works with Accounting to determine the best method of purchasing.</li> </ul> <p><b>Accounting</b></p> <ul style="list-style-type: none"> <li>• Will review the needs of the deployment site(s) provided by Operations and will determine how best to purchase items for the site(s).</li> </ul>



	<ul style="list-style-type: none"> <li>The CFO will make any final determination as to the mechanisms used to purchase items.</li> </ul>
Exhibits, or Related Documents	
Additional Information	<ul style="list-style-type: none"> <li>Only the General Manager can approve any deviations from current purchasing policies or procedures.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li><a href="#">Corporate Credit Card Procedures</a></li> <li><a href="#">Monthly Credit Card Reconciliation Form</a></li> <li><a href="#">Guide to DVR submissions and approvals in ImageRight</a></li> <li><a href="#">Employee Expense Reimbursement Form</a></li> </ul>
QA or Testing	



## 2.4 Initiate Technological Systems for Deployment

<b>Objective 2.3</b>	To communicate with IT and vendors to deploy remote communications technology.
Description	Communicate with TWIA/TFPA IT Department and Agility to deploy remote satellites and other needed technology to the location of the Mobile Claims Center(s).
Purpose	<ul style="list-style-type: none"> <li>To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.</li> <li>Ensure remote connectivity is available at remote sites.</li> </ul>
Participants	Claims, IT, Executive Leadership Team
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Provides information and recommendations to the Executive Leadership Team to guide decisions regarding the level of deployment.</li> <li>Maintains contract with Agility, or other vendors, for remote satellite communication technology that is deployable with the Mobile Claims Center.</li> <li>Communicates with IT regarding the scale of deployment to ensure enough equipment is deployed.</li> </ul> <p><b>Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>Determines the level of deployment and whether to deploy Mobile Claims Center(s) or Agility unit(s), based on recommendations from Claims.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>Communicates with Agility to ensure the availability of required technology.</li> <li>Ensures the appropriate amount of equipment is deployed (i.e., laptops, printers, etc.).</li> <li>Begins prepping laptops at the 24-hour Activation alert.</li> <li>Ensures that each laptop is imaged with all of the most recent software downloads.</li> <li>Provides support throughout the deployment</li> <li>Coordinates with Facilities for space on our rental truck for IT equipment (i.e., laptops, printers, hotspots, tablets, etc.).</li> </ul>
Exhibits	See <a href="#">Appendix B</a> 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

<b>Objective 3.1</b>	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	<ul style="list-style-type: none"> <li>To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.</li> </ul>
Participants	Operations, Claims, HR, Deployment Volunteers, Facilities
Action Plans	<p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Distributes I.D. badges for deployment staff and volunteers.</li> <li>Distributes shirts, lanyards, hats, vest, office supplies, etc.</li> <li>Determines if contract labor is required for the set up and engages vendors to request resources.</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>Announces activation (issued after a hurricane or tropical storm has made landfall and will include logistical details surrounding the deployment) of our MCCs and updating the websites and socials with info on where the MCC will be set up, times, etc.</li> <li>Prepares additional collateral and instructions for how to deal with media inquiries or legislative inquiries while in the field.</li> <li>Provides updates to media and legislative contacts regarding the MCC, etc.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Coordinates and communicates with Facilities regarding the level of deployment.</li> <li>Communicates with the adjusting resources and other relevant vendors to inform them of the deployment location.</li> <li>Coordinates with local, county, state, and federal officials as needed.</li> <li>Works with the Texas State Disaster Coalition to understand other remote claims operations in the area.</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Communicates with labor firms to make sure manual labor contractors can get to the deployment site easily.</li> <li>Provides I.D. badges to deployment firms for contract labor.</li> </ul>
Exhibits	
Additional Information	

### 3.2 Coordinate Equipment for Rapid and Safe Deployment to Impacted Areas

<b>Objective 3.2</b>	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	<ul style="list-style-type: none"> <li>To efficiently deploy to remote sites in order to provide the quickest and most effective service to policyholders.</li> </ul>
Participants	Claims, Operations
Action Plans	<p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Communicates the specific supplies and equipment needed at MCC and the number of resources that will be deployed to Facilities</li> <li>Check point for appointments and the content and workflows that need to be put in play with that decision (I.e., phone appointments, etc.).</li> </ul> <p><b>Operations/Facilities</b></p> <ul style="list-style-type: none"> <li>Designates employee(s) to gain access to the storage facility to pick up equipment (i.e., generators, tents, tables, etc.).</li> <li>Ensures sanitation stations and restroom facilities have all appropriate amenities.</li> <li>Obtains a rental truck to haul supplies and equipment to the deployment site.</li> <li>Works with Claims and other departments to understand the amount of supplies needed.</li> <li>Works with IT to coordinate the delivery of IT equipment to the MCC.</li> </ul>
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 needs 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

<b>Objective 4.1</b>	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	<p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Provides materials to reinforce policies (i.e., OSHA Guidelines, Gun Policies Sign as per Law, etc.), including all TWIA and TFPA policies.</li> <li>• Identifies medical facilities in the area and confirms that they are operational.</li> <li>• Communicates emergency contacts (e.g., hospital, police, fire) to deployed staff.</li> <li>• Provides information on evacuation procedures and stays apprised of local evacuation orders and communicates to staff if there is a need.</li> <li>• Provides material surrounding safety practices.</li> </ul> <p><b>Operations/Facilities</b></p> <ul style="list-style-type: none"> <li>• Maintains contracts with on-site security vendors that can provide 24/7 protection at the deployment site.</li> <li>• There should be no less than 2 security officers on duty at once per site.</li> <li>• Provides safety equipment for the deployment site (i.e., first aid kits, fire extinguishers, defibrillator) and communicates the location to all deployed staff.</li> <li>• Ensures that all tripping hazards are identified with red tape and all appropriate areas are barricaded.</li> <li>• Responsible for creating ID badges at the site.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>• Ensures the enforcement of all TWIA/TFPA policies and codes of conduct</li> <li>• Sends deployed contractor list to Facilities email address (<a href="mailto:facilities@kbox.twia.org">facilities@kbox.twia.org</a>) to create ID Badges.</li> </ul>
Exhibits	<p><a href="#">TWIA/TFPA Employee Handbook</a></p> <p><a href="#">TWIA/TFPA Safety Manual</a></p>
Additional Information	All TWIA/TFPA policies, procedures, and codes of conduct apply to all staff in the event of an incident.

## 4.2 Ensure the MCC is Prepared to Open to Policyholders

<b>Objective 4.2</b>	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	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>Identifies one resource on-site to communicate with RK EMS regarding any changes or additions to the MCC.</li> <li>Manages the contractors who are setting up the exterior site and ensures the site is set up according to the plans.</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>Begins set-up of equipment once Claims has completed site.</li> <li>Works with Agility staff to ensure the proper set up of remote satellites.</li> <li>Ensures that all laptops, phones, and other equipment are working as expected.</li> <li>Once the connection and performance have been confirmed, IT will communicate this to the Site Manager.</li> </ul> <p><b>Site Manager</b></p> <ul style="list-style-type: none"> <li>Officially opens the site to visitors once IT, Claims, and Operations/Facilities have confirmed the site is ready.</li> <li>Inspects MCC site within 72 hours of site activation and makes RK EMS aware of any issues or defects in equipment.</li> <li>Once the site set-up has been deemed ready by the site manager, the site manager lead will communicate this with IT representatives.</li> </ul>
Exhibits	<ul style="list-style-type: none"> <li><a href="#">Mobile Claims Center - Site Map</a></li> </ul>
Additional Information	
Compliance	



## **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

<b>Objective 5.1</b>	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, Strategic Communications, Legislative & External Affairs, Claims, Operations
Action Plans	<p><b>General Manager and Executive Leadership Team</b></p> <ul style="list-style-type: none"> <li>Determines when to close the deployment site(s).</li> </ul> <p><b>Strategic Communications and Legislative &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>Sends communications to external stakeholders about the closing of the deployment site and ensure we communicate with stakeholders no less than 14 days prior to closing.</li> </ul> <p><b>Claims</b></p> <ul style="list-style-type: none"> <li>Coordinates with FEMA and local officials to communicate closures of any Claim Centers and determine the need to place resources within a Disaster Recovery Center (DRC).</li> </ul> <p><b>IT</b></p> <ul style="list-style-type: none"> <li>Coordinates the return of equipment (hot spots, tablets, etc.).</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>Coordinates with Claims Management to identified needs in closing of the deployment site(s).</li> <li>Ensures the return of rental cars and other equipment.</li> <li>Returns all equipment taken from the Austin storage unit.</li> </ul>
Exhibits	
Additional Information	<p>The Site Manager is ultimately responsible for the orderly take down and closing of designated deployment sites.</p> <ul style="list-style-type: none"> <li>KACE Ticket Process for Rental Cars</li> </ul>



## Deployment Staff 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

<b>Objective 6.1</b>	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	<ul style="list-style-type: none"> <li>• To prepare volunteers and set expectations</li> </ul>
Participants	Deployment Volunteers
Details	<p><b>Deployed Staff Expectations</b></p> <ul style="list-style-type: none"> <li>• <b>Prepare for varied reactions</b> - 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.</li> <li>• <b>Establish trust by being an active listener</b> – 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.’</li> <li>• <b>Gather the facts</b> – Who, what, when, why, what next.</li> <li>• <b>Don’t speculate</b> – Communicate accurate information only. If you don’t know, say so and get back with the customer once you have an answer.</li> <li>• <b>Be the trusted guide, not the hero</b> – Rather than over promising and setting false expectations, be their expert source of information to guide them through this process.</li> <li>• <b>Plan ahead</b> – 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.</li> </ul>
Exhibits	
Additional Information	



## 6.2 Deployment Expectations

<b>Objective 6.2</b>	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	<ul style="list-style-type: none"> <li>• Identify actions that would be regarded as improper conduct</li> </ul>
Participants	Deployment Volunteers
Details	<p><b>Deployment Staff should understand how to avoid the following improper actions:</b></p> <ul style="list-style-type: none"> <li>• Failure to meet the expectations for your responsibilities as a deployment staff member of TWIA &amp; TFPA.</li> <li>• Leaving your workstation or the deployment site without first receiving permission from your supervisor or manager. <ul style="list-style-type: none"> <li>○ Breaks throughout the day must comply with Texas Labor Law but timing may be at the discretion of the Site Supervisor</li> </ul> </li> <li>• Falsifying or withholding of facts on any company records, including applications, time sheets, etc.</li> <li>• Excessive absenteeism or tardiness.</li> <li>• Failure to follow policies, procedures, and guidelines contained in the employee handbook</li> <li>• Failure to follow safety rules.</li> <li>• Conduct during business hours which could be construed as negative.</li> <li>• Contracting with stakeholders to perform work of any kind for them.</li> <li>• Non-disclosure of interest in any vendor or stakeholder.</li> <li>• Threatening, intimidating, coercing, or interfering with the work of others.</li> <li>• Disorderly conduct.</li> <li>• Any form of harassment or discrimination.</li> <li>• Failure to report accidents immediately.</li> <li>• Discourtesy towards policyholders, agents, or any stakeholders.</li> <li>• Possession of firearms or explosives or other weapons on company premises, including parking areas.</li> <li>• Employees will not show up to the worksite under the influence of drugs or alcohol, nor can employees bring any intoxicant onto company property.</li> </ul>
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

<b>Objective 6.3</b>	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	<p><b>Deployment Staging</b></p> <ul style="list-style-type: none"> <li>• Upon arrival to the meeting site, volunteers will be briefed in greater detail regarding the deployment (i.e., directions to the site, lodging information, and information on any road blocks).</li> <li>• Facilities will supply TWIA/TFPA polos, vests, hats, and badges at this time.</li> <li>• will be issued TWIA/TFPA car magnets and provided with any reentry letters needed.</li> </ul> <p><b>Deployment Attire</b></p> <ul style="list-style-type: none"> <li>• Staff should prepare for all types of weather (heat, humidity, rain, etc.).</li> <li>• Dress should reflect a professional appearance.</li> <li>• Staff will be expected to wear casual Friday dress, their TWIA/TFPA branded shirt issued by the Associations, vest, and I.D. badge.</li> </ul>
Exhibits	
Additional Information	Volunteers should bring enough supplies (i.e., personal toiletries, shoes, socks) for a deployment of no more than 2 weeks.

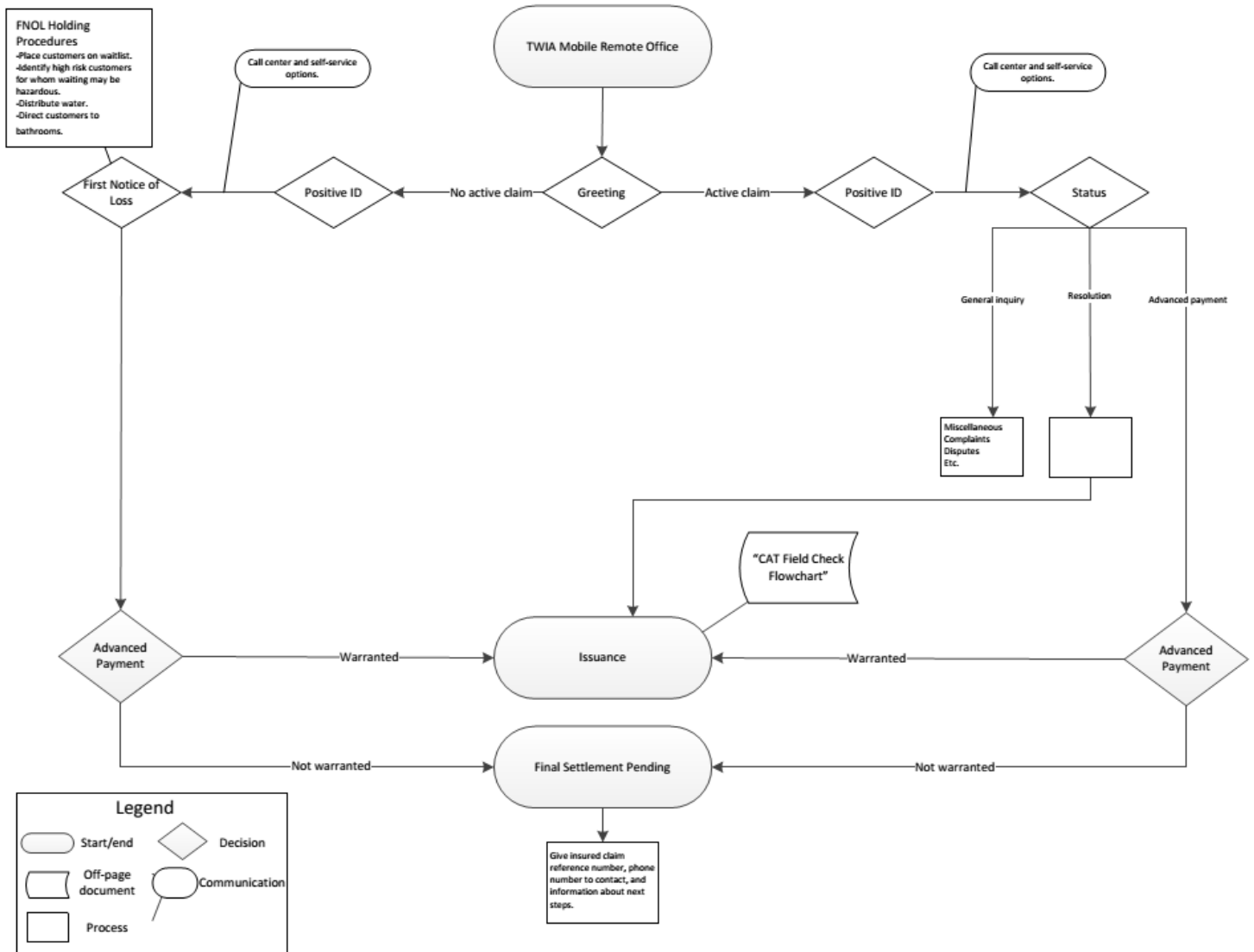


## 6.4 Transportation to the Deployment Site and Lodging

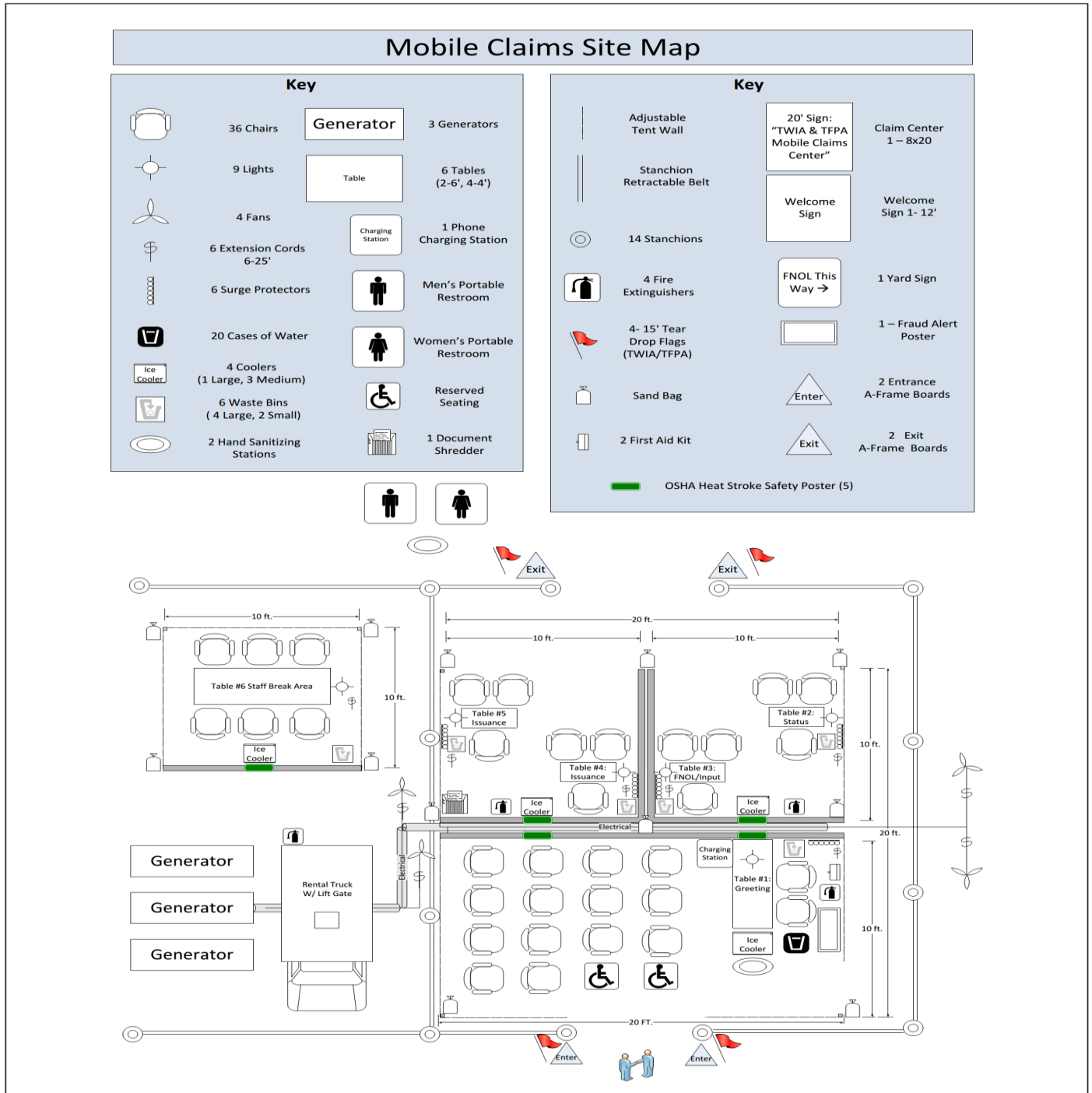
<b>Objective 6.3</b>	Be aware of transportation plans to the site, as well as lodging.
Description	Deployment volunteers will be provided information regarding standards and expectations surrounding traveling to the site and lodging.
Purpose	<ul style="list-style-type: none"> <li>• Ensure an organized departure</li> </ul>
Participants	Deployment Volunteers
Details	<p><b>Deployment Transportation</b></p> <ul style="list-style-type: none"> <li>• Utilize the KACE process for rental cars, etc.</li> </ul> <p><b>Deployment Lodging</b></p> <ul style="list-style-type: none"> <li>• Where possible, lodging arrangements will be made by the Claims Department. Information regarding the location and check-in will be reviewed at the briefing that will occur prior to departure.</li> <li>• 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.</li> <li>• 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.</li> <li>• Deployment Volunteers will be responsible for settling any outstanding incidental expenses not reimbursed by the Associations (i.e., room service, laundry service, etc.).</li> <li>• If it is determined that advances will be made for expenses, volunteers will need to submit their expenses to their manager on a weekly basis.</li> </ul>
Exhibits	
Additional Information	

## 6.5 Personal Checklist for Deployments

### Appendix A – TWIA/TFPA Mobile Remote Offices Workflow

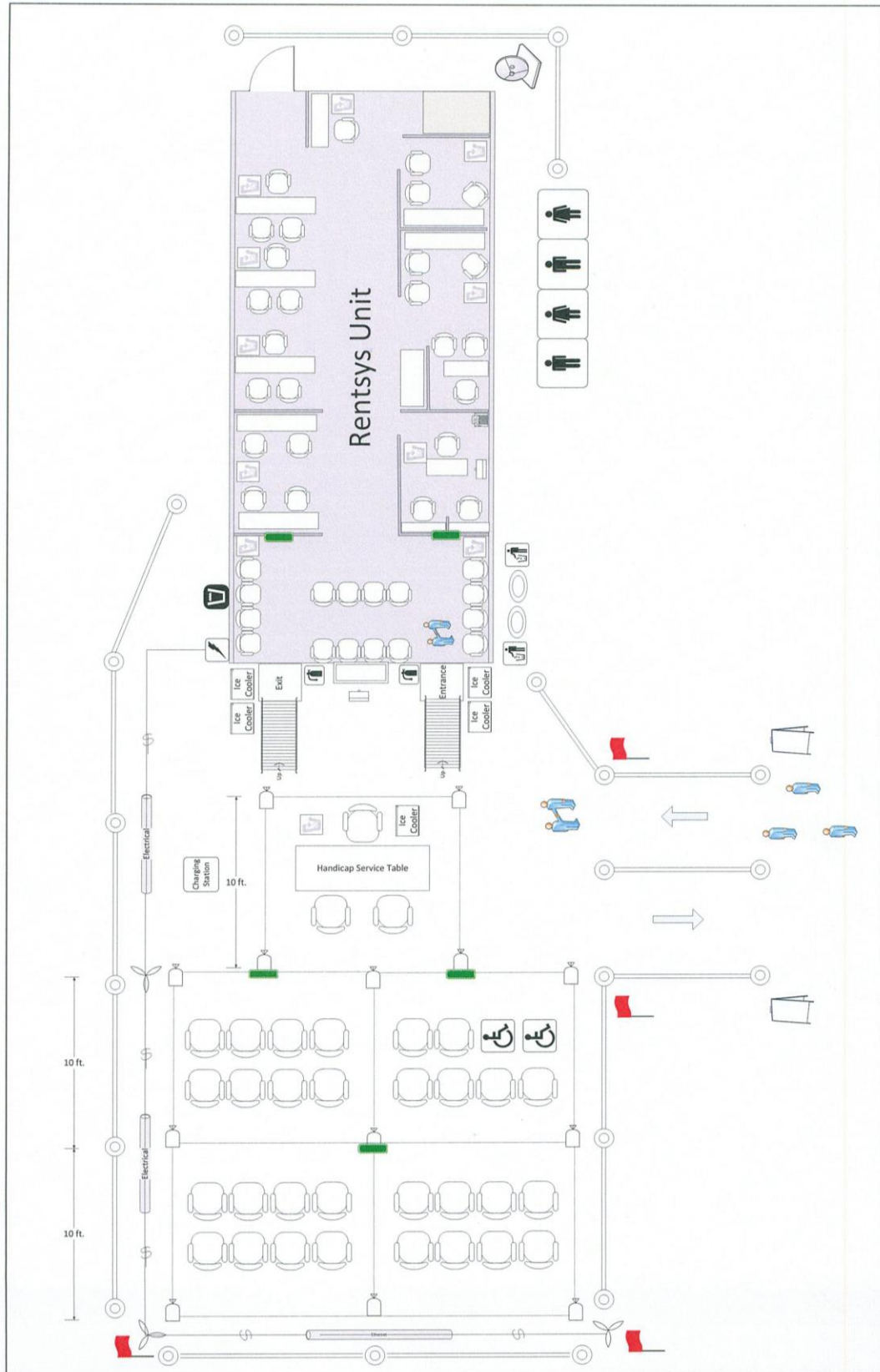


## Appendix B – Alternate Mobile Claims Center Layout





MCC Support Unit to Rentsys



See Page 2 for Key



## Appendix C – Deployment Position Expectations

### Role Expectations – Mobile Site Supervisor(s)

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. Other duties include:

- Supervise the deployment site and the deployment volunteers.
- Handle escalated or difficult situations.
- Answer general questions.
- Meet with claims staff to brief them on expectations, responsibilities, and any specific instructions.
- Ensure claims staff are adhering to TWIA/TFPA claims guidelines and are meeting statutory requirements.
- Work 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 – Mobile Site Representative**

Responsible for reviewing the reports generated by the field adjusters, making claims decisions, communicating decisions to the policyholders, and issuing 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.
- Serve 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.
- 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 ensuring 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 after the first week.
- 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 maintaining 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 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 – Facilities Coordinator**

This person(s) will be a non-Claims leader responsible for coordinating with Site Managers and Austin Facilities Coordinator to ensure all services and goods are being provided for as needed, along with following duties:

- Manage and schedule security services.
- Manage and distribute office supplies.
- Ensure a constant fuel supply to all site generators that require it.
- Ensure a supply of snacks, ice, and water at each location.



### **Role Expectations – Catastrophe 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 timesheets to HR every Monday by 9am.
- Provides daily site operations reports to Sr. Claims Management 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.
- Ensure compliance with liability policies and ensure each site is equipped with hard copies.



### **Role Expectations – Underwriting Representative**

This resource will serve 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.

- Ensure the ability to access TWIA/TFPA’s core system applications.
- Work 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**

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

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