

# Making the Most of TWIA Coverage

## Increased Cost of Construction (ICC) Endorsement



Policyholders are often shocked to learn that standard insurance policies won't pay for upgrades required by current building codes. TWIA's Increased Cost of Construction (ICC) endorsement offers coverage for policyholders in these circumstances.

For older homes, the ICC endorsement could pay to elevate a home, upgrade the electrical systems, or provide coverage for many other code-related improvements that would otherwise be paid for out-of-pocket.

Endorsements **TWIA-431** (residential) and **TWIA-432** (commercial) cover the increased costs associated with required code upgrades. The ICC endorsement only provides funds if those costs are directly related to code-related upgrades. Coverage amounts are offered at 5, 10, 15 or 25 percent of the Coverage A (Building) limit of liability.



**TWIA does not pay for updates required for building code changes unless the ICC endorsement is purchased.**



### Does ICC coverage have a deadline?

Yes. Policyholders are required to submit a claim within one year of the date of loss and have two years to complete ICC repairs. Policyholders must submit receipts showing the extra amount incurred to comply with building ordinances and laws.

**For more information, visit TWIA's Increased Cost of Construction resource page.**

**Repairing a home to meet current building codes after a major hurricane can incur significant additional costs, often ranging from \$20,000 to well over \$100,000.**

Common items subject to building ordinances include doors, windows, garage doors, siding, insulation, electrical systems, framing, roofing, foundations, and elevation requirements.

### Example ICC Endorsement Coverage

\$400,000 dwelling amount

Premium for building coverage: \$2,000

25% ICC endorsement coverage: **\$100,000**

ICC endorsement cost: **\$317 per policy period**

### How many properties need ICC coverage?

If your home was built prior to current local building code updates, you may have increased costs to repair.

**Hurricane Harvey resulted in 390 claims that included ICC payments, averaging \$19,817 each.**

### How do I know if property repairs are subject to building ordinances and laws?

**Contact a local contractor.** Based on their experience, they may know local building requirements and can factor these costs into their repair estimates.

**Contact your city building department.** You or your contractor may find out which ordinances or laws apply when seeking building permits.

**Contact the Texas Department of Insurance for windstorm certification requirements.** Any building constructed, altered, remodeled, enlarged, repaired, or added to must meet the applicable windstorm building code standards for its area in order to maintain insurance through TWIA.

**Check your mail.** You may receive a letter from your community's building department indicating you have substantial damage (greater than 50% of the value of your property) and must rebuild in compliance with local floodplain management rules.

This document is intended for educational purposes only and does not supersede your policy contract. Every claim is evaluated on its own merits and it is possible your particular claim could be handled differently.

Version: 1 • Date: October 2023

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