



# Request for Proposal – Catastrophe Modeling Services

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## Written Questions and Responses

***Will the selected reinsurance broker complete independent catastrophe model output used in the placement of reinsurance capacity?***

The exact model output provided to reinsurance markets in the course of reinsurance placement services will be up to the reinsurance broker. TWIA does not prohibit the reinsurance broker from producing their own independent model output to be used in the reinsurance placement process.

***What information or model output from the selected catastrophe modeling firm will be shared with the selected reinsurance broker?***

TWIA intends to share any information or model output with the selected reinsurance broker that is germane to the placement of the reinsurance program.

***What information or model output will be shared with other entities affiliated or unaffiliated with TWIA?***

Information and model output may be shared with a variety of affiliated and unaffiliated entities, including but not limited to the TWIA Board of Directors and its Committees, the Texas Department of Insurance, the Texas Legislature, and the public where state law provides.

***Please describe the type and frequency of cat modeling and analytics support. (i.e. is this to support the reinsurance placement alone or a year round partnership/engagement)***

The current intent is for cat modeling and analytics support to be provided at a minimum for the reinsurance placement and annual rate adequacy analysis. Additional projects or ad hoc analysis may also arise.

***What models and versions used for the most recent placement as well as any models used beyond the scope of TWIA's reinsurance placement?***

Current modeling results may be found in the Financials and Reports section of the TWIA website at:

<https://www.twia.org/wp-content/uploads/TWIA-Catastrophe-Model-Output-Summary-11.30.2020.pdf>.

***What models, including versions, does TWIA license or intend to license for each peril?***

Please see the current modeling results referenced above.

***Will TWIA provide access to previous year's placement modeling and any assumptions that were made?***

Please see the current modeling results referenced above.

***Will TWIA provide the selected catastrophe modeling advisor with details on any exposure data enhancements you've incorporated using external vendor supplied information (i.e. Guidewire)?***

The selected catastrophe modeling advisor will be expected to work with TWIA on exposure data enhancements that have already been incorporated and that may be incorporated in the future.

***In the Proposal Submission Checklist, the "Order" Column is missing items 12, 13, and 14. Similarly (although in a slightly different way) the "RFP Section Reference" column is missing any reference to sections 9.9, 9.13 and 9.14.***

The misnumbering in the Order column and the missing sections in the RFP Section Reference column are in error. Please include information responsive to all RFP sections in your written response.

# Request for Proposal – Reinsurance Broker Services

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## Written Questions and Responses

***Is the structuring or placement of catastrophe bonds considered other goods and services?***

The reinsurance broker will be responsible for administration areas associated with traditional reinsurance and catastrophe bonds, including coordination within the program between the two, as described in Section 3.1 of the RFP. The actual structuring or placement of catastrophe bonds would be considered other goods and services outside the scope of Section 3.1.

***What modeling output is the reinsurance broker expected to provide reinsurance markets specific for reinsurance placement services?***

The exact model output provided to reinsurance markets in the course of reinsurance placement services will be up to the reinsurance broker. TWIA does not prohibit the reinsurance broker from producing their own independent model output to be used in the reinsurance placement process.

***In the Proposal Submission Checklist, the “Order” Column is missing items 12, 13, and 14. Similarly (although in a slightly different way) the “RFP Section Reference” column is missing any reference to sections 9.9, 9.13 and 9.14.***

The misnumbering in the Order column and the missing sections in the RFP Section Reference column are in error. Please include information responsive to all RFP sections in your written response.

***Will TWIA be providing additional information upon request? If so, please provide the following information:***

- ***Projected CRTF balance at June 1, 2022***
- ***Exposure information with location level data***
- ***2021 and 2022 projected earned premium***
- ***A placement summary of the 2021 program, including the reset calculations of the cat bonds for the 2022 wind season.***
- ***Current reinsurance supporters with participation percentages by layer***

TWIA does not intend to provide this level of detail as part of the RFP process. Please use and document any reasonable assumptions used in your written response. Please see questions above and below regarding current modeling output and Section 2.1, respectively, for more detail.

***What is the adjustment feature of the current reinsurance program (x cat bonds); is it adjusted on earned premium, TIV, modeled loss, or some other feature?***

The TWIA reinsurance program currently adjusts on Total Insured Value (TIV).

***Under section 2.1, it suggests that the “Selected Respondent will be expected to provide structure options and facilitate traditional reinsurance placement and any other risk financing mechanisms, including catastrophe bonds, beginning with the 2022 renewal.” Is the Committee expecting structure design and preliminary 2022 programs suggestions within the written document and/or the November 2nd presentation? If its expected within the written RFP, what section of the RFP response should it be in?***

The Committee does not expect specific structure design or programs for the 2022 funding structure as part of the written response to this RFP. Section 2.1 refers to the scope of work expected of any vendor selected as a result of the RFP.