



May 14, 2021

Regulatory Policy Division  
Property & Casualty Filings Intake  
Texas Department of Insurance  
Mail Code 104-3B  
P.O. Box 149104  
Austin, Texas 78714-9104

Submitted via SERFF

Re: New TWIA Rating Rules

Dear Property & Casualty Filings Intake:

In accordance with TDI's December 1, 2017 elimination of manual rule filings, Texas Windstorm Insurance Association (TWIA) is submitting its TWIA Rating Rules (Rating Rules) for review. While the document itself is new, the information contained within the Rating Rules are the portions of the previously filed TWIA Rules Manual (Exhibit E) that were categorized as manual rules. The balance of the information from the TWIA Rules Manual (Exhibit E) not included in the new Rating Rules document will be filed separately as the TWIA Instructions and Guidelines Manual (TWIA-132838194).

Attached to this letter, please find an explanatory memorandum identifying the sections of the previous manual that have changed, copy of Commissioner's Order No. 12-0028 approving the previously filed Exhibit E, the previously approved version of Exhibit E, a redline of the Rating Rules comparing the recent revisions with previously filed and approved Exhibit E, and a clean copy of the Rating Rules. Please note, pursuant to TDI's December 1, 2017 elimination of manual rule filings, a large majority of the revisions shown in the redlined document reflect the separation of the TWIA Rules Manual (Exhibit E) into the attached TWIA Rating Rules and a separate TWIA Instructions and Guidelines Manual. The small number of remaining revisions reflect changes in current business processes and the replacement of outdated rate related information with updated information previously approved by the Texas Department of Insurance. Information that is obsolete was also removed from the Rating Rules. Several sections have also been added to reflect the creation of new endorsements that will be implemented as a part of an upgraded policy administration system TWIA is currently working to deploy in 2022. These new endorsements are also being submitted to TDI for review and approval as separate filings (TWIA-132821850, TWIA-132821929, TWIA-132821975, TWIA-132822110, and TWIA-132836491).



Should you have questions or require anything further, please feel free to contact me at 737-800-9935.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Watkins".

Cindy Watkins  
Manager, Legal & Compliance



## MEMORANDUM

DATE: May 14, 2021  
TO: Property & Casualty Filings Intake, Texas Department of Insurance  
FROM: Cindy Watkins, Manager, Legal & Compliance  
RE: New TWIA Rating Rules

In accordance with TDI's December 1, 2017 elimination of manual rule filings, Texas Windstorm Insurance Association (TWIA) is submitting its TWIA Rating Rules (Rating Rules) for review. While the document itself is new, the information contained within the Rating Rules are the portions of the previously filed and approved TWIA Rules Manual (Exhibit E) that were categorized as manual rules. The balance of the information from the TWIA Rules Manual (Exhibit E) not included in the new Rating Rules document will be filed separately as the TWIA Instructions and Guidelines Manual (TWIA-132838194). Several sections have also been added to reflect the creation of new endorsements that will be implemented as a part of an upgraded policy administration system TWIA is currently working to deploy next year. These new endorsements are being submitted to TDI for review and approval as separate filings (TWIA-132821850, TWIA-132821929, TWIA-132821975, TWIA-132822110, and TWIA-132836491).

Below please find a description of the changes made to create the new TWIA Rating Rules document. Please note, the page numbers in the below table refer to the number listed in the page counter of the PDF reader for the redlined version of the new TWIA Rating Rules document.

*Manual Section	Description of Change
Entire Document	<p>The entire document has been branded, reformatted, and placed on the TWIA company template to include the TWIA logo to increase consistency across TWIA documentation.</p> <p>Sections have been renumbered as appropriate to reflect the changes made throughout the entire document.</p> <p>Section headings have been reformatted from all capital letters to only capitalizing the first word of</p>



*Manual Section	Description of Change
	<p>each letter to increase consistency across TWIA documentation.</p> <p>The edition date has been updated to reflect the current version of the document.</p>
<b>Table of Contents (p. 2-5)</b>	<p>The table of contents has been updated to reflect the changes made throughout the entire document.</p>
<b>General Rules: Scope (p. 6)</b>	<p>This section has been revised to read “The rules and rates contained in this Manual shall govern the writing of the windstorm and hail insurance policies issued by Texas Windstorm Insurance Association (Association)” in order to reflect the separation of the TWIA Manual Rules (Exhibit E) into the TWIA Instructions and Guidelines Manual and the new TWIA Rating Rules Manual.</p>
<b>General Rules: Eligibility (p. 7)</b>	<p>This section has been removed from the TWIA Rating Rules Manual as all currently applicable eligibility rules are contained within the TWIA Instructions and Guidelines Manual.</p>
<b>General Rules: Definitions (p. 7-9)</b>	<p>This section has been removed from the TWIA Rating Rules Manual and added to the TWIA Instructions and Guidelines Manual pursuant to TDI’s December 1, 2017 elimination of manual rule filings.</p>
<b>General Rules: Determination of Territory (Catastrophe Areas) (p. 9-10)</b>	<p>This section wording has been revised to match the information contained on TWIA’s website (<a href="https://www.twia.org/about-us/overview/">https://www.twia.org/about-us/overview/</a>) to increase consistency across TWIA</p>



*Manual Section	Description of Change
	documentation. The substance remains the same.
<b>General Rules: Insurable Property (p. 11-13)</b>	This section has been removed from the TWIA Rating Rules Manual as all currently applicable insurable property rules are contained within the TWIA Instructions and Guidelines Manual.
<b>General Rules: Policy Term (p. 13-14)</b>	<p>The text “EXCEPTION: Builders Risk Policies may be written for a broken term at pro-rata of the annual premium subject to the minimum earned premium Rule I-M” has been removed to reflect TWIA’s current business processes.</p> <p>The remainder of this section will stay in the Rating Rules and be added to the TWIA Instructions and Guidelines Manual as it is relevant to both documents.</p> <p>The word “are” was added to improve readability.</p>
<b>General Rules: Coinsurance (p. 14-16)</b>	<p>“Rule I-C” in item 1(b) has been replaced with “the TWIA Instructions and Guidelines Manual” to reflect the removal of the “Definitions” section from the TWIA Rating Rules Manual and its addition to the TWIA Instructions and Guidelines Manual.</p> <p>Periods have been added to the end of items 2(b)(1), 2(b)(2), 2(b)(4), and 2(b)(5) to increase consistency throughout the document.</p> <p>The “First Loss Scale Formula” chart will be removed from the TWIA Instructions and</p>



*Manual Section	Description of Change
	Guidelines Manual and remain in the Rating Rules pursuant to TDI's December 1, 2017 elimination of manual rule filings.
<b>General Rules: New or Increased Coverage and Renewal Applications (p. 17-19)</b>	This section has been removed from the TWIA Rating Rules Manual as all currently applicable rules regarding new or increased coverage and renewal applications are contained within the TWIA Instructions and Guidelines Manual.
<b>General Rules: Deductibles (p. 19-22)</b>	<p>Pursuant to TDI's December 1, 2017 elimination of manual rule filings, the following changes have been made:</p> <p><b><u>Dwellings</u></b></p> <ul style="list-style-type: none"> <li>• The "Dwellings" section has been replaced with the "Dwelling and Farm &amp; Ranch Deductible section" from the TWIA Instructions and Guidelines Manual and moved to the "Dwelling and Farm &amp; Ranch Dwelling Rating" section of the TWIA Rating Rules Manual.</li> <li>• The deductible tables have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li> <li>• All applicable references have been updated to reflect the aforementioned changes.</li> </ul> <p><b><u>Commercial Risks and Public Buildings</u></b></p> <ul style="list-style-type: none"> <li>• The "Commercial Risks and Public Buildings" section has been replaced with the "Deductibles" section from the TWIA Instructions and Guidelines Manual and</li> </ul>



*Manual Section	Description of Change
	<p>moved to the “Commercial Rating” section of the TWIA Rating Rules Manual.</p> <ul style="list-style-type: none"> <li>The corresponding deductible tables have been removed from the TWIA Instructions and Guidelines Manual and will remain only in the TWIA Rating Rules Manual.</li> <li>All applicable references have been updated to reflect the aforementioned changes.</li> </ul>
<b>General Rules: Maximum Limits of Liability (p. 25-26)</b>	This section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding the maximum limits of liability is contained within the TWIA Instructions and Guidelines Manual.
<b>General Rules: Cancellations and Minimum Retained Premium (p. 26-27)</b>	This section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding cancellations and minimum retained premium is contained within the TWIA Instructions and Guidelines Manual.
<b>General Rules: Rules from Texas General Basis Schedules (p. 27)</b>	This section has been removed as it is obsolete.
<b>General Rules: Premium (p. 22)</b>	The “Interpolation of Premium” section was moved from the now-deleted Appendix C (p. 123-124) to the “General Rules” section to improve the organization of the new TWIA Rating Rules Manual.
<b>General Rules: Mixed Construction (p. 22)</b>	The “Mixed Construction” section was moved from the now-deleted Appendix D (p. 143) to the “General Rules” section to improve the organization of the new TWIA Rating Rules Manual.



*Manual Section	Description of Change
<b>General Rules: Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building (p. 23)</b>	The “Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building” section was moved from the now-deleted Appendix C (p. 118) to the “General Rules” section to improve the organization of the new TWIA Rating Rules Manual.
<b>Policy Forms and Endorsements (p. 27-42 &amp; 56-57)</b>	<p>With the exception of information related to rates for endorsements with a specific rating structure, this entire section was removed as all currently applicable information regarding policy forms and endorsements is contained within the TWIA Instructions and Guidelines Manual.</p> <p>All information regarding the application of rates related to specific endorsements has been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</p> <p>A new section was added to reflect the creation of the new TWIA “Endorsement No. (TWIA) 419 Other Structures on the Described Location Increased Limits,” which is being submitted to TDI for review and approval as a separate filing.</p>
<b>Rating Rules (p. 43-47)</b>	The “Mandatory Building Code Credits” section has been moved to the “Dwelling and Farm & Ranch Dwelling Insurance” (p. 67-77) section to improve the organization of the new TWIA Rating Rules Manual. The table listing the credits has been removed from the TWIA Instructions and Guidelines Manual, added to the TWIA Rating Rules Manual, and updated to reflect the



*Manual Section	Description of Change
	<p>adoption of the 2018 editions of the International Residential Code and the International Building Code in Title 28 TAC §5.4012.</p> <p>The “Mandatory Roof Covering Credits” section has been moved to the “Dwelling and Farm &amp; Ranch Dwelling Insurance” (p. 67-77) section to improve the organization of the new TWIA Rating Rules Manual. The table listing the credits has been removed from the TWIA Instructions and Guidelines Manual as it is already located in the TWIA Rating Rules Manual.</p> <p>The remainder of this section has been deleted as the most recently updated version of the rate-related information included in this section is now located in the “Commercial Insurance” (p. 62-66) and “Dwelling and Farm &amp; Ranch Dwelling Insurance” (p. 67-77) sections of the TWIA Rating Rules Manual.</p>
<b>Rate Tables (p. 50-56)</b>	<p>This entire section has been replaced with the most recently updated versions of the currently applicable rate tables previously approved by the Texas Department of Insurance.</p>
<b>Manufactured Housing (Mobile Homes) (p. 58-61)</b>	<p>The section title has been changed to “Manufactured Homes” to increase consistency across TWIA documentation.</p> <p>The entire section has been moved to follow the “Policy Forms and Endorsements” section and precede the “Commercial Insurance” section.</p>



*Manual Section	Description of Change
<b>Manufactured Housing (Mobile Homes): Eligibility (p. 59)</b>	This entire section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding mobile home eligibility is contained within the TWIA Instructions and Guidelines Manual.
<b>Manufactured Housing (Mobile Homes): Additions to Mobile Homes (p. 59-60)</b>	This entire section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding additions to mobile homes is contained within the TWIA Instructions and Guidelines Manual.
<b>Manufactured Housing (Mobile Homes): Limit of Liability (p. 60)</b>	This entire section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding limits of liability for mobile homes is contained within the TWIA Instructions and Guidelines Manual.
<b>Manufactured Housing (Mobile Homes): Policy Forms and Endorsements (p. 60)</b>	This entire section has been removed from the TWIA Rating Rules Manual as all currently applicable information regarding policy forms and endorsements is contained within the TWIA Instructions and Guidelines Manual.
<b>Manufactured Housing (Mobile Homes): Rates (p. 60-61)</b>	This section has been moved to the “Rate Tables” section (p. 94) of the Rating Rules manual.
<b>Commercial Insurance (p. 62-66)</b>	This entire section is new to the TWIA Rating Rules Manual after previously being included in the TWIA Instructions and Guidelines Manual. The following changes have been made pursuant to TDI’s December 1, 2017 elimination of manual rule filings:



*Manual Section	Description of Change
	<ul style="list-style-type: none"><li>• The “Deductibles” section has been revised as described in the <i>General Rules: Deductibles</i> section of this memorandum.</li><li>• The “Apartment Contents Credit”, “Public Housing Credit”, and “Excess Area Surcharge” sections have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li><li>• The portions of the “Builder’s Risk Coverage” section from the TWIA Instructions and Guidelines Manual referencing rates have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li><li>• The “Commercial Premium Calculation Information” section has been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li><li>• Step #8 has been corrected in the “Commercial Rating Steps” section to reflect current business processes.</li><li>• Step #11 has been removed from the “Commercial Rating Steps” section to more accurately reflect current business process, as a pro rata factor from 0 to 1 is applied regardless of the length of the policy term.</li></ul>
<b>Dwelling and Farm &amp; Ranch Insurance (p. 67-77)</b>	<p>This entire section is new to the TWIA Rating Rules Manual after previously being included in the TWIA Instructions and Guidelines Manual. The following changes have been made pursuant to TDI’s December 1, 2017 elimination of manual rule filings:</p> <ul style="list-style-type: none"><li>• The “Dwelling Premium”, “Residential Personal Property Located in a Commercially Rated Building”, “Rating</li></ul>



*Manual Section	Description of Change
	<p>Territories”, and “Boathouse, Decks, Docks, and Piers” sections have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</p> <ul style="list-style-type: none"><li>• The “Indirect Loss Endorsement and Percentage” table and the section describing the application of the factors in the table have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li><li>• A new indirect loss table has been created to reflect the creation of the new TWIA 311, 321, and 331 endorsements, which are being submitted to TDI for review and approval as separate filings. The existing table will be removed once the existing TWIA 310, 320, and 330 endorsements are no longer in use.</li><li>• Explanations have been added to both indirect loss tables to explain when each table should be used.</li><li>• The “Building Code Credits” section has been revised as described in the <i>Rating Rules</i> section of this memorandum.</li><li>• The “Mandatory Roof Covering Credits” section has been revised as described in the <i>Rating Rules</i> section of this memorandum.</li><li>• The “WPI-8 Waiver Program” section has been added to the TWIA Rating Rules Manual and will also remain in the TWIA Instructions and Guidelines Manual as it is relevant to both. The exact surcharge amount and example will be listed in the Rating Rules and the Instructions and Guidelines will reference their location.</li><li>• The “Certification and Eligibility Exception (TIC 2210.259)” section has been added to the TWIA Rating Rules Manual. The exact premium amount will be listed in</li></ul>



*Manual Section	Description of Change
	<p>the Rating Rules and the Instructions and Guidelines will reference its location.</p> <ul style="list-style-type: none"><li>• The “Deductibles” section has been revised as described in the <i>General Rules: Deductibles</i> section of this memorandum. The deductible options will be listed in the TWIA Rating Rules Manual while the more detailed descriptions of each deductible option will remain in the TWIA Instructions and Guidelines Manual.</li><li>• The “Dwelling Premium Calculation Information” section has been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual.</li></ul>
<b>Superior Construction (p. 78-79)</b>	<p>This entire section is new to the TWIA Rating Rules after previously being included in the TWIA Instructions and Guidelines Manual. The “Insurance Service Office BGII” list and the “Windstorm Symbol Matrix” have been removed from the TWIA Instructions and Guidelines Manual and added to the TWIA Rating Rules Manual pursuant to TDI’s December 1, 2017 elimination of manual rule filings.</p>
<b>Rating Classifications (p. 80)</b>	<p>The “Rating Classifications” table was moved from the now-deleted Appendix D (p. 143) to its own section to improve the organization of the new TWIA Rating Rules Manual.</p>
<b>Rate Tables (p. 81-95)</b>	<p>The previous “Rate Tables” (p. 50-56) section has been replaced with the most recently updated versions of the currently applicable rate tables</p>



*Manual Section	Description of Change
	<p>previously approved by the Texas Department of Insurance.</p> <p>“Rate Chart No. 3 – Scheduled Miscellaneous Farm &amp; Ranch Property” was moved from the now deleted Appendix D (p. 149-150) to the “Rate Tables” section to improve the organization of the new TWIA Rating Rules Manual. The “Extended Coverage” column has been updated to refer to the appropriate rate tables.</p>
<b>Appendices (p. 97-150)</b>	<p>References to Form 4, Form 5, and Form 6 have been deleted throughout the appendices as they refer to forms from the obsolete Texas General Personal Lines and Commercial Property Manuals of Texas.</p>
<b>Appendix A-1 (p. 97-99)</b>	<p>“...Hurricane...” has been removed from the Appendix A-1 title to increase consistency across TWIA documentation.</p> <p>The font style has been changed from Arial to Calibri, consistent with TWIA’s style guidelines.</p> <p>Minor formatting revisions have been made to improve readability.</p>
<b>Appendix A-2 (p. 100-105)</b>	<p>“...Hurricane...” has been removed from the Appendix A-2 title to increase consistency across TWIA documentation.</p> <p>The “Notes and Definitions” sections have been reformatted from a scanned image to text. This section has also been reformatted to one column instead of two columns.</p>



*Manual Section	Description of Change
<b>Appendix A-3 (p. 106-114)</b>	<p>“...hurricane...” has been removed throughout Appendix A-3 to increase consistency across TWIA documentation.</p> <p>The word “AND” has been corrected in the appendix title.</p> <p>The greenhouse rate amount has been replaced by the number 20 as the greenhouse rate has been entered as Rate Table 20 in TWIA’s internal rating system.</p>
<b>Appendix B (p. 115)</b>	<p>Appendix B has been removed from the TWIA Rating Rules Manual and added to the TWIA Instructions and Guidelines Manual pursuant to TDI’s December 1, 2017 elimination of manual rule filings.</p>
<b>Appendix C (p. 116-142)</b>	<p>The table of contents has been removed to improve the readability of the document as a table of contents for the entire document already exists.</p> <p>The “Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building” section has been moved to the “General Rules” section TWIA Rating Rules Manual.</p> <p>The “Interpolation of Premium” section has been moved to the “General Rules” section of the TWIA Rating Rules Manual.</p> <p>The “Construction” section has been removed from the TWIA Rating Rules manual and added to</p>



*Manual Section	Description of Change
	<p>the TWIA Instructions and Guidelines Manual pursuant to TDI’s December 1, 2017 elimination of manual rule filings.</p> <p>The entire appendix – with the exception of the “Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building”, “Interpolation of Premium”, and “Construction” sections – is obsolete and has been deleted from the manual as it was originally from the Texas General Basis Schedules and not specific to TWIA.</p>
<b>Appendix D (p. 143-150)</b>	<p>The rate tables from this section have been replaced with the most recently updated versions of the currently applicable rated tables previously approved by the Texas Department of Insurance in the “Rate Tables” section (p. 81-95) of the TWIA Rating Rules Manual.</p> <p>The “Rating Classifications” table was moved to its own section (p. 80) to improve the organization of the new TWIA Rating Rules Manual.</p> <p>“Rate Chart No. 3 – Scheduled Miscellaneous Farm &amp; Ranch Property” was moved to the “Rate Tables” (p. 95) section to improve the organization of the new TWIA Rating Rules Manual.</p>

Please find attached to this memorandum a copy of Commissioner’s Order No. 12-0028 approving the previously filed Exhibit E, the previously approved version of Exhibit E, a redline of the Rating Rules



comparing the recent revisions with previously filed and approved Exhibit E, and a clean copy of the Rating Rules.

No. **12-0028**

**Official Order  
of the  
Commissioner of Insurance  
of the  
State of Texas  
Austin, Texas**

**Date: January 10, 2012**

**Subject Considered:**

APPROVAL OF TEXAS WINDSTORM INSURANCE ASSOCIATION  
INSURANCE POLICY APPLICATIONS,  
ENDORSEMENTS, AND MANUAL RULES  
PURSUANT TO 28 TAC §5.4911

Commercial application,  
Link #107744, TDI #9212516423, Reference No. P-0510  
Residential and manufactured home applications,  
Link #107743, TDI #9212516422, Reference No. P-0510  
Endorsements TWIA 310 and TWIA 320, and manual rules,  
Link #110420, TDI #9212521235, Reference No. P-1010-10  
Endorsement TWIA 220 and manual rules,  
Link #112314, TDI #9212524606, Reference No. P-0111-01

**The Commissioner makes the following findings of fact and conclusions of law:**

1. *Application Forms.*

a. On April 23, 2010, TWIA submitted its commercial, residential, and manufactured home application forms for approval, as required by 28 Texas Administrative Code (TAC) §5.4911(h). Section 5.4911(h) allows TWIA to continue to use the insurance policy application forms unless the commissioner disapproves them.

b. Notice of the application form submission was published in the May 14, 2010, edition of the *Texas Register* at 35 TexReg 3895. The Department received written comments. A public hearing was not requested or held.

c. TWIA revised and resubmitted the applications in response to public comments, Department concerns, and House Bill 3 (HB 3), 82nd Legislature, 2011, 1st Called Session. The revised applications are attached to this Order as Exhibit A.

d. TWIA requests approval of the commercial, residential, and manufactured home applications, effective immediately.

e. TWIA's proposed application forms in Exhibit A are consistent with Insurance Code Chapter 2210 and will allow TWIA to continue to provide windstorm and hail insurance in the catastrophe area.

f. The applications should be approved for use by TWIA, effective immediately.

2. *Amendments to Endorsements TWIA 310 and TWIA 320.*

a. On October 4, 2010, TWIA submitted amendments to endorsements TWIA 310 and TWIA 320 (Extensions of Coverage). The amendments clarify that the TWIA policy does not cover additional living expenses (ALE) for voluntary or mandatory evacuations. The amendments also clarify that ALE coverage only applies to primary residences and not to secondary residences.

b. To match current endorsement TWIA 320, TWIA changed the applicable limit for ALE on endorsement TWIA 310 from 10% to 20% of the applicable limit of liability in the dwelling policy.

c. Notice was published in the October 22, 2010, edition of the *Texas Register* at 35 TexReg 9552. The Department did not receive any written comments. A public hearing was not requested or held.

d. TWIA revised and resubmitted the endorsements in response to Department concerns. TWIA also amended its manual rules to reflect the effective

dates of the endorsements. The revised endorsements are attached as Exhibits B and C. The manual rules are attached as Exhibit E.

e. TWIA proposes to begin using the amended endorsements with TWIA's dwelling policy between June 1, 2012, and July 1, 2012, for new business and between August 1, 2012, and August 31, 2012, for renewals.

f. Proposed endorsements TWIA 310 and TWIA 320, in Exhibits B and C, are consistent with Insurance Code §2210.208 and TWIA's obligation to provide windstorm and hail insurance in the catastrophe area.

g. Endorsements TWIA 310 and TWIA 320 should be approved for use by TWIA. For new business, TWIA should be ordered to begin using these amended endorsements beginning June 1, 2012, but no later than July 1, 2012. For renewals, TWIA should be ordered to begin using these amended endorsements beginning August 1, 2012, but no later than August 31, 2012. The update to the effective dates in the manual rules should be approved effective March 1, 2012. TWIA should notify the Department when TWIA begins using these endorsements.

### 3. *New Endorsement TWIA 220.*

a. On January 31, 2011, TWIA submitted new mandatory endorsement TWIA 220 (Automatic Adjusted Building Cost Endorsement) for use with its dwelling policy. TWIA also requested withdrawal of optional endorsement TWIA 200 (Adjusted Building Cost Endorsement). TWIA submitted amendments to its manual rules to implement endorsement TWIA 220 and the withdrawal of TWIA 200.

b. Notice was published in the February 18, 2011, edition of the *Texas Register* at 36 TexReg 1190. The Department did not receive any written comments. A public hearing was not requested or held.

c. TWIA proposes to begin using the endorsement with its dwelling policy between March 1, 2012, and March 31, 2012, for new business and between May 1, 2012, and May 31, 2012, for renewals. Endorsement TWIA 220 is attached as Exhibit D.

d. TWIA submitted amendments to its manual rules in response to Department concerns and HB 3. The amendments provide instructions for using

endorsement TWIA 220. The amended manual rules are attached in Exhibit E. TWIA proposes the amended manual rules to be effective March 1, 2012.

e. Proposed endorsement TWIA 220 in Exhibit D is consistent with TWIA's obligation to provide windstorm and hail insurance in the catastrophe area.

f. Endorsement TWIA 220 should be approved for use by TWIA. For new business, TWIA should be ordered to begin using the new endorsement beginning March 1, 2012, but no later than March 31, 2012. For renewals, TWIA should be ordered to begin using the new endorsement beginning May 1, 2012, but no later than May 31, 2012. TWIA should notify the Department when TWIA begins using this endorsement.

g. Endorsement TWIA 200 should be withdrawn from use by TWIA effective March 31, 2012, for new business and May 31, 2012, for renewals. Endorsement TWIA 200 should continue in effect for all policies issued with that endorsement before those dates.

h. The amended manual rules in Exhibit E specify how TWIA is to provide coverage under endorsement TWIA 220. The procedure is consistent with TWIA's obligation to provide windstorm and hail insurance in the catastrophe area. The manual rules should be approved for use by TWIA, effective March 1, 2012. TWIA should not be required to use the manual rules for endorsement TWIA 220 until TWIA begins using TWIA 220.

4. *Authority.* Pursuant to TAC §5.4911, the Commissioner may, after an opportunity for comment and public hearing, approve endorsements, manual rules, and application forms submitted by TWIA to implement Insurance Code Chapter 2210.

**THEREFORE, THE COMMISSIONER APPROVES:**

1. The TWIA policy applications in Exhibit A, effective immediately;
2. Endorsements TWIA 310 and TWIA 320, in Exhibits B and C. The endorsements clarify that the TWIA policy does not cover ALE for voluntary or mandatory evacuations, and that ALE only applies to primary residences and not to secondary residences. For new business, TWIA may begin to use these amended endorsements on June 1, 2012, and must begin to use

- them no later than July 1, 2012. For renewals, TWIA may begin to use these amended endorsements on August 1, 2012, and must begin to use them no later than August 31, 2012. TWIA must notify the Department when TWIA begins using these endorsements;
3. Endorsement TWIA 220 in Exhibit D. TWIA 220 is a mandatory automatic building cost adjustment. For new business, TWIA may begin to use the new endorsement on March 1, 2012, and must begin to use it no later than March 31, 2012. For renewals, TWIA may begin to use the new endorsement on May 1, 2012, and must begin to use it no later than May 31, 2012. TWIA must notify the Department when TWIA begins using this endorsement;
  4. Endorsement TWIA 200, which is an optional building cost adjustment, is withdrawn from use by TWIA effective March 31, 2012, for new business and May 31, 2012, for renewals. Endorsement TWIA 200 continues in effect for all policies issued with that endorsement before those dates; and
  5. The amendments to the manual rules concerning endorsement TWIA 220, TWIA 310, and TWIA 320, in Exhibit E, for use by TWIA effective March 1, 2012. TWIA must use the amended manual rules on or after March 1, 2012.

**AND IT IS SO ORDERED.**

**TEXAS DEPARTMENT OF INSURANCE**

**Eleanor Kitzman  
Commissioner of Insurance**

12-0028

# **Exhibit E**

Manual Rules

TEXAS WINDSTORM INSURANCE ASSOCIATION

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**Appendix D**

**Rating Rules for All Farm and Ranch Property**

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**MANUAL  
TEXAS WINDSTORM INSURANCE ASSOCIATION**

**I. GENERAL RULES**

**A. SCOPE**

The rules, rates, and premiums contained in this Manual shall govern the writing of the windstorm and hail insurance policies issued by the Texas Windstorm Insurance Association (Association).

**B. ELIGIBILITY**

1. Windstorm and hail insurance may be provided only on property located in the designated catastrophe areas as specified in Rule I-D of this Manual.
2. Association policy forms may be issued as follows:
  - a. Dwellings-- Texas Windstorm Insurance Association Dwelling Policy.
  - b. Commercial and Public Buildings, except Farm and Ranch Dwellings-- Texas Windstorm Insurance Association Commercial Policy.
  - c. Farm and Ranch Dwellings-- Texas Windstorm Insurance Association Dwelling Policy with Endorsement No. TWIA-410 attached for Conversion to Farm and Ranch Dwelling Policy.
  - d. Manufactured Housing (Mobile Homes)—Texas Windstorm Insurance Association Dwelling Policy with Endorsement No. TWIA-411 attached for Conversion to TWIA Manufactured Home Policy(See Section V of this Manual for rules and rates governing the writing of this policy).

**C. DEFINITIONS**

1. Dwellings:

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- a. Any structure occupied as a dwelling, garage apartment (not more than two families), duplex dwelling, employee quarters, private garage, private barns, seasonal dwelling, private club house, private camp house, or miscellaneous outbuildings on dwelling premises.
  - b. Any individually owned townhouse unit insured in the name of the unit owner.
2. Commercial Risks: Any structure that is not occupied as a dwelling as defined in paragraph 1 on Dwellings, including:
- a. Buildings/Structures that are occupied for business, professional, or manufacturing purposes, including apartments.
  - b. Farm and Ranch: Buildings/structures located on the premises of a farm and ranch operation including a farm and ranch dwelling. A farm and ranch operation is the growing of crops, fruit, vegetables or other produce; the raising of poultry or livestock; dairying; general farming; timberland; grassland; or land turned back to pasture and not cultivated.
  - c. Apartment Risks: Buildings containing three or more separate units arranged as private residences and permanently equipped for housekeeping.
  - d. Residential Condominium Risks: Buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings, in which each individual unit owner has an undivided interest. Condominiums must be registered in the county in which they are located.
  - e. Townhouse Risks: When written in the name of an association, buildings containing three or more units, each of which is owned by one or more individuals or a corporation, arranged as private residences and permanently equipped for housekeeping. Townhouses with less than three units are considered as dwellings.

NOTE: Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof,

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without openings, are not subject to rating as commercial risks but rather are treated as dwellings for rating purposes. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.)

3. **Public Buildings:** Buildings that are owned by and at least 75% occupied by municipal, district, county, state or federal authorities, or buildings not so owned but wholly and exclusively occupied by such authorities.

**D. DETERMINATION OF TERRITORY (Catastrophe Areas)**

The following areas are designated by the Commissioner of Insurance as catastrophe areas:

1. The counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy.
2. Areas located east of the boundary line of State Highway 146 and:
  - a. within the city limits of Seabrook, (Harris County), Texas.
  - b. within the city limits of La Porte, (Harris County), Texas.
  - c. within the city limits of Shoreacres, (Harris County), Texas.
  - d. within the city limits of Pasadena, (Harris County), Texas.
3. The City of Morgan's Point (Harris County), Texas.

**E. RATING TERRITORIES**

The designated catastrophe areas are in the following rating territories:

<u>County</u>	<u>Territory</u>
Aransas	10
Brazoria	10
Calhoun	10
Cameron	10
Chambers	10
Galveston	8
Harris - Specified Areas	1

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Jefferson	10
Kenedy	10
Kleberg	10
Matagorda	10
Nueces	9
Refugio	10
San Patricio	10
Willacy	10

F. INSURABLE PROPERTY

1. All structures that were constructed or repaired or to which additions are made prior to June 1, 1972.
2. All structures that were constructed or repaired or to which additions were made on and after June 1, 1972 but before January 1, 1988 and were certified as being in compliance with the building specifications of the plan of operation.

EXCEPTION:

Structures constructed, repaired or to which additions were made on or after June 1, 1972 but before January 1, 1988, that are located in an area covered at the time by a building code recognized by the Association shall be considered insurable property for windstorm and hail insurance from the Association without compliance with the building specifications of the plan of operation or inspection and approval by the Texas Department of Insurance. A structure constructed, repaired, or to which additions were made on or after June 1, 1972 but before January 1, 1988, that is located in an area not covered by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the building specifications of the plan of operation or inspection and approval by the Texas Department of Insurance, if that structure has been previously insured by a licensed insurance company authorized to do business in this State and the risk is in essentially the same condition as when previously insured, except for normal wear and tear, and without any structural change other than a change made according to code. Evidence of previous insurance includes a copy of a previous policy, copies of canceled checks or agent's records that show payments for previous policies, and a copy of the title to structure or mortgage company records that show previous policies.

3. All structures constructed, repaired or to which additions were made on and after January 1, 1988 that have been certified by the Texas Department of Insurance as being in compliance with the

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building specifications of the plan of operation shall be considered insurable property, except as provided in items 4 and 5.

A certificate of compliance (Form WPI-8) issued by the Texas Department of Insurance is evidence of insurability of the structure by the Association.

4. a. For property located east of the boundary line of State Highway 146 and inside the city limits of the City of Seabrook (Harris County) and for property located east of the boundary line of State Highway 146 and inside the city limits of the City of La Porte (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before March 1, 1996, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Seabrook or the City of La Porte has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.

"To the best belief and knowledge of the undersigned, the structure, located at (Street Address), (City or Town), Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before March 1, 1996, in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code; and the City of \_\_\_\_\_, Texas, inspected the structure and enforced compliance to said code."

\_\_\_\_\_  
(Signature of Building Official)

\_\_\_\_\_  
(Title)

- b. For property located in the City of Morgan's Point (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before June 1, 1996, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Morgan's Point has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for

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windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.

"To the best belief and knowledge of the undersigned, the structure located at (Street Address), Morgan's Point, Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before June 1, 1996, in accordance with building specifications and standards which comply with the Standard Building Code, (1973 Edition) or an equivalent recognized code; and the City of Morgan's Point, Texas, inspected the structure and enforced compliance to said code."

\_\_\_\_\_  
(Signature of Building Official)

\_\_\_\_\_  
(Title)

- c. For property located east of the boundary line of State Highway 146 and inside the city limits of the City of Shoreacres (Harris County) and for property located east of the boundary line of State Highway 146 and inside the city limits of the City of Pasadena (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before March 1, 1997, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Shoreacres or the City of Pasadena has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.

"To the best belief and knowledge of the undersigned, the structure, located at (Street address), (City or Town), Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before March 1, 1997, in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code; and the City of \_\_\_\_\_, Texas, inspected the structure and enforced compliance to said code."

\_\_\_\_\_  
(Signature of Building Official)

\_\_\_\_\_  
(Title)

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5. The following property if certified by the Texas Department of Insurance as being in compliance with the building specifications of the plan of operation shall be considered insurable property:

- a. A structure constructed, repaired, or to which additions were made on and after March 1, 1996, that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Seabrook (Harris County) or that is located east of the boundary line of State Highway 146 and inside the city limits of the City of La Porte (Harris County).
- b. A structure constructed, repaired, or to which additions were made on and after June 1, 1996, that is located in the City of Morgan's Point (Harris County).
- c. A structure constructed, repaired, or to which additions were made on and after March 1, 1997, that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Shoreacres (Harris County) or that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Pasadena (Harris County).

A certificate of compliance (Form WPI-8) issued by the Texas Department of Insurance is evidence of insurability of the structure by the Association.

6. All structures which are located within those areas designated as units under the Federal Coastal Barrier Resources Act (Public Law 97-348) and for which construction has commenced on or after July 1, 1991, shall not be considered insurable property.

G. POLICY TERM

Policies to be issued for one year only.

EXCEPTION: Builders Risk Policies may be written for a broken term at pro rata of the annual premium subject to the minimum earned premium Rule I-M.

H. COINSURANCE

1. Coinsurance is required as follows:
  - a. Commercial and Public Buildings or business personal property. (Risks rated under Special Index (Appendix A-1),

Supplemental Special Index (Appendix A-2), or General Index (Appendix A-3)).

Tables 1, 2, 3, and 7 through 14: 80% or 100% coinsurance.

Tables HC, WR, and SWR-- Buildings Only: 50%, 80% or 100% coinsurance.

Tables HC, WR, and SWR-- Business Personal Property: 80% or 100% coinsurance.

Tables 5, 5A, and 5B: 80% coinsurance.

- b. Dwelling Buildings as defined in Rule I-C-1: 80% mandatory.
  - c. Dwelling Personal Property: coinsurance not applicable.
  - d. Builders Risk Form No. TWIA-21: coinsurance not applicable; use 100% coinsurance rates except if Tables 5, 5A, and 5B are applicable, use 80% coinsurance rate.  
Builders Risk Form No. TWIA-18: 80% or 100% coinsurance.
2. Waiver of Coinsurance. Coinsurance may be waived when the value exceeds the maximum limit of liability or the amount of insurance exceeds the following minimum limits:
- a. Dwelling: \$100,000 for dwelling building
  - b. Commercial:
    - (1) Farm and Ranch Dwelling: \$100,000 for the dwelling building and \$100,000 for the personal property.
    - (2) Apartments: \$100,000 for the building and \$100,000 for the business personal property.
    - (3) Residential Condominium: \$100,000 for the building and \$100,000 for the business personal property.
    - (4) Townhouse: \$100,000 for the building and \$100,000 for the business personal property.
    - (5) All other Commercial: \$200,000 for the building and \$200,000 for the business personal property.

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3. Determination of Premium. When the Association waives the coinsurance requirements, the premium charged is determined in accordance with the First Loss Scale Formula.

## FIRST LOSS SCALE FORMULA

1.00% of Total Value =	32.50% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.00%	34%	80.220%
1.20%	33.50%	35%	80.550%
1.30%	34.00%	36%	80.880%
1.40%	34.50%	37%	81.210%
1.50%	35.00%	38%	81.540%
1.60%	35.50%	39%	81.870%
1.70%	36.00%	40%	82.200%
1.80%	36.50%	41%	82.530%
1.90%	37.00%	42%	82.800%
2.00%	37.50%	43%	83.000%
2.10%	37.75%	44%	83.300%
2.20%	38.00%	45%	83.600%
2.30%	38.25%	46%	83.900%
2.40%	38.50%	47%	84.210%
2.50%	38.75%	48%	84.460%
2.60%	39.00%	49%	84.700%
2.70%	39.25%	50%	85.000%
2.80%	39.50%	51%	85.200%
2.90%	39.75%	52%	85.400%
3.00%	40.00%	53%	85.600%
3.10%	40.50%	54%	85.800%
3.20%	41.00%	55%	86.000%
3.30%	41.50%	56%	86.200%
3.40%	42.00%	57%	86.400%
3.50%	42.50%	58%	86.600%
3.60%	43.00%	59%	86.800%
3.70%	43.50%	60%	87.000%
3.80%	44.00%	61%	87.200%
3.90%	44.50%	62%	87.400%
4.00%	45.00%	63%	87.600%
4.10%	45.50%	64%	87.800%
4.20%	46.00%	65%	88.000%
4.30%	46.50%	66%	88.200%
4.40%	47.00%	67%	88.400%
4.50%	47.50%	68%	88.60%
4.60%	48.00%	69%	88.80%
4.70%	48.50%	70%	89.00%
4.80%	49.00%	71%	89.20%
4.90%	49.50%	72%	89.40%
5%	50.000%	73%	89.60%
6%	52.000%	74%	89.80%
7%	54.000%	75%	90.00%
7.5%	55.000%	76%	90.40%
8%	56.000%	77%	90.80%
9%	58.000%	78%	91.20%
10%	60.000%	79%	91.60%
11%	61.000%	80%	92.00%
12%	62.000%	81%	92.40%

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## FIRST LOSS SCALES FORMULA (Continued)

13%	63.000%	82%	92.80%
14%	64.000%	83%	93.20%
15%	65.000%	84%	93.60%
16%	66.000%	85%	94.00%
17%	67.000%	86%	94.40%
18%	68.000%	87%	94.80%
19%	69.000%	88%	95.20%
20%	70.000%	89%	95.60%
21%	71.000%	90%	96.00%
22%	72.000%	91%	96.40%
23%	73.000%	92%	96.80%
24%	74.000%	93%	97.20%
25%	75.000%	94%	97.60%
26%	75.625%	95%	98.00%
27%	76.250%	96%	98.40%
28%	76.875%	97%	98.80%
29%	77.500%	98%	99.20%
30%	78.125%	99%	99.60%
31%	78.750%	100%	100.00%
32%	79.375%		

### I. NEW OR INCREASED COVERAGE AND RENEWAL APPLICATIONS

New or increased coverage will be effective on the date received by the Association or effective on the date the application is mailed if sent by registered mail, certified mail, United States Postal Service Express Mail, or if sent by regular mail that is hand canceled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Association's Board of Directors, prior to the time specified in this rule as an exception, unless the application for new or increased coverage stipulates a later date.

Renewal policies will be effective to provide continuous coverage if the request for renewal is received on or before the expiration of the existing policy.

**EXCEPTION:** No new or increased coverage applications will be accepted on the day (beginning at 12:01 A.M.) or after a windstorm designated as a hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 Degrees West Longitude and 20 Degrees North Latitude, until the General Manager determines that the storm no longer threatens property within the designated catastrophe area of the Texas Windstorm Insurance Association. This exception does not apply to any new or increased coverage application that meets underwriting criteria that is submitted as follows: delivered in person to the Texas Windstorm Insurance Association's Austin office during its normal business hours prior to a windstorm 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; or mailed prior to the first day that a windstorm designated as a

hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude by registered or certified mail or United States Postal Service Express Mail or regular mail that is hand-canceled by the United States Postal Service or such other mailing procedure as approved by the Board of Directors. Such applications will be accepted and become effective on the date delivered in person or mailed or a later date if stipulated on the applications. This exception also does not apply to any renewal policy affording windstorm coverage if the expiring policy was written by the Association and if the application for renewal was received by the Association on or before the expiration of the existing Association policy or if mailed by registered mail, certified mail, United States Postal Service express mail or regular mail that is hand canceled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Association's Board of Directors prior to expiration of the existing Association policy

## J. DEDUCTIBLES

### 1. Dwellings

- a. The following deductible options may be used unless an optional large deductible is selected:

- (1) \$100 Deductible

- (2) \$250 Deductible

Dwelling extended coverage rates contemplate a deductible equal to 1% (but not less than \$100) of the amount of insurance applicable to each item. Refer to the Deductible Adjustment Percentages Schedule in the Dwelling Section of the Texas Personal Lines Manual to calculate rate for \$100 and \$250 deductible.

- (3) 1% Deductible

- b. Optional Large Deductible

An optional large deductible of 1½%, 2%, 2½%, 3%, 4%, or 5% may be provided for dwelling risks. Refer to the Optional Large Deductible Chart in the Dwelling Section of the Texas Personal Lines Manual for the appropriate premium credit.

- (1) The minimum deductible amount may not be less than \$100.

- (2) The actual deductible amount in dollars must be shown on the declarations page of the policy.
- (3) The selection of a large deductible is at the option of the insured. The Association may not require the selection of a large deductible as a condition to issue the windstorm and hail policy.

## 2. Commercial Risks and Public Buildings

- a. The following deductible credit percentages apply for a 1%, 2%, or 5% per item per occurrence deductible:

Amount of Insurance corresponding to the coverage item listed on the declarations page			Credit based on selected percentage		
			<u>1%</u>	<u>2%</u>	<u>5%</u>
0	to	100,000	10%	13%	20%
100,001	to	200,000	12%	15%	23%
200,001	to	250,000	15%	20%	24%
250,001	to	300,000	17%	21%	25%
300,001	to	400,000	18%	22%	27%
400,001	to	500,000	20%	23%	30%
500,001	to	1,000,000	23%	26%	34%
1,000,001	to	1,500,000	25%	30%	36%
1,500,001	to	2,000,000	27%	32%	37%
2,000,001	to	2,500,000	30%	34%	39%
2,500,001	to	3,500,000	32%	35%	41%
3,500,001	to	5,000,000	34%	36%	43%
5,000,001	to	7,500,000	36%	39%	45%
7,500,001	to	10,000,000	38%	41%	47%
10,000,001	to	15,000,000	40%	43%	49%
15,000,001	to	25,000,000	42%	45%	51%
25,000,001	to	Above	43%	46%	52%

Note: All deductibles subject to \$1000 minimum.

- b. The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000.

Amount of Insurance corresponding to the coverage item listed on the declarations page			Credit for minimum deductible
			<u>\$1000</u>
1,000	to	1,110	90%
1,111	to	1,332	75%

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1,333	to	1,999	60%
2,000	to	2,221	56%
2,222	to	2,499	51%
2,500	to	2,856	47%
2,857	to	3,332	42%
3,333	to	3,999	38%
4,000	to	4,999	33%
5,000	to	6,665	29%
6,666	to	9,999	24%
10,000	to	19,999	20%
20,000	to	24,999	18%
25,000	to	33,332	15%
33,333	to	49,999	13%
50,000	to	99,999	10%

## K. MAXIMUM LIMITS OF LIABILITY

1. Association policies are subject to a maximum limit of liability. The maximum limit of liability and any adjustment to the maximum limit of liability must be approved by the commissioner of insurance. Maximum limits of liability have been set and approved for items 2, 3 and 4 below. These limits are published in the Texas Windstorm Insurance Association (TWIA) Instructions and Guidelines resource document for agents and may be found on the Association's website at [www.twia.org](http://www.twia.org) under TWIA Instructions and Guidelines.
2. Dwellings. Maximum limits of liability are set for:
  - a. a dwelling and the personal property located in or about the dwelling.
  - b. a townhouse unit and the personal property located in or about the townhouse unit when rated as a dwelling.
  - c. individually owned personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property.
3. Commercial Risks. Maximum limits of liability are set for:
  - a. each commercial building/structure and the business personal property located in the building/structure, except farm and ranch dwellings and outbuildings used solely

in connection with the farm and ranch dwelling.

- b. a farm and ranch dwelling and the personal property located in or about the farm and ranch dwelling.
  - c. each building for an apartment, residential condominium or townhouse and the business personal property of the owner of the structure in which the apartment, condominium or townhouse is located.
  - d. individually owned business personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property.
3. Public Buildings. Maximum limits of liability are set for:
- each public building and the business personal property located in the building.

L. CANCELLATIONS AND MINIMUM RETAINED PREMIUM

1. Cancellations.
- a. A policy may be canceled at any time at the request of the insured or a premium financier by notifying the Association in writing of the date cancellation is to take effect. The Association will refund premium in accordance with §5.4905 of this subchapter (relating to Minimum Retained Premium) when the policy is returned to the Association. The refund will be pro rata of the amount in excess of the minimum retained premium under subsection (2) of this section in which case the Association shall upon demand and surrender of the policy refund the unearned premium on a pro-rata basis.
  - b. Non-payment of premium shall be deemed a request for cancellation by the insured.
  - c. The Association may not initiate flat cancellation for any reason.
  - d. The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.
  - e. The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.

2. Minimum Retained Premium.

- a. The minimum retained premium per policy shall be the premium amount equal to 90 days of the annual policy term or \$100, as determined in accordance with §5.4905 of this subchapter.
  - b. The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.
  - c. The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.
  - d. In the event of cancellation of the policy by the Association, paragraphs (a) – (c) of this subsection shall not apply and the actual unearned premium must be refunded.
3. This section shall control over any conflicting provision in the rules manual adopted by reference in §5.4501 of this title (relating to Rules for the Association). This section applies to each Association policy that is issued or renewed on or after November 27, 2011.

M. RULES FROM TEXAS GENERAL BASIS SCHEDULES

The rules of the Texas General Basis Schedules, approved prior to and in effect on October 1, 1991, as applicable in whole or in part, shall apply when not in conflict with the other rules of this manual. These rules are contained in Appendix C.

**II. POLICY FORMS AND ENDORSEMENTS**

The following policy forms and endorsements are to be used:

A. Policy Forms

1. Texas Windstorm Insurance Dwelling Policy

## 2. Texas Windstorm Insurance Association Commercial Policy.

### B. Endorsements

1. Endorsements for use with the TWIA Dwelling Policy and the TWIA Commercial Policy Form No. TWIA-1, Blank Schedule Form, effective June 15, 1999.
2. Endorsements for use with the TWIA Dwelling Policy and the TWIA Commercial Policy.
  - (A) Form No. TWIA-12, Assignment of Interest or Change in Mortgagee or Trustee, effective June 15, 1999.
  - (B) Form No. TWIA-23, Cancellation Report, effective June 15, 1999.
  - (C) Form No. TWIA-77, General Change Endorsement, effective June 15, 1999.
  - (D) Form No. TWIA-112, Loss Payable Clause, effective June 15, 1999.
  - (E) Form No. TWIA-113, Lost Policy Voucher, effective June 15, 1999.
  - (F) Form No. TWIA-130, Mortgage Clause (Without Contribution), effective June 15, 1999.
  - (G) Form No. TWIA-151A, Premium Assignment Clause, effective June 15, 1999.
  - (H) Form No. TWIA-175, Sale Contract Clause, effective June 15, 1999.
  - (I) Form No. TWIA-195, Sworn Statement in Proof of Loss, effective June 15, 1999.

### 3. Endorsements for Use with the TWIA Commercial Policy.

- (A) Form No. TWIA-18, Builders Risk—Stated Value Form, effective June 15, 1999.
- (B) Form No. 21, Builders Risk--Actual Completed Value Form, effective June 15, 1999
- (C) Form No. TWIA-26, Church Form, effective June 15, 1999.
- (D) Form No. TWIA-115, Lumber Form--Specific--Retail Yard, effective June 15, 1999.
- (E) Form No. TWIA-164, Replacement Cost Endorsement, amended November 27, 2011.
- (F) Form No. TWIA-165, Replacement Cost Endorsement, Excluding Roof Coverings, amended November 27, 2011.
- (G) Form No. TWIA-176, School Form, effective June 15, 1999.
- (H) Form No. TWIA-280, Condominium Property Form--Additional Policy Provisions, effective June 15, 1999.

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- (I) Form No. TWIA-282, Condominium Property Form-- Additional Policy Provisions, amended June 15, 1999.
- (J) Form No. TWIA-17, Business Income Coverage, amended November 27, 2011.
- (K) Form No. TWIA-432, Extension of Coverage—Increased Cost of Construction (Commercial), effective April 1, 2008.

4. Endorsements for Use with the TWIA Dwelling Policy.

- (A) Form No. TWIA-310, Extensions of Coverage, amended June 1, 2012.
- (B) Form No. TWIA-320, Extensions of Coverage, amended June 1, 2012.
- (C) Form No. TWIA-410, Conversion to Farm and Ranch Dwelling Policy, amended November 27, 2011.
- (D) Form No. TWIA-431, Extension of Coverage—Increased Cost of Construction (Dwelling), effective April 1, 2008
- (E) Form No. TWIA-330, Extensions of Coverage, amended June 15, 1999.
- (F) Form No. TWIA-365, Replacement Cost Endorsement--Personal Property, amended November 27, 2011.
- (G) Form No. TWIA-400, Actual Cash Value—Roofs (One or Two Family Dwellings), amended November 27, 2011.
- (H) Form No. TWIA-420, Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail, effective June 15, 1999.
- (I) Form No. TWIA-220, Automatic Adjusted Building Cost Endorsement, effective March 1, 2012.
- (J) Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy, effective November 27, 2011.

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5. Endorsements for use with form No. TWIA-411, Conversion to TWIA Manufactured Home Policy.

- (A) Form No. TWIA-29, Mandatory Endorsement, amended June 15, 1999.
- (B) Form No. TWIA-570, Mobile Home Percentage Deductible Clause (Coastal Area), amended November 27, 2011.
- (C) Form No. TWIA-575, Mobile Home Percentage Deductible (Beach Area), amended November 27, 2011.

C. RULES FOR ATTACHMENT OF CERTAIN ENDORSEMENTS

1. Replacement Cost Endorsement Form No. TWIA- 365  
(Personal Property)

Form No. TWIA-365 may be attached to substitute "Replacement Cost" for "Actual Cash Value" subject to the exclusions and conditions of the endorsement. Attachment of the endorsement is subject to the following conditions and additional premium.

- a. If Association policy covers dwelling and personal property and coverage on the same personal property is provided under Endorsement HO-101 or an equivalent form, the Association policy may be endorsed with Form No. TWIA-365 by applying 5% surcharge to the total Association policy premium for such dwelling and personal property.
- b. If Association policy covers personal property only and coverage on the same personal property is provided under Endorsement TDP-002 or an equivalent form, the Association policy may be endorsed with Form No. TWIA-365 by applying 15% surcharge to the total Association policy premium for such personal property. The surcharge shall be applied to the total Association policy premium for the dwelling and personal property before charge for a deductible other than the percentage deductible.

Minimum limit is \$8,000 on personal property when other coverage is provided under Endorsements HO-101, TDP-002 or their equivalent.

2. Extensions of Coverage Endorsements. The following endorsements must be attached to an Association windstorm and hail

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policy if a companion homeowners, dwelling, farm and ranch, or farm and ranch owners policy is issued which excludes the coverages provided by one of these endorsements.

a. TWIA-310: Form No. TWIA-310 must be attached to the Texas Windstorm Insurance Association Dwelling Policy when:

- i. A homeowners, condominium unit owners, farm and ranch owners, dwelling (TDP-3), farm and ranch (TFR-3) policy or an equivalent policy is issued in the voluntary market, and
- ii. A windstorm exclusion endorsement is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail, and
- iii. The application for the Texas Windstorm Insurance Association Dwelling Policy does not include a request for wind-driven rain coverage.

Form No. TWIA-310 must also be attached to the Texas Windstorm Insurance Association Dwelling Policy when a tenant homeowners policy is issued in the voluntary market with a windstorm exclusion endorsement attached.

b. TWIA-320. Form No. TWIA-320 must be attached to the Texas Windstorm Insurance Association Dwelling Policy when:

- (i) A homeowners, condominium unit owners, farm and ranch owners, dwelling (TDP-3), farm and ranch (TFR-3) policy or an equivalent policy is issued in the voluntary market, and
- (ii) A windstorm exclusion endorsement is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail, and
- (iii) The application for the Texas Windstorm Insurance Association Dwelling Policy includes a request for wind-driven rain coverage.

c. TWIA-330. Form No. TWIA-330 must be attached to the Texas Windstorm Insurance Association Dwelling Policy or Farm and Ranch Dwelling Policy when:

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- (i) A dwelling policy (Forms TDP-1 or TDP-2 or equivalent) or a farm and ranch policy (Form TFR-1 or TFR-2 or its equivalent) is issued in the voluntary market, and
  - (ii) A windstorm exclusion is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail.
- 3. Actual Cash Value -- Roofs (Dwellings), Endorsement Form No. TWIA-400

Form No. TWIA-400 may be attached to policies insuring dwellings.

a. Eligibility

If the deductible amount is 1% or less of the Coverage A (Dwelling) limit of liability, this endorsement may be used to provide actual cash value on roof coverings that:

- i. are curling, cracking, or missing shingles,
- ii. show signs of significant deterioration,
- iii. have been improperly installed or repaired,
- iv. exceed 15 years of age, or
- v. have been damaged and not repaired.

b. Roof covering means

- i. the roofing material exposed to the weather;
- ii. the underlayments applied for moisture protection; and
- iii. all flashings required in the replacement of a roof covering.

c. Premium Calculation. When Endorsement Form No. TWIA-400 is attached to a policy, a credit of 15% (all territories) shall be applied to the modified extended coverage premium. The credit is applied before any other adjustments to the modified extended coverage premium. The percentage of credit and the amount of the premium credit must be shown on the declarations page of the policy.

d. The premium credit provided for Endorsement Form No. TWIA-400 anticipates a maximum 75% depreciation for roof coverings. In determining actual cash value of damaged roof coverings, any deduction for depreciation is limited to the maximum 75% depreciation.

e. This endorsement may not be attached to a policy insuring a risk with a roof covering qualifying for and receiving a roof credit under Rule III-C-2 (Mandatory Roof Covering Credits) of this Manual.

f. Endorsement Form No. TWIA-400 must be signed by the insured before attachment to a policy. The endorsement is void unless signed by the insured. The Association shall be permitted to attach to a policy a facsimile copy, photocopy, or electronic record copy of the endorsement executed by the named insured. A signature is not required on the endorsement attached to the policy if the Association maintains on file either the original endorsement executed

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by the insured or a photocopy, microfilm copy, or electronic record copy of the original endorsement executed by the insured.

g. Disclosure

The following notice must be prominently displayed on the face of the policy:

**IMPORTANT NOTICE**

Coverage provided by this policy is restricted to actual cash value on roof coverings as provided in attached Endorsement Form No. TWIA-400.

4. Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail, Endorsement Form No. TWIA-420

Endorsement Form No. TWIA-420 is an optional endorsement which may be attached only to a policy insuring a risk eligible and receiving premium credit for the installation of an impact resistant roof covering (see Rule III-C-2, Mandatory Roof Covering Credits) in order to exclude cosmetic damage caused by hail.

- a. Endorsement Form No. TWIA-420 may be attached at the inception date of a new policy, the inception date of a renewal policy, or during the term of the policy on the date a roof covering premium credit is applied to the policy.
- b. Endorsement Form No. TWIA-420 must be signed by the insured before attachment to a policy. The endorsement is void unless signed by the insured. The Association shall be permitted to attach to a policy a facsimile copy, photocopy, or electronic record copy of the endorsement executed by the named insured. A signature is not required on the endorsement attached to the policy if the Association maintains on file either the original endorsement executed by the insured or a photocopy, microfilm copy, or electronic record copy of the original endorsement executed by the insured.
- c. If a risk is eligible to receive a premium credit for the installation of an impact resistant roof covering, but the insured declines to sign for the attachment of the Endorsement Form No. TWIA-420, the Association may offer to issue the policy without the application of a mandatory or optional roof covering credit.

- d. The Association must inform a consumer of the possibility that cosmetic loss or damage may be excluded from the policy in the event any loss occurs to a roof and the damaged roof is replaced with a hail resistant roof covering.
- 5. Builders Risk -- Actual Completed Value Form (Form No. TWIA-21)
  - a. The inception date of the insurance under an Actual Completed Value Builders Risk Form No. TWIA-21 shall be not later than date of commencement of construction, or date when material is placed on premises.
  - b. An Association policy insuring a structure as a builders risk may be written for any term not exceeding one year. The premium shall be a pro rata fraction of the annual premium. A policy with Form No. TWIA-21 attached may not be renewed by endorsement, nor the term of such policy extended by endorsement. A builders risk policy may not extend to cover any existing building or structure.
  - c. The policy may be cancelled pro rata upon, and only upon completion of the risk, or at the request of the Association.
  - d. A policy covering a building in course of construction may be endorsed permitting occupancy upon completion of the building.
  - e. A policy with Form No. TWIA-21 attached may not be used for insuring machinery, stock and/or furniture and fixtures.
  - f. Permanent insurance on a building may not be written until construction of the building is completed and the building has a certificate of compliance issued by the Texas Department of Insurance.
  - g. Additions, Repairs, and Improvements
    - (1) An addition of 10% or less of the original building grade floor area or the value of the repairs or improvements to the building of 10% or less of the total insured value may be insured under a separate policy with Form No. TWIA-21 attached using the permanent rates of the original building. The policy must be limited to the repairs, improvements or additions. An existing permanent policy may be endorsed to extend coverage to include such

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construction at the rate applicable to the original building.

- (2) If the addition is more than 10% of the grade floor area of the original building, the permanent rate of the original building or the builders risk rate, whichever is the higher, shall be used.
- (3) DWELLING EXCEPTION: If specific insurance is desired to cover (i) an addition that does not exceed 10% of the grade floor area of existing building; or (ii) value of repairs or improvements to a building, a separate policy with Form No. TWIA-21 attached may be written using premiums applicable to dwellings. The premium shall be based upon the construction of the existing building and 50% of the estimated completed cost.

In lieu of the foregoing, an existing policy may be endorsed to include coverage for construction that does not exceed 10% of the grade floor area at a premium determined on the same basis as the existing building.

If an addition exceeds 10% of the grade floor area, the premium applicable to dwellings or the premium developed for a builders risk, whichever is greater, shall be charged.

- h. A building in process of demolition is not considered a builders risk and may not be insured under a policy with Form No. TWIA-21 attached.
- i. Where there is a change in the estimated completed cost of a risk insured under an Actual Completed Value Builders Risk Form No. TWIA-21 which requires an increase in the amount of insurance either by increasing the existing policy or the issuance of a separate policy, the premium for the increased amount shall be figured from the inception date of the existing insurance except that when the additional insurance is to cover another new building not already covered, the new building may be added pro rata to the existing policy as a separate item.

## j. Renewal of Policies

- (1) When period of completion extends beyond the original term of the policy and renewal policy is written in the same amount with no change in percentage of liability, the premium for the renewal policy shall be calculated on the basis of one-half the estimated completed cost using current rate.
- (2) If a change in percentage of liability occurs when renewal policy is written, the premium for the original policy shall be adjusted, based on the completed value for its term, and the premium for the renewal policy shall be calculated on the average liability for its term.

**Example:** 1-year policy issued August 15, 1998 for \$600,000 (Estimated completed cost) Premium based on \$300,000 (average liability)  
By August 15, 1999, value of \$400,000 has been placed in building. Original policy must be readjusted to average liability of \$200,000 (Starting value zero; completed at the end of 1 year, \$400,000; average \$200,000). Renewal policy starts out with \$400,000 value in building on August 15, 1999, and estimated completed cost of \$600,000, producing average liability of \$500,000, on which its premium must be based, \$500,000 at full rate.

## 6. Builders Risk--Stated Value Form No. TWIA-18

- a. An insured may purchase builders risk insurance for a stated amount without the conditions of the Actual Value Builders Risk Form No. TWIA-21 by use of Form No. TWIA-18.
- b. The rate for Form No. TWIA-18 shall be the full builders risk rate.

## 7. Extension of Coverage—Increased Cost in Construction Form No. TWIA-431 and TWIA-432.

### a. DWELLING POLICY

- (1) Form No. TWIA-431 may be attached to a windstorm and hail Dwelling Policy to provide additional insurance for the increased cost in construction due to enforcement of any ordinance or law.

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- (2) An insured may select one of the following limits of liability for each building item:

- (a) 5% of Coverage A limit of liability
- (b) 10% of Coverage A limit of liability
- (c) 15% of Coverage A limit of liability
- (d) 25% of Coverage A limit of liability

- (3) The coverage is additional insurance, but the total payment of a covered loss under the policy, including this endorsement, cannot exceed the maximum limit of liability established by law for the specific type of structure that is insured by the Association.

- (4) The rates for the attachment of Form No. TWIA-431 are as follows:

<u>COVERAGE AVAILABLE</u>	<u>RATE AS % OF STRUCTURE PREMIUM</u>
5% of Coverage A limit of liability	7.0%
10% of Coverage A limit of liability	11.6%
15% of Coverage A limit of liability	14.0%
25% of Coverage A limit of liability	15.7%

b. COMMERCIAL POLICY

- (1) Form No. TWIA-432 may be attached to a windstorm and hail Commercial Policy to provide additional insurance for the increased cost in construction due to the enforcement of any ordinance or law.

- (2) An insured may select one of the following limits of liability for each building item:

- (a) 5% of Coverage A limit of liability
- (b) 10% of Coverage A limit of liability
- (c) 15% of Coverage A limit of liability
- (d) 25% of Coverage A limit of liability

- (3) The coverage is additional insurance, but the total payment of a covered loss under the policy, including this endorsement, cannot exceed the maximum limit of liability established by law for the specific type of structure that is insured by the Association.

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- (4) The rates for the attachment of Form No. TWIA-432 are as follows:

<u>COVERAGE AVAILABLE</u>	<u>RATE AS % OF STRUCTURE PREMIUM</u>
5% of Coverage A limit of liability	7.0%
10% of Coverage A limit of liability	11.6%
15% of Coverage A limit of liability	14.0%
25% of Coverage A limit of liability	15.7%

8. Automatic Adjusted Building Cost Endorsement Form No. TWIA-220.
- Form No. TWIA-220 must be attached to policies insuring dwellings. An automatic increase will be applied at each annual renewal of the policy. The increase will be calculated using the respective building cost index in use by the association for a given year, rounding the result to the next \$1000.
  - The insured has the right to request modification of this change in the limit of liability. If the requested change to the limit of liability at renewal differs from the revised limit resulting from application of this endorsement, the request will take effect at the inception of the renewal, provided that it is received prior to the beginning of the policy renewal date. Requests for a limit of liability change received after inception of the policy will be processed as an endorsement to the policy, and will not become effective prior to the date received by TWIA.
  - If the insured requests modification of the change in limit of liability on the dwelling as provided for under item b of this section, the agent must submit a valid Marshall & Swift/Boeckh replacement cost calculation with the request for the change in dwelling limit of liability.

9. Business Income Coverage Endorsement Form No. TWIA-17

Form No. TWIA-17 may only be attached to the Texas Windstorm Insurance Association Commercial Policy. This is optional coverage that will be provided only at the request of the insured.

- Eligibility
  - Only an insured who owns or occupies a "commercial risk" and/or "public building" as those terms are defined in the General Rules I.C.2. and I.C.3. of the Manual of the Texas Windstorm Insurance Association are eligible to purchase loss of business income coverage.
  - Business income coverage will be provided only if this Association is providing the direct coverage.

- i. If the applicant is the building owner, then the Association must insure the building.
  - ii. If the applicant is a tenant, then the Association must insure the business personal property.
- (3) Business income coverage is not available on builder's risks or vacant buildings.
- b. Limits of Liability
  - (1) The maximum limit of liability for loss of business income coverage is \$100,000 per occurrence, per building location.
  - (2) The minimum daily limit is \$50.
  - (3) The maximum daily limit is \$1,000.
  - (4) The limit of liability for extra expense coverage is \$10,000. This coverage does not affect the daily limit or the limit of liability specified in the business income coverage schedule.
- NOTE: Coverage combinations where (daily limit) X (number of days covered) exceeds \$100,000 are not permitted. Valid coverage combinations do not necessarily exist for the entire range of daily limits chosen and are limited to those offered in the rating chart.
- c. Deductible: No coverage applies until 168 hours (7 days) have expired after the direct physical wind or hail loss occurrence.
- d. The coinsurance clause is not applicable to business income coverage.
- e. The premium for this coverage is fully earned when written, except for cancellation of the entire policy.
- f. The business income coverage provided by this endorsement is additional insurance; however, in no event will payment of a covered loss under the policy, including this coverage, exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.
- g. Rating procedure: To determine the applicable premium, multiply the TWIA annual extended coverage building rate (including the 90% modification) times the business income rate adjustment factor from the table. Multiply the result times the per occurrence limit of liability (do not include extra expense), then divide by 100.

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Number of days covered	Apartment Buildings						MFG	Other
	1-25 units	26-50 units		51-100 units				
	Daily limit: \$50-\$100	Daily limit: \$50-\$399	Daily limit: \$400-\$1000	Daily Limit: \$50-\$399	Daily limit: \$400-\$799	Daily limit: \$800-\$1000	Daily limit: \$50-\$1000	Daily limit: \$50-\$1000
365	0.641	0.673	n/a	0.705	n/a	n/a	1.052	0.708
330	0.650	0.682	n/a	0.715	n/a	n/a	1.060	0.717
300	0.665	0.698	n/a	0.731	n/a	n/a	1.082	0.731
270	0.690	0.725	n/a	0.759	n/a	n/a	1.125	0.756
240	0.724	0.761	0.724	0.797	0.761	n/a	1.176	0.790
210	0.758	0.796	0.758	0.834	0.796	n/a	1.235	0.833
180	0.799	0.839	0.799	0.879	0.839	n/a	1.301	0.883
150	0.874	0.917	0.874	0.961	0.917	n/a	1.430	0.956
120	0.945	0.993	0.945	1.040	0.993	0.945	1.554	1.027
90	1.008	1.058	1.008	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269

### III. RATING RULES

#### A. COMMERCIAL RISKS

1. Buildings/Structures that are occupied for business, professional or manufacturing purposes, including apartments.
  - a. Determine the applicable extended coverage rate from Rate Table A and/or Rate Table C.
  - b. Use 90% of the manual extended coverage rate as determined in *Step a* for the applicable windstorm and hail rate for the Association policy.

**EXCEPTION:** In determining the annual extended coverage rate for Business Personal Property/Personal Property of apartments, use 50% of the building rate from Rate Table A for all classes except those subject to Table 4-WR or SWR. All other provisions for determining the windstorm rate apply.

Refer to Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

2. Farm and Ranch Property

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- a. Dwellings: Refer to Appendix D, Farm and Ranch Dwelling Charts 1A and 1B - 1 year Extended Coverage Base Premium Chart, and the Deductible Adjustment Percentage Schedule. Apply the applicable territorial multiplier to the base extended coverage premium.
  - b. Farm and Ranch Property (other than dwellings): Refer to Appendix D, Farm Building Rate Chart No. 2 and Miscellaneous Farm Property Chart No. 2A and Rate Chart No. 3 on Scheduled Miscellaneous Farm & Ranch Property. Apply the applicable territorial multiplier to the base extended coverage premium.
  - c. Apply a factor of 1.30 to the extended coverage premium and/or rate determined in *Steps a* and *b* to produce the modified extended coverage premium and/or rate.
3. Townhouses and Condominiums
- a. Determine the applicable extended coverage rate from Rate Table B and/or Rate Table C.
  - b. Use 90% of the manual extended coverage rate as determined in *Step a* for the applicable windstorm and hail rate for the Association policy.

EXCEPTION: In determining the annual extended coverage rate for Business Personal Property/Personal Property owned in common, use 50% of the building rate from Building Rate Table A for all classes except those subject to Table 4-WR or SWR. All other provisions for determining the windstorm rate apply.

Refer to Special Index (Appendix A-1), Supplemental Special Index, (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

**B. PUBLIC BUILDINGS**

1. Determine the applicable extended coverage rate from Rate Table A and/or Rate Table C.
2. Use 90% of the manual extended coverage rate as determined in *Step 1* for the applicable windstorm and hail rate for the Association policy.

Refer to Special Index (Appendix A-1), Special Supplements Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

**C. DWELLINGS (Including Individually Insured Townhouse Units)**

1. Premium Calculation
  - a. Applicable Windstorm Premium

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- (1) In the Dwelling Section of the Texas Personal Lines Manual, refer to the Dwelling Chart 1A and 1B – 1 year Extended Coverage Base Premium Chart, and the Deductible Adjustment Percentage Schedule. Apply the applicable territory multiplier from the Dwelling Extended Coverage Territory Multiplier Chart to the extended coverage base premium.
  - (2) Apply a factor of 1.30 to the extended coverage premium determined in *Step 1* to produce the modified extended coverage premium.
  - (3) Use 90% of the modified extended coverage premium as determined in *Step 2* for the applicable windstorm premium for the Association policy.
- b. Extensions of Coverage (Indirect Losses)
- (1) When Form No. TWIA-320 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 98% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 93% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).
  - (2) When Form No. TWIA-310 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 96% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 91% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).
  - (3) When Form No. TWIA-330 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 91% to the modified extended coverage premium when insuring either a primary or secondary residence (dwelling). This percentage is to be used in lieu of the 90% under Rule III-C-a-(3).
2. Mandatory Roof Covering Credits
- a. Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U.L. Standard 2218 are eligible for the following mandatory credits to be applied to the dwelling modified extended coverage premium:

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TERRITORY	CLASS 1 CREDIT	CLASS 2 CREDIT	CLASS 3 CREDIT	CLASS 4 CREDIT
1, 8, 9, 10	4%	6%	10%	14%

The roof covering credit and applicable premium credit applied must be shown on the declarations page of the policy. The credits reduce the modified extended coverage premium and are applied before any other adjustments to the modified extended coverage premium.

Credits apply only on policies insuring a risk that replacement of the existing roof covering on a residence is with a new roof covering(s) meeting U.L. Standard 2218 or is new residential construction which includes the installation of a roof covering meeting U.L. Standard 2218, and the roof covering must be classified within one of the four resistance classifications specified in U.L. Standard 2218.

The credits will be reviewed at such time as credible statistical data becomes available but not later than 5 years from the effective date of the implementation of the credits. The credits may be modified if the statistical data indicates modifications are needed.

*Note: Other impact or hail resistance testing standards approved by the Texas Department of Insurance may be substituted for the U.L. Standard 2218. Testing to U.L. Standard 2218 or other acceptable standards may be accomplished by a testing facility recognized and approved by the Texas Department of Insurance based on standards for testing laboratories adopted by the Department.*

- b. A certificate of installation promulgated by the Texas Department of Insurance (Appendix B) must be provided to the policyholder by the installer of the roof covering. All information on the certificate must be completed and signed by the individual responsible for the installation of the roof covering.
- c. A policyholder may present the certificate of installation to the Association for the application of the mandatory credit as provided in *subsection a* of this rule. Presentation of a certificate of installation does not preclude the Association from inspecting the risk for verification of roof covering installation.
- d. Product Labeling. In order for mandatory roof covering credits to be applicable to dwelling insurance, roof coverings meeting U.L. Standard 2218 or any other test standard for impact resistance approved by the Department which are installed on and after June 15, 1999, must meet the following labeling requirements. All individual shingles, tiles, shakes, panels, sheets, etc., of roof coverings must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured, and the brand name. For roof coverings meeting U.L.

Standard 2218 that are installed prior to June 15, 1999, only the package containing the roof covering products is required to be labeled. The package must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured and the brand name.

- e. It shall be optional with the Association to provide credits for impact resistant roof coverings installed prior to June 15, 1999. The optional credits given for impact resistant roof coverings installed prior to June 15, 1999 shall be within the range of credits specified in this rule. The Association may request from insureds, who apply for this optional credit, information regarding the installation of the impact resistant roof covering including, but not limited to, the date of installation, verification of the installation, and type of impact resistant roofing material installed. Any roof covering that is replaced on or after June 15, 1999, shall meet U.L. Standard 2218 in order for the property owner to receive the credit.
- f. The mandatory roof covering credits with the certification process is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium, and it is not intended by the Department to require or create any type of express or implied warranty by the manufacturer, supplier, or installer.

### 3. Mandatory Building Code Credits

(Adopted in 28 (TAC §5.4700) (Windstorm Resistant Construction Code Credits Effective for policies issued on and after February 28, 1999) (International Residential/International Building Code Credits Effective for policies issued on and after July 31, 2003)

- a. The following mandatory credits shall be provided to new residential construction, excluding additions or repairs to existing structures, constructed to or exceeding the standards of the *TWIA Building Code for Windstorm Resistant Construction* or to the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

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LOCATION OF RISK	BUILDING CODE STANDARDS	WINDSTORM RESISTANT CONSTRUCTION		INTERNATIONAL RESIDENTIAL CODE & INT'L. BUILDING CODE	
		DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT	DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT
Seaward	Seaward	26%	20%	28%	23%
Inland I	Inland I	24%	19%	26%	21%
Inland I	Seaward	29%	23%	31%	25%
Inland II	Inland II	0%	0%	26%	20%
Inland II	Inland I	27%	21%	28%	23%
Inland II	Seaward	32%	25%	33%	28%

- b. The following mandatory credits shall be provided to residential structures in any of the designated catastrophe areas which were constructed prior to September 1, 1998, or February 1, 2003, as applicable, in which all exterior openings have been retro-fitted with exterior opening protections that meets the windborne debris impact-resisting standards of the *TWIA Building Code for Windstorm Resistant Construction*, the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

Dwelling 10%  
Personal Property 10%

- c. A residential structure must be certified by the Texas Department of Insurance as meeting the applicable standards to qualify for the mandatory credits.

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## IV. RATE TABLES

### RATE TABLE A

Buildings Other Than Dwellings, Townhouses & Condominiums

(Does not apply to Farm and Ranch Property—See Appendix D)

Annual Extended Coverage Rates Per \$100

(Effective January 1, 1999, pursuant to Commissioner's Order No. 98-1258)

TABLE 1	COINSURANCE	ANNUAL EXTENDED COVERAGE RATE
1 FRAME (F) <sup>2</sup>	50%	...
	80	0.561
	100	0.555
2 Brick (M)	50	...
	80	0.584
	100	0.451
3	50	...
	80	0.476
	100	0.402
(HC)	50	0.694
	80	0.429
	100	0.410
4 (WR)	50	0.277
	80	0.173
	100	0.163
(SWR)	50	0.345
	80	0.212
	100	0.205
5 Brick <sup>3</sup>	50	...
	80	0.400
	100	...

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**RATE TABLE A (continued)**

<b>TABLE 1</b>	<b>COINSURANCE</b>	<b>ANNUAL EXTENDED COVERAGE RATE</b>
5A Frame 3	50%	...
	80	0.482
	100	...
5B B.V. 3	50	...
	80	0.400
	100	...
7	50	...
	80	1.362
	100	1.171
8	50	...
	80	1.622
	100	1.362
9	50	...
	80	1.943
	100	1.593
10	50	...
	80	2.331
	100	1.943
11	50	...
	80	3.026
	100	2.561
12	50	...
	80	4.442
	100	3.736
13	50	...
	80	6.054
	100	5.099
14	50	...
	80	12.014
	100	10.086

1. Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).

2. Excess Area: Applicable to Rate Table No. 1 only.

If any division of a building or any building of one division contains a ground floor area in excess of 20,000 sq. ft. the rate shall be increased 20%.

**NOTE:** Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

3. For ACV Builders Risk Form No. TWIA-21 (Dwellings) use 80% Coinsurance Rate.

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## RATE TABLE B

Townhouses and Condominiums, Buildings  
Annual Extended Coverage Rates Per \$100

(Effective January 1, 1999, pursuant to Commissioner's Order No. 98-1258)

TABLE 1	COINSURANCE	ANNUAL EXTENDED COVERAGE RATE
1 Frame (F) <sub>2</sub>	50% 80 100	... 0.333 0.329
2 Brick (M)	50 80 100	... 0.350 0.266
3	50 80 100	... 0.282 0.237
(HC)	50 80 100	0.410 0.258 0.246
4 (WR)	50 80 100	0.163 0.103 0.099
(SWR)	50 80 100	0.205 0.129 0.125

1. Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).
2. Excess Area: Applicable to Rate Table No. 1 only.  
If any division of a building or any building of one division contains a ground floor area in excess of 20,000 sq. ft. the rate shall be increased 20%.  
**NOTE:** Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected

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## RATE TABLE C

Business Personal Property/Personal Property of Buildings (Other than Dwellings)

(Does not apply to Farm and Ranch Property—See Appendix D)

Annual Extended Coverage Rates Per \$100

(Effective January 1, 1999, pursuant to Commissioner's Order No. 98-1258)

TABLE *	COINSURANCE	ANNUAL EXTENDED COVERAGE RATE
1 Frame (F)	50%	...
	80	0.449
	100	0.443
2 Brick (M)	50	...
	80	0.476
	100	0.362
3	50	...
	80	0.380
	100	0.314
(HC)	50	...
	80	0.341
	100	0.335
4 (WR)	50	...
	80	0.137
	100	0.133
(SWR)	50	...
	80	0.171
	100	0.167
5 Brick	50	...
	80	0.198
	100	...
5A Frame	50	...
	80	0.241
	100	...
5B B.V.	50	...
	80	0.198
	100	...
7	50	...
	80	1.083
	100	0.935
8	50	...
	80	1.300
	100	1.088
9	50	...
	80	1.555
	100	1.276
10	50	...
	80	1.866
	100	1.555
11	50	...
	80	2.247
	100	2.048

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**RATE TABLE C (Continued)**

TABLE *	COINSURANCE	ANNUAL EXTENDED COVERAGE
		RATE
12	50	...
	80	3.549
	100	2.989
13	50	...
	80	4.844
	100	4.081
14	50	...
	80	9.613
	100	8.069

\*Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).

## V. MANUFACTURED HOUSING (Mobile Homes)

### A. ELIGIBILITY

A mobile home located in a designated catastrophe area that meets the following criteria is eligible to be insured under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.

1. The mobile home complies with the definition of manufactured home under the rules and regulations of the Texas Department of Housing and Community Affairs (TDHCA).
2. The mobile home is occupied solely as a one or two family residence.
3. The mobile home is blocked and tied down in accordance with the current state generic standards promulgated by the TDHCA or with the manufacturer's installation instructions.
4. The mobile home has been inspected, and an inspection approval form has been completed and issued verifying that the home is blocked and tied down in accordance with the required standards with no violations of these standards. The form may be on file with the TDHCA. If a form is not on file with the TDHCA or the form is over five years old, a new inspection approval form that indicates no violations of the blocking and tie down requirements must be obtained through an installer licensed by the TDHCA.

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5. Homes manufactured on and after September 1, 1997, must be designated by the manufacturer as Zone II homes to be insurable through the Association.

**B. ADDITIONS TO MOBILE HOMES**

1. A site-built addition attached to a mobile home will rate as part of the mobile home.
2. A building certification from the Texas Department of Insurance is required for the site-built addition.
3. Separate structures (not physically attached to the mobile home) are not eligible for insurance under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy. Refer to eligibility requirements for insurance under the Association's Dwelling Policy.

**C. LIMIT OF LIABILITY**

The maximum limit of liability for a mobile home, including any site-built additions attached to the home, and household goods is \$84,000.

**D. DEDUCTIBLES**

1. The following deductibles are mandatory under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.
  - a. Homes located inland of the Intracoastal Canal: 1% of limit of liability with a \$250 minimum (TWIA Form No. 570)
  - b. Homes located seaward of the Intracoastal Canal: 2% of the limit of liability with a \$250 minimum (TWIA Form No. 575)
2. Deductibles apply separately to the home and household goods items on the policy.

**E. POLICY FORMS AND ENDORSEMENTS**

1. The following policy form is to be used:

T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy

**F. RATES**

Inland of the Intracoastal Canal	\$2.50 per \$100 coverage
----------------------------------	---------------------------

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Seaward of the Intracoastal Canal

\$5.00 per \$100 coverage

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## **VI. APPENDICES**

# Appendix A-1 SPECIAL INDEX EXTENDED COVERAGE AND WINDSTORM, HURRICANE AND HAIL

All buildings shall rate according to construction unless otherwise provided.

Item      Types of Construction      Rate Table

1. **FRAME BUILDINGS**, including iron clad, stucco, asbestos siding and brick veneer construction..... 1

**NOTE:** Except as may be otherwise provided, buildings of this class that have more than 50% of outside walls open shall rate under Table 11. Walls that are not closed from floor to roof shall be considered open.

2. **BRICK BUILDINGS**, (except building qualifying under Item Nos. 3 and 4), including reinforced concrete, stone, hollow tile or tile faced with brick; adobe, hollow masonry units, ICM and ICMS Construction. .... 2

**NOTE:** Combustible interior wall finish, ceilings and floor finish permitted in ICM and ICMS buildings.

3. (a) One story buildings having all outside masonry walls as described for Table 2 buildings, but with concrete balcony..... 3

**NOTE:** To qualify under the above, the concrete balcony must be securely tied into 3 exterior walls of the building.

- (b) Masonry or ICM buildings of "extra heavy construction throughout approved as such by publication by the Texas Department of Insurance..... HC

**\*NOTE:** To qualify for "Extra Heavy" Classification, building or structure must be designed and constructed according to nationally recognized good engineering practice and codes\* to resist a horizontal wind pressure on all surfaces exposed to the wind without suffering any distortion or damage allowing for wind in any direction, in accordance with the following table. No allowance will be made for the shielding effect of other buildings or structures. The height is to be measured above the average level of the ground adjacent to the building or structure.

Height Zone (Feet)

	Wind Pressure (Lbs. per Sq. Ft.)	
	All Territories Except 1, 8, 9, 10 and 11	Territories 1, 8 9, 10 and 11
Less than 30	25	35
30-49	30	45
50-99	40	55

Data on buildings exceeding 99 feet in height must be submitted to the Texas Department of Insurance for consideration.

Exterior walls must be designed and constructed to withstand pressures specified above, acting either inward or outward.

The roofs of buildings and structures must be designed and constructed to withstand pressures acting outward, normal to the roof surface; equal to 1-1/4 times the pressure specified above. The height is to be taken as the vertical distance from the average elevation of the ground adjoining the building to the average elevation of the roof.

Roofs or sections of roof with slopes greater than 30 degrees, must be designed and constructed to withstand pressure, acting inward, normal to the surface, equal to those specified above and applied to the windward slope only.

The property must be inspected by a registered structural engineer, after which he must submit for each building and structure a certificate, accompanied by a diagram (or diagrams) showing complete details of walls and roof construction, anchorages and fasteners, together with complete supportive structural calculations.

\*Structural steel, light gage steel and steel joist construction must be designed and erected in accordance with the following specifications.

- (1) American Institute of Steel Construction -- Specifications for the Design Fabrication, and Erection of Structural Steel for Buildings -- (Latest Edition).
- (2) American Iron & Steel Institute Light Gage Cold Formed Steel Design Manual -- (Latest Edition).
- (3) Standard Specifications and Load Tables of the Steel Joist Institute.
- (4) Welding -- Standard Code of American Welding Society.

4. **HEAVY TIMBER CONSTRUCTION:** Those risks receiving 50% credit for heavy timber construction in fire rate.....SWR

- 4a. **SEMI-HEAVY TIMBER CONSTRUCTION:** Those Risks receiving credit for Semi-Heavy Timber Construction in fire rate. .... HC

5. **ELECTRIC UTILITY GENERATING STATION BUILDINGS:** All electric utility generating station buildings when constructed to meet the minimum requirements of the Texas Department of Insurance. WR (Design and construction conditions will be furnished upon request from the Texas Department of Insurance.)

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## TEXAS WINDSTORM INSURANCE ASSOCIATION MANUAL

**Appendix A-2**  
**SUPPLEMENTAL SPECIAL INDEX**  
**CONSTRUCTION CLASSIFICATION TABLE**  
**EXTENDED COVERAGE -- WINDSTORM, HURRICANE AND HAIL**

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	* * Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC***
			2	SWR***
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M+
			2	HC
			3 or more	SWR
		Certified as Class 60****	1	SWR*
		Certified as Class 90***	1 or 2	WR*

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**Appendix A-2**  
**SUPPLEMENTAL SPECIAL INDEX**  
 CONTINUED

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Non-Combustible or no walls	**Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M+
				HC*
	**Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1	HC
			2	SWR
			3 or more	WR
		Certified as Class 60**** Certified as Class 90***	1	SWR*
			1 or 2	WR*
Masonry or Reinforced Concrete	Wood or other material	Wood or other material	2	SWR
			3 or more	WR
			1 or more	WR
				WR
				WR
			1 or more	WR
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	M+
				HC*
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted			1 or more	SWR
				SWR
ICMS as described in the Texas Commercial Property Rating Manual			1 or more	M+

\* These buildings must be certified as required in Special Index of this manual

\*\* Combustible Floor Finish Permissible

\*\*\* Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.

\*\*\*\* Roof deck assembly Certified as Class 60 (lbs./sq.ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR.

Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.

+ Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.

Abbreviations: WR = Wind resistive; SWR = Semi-wind resistive; HC = Heavy Construction; M = Masonry; F = Frame.

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**NOTES AND DEFINITIONS**  
**Applicable to All Types of**  
**Building Classifications**

**Outside Trim:** To be disregarded in the application of the construction classification table.

**Masonry Walls:** Means a built-up construction or combination of building units of such materials as clay, adobe, shale, concrete, glass blocks, gypsum or stone set in mortar or plain concrete.

**Reinforced Concrete:** Within the meaning of extended coverage, concrete with steel, either mesh or bars imbedded therein shall be considered to mean reinforced concrete.

**Non-Combustible:** As defined in Fire Resistive Section of The Texas Commercial Property Rating Manual.

**Greenhouse:** Greenhouses or Greenhouse Sections (glassed in area) may be rated specifically.

**Doors and Windows:** Shall be ignored in classifying exterior walls except masonry walls with doors and windows in excess of 50% of wall area of wall in which located shall be classed as non-combustible construction.

**NOTES AND DEFINITIONS**  
**Applicable to WR, SWR and**  
**HC Building Classifications**

**Exterior Walls:** Exception -- Exterior walls of frame class construction aggregating not more than 10% of total above ground wall area shall be treated as non-combustible in the application of the Construction Classification Table; if aggregating more than 10%, then the building shall rate as frame or masonry according to mixed construction rule.

**Story and Floor:** A story is that part of a building between a floor and the roof or floor next above, designed for occupancy. Decks and mezzanines which are structurally a part of the building shall be considered a story if their area exceeds 33-1/3% of the area of the floor immediately below.

**NOTE:** Decks, mezzanines and portions of floors, not structurally a part of the building, shall not be considered in establishing the E.C. Classification. Roof structure means any structure above the roof of any part of a building. Roof structures shall be considered a story if they exceed 33-1/3% of the ground floor area of the building in which case the inferior roof construction shall govern construction classification.

**Basement:** Means a story of a building or structure having one half or more of its clear height below grade. Basements with floor area of at least 75% of grade floor area shall be considered a story.

**NOTES AND DEFINITIONS**  
**MIXED CONSTRUCTION**

- (a) In the case of risks having published fire rates, building classification used in fire rating shall determine Extended Coverage and Windstorm rate table, except as otherwise directed.
- (b) In the case of risks for which fire rates are not published apply the higher construction charge applicable, unless the less hazardous type comprises over 50% of the total exterior wall area (Gables above top ceiling to be ignored).
- (c) Extended Coverage, Windstorm, Hurricane and Hail Insurance may be written specifically on any individual standard division of building, each division to be rated as if it were a separate building.

**NOTE:** Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

**EXCEPTION:** Greenhouses or greenhouse sections (glassed-in area) may be written specifically with or without standard division wall.

**Applicable to Frame and Masonry Building Classifications**

**Mixed Construction:** Applies to frame and masonry classes only.

Where walls of two classes of construction, rate as for the classification comprising 50% or more of the building. Over-all area of walls excluding gables above top of the eave line are to be used in calculations.

Where walls are three or more types of construction, none of which comprise 50% of the wall area, apply the following:

1. Begin with measurements of the best type of construction.
2. Add the second best type of construction.
3. Add the third best type of construction, and if necessary,
4. Add the fourth best construction, etc. consecutively until a total equaling at least 50% of the building is reached.
5. Class building as type of construction last added to achieve 50% of the building.

**NOTE:** Where heights of walls are not uniform, use wall areas in square feet as a basis of above calculations; otherwise, use linear feet measurements.

# GENERAL INDEX

## EXTENDED COVERAGE, WINDSTORM, HURRICANE AND HAIL

Use the indicated rate table number for extended coverage and windstorm, hurricane and hail.

The letter "C" means to rate according to construction, Special Index Items 1 through 4.

For Occupancies not listed in the table below see "Mercantile Risks Not Otherwise Listed" or "Manufacturing Risks, Ordinary Hazards (Not Specifically Classified)."

	E.C. AND WINDSTORM
ACETYLENE GAS MANUFACTURING OR TANK CHARGING	C
AIRPLANE HANGERS	C
AIRPLANE MANUFACTURING	C
ALFALFA DEHYDRATING PLANTS, Form 6 (when charge of .50 is applied in rate for "grinding in building")	C
ALFALFA MEAL AND SEED CLEANING, Form 4	C
ALKALI PRODUCT PLANTS	
A. Electrolytic	C
B. Non Electrolytic	C
AMUSEMENT PARKS	C
APARTMENT HOUSES --- Three units or over (Rated under Apt. Ho. schedule) (If less than 3 apartments rate as dwelling)	C
A. Contents of all classes of Apt. except those subject to Table 4, WR or SWR	50% of bldg. rate
B. Contents of Apt. subject to Table 4 WR or SWR	Table 4 WR SWR
C. Outbuildings and Sheds (except greenhouses) on premises of apartment houses	C
ART GALLERIES	C
ASBESTOS WORKS	C
ASPHALT PLANTS	C
AUTOMOBILES	
A. Manufacturing	C
B. Sales Room without service station	C
C. Garages, storage, repairs or sales with service station	C
AWNINGS: Cloth or Detachable (Use Building Rate in rate chart)	14
BAKERIES	C

## BATH AND BOAT HOUSES

- A. If wholly on land C
- B. If not wholly on land 11

## BATTERY FACTORY C

BEVERAGE MANUFACTURING --- See Food Manufacturing

BLEACHERS --- See Stadiums

## BOARDING AND ROOMING HOUSES

- A. Fire Resistive and Semi-Fire Resistive (when rated as such by the Texas Department of Insurance) 4
- B. Brick, stone, adobe, poured concrete, hollow masonry units veneered with brick, and hollow masonry units (of clay or concrete) 5
- C. All classes except those listed under A, B, and D including frame, stucco, ICM, ICMS, etc. 5A
- D. Brick veneer and stone veneer 5B

BOAT HOUSES --- See Bath Houses

## BOAT DOCKS PRIVATE

- A. Covered, see Bath Houses
- B. Uncovered, see Piers

BREWERIES, BEVERAGES AND FOOD MANUFACTURING C

## BRICK AND TILE PLANTS

- A. All buildings that do not class as Frame Sheds C
- B. Sheds and Kilns thereunder (Frame class and over 50% open) 9

## BRIDGES

- A. Concrete 4
- B. Steel 3
- C. Frame 1

## BUILDERS RISKS

- A. Frame or Ironclad and all buildings classified under Item No. 1, Special Index 9
- B. Brick or ICM and all buildings classified under Item No. 2, Special Index 8
- C. Fire Resistive or Semi-Fire Resistive buildings (except those listed in "D" below) and those buildings that when completed will classify under Items No. 3 and 5, Special Index 2
- D. Dwelling and Boarding and Rooming Houses, same as the permanent building rate for boarding and rooming houses
- E. Additions, Improvements or Repairs when subject to permanent building rate, use net rate including Grade of Occupancy and/or area charge, if applicable

CANDY MANUFACTURING

C

CANNING PLANTS --- Vegetables	C
CELLULOID MANUFACTURING	C
CELLULOID GOODS MANUFACTURING	C
CEMENT MILLS	C
CEREAL MILLS --- See Flour Mills	
CHARCOAL MANUFACTURING	C
CHLORATES	
A. Manufacturing	C
B. Storage	C
CHURCHES	C
CLEANING AND PRESSING	
A. Using approved solvents	C
B. Using unapproved solvents	C
CLOTH MANUFACTURING --- See Garment Manufacturing	
COFFEE ROASTING	C
COLD STORAGE AND LOCKER PLANTS	C
CONDOMINIUMS (RESIDENTIAL)	C
A. Contents Owned in Common of all classes except those subject to Table 4, WR or SWR	50% of bldg. rate
B. Contents Owned in Common subject to Table 4 WR or SWR	Table 4 WR SWR
C. Outbuildings and Sheds (except greenhouses on premises of condominiums) Owned in common	C
COOLING TOWERS --- Specific Coverage	
A. If completely enclosed, or of induced or forced draft type	C
B. All others	8
CORN SHELLER OR SHUCKER	C
COTTON, BALED --- INCLUDING LINTERS, MOTES, GRABBOTS, FLUES AND HULL FIBERS IN BALES	4
COTTON COMPRESS AND WAREHOUSE	
A. Buildings	C
B. Machinery and Furniture and Fixtures	
1. In other than Fire Resistive or Semi-Fire Resistive building	2
2. In Fire Resistive or Semi-Fire Resistive building	C

### COTTON GINS AND AUXILIARY BUILDINGS OR SHEDS (except Office, for which see E below)

- |                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| A. Frame, ironclad, or brick veneer                                             | 9  |
| B. Brick, ICM, hollow masonry units or HTB                                      | 2  |
| C. Extra Heavy ICM Construction throughout                                      | 3  |
| D. Semi-Fire Resistive                                                          | 4  |
| E. Office                                                                       | C  |
| F. Outside equipment, conveyors, dust flues and ventilators (Use Building Rate) | 13 |

### COTTONSEED OIL MILLS AND PEANUT OIL MILLS AND REFINERIES AND STOCK

- |                                                                     |   |
|---------------------------------------------------------------------|---|
| A. Blanket Policies --- All buildings and/or machinery and/or stock | 8 |
| B. Buildings, Machinery, and Stock --- When insured specifically    | C |

### CREAMERIES

C

### CREOSOTING PLANTS

C

### DOUGHNUT FACTORY

C

### DRIVE-IN THEATRE SCREENS

- |                                                                              |    |
|------------------------------------------------------------------------------|----|
| A. Brick or reinforced concrete wall, or structural steel frame construction | 8  |
| B. Heavy pole construction                                                   | 12 |
| C. All other construction                                                    | 14 |

NOTE: If screen structure and its foundation and appendages has been designed and constructed to withstand not less than 90 miles per hour wind, and certificate to that effect by a registered professional engineer is furnished with application to Texas Department of Insurance, rate will be published authorizing Table 1.

### DRIVE-IN THEATRE SPEAKERS in the open for automobiles (Use Building Rate in rate chart)

12

### DRUG MANUFACTURING

C

### DYEING --- See Laundries

### ELECTRICAL SUPPLIES in open --- See Poles

### ELECTRIC LIGHT PLANTS

C

### EXPLOSIVES --- Manufacturing or Storage

C

### FAIRGROUNDS AND PARK BUILDINGS

- |                                                                             |    |
|-----------------------------------------------------------------------------|----|
| A. Where buildings and other structures and/or contents are insured blanket | 12 |
| B. Permanent Buildings insured specifically                                 | C  |
| C. Open Sheds                                                               | 11 |
| D. Grandstands --- See Grandstands                                          |    |

### FEED DRYERS

C

### FEED GRINDING OR MIXING, Form 4

C

### FEED MILLS AND FEED GRINDING, Form 6 --- See Flour Mills

## FENCES: (Except on farms) (Use Building Rate)

- |                                                                   |    |
|-------------------------------------------------------------------|----|
| A. Masonry construction or steel with steel posts set in concrete | 1  |
| B. All other types of construction                                |    |
| 1. With 80% or higher coinsurance                                 | 9  |
| 2. Without 80% or higher coinsurance                              | 10 |
| C. Fences on dwelling premises                                    | 9  |

NOTE: When on dwelling premises fences of masonry construction or steel with steel posts set in concrete apply Table 1.

FERTILIZER PLANTS	C
FILLING STATIONS (Gasoline)	C
FILM EXCHANGE AND LABORATORIES	C
FILTRATION PLANTS	C
FIREWORKS --- See Explosives	
FLOOD LIGHTS --- See Power	
FLOUR, RICE, CEREAL AND FEED MILLS	C
FOOD AND BEVERAGE MANUFACTURING	C
FOUNDRIES	C
FRATERNITY HOUSES --- Same as Boarding and Rooming Houses	
FRUIT --- See Vegetables	
FULLER'S EARTH PLANTS	C
FUNERAL HOMES	C
GARAGES --- See Automobiles	
GARMENT AND CLOTH MANUFACTURING	C
GASOLINE --- See Volatiles	
GLASS PLANTS	C
GRAIN CLEANING	C
GRAIN ELEVATORS OR DRYERS	C
A. Grain Tanks --- See Tanks	
B. Elevators Legs	1
C. Fixed Conveyor Galleries	
1. On steel trestles --- ICM construction or better	2
2. Other construction	8
D. Movable Marine Legs and Conveyors	13
GRAIN WAREHOUSE	C
GRANDSTANDS (with roof)	
A. All classes of construction classified Item No. 1, Special Index	12
B. Concrete or Steel (extra well constructed)	10
C. If not roofed --- See Stadiums	

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*GREENHOUSES (Building or Contents)	\$8.00*
*This rate is for \$100.00 Windstorm, Hurricane and Hail deductible.	
GRIST MILL	C
HAY IN THE OPEN (Use Contents Rate)	8
HOSIERY MILLS --- Same as Textile Mills	
HYDROGEN AND OXYGEN PLANTS	C
ICE MANUFACTURING	C
INCINERATORS	C
IRON PIPE IN OPEN (Use Contents Rates)	4
LACQUER --- See Paint	
LAND AND OUTSIDE SITE IMPROVEMENTS not otherwise provided for, including, but not limited to landscaping (excluding trees, shrubs and plants), drives, parking areas, walks, curbs and gutters; and/or UNDERGROUND UTILITIES located outside the perimeter of any building or structure. Use 80% Co-insurance Building Rate.	4
NOTE: Values of land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure, shall not be included in a blanket average rate unless the highest rate of any building on the premises be applied to the land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure.	
LAUNDERETTE OR WASHATERIA	C
If unattended --- See Unattended Service and Vending Machine Risks	
LAUNDRIES AND DYEING	
A. Without Dry Cleaning	C
B. With Dry Cleaning --- See Cleaning and Pressing	
If unattended --- See Unattended Service & Vending Machine Risks	
LOCKER PLANTS --- See Cold Storage	
LUMBER YARDS	
A. Blanket policies covering structures (with or without fence)	8
B. Blanket policies covering structures and contents	8
C. Specific coverage on structures with separate amount on each structure	C
D. Contents in frame buildings, sheds, or yard (omit area)	1
E. Contents in Table 2 or better buildings only	C
LUMBER	
A. In frame or ironclad buildings or sheds or in open (omit area)	1
B. In Table 2 or better building	C
MANUFACTURING RISKS ORDINARY HAZARDS (Not Specifically Classified)	C
MATCH FACTORIES	C
MEAT PACKING --- See Packing Houses	

MERCANTILE RISKS not otherwise listed	C
METAL WORKERS (Machine Shops)	C
MUSEUMS AND ART GALLERIES	C
NEWSPAPER PLANTS	C
OIL WELL SUPPLIES (Contents; 50% extended coverage or windstorm building rate, EXCEPT Wind Resistive or Semi-Wind Resistive. If building not eligible for coinsurance use 1/2 of no coinsurance rate unless clause is attached)	C
NOTE: Not applicable to contents of Tanks or Iron Pipe in Open	
OXYGEN PLANTS --- See Hydrogen	
PACKING HOUSES, MEAT	C
PAINT, VARNISH AND LACQUER MANUFACTURING	C
A. Oil or turpentine process	
B. Benzine Process	
C. Using and/or Manufacturing Pyroxylin base	
PAPER AND PULP MILLS	C
PARK BUILDINGS --- See Fairgrounds	
PEANUT AND FEED DRYERS	C
PEANUT OIL MILLS AND REFINERIES --- See Cottonseed Oil Mill	
PEANUT SHELLING	C
PIER AND WHARF PROPERTIES	C
PLANING AND SAW MILLS	C
POLES AND ELECTRICAL SUPPLIES IN OPEN (Use contents rate in rate charts)	4
PORTABLE BUILDINGS	C
POTTERIES	C
POWER, TRANSMISSION, FLOOD LIGHTS OR OTHER ELECTRICAL LINES ---	
SUPPORTS AND WIRES	
A. Supports of all-steel construction and securely anchored	12
B. Flood Lights without over-head wires	8
C. Supports partly or all frame	12
D. Outside transformers and sub-station equipment on ground (Use Building Rate in rate charts)	4
PRINTING PLANTS	C
PUTTY MANUFACTURING (All processes)	C
PYROXYLIN BASE MANUFACTURING	C
QUARRIES	C
RACE TRACK PROPERTY (Same as Fairgrounds)	

RADIO AND TELEVISION TOWERS AND ANTENNAS AND SATELLITE DISHES (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	13
B. When any part of tower is of frame construction or is on building of other than Fire Resistive or Semi-Fire Resistive construction	14
RADIO AND T.V. TRANSMITTING STATIONS	C
REFINERIES: Cottonseed and Peanut Oil --- See Cottonseed Oil Mills	
RICE BINS AND TANKS --- Same as Grain Tanks	
RICE DRYERS --- Same as Grain Elevators	
RICE MILLS OR ELEVATORS --- See Flour Mills	
ROCK CRUSHING AND SAND AND GRAVEL PLANTS --- Including Conveyors	C
ROLLER COASTERS	12
ROOMING HOUSES (Including outbuildings and sheds) --- Same as Boarding and Rooming Houses	
ROOFING PLANTS	
A. With Distilling or Refining Coal Tar Products	C
B. All Other	C
ROOFS: Buildings with roofs of roll composition over wire netting	13
RUBBER GOODS MANUFACTURING	C
RUG CLEANING --- Same as Dry Cleaning	
SAW AND PLANING MILLS	C
SAW MILL DRY KILNS	C
SCHOOLS	C
SCOREBOARDS	12
SEED CLEANING	C
SEED DRYING	C
SEWAGE DISPOSAL, PUMPING AND FILTRATION PLANTS	C
SHEDS --- FRAME CLASS BUILDINGS THAT HAVE MORE THAN 50% OF OUTSIDE WALLS OPEN --- WALLS THAT ARE NOT CLOSED FROM FLOOR TO ROOF SHALL BE CONSIDERED OPEN	11
SHIPYARD	C
SHOE MANUFACTURING	C
SHRUBBERY --- See Trees	
SIGNS --- ERECTED (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	12
B. When any part of erected sign is of frame construction	14
C. Neon Signs and tubing, any type of support	14

SILOS	
A. Brick, concrete or solid concrete block	11
B. All others	13
SLAUGHTER HOUSE RISKS INCLUDING SHEDS AND PENS	C
SMELTING PLANTS	C
SMOKE STACKS	
A. Metal	13
B. Metal smoke stacks with inner lining of firebrick or 2-1/2" of gunnite	8
C. Brick and Reinforced Concrete when written specifically (when written with building, same as building)	4
SORORITY HOUSES --- Same as Boarding and Rooming House	
STADIUMS	
A. Concrete (with or without wood seats)	4
B. Steel securely anchored in concrete (with or without wood seats)	2
C. Frame or Steel not anchored in concrete	10
STOCK PENS (Heavy wooden without roof) at Packing Houses and Stock Yards (Use Building Rate in rate charts)	1
NOTE: If with roof, rate as building, See Special Index	
SULPHUR PLANTS	C
SWIMMING POOLS IN OPEN (Use 80% Coinsurance building rate from Table 4)	
TANKS	
A. Cylindrical, all-steel construction with steel roof, or concrete tanks with concrete roof or no roof	4
B. Cylindrical, sides of steel or concrete construction but with wood or composition roof	3
C. Elevated on steel, masonry or concrete supports	1
D. Tanks and Towers (for water supply) composed entirely of steel, the foundation of each column composed of concrete sunk in the ground, and each column anchored by bolts running through such foundation	1
E. Pickle and Vinegar Tanks	1
F. Tanks and Towers other than as above	13
TELEVISION --- See Radio	
TENTS	14
TENT TOP BUILDINGS	13
TEXTILE MILLS	C
TILE PLANTS --- See Brick Plants	
TIRE RECAPPING	C
TOURIST COURTS	C

TOWNHOUSES RATED UNDER THE TOWNHOUSE RATING SCHEDULE	C
THREE UNITS OR OVER (If less than 3 units, rate as dwelling)	
A. Contents owned in common of all classes except those subject to Table 4, WR or SWR	50% of bldg. rate
B. Contents Owned in Common subject to Table 4 WR or SWR	Table 4 WR SWR
C. Outbuildings and Sheds (except greenhouses on premises of townhouses) Owned in common	C
TREES AND SHRUBBERY	\$1.50
UNATTENDED SERVICE AND VENDING MACHINE RISKS	
"Unattended" means without attendant on duty and on premises at all times risk is open for business	
Building	C
Contents	C
VARNISH --- See Paint	
VAULT CONTENTS	
If fire rate is published for fireproof vault	4
All others rate same as contents in building	
VEGETABLES AND FRUIT	
A. Canning	C
B. Packing	C
VINEGAR WORKS --- Not including Tanks	C
VOLATILES	C
WASHATERIAS	C
If unattended see Unattended Service and Vending Machine Risks	
WHARFS --- See Piers	
WINDMILLS	14
WOOD ALCOHOL MANUFACTURING	C
WOODWORKING PLANTS	C

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**Appendix B  
ROOFING INSTALLATION INFORMATION AND CERTIFICATION  
FOR REDUCTION IN RESIDENTIAL INSURANCE PREMIUMS**

**NOTICE TO HOMEOWNER.** Completion of this certificate will entitle you to a reduction in your residential insurance premium. This certification form is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium and it is not to be construed as any type of express or implied warranty by the manufacturer, supplier, or installer.

Name of Roofing Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ License Number If Any: \_\_\_\_\_

**Address of Residence** (Installer must complete the following information before signing form)

Name of Owner: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Office Phone: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip Code: \_\_\_\_\_

I, \_\_\_\_\_, an authorized representative of  
Print Name  
 \_\_\_\_\_ roofing company, do hereby certify that  
Print Name of Company

I have installed in accordance with the manufacturer's specifications on the above described residence a roof covering listed as complying with Underwriters' Laboratory Standard 2218, Impact Standard for Impact Resistance of Prepared Roof Covering Materials, with an impact resistance Classification of:

Class 1 ☐ Class 2 ☐ Class 3 ☐ Class 4 ☐

Manufacturers' Name: \_\_\_\_\_

Year Manufactured \_\_\_\_\_

Brand Name \_\_\_\_\_

Date of Installation \_\_\_\_\_

**Labeling of Products:** The roof covering installed on the above described residence bears the following label: CHECK ONE BELOW

☐ The roof covering product packaging indicates the U.L. classification under U.L. Standard 2218, the manufacturer's name, the date of manufacture, and the brand name. A label from the packaging has been supplied to the owner of the residence.

☐ Each individual shingle, tile, shake, panel, sheet, etc. of roof covering is separately labeled with the U.L. Standard 2218 classification and with the manufacturer's name, the date of manufacture, and brand name.

**NOTE:** After January 1, 1999, all individual shingles, tiles, shakes, panels, sheets, etc. must be labeled with the information outlined above.

Original Signature of Roofing Company's Authorized Representative \_\_\_\_\_

\_\_\_\_\_ Date

ONE COPY TO BE RETAINED BY HOMEOWNER

SECOND COPY TO INSURANCE COMPANY

Prescribed by the Texas Department of Insurance

Form No. \_\_\_\_\_

**Any intentional misrepresentation relating to the completion or presentation of this form constitutes fraud.**

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TEXAS WINDSTORM INSURANCE ASSOCIATION MANUAL

Appendix C

**Applicable Rules from the Texas General Basis Schedules  
Approved Prior to and in Effect on October 1, 1991**

The rules contained in this Appendix C shall apply in whole or in part when not in conflict with the other rules of this Manual.

Mixed Construction Rule .....	C-1
Building of Three or More Types of Construction, with No One Type Comprising 50% of the Building .....	C-1
Gross Rate Calculation Rule .....	C-2
Reference Chart - Construction Classifications.....	C-2
Public Housing Authority Projects Experience .....	C-3
Special Dwelling Schedule .....	C-4
Construction .....	C-7
Apartment Houses, Tenements and Flats (Form 5) .....	C-7
Auto Courts .....	C-7
Boy and Girl Vacation Camps, Religious Encampments, Luncheon Club, Children's Camps and Welfare Camp Houses.....	C-8
Rooming Houses, Boarding Houses, Fraternity and Sorority Houses, Guest and Dude Ranches (Form 5) .....	C-8
Churches (Form 5) .....	C-9
Schools, Colleges, Universities, Convents, Day Nurseries, Orphanages, Public Libraries and Private Dormitories on School Campus .....	C-9
Condominiums Commercial and Residential. ....	C-9
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Distributing Stations .....	C-13
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Automobile Service Stations .....	C-15
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Change in Hazard .....	C-16
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## Appendix C

The rules contained in this Appendix C shall apply in whole or in part when not in conflict with the other rules of this Manual.

### MIXED CONSTRUCTION RULE

When walls are of two classes of construction, rate as for the classification comprising 50% or more of the building and make proportionate charge for inferior construction, unless otherwise provided for.

#### EXCEPTION:

1. Special Hazards and School risks with all metal roofs, 2 or 3 outside masonry walls and 2 or 1 outside walls, respectively, of strictly ICM are to be classed and rate as ICM, with proportionate charge for hollow tile where applicable.
2. Apartment Houses, Auto Courts, Boarding Houses, Rooming Houses and Dwellings. In applying this rule to arrive at rates or premiums for these classes use these rules except:
  - a. Area of gables above ceiling to roof to be ignored (does not apply to FR and SFR buildings).
  - b. Area of additions to be included.
  - c. No charge for inferior construction.
  - d. If 3 or more types of construction, see rule "BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING."
  - e. Applicable only to fire and extended coverage.

---

### BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING

To determine construction classification of such building(s), apply the following formula:

1. Begin with measurement of best type of construction;
2. Add second best construction;
3. Add third best construction; and if necessary
4. Add fourth best construction, and so on, consecutively, until a total equaling at least 50% of building is reached.
5. Class building as type of construction last added to achieve 50% of building, and make proportionate charge for any remaining inferior construction.

**NOTE:** Where height of walls is not uniform, use wall areas (sq. ft.) as basis for above calculation; otherwise use linear feet measurements.

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## GROSS RATE CALCULATION RULE

In all calculations pertaining to rating schedules and published rates (before experience, coinsurance, etc.), each calculation shall be considered separately and fractions less than half a cent shall be dropped and fractions of half a cent and over shall be treated as a full cent. Calculations shall be made using percentages in lieu of complements.

### EXAMPLES

Credit/Debit Factor

Rate (-+) Factor = Result

-30%

.25 - .08 (30%) = .17

+30%

.25 + .08 (30%) = .33

EXCEPTION: In all instances, to determine KEY RATE CHARGE, refer to pre-calculated Key Rate Charts on GBS pages 159-166.

### REFERENCE CHART -- CONSTRUCTION CLASSIFICATIONS

Construction Symbol	Mercantile Rating Schedule*	Experience Classification All Schedules
"B" "C"	Brick	B Class
"H-T", "H-T-S"		
(a) "H-T-B", "H-T-B-S"	Fire Resistive	FR
"I-C-M", "I-C-M-S"		
& "N-C"		
(b) "F-R"	Semi-Fire Resistive	SFR
(c) "S-F-R"		
(d) "C-D", "D"	Frame	F Class
& "I-C"		
(e) "B-V", "B-V-S"	Brick	F Class
"S" & "S-S"		

\*Special Class & Special Hazard Risks -- Rate under Special Schedules

#### Sprinklered Risks

If a, above, apply .....Brick Sprinklered Experience  
 If b, above, apply ..... Fire Resistive Sprinklered Experience  
 If c, above, apply ..... Semi-Fire Resistive Sprinklered Experience  
 If d, or e, above, apply ..... Frame Sprinklered Experience

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## PUBLIC HOUSING AUTHORITY PROJECTS EXPERIENCE

Class Nos. 038 (1) Apartment Buildings with eight or more units; 039 (1) Dwellings or Duplexes.

The following modifications shall apply to the building fire rates (No other experience credit or penalty applicable):

	<u>Class 038 (1)</u>	<u>Class 039 (1)</u>
Frame Protected	Deduct 62%	Deduct 62%
Frame Unprotected	Deduct 74%	Deduct 74%
Brick Protected	Deduct 9%	Deduct 9%
Brick Unprotected	Deduct 39%	Deduct 39%
Fire Resistive & Semi-Fire Resistive Protected	Add 31%	Add 31%
Fire Resistive & Semi-Fire Resistive Unprotected	Deduct 75%	Deduct 75%

These modifications are applicable to:

1. Dwellings and apartments of Housing Projects owned by, supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.
2. Dwellings and apartments of Housing Projects owned and supervised by Federal Authorities.
3. Dwellings and apartments of similar housing projects privately owned, built and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.
4. Apartment units (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.

The above rule applies to all classes of construction.

NOTE 1: Contents rate is not affected by the foregoing; contents rates to be calculated just as though the above experience did not exist.

NOTE 2: The above experience, when applicable, applies only to those buildings occupied as apartments, duplexes or dwellings, and do not apply to individually rated outbuildings or other private structures on the premises of privately owned apartment house projects.

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**SPECIAL DWELLING SCHEDULE**  
**Contents to Rate Same as Building**  
**Unless Otherwise Specified**  
**Experience Credit Not Applicable.**

**Fire Record Applicable**

**1. GENERAL PROVISIONS:**

- 1.1 The following rules and premiums shall govern the writing of coverage on Dwellings, Individually Owned Townhouse Units, Garage Apartments (not more than two families), Two Family (Duplex) Dwellings, Servant Houses, Private Garages, Private Barns, Fencing (Also see Fence Schedule), Shade Trees, Windmills, Miscellaneous Outbuildings, Seasonal Dwellings, Private Club Houses, and Private Camp Houses, (Television and Radio Antennas owned or at Dwellings - Subject to Dwelling Fire Rate), Trailer Houses that are stationary (Wheels removed and Trailer on blocks, but not Trailer Houses on wheels or on Boat Trailers)---Rates and Premiums for all perils (including Tenant Charge and minimum premium) in Special Dwelling Premium Charts shall apply to Trailer Houses subject to a 25% increase.
- 1.2 The risks eligible for this Schedule shall not be occupied by more than two families, each living in separate quarters. This Schedule does not apply to **ROOMING HOUSES, APARTMENT HOUSES OR TOURIST COURTS.**
- 1.3 **ABODES OF TEACHERS**, located on School premises, occupied solely by teachers, rent free, and where teacher occupants do not exceed ten, shall rate under this Schedule. If such abodes contain teacher occupants in excess of ten, rate under School Schedule and apply charge for Dormitories.
- 1.4 Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses, other than those built on pontoons or floating type supports, Water Tanks and Towers, TV Antennas, Satellite Dishes, Fencing, Shade Trees, Plants and Shrubs and Windmills on Dwelling premises (except those located on Farms or containing **MERCANTILE** occupancies) and insured with the Dwelling but for a separate amount on which not more than \$1,000 insurance is carried on the building (not the amount on **CONTENTS**), the building and its contents shall take the same **FIRE PREMIUM GROUP** as the main dwelling.  
The premium for building or contents shall be that for \$1,000 or pro rata thereof for amounts less than \$1,000 not subject to Fire Minimum Premiums. Otherwise such risks shall be treated as individual risks under this schedule.
- 1.5 **FENCING, SHADE TREES, PLANTS AND SHRUBS AND WINDMILLS** shall take the same Fire Premium Group as the main dwelling in connection with which they are written. If written for an amount less than \$1,000.00, the premium shall be pro rata of the premium for \$1,000.00 coverage.
- 1.6 **PERSONAL EFFECTS** in dwellings located on Military Posts, Camps or Stations shall rate under this Schedule.
- 1.7 Blanket Insurance is not permitted on dwellings and/or their contents.

**Schedule Policies**

When dwellings or other risks governed by the Special Dwelling Schedule are included in schedule policies, the premium for each such item shall be determined by using the total insurance carried on such item under all policies covering pro rata of the schedule.

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- 1.8 **DWELLINGS QUALIFYING FOR PUBLIC HOUSING CREDITS**--Credits apply to premium developed under the **FIRE AND EXTENDED COVERAGE PREMIUM CHARTS**. Credits shall apply to the **PREMIUM** for each coverage separately. Credits applicable to Fire coverage shall be applied before "Fire Record." See Public Housing Credits.
- 1.9 **PREMIUMS APPLY PER ITEM**--In the application of this schedule, the premium (minimum if applicable), for each peril shall be determined for each item subject to these rules. The sum of the premiums for each peril will be the policy premium. See Fire Record Rule and Rounding of Premium Rule.
2. **SMALL MERCANTILE OCCUPANCY** - If floor space used for storage and/or sale of merchandise, or for other business or professional purposes (except as listed under Note 2 below) does not exceed 500 square feet, add to the **FIRE** premium the Mercantile Charge (as shown in the Fire Premium Charts) to the amount of insurance on each item (building and/or contents) covered.
- NOTE 1:** In case floor space used as above exceeds 500 square feet, or building occupied exclusively for Mercantile or Mercantile Storage, submit to the Texas Department of Insurance for rating.
- NOTE 2:** No charge shall be made for offices, including Doctor's or Dentists' Offices, Telephone Exchanges, Music or Dancing Studios, Churches or Schools, unless more than 50% of the total area is used as such, in which case refer to Texas Department of Insurance for rating.
- NOTE 3:** If Music or Dancing Studio comprises more than 50% of the total floor area, rate under School Schedule.
- NOTE 4:** No charge for Dressmaking by occupant where no outside help is employed, or for Salesman's Samples stored, unless space so used exceeds 500 square feet.
3. **BUILDERS RISK** - Dwellings in process of construction shall be rated under Builders Risk Schedule.
4. **MIXED CONSTRUCTION** - To determine premiums for risks of two different wall constructions, use premiums applicable to construction which comprises over 50% of the total exterior wall area (1) Area of gables above ceiling to roof to be ignored (does not apply to FR & SFR Buildings). (2) Area of additions to be included. If three or more types of construction, rate according to rule, "Building of Three or More Types of Construction, With No One Type Comprising 50% of the Building" in the GBS, except no charge for inferior construction. This rule is applicable only to Fire and Extended Coverage.
5. **FIRE RESISTIVE, SEMI-FIRE RESISTIVE AND SPRINKLERED DWELLINGS.**
- 5.1 **FIRE RESISTIVE AND SEMI-FIRE RESISTIVE DWELLINGS**--Submit to the Texas Department of Insurance for Confirmation of classification.
- When approved as Fire Resistive or Semi-Fire Resistive, the following method shall be used by companies and agents in calculating fire premiums; **FIRE**--Use 60% of the brick premium.
- NOTE:** (A) Subject to minimum premium  
(B) Round premium to nearest dollar

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**EXTENDED COVERAGE---DWELLINGS, THEIR OUT BUILDINGS OR SHEDS.** When approved as Fire Resistive or Semi-Fire Resistive by the Texas Department of Insurance, the following method shall be used by companies and agents in calculating extended coverage premiums: All Territories except 1, 8, 9, 10 & 11 --Use 10 percent of the brick premium for buildings and 20 percent of the brick premium for contents. Territories 1, 8, 9, 10 & 11 --Use 20 percent of the brick premium for buildings and 40 percent of the brick premium for contents.

**NOTE:** (A) Subject to minimum premium  
(B) Round premium to nearest dollar

**5.2 SPRINKLERED DWELLINGS**--Submit to the **TEXAS DEPARTMENT OF INSURANCE** for rating.

**6. INTERPOLATION OF PREMIUM**--Premium for any amount of insurance, in excess of the Minimum, not shown in the Premium Charts may be obtained by interpolation.

**6.1 METHOD OF INTERPOLATION**--A 1-year premium is desired for a policy amount of \$15,500 which falls between \$15,000 and \$16,000 shown in the Dwelling Premium chart. In other words, the desired amount is \$500 in excess of the \$15,000 shown. The example below is a Frame Dwelling in key rate charged interval 10-14.

Step 1.	Policy Amount Shown	Premiums Shown
	\$16,000	\$50
	<u>15,000</u>	<u>46</u>
	\$ 1,000	\$ 4 (Diff. in premium)
Step 2.	\$ 500 (Additional Amount)	
	\$ 1,000 (Diff. in Amount X \$4)	
Step 3.	(Diff. in Premium = \$2)	
	\$ 46 (Premium for \$15,000)	
	<u>2</u> (Premium for additional \$500)	
	\$ 48 (Basic Premium for \$15,500)	

**7. ADDITIONAL AMOUNTS OR COVERAGES**--Amounts of insurance may be increased or additional coverages may be added after the inception date of the policy by endorsement.

The premium for such additional coverage or amount, unless otherwise specifically provided, shall be computed on a pro rata basis

The following procedure shall be used to determine the additional premium to be charged for increases and shall be applicable to each separate peril.

**STEP 1:** Convert the premium for the old total amount of insurance to current premium. Use current key rates and fire record.

**STEP 2:** Determine the premium for the new total amount of insurance at current premium. Use current key rates and fire record.

**STEP 3:** Subtract the premium determined in Step 1 from that determined Step 2 and pro rate the difference. The result will be the additional premium to be charged for the increase in amount.

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## CONSTRUCTION

**"FRAME"** includes outer walls of frame; iron-clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard.

**"STUCCO"** includes outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.

**"BRICK VENEER"** includes outer walls of brick veneer or stone veneer.

**"BRICK"** includes outer walls solid masonry; brick; stone; concrete; HTB; HT hollow masonry units; ICM and ICMS. (For FR or SFR risks refer to Rule 8.)

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### APARTMENT HOUSES, TENEMENTS AND FLATS (Form 5) Including their Servant Houses, Garages, Carports and Miscellaneous Outbuildings (See General Rules)

**APARTMENT HOUSE OR FLAT**--An apartment house or flat is a building containing three or more separate suites or apartments arranged as private residences and permanently equipped for housekeeping. A single room or a single room with bath, designed or converted for light housekeeping purposes, shall not be considered as a suite or an apartment.

**TENEMENT**--A tenement is a building which is rented out to be occupied as its home or residence by each of three or more families living independently of each other and doing their cooking on the premises.

**ROOM**--If over 4 rooms rented or for rent by any one occupant, risk shall be classified as a Rooming House and rated under the Rooming House Schedule.

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### AUTO COURTS (Tourist Courts) (Form 5)

Including Office and Outbuildings of Courts and Trailer Camps.

**NOTE 1:** Recreation Halls used in connection with auto courts are subject to auto court rates.

**NOTE 2:** If subject to rental on monthly basis only, rate as dwelling or apartment house. This is determined by the number of units in each structure.

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**BOY AND GIRL VACATION CAMPS, RELIGIOUS ENCAMPMENTS, LUNCHEON CLUB,  
CHILDREN'S CAMPS AND WELFARE CAMP HOUSES  
(Form 5)**

**Rate Under Auto Court Schedule**

**NOTE 1:** If unexposed Frame Class building is occupied as administration building, dining and mess hall, recreation building or commissary apply Country Mercantile rates. If other than Frame Class or if risk is exposed by Mercantile or Special Hazard, submit for rating by the Texas Department of Insurance.

**NOTE 2:** If dining and mess hall or cafeteria building is subject to specific rating by the Texas Department of Insurance apply OTC #428.

**NOTE 3:** Church, Tabernacle or assembly building on premises of church encampments occupied exclusively as such to be rated by agent by applying Church Schedule.

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**ROOMING HOUSES, BOARDING HOUSES, FRATERNITY AND  
SORORITY HOUSES, GUEST AND DUDE RANCHES  
(Form 5)**

Including their servant houses, garages, carports and miscellaneous outbuildings.  
(See General Rules)  
(Not exceeding 5 rooms for transients)

**ROOMING HOUSE**--A rooming house shall be defined, for rating purposes, as a building or house having 5 or more separate rooms, with or without private bath, rented or held for rent to individuals to reside therein in the manner usual to such type of occupants and where no ordinary family cooking is performed in the rooms rented or held for rent.

**GUEST AND DUDE RANCHES**--same as Rooming Houses.

**NOTE 1:** The installation or use of hot plates or other cooking devices in the rooms rented or held for rent shall not permit the classification of a rooming house, as herein defined, as an apartment house, flat or tenement.

**NOTE 2:** If over four rooms are rented, although sleeping quarters are on one sleeping porch or in one room, charge for rooms applies, even though rooms are not used for bedrooms.

**NOTE 3:** If not exceeding 4 rooms rented or for rent to roomers, rate as dwelling.

**NOTE 4:** If over 5 rooms rented or held for rent to transients, submit to Texas Department of Insurance for rating as a Hotel.

**NOTE 5:** If five or more rooms are rented or held for rent by any occupant of a building otherwise classed as an apartment or flat, such risk shall be classed as a Rooming House and so rated with no charge for apartments.

**NOTE 6:** Frame Class recreation rooms, dining rooms and kitchens on premises of Dude or Guest Ranch are subject to rating under Country Mercantile Schedule if qualifying as such. Otherwise, submit for published rate to Texas Department of Insurance.

**NOTE 7:** In case dwelling is occupied by two families, the highest number of rooms rented or for rent by either occupant shall determine whether risk shall be rated as a Rooming House.

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**FRATERNITY AND SORORITY HOUSES**--A Fraternity or Sorority house is a building owned or rented by a fraternity or sorority and used as a domicile for its members.

**CHURCHES**  
(Form 5)

Net Building Rate to be applied where Building and Contents are written blanket.

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**SCHOOLS, COLLEGES, UNIVERSITIES, CONVENTS,  
DAY NURSERIES, ORPHANAGES,  
PUBLIC LIBRARIES AND PRIVATE DORMITORIES  
ON SCHOOL CAMPUS**

Net Building Rate to be applied where Building and Contents are written blanket.

**NOTE 1:** This schedule shall apply to all School and College properties, except Churches, Shops, Steam Laundries, Pump Houses, Light and Power Plants (in separate buildings), Cold Storage Plants or Ice Factories, Creameries, Barns, Dwellings and Infirmarys, which classes shall be rated under their respective schedules.

**NOTE 2:** If abodes of teachers contain teacher occupants in excess of ten, rate under School Schedule and apply charge for dormitories. Otherwise see Rule 1.3 under Special Dwelling Schedule.

**NOTE 3:** Abandoned Schools -- Vacant (other than between terms): If situated localities for which Specific Schedule of rates is published -- submit for rating. If in the country, rate as Country Mercantile; School Form not applicable.

**NOTE 4:** School buildings of other than "frame class," connected by covered walkways are to be rated as separate buildings.

**NOTE 5:** Orphanages of the cottage type, rate under Special Dwelling Schedule, when housing not more than 12 children.

**NOTE 6:** Buildings on school premises, belonging to Churches and occupied as church activities buildings, rate as church.

**NOTE 7:** Temporary classroom buildings of frame or stucco construction to be rated by the agent.

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**CONDOMINIUMS  
COMMERCIAL AND RESIDENTIAL**

**I. General:**

When coverage is provided for a condominium association, one of the following coverage forms must be attached regardless of whether the condominium occupancy is residential, commercial or a combination of both.

- II. Basic Forms:** Condominium Property Form No. 280, and Special Condominium Property Form No. 281, replace Sections I -- Definition and III Specific Coverage Conditions of the Texas Standard Policy.

**III.**

- A.** Condominium Property Form No. 280 provides fire and extended coverage. Coverage may be expanded or modified by using standard endorsements.
- B.** Special Condominium Property Form No. 281 provides coverage on all risk basis.
- C.** Standard Windstorm, Hurricane and Hail Deductible endorsements must be attached to these forms.

#### **IV.** Optional Endorsements:

**A.** Condominium Endorsement (Additional Property Coverage) Form No. 282 provides coverage for fixtures, installation or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual condominium units, either

1. initially installed, or replacements thereof, in accordance with the original condominium plans and specifications; or
2. initially installed, or replacements thereof, in accordance with the original condominium plans and specifications, or installed by or at the expense of the unit owners.

**Note:** This endorsement is applicable to both commercial and residential condominiums.

**B.** Special Condominium Property Form--Optional Amendatory Endorsement No. 283 may be used only in conjunction with Form No. 281, Special Condominium Form, and amends the exclusion relating to rain damage. Wind driven rain coverage can be provided to a condominium building containing individual condominium units so long as all the units within that single building qualify for the coverage. The qualifications for each single unit are as follows: 1) Each single unit cannot be more than three stories in height. Single units may be a 1, 2 or 3 story condominium unit, but must be occupied by a single occupant. 2) Each single unit (whether 1, 2 or 3 stories) must be attached to land. 3) Each single unit cannot be directly above or below any other single condominium unit.

**C.** Loss Caused by Water Which Backs Up Through Sewers and Drains Assumption Endorsement No. 284 may be used only in conjunction with Form No. 281 -- Special Condominium Form -- and broadens coverage by deleting Exclusion C(3) of Form No. 281. This endorsement may be used only on policies insuring residential condominiums.

**D.** Office Contents Special Form 136 may be attached to a condominium sales or leasing office used solely as an office operation when located in a separate building or within the same fire division with other condominium units.

#### **V.** Commercial Condominiums:

**A.** Coverage for individual commercial and condominium unit owners may not be provided under Form Nos. 280 and 281. Coverage must be provided by a separate Texas Standard Policy.

**B.** Commercial Condominium Endorsement No. 285 must be attached to the Texas Standard Policy to modify the definition of contents.

**C.** Commercial Condominium Unit Owners Loss Assessment Endorsement No. 286 may be attached to a policy insuring a commercial condominium unit to provide coverage for assessments charged to the unit owner by the condominium association.

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**Rates:**

1. Condominium Property Form No. 280 -- Charge for Fire and Extended Coverages according to the normal rules in the GBS applicable to the construction, occupancy and protection of the Condominium project.
2. Special Condominium Property Form No. 281 -- Charge the applicable Fire and Extended Coverage premium as in 1 above plus a charge for all other perils from the following table:

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**RESIDENTIAL CONDOMINIUM AND TOWNHOUSE  
RATING SCHEDULE**

This Schedule is applicable to the following:

- A. Townhouses, as defined below, including all outbuildings, when written under a townhouse association policy.
- B. Residential condominium buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings in which each individual unit owner has an undivided interest.

**DEFINITION**

A townhouse is a building containing three or more units, each of which is owned by one or more individuals or a corporation, arranged as private residences and permanently equipped for housekeeping.

**NOTE:** Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof, without openings, are not subject to rating under this schedule. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.) Townhouse units which qualify under this note are subject to rating under the Homeowners or Special Dwellings Schedules.

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**TOWNHOUSES**

**GENERAL**

- A. A townhouse is not a condominium and a townhouse association is not subject to the Texas Condominium Act. These rules, rates and forms are provided to recognize the special characteristics of a townhouse association, its insurable interest and the interest of the townhouse unit owners as members of the association.

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B. Coverage may be provided for a townhouse association in accordance with the provisions of the association declarations and by-laws to insure the association for its interest in the townhouse units owned by the association members, and for personal property in which the members of the association have an undivided interest.

C. Definition: The definition of a **TOWNHOUSE** shall be the definition as outlined under the Townhouse Rating Schedule in this manual.

**ELIGIBILITY:**

A. Subject to the definition of a townhouse, a townhouse association may be insured provided it meets the eligibility requirements.

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**DISTRIBUTING STATIONS**

TABLES OF RATES FOR WHOLESALE TANK TRUCK, OIL, GASOLINE AND/OR LIQUIFIED PETROLEUM GAS DISTRIBUTING STATIONS (OCCUPIED EXCLUSIVELY AS SUCH) CONTEMPLATING ALL BUILDINGS AND TANKS AND/OR THEIR CONTENTS, IRRESPECTIVE OF CONSTRUCTION OR LOCATION.

**NOTE:** If blanket coverage is written on Building and/or Contents, Co-Insurance Clause of at least 90% must be attached or No-Coinsurance rates must be used.

**NOTE:** Term Rate = 3 x Annual

**SEACOAST TERRITORY**

\$100 Deductible-Mandatory COINSURANCE	E C Rates	W S Rates
	1 year (All Construction)	1 year
80% & 90%	\$0.201	\$ .212
100%	.165	.177
None (Bldg.)	2.650	5.000
None (Conts.)	.210	5.000

**\*\*These rates are in addition to the Initial Waiving Charge provided in Rules**

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**IMPROVEMENTS AND BETTERMENTS INSURANCE**

1. In the Texas Standard Policy, provided the insured is not the owner of the building, the insured's interest in Improvements and Betterments made to the building is included under the definitions "Furniture, Fixtures and Machinery" and "Contents" (not "Stock") and is covered by insurance on such items unless insured specifically.

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It is permissible to attach Form 105 to such policies in order to include the provisions contained therein.

2. The tenant's use interest in Improvements and Betterments may be written either under a separate item or a separate policy. When so written, Improvements and Betterments Endorsement, Form No. 105, must be attached to policy.

When writing Improvements and Betterments as a separate item or a separate policy the building in which the Improvements and Betterments are located must be clearly identified by description and location.

It is suggested that when filling out "Description of Property" in the face of the policy the following methods be used:

\$ . . . . on Improvements and Betterments, as provided in Form No. 105 attached, to the . . . . (Then describe building as to construction, location and occupancy.)

3. Improvements and Betterments are defined in Endorsement Form 105 as fixtures, alterations, installations or additions comprising a part of the described building and made or acquired at the expense of the Insured exclusive of rents paid by the Insured but which are not legally subject to removal by the Insured.

**NOTE:** Improvements and Betterments as defined above are not limited to those acquired or installed during the period of the current lease. Improvements and Betterments to the building acquired or made at the expense of the Insured at any time during his tenancy are included in the above definition but the coverage is as specified in the conditions and limitations of the form.

4. Improvements and Betterments coverage may be written for a tenant occupying the building under a conventional term lease, on a month to month basis or other form of rental agreement. However, occupancy of the building or the premises by the Insured is not a requirement for eligibility. The coverage may also be written for a lessee who has installed Improvements and Betterments and sub-leases or rents the premises to others.
5. The rate applying to Improvements and Betterments, when written under a separate item or a separate policy, shall be the highest rate applying to the contents associated with the Improvements and Betterments in the same premises, subject to the same credits for attachment of the Coinsurance Clause that apply to the contents, with regular term rule applicable.
6. If Improvements and Betterments insurance is written to cover in two or more buildings regular Average Rate rules will apply.
7. Insurance shall not be written in the name of the building owner and tenant jointly to cover Improvements and Betterments. When coverage is desired in the names of the building owner and the tenant jointly in lieu of Improvements and Betterments insurance, the coverage may be written only as building insurance.

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### **REPLACEMENT COSTS ENDORSEMENT RULES** **(Replacement cost without deduction for depreciation)**

1. Insurance covering on buildings or contents, other than dwellings and their contents, may be extended to cover the difference between the actual cash value and the actual cost of repairs or replacement without deduction for depreciation by the use of the approved Replacement Cost Endorsements and subject to the following provisions.
2. Replacement Cost Endorsement No. 1, Building and Contents Endorsement, may be made applicable to items insuring buildings and contents other than dwellings and their contents and to Improvements and Betterments when the insured is not the building owner. Policies covering specifically on tenant's interest in Improvements and Betterments with Form 105 attached may be extended to cover the difference between actual cash value and

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the actual cost of repair or replacement without deduction for depreciation by using Replacement Cost Endorsement No. 1 with the following amendatory endorsement:

"As to items covering tenant's use Interest in Improvements and Betterments, wherever the words 'items or items or property' appear in the Replacement Cost Endorsement Form No. 1 attached to this policy, there shall be substituted therefore the words 'tenant's use interest in Improvements and Betterments.'"

When Replacement Cost Coverage is provided for Improvements and Betterments, the rate shall be determined in accordance with Rule 6, but the contents rate shall be used as a basis for rate determination rather than the building rate.

3. The Replacement Cost Endorsement No. 2 may be attached to policies insuring building(s), structures, and contents (except Dwellings) used in, or supplemental to, the performance of respective programs of Schools, Churches, and Hospitals. This form may not be used to provide Replacement Cost Insurance on contents only. When Replacement Cost Endorsement No. 2 is used, the building rate shall apply. (See Rule 6.)
4. Coverage under the Replacement Cost Endorsements may be applied to either specific or blanket policies.
5. When blanket policies are written or endorsed to include coverage under this endorsement using a blanket average rate based upon a sworn statement of replacement cost values, the average rate bulletin shall state that rates are based on replacement cost values.
6. The rates that will apply when a Replacement Cost Endorsement is attached to a policy shall be:
  - (a) When written without coinsurance the rate shall be five times the no-coinsurance building and/or contents rate.
  - (b) When written with 80% or 90% coinsurance and---
    - (1) Risk is eligible for coinsurance under regular coinsurance rules and the rate shall be the 80% coinsurance building and/or contents rate.
    - (2) Risk is ineligible for coinsurance under regular coinsurance rules, and rate shall be the no-coinsurance building and/or contents rate.
  - (c) When written with 100% coinsurance and --
    - (1) Risk is eligible for coinsurance under regular coinsurance rules, the rate shall be the coinsurance rate for the highest percentage coinsurance to which eligible under regular coinsurance rules.
    - (2) Risk is ineligible for coinsurance under the regular coinsurance rules; the rate shall be the no-coinsurance building and/or contents rate.
7. In the case of buildings owned and principally occupied by Federal, State, County, or Municipal Governments or divisions thereof, or by Educational Institutions not operating for profit, or buildings owned by Religious Organizations and occupied exclusively as churches or for religious purposes together with appurtenant buildings occupied for such purposes as social halls, Sunday schools, nurseries or parish houses, the requirement in the Replacement Cost Endorsement of actual repair or replacement on the same premises may be waived by use of the following endorsement:

"The words 'on the same premises' appearing in Paragraphs 3(c) and 5(b) of the Replacement Cost Endorsement attached to this policy are hereby deleted as respects the insurance provided by the Replacement Cost Endorsement to Item(s) \_\_\_\_\_ of this policy."

## AUTOMOBILE SERVICE STATIONS

For rating purposes, gasoline pumps and hydraulic lifts shall be considered contents and when specifically insured the contents rate shall be used.

For rating purposes underground tanks shall be considered as a building item and when specifically insured the building rate shall be used.

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## BOWLING ALLEYS

Bowling lanes are considered contents and shall be insured using contents rate.

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## CHANGE IN HAZARD

A Change in Hazard is construed to be:

- (1) Any physical change in the building structure,
- (2) installation of or removal of "first aid equipment" where credit or penalty is allowed therefore in the rating schedule,
- (3) creation of or removal of chargeable exposures,
- (4) or, any change in type of occupancy that will normally produce change in rate. (Changes in type of occupancy that are rated under the Special Class or Special Hazard Schedule having similar schedules and mercantile occupancies having the same OTC will not necessarily produce a change in rate.)

**NOTE 1:** An effective date following the rate analysis of a published rate is evidence that such rate resulted from a Change in Hazard. Does not apply in cases of published rates for multiple occupancy buildings where a supplement is issued changing the occupancy in part, and the published rate on the building is not changed, or the new occupant does not create a new Experience class. In this case the Building rate is not subject to adjustment, as it is not considered that there has been an actual Change in Hazard. Same rule applies to other Contents of the building, even though supplement bears an effective date.

**NOTE 2:** Removal of property from one location to another is considered a Change in Hazard insofar as the policy covering the property moved is concerned.

**NOTE 3:** The attachment or removal of Coinsurance or the changing in percentage of Coinsurance is not a Change in Hazard.

**NOTE 4:** Existing policies must be endorsed to reduced rate resulting from a Change in Hazard, whether rate is one that is published by the Texas Department of Insurance or on a class that is subject to rating by the companies or agents.

**NOTE 5:** Revised published rates will not be dated back more than 60 days from the date change is reported to the Texas Department of Insurance; likewise, rate adjustments on property subject to rating by the company or agent are not to be made retroactive more than 60 days from the date of the adjustment.

**NOTE 6:** In cases of dwellings, apartments and rooming houses, the change of owner or tenant occupancy is not to be considered a Change in Hazard. (Except items rated under the Special Dwelling Schedule which are subject to a Tenant Occupancy change.)

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**NOTE 7:** The installation of a new standard fire hydrant within required distance of a risk previously over a required distance shall constitute a Change in Hazard and shall permit adjustment of rate under existing policies.

**NOTE 8:** Extension of city limits does not constitute a Change in Hazard. The application of a reduced rate to existing policies covering risks within such extended areas may not be made, unless there is a standard fire hydrant within required distance of the risk at the time of annexation, or unless there is a change in hazard of the individual risk after date of annexation, and even then Fire Record of city cannot be applied.

**NOTE 9:** When adjusting premium to a new rate resulting from a Change in Hazard, the current rating schedule, Key Rate and Experience must be used.

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## CONVALESCENT HOMES

Convalescent Homes eligible for rating under Hospital Schedule are those having nurse(s) on duty at all times. Convalescent Homes not having nurse(s) on duty at all times rate as Rooming Houses.

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## NET RATE CALCULATION RULE

A. All calculations applied to the **gross** building and/or contents rate to determine the **final net rate(s)** shall:

1. be made using the complement of the applicable factors in the Texas General Basis Schedules and
2. consider each calculation separately and be carried to three decimal places, disregarding the fourth place figure.

### EXAMPLES

<u>Credit/Debit Factor</u>	<u>Complement</u>	<u>Rate x Complement = Result</u>
.35%	.65	.25 x .65 = .162
+35%	1.35	.25 x 1.35 = .337
+135%	2.35	.25 x 2.35 = .587

B. Definitions:

**Gross Rate** shall mean:

1. A rate (including applicable key rate) published by the Texas Department of Insurance before application of any experience, coinsurance and/or other factors.
2. A rate (including applicable key rate) determined under a rating schedule before application of any experience, coinsurance and/or other factors.
3. A rate named by the company and approved by the Texas Department of Insurance.
4. A rate set out as a flat rate in the Texas General Basis Schedules.

**Final Net Rate** shall mean the rate established after application of experience, coinsurance and/or other factors to the gross rate.

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**MACHINERY AND EQUIPMENT  
PERTAINING TO SERVICE OF BUILDINGS**

Machinery and equipment that is used solely in the service of the building, if the property of the owner of the building, may be insured with the building at the Building rate; but no manufacturing machinery or apparatus may be included. If insured specifically under a separate item, use the contents rate.

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**PREMIUM CALCULATION**

Except where otherwise provided, premiums are to be based on rate time \$100 insurance.

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**PRIVATE DAIRIES**

Rate as farm barn if qualifying under definition of Farm Property. If risk does not qualify as Farm Property, rate as a barn under Special Dwelling Schedule.

**NOTE:** Applies to all outbuildings used in connection with private dairies.

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**SERVANT HOUSES, PRIVATE  
GARAGES AND OUTBUILDINGS**

(On premises of Apartments or Rooming Houses)

Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses and Water Tanks and Towers on the premises on which not more than \$750 insurance is carried on the building (not **CONTENTS**), the building and contents shall take the rate of the rooming house or apartment house to which they belong; otherwise they shall rate as individual risks under the schedule of the main building with which they are associated. Public Housing Credits are not to be applied to individually rated and privately owned property as described above.

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**TRANSFERS OR REMOVALS**

Transfers of insurance from one locality to another shall not be granted unless there has been an actual removal of the property coverage corresponding with the transfer. See rule for application of Fire Record. Transfer of amounts of insurance from one item to another or one type of coverage to another shall not be permitted.

## WAIVER OF PREMIUM

Should the final premium under "rate adjustment" endorsement be less than \$5.00, it may be waived.

Exception: For permits or endorsements, other than rate adjustments, additional premiums shall be reported regardless of amount.

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## CANCELLATIONS

Except as noted below, cancellation of policies shall be made in accordance with the provisions of the policy contract, wherein it is provided that if policy is cancelled by Insured, it shall be cancelled short rate or if cancelled by the company, cancellation shall be pro rata. If company cancels pro rata it must be for the purpose of retiring from risk or reducing its liability. No other pro rata cancellations will be permitted other than as excepted below:

**Exception 1.** See rule for Rewriting Unexpired Policies.

**Exception 2.** Builders Risks policies shall be cancelled pro rata only upon completion of risk, or at request of the company. Builders Risk policies may not be cancelled flat for non-payment of premium but must show the proper earned premium up to date they are sent in.

**Exception 3.** Flat cancellation is a privilege designed to protect the agent against liability for earned premiums on policies issued in good faith and upon which an earned premium cannot be collected.

Annual or term policies, other than on builders risks, may be cancelled flat for non-payment of premium only when satisfactory evidence of cancellation is sent to the company within 60 days of the inception date of policy. If such cancelled policy is not returned within 60 days of its inception, the full earned premium must be figured from the inception date to a date not more than 10 days prior to the date the cancelled policy is sent to the company.

When a policy is cancelled and it is impossible for any reason to secure possession of the policy in time to return it to the company within the time required under the above rules, agents may notify the company of the cancellation, with the statement that the policy will be returned later. Then, upon receipt of the cancelled policy itself, the company will recognize the date of actual termination of liability as thus reported as being the date from which the earned or returned premium actual should be figured, provided, however, the reported date of actual termination of liability and notification to the company, bear a date not more than ten days prior to the date such notification is sent to the company. This notice should be in writing and forwarded to the company and should show the name of Company, number of policy, location of risk, effective date of policy, and actual date of termination of liability.

**Exception 4.** Any policy, other than a Builders Risk Policy, may be cancelled pro rata and rewritten as follows:

- a. If the same coverage (Property covered, amounts and perils), and for the same term shown in the policy cancelled, would produce no advantage in total policy premium under the new rates and fire record (if any change in either), the rewritten policy must be for not less than the unexpired term of the policy cancelled. (See Notes 1 thru 4 below.)
- b. If the property is sold or if there is a change in the mortgagee and the new owner or the new mortgagee requests a new policy. (See Notes 1 thru 4 below.)

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- c. If the city limits are extended to include the insured risk or if a standard fire hydrant is installed within the required distance of an insured risk, provided the new policy is written for not less than the full term of the policy being cancelled. (See Notes 1 thru 4 below.)
- d. If dwelling is sold and insured buys dwelling at another location and new policy is issued at new location by same agent, in the same company group (unless agent no longer represents the company group) for same amount or more and includes at least same perils as covered by policy being cancelled provided new policy is issued at same time and date old policy is cancelled. If new policy is not written at same time and date old policy is cancelled, old policy shall be cancelled short rate and if within 30 days new policy is issued as above, cancellation may be adjusted to pro rata. (See Notes 1 thru 4 below.)

**NOTE 1:** Under each item, a, b, or c, the insurance must be rewritten from date of cancellation, by the same agent, in the same company group (unless agent no longer represents the company group) and must include coverage on the same property for the same amount or more and include the same perils as covered by the policy being cancelled.

**NOTE 2:** The cancellation of a policy may not be back-dated and the policy rewritten with an inception date prior to effective date of a rate increase (including fire record change) after such rate increase or fire record change has been promulgated.

**NOTE 3:** Individual items of a schedule policy may not be cancelled pro rata and rewritten leaving other items in force except in case where the property covered under an item is sold and insurance on such property is rewritten in accordance with Note 1, or where there is a change in mortgagee and insurance on such property is rewritten in accordance with Note 1. A portion of the coverage under a blanket policy or blanket item may not be cancelled pro rata and rewritten leaving the remainder of the coverage in force.

**NOTE 4:** Pro Rata Cancellation, Form 24, completed in detail must accompany policy in each instance where a policy is cancelled pro rata and rewritten under these rules.

**NOTE 5:** In any event the insuring company cancels a policy for its own convenience, the insured shall have the right to receive pro rata cancellation on any policy remaining in force with the canceling company.

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### PRIVATE CLUB HOUSES

Private Club Houses (including private miscellaneous structures used in connection therewith) are defined as structures owned by not more than five (5) private individuals and/or their families (not corporations, companies, organizations, associations, clubs, federations, combines or fraternal orders); located in suburban or country districts, on lakes or rivers, at resorts or parks (not farm property); furnished and used, at least periodically by owners only, for dwelling occupancy. Such risks, except Fire Resistive, Semi-Fire Resistive, and Sprinklered, are subject to rating by the agent under the Special Dwelling Schedule. Club houses not falling within the above definition are to be rated by the Texas Department of Insurance under the schedule provided for Hunting, Fishing, Resort and Employee Club Houses (See Club Houses). Exception: dwelling type cottages and miscellaneous structures to be rated by the agent under the Special Dwelling Schedule.

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**EXTENDED COVERAGE (Windstorm, Hurricane, Hail,  
Explosion, Riot and Civil Commotion Including Explosion  
and Aircraft and Land Vehicle Property Damages);**

**WINDSTORM, HURRICANE AND HAIL; EXPLOSION;  
RIOT AND CIVIL COMMOTION; EXPLOSION; VANDALISM  
AND MALICIOUS MISCHIEF; AND AIRCRAFT AND LAND  
VEHICLE PROPERTY DAMAGE INSURANCE**

**(Excluding Petroleum Property and Farm Property)**

**DEDUCTIBLE CLAUSE:**

**NOTE:** Does not apply to private Radio or Television Antennas and Towers, Cloth Awnings, Improvements and Betterments, Form 105, Improvements and Repairs (not additions) when written as builders risk, Signs, Poles and Posts in the open, Portable Saw Mills, Scales, Smokestacks, Gasoline Pumps and Time Element Coverages.

**NOTE:** The deductible clause should not be attached to any item to which the Large Deductible Endorsement Form No. 65 is applicable.

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**PUBLIC HOUSING AUTHORITY PROJECTS**

A 40% credit shall be deducted from the windstorm or extended coverage building rate applicable to the following. The credit is to be applied after application of the proper territory multiplier.

1. Dwellings and apartments of Housing Projects owned by supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.
2. Dwellings and apartments of Housing Projects owned and supervised by Federal Housing Authorities.
3. Dwellings and apartments of similar apartment housing projects privately owned, built under and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.
4. Apartments (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.

The above rule applies to all classes of construction.

**NOTE:** Contents rate is not affected by the foregoing; contents rate to be calculated just as though the above credit did not exist.

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**DAYS EARNED TABLE (Based on 365 Day Basis)**  
**Effective Month of Cancellation or Endorsement**

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Effective	Jan.	31	59	90	120	151	181	212	243	273	304	334
Month	Feb.	334	28	59	89	120	150	181	212	242	273	303
of	Mar.	306	337	31	61	92	122	153	184	214	245	275
Policy	Apr.	275	306	334	30	61	91	122	153	183	214	244
	May	245	276	304	335	31	61	92	123	153	184	214
	June	214	245	273	304	334	30	61	92	122	153	183
	July	184	215	243	274	304	335	31	62	92	123	153
	Aug.	153	184	212	243	273	304	334	31	61	92	122
	Sept.	122	153	181	212	242	273	303	334	30	61	91
	Oct.	92	123	151	182	212	243	273	304	335	31	61
	Nov.	61	92	120	151	181	212	242	273	304	334	30
	Dec.	31	62	90	121	151	182	212	243	274	304	335

Month shown in first column are the months in which the policy is effective. Months across the top of the chart are the months in which the cancellation date or endorsement change is to be effective. Number of days are even days as evidenced for the period of July 15 to December 15 shown as 153 days. Had the effective date of cancellation been December 20, you would simply add the 5 days making the total number of days in force at 158. Had the date of cancellation been December 10, you would subtract the 5 days.

### PRO RATA TABLES

The pro rata premium for any period of less than the full policy term may be determined by the following procedure:

- Cancellation--By multiplying the premium by the Pro Rata Decimal Fraction for the period.
- New Policies--
  - Dwellings--by multiplying the 1 or 3 year premium, as the case may be, by the Pro Rata Decimal fraction for the period.
  - Other than Dwellings - by multiplying the 1 or 3 year rate, as the case may be, by the Pro Rata Decimal Fraction for the period, and then multiply the policy amount by the product so obtained.

General instructions (for use of the following Pro Rata Tables): either the premium for the period from commencement to date of cancellation (earned premium) or the premium from date of cancellation to expiration (return premium) may be computed. Where there has been a change in rate or amount of insurance during the effective period

of the policy, the premium for the full policy term at the rate and amount of insurance as of the date of cancellation shall be used in the computation.

Directions: After the period for which the pro rata premium is desired has been determined, the Pro Rata Decimal Fraction for such period shall be obtained as follows:

- For a Period Not Longer Than One Year: The decimal fraction for any period not longer than one year may be taken directly from the tables following, for a 1-year or 3-year policy.
- For a Period Longer than One Year: The decimal fraction for any period longer than one year shall be determined as follows:
  - Obtain the decimal fraction for the period of one or more full years from the table of Pro Rata Decimal Fractions for Full Year Periods.
  - Add to such figure the decimal fraction for the number of days (if any) in excess of the period of full year(s), as shown in the table of Pro Rata Decimal Fractions for Period from 1 to 365 Days.

#### EXAMPLES

##### Period of 1 year 73 Days:

	For 3 Yr. Policy
Decimal Fraction for 1 year .....	.3333
Decimal Fraction for 73 Days .....	<u>.0667</u>
Decimal Fraction for Period .....	.4000

##### Period of 2 Years 55 Days:

	For 3 Yr. Policy
Decimal Fraction for 2 years .....	.6667
Decimal Fraction for 55 Days .....	<u>.0502</u>
Decimal Fraction for Period .....	.7169

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### PRO RATA DECIMAL FRACTIONS FOR FULL YEAR PERIODS

The table shows decimal fraction for full year periods for policies written for a term of years:

#### PRO RATA OF

No. of Years

3-yr

1

.3333

2

.6667

### TEXAS GENERAL BASIS SCHEDULES

#### PRO RATA DECIMAL FRACTIONS FOR PERIOD FROM 1 TO 365 DAYS

The following table shows decimal fractions for periods from 1 to 365 days for policies written for a term of 1 year or 3 years.

No. of Days	PRO RATA OF		No. of Days	PRO RATA OF		No. of Days	PRO RATA OF	
	1 yr.	3 yrs.		1 yr.	3 yrs.		1 yr.	3 yrs.
1	.0027	.0009	26	.0712	.0237	51	.1397	.0466
2	.0055	.0018	27	.0740	.0247	52	.1425	.0475
3	.0082	.0027	28	.0767	.0256	53	.1452	.0484
4	.0110	.0037	29	.0795	.0265	54	.1479	.0493
5	.0137	.0046	30	.0822	.0274	55	.1507	.0502
6	.0164	.0055	31	.0849	.0283	56	.1534	.0511
7	.0192	.0064	32	.0877	.0292	57	.1562	.0521
8	.0219	.0073	33	.0904	.0301	58	.1589	.0530
9	.0247	.0082	34	.0932	.0311	59	.1616	.0539
10	.0274	.0091	35	.0959	.0320	60	.1644	.0548
11	.0301	.0100	36	.0986	.0329	61	.1671	.0557
12	.0329	.0110	37	.1014	.0338	62	.1699	.0566
13	.0356	.0119	38	.1041	.0347	63	.1726	.0575
14	.0384	.0128	39	.1068	.0356	64	.1753	.0584
15	.0411	.0137	40	.1096	.0365	65	.1781	.0594
16	.0438	.0146	41	.1123	.0374	66	.1808	.0603
17	.0466	.0155	42	.1151	.0384	67	.1836	.0612
18	.0493	.0164	43	.1178	.0393	68	.1863	.0621
19	.0521	.0174	44	.1205	.0402	69	.1890	.0630
20	.0548	.0183	45	.1233	.0411	70	.1918	.0639
21	.0575	.0192	46	.1260	.0420	71	.1945	.0648
22	.0603	.0201	47	.1288	.0429	72	.1973	.0658
23	.0630	.0210	48	.1315	.0438	73	.2000	.0667
24	.0658	.0219	49	.1342	.0447	74	.2027	.0676
25	.0685	.0228	50	.1370	.0457	75	.2055	.0685

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No. of Days	PRO RATA OF		No. of Days	PRO RATA OF		No. of Days	PRO RATA OF	
	1 yr.	3 yrs.		1 yr.	3 yrs.		1 yr.	3 yrs.
76	.2082	.0694	126	.3452	.1151	176	.4822	.1607
77	.2110	.0703	127	.3479	.1160	177	.4849	.1616
78	.2137	.0712	128	.3507	.1169	178	.4877	.1626
79	.2164	.0721	129	.3534	.1178	179	.4904	.1635
80	.2192	.0731	130	.3562	.1187	180	.4932	.1644
81	.2219	.0740	131	.3589	.1196	181	.4959	.1653
82	.2247	.0749	132	.3616	.1205	182	.4986	.1662
83	.2274	.0758	133	.3644	.1215	183	.5014	.1671
84	.2301	.0767	134	.3671	.1224	184	.5041	.1680
85	.2329	.0776	135	.3699	.1233	185	.5068	.1689
86	.2356	.0785	136	.3726	.1242	186	.5096	.1699
87	.2384	.0795	137	.3753	.1251	187	.5123	.1708
88	.2411	.0804	138	.3781	.1260	188	.5151	.1717
89	.2438	.0813	139	.3808	.1269	189	.5178	.1726
90	.2466	.0822	140	.3836	.1279	190	.5205	.1735
91	.2493	.0831	141	.3863	.1288	191	.5233	.1744
92	.2521	.0840	142	.3890	.1297	192	.5260	.1753
93	.2548	.0849	143	.3918	.1306	193	.5288	.1763
94	.2575	.0858	144	.3945	.1315	194	.5315	.1772
95	.2603	.0868	145	.3973	.1324	195	.5342	.1781
96	.2630	.0877	146	.4000	.1333	196	.5370	.1790
97	.2658	.0886	147	.4027	.1342	197	.5397	.1799
98	.2685	.0895	148	.4055	.1352	198	.5425	.1808
99	.2712	.0904	149	.4082	.1361	199	.5452	.1817
100	.2740	.0913	150	.4110	.1370	200	.5479	.1826
101	.2767	.0922	151	.4137	.1379	201	.5507	.1836
102	.2795	.0932	152	.4164	.1388	202	.5534	.1845
103	.2822	.0941	153	.4192	.1397	203	.5562	.1854
104	.2849	.0950	154	.4219	.1406	204	.5589	.1863
105	.2877	.0959	155	.4247	.1416	205	.5616	.1872
106	.2904	.0968	156	.4274	.1425	206	.5644	.1881
107	.2932	.0977	157	.4301	.1434	207	.5671	.1890
108	.2959	.0986	158	.4329	.1443	208	.5699	.1900
109	.2956	.0995	159	.4356	.1452	209	.5726	.1909
110	.3014	.1005	160	.4384	.1461	210	.5753	.1918
111	.3041	.1014	161	.4411	.1470	211	.5781	.1927
112	.3068	.1023	162	.4438	.1479	212	.5808	.1936
113	.3096	.1032	163	.4466	.1489	213	.5836	.1945
114	.3123	.1041	164	.4493	.1498	214	.5863	.1954
115	.3151	.1050	165	.4521	.1507	215	.5890	.1963
116	.3178	.1059	166	.4548	.1516	216	.5918	.1973
117	.3205	.1068	167	.4575	.1525	217	.5945	.1982
118	.3233	.1078	168	.4603	.1534	218	.5973	.1991
119	.3260	.1087	169	.4630	.1543	219	.6000	.2000
120	.3288	.1096	170	.4658	.1553	220	.6027	.2009
121	.3315	.1105	171	.4685	.1562	221	.6055	.2018
122	.3342	.1114	172	.4712	.1571	222	.6082	.2027
123	.3370	.1123	173	.4740	.1580	223	.6110	.2037
124	.3397	.1132	174	.4767	.1589	224	.6137	.2046
125	.3425	.1142	175	.4795	.1598	225	.6164	.2055

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No. of Days	PRO RATA OF		No. of Days	PRO RATA OF		No. of Days	PRO RATA OF	
	1 yr.	3 yrs.		1 yr.	3 yrs.		1 yr.	3 yrs.
226	.6192	.2064	276	.7562	.2521	326	.8932	.2977
227	.6219	.2073	277	.7589	.2530	327	.8959	.2986
228	.6247	.2082	278	.7616	.2539	328	.8986	.2995
229	.6274	.2091	279	.7644	.2548	329	.9014	.3005
230	.6301	.2100	280	.7671	.2557	330	.9041	.3014
231	.6329	.2110	281	.7699	.2566	331	.9068	.3023
232	.6356	.2119	282	.7726	.2575	332	.9096	.3032
233	.6384	.2128	283	.7753	.2584	333	.9123	.3041
234	.6411	.2137	284	.7781	.2594	334	.9151	.3050
235	.6438	.2146	285	.7808	.2603	335	.9178	.3059
236	.6466	.2155	286	.7836	.2612	336	.9205	.3068
237	.6493	.2164	287	.7863	.2621	337	.9233	.3078
238	.6521	.2174	288	.7890	.2630	338	.9260	.3087
239	.6548	.2183	289	.7918	.2639	339	.9288	.3096
240	.6575	.2192	290	.7945	.2648	340	.9315	.3105
241	.6603	.2200	291	.7973	.2658	341	.9342	.3114
242	.6630	.2210	292	.8000	.2667	342	.9370	.3123
243	.6658	.2219	293	.8027	.2676	343	.9397	.3132
244	.6685	.2228	294	.8055	.2685	344	.9425	.3142
245	.6712	.2237	295	.8082	.2694	345	.9452	.3151
246	.6740	.2247	296	.8110	.2703	346	.9479	.3160
247	.6767	.2256	297	.8137	.2712	347	.9507	.3169
248	.6795	.2265	298	.8164	.2721	348	.9534	.3178
249	.6822	.2274	299	.8192	.2731	349	.9562	.3187
250	.6849	.2283	300	.8219	.2740	350	.9589	.3196
251	.6877	.2292	301	.8247	.2749	351	.9616	.3205
252	.6904	.2301	302	.8274	.2758	352	.9644	.3215
253	.6932	.2311	303	.8301	.2767	353	.9671	.3224
254	.6959	.2320	304	.8329	.2776	354	.9699	.3233
255	.6986	.2329	305	.8356	.2785	355	.9726	.3242
256	.7014	.2338	306	.8384	.2795	356	.9753	.3251
257	.7041	.2347	307	.8411	.2804	357	.9781	.3260
258	.7068	.2356	308	.8438	.2813	358	.9808	.3269
259	.7096	.2365	309	.8466	.2822	359	.9836	.3279
260	.7123	.2374	310	.8493	.2831	360	.9863	.3288
261	.7151	.2384	311	.8521	.2840	361	.9890	.3297
262	.7178	.2393	312	.8548	.2849	362	.9918	.3306
263	.7205	.2402	313	.8575	.2658	363	.9945	.3315
264	.7233	.2411	314	.8603	.2868	364	.9973	.3324
265	.7260	.2420	315	.8630	.2877	365	1.0000	.3333
266	.7288	.2429	316	.8658	.2886			
267	.7315	.2438	317	.8685	.2895			
268	.7342	.2447	318	.8712	.2904			
269	.7370	.2457	319	.8740	.2913			
270	.7397	.2466	320	.8767	.2922			
271	.7425	.2475	321	.8795	.2932			
272	.7452	.2484	322	.8822	.2941			
273	.7479	.2493	323	.8849	.2950			
274	.7507	.2502	324	.8877	.2959			
275	.7534	.2511	325	.8904	.2968			

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**Appendix D  
RATING RULES  
FOR ALL FARM AND RANCH PROPERTY**

**Rating Classifications**

Construction	
Frame	Outer walls of frame; iron clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard
Stucco	Outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.
Brick Veneer	Outer walls of brick-veneer or stone-veneer.
Brick	Outer walls of solid masonry; brick; stone; concrete; HTB; HT; hollow masonry units; ICM and ICMS.

1. For risks with mixed construction, the predominant construction shall be the construction comprising over 50% of the total exterior wall area (excluding gables).
2. For risks with more than two constructions, the predominant construction shall be the construction comprising the majority of the total exterior wall area (excluding gables).
3. For risks of superior construction (FR, SFR and/or Automatic Sprinklered Risks) apply to the Texas Department of Insurance for confirmation of construction.

**FARM AND RANCH DWELLING EXTENDED COVERAGE  
TERRITORY MULTIPLIERS**

		BUILDING	PERSONAL PROPERTY
Territory #1	Frame & Asbestos/Stucco	2.242	2.244
	Brick Veneer	2.302	2.342
	Brick	1.924	1.954
Territory #8	Frame & Asbestos/Stucco	2.477	2.479
	Brick Veneer	2.544	2.588
	Brick	2.126	2.160
Territory #9	Frame & Asbestos/Stucco	2.477	2.479
	Brick Veneer	2.544	2.588
	Brick	2.126	2.160
Territory #10	Frame & Asbestos/Stucco	2.477	2.479
	Brick Veneer	2.544	2.588
	Brick	2.126	2.160

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## FARM & RANCH DWELLING CHART NO. 1A

1 Year Extended Coverage Base Premium Building -- 1% Deductible \$100 Minimum

Amount of Insurance	Construction	
	FR AS	BR BV
\$1,000	3	3
1,500	4	3
2,000	5	4
2,500	6	5
3,000	7	6
3,500	8	6
4,000	9	7
5,000	9	8
6,000	10	9
7,000	11	9
7,500	12	10
8,000	13	10
9,000	14	12
10,000	16	14
11,000	17	14
12,000	19	16
13,000	20	17
14,000	22	19
15,000	24	20
16,000	26	21
17,000	27	22
18,000	28	24
19,000	30	25
20,000	31	26
21,000	33	28
22,000	35	29
23,000	37	31
24,000	38	31
25,000	40	33
26,000	41	34
27,000	43	36
28,000	44	37
29,000	46	38
30,000	48	40
35,000	55	46
40,000	63	53
45,000	71	60
50,000	79	66
55,000	87	72
60,000	95	79
65,000	103	86
70,000	111	93
75,000	119	99
80,000	127	105
85,000	134	112
90,000	142	119
95,000	150	125
100,000	158	132

Each Add'l \$1,000

For Frame or Asbestos & Stucco add 1.86

For Brick or Brick Veneer add 1.55

Abbreviations: Brick-BR; Brick Veneer-BV; Asbestos & Stucco-AS; Frame-FR.

To determine premium for deductibles other than 1% refer to the Deductible Adjustment Percentage Schedule.

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## FARM & RANCH DWELLING CHART NO. 1B

1 Year Extended Coverage Base Premium Personal Property -- 1% Deductible \$100 Minimum

Amount of Insurance	Construction	
	FR AS	BR BV
\$1,000	3	3
1,500	3	3
2,000	3	3
2,500	3	3
3,000	3	3
3,500	3	3
4,000	3	3
5,000	3	3
6,000	3	3
7,000	3	3
7,500	4	3
8,000	4	3
8,500	4	3
9,000	5	4
10,000	6	4
11,000	6	5
12,000	7	5
13,000	7	6
14,000	8	7
15,000	9	7
16,000	9	8
17,000	9	8
18,000	10	9
19,000	10	9
20,000	11	9
21,000	12	9
22,000	12	10
23,000	13	10
24,000	14	11
25,000	14	12
26,000	14	12
27,000	15	13
28,000	15	13
29,000	16	14
30,000	17	14
35,000	20	16
40,000	22	19
45,000	25	20
50,000	28	23
55,000	31	26
60,000	33	27
65,000	36	30
70,000	39	32
75,000	42	35
80,000	44	37
85,000	47	39
90,000	50	42
95,000	53	43
100,000	55	46

Each Add'l \$100

For Frame or Asbestos & Stucco add .65  
For Brick or Brick Veneer add .54

Abbreviations: Brick BR; Brick Veneer-BV; Asbestos & Stucco-AS; Frame-FR.

To determine premium for deductibles other than 1% refer to the Deductible Adjustment Percentage Schedule.

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## DWELLINGS, DWELLING OUTBUILDING & PERSONAL PROPERTY DEDUCTIBLE ADJUSTMENT PERCENTAGE SCHEDULE

Farm and Ranch Schedule--Deductible

Determine the Dwelling or Dwelling Outbuildings or Personal Property deductible adjustment premium charge by applying the following percentages to the basic windstorm premium. The amount shall be added to the premium to determine the total premium for each peril.

	\$100 Flat	\$250 Flat
\$10,000 & Under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 & Over	50	25

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**RATE CHART NO. 2**  
**FARM BUILDINGS**  
Extended Coverage Rate

	BR & BV	AS & FR
Class 1 Barns	.35	.42
Class 2 Barns	.35	.42

Abbreviations: Brick-BR, Brick Veneer-BV, Asbestos & Stucco-AS, Frame-FR  
Extended Coverage means windstorm and hail.

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## RATE CHART NO. 3 SCHEDULED MISCELLANEOUS FARM & RANCH PROPERTY

Description	Extended Coverage*
Apiary Equipment	Rate Chart 2A Table No. 15
Bridges (Wooden)	See Rate Chart 2A Table No. 15
Broom Corn: In Building	See Rate Chart 2A Table No. 15
Cooling Towers	See Rate Chart 2A Table No. 15
Elevator Legs	See Rate Chart 2A Table No. 15
Fences, including corrals & Chutes: Non Combustible Combustible	See Rate Chart 2A Table No. 15 Table No. 15
Grain: A. When not restricted to a specific building B. When restricted to a specific building C. In tanks D. Threshed: 1) While located in separate granaries 2) In the open 3) While in tanks	See Rate Chart 2A Table No. 15 Table No. 15 Refer to Tanks Table No. 15 Table No. 15 Table No. 15
Grandstands and Bleachers	See Rate Chart 2A Table No. 22
Hay: In buildings	See Rate Chart 2A Table No. 15
Sign	See Rate Chart 2A Table No. 24
Silo A. Class 1 - Brick Class Construction, minimum capacity - 150 tons silage or 4,000 bushels grain; concrete foundation; sealed; bottom unloading and identified by trade name, model, year built, and location of building diagram. B. Class 2 (1) Brick, All Metal, Solid Concrete, Tile or Masonry Block (2) Not Brick, All Metal, Solid Concrete, Tile or Masonry Block	See Rate Chart 2A 50% of Table No. 15 Table No. 21 Table No. 23
Tanks A. Water (elevated) (1) Metal, Concrete or Masonry Tower (2) Wooden Tower B. Water (Ground) (1) Metal, Concrete or Masonry Tower (2) Wooden Tower Grain (1) Class I - Grain Tank must be "Brick" class construction, minimum capacity - 150 tons silage or 4,000 bushels grain, concrete foundation, sealed, bottom unloading and identified by trade name, model, year built, and location on building diagram. (2) Class II - All metal & not Class I	See Rate Chart 2A Table No. 23 Table No. 23 Table No. 15 Table No. 15 50% of Table No. 15 Table No. 15
Water Trough and Reservoir A. Metal Tower B. Wooden	See Rate Chart 2A Table No. 15 Table No. 15
Windmill and Tower A. Metal Tower B. Wooden Tower	See Rate Chart 2A Table No. 24 Table No. 24
Wool A. In a building	See Rate Chart 2A Table No. 15

\*Extended Coverage means windstorm and hail.



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

# Texas Windstorm Insurance Association Exhibit E Rating Rules

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## I. ~~GENERAL RULES~~General Rules

---

### A. ~~SCOPE~~Scope

The rules, ~~rates, and premiums~~ and rates contained in this Manual shall govern the writing of the windstorm and hail insurance policies issued by ~~the~~ Texas Windstorm Insurance Association (Association).

**~~B. ELIGIBILITY~~**

~~C. Windstorm and hail insurance may be provided only on property located in the designated catastrophe areas as specified in Rule ID of this Manual.~~

~~D. Association policy forms may be issued as follows:~~

~~E. Dwellings – Texas Windstorm Insurance Association Dwelling Policy.~~

~~F. Commercial and Public Buildings, except Farm and Ranch Dwellings – Texas Windstorm Insurance Association Commercial Policy.~~

~~G. Farm and Ranch Dwellings – Texas Windstorm Insurance Association Dwelling Policy with Endorsement No. TWIA-410 attached for Conversion to Farm and Ranch Dwelling Policy.~~

~~H. Manufactured Housing (Mobile Homes) – Texas Windstorm Insurance Association Dwelling Policy with Endorsement No. TWIA-411 attached for Conversion to TWIA Manufactured Home Policy (See Section V of this Manual for rules and rates governing the writing of this policy).~~

**~~I. DEFINITIONS~~**

~~J. Dwellings:~~

~~K. Any structure occupied as a dwelling, garage apartment (not more than two families), duplex dwelling, employee quarters, private garage, private barns, seasonal dwelling, private club house, private camp house, or miscellaneous outbuildings on dwelling premises.~~

~~L. Any individually owned townhouse unit insured in the name of the unit owner.~~

~~M. Commercial Risks: Any structure that is not occupied as a dwelling as defined in paragraph 1 on Dwellings, including:~~

~~N. Buildings/Structures that are occupied for business, professional, or manufacturing purposes, including apartments.~~

~~O. Farm and Ranch: Buildings/structures located on the premises of a farm and ranch operation including a farm and ranch dwelling. A farm and ranch operation is the growing of crops, fruit, vegetables or other produce; the raising of poultry or livestock; dairying; general farming; timberland; grassland; or land turned back to pasture and not cultivated.~~

~~P. Apartment Risks: Buildings containing three or more separate units arranged as private residences and permanently equipped for housekeeping~~

~~Q. Residential Condominium Risks: Buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings, in which each individual unit owner has an undivided interest. Condominiums must be registered in the county in which they are located.~~

~~R. Townhouse Risks: When written in the name of an association, buildings containing three or more units, each of which is owned by one or more individuals or a corporation, arranged as private residences and permanently equipped for housekeeping.~~

~~Townhouses with less than three units are considered as dwellings.~~

~~S.~~

~~—Note: Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof, without openings, are not subject to rating as commercial risks but rather are treated as dwellings for rating purposes. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.)~~

~~21. Public Buildings: Buildings that are owned by and at least 75% occupied by municipal, district, county, state or federal authorities, or buildings not so owned but wholly and exclusively occupied by such authorities.~~

#### ~~V.B. DETERMINATION OF TERRITORY (Catastrophe Areas)~~Determination of Territory (Catastrophe Areas)

TWIA policies provide coverage for residential and commercial property located within the area designated by the Commissioner of Insurance. This area currently includes all 14 first tier coastal counties and parts of Harris County east of Highway 146. The specific counties are Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy. When the property is located inside the city limits and east of Highway 146, the following portions of Harris County are also included: La Porte, Morgan's Point, Pasadena, Seabrook, and Shore Acres.

~~The following areas are designated by the Commissioner of Insurance as catastrophe areas:~~

~~24. The counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy.~~

~~25. Areas located east of the boundary line of State Highway 146 and:~~

~~– within the city limits of Seabrook, (Harris County), Texas.~~

~~– within the city limits of La Porte, (Harris County), Texas.~~

~~– within the city limits of Shoreacres, (Harris County), Texas.~~

~~– within the city limits of Pasadena, (Harris County), Texas.~~

~~30. The City of Morgan's Point (Harris County), Texas.~~

#### ~~EE.C. RATING TERRITORIES~~Rating Territories

The designated catastrophe areas are in the following rating territories:

County	Territory
Aransas	10
Brazoria	10
Calhoun	10
Cameron	10
Chambers	10
Galveston	8
Harris - Specified Areas	1
Jefferson	10
Kenedy	10
Kleberg	10
Matagorda	10
Nueces	9
Refugio	10
San Patricio	10
Willacy	10

## **~~FF. INSURABLE PROPERTY~~**

~~0. All structures that were constructed or repaired or to which additions are made prior to June 1, 1972,~~

~~0. All structures that were constructed or repaired or to which additions were made on and after June 1, 1972 but before January 1, 1988 and were certified as being in compliance with the building specifications of the plan of operation.~~

### ~~— EXCEPTION~~

~~— Structures constructed, repaired or to which additions were made on or after June 1, 1972 but before January 1, 1988, that are located in an area covered at the time by a building code recognized by the Association shall be considered insurable property for windstorm and hail insurance from the Association without compliance with the building specifications of the plan of operation or inspection and approval by the Texas Department of Insurance. A structure constructed, repaired, or to which additions were made on or after June 1, 1972 but before January 1, 1988, that is located in an area not covered by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the building specifications of the plan of operation or inspection and approval by the Texas Department of Insurance, if that structure has been previously insured by a licensed insurance company authorized to do business in this State and the risk is in essentially the same condition as when previously insured, except for normal wear and tear, and without any structural change other than a change made according to code. Evidence of previous insurance includes a copy of a previous policy, copies of canceled checks or agent's records that show payments for previous policies, and a copy of the title to structure or mortgage company records that show previous policies.~~

~~— All structures constructed, repaired or to which additions were made on and after January 1, 1988 that have been certified by the Texas Department of Insurance as being in compliance with the building specifications of the plan of operation shall be considered insurable property, except as provided in items 4 and 5.~~

~~— A certificate of compliance (Form WPI-8) issued by the Texas Department of Insurance is evidence of insurability of the structure by the Association.~~

~~0. For property located east of the boundary line of State Highway 146 and inside the city limits of the City of Seabrook (Harris County) and for property located east of the boundary line of State Highway 146 and inside the city limits of the City of La Porte (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before March 1, 1996, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Seabrook or the City of La Porte has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.~~

~~—“To the best belief and knowledge of the undersigned, the Structure, located at (Street Address/City or Town), Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before March 1, 1996, in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code; and the City of , Texas, inspected the structure and enforced compliance to said code.”~~

~~—(Signature of Building Official) (Title)~~

~~—For property located in the City of Morgan's Point (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before June 1, 1996, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Morgan's Point has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.~~

~~—“To the best belief and knowledge of the undersigned, the Structure, located at (Street Address/City or Town), Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before June 1, 1996, in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code; and the City of , Texas, inspected the structure and enforced compliance to said code.”~~

~~—(Signature of Building Official) (Title)~~

~~—For property located east of the boundary line of State Highway 146 and inside the city limits of the City of Shoreacres (Harris County) and for property located east of the boundary line of State Highway 146 and inside the city limits of the City of Pasadena (Harris County), all structures constructed, repaired, or to which additions were made on and after January 1, 1988, and before March 1, 1997, are approved as complying with the Association's Inland Building Code (1973 Edition, Standard Building Code) if the City of Shoreacres or the City of Pasadena has issued to the owner of the property the following statement signed by a city building official. This statement must be provided to the Association when application is made to the Association for windstorm and hail insurance and shall be considered evidence of insurability of the structure by the Association.~~

~~“To the best belief and knowledge of the undersigned, the Structure, located at (Street Address/City or Town), Texas, was constructed, repaired, or an addition was made on and after January 1, 1988, and before March 1, 1997, in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code; and the City of , Texas, inspected the structure and enforced compliance to said code.”~~

~~(Signature of Building Official) (Title)~~

~~52. The following property if certified by the Texas Department of Insurance as being in compliance with the building specifications of the plan of operation shall be considered insurable property:~~

~~bbb. A structure constructed, repaired, or to which additions were made on and after March 1, 1996, that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Seabrook (Harris County) or that is located east of the boundary line of State Highway 146 and inside the city limits of the City of La Porte (Harris County).~~

~~ddd. A structure constructed, repaired, or to which additions were made on and after June 1, 1996, that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Morgan’s Point (Harris County).~~

~~fff. A structure constructed, repaired, or to which additions were made on and after March 1, 1997, that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Shoreacres (Harris County) or that is located east of the boundary line of State Highway 146 and inside the city limits of the City of Pasadena (Harris County).~~

~~A certificate of compliance (Form WPI-8) issued by the Texas Department of Insurance is evidence of insurability of the structure by the Association.~~

~~63. All structures which are located within those areas designated as units under the Federal Coastal Barrier Resources Act (Public Law 97-348) and for which construction has commenced on or after July 1, 1991, shall not be considered insurable property.~~

### **LLL.D. POLICY TERMPolicy Term**

Policies are to be issued for one year only.

~~—EXCEPTION: Builders Risk Policies may be written for a broken term at pro-rata of the annual premium subject to the minimum earned premium Rule I-M.~~

#### ~~NNN.E. COINSURANCE~~Coinsurance

1. Coinsurance is required as follows:

- a. Commercial and Public Buildings or business personal property. (Risks rated under Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), or General Index (Appendix A-3)).

Tables 1, 2, 3, and 7 through 14:	80% or 100% coinsurance.
Tables HC, WR, and SWR-- Buildings Only:	50%, 80% or 100% coinsurance.
Tables HC, WR, and SWR- Business Personal Property:	80% or 100% coinsurance.
Tables 5, 5A, and 5B:	80% coinsurance.

- b. Dwelling Buildings as defined in ~~Rule I-C-1~~the TWIA Instructions and Guidelines Manual: 80% mandatory.

- c. Dwelling Personal Property: coinsurance not applicable.

- d. Builders Risk Form No. TWIA-21: coinsurance not applicable; use 100% coinsurance rates except if Tables 5, 5A, and 5B are applicable, use 80% coinsurance rate. Builders Risk Form No. TWIA-18: 80% or 100% coinsurance.

2. Waiver of Coinsurance. Coinsurance may be waived when the value exceeds the maximum limit of liability or the amount of insurance exceeds the following minimum limits:

- a. Dwelling: \$100,000 for dwelling building

- b. Commercial:

- 1) Farm and Ranch Dwelling: \$100,000 for the dwelling building and \$100,000 for the personal property.
- 2) Apartments: \$100,000 for the building and \$100,000 for the business personal property.
- 3) Residential Condominium: \$100,000 for the building and \$100,000 for the

business personal property.

4) Townhouse: \$100,000 for the building and \$100,000 for the business personal property.

5) All other Commercial: \$200,000 for the building and \$200,000 for the business personal property.

3. Determination of Premium. When the Association waives the coinsurance requirements, the premium charged is determined in accordance with the First Loss Scale Formula.

### First Loss Scale Formula:

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%

4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

000. —

#### ~~PPP. NEW OR INCREASED COVERAGE AND RENEWAL APPLICATIONS~~

- ~~— New or increased coverage will be effective on the date received by the Association or effective on the date the application is mailed if sent by registered mail, certified mail, United States Postal Service Express Mail, or if sent by regular mail that is hand canceled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Association's Board of Directors, prior to the time specified in this rule as an exception, unless the application for new or increased coverage stipulates a later date.~~
- ~~— Renewal policies will be effective to provide continuous coverage if the request for renewal is received on or before the expiration of the existing policy.~~

~~—EXCEPTION: No new or increased coverage applications will be accepted on the day (beginning at 12:01 A.M.) or after a windstorm designated as a hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 Degrees West Longitude and 20 Degrees North Latitude, until the General Manager determines that the storm no longer threatens property within the designated catastrophe area of the Texas Windstorm Insurance Association. This exception does not apply to any new or increased coverage application that meets underwriting criteria that is submitted as follows: delivered in person to the Texas Windstorm Insurance Association's Austin office during its normal business hours prior to a windstorm 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; or mailed prior to the first day that a windstorm designated as a hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude by registered or certified mail or United States Postal Service Express Mail or regular mail that is hand canceled by the United States Postal Service or such other mailing procedure as approved by the Board of Directors. Such applications will be accepted and become effective on the date delivered in person or mailed or a later date if stipulated on the applications. This exception also does not apply to any renewal policy affording windstorm coverage if the expiring policy was written by the Association and if the application for renewal was received by the Association on or before the expiration of the existing Association policy or if mailed by registered mail, certified~~

~~mail, United States Postal Service express mail or regular mail that is hand canceled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Association's Board of Directors prior to expiration of the existing Association policy~~

### **TTT. DEDUCTIBLES**

#### ~~73. A. Dwellings~~

~~A.~~

~~A. The following deductible options may be used unless an optional large deductible is selected:~~

~~A.~~

~~0) A. \$100 Deductible~~

~~A.~~

~~0) A. \$250 Deductible~~

~~A. Dwelling extended coverage rates contemplate a deductible equal to 1% (but not less than \$100) of the amount of insurance applicable to each item. Refer to the Deductible Adjustment Percentages Schedule in the Dwelling Section of the Texas Personal Lines Manual to calculate rate for \$100 and \$250 deductible.~~

~~0) A. 1% Deductible~~

~~A.~~

~~A. Optional Large Deductible~~

~~A.~~

~~A. An optional large deductible of 1.5%, 2%, 2.5%, 3%, 4%, or 5% may be provided for dwelling risks. Refer to the Optional Large Deductible Chart in the Dwelling Section of the Texas Personal Lines Manual for the appropriate premium credit.~~

~~A.~~

~~0) A. The minimum deductible amount may not be less than \$100.~~

~~A.~~

~~0) A. The actual deductible amount in dollars must be shown on the declarations page of the policy.~~

~~A.~~

~~0) A. The selection of a large deductible is at the option of the insured. The Association may not require the selection of a large deductible as a condition to issue the windstorm and hail policy.~~

~~0.~~

~~Commercial Risks and Public Buildings~~

~~A.~~

~~The following deductible credit percentages apply for a 1%, 2%, or 5% per item per occurrence deductible:~~

~~A.~~

**~~Amount of Insurance  
corresponding to the  
coverage item listed on the  
declarations page~~**

**~~Credit based on selected  
percentage~~**

<del>—</del>	<del>—</del>	<del>—1%</del>	<del>—2%</del>	<del>—5%</del>
<del>to</del>	<del>100,000</del>	<del>10%</del>	<del>13%</del>	<del>20%</del>
<del>to</del>	<del>200,000</del>	<del>12%</del>	<del>15%</del>	<del>23%</del>
<del>to</del>	<del>250,000</del>	<del>15%</del>	<del>20%</del>	<del>24%</del>
<del>to</del>	<del>300,000</del>	<del>17%</del>	<del>21%</del>	<del>25%</del>
<del>to</del>	<del>400,000</del>	<del>18%</del>	<del>22%</del>	<del>27%</del>
<del>to</del>	<del>500,000</del>	<del>20%</del>	<del>23%</del>	<del>30%</del>
<del>to</del>	<del>1,000,000</del>	<del>23%</del>	<del>26%</del>	<del>34%</del>
<del>to</del>	<del>1,500,000</del>	<del>25%</del>	<del>30%</del>	<del>36%</del>
<del>to</del>	<del>2,000,000</del>	<del>27%</del>	<del>32%</del>	<del>37%</del>
<del>to</del>	<del>2,500,000</del>	<del>30%</del>	<del>34%</del>	<del>39%</del>
<del>to</del>	<del>3,500,000</del>	<del>32%</del>	<del>35%</del>	<del>41%</del>
<del>to</del>	<del>5,000,000</del>	<del>34%</del>	<del>36%</del>	<del>43%</del>
<del>to</del>	<del>7,500,000</del>	<del>36%</del>	<del>39%</del>	<del>45%</del>
<del>to</del>	<del>10,000,000</del>	<del>38%</del>	<del>41%</del>	<del>47%</del>
<del>to</del>	<del>15,000,000</del>	<del>40%</del>	<del>43%</del>	<del>49%</del>
<del>to</del>	<del>25,000,000</del>	<del>42%</del>	<del>45%</del>	<del>51%</del>
<del>to</del>	<del>Above</del>	<del>43%</del>	<del>46%</del>	<del>52%</del>

~~Note: All deductibles subject to \$1000 minimum~~  
~~The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000.~~

<del>Amount of Insurance corresponding to the coverage item listed on the declarations page</del>	<del>Credit for minimum deductible</del>
<del>_____</del>	<del>\$1000</del>
<del>_____</del>	<del>90%</del>
<del>1,000 to 1,110</del>	<del>75%</del>
<del>1,111 to 1,332</del>	<del>60%</del>
<del>1,333 to 1,999</del>	<del>56%</del>
<del>2,000 to 2,221</del>	<del>51%</del>
<del>2,222 to 2,499</del>	<del>47%</del>
<del>2,500 to 2,856</del>	<del>42%</del>
<del>2,857 to 3,332</del>	<del>38%</del>
<del>3,333 to 3,999</del>	<del>33%</del>
<del>4,000 to 4,999</del>	<del>29%</del>
<del>5,000 to 6,665</del>	<del>24%</del>
<del>6,666 to 9,999</del>	<del>20%</del>
<del>10,000 to 19,999</del>	<del>18%</del>
<del>20,000 to 24,000</del>	

	15%
25,000 to 33,332	
	13%
33,333 to 49,999	
	10%
50,000 to 99,999	

## F. Premium

### Interpolation of Premium

6. INTERPOLATION OF PREMIUM—Premium for any amount of insurance, in excess of the Minimum, not shown in the Premium Charts may be obtained by interpolation.

6.1 METHOD of INTERPOLATION—A 1-year premium is desired for a policy amount of \$15,500 which falls between \$15,000 and \$16,000 shown in the Dwelling Premium chart. In other words, the desired amount is \$500 in excess of the \$15,000 shown. The example below is a Frame Dwelling in key rate charged interval 10-14.

<u>Step 1. Policy Amount Shown</u>	<u>Premiums Shown</u>
<u>\$16,000</u>	<u>\$50</u>
<u>\$15,000</u>	<u>\$46</u>
<u>\$1,000</u>	<u>\$ 4 (Diff. in premium)</u>
<u>Step 2. \$500</u>	<u>(Additional Amount)</u>
<u>\$1,000</u>	<u>(Diff. in Amount X \$4)</u>
<u>Step 3.</u>	<u>(Diff. in Premium = \$2)</u>
<u>\$46</u>	<u>(Premium for \$15,000)</u>
<u>2</u>	<u>(Premium for additional \$500)</u>
<u>\$48</u>	<u>(Basic Premium for \$15,500)</u>

## G. Mixed Construction

1. For risks with mixed construction, the predominant construction shall be the construction comprising over 50% of the total exterior wall area (excluding gables).
2. For risks with more than two constructions, the predominant construction shall be the construction comprising the majority of the total exterior wall area (excluding gables).
3. For risks of superior construction (FR, SFR and/or Automatic Sprinklered Risks) apply to the Texas Department of Insurance for confirmation of construction.

## **H. Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building**

To determine construction classification of such building(s), apply the following formula:

1. Begin with measurement of best type of construction;
2. Add second best construction;
3. Add third best construction; and if necessary
4. Add fourth best construction, and so on, consecutively, until a total equaling at least 50% of building is reached.
5. Class building as type of construction last added to achieve 50% of building, and make proportionate charge for any remaining inferior construction.

NOTE: Where height of walls is not uniform, use wall areas (sq. ft.) as basis for above calculation; otherwise use linear feet measurements.

## **II. Policy Forms and Endorsements**

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## A. Extensions of Coverage—Increased Cost in Construction Form No. TWIA-431 and TWIA-432

### ~~YYYYYYYYYYYY. MAXIMUM LIMITS OF LIABILITY~~

~~0. Association policies are subject to a maximum limit of liability. The maximum limit of liability and any adjustment to the maximum limit of liability must be approved by the commissioner of insurance. Maximum limits of liability have been set and approved for items 2, 3 and 4 below. These limits are published in the Texas Windstorm Insurance Association (TWIA) Instructions and Guidelines resource document for agents and may be found on the Association's website at [www.twia.org](http://www.twia.org) under TWIA Instructions and Guidelines.~~

~~0. Dwellings. Maximum limits of liability are set for:~~

~~— a dwelling and the personal property located in or about the dwelling.~~

~~— a townhouse unit and the personal property located in or about the townhouse unit when rated as a dwelling~~

~~— individually owned personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property~~

~~0. Commercial Risks. Maximum limits of liability are set for:~~

~~— each commercial building/structure and the business personal property located in the building/structure, except farm and ranch dwellings and outbuildings used solely in connection with the farm and ranch dwelling~~

~~— a farm and ranch dwelling and the personal property located in or about the farm and ranch dwelling.~~

~~— each building for an apartment, residential condominium or townhouse and the business personal property of the owner of the structure in which the apartment, condominium or townhouse is located.~~

~~— individually owned business personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property.~~

~~0. Public Buildings. Maximum limits of liability are set for:~~

~~each public building and the business personal property located in the building.~~

## ~~YYYYYYYYYYY. CANCELLATIONS AND MINIMUM RETAINED PREMIUM~~

### ~~0. Cancellations.~~

~~A policy may be canceled at any time at the request of the insured or a premium financier by notifying the Association in writing of the date cancellation is to take effect. The Association will refund premium in accordance with §5.4905 of this subchapter (relating to Minimum Retained Premium) when the policy is returned to the Association. The refund will be pro rata of the amount in excess of the minimum retained premium under subsection (2) of this section in which case the Association shall upon demand and surrender of the policy refund the unearned premium on a pro rata basis~~

~~Non-payment of premium shall be deemed a request for cancellation by the insured.~~

~~The Association may not initiate flat cancellation for any reason.~~

~~The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.~~

~~The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.~~

### ~~0. Minimum Retained Premium.~~

~~The minimum retained premium per policy shall be the premium amount equal to 90 days of the annual policy term or \$100, as determined in accordance with §5.4905 of this subchapter.~~

~~The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.~~

~~The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.~~

~~In the event of cancellation of the policy by the Association, paragraphs (a)\* (c) of this subsection shall not apply and the actual unearned premium must be refunded.~~

~~49. This section shall control over any conflicting provision in the rules manual adopted by reference in §5.4501 of this title (relating to Rules for the Association). This section applies to each Association policy that is issued or renewed on or after November 27, 2011.~~

## ~~XX. RULES FROM THE TEXAS GENERAL BASIS SCHEDULES~~

~~The rules of the Texas General Basis Schedules, approved prior to and in effect on October 1, 1991, as applicable in whole or in part, shall apply when not in conflict with the other rules of this manual. These rules are contained in Appendix C.~~

### ~~LII. POLICY FORMS AND ENDORSEMENTS~~ Dwelling Policy

~~An insured may select one of the limits of liability for each structure item from the ICC table below. Apply the appropriate rate from the ICC table to the Final structure premium for each structure then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item. The following policy forms and endorsements are to be used:~~

#### ~~A. POLICY FORMS~~

~~1. Texas Windstorm Insurance Dwelling Policy~~

~~2. Texas Windstorm Insurance Association Commercial Policy.~~

#### ~~B. ENDORSEMENTS~~

~~1. Endorsements for use with the TWIA Dwelling Policy and the TWIA Commercial Policy Form~~

~~A. No. TWIA-1, Blank Schedule Form, effective June 15, 1999.~~

~~1. Endorsements for use with the TWIA Dwelling Policy and the TWIA Commercial Policy.~~

~~A. Form No. TWIA-12, Assignment of Interest or Change in Mortgagee or Trustee, effective June 15, 1999.~~

~~B. Form No. TWIA-23, Cancellation Report, effective June 15, 1999.~~

~~C. Form No. TWIA-77, General Change Endorsement, effective June 15, 1999.~~

~~C. Form No. TWIA-112, Loss Payable Clause, effective June 15, 1999.~~

~~C. Form No. TWIA-113, Lost Policy Voucher, effective June 15, 1999.~~

~~C. Form No. TWIA-130, Mortgage Clause (Without Contribution), effective June 15, 1999.~~

~~D. Form No. TWIA-151 A, Premium Assignment Clause, effective June 15, 1999.~~

~~E. Form No. TWIA-175, Sale Contract Clause, effective June 15, 1999.~~

~~F. Form No. TWIA-195, Sworn Statement in Proof of Loss, effective June 15, 1999.~~

~~2. Endorsements for Use with the TWIA Commercial Policy.~~

~~. Form No. TWIA-18, Builders Risk—Stated Value Form, effective June 15, 1999.~~

~~A. Form No. 21, Builders Risk Actual Completed Value Form, effective June 15, 1999~~

~~B. Form No. TWIA-26, Church Form, effective June 15, 1999.~~

~~C. Form No. TWIA-115, Lumber Form-Specific-Retail Yard, effective June 15, 1999.~~

~~C. Form No. TWIA-164, Replacement Cost Endorsement, amended November 27, 2011.~~

~~D. Form No. TWIA-165, Replacement Cost Endorsement, Excluding Roof Coverings, amended November 27, 2011.~~

~~D. Form No. TWIA-176, School Form, effective June 15, 1999.~~

~~E. Form No. TWIA-280, Condominium Property Form-Additional Policy Provisions, effective June 15, 1999.~~

~~F. Form No. TWIA-282, Condominium Property Form—Additional Policy Provisions, amended June 15, 1999.~~

~~F. Form No. TWIA-17, Business Income Coverage, amended November 27, 2011.~~

~~G. Form No. TWIA-432, Extension of Coverage—Increased Cost of Construction (Commercial), effective April 1, 2008.~~

~~3. Endorsements for Use with the TWIA Dwelling Policy.~~

~~Form No. TWIA-310, Extensions of Coverage, amended June 1, 2012.~~

~~Form No. TWIA-320, Extensions of Coverage, amended June 1, 2012.~~

~~Form No. TWIA-410, Conversion to Farm and Ranch Dwelling Policy, amended November 27, 2011.~~

~~Form No. TWIA-431, Extension of Coverage—Increased Cost of Construction (Dwelling), effective April 1, 2008~~

~~Form No. TWIA-330, Extensions of Coverage, amended June 15, 1999.~~

~~Form No. TWIA-365, Replacement Cost Endorsement—Personal Property, amended November 27, 2011.~~

~~Form No. TWIA-400, Actual Cash Value—Roofs (One or Two Family Dwellings), amended November 27, 2011.~~

~~Form No. TWIA-420, Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail, effective June 15, 1999.~~

~~A. Form No. TWIA-220, Automatic Adjusted Building Cost Endorsement, effective March 1, 2012.~~

~~A. Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy, effective November 27, 2011.~~

~~3. Endorsements for use with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy.~~

~~A. Form No. TWIA-29, Mandatory Endorsement, amended June 15, 1999.~~

~~B. Form No. TWIA-570, Mobile Home Percentage Deductible Clause (Coastal Area), amended November 27, 2011.~~

~~B. Form No. TWIA-575, Mobile Home Percentage Deductible (Beach Area), amended November 27, 2011.~~

## ~~C. RULES FOR ATTACHMENT OF CERTAIN ENDORSEMENTS~~

### ~~1. Replacement Cost Endorsement Form No. TWIA-365 (Personal Property)~~

~~Form No. TWIA-365 may be attached to substitute "Replacement Cost" for "Actual Cash Value" subject to the exclusions and conditions of the endorsement. Attachment of the endorsement is subject to the following conditions and additional premium.~~

~~— If Association policy covers dwelling and personal property and coverage on the same personal property is provided under Endorsement HO-101 or an equivalent form, the Association policy may be endorsed with Form No. TWIA-365 by applying 5% surcharge to the total Association policy premium for such dwelling and personal property.~~

~~— If Association policy covers personal property only and coverage on the same personal property is provided under Endorsement TDP-002 or an equivalent form, the Association policy may be endorsed with Form No. TWIA-365 by applying 15% surcharge to the total Association policy premium for such personal property. The surcharge shall be applied to the total Association policy premium for the dwelling and personal property before charge for a deductible other than the percentage deductible.~~

~~Minimum limit is \$8,000 on personal property when other coverage is provided under Endorsements HO-101, TDP-002 or their equivalent.~~

~~2. Extensions of Coverage Endorsements. The following endorsements must be attached to an Association windstorm and hail policy if a companion homeowners, dwelling, farm and ranch, or farm and ranch owners policy is issued which excludes the coverages provided by one of these endorsements.~~

~~a. TWIA-310: Form No. TWIA-310 must be attached to the Texas Windstorm Insurance Association Dwelling Policy when:~~

~~i. A homeowners, condominium unit owners, farm and ranch owners, dwelling (TDP-3), farm and ranch (TFR-3) policy or an equivalent policy is issued in the voluntary market, and~~

~~ii. A windstorm exclusion endorsement is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail, and~~

~~iii. The application for the Texas Windstorm Insurance Association Dwelling Policy does not include a request for wind-driven rain coverage.~~

~~Form No. TWIA-310 must also be attached to the Texas Windstorm Insurance Association Dwelling Policy when a tenant homeowners policy is issued in the voluntary market with a windstorm exclusion endorsement attached.~~

~~a. TWIA-320. Form No. TWIA-320 must be attached to the Texas Windstorm Insurance Association Dwelling Policy when:~~

~~i. A homeowners, condominium unit owners, farm and ranch owners, dwelling (TDP-3), farm and ranch (TFR-3) policy or an equivalent policy is issued in the voluntary market, and~~

~~ii. A windstorm exclusion endorsement is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail, and~~

~~i. The application for the Texas Windstorm Insurance Association Dwelling Policy includes a request for wind-driven rain coverage.~~

~~a.        TWIA-330. Form No. TWIA-330 must be attached to the Texas Windstorm Insurance Association Dwelling Policy or Farm and Ranch Dwelling Policy when:~~

~~i. A dwelling policy (Forms TDP-1 or TDP-2 or equivalent) or a farm and ranch policy (Form TFR-1 or TFR-2 or its equivalent) is issued in the voluntary market, and~~

~~i. A windstorm exclusion is attached to the policy issued in the voluntary market excluding coverage for windstorm, hurricane and hail.~~

~~3.        Actual Cash Value—Roofs (Dwellings), Endorsement Form No. TWIA-400~~

~~Form No. TWIA-400 may be attached to policies insuring dwellings.~~

~~a.        Eligibility~~

~~If the deductible amount is 1% or less of the Coverage A (Dwelling) limit of liability, this endorsement may be used to provide actual cash value on roof coverings that:~~

~~→are curling, cracking, or missing shingles,~~

~~→show signs of significant deterioration,~~

~~→have been improperly installed or repaired,~~

~~i. exceed 15 years of age, or~~

~~ii. have been damaged and not repaired.~~

**~~b.~~ Roof covering means**

- ~~i. the roofing material exposed to the weather;~~
- ~~ii. the underlayments applied for moisture protection; and~~
- ~~iii. all flashings required in the replacement of a roof covering.~~

**~~b.~~ Premium Calculation. When Endorsement Form No. TWIA-400 is attached to a policy, a credit of 15% (all territories) shall be applied to the modified extended coverage premium. The credit is applied before any other adjustments to the modified extended coverage premium. The percentage of credit and the amount of the premium credit must be shown on the declarations page of the policy.**

**~~b.~~** The premium credit provided for Endorsement Form No. TWIA-400 anticipates a maximum 75% depreciation for roof coverings. In determining actual cash value of damaged roof coverings, any deduction for depreciation is limited to the maximum 75% depreciation.

**~~c.~~** This endorsement may not be attached to a policy insuring a risk with a roof covering qualifying for and receiving a roof credit under Rule III-C-2 (Mandatory Roof Covering Credits) of this Manual.

**~~c.~~** Endorsement Form No. TWIA-400 must be signed by the insured before attachment to a policy. The endorsement is void unless signed by the insured. The Association shall be permitted to attach to a policy a facsimile copy, photocopy, or electronic record copy of the endorsement executed by the named insured. A signature is not required on the endorsement attached to the policy if the Association maintains on file either the original endorsement executed by the insured or a photocopy, microfilm copy, or electronic copy of the original endorsement executed by the insured.

**~~d.~~ Disclosure**

The following notice must be prominently displayed on the face of the policy:

## **IMPORTANT NOTICE**

**Coverage provided by this policy is restricted to actual cash value on roof coverings as provided in attached Endorsement Form No. TWIA-400.**

~~4. — Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail, Endorsement Form No. TWIA-420~~

Endorsement Form No. TWIA-420 is an optional endorsement which may be attached only to a policy insuring a risk eligible and receiving premium credit for the installation of an impact resistant roof covering (see Rule III-C-2, Mandatory Roof Covering Credits) in order to exclude cosmetic damage caused by hail.

~~a. — Endorsement Form No. TWIA-420 may be attached at the inception date of a new policy, the inception date of a renewal policy, or during the term of the policy on the date a roof covering premium credit is applied to the policy.~~

~~a. — Endorsement Form No. TWIA-420 must be signed by the insured before attachment to a policy. The endorsement is void unless signed by the insured. The Association shall be permitted to attach to a policy a facsimile copy, photocopy, or electronic record copy of the endorsement executed by the named insured. A signature is not required on the endorsement attached to the policy if the Association maintains on file either the original endorsement executed by the insured or a photocopy, microfilm copy, or electronic record copy of the original endorsement executed by the insured.~~

~~a. — If a risk is eligible to receive a premium credit for the installation of an impact resistant roof covering, but the insured declines to sign for the attachment of the Endorsement Form No. TWIA-420, the Association may offer to issue the policy without the application of a mandatory or optional roof covering credit.~~

~~b. — The Association must inform a consumer of the possibility that cosmetic loss or damage may be excluded from the policy in the event any loss occurs to a roof and the damaged roof is replaced with a hail resistant roof covering.~~

~~4. Builders Risk — Actual Completed Value Form (Form No. TWIA-21)~~

~~c. The inception date of the insurance under an Actual Completed Value Builders Risk Form No. TWIA-21 shall be not later than date of commencement of construction, or date when material is placed on premises.~~

~~d. An Association policy insuring a structure as a builders risk may be written for any term not exceeding one year. The premium shall be a pro rata fraction of the annual premium. A policy with Form No. TWIA-21 attached may not be renewed by endorsement, nor the term of such policy extended by endorsement. A builders risk policy may not extend to cover any existing building or structure.~~

~~d. The policy may be cancelled pro rata upon, and only upon completion of the risk, or at the request of the Association.~~

~~e. A policy covering a building in course of construction may be endorsed permitting occupancy upon completion of the building.~~

~~f. A policy with Form No. TWIA-21 attached may not be used for insuring machinery, stock and/or furniture and fixtures.~~

~~f. Permanent insurance on a building may not be written until construction of the building is completed and the building has a certificate of compliance issued by the Texas Department of Insurance.~~

~~f. Additions, Repairs, and Improvements~~

~~1) — An addition of 10% or less of the original building grade floor area or the value of the repairs or improvements to the building of 10% or less of the total insured value may be insured under a separate policy with Form No. TWIA-21 attached using the permanent rates of the original building. The policy must be limited to the repairs, improvements or additions. An existing permanent policy may be endorsed to extend coverage to include such construction at the rate applicable to the original building.~~

~~1) — If the addition is more than 10% of the grade floor area of the original building, the permanent rate of the original building or the builders risk rate, whichever is the higher, shall be used.~~

~~1) — DWELLING EXCEPTION: If specific insurance is desired to cover (i) an addition that does not exceed 10% of the grade floor area of existing building; or (ii) value of repairs or improvements to a building, a separate policy with Form No. TWIA-21 attached may be written using premiums applicable to dwellings. The premium shall be based upon the construction of the existing building and 50% of the estimated completed cost.~~

~~In lieu of the foregoing, an existing policy may be endorsed to include coverage for construction that does not exceed 10% of the grade floor area at a premium determined on the same basis as the existing building.~~

~~If an addition exceeds 10% of the grade floor area, the premium applicable to dwellings or the premium developed for a builders risk, whichever is greater, shall be charged.~~

~~f. — A building in process of demolition is not considered a builders risk and may not be insured under a policy with Form No. TWIA-21 attached.~~

~~f. — Where there is a change in the estimated completed cost of a risk insured under an Actual Completed Value Builders Risk Form No. TWIA-21 which requires an increase in the amount of insurance either by increasing the existing policy or the issuance of a separate policy, the premium for the increased amount shall be figured from the inception date of the existing insurance except that when the additional insurance is to cover another new building not already covered, the new building may be added pro rata to the existing policy as a separate item.~~

~~g. — Renewal of Policies~~

~~1) — When period of completion extends beyond the original term of the policy and renewal policy is written in the same amount with no change in percentage of liability, the premium for the renewal policy shall be calculated on the basis of one-half the estimated completed cost using current rate.~~

~~1) — If a change in percentage of liability occurs when renewal policy is written, the premium for the original policy shall be adjusted, based on the completed value for its term, and the premium for the renewal policy shall be calculated on the average liability for its term.~~

~~— Example: — 1-year policy issued August 15, 1998 for \$600,000 (Estimated completed cost)  
Premium based on \$300,000 (average liability)~~

~~By August 15, 1999, value of \$400,000 has been placed in building. Original policy must be readjusted to average liability of \$200,000 (Starting value zero; completed at the end of 1 year, \$400,000; average \$200,000). Renewal policy starts out with \$400,000 value in building on August 15, 1999, and estimated completed cost of \$600,000, producing average liability of \$500,000, on which its premium must be based, \$500,000 at full rate.~~

~~4. — Builders Risk Stated Value Form No. TWIA-18~~

~~h. — An insured may purchase builders risk insurance for a stated amount without the conditions of the Actual Value Builders Risk Form No. TWIA-21 by use of Form No. TWIA-18~~

~~h. — The rate for Form No. TWIA-18 shall be the full builders risk rate.~~

~~4. — Extension of Coverage — Increased Cost in Construction Form No. TWIA-431 and TWIA-432.~~

~~h. DWELLING POLICY~~

~~1) Form No. TWIA-431 may be attached to a windstorm and hail Dwelling Policy to provide additional insurance for the increased cost in construction due to enforcement of any ordinance or law.~~

~~1) An insured may select one of the following limits of liability for each building item:~~

~~) 5% of Coverage A limit of liability~~

~~) 10% of Coverage A limit of liability~~

~~) 15% of Coverage A limit of liability~~

~~) 25% of Coverage A limit of liability~~

~~1) The coverage is additional insurance, but the total payment of a covered loss under the policy, including this endorsement, cannot exceed the maximum limit of liability established by law for the specific type of structure that is insured by the Association.~~

The rates for the attachment of Form No. TWIA-431 are as follows:

ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

## **Commercial Policy**

Apply the appropriate rate from the ICC table to the Final Structure Premium for each structure (before any Business Income adjustment), and then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

~~h. COMMERCIAL POLICY~~

~~0) Form No. TWIA-432 may be attached to a windstorm and hail Commercial Policy to provide additional insurance for the increased cost in construction due to the enforcement of any ordinance or law.~~

~~0) An insured may select one of the following limits of liability for each building item:~~

~~a) 5% of Coverage A limit of liability~~

~~a) 10% of Coverage A limit of liability~~

~~a) 15% of Coverage A limit of liability~~

~~a) 25% of Coverage A limit of liability~~

~~1) The coverage is additional insurance, but the total payment of a covered loss under the policy, including this endorsement, cannot exceed the maximum limit of liability established by law for the specific type of structure that is insured by the Association.~~

The rates for the attachment of Form No. TWIA-432 are as follows:

ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

## **B. Business Income Coverage Endorsement Form No. TWIA-17**

~~4. Automatic Adjusted Building Cost Endorsement Form No. TWIA-220.~~

~~1.~~

~~1. Form No. TWIA-220 must be attached to policies insuring dwellings. An automatic increase will be applied at each annual renewal of the policy. The increase will be calculated using the respective building cost index in use by the association for a given year, rounding the result to the next \$1000.~~

~~1.~~

~~1. The insured has the right to request modification of this change in the limit of liability. If the requested change to the limit of liability at renewal differs from the revised limit resulting from application of this endorsement, the request will take effect at the inception of the renewal, provided that it is received prior to the beginning of the policy renewal date. Requests for a limit of liability change received after inception of the policy will be processed as an endorsement to the policy, and will not become effective prior to the date received by TWIA.~~

~~2.~~

~~2. If the insured requests modification of the change in limit of liability on the dwelling as provided for under item b of this section, the agent must submit a valid Marshall & Swift/Boeckh replacement cost calculation with the request for the change in dwelling limit of liability.~~

~~3.~~

~~3. Business Income Coverage Endorsement Form No. TWIA-17~~

~~Form No. TWIA-17 may only be attached to the Texas Windstorm Insurance Association Commercial~~

~~Policy. This is optional coverage that will be provided only at the request of the insured.~~

~~Eligibility~~

~~0) Only an insured who owns or occupies a "commercial risk" and/or "public building" as those terms are defined in the General Rules I.C.2. and I.C.3. of the Manual of the Texas Windstorm Insurance Association are eligible to purchase loss of business income coverage.~~

~~0) Business income coverage will be provided only if this Association is providing the direct coverage~~

~~— If the applicant is the building owner, then the Association must insure the building.~~

~~— If the applicant is a tenant, then the Association must insure the business personal property.~~

~~0) Business income coverage is not available on builder's risks or vacant buildings~~

~~Limits of Liability~~

~~0) The maximum limit of liability for loss of business income coverage is \$100,000 per occurrence, per building location.~~

~~0) The minimum daily limit is \$50.~~

~~0) The maximum daily limit is \$1,000.~~

~~0) The limit of liability for extra expense coverage is \$10,000. This coverage does not affect the daily limit or the limit of liability specified in the business income coverage schedule.~~

~~NOTE: Coverage combinations where (daily limit) X (number of days covered) exceeds \$100,000 are not permitted. Valid coverage combinations do not necessarily exist for the entire range of daily limits chosen and are limited to those offered in the rating chart.~~

~~— Deductible: No coverage applies until 168 hours (7 days) have expired after the direct physical wind or hail loss occurrence.~~

~~a. The coinsurance clause is not applicable to business income coverage.~~

~~a. The premium for this coverage is fully earned when written, except for cancellation of the entire policy.~~

~~a. The business income coverage provided by this endorsement is additional insurance; however, in no event will payment of a covered loss under the policy, including this coverage, exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.~~

Rating procedure: To determine the applicable premium, multiply the TWIA annual extended coverage building rate (including the 90% modification) times the business income rate adjustment factor from the table. Multiply the result times the per occurrence limit of liability (do not include extra expense), then divide by 100.

Number of days covered	Apartment Buildings						MFG.	Other
	3-25 Units	26-50 Units		51-100 Units				
	Daily Limit \$50-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$799	Daily Limit \$800-\$1000	Daily Limit \$50-\$1000	Daily Limit \$50-\$1000
365	.641	.673	n/a	.705	n/a	n/a	1.052	.708
330	.650	.682	n/a	.715	n/a	n/a	1.060	.717
300	.665	.698	n/a	.731	n/a	n/a	1.082	.731
270	.690	.725	n/a	.759	n/a	n/a	1.125	.756
240	.724	.761	.724	.797	.761	n/a	1.176	.790
210	.758	.796	.758	.834	.796	n/a	1.235	.833
180	.799	.839	.799	.879	.839	n/a	1.301	.883
150	.874	.917	.874	.961	.917	n/a	1.430	.956
120	.945	.993	.945	1.040	.993	.945	1.554	1.027
90	1.008	1.058	1.008	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269

## ~~II. RATING RULES~~

### ~~F. COMMERCIAL RISKS~~

~~0. Buildings/Structures that are occupied for business, professional or manufacturing purposes, including apartments.~~

~~— Determine the applicable extended coverage rate from Rate Table A and/or Rate Table C.~~

~~— Use 90% of the manual extended coverage rate as determined in Step a for the applicable windstorm and hail rate for the Association policy.~~

~~— EXCEPTION: — In determining the annual extended coverage rate for Business Personal Property/Personal Property of apartments, use 50% of the building rate from Rate Table A for all classes except those subject to Table 4-WR or SWR. All other provisions for determining the windstorm rate apply.~~

~~— Refer to Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.~~

~~0. Farm and Ranch Property~~

~~— Dwellings: Refer to Appendix D, Farm and Ranch Dwelling Charts 1A and 1B—1 year Extended Coverage Base Premium Chart, and the Deductible Adjustment Percentage Schedule. Apply the applicable territorial multiplier to the base extended coverage premium.~~

~~— Farm and Ranch Property (other than dwellings): Refer to Appendix D, Farm Building Rate Chart No. 2 and Miscellaneous Farm Property Chart No. 2A and Rate Chart No. 3 on Scheduled Miscellaneous Farm & Ranch Property. Apply the applicable territorial multiplier to the base extended coverage premium.~~

~~— Apply a factor of 1.30 to the extended coverage premium and/or rate determined in Steps a and b to produce the modified extended coverage premium and/or rate.~~

~~0. Townhouses and Condominiums~~

~~— Determine the applicable extended coverage rate from Rate Table B and/or Rate Table C.~~

~~— Use 90% of the manual extended coverage rate as determined in Step a for the applicable windstorm and hail rate for the Association policy.~~

~~— EXCEPTION: — In determining the annual extended coverage rate for Business Personal Property/Personal Property owned in common, use 50% of the building rate from Building Rate Table A for all classes except those subject to Table 4-WR or SWR. All other provisions for determining the windstorm rate apply.~~

~~— Refer to Special Index (Appendix A-1), Supplemental Special Index, (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.~~

## **~~EE. PUBLIC BUILDINGS~~**

~~0. Determine the applicable extended coverage rate from Rate Table A and/or Rate Table C.~~

~~0. Use 90% of the manual extended coverage rate as determined in Step 1 for the applicable windstorm and hail rate for the Association policy.~~

~~— Refer to Special Index (Appendix A-1), Special Supplements Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.~~

## **~~KK. DWELLINGS (Including Individually Insured Townhouse Units)~~**

~~0. Premium Calculation~~

~~— Applicable Windstorm Premium~~

~~0) In the Dwelling Section of the Texas Personal Lines Manual, refer to the Dwelling Chart 1A and 1B – 1 year Extended Coverage Base Premium Chart, and the Deductible Adjustment Percentage Schedule. Apply the applicable territory multiplier from the Dwelling Extended Coverage Territory Multiplier Chart to the extended coverage base premium.~~

~~0) Apply a factor of 1.30 to the extended coverage premium determined in Step 1 to produce the modified extended coverage premium.~~

~~0) Use 90% of the modified extended coverage premium as determined in Step 2 for the applicable windstorm premium for the Association policy.~~

~~— Extensions of Coverage (Indirect Losses~~

~~0) When Form No. TWIA-320 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 98% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 93% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).~~

~~0) When Form No. TWIA-310 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 96% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 91% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).~~

~~0) When Form No. TWIA-330 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 91% to the modified extended coverage premium when insuring either a primary or secondary residence (dwelling). This percentage is to be used in lieu of the 90% under Rule III C a (3).~~

~~0. Mandatory Roof Covering Credits~~

~~Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U.L. Standard 2218 are eligible for the following mandatory credits to be applied to the dwelling modified extended coverage premium:~~

<del>TERRITORY</del>	<del>CLASS 1 CREDIT</del>	<del>CLASS 2 CREDIT</del>	<del>CLASS 3 CREDIT</del>	<del>CLASS 4 CREDIT</del>
	<del>4%</del>	<del>6%</del>	<del>10%</del>	<del>14%</del>

- ~~The roof covering credit and applicable premium credit applied must be shown on the declarations page of the policy. The credits reduce the modified extended coverage premium and are applied before any other adjustments to the modified extended coverage premium.~~
- ~~Credits apply only on policies insuring a risk that replacement of the existing roof covering on a residence is with a new roof covering(s) meeting U.L. Standard 2218 or is new residential construction which includes the installation of a roof covering meeting U.L. Standard 2218, and the roof covering must be classified within one of the four resistance classifications specified in U.L. Standard 2218.~~
- ~~The credits will be reviewed at such time as credible statistical data becomes available but not later than 5 years from the effective date of the implementation of the credits. The credits may be modified if the statistical data indicates modifications are needed.~~
- ~~Note: *Other impact or hail resistance testing standards approved by the Texas Department of Insurance may be substituted for the U.L. Standard 2218. Testing to U.L. Standard 2218 or other acceptable standards may be accomplished by a testing facility recognized and approved by the Texas Department of Insurance based on standards for testing laboratories adopted by the Department.*~~
- ~~A certificate of installation promulgated by the Texas Department of Insurance (Appendix B) must be provided to the policyholder by the installer of the roof covering. All information on the certificate must be completed and signed by the individual responsible for the installation of the roof covering.~~
- ~~A policyholder may present the certificate of installation to the Association for the application of the mandatory credit as provided in subsection a of this rule. Presentation of a certificate of installation does not preclude the Association from inspecting the risk for verification of roof covering installation.~~

- ~~— Product Labeling. In order for mandatory roof covering credits to be applicable to dwelling insurance, roof coverings meeting U.L. Standard 2218 or any other test standard for impact resistance approved by the Department which are installed on and after June 15, 1999, must meet the following labeling requirements. All individual shingles, tiles, shakes, panels, sheets, etc., of roof coverings must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured, and the brand name. For roof coverings meeting U.L. Standard 2218 that are installed prior to June 15, 1999, only the package containing the roof covering products is required to be labeled. The package must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured and the brand name.~~
- ~~— It shall be optional with the Association to provide credits for impact resistant roof coverings installed prior to June 15, 1999. The optional credits given for impact resistant roof coverings installed prior to June 15, 1999 shall be within the range of credits specified in this rule. The Association may request from insureds, who apply for this optional credit, information regarding the installation of the impact resistant roof covering including, but not limited to, the date of installation, verification of the installation, and type of impact resistant roofing material installed. Any roof covering that is replaced on or after June 15, 1999, shall meet U.L. Standard 2218 in order for the property owner to receive the credit.~~
- ~~— The mandatory roof covering credits with the certification process is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium, and it is not intended by the Department to require or create any type of express or implied warranty by the manufacturer, supplier, or installer.~~
- 0. ~~Mandatory Building Code Credits~~
  - ~~— (Adopted in 28 (TAC §5.4700) (Windstorm-Resistant Construction Code Credits Effective for policies issued on and after February 28, 1999) (International Residential/International Building Code Credits Effective for policies issued on and after July 31, 2003)~~
  - ~~— The following mandatory credits shall be provided to new residential construction, excluding additions or repairs to existing structures, constructed to or exceeding the standards of the *TWIA Building Code for Windstorm-Resistant Construction* or to the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.~~

		<del>WINDSTORM RESISTANT CONSTRUCTION</del>		<del>INTERNATIONAL RESIDENTIAL CODE &amp; INT'L BUILDING CODE</del>	
	<del>BUILDING</del>	<del>DWELLING</del>	<del>PERSONAL</del>	<del>DWELLING</del>	<del>PERSONAL</del>
	<del>CODE</del>	<del>DISCOUNT</del>	<del>PROPERTY</del>	<del>DISCOUNT</del>	<del>DISCOUNT</del>
	<del>STANDARDS</del>		<del>DISCOUNT</del>		
	<del>Seaward</del>	<del>26%</del>	<del>20%</del>	<del>28%</del>	<del>23%</del>
	<del>Inland I</del>	<del>24%</del>	<del>10%</del>	<del>26%</del>	<del>21%</del>
	<del>Seaward</del>	<del>29%</del>	<del>23%</del>	<del>31%</del>	<del>25%</del>
	<del>Inland II</del>	<del>0%</del>	<del>0%</del>	<del>26%</del>	<del>20%</del>
	<del>Inland I</del>	<del>27%</del>	<del>21%</del>	<del>28%</del>	<del>23%</del>
	<del>Seaward</del>	<del>32%</del>	<del>25%</del>	<del>33%</del>	<del>28%</del>

~~The following mandatory credits shall be provided to residential structures in any of the designated catastrophe areas which were constructed prior to September 1, 1998, or February 1, 2003, as applicable, in which all exterior openings have been retro-fitted with exterior opening protections that meets the windborne debris impact-resisting standards of the TWIA Building Code for Windstorm Resistant Construction, the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.~~

~~Dwelling 10%~~

~~Personal Property 10%~~

~~A residential structure must be certified by the Texas Department of Insurance as meeting the applicable standards to qualify for the mandatory credits.~~

~~RATE CHART NO. 2~~

~~SCHEDULED MISCELLANEOUS FARM & RANCH PROPERTY~~

<u>Description</u>	<u>Extended Coverage*</u>
	<u>Rate Chart 2A</u>
	<u>Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
<u>Fences, including corrals &amp; Chutes:</u>	<u>Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
<u>Grain:</u>	<u>Table No. 15</u>
<u>When not restricted to a specific building</u>	<u>Refer to Tanks</u>
<u>When restricted to a specific building</u>	
<u>In tanks</u>	
<u>Threshed:</u>	<u>Table No. 15</u>
<u>While located in separate granaries</u>	<u>Table No. 15</u>
<u>In the open</u>	<u>Table No. 15</u>
<u>While in tanks</u>	
	<u>See Rate Chart 2A Table No. 22</u>
	<u>See Rate Chart 2A Table No. 15</u>
	<u>See Rate Chart 2A Table No. 24</u>
<u>Silo</u>	<u>See Rate Chart 2A 50% of Table No. 15</u>
<u>Class 1 - Brick Class Construction, minimum capacity 150 tons silage or 4,000 bushels grain; concrete foundation; sealed; bottom unloading and identified by trade name, model, year built, and location of building diagram.</u>	<u>Table No. 21</u>
<u>Class 2</u>	<u>Table No. 23</u>
<u>Brick, All Metal, Solid Concrete, Tile or Masonry Block</u>	
<u>Not Brick, All Metal, Solid Concrete, Tile or Masonry Block</u>	
<u>Tanks</u>	
<u>Water (elevated)</u>	<u>See Rate Chart 2A Table No. 23</u>
<u>Metal, Concrete or Masonry Tower</u>	
<u>Wooden Tower</u>	<u>Table No. 23</u>
<u>Water (Ground)</u>	<u>Table No. 15</u>
<u>Metal, Concrete or Masonry Tower</u>	<u>Table No. 15</u>
<u>Wooden Tower</u>	<u>50% of Table No. 15</u>
<u>Grain</u>	
<u>(1) Class 1 - Grain Tank must be "Brick" class construction, minimum capacity 150 tons silage or 4,000 bushels grain, concrete foundation, sealed, bottom unloading and identified by trade name, model, year built, and location on building diagram.</u>	
	<u>Table No. 15</u>
	<u>See Rate Chart 2A Table No. 15</u>
<u>Water Trough and Reservoir</u>	<u>Table No. 15</u>

	<u>See Rate Chart 2A Table</u>
	<u>No. 24</u>
<u>Windmill and Tower</u>	<u>Table No. 24</u>
	<u>See Rate Chart 2A Table</u>
	<u>No. 15</u>

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## ~~II. RATE TABLES~~

### ~~— RATE TABLE A~~

~~— Buildings Other Than Dwellings, Townhouses & Condominiums~~

~~— (Does not apply to Farm and Ranch Property—See Appendix D)~~

~~— Annual Extended Coverage Rates Per \$100~~

~~— (Effective January 1, 1999, pursuant to Commissioner's Order No. 98-1258)~~

TABLE <sup>1</sup>	COINSURANCE	ANNUAL EXTENDED COVERAGE
	50% 80 100	... 0.561 0.555
	50 80 100	 0.584 0.451
	50 80 100	 0.476 0.402
	50 80 100	0.694 0.429 0.410
	50 80 100	0.277 0.173 0.163
	50 80 100	0.345 0.212 0.205
	50 80 100	 0.400 ...
	COINSURANCE	ANNUAL EXTENDED COVERAGE
	50% 80 100	... 0.482  
	50 80 100	... 0.400  
	50 80 100	 1.362 1.171
	50 80 100	 1.622 1.362
	50 80 100	... 1.943 1.593
	50 80 100	 2.331 1.943
	50 80 100	 3.026 2.561
	50	...

	<del>80</del>	<del>4.442</del>
	<del>100</del>	<del>3.736</del>
	<del>50</del>	<del>—</del>
	<del>80</del>	<del>6.054</del>
	<del>100</del>	<del>5.099</del>
	<del>50</del>	<del>—</del>
	<del>80</del>	<del>12.014</del>
	<del>100</del>	<del>10.086</del>

~~—~~

<sup>1</sup> ~~Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).~~

<sup>2</sup> ~~Excess Area: Applicable to Rate Table No. 1 only. If any division of a building or any building of one division contains a ground floor area in 20,000 sq. ft. the rate shall be increased 20%. **NOTE:** Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.~~

<sup>3</sup> ~~For ACV Builders Risk Form No. TWIA-21 (Dwellings) use 80% Coinsurance Rate.~~

<sup>4</sup> ~~Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3)~~

<sup>5</sup> ~~For ACV Builders Risk Form No. TWIA-21 (Dwellings) use 80% Coinsurance Rate.~~

## ~~RATE TABLE B~~

### ~~Townhouses and Condominiums, Buildings Annual Extended Coverage Rates Per \$100 (Effective January 1, 1999, pursuant to Commissioner's Order No. 98-1258)~~

<del>TABLE<sup>6</sup></del>	<del>COINSURANCE</del>	<del>ANNUAL-EXTENDED COVERAGE</del>
	<del>50%</del>	
	<del>80</del>	<del>0.333</del>
	<del>100</del>	<del>0.329</del>
	<del>50</del>	
	<del>80</del>	<del>0.350</del>
	<del>100</del>	<del>0.266</del>
	<del>50</del>	<del>...</del>
	<del>80</del>	<del>0.282</del>
	<del>100</del>	<del>0.237</del>
	<del>50</del>	<del>0.410</del>
	<del>80</del>	<del>0.258</del>
	<del>100</del>	<del>0.246</del>
	<del>50</del>	<del>0.163</del>
	<del>80</del>	<del>0.103</del>
	<del>100</del>	<del>0.099</del>
	<del>50</del>	<del>0.205</del>
	<del>80</del>	<del>0.129</del>
	<del>100</del>	<del>0.125</del>

<sup>6</sup> Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).

<sup>7</sup> Excess Area: Applicable to Rate Table No. 1 only.

If any division of a building or any building of one division contains a ground floor area in excess of 20,000 sq. ft. the rate shall be increased 20%. NOTE: Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected

- ~~—RATE TABLE C~~
- ~~—Business Personal Property/Personal Property of Buildings (Other than Dwellings)~~
- ~~—(Does not apply to Farm and Ranch Property—See Appendix D)~~
- ~~—Annual Extended Coverage Rates Per \$100~~
- ~~—(Effective January 1, 1999 pursuant to Commissioner's Order No. 98-1258)~~

TABLE *	COINSURANCE	ANNUAL EXTENDED COVERAGE RATE
	50%	
	80	0.449
	100	0.443
	50	...
	80	0.476
	100	0.362
	50	
	80	0.380
	100	0.314
	50	...
	80	0.341
	100	0.335
	50	
	80	0.137
	100	0.133
	50	...
	80	0.171
	100	0.167
	50	
	80	0.198
	100	
	50	
	80	0.241
	100	...
	50	
	80	0.198
	100	
	50	...
	80	1.083
	100	0.935
	50	...
	80	1.300
	100	1.088
	50	
	80	1.555
	100	1.276
	COINSURANCE	ANNUAL EXTENDED COVERAGE RATE
	50	...
	80	1.866
	100	1.555
	50	...
	80	2.247
	100	2.048
	50	
	80	3.549

	100	2.989
	50	
	80	4.844
	100	4.081
	50	
	80	9.613
	100	8.069

### **C. Replacement Cost Endorsement TWIA-365**

Apply the appropriate surcharge to the dwelling and personal property Adjusted Base premiums, independent of any other adjustments.

Additional premium for this endorsement:

- 15% surcharge when covering personal property only
- 5% surcharge on the total premium for dwelling and personal property when covering both

### **D. Actual Cash Value Roof Endorsement TWIA-400**

A credit of 15% will be applied to the Modified Extended Coverage building premium, independent of any other adjustments, upon receipt of the endorsement Form TWIA-804, signed by the insured.

### **E. Other Structures on the Described Location Increased Limits Form TWIA-419**

Additional coverage for residential other structures may be provided at the per \$1,000 rate in the table shown below, regardless of deductible. The additional coverage is subject to a minimum of 10% of coverage A and a maximum of 50% of coverage A.

<u>Coverage % of Coverage A</u>	<u>Territory 1</u>	<u>Territory 8,9,10</u>
<u>Min 10% to Max 50%</u>	<u>4.66</u>	<u>6.99</u>

## **F. Replacement Cost Coverage A (Dwelling) – Actual Cash Value Roofs** **Form TWIA-804**

A credit of 15% credit will be applied to the Modified Extended Coverage building premium, independent of any other adjustments. Policies with this endorsement must have a TWIA deductible of 1% or less of coverage A.

## H.III. Manufactured Homes

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### A. Deductibles

~~\*Refer to the Special Index (Appendix A-1) and General Index (Appendix A-3).~~

1. The following deductibles are mandatory under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.
  - a. Homes located inland of the Intracoastal Canal: 1% of limit of liability with a \$250 minimum (TWIA Form No. 570)
  - b. Homes located seaward of the Intracoastal Canal: 2% of the limit of liability with a \$250 minimum (TWIA Form No. 575)
2. Deductibles apply separately to the home and household goods items on the policy.

~~LIII.~~

#### ~~A. ELIGIBILITY~~

- ~~— A mobile home located in a designated catastrophe area that meets the following criteria is eligible to be insured under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.~~
- ~~0. The mobile home complies with the definition of manufactured home under the rules and regulations of the Texas Department of Housing and Community Affairs (TDHCA).~~
- ~~0. The mobile home is occupied solely as a one or two family residence.~~
- ~~0. The mobile home is blocked and tied down in accordance with the current state generic standards promulgated by the TDHCA or with the manufacturer's installation instructions.~~
- ~~0. The mobile home has been inspected, and an inspection approval form has been completed and issued verifying that the home is blocked and tied down in accordance with the required standards with no violations of these standards. The form may be on file with the TDHCA. If a form is not on file with the TDHCA or the form is over five years old, a new inspection approval form that indicates no violations of the blocking and tie down requirements must be obtained through an installer licensed by the TDHCA.~~
- ~~0. Homes manufactured on and after September 1, 1997, must be designated by the manufacturer as Zone II homes to be insurable through the Association.~~

#### ~~A. ADDITIONS TO MOBILE HOMES~~

- ~~1. A site-built addition attached to a mobile home will rate as part of the mobile home.~~

~~2. A building certification from the Texas Department of Insurance is required for the site-built addition.~~

~~3. Separate structures (not physically attached to the mobile home) are not eligible for insurance under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy. Refer to eligibility requirements for insurance under the Association's Dwelling Policy.~~

#### ~~A. LIMIT OF LIABILITY~~

~~—The maximum limit of liability for a mobile home, including any site-built additions attached to the home, and household goods is \$84,000.~~

#### ~~A. DEDUCTIBLES~~

~~1. The following deductibles are mandatory under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.~~

~~a. Homes located inland of the Intracoastal Canal: 1% of limit of liability with a \$250 minimum (TWIA Form No. 570)~~

~~a. Homes located seaward of the Intracoastal Canal: 2% of the limit of liability with a \$250 minimum (TWIA Form No. 575)~~

~~1. Deductibles apply separately to the home and household goods items on the policy.~~

#### ~~A. POLICY FORMS AND ENDORSEMENTS~~

~~0. The following policy form is to be used:~~

~~—T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy~~

#### ~~B. RATES~~

~~Inland of the Intracoastal Canal ————— \$2.50 per \$100 coverage~~

~~Seaward of the Intracoastal Canal — \$5.00 per \$100 coverage~~

## IV. Commercial Insurance

### A. Commercial Rating

#### Deductibles

The only commercial deductibles available for new and renewal policies are 1%, 2%, or 5% per item, per occurrence as indicated by the table, which follows. This is mandatory on all items rated from commercial rate tables A, B, or C, and also for all Farm & Ranch barns and miscellaneous farm property. The appropriate commercial deductible will be applied without the attachment of an endorsement form. Multiple deductibles on a policy are not allowed. Both the deductible amount and the amount of credit are based on the insurance amount of each individually rated commercial item. The credits listed below shall be applied to the commercial rates printed in this manual.

The following deductible credit percentages apply for a 1%, 2%, or 5% per item, per occurrence deductible:

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>			<u>Credit based on selected percentage</u>		
			<u>1%</u>	<u>2%</u>	<u>5%</u>
0	to	100,000	10%	13%	20%
100,001	to	200,000	12%	15%	23%
200,001	to	250,000	15%	20%	24%
250,001	to	300,000	17%	21%	25%
300,001	to	400,000	18%	22%	27%
400,001	to	500,000	20%	23%	30%
500,001	to	1,000,000	23%	26%	34%
1,000,001	to	1,500,000	25%	30%	36%
1,500,001	to	2,000,000	27%	32%	37%
2,000,001	to	2,500,000	30%	34%	39%
2,500,001	to	3,500,000	32%	35%	41%
3,500,001	to	5,000,000	34%	36%	43%
5,000,001	to	7,500,000	36%	39%	45%
7,500,001	to	10,000,000	38%	41%	47%
10,000,001	to	15,000,000	40%	43%	49%
15,000,001	to	25,000,000	42%	45%	51%
25,000,001	to	Above	43%	46%	52%

Note: All deductibles subject to \$1,000 minimum.

The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000.

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>			<u>Credit for minimum deductible</u>
			<u>\$1,000</u>
1,000	to	1,110	90%
1,111	to	1,332	75%
1,333	to	1,999	60%
2,000	to	2,221	56%
2,222	to	2,499	51%
2,500	to	2,856	47%
2,857	to	3,332	42%
3,333	to	3,999	38%
4,000	to	4,999	33%
5,000	to	6,665	29%
6,666	to	9,999	24%
10,000	to	19,999	20%
20,000	to	24,999	18%
25,000	to	33,332	15%
33,333	to	49,999	13%
50,000	to	99,999	10%

### **Apartment Contents Credit**

Personal property located in an apartment house which consists of three or more units, a residential condominium, or a townhouse (when not individually owned) will rate as follows:

- For construction not classified as WR or SWR, a 50% credit shall be applied to the appropriate Modified Extended Coverage rate from Rate Table A.
- For construction types subject to Table 4, WR, and SWR, the appropriate Modified EC rate from Rate Table "C" on Rate Table C of this manual shall be applied without the 50% credit.

### **Public Housing Credit**

A 40% credit shall be deducted from the Extended Coverage building rate applicable to dwellings and apartments of Housing Projects and to apartments of privately owned apartment house projects, when such projects consist of eight or more apartment units, in one or more apartment buildings, and situated on the same premises.

Note: Contents rate is not affected by the foregoing.

### **Excess Area Surcharge**

If any division of a building or any building of one division contains a ground floor area that equals 20,000 square feet or more, the rate shall be increased by 20%.

Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

### **Builder's Risk Coverage**

- when insuring repairs, improvements, and/or additions, where the addition does not exceed 10% of the original grade floor area of the original structure, permanent building rate will apply in lieu of builder's risk rate.
- when you are insuring an addition, which exceeds 10% of the original grade floor area of the original structure, apply the appropriate builder's risk rate.

**For rating purposes refer to Rate Table A:**

- **Dwelling:** Table 5 (Brick), 5A (Frame), or 5B (Brick Veneer)
- **Commercial:** Table 2 (FR or SFR), Table 8 (Brick), or Table 9 (Frame)
- A rating of FR or SFR requires a statement from a contractor or engineer certifying that the construction qualifies as FR or SFR and listing the criteria to support the designation.

## **B. Commercial Premium Calculation Information**

### **Premium Calculation Information**

Multiple adjustments may apply in the determination of a rate and/or the calculation of a premium. It is important that these debits and credits be applied in the proper sequence to ensure that the final premium is correct. The sequence in which to apply adjustments is listed below. Failure to follow these guidelines may result in the final premium being incorrect.

#### **Calculation Factors:**

Based on the coverage selected, multiple adjustments may apply to the base rate. All applicable debits/credits are listed below in the sequence which they should be applied. Commercial rates are truncated to 3 decimal places after each adjustment. (Refer to the "Rating information" section of this manual as indicated below for additional information).

#### **Adjustments<sup>1</sup>:**

Indirect Loss Adjustment

#### **Refer to:**

Indirect Loss Endorsement

<sup>1</sup> There is no adjustment for the Replacement Cost Endorsement Form TWIA-164 or the Replacement Cost Endorsement Excluding Roof Endorsement Form 165

<u>Public Housing</u>	<u>Public Housing Credit</u>
<u>Excess Area Surcharge</u>	<u>Excess Area Surcharge</u>
<u>Deductible Adjustment</u>	<u>Commercial Deductibles</u>
<u>Replacement Cost Endorsement Form 365</u> (for commercially rated personal property)	<u>Replacement Cost Endorsement</u>
<u>Value Exceeds Association Limit &amp; First Loss Scale Formula</u> (where coinsurance is being waived)	<u>Values in Excess of TWIA Limit</u>
<u>Increased Cost in Construction (ICC) Form 432 Charge</u>	<u>Increase Cost in Construction</u>
<u>Business Income (BI) Form 17 Charge</u>	<u>Business Income Coverage</u>

## **Commercial Rating Steps**

- **Step #1.** Determine the Annual Extended Coverage rate beginning at:
  - Rate Table A for:
    - Commercial Structures and Miscellaneous items
    - Builder's Risk
    - Commercially rated "Miscellaneous" Residential items
    - Business and Residential Personal Property in a commercially rated structure not classified as WR or SWR (Apply the Apartment Contents Credit).
  - Rate Table B for:
    - Condominium Association Structures
    - Townhouse Association Structures
  - Rate Table C for:
    - Business Personal Property
    - Residential Personal Property in a commercially rated structure classified as WR or SWR
  - Farm & Ranch Barns and Miscellaneous Farm Property for
    - Miscellaneous Farm property
    - Barns
    - Outbuildings used in conjunction with the Farm & Ranch
- **Step #2.** Multiply the rate derived in Step #1 by the amount of insurance per \$100.00 (or the replacement cost per \$100.00 where coinsurance is being waived)
- **Step #3.** Apply the Indirect Loss Adjustment Factor to the premium derived in Step #2.
- **Step #4.** If applicable apply the Public Housing Credit and/or the Excess Area Surcharge
- **Step #5.** Apply the deductible adjustment to the rate calculated in Step 3 (or 4).
- **Step #6.** If Personal Property Replacement Cost Form TWIA 365 has been selected, multiply the rate from Step #3 by 15% and add to the premium derived in Step #5.
- **Step #7.** If coinsurance has been waived, apply the 1<sup>st</sup> Loss Scale Formula to the premium calculated in Step #6 prior to rounding (refer to the First Loss Scale Formula). Round to the nearest whole dollar.
- **Step #8.** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 5 (or 6 if replacement cost chosen, or 7 if coinsurance waived) times the appropriate Increased Cost of Construction rate, then round to the nearest whole dollar.

- **Step #9.** Calculate the BI premium by following the instructions on Business Income Coverage Form TWIA 17. Round to the nearest whole dollar.
- **Step #10.** The total premium for this item is determined by adding the results of Steps 5 (or 6 or 7), 8, and 9. Round to the nearest whole dollar. ~~Step #11. Apply the pro rata factor for a Builder's Risk policy with a term of less than one year.~~

## **V. Dwelling and Farm & Ranch Dwelling Insurance**

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### **A. Dwelling and Farm & Ranch Dwelling Rating**

#### **Dwelling Premium**

The rounded premiums in this manual are provided for your convenience only. Use of these premiums will not affect the final policy premium in most cases. It is possible, however, that the use of these premiums, with additional adjustments, could result in a slight difference in the final premium due to rounding. For an exact calculation, begin with the premiums in the Texas Personal Lines Manual.

#### **Residential Personal Property Located In a Commercially Rated Building:**

To calculate the premium for residential personal property located in a commercially rated structure, refer to the “Commercial Insurance” section of this manual.

#### **Rating Territories**

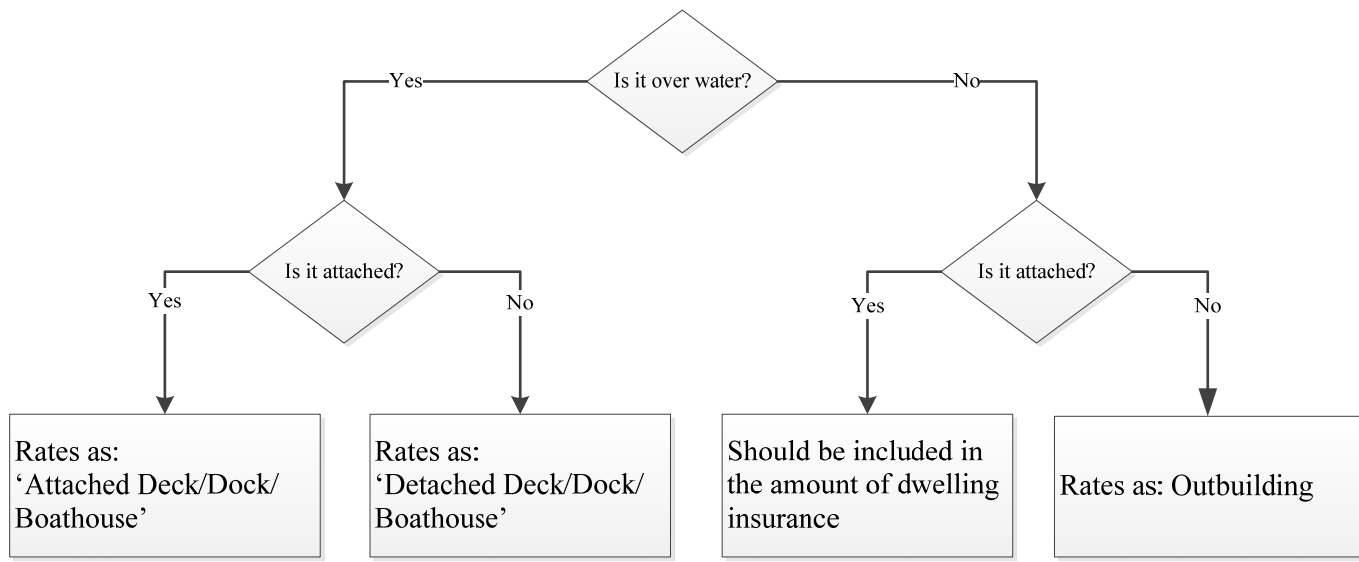
The designated catastrophe areas are in the following rating territories:

- Territory 1                      Harris County (Specific areas)
- Territories 8, 9, and 10      Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy Counties

Refer to <https://www.twia.org/coverage-eligibility/>

#### **Boathouse, Decks, Docks, and Piers**

- Please use the following decision tree to determine how to add a boathouse, deck, dock or pier to a new business application
- If structure has a boat lift or a roof, it rates as a “Boathouse.”



### **Indirect Loss Endorsement Percentages**

**Apply the factors listed below to the Modified Extended Coverage Premium, independent of any other adjustments**

Where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For items where there is no other companion policy, multiply the Modified EC Premium times 90%.

**Note: The following factors listed below will be applicable to new business policies becoming effective before April 1, 2022 and renewal policies becoming effective before June 1, 2022.**

<u>Type of Companion Policy</u>	<u>Endorsement Forms</u>						<u>No Indirect Loss Coverage Provided</u>	
	<u>Form #310: Consequential Loss &amp; Additional Living Expense &amp; NO Wind Driven Rain</u>		<u>Form #320: Consequential Loss &amp; Additional Living Expense &amp; Wind Driven Rain</u>		<u>Form #330: Consequential Loss Only</u>			
	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>
<u>HO/Condo Unit Owner/ FRO/TDP-3/TFR-3</u>	<u>96%</u>	<u>91%</u>	<u>98%</u>	<u>93%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>Tenant HO (contents only)</u>	<u>96%</u>	<u>91%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>TDP-1 or 2 / TFR 1 or 2</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>91%</u>	<u>91%</u>	<u>n/a</u>	<u>n/a</u>
<u>No companion policy</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>90%</u>	<u>90%</u>

<u>Type of Companion Policy</u>	<u>Endorsement Forms</u>						<u>No Indirect Loss Coverage Provided</u>	
	<u>Form #310:</u> <u>Consequential Loss &amp; Additional Living Expense &amp; NO Wind Driven Rain</u>		<u>Form #320:</u> <u>Consequential Loss &amp; Additional Living Expense &amp; Wind Driven Rain</u>		<u>Form #330:</u> <u>Consequential Loss Only</u>			
	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>
<u>Commercial</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>90%</u>	

**Note: The following factors listed below will be applicable to new business policies becoming effective on or after April 1, 2022 and renewal policies becoming effective on or after June 1, 2022.**

<u>Type of Companion Policy/Occupancy</u>	<u>Consequential Loss, Additional Living Expense, &amp; Wind Driven Rain</u>	<u>Consequential Loss &amp; Additional Living Expense</u>	<u>Consequential Loss &amp; Wind Driven Rain</u>	<u>Consequential Loss Only</u>	<u>No Indirect Loss Coverage Provided</u>
<u>Residential Occupancy: Primary</u>	<u>98%</u>	<u>96%</u>	<u>n/a</u>	<u>91%</u>	<u>n/a</u>
<u>Residential Occupancy: Secondary</u>	<u>n/a</u>	<u>n/a</u>	<u>93%</u>	<u>91%</u>	<u>n/a</u>
<u>Commercial or No Companion Policy</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>90%</u>

### **Mandatory Building Code Credits**

(Adopted in 28 (TAC §5.4700) (Windstorm Resistant Construction Code Credits Effective for policies issued on and after February 28, 1999) (International Residential/international Building Code Credits Effective for policies issued on and after July 31, 2003)

The following mandatory credits shall be provided to new residential construction, excluding additions or repairs to existing structures, constructed to or exceeding the standards of the TWIA Building Code for Windstorm Resistant Construction or to the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

		<u>Windstorm Resistant Construction Effective 9/1/98</u>		<u>INT'L. Residential Code &amp; INT'L. Building Code</u>		<u>2018 IRC Code</u>	
<u>- Location Of Risk</u>	<u>Building Code Standards</u>	<u>- Dwelling Discount</u>	<u>Personal Property Discount</u>	<u>- Dwelling Discount</u>	<u>Personal Property Discount</u>	<u>Dwelling Discount</u>	<u>Personal Property Discount</u>
<u>Seaward</u>	<u>Seaward (Risk Category I,II, IV)</u>	<u>26%</u>	<u>20%</u>	<u>28%</u>	<u>23%</u>	<u>28%</u>	<u>23%</u>
<u>Inland I</u>	<u>Inland I</u>	<u>24%</u>	<u>19%</u>	<u>26%</u>	<u>21%</u>	<u>0%</u>	<u>0%</u>
<u>Inland I</u>	<u>Seaward (Risk Category I,II, IV)</u>	<u>29%</u>	<u>23%</u>	<u>31%</u>	<u>25%</u>	<u>31%</u>	<u>25%</u>
<u>Inland II</u>	<u>Inland II</u>	<u>0%</u>	<u>0%</u>	<u>26%</u>	<u>20%</u>	<u>0%</u>	<u>0%</u>
<u>Inland II</u>	<u>Inland I</u>	<u>27%</u>	<u>21%</u>	<u>28%</u>	<u>23%</u>	<u>0%</u>	<u>0%</u>
<u>Inland II</u>	<u>Seaward (Risk Category I,II, IV)</u>	<u>32%</u>	<u>25%</u>	<u>33%</u>	<u>28%</u>	<u>33%</u>	<u>28%</u>
<u>All designated catastrophe areas</u>	<u>Retrofit</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>

a) The following mandatory credits shall be provided to residential structures in any of the designated catastrophe areas which were constructed prior to September 1, 1998, or February 1, 2003, as applicable, in which all exterior openings have been retro-fitted with exterior opening protections that meets the windborne debris impact-resisting standards of the TWIA Building Code for Windstorm Resistant Construction, the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

Dwelling: 10%

Personal Property: 10%

b) A residential structure must be certified by the Texas Department of Insurance as meeting the applicable standards to qualify for the mandatory credits.

### Mandatory Roof Covering Credits

a) Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U.L. Standard 2218 are eligible for the following mandatory credits to be applied to the dwelling modified extended coverage premium:

<u>Territory</u>	<u>Class 1 Credit</u>	<u>Class 2 Credit</u>	<u>Class 3 Credit</u>	<u>Class 4 Credit</u>
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<u>1, 8, 9, 10</u>	<u>4%</u>	<u>6%</u>	<u>10%</u>	<u>14%</u>
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The roof covering credit and applicable premium credit applied must be shown on the declarations page of the policy. The credits reduce the modified extended coverage premium and are applied before any other adjustments to the modified extended coverage premium.

Credits apply only on policies insuring a risk that replacement of the existing roof covering on a residence is with a new roof covering(s) meeting U.L. Standard 2218 or is new residential construction which includes the installation of a roof covering meeting U.L. Standard 2218, and the roof covering must be classified within one of the four resistance classifications specified in U.L. Standard 2218.

The credits will be reviewed at such time as credible statistical data becomes available but not later than 5 years from the effective date of the implementation of the credits. The credits may be modified if the statistical data indicates modifications are needed.

**Note:** Other impact or hail resistance testing standards approved by the Texas Department of Insurance may be substituted for the U.L. Standard 2218. Testing to U.L. Standard 2218 or other acceptable standards may be accomplished by a testing facility recognized and approved by the Texas Department of Insurance based on standards for testing laboratories adopted by the Department.

- b) A certificate of installation promulgated by the Texas Department of Insurance (Appendix B) must be provided to the policyholder by the installer of the roof covering. All information on the certificate must be completed and signed by the individual responsible for the installation of the roof covering.
- c) A policyholder may present the certificate of installation to the Association for the application of the mandatory credit as provided in subsection a of this rule. Presentation of a certificate of installation does not preclude the Association from inspecting the risk for verification of roof covering installation.
- d) Product Labeling. In order for mandatory roof covering credits to be applicable to dwelling insurance, roof coverings meeting U.L. Standard 2218 or any other test standard for impact resistance approved by the Department which are installed on and after June 15, 1999, must meet the following labeling requirements. All individual shingles, tiles, shakes, panels, sheets, etc., of roof coverings must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured, and the brand name. For roof coverings meeting U.L. Standard 2218 that are installed prior to June 15, 1999, only the package containing the roof covering products is required to be labeled. The package must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the

Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured and the brand name.

- e) It shall be optional with the Association to provide credits for impact resistant roof coverings installed prior to June 15, 1999. The optional credits given for impact resistant roof coverings installed prior to June 15, 1999 shall be within the range of credits specified in this rule. The Association may request from insureds, who apply for this optional credit, information regarding the installation of the impact resistant roof covering including, but not limited to, the date of installation, verification of the installation, and type of impact resistant roofing material installed. Any roof covering that is replaced on or after June 15, 1999, shall meet U.L. Standard 2218 in order for the property owner to receive the credit.
- f) The mandatory roof covering credits with the certification process is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium, and it is not intended by the Department to require or create any type of express or implied warranty by the manufacturer, supplier, or installer.

### **WPI-8 Waiver Program**

All structures and/or their contents that qualify under this program will be issued at the appropriate TWIA premium plus a 15% surcharge and will not be eligible for credits for building code compliance.

**EXAMPLE:** If a TWIA policy premium for all coverages on a particular dwelling policy total \$1,000, and the WPI-8 Waiver applies, then the waiver surcharge will be an added \$150 (15%), no commission is paid to the agent on the surcharge amount. If the policy is cancelled prior to its expiration, the surcharge is non-refundable to the policyholder, or anyone else with an interest in the policy. In this example, agents would receive 16% commission on the premium portion only.

### **Certification and Eligibility Exception (TIC 2210.259)**

Individuals applying for TWIA coverage who meet the qualifications for this exception, which are described in the TWIA Instructions and Guidelines manual, will pay premium for basic coverage equal to 110% of the rate charged in the voluntary market for wind and hail.

### **Deductibles**

#### Dwellings

~~The following deductible options may be used unless an optional large deductible is selected:~~

~~1) \$100 Deductible~~

~~=====~~

~~\$250 Deductible~~

~~Dwelling extended coverage rates contemplate a deductible equal to 1% (but not less than \$100) of the amount of insurance applicable to each item. Refer to the Deductible Adjustment Percentages Schedule in the Dwelling Section of the Texas Personal Lines Manual to calculate rate for \$100 and \$250 deductible.~~

~~—— 1% Deductible~~

~~a) Optional Large Deductible~~

~~An optional large deductible of 1.5%, 2%, 2.5%, 3%, 4%, or 5% may be provided for dwelling risks. Refer to the Optional Large Deductible Chart in the Dwelling Section of the Texas Personal Lines Manual for the appropriate premium credit.~~

~~0) The minimum deductible amount may not be less than \$100.~~

~~=====~~

~~0) The actual deductible amount in dollars must be shown on the declarations page of the policy.~~

~~=====~~

~~The selection of a large deductible is at the option of the insured. The Association may not require the selection of a large deductible as a condition to issue the windstorm and hail policy. Apply any applicable deductible debit or credit to the Adjusted Premium, independent of any other adjustment. Refer to the TWIA Instructions and Guidelines Manual for detailed descriptions of each deductible.~~

**Deductible Options:**

- A. Dwelling Standard 1% deductible clause – Modified Extended Coverage premiums beginning at Dwelling/Farm and Ranch Dwelling Building and Personal Property (Territory 1) are based on this option**
- B. Dwelling: \$100.00 deductible clause - Refer to the Deductible Adjustment Schedule**
- C. Dwelling: \$250.00 deductible clause - Refer to the Deductible Adjustment Schedule**
- D. Dwelling Optional Large Deductible -- Refer to the Optional Large Deductible Schedule**

## **Deductible Adjustment Schedule for Dwelling and Farm & Ranch Dwelling Building and Personal Property**

**Determine the Deductible Adjustment Premium Charge by applying the following percentages to the premium for any item that has either a \$100 flat or a \$250 deductible. This charge will be added to the Adjusted Base Premium.**

AMOUNT OF INSURANCE	\$ 100 FLAT	\$ 250 FLAT
\$10,000 and under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 and Over	50	25

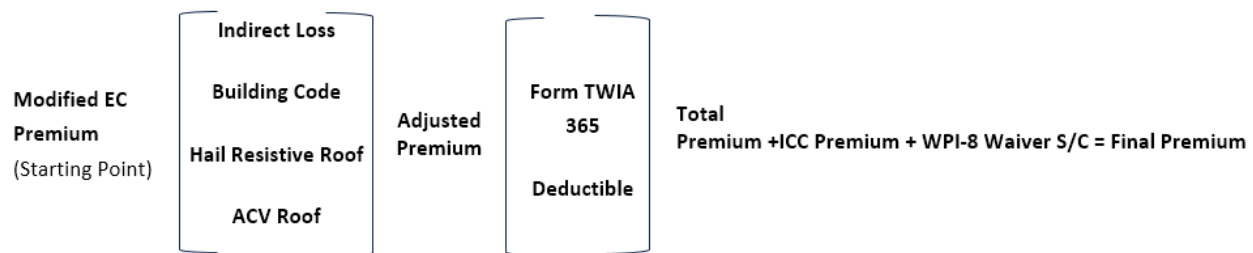
## Optional Large Deductible Chart for Dwelling and Farm & Ranch Dwelling Property

Amount of Coverage	Percentage of Credit					
	1.5%	2.0%	2.5%	3.0%	4.0%	5.0%
25,000	-6%	-12%	-18%	-23%	-33%	-41%
26,000	-7%	-13%	-19%	-24%	-34%	-42%
27,000	-7%	-13%	-19%	-25%	-35%	-43%
28,000	-7%	-14%	-20%	-26%	-36%	-44%
29,000	-7%	-14%	-20%	-26%	-37%	-45%
30,000	-7%	-14%	-21%	-27%	-38%	-46%
31,000	-8%	-15%	-22%	-28%	-38%	-46%
32,000	-8%	-15%	-22%	-28%	-39%	-47%
33,000	-8%	-16%	-23%	-29%	-40%	-48%
34,000	-8%	-16%	-23%	-30%	-40%	-48%
35,000	-8%	-16%	-24%	-30%	-41%	-49%
36,000	-9%	-17%	-24%	-31%	-42%	-50%
37,000	-9%	-17%	-24%	-31%	-42%	-50%
38,000	-9%	-17%	-25%	-32%	-43%	-51%
39,000	-9%	-17%	-25%	-32%	-43%	-51%
40,000	-9%	-18%	-26%	-33%	-44%	-51%
45,000	-10%	-19%	-27%	-34%	-46%	-53%
50,000	-10%	-20%	-29%	-36%	-47%	-55%
55,000	-11%	-21%	-30%	-37%	-48%	-56%
60,000	-11%	-21%	-30%	-38%	-49%	-57%
65,000	-12%	-22%	-31%	-39%	-50%	-57%
70,000	-12%	-22%	-32%	-39%	-50%	-58%
75,000	-12%	-23%	-32%	-40%	-51%	-58%
80,000	-12%	-23%	-32%	-40%	-51%	-58%
85,000	-13%	-23%	-33%	-40%	-51%	-58%
90,000	-13%	-24%	-33%	-40%	-51%	-58%
95,000	-13%	-24%	-33%	-41%	-52%	-59%
100,000	-13%	-24%	-33%	-41%	-52%	-59%
105,000	-13%	-24%	-33%	-41%	-52%	-59%
110,000	-13%	-24%	-33%	-41%	-52%	-59%
115,000	-13%	-24%	-33%	-41%	-52%	-59%
120,000	-13%	-24%	-34%	-41%	-52%	-59%
125,000	-13%	-24%	-34%	-41%	-52%	-59%
130,000	-13%	-24%	-34%	-41%	-52%	-59%
135,000	-13%	-24%	-34%	-41%	-52%	-59%
150,000	-13%	-25%	-34%	-41%	-52%	-59%
175,000	-13%	-25%	-34%	-41%	-52%	-59%
200,000	-14%	-25%	-34%	-41%	-52%	-59%
250,000	-14%	-25%	-34%	-41%	-52%	-59%
350,000	-14%	-25%	-34%	-41%	-52%	-59%
500,000	-15%	-25%	-34%	-41%	-52%	-59%
750,000 and over	-16%	-25%	-34%	-41%	-52%	-59%

Optional Large Deductible is not applicable on amounts of insurance less than \$25,000.

## **B. Dwelling Premium Calculation Information**

Premiums must be calculated separately for all items. Multiple adjustments may apply in the calculation of the premium. It is important that these adjustments be applied in the proper sequence to ensure that the premium is correct. The calculation diagram shown below and the following guidelines are provided to assist you in your calculation.



### **CALCULATION STEPS:**

**Step #1.** Calculate the Modified Extended Coverage Premium (hereinafter referred to as the Modified EC Premium) based on a 1% (\$100 minimum) deductible from Dwelling/Farm and Ranch Dwelling Building and Personal Property (Territory 1) of this manual.

**Step #2.** Calculate the Indirect Loss premium by applying the Indirect Loss factor from Indirect Loss Endorsement and Percentages of this manual to the premium calculated in step #1.

**Step #3.** Where applicable, apply the following adjustments independently to the Modified EC premium calculated in step #1:

- Building Code Credit
- Hail Resistant Roof Credit
- Actual Cash Value Roof Credit

Then add or subtract the results to the Indirect Loss premium calculated in step #2. This will result in the adjusted premium.

**Step #4.** Where applicable, apply the following adjustments independently to the Adjusted Premium calculated in step #3. Then add the results to the adjusted premium calculated in step #3 to equal the Total premium. If the coverages listed below do not apply, skip step #4. If this is done, the Total premium will be the same as the adjusted premium.

- Replacement Cost Endorsement Form TWIA 365 surcharge
- Deductible Adjustment for a flat \$100 or \$250 flat
- Optional Large Deductible Percentage Chart

**Step #5.** If coinsurance is being waived, apply the First Loss Scale Formula to the premium calculated in step #4 prior to rounding.

**Step #6.** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 4 (or 5) times the appropriate ICC rate, then round to the nearest whole dollar. Refer to Residential Increased Cost of Construction. If ICC is not being added, skip to step #8.

**Step #7.** Add the rounded ICC premium (step 6) to the premium determined in step 4 (or step 5 if coinsurance has been waived) to arrive at the Final premium.

**Step #8.** The premium from step 4, 5, or 7 to equal the total *premium* due TWIA.

**Step #9.** If the policy is being issued under the WPI-8 Waiver program, multiply the Final premium from step 4, 5, or 7 times 15% to calculate the WPI-8 Waiver surcharge, then round to the nearest whole dollar.

**Step #10.** Add the WPI-8 Waiver surcharge calculated in step #9 to the total premium from steps 4, 5, or 7 to arrive at the total premium due TWIA.

## VI. Superior Construction

For a structure to qualify as superior construction, a copy of the ISO Loss Cost report dated after December 31, 1998, showing the BGII indication, will be required. Refer to Insurance Service Office BGII List.

### Insurance Service Office BGII List

<u>CONSTRUCTION</u>	<u>DEFINITION</u>	<u>NEW BGII (1998)</u>
<u>1 - Frame</u>		<u>B (11) – Ordinary</u>
<u>2 - Joisted Masonry</u>		<u>B (21) – No key factor present</u> <u>AB (22) – High rise</u> <u>AB (23) – Reinforced masonry</u> <u>AB (24) – Reinforced masonry and High rise</u>
<u>3 - Non-Combustible</u>		<u>B – (31) – Light steel</u> <u>AB (32) – Light steel and high rise</u> <u>AB (33) – Heavy steel</u> <u>AB (34) – Heavy steel and high rise</u>
<u>4 - Masonry Non-Combustible</u>		<u>B – (41) – Light steel</u> <u>AB (42) – Light steel and high rise</u> <u>AB (43) – Heavy steel</u> <u>A (44) – Heavy steel and high rise</u> <u>AB (45) – Reinforced masonry</u> <u>AB (46) – Reinforced masonry and high rise</u> <u>A (47) – Reinforced masonry and heavy steel</u> <u>A (48) – Reinforced masonry, heavy steel and high rise</u>
<u>5 – Modified Fire Resistive</u>		<u>AB (51) – Light steel</u> <u>A (52) – Light steel and high rise</u> <u>A (53) – Heavy steel</u> <u>AA (54) – Heavy steel and high rise</u> <u>A (55) – Light steel and reinforced masonry</u> <u>A (56) – Light steel, reinforced masonry and high rise</u> <u>AA (57) – Heavy steel and reinforced masonry</u> <u>AA (58) – Heavy steel, reinforced masonry and high rise</u>
<u>6 – Fire Resistive</u>		<u>AB (61) – Light steel</u> <u>A (62) – Light steel and high rise</u> <u>A (63) – Heavy steel</u> <u>AA (64) – Heavy steel and high rise</u> <u>A (65) – Light steel and reinforced masonry</u> <u>A (66) – Light steel, reinforced masonry and high rise</u> <u>AA (67) – Heavy steel and reinforced masonry</u> <u>AA (68) – Heavy steel, reinforced masonry and high rise</u>
<u>7 – Heavy Timber Joisted Masonry</u>	<u>Joisted Masonry with either 2" roof with min</u>	<u>AB (71) – No key factor present</u> <u>AB (72) – High rise</u>

<u>CONSTRUCTION</u>	<u>DEFINITION</u>	<u>NEW BGII (1998)</u>
	<u>6" support or wind uplift 90 or higher.</u>	<u>AB (73) – Reinforced masonry</u> <u>AB (74) – Reinforced masonry and High rise</u>
<u>8 – Superior Non-Combustible</u>	<u>Non-combustible with:</u> <u>Roof 2" masonry on</u> <u>steel or roof 22 gauge</u> <u>on steel or wind uplift of</u> <u>90 or higher.</u>	<u>AB (81) – Light steel and low rise</u> <u>AB (82) – Light steel and high rise</u> <u>AB (83) – Heavy steel</u> <u>AA (84) – Heavy steel and high rise</u>
<u>9 – Superior Masonry Non-Combustible</u>	<u>Masonry non-</u> <u>Combustible with roof</u> <u>2" masonry on steel or</u> <u>roof 22 gauge on steel</u> <u>or wind uplift of 90 or</u> <u>higher</u>	<u>AB (91) – Light steel</u> <u>A (92) – Light steel and high rise</u> <u>A (93) – Heavy steel</u> <u>AA (94) – Heavy steel and high rise</u> <u>A (95) – Reinforced masonry</u> <u>A (96) – Reinforced masonry and high rise</u> <u>AA (97) – Reinforced masonry and heavy steel</u> <u>AA (98) – Reinforced masonry, heavy steel and high rise</u>

### Windstorm Symbol Matrix

<u>Windstorm Symbols</u>		
<u>ISO Designation</u>	<u>ISO Description</u>	<u>TWIA Rating</u>
<u>AA</u>	<u>Superior</u>	<u>WR</u>
<u>A</u>	<u>Wind Resistive</u>	<u>WR</u>
<u>AB</u>	<u>Semi-Wind Resistive</u>	<u>SWR</u>
<u>B</u>	<u>Ordinary</u>	<u>Frame or Brick</u>

## VII. Rating Classifications

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<u>Construction</u>	
<u>Frame</u>	<u>Outer walls of frame; iron clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard</u>
<u>Stucco</u>	<u>Outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.</u>
<u>Brick Veneer</u>	<u>Outer walls of brick-veneer or stone-veneer.</u>
<u>Brick</u>	<u>Outer walls of solid masonry: brick; stone; concrete; HTB; HT; hollow masonry units; ICM and ICMS.</u>

## VIII. Rate Tables

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### BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING

To determine construction classification of such  
building(s), apply the following formula:

Begin with measurement of best type of  
construction;

Add second best construction;

Add third best construction; and if necessary

Add fourth best construction, and so on,  
consecutively, until a total equaling at least 50% of  
building is reached.

Class building as type of construction last added to  
achieve 50% of building, and make proportionate  
charge for any remaining inferior construction.

NOTE: Where height of walls is not uniform, use wall  
areas (sq. ft.) as basis for above calculation;  
otherwise use linear feet measurements.

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## A. Commercial Rate Tables

### Commercial Building and Business Personal Property/Personal Property of Buildings (other than dwellings)

#### ANNUAL EXTENDED COVERAGE RATES (per \$100)

<u>TABLE*</u>	<u>COINSURANCE</u>	<u>BUILDING</u> <u>Rate Table A</u>	<u>BUSINESS PERSONAL</u> <u>PROPERTY</u> <u>Rate Table C</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>1</u>	<u>80%</u>	<u>1.787</u>	<u>1.433</u>
<u>Frame (F)</u>	<u>100%</u>	<u>1.770</u>	<u>1.413</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>2</u>	<u>80%</u>	<u>1.863</u>	<u>1.518</u>
<u>Brick (M)</u>	<u>100%</u>	<u>1.439</u>	<u>1.157</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>3</u>	<u>80%</u>	<u>1.518</u>	<u>1.212</u>
<u>-</u>	<u>100%</u>	<u>1.285</u>	<u>1.000</u>
	<u>50%</u>	<u>2.211</u>	<u>--</u>
	<u>80%</u>	<u>1.369</u>	<u>1.085</u>
<u>(HC)</u>	<u>100%</u>	<u>1.307</u>	<u>1.071</u>
	<u>50%</u>	<u>0.883</u>	<u>--</u>
<u>4</u>	<u>80%</u>	<u>0.553</u>	<u>0.433</u>
<u>(WR)</u>	<u>100%</u>	<u>0.516</u>	<u>0.426</u>
	<u>50%</u>	<u>1.100</u>	<u>--</u>
	<u>80%</u>	<u>0.674</u>	<u>0.541</u>
<u>(SWR)</u>	<u>100%</u>	<u>0.652</u>	<u>0.526</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>5</u>	<u>80%</u>	<u>1.275</u>	<u>0.631</u>
<u>Brick **</u>	<u>100%</u>	<u>--</u>	<u>--</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>5A</u>	<u>80%</u>	<u>1.533</u>	<u>0.768</u>
<u>Frame **</u>	<u>100%</u>	<u>--</u>	<u>--</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>5B</u>	<u>80%</u>	<u>1.275</u>	<u>0.631</u>
<u>Brick Veneer **</u>	<u>100%</u>	<u>--</u>	<u>--</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>7</u>	<u>80%</u>	<u>4.345</u>	<u>3.455</u>
<u>-</u>	<u>100%</u>	<u>3.735</u>	<u>2.980</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>8</u>	<u>80%</u>	<u>5.179</u>	<u>4.148</u>
<u>-</u>	<u>100%</u>	<u>4.345</u>	<u>3.475</u>
	<u>50%</u>	<u>--</u>	<u>--</u>

<u>9</u>	<u>80%</u>	<u>6.202</u>	<u>4.963</u>
-	<u>100%</u>	<u>5.083</u>	<u>4.071</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>10</u>	<u>80%</u>	<u>7.443</u>	<u>5.957</u>
-	<u>100%</u>	<u>6.202</u>	<u>4.963</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>11</u>	<u>80%</u>	<u>9.662</u>	<u>7.747</u>
-	<u>100%</u>	<u>8.177</u>	<u>6.535</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>12</u>	<u>80%</u>	<u>14.186</u>	<u>11.329</u>
-	<u>100%</u>	<u>11.930</u>	<u>9.544</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>13</u>	<u>80%</u>	<u>19.335</u>	<u>15.470</u>
-	<u>100%</u>	<u>16.283</u>	<u>13.031</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>14</u>	<u>80%</u>	<u>38.371</u>	<u>30.703</u>
-	<u>100%</u>	<u>32.217</u>	<u>25.768</u>
	<u>50%</u>	<u>--</u>	<u>--</u>
<u>20</u>	<u>80%</u>	<u>8.820</u>	<u>8.820</u>
	<u>100%</u>	<u>8.820</u>	<u>8.820</u>

**\*Refer to the Special Index & General Index of the TWIA Manual**

**\*\* for acv builder's risk form 21 (dwellings) use the 80% coinsurance rate**

## Townhouse Association Buildings and Condominium Buildings

### Annual Extended Coverage Rates (per \$100)

<u>TABLE*</u>	<u>COINSURANCE</u>	<u>Building Rate Table B</u>
	<u>50%</u>	<u>--</u>
<u>1</u>	<u>80%</u>	<u>1.060</u>
<u>Frame (F)</u>	<u>100%</u>	<u>1.048</u>
	<u>50%</u>	<u>--</u>
<u>2</u>	<u>80%</u>	<u>1.115</u>
<u>Brick (M)</u>	<u>100%</u>	<u>0.847</u>
	<u>50%</u>	<u>--</u>
<u>3</u>	<u>80%</u>	<u>0.897</u>
	<u>100%</u>	<u>0.750</u>
	<u>50%</u>	<u>1.307</u>
<u>(HC)</u>	<u>80%</u>	<u>0.820</u>
	<u>100%</u>	<u>0.780</u>
	<u>50%</u>	<u>0.516</u>
<u>4</u>	<u>80%</u>	<u>0.323</u>
<u>(WR)</u>	<u>100%</u>	<u>0.312</u>
	<u>50%</u>	<u>0.652</u>
	<u>80%</u>	<u>0.409</u>
<u>(SWR)</u>	<u>100%</u>	<u>0.394</u>
<u>*Refer to the Special Index &amp; General Index of the TWIA Manual</u>		

## Territorial Multipliers for Miscellaneous Farm Property and Barns and Outbuildings

### Territory 1

#### Territorial Multipliers for Miscellaneous Farm Property

<u>Table</u>	<u>Coinurance</u>	<u>Rate</u>
<u>15</u>	<u>.80</u>	<u>3.700</u>
<u>21</u>	<u>.80</u>	<u>4.432</u>
<u>22</u>	<u>.80</u>	<u>4.140</u>
<u>23</u>	<u>.80</u>	<u>3.148</u>
<u>24</u>	<u>.80</u>	<u>3.150</u>

#### Territorial Multipliers for Barns and Outbuildings

<u>Frame</u>	<u>6.088</u>
<u>Brick Veneer</u>	<u>6.246</u>
<u>Brick</u>	<u>5.220</u>

Note 1: Modified EC Rates are calculated by multiplying promulgated base rates by a 130% flex factor and the appropriate territorial multiplier

Note 2: All interim calculations are rounded down where applicable

**Territories 8, 9, & 10**

**Territorial Multipliers for Miscellaneous Farm Property**

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
<u>15</u>	<u>.80</u>	<u>4.091</u>
<u>21</u>	<u>.80</u>	<u>4.896</u>
<u>22</u>	<u>.80</u>	<u>4.564</u>
<u>23</u>	<u>.80</u>	<u>3.481</u>
<u>24</u>	<u>.80</u>	<u>3.481</u>

**Territorial Multipliers for Barns and Outbuildings**

<u>Frame</u>	<u>6.720</u>
<u>Brick Veneer</u>	<u>6.903</u>
<u>Brick</u>	<u>5.768</u>

Note 1: Modified EC Rates are calculated by multiplying promulgated base rates by a 130% flex factor and the appropriate territorial multiplier

Note 2: All interim calculations are rounded down where applicable

**Modified Extended Coverage Rates (Per \$100) For Miscellaneous Farm Property and  
Barns and Outbuildings**

**Territory 1**

**Rates for Miscellaneous Farm Property (Commercial Deductible applies)**

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
<u>15</u>	<u>.80</u>	<u>1.995</u>
<u>21</u>	<u>.80</u>	<u>3.916</u>
<u>22</u>	<u>.80</u>	<u>5.370</u>
<u>23</u>	<u>.80</u>	<u>7.771</u>
<u>24</u>	<u>.80</u>	<u>15.437</u>

**Rates for Barns and Outbuildings (Commercial Deductible applies)**

<u>Frame</u>	<u>3.877</u>
<u>Brick Veneer</u>	<u>3.328</u>
<u>Brick</u>	<u>2.782</u>

**Territories 8, 9, & 10**

**Rates for Miscellaneous Farm Property (Commercial Deductible applies)**

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
<u>15</u>	<u>.80</u>	<u>2.206</u>
<u>21</u>	<u>.80</u>	<u>4.327</u>
<u>22</u>	<u>.80</u>	<u>5.920</u>
<u>23</u>	<u>.80</u>	<u>8.593</u>
<u>24</u>	<u>.80</u>	<u>17.059</u>

**Rates for Barns and Outbuildings (Commercial Deductible applies)**

<u>Frame</u>	<u>4.279</u>
<u>Brick Veneer</u>	<u>3.679</u>
<u>Brick</u>	<u>3.073</u>

## **B. Residential Rate Tables**

### **Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territory 1)**

MODIFIED EXTENDED COVERAGE PREMIUMS  
(Rates for 1% Deductible – \$100 Minimum Premium Applies)

	<u>Dwelling Chart 1A</u>			<u>Personal Property Chart 1B</u>		
	<u>80% Coinsurance Required</u>					
<u>Amount of Insurance</u>	<u>Frame</u>	<u>BV</u>	<u>Brick</u>	<u>Frame</u>	<u>BV</u>	<u>Brick</u>
1,000	15	11	9	4	4	3
1,500	18	15	13	8	7	6
2,000	26	23	19	8	7	6
2,500	29	23	19	11	7	6
3,000	33	26	22	11	11	9
3,500	37	30	25	11	11	9
4,000	37	30	25	15	11	9
5,000	44	38	31	15	11	9
6,000	48	42	35	15	15	12
7,000	52	45	38	19	15	12
7,500	55	45	38	19	15	12
8,000	59	49	41	23	18	15
9,000	66	57	47	23	18	15
10,000	74	64	53	26	22	18
11,000	81	68	57	30	22	18
12,000	88	76	63	30	25	22
13,000	96	79	66	34	29	25
14,000	103	87	72	38	29	25
15,000	110	95	78	38	33	28
16,000	118	98	82	41	33	28
17,000	125	106	88	45	36	31
18,000	133	113	94	45	40	34
19,000	140	117	97	49	40	34
20,000	147	125	104	53	44	37
21,000	155	132	110	53	44	37
22,000	162	136	113	57	47	40
23,000	169	144	119	60	51	43
24,000	177	151	126	64	51	43
25,000	184	155	129	64	55	46
26,000	192	163	135	68	55	46
27,000	199	170	141	72	58	49
28,000	206	174	144	72	62	52
29,000	214	182	151	75	62	52
30,000	221	189	157	79	65	55
35,000	258	219	182	91	76	65
40,000	295	250	207	106	87	74
45,000	331	280	232	117	98	83
50,000	368	314	261	132	109	92
55,000	401	344	286	143	116	98

<u>60,000</u>	<u>438</u>	<u>375</u>	<u>311</u>	<u>155</u>	<u>127</u>	<u>108</u>
<u>65,000</u>	<u>475</u>	<u>405</u>	<u>336</u>	<u>170</u>	<u>138</u>	<u>117</u>
<u>70,000</u>	<u>512</u>	<u>439</u>	<u>364</u>	<u>181</u>	<u>149</u>	<u>126</u>
<u>75,000</u>	<u>549</u>	<u>469</u>	<u>389</u>	<u>196</u>	<u>160</u>	<u>135</u>
<u>80,000</u>	<u>586</u>	<u>499</u>	<u>414</u>	<u>207</u>	<u>171</u>	<u>144</u>
<u>85,000</u>	<u>622</u>	<u>530</u>	<u>440</u>	<u>223</u>	<u>182</u>	<u>154</u>
<u>90,000</u>	<u>659</u>	<u>564</u>	<u>468</u>	<u>234</u>	<u>193</u>	<u>163</u>
<u>95,000</u>	<u>696</u>	<u>594</u>	<u>493</u>	<u>249</u>	<u>204</u>	<u>172</u>
<u>100,000</u>	<u>733</u>	<u>624</u>	<u>518</u>	<u>260</u>	<u>214</u>	<u>181</u>
<u>Each Add'l 1,000</u>	<u>7.33</u>	<u>6.24</u>	<u>5.18</u>	<u>2.60</u>	<u>2.14</u>	<u>1.81</u>

To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

**Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territories 8, 9, & 10)**

**MODIFIED EXTENDED COVERAGE PREMIUMS**  
**(Rates for 1% Deductible - \$100 Minimum Premium Applies)**

<u>Insurance Amount</u>	<u>Dwelling Chart 1A</u> <u>80% Coinsurance Required</u>			<u>Personal Property Chart 1B</u>		
	<u>Frame</u>	<u>BV</u>	<u>Brick</u>	<u>Frame</u>	<u>BV</u>	<u>Brick</u>
1,000	23	18	15	6	6	5
1,500	29	24	20	12	12	10
2,000	41	36	30	12	12	10
2,500	46	36	30	18	12	10
3,000	52	42	35	18	18	15
3,500	58	48	40	18	18	15
4,000	58	48	40	24	18	15
5,000	70	60	50	24	18	15
6,000	75	66	55	24	24	20
7,000	81	73	60	30	24	20
7,500	87	73	60	30	24	20
8,000	93	79	65	36	30	25
9,000	104	91	75	36	30	25
10,000	116	103	85	42	36	29
11,000	127	109	90	47	36	29
12,000	139	121	100	47	42	34
13,000	151	127	105	53	48	39
14,000	162	139	115	59	48	39
15,000	174	151	125	59	54	44
16,000	185	157	130	65	54	44
17,000	197	169	141	71	60	49
18,000	209	181	151	71	66	54
19,000	220	187	156	77	66	54
20,000	232	199	166	83	71	59
21,000	243	212	176	83	71	59
22,000	255	218	181	89	77	64
23,000	266	230	191	95	83	69
24,000	278	242	201	101	83	69
25,000	290	248	206	101	89	74
26,000	301	260	216	107	89	74
27,000	313	272	226	113	95	78
28,000	324	278	231	113	101	83
29,000	336	290	241	119	101	83
30,000	348	302	251	125	107	88
35,000	405	351	291	142	125	103
40,000	463	399	331	166	143	118
45,000	521	447	371	184	161	132
50,000	579	502	416	208	179	147
55,000	631	550	457	226	191	157
60,000	689	598	497	243	208	172

<u>65,000</u>	<u>747</u>	<u>647</u>	<u>537</u>	-	<u>267</u>	<u>226</u>	<u>186</u>
<u>70,000</u>	<u>805</u>	<u>701</u>	<u>582</u>	-	<u>285</u>	<u>244</u>	<u>201</u>
<u>75,000</u>	<u>863</u>	<u>750</u>	<u>622</u>	-	<u>309</u>	<u>262</u>	<u>216</u>
<u>80,000</u>	<u>921</u>	<u>798</u>	<u>662</u>	-	<u>326</u>	<u>280</u>	<u>230</u>
<u>85,000</u>	<u>979</u>	<u>846</u>	<u>703</u>	-	<u>350</u>	<u>298</u>	<u>245</u>
<u>90,000</u>	<u>1037</u>	<u>901</u>	<u>748</u>	-	<u>368</u>	<u>316</u>	<u>260</u>
<u>95,000</u>	<u>1095</u>	<u>949</u>	<u>788</u>	-	<u>392</u>	<u>333</u>	<u>274</u>
<u>100,000</u>	<u>1153</u>	<u>997</u>	<u>828</u>	-	<u>409</u>	<u>351</u>	<u>289</u>
<u>Each Add'l</u>							
<u>\$1000</u>	<u>11.53</u>	<u>9.97</u>	<u>8.28</u>	-	<u>4.09</u>	<u>3.51</u>	<u>2.89</u>
<u>To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule</u>							

## **Territorial Multipliers**

### **Territorial Multipliers for Dwellings**

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
<u>Frame</u>	<u>2.833</u>	<u>4.456</u>
<u>Brick Veneer</u>	<u>2.910</u>	<u>4.650</u>
<u>Brick</u>	<u>2.415</u>	<u>3.860</u>

### **Territorial Multipliers for Personal Property**

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
<u>Frame</u>	<u>2.902</u>	<u>4.565</u>
<u>Brick Veneer</u>	<u>2.796</u>	<u>4.581</u>
<u>Brick</u>	<u>2.363</u>	<u>3.770</u>

### **Territorial Multipliers for Farm and Ranch Dwellings**

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
<u>Frame</u>	<u>2.833</u>	<u>4.456</u>
<u>Brick Veneer</u>	<u>2.910</u>	<u>4.650</u>
<u>Brick</u>	<u>2.415</u>	<u>3.860</u>

### **Territorial Multipliers for Farm and Ranch Personal Property**

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
<u>Frame</u>	<u>2.902</u>	<u>4.565</u>
<u>Brick Veneer</u>	<u>2.796</u>	<u>4.581</u>
<u>Brick</u>	<u>2.363</u>	<u>3.770</u>

## C. Manufactured Homes Rate Tables

### Rates for Manufactured Homes

<u>Location</u>	<u>Rate per \$100 of Coverage</u>
<u>Located inland of the intracoastal Waterway (MH1, MH3)</u>	<u>2.50</u>
<u>Located seaward of the intracoastal Waterway (MH2, MH4)</u>	<u>5.00</u>

## **D. Rate Chart No. 3 – Scheduled Miscellaneous Farm & Ranch**

### **Property**

<u>Description</u>	<u>Extended Coverage*</u>
<u>Apiary Equipment</u>	<u>Table No. 15</u>
<u>Bridges (Wooden)</u>	<u>Table No. 15</u>
<u>Broom Corn:</u> <u>In Building</u>	<u>Table No. 15</u>
<u>Cooling Towers</u>	<u>Table No. 15</u>
<u>Elevator Legs</u>	<u>Table No. 15</u>
<u>Fences, including corrals &amp; Chutes:</u> <u>Non Combustible</u>	<u>Table No. 15</u>
<u>Combustible</u>	<u>Table No. 15</u>
<u>Grain:</u> <u>A. When not restricted to a specific building</u>	<u>Table No. 15</u>
<u>B. When restricted to a specific building</u>	<u>Table No. 15</u>
<u>C. In tanks</u>	<u>Refer to Tanks</u>
<u>D. Threshed:</u> <u>1) While located in separate granaries</u>	<u>Table No. 15</u>
<u>2) In the open</u>	<u>Table No. 15</u>
<u>3) While in tanks</u>	<u>Table No. 15</u>
<u>Grandstands and Bleachers</u>	<u>Table No. 22</u>
<u>Hay:</u> <u>In buildings</u>	<u>Table No. 15</u>
<u>Sign</u>	<u>Table No. 24</u>
<u>Silo</u> <u>A. Class 1 - Brick Class Construction, minimum capacity -150 tons silage or 4,000 bushels grain; concrete foundation; sealed; bottom unloading and identified by trade name, model, year built, and location of building diagram.</u>	<u>50% of Table No. 15</u>
<u>B. Class 2</u> <u>(1) Brick, All Metal, Solid Concrete, Tile or Masonry Block</u>	<u>Table No. 21</u>
<u>(2) Not Brick, All Metal, Solid Concrete, Tile or Masonry Block</u>	<u>Table No. 23</u>
<u>Tanks</u> <u>A. Water (elevated)</u> <u>(1) Metal, Concrete or Masonry Tower</u>	<u>Table No. 23</u>
<u>(2) Wooden Tower</u>	<u>Table No. 23</u>
<u>B. Water (Ground)</u> <u>(1) Metal, Concrete or Masonry Tower</u>	<u>Table No. 15</u>
<u>(2) Wooden Tower</u>	<u>Table No. 15</u>
<u>Grain</u> <u>(1) Class I - Grain Tank must be "Brick" class construction, minimum capacity - 150 tons silage or 4,000 bushels grain, concrete foundation, sealed, bottom unloading and identified by trade name, model, year built, and location on building diagram.</u>	<u>50% of Table No. 15</u>
<u>(2) Class II - All metal &amp; not Class I</u>	<u>Table No. 15</u>
<u>Water Trough and Reservoir</u> <u>A. Metal Tower</u>	<u>Table No. 15</u>
<u>B. Wooden</u>	<u>Table No. 15</u>
<u>Windmill and Tower</u> <u>A. Metal Tower</u>	<u>Table No. 24</u>
<u>B. Wooden Tower</u>	<u>Table No. 24</u>
<u>Wool</u> <u>A. In a building</u>	<u>Table No. 15</u>

\*Extended Coverage means windstorm and hail.

|

## IX. Appendices

### A. Appendix A-1

## ~~III. APPENDICES~~

### ~~Appendix A-1~~

#### Special Index

#### Extended Coverage – Windstorm, ~~Hurricane~~ and Hail

All buildings shall rate according to construction unless otherwise provided.

Item	Types of Construction	Rate Table
------	-----------------------	------------

1. <b>FRAME BUILDINGS</b> , including iron clad, stucco, asbestos siding and brick veneer construction.....	-1
-------------------------------------------------------------------------------------------------------------	----

NOTE: Except as may be otherwise provided, buildings of this class that have more than 50% of outside walls open shall rate under Table 11. Walls that are not closed from floor to roof shall be considered open.

2. <b>BRICK BUILDINGS</b> , (except building qualifying under Item Nos. 3 and 4), including reinforced concrete, stone, hollow tile or tile faced with brick; adobe, hollow masonry units, ICM and ICMS Construction.....	-2
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

NOTE: Combustible interior wall finish, ceilings and floor finish permitted in ICM and ICMS buildings.

3. (a) One story buildings having all outside masonry walls as described for Table 2 buildings, but with concrete balcony.....	-3
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NOTE: To qualify under the above, the concrete balcony must be securely tied into 3 exterior walls of the building.

(b) Masonry or ICM buildings of *extra heavy construction throughout approved as such by publication by the Texas Department of Insurance.....	-HC
------------------------------------------------------------------------------------------------------------------------------------------------	-----

\*NOTE: To qualify for "Extra Heavy" Classification, building or structure must be designed and constructed according to nationally recognized good engineering practice and codes\* to resist a horizontal wind pressure on all surfaces exposed to the wind without suffering any distortion or damage allowing for wind in any direction, in accordance with the following table. No allowance will be made for the shielding effect of other buildings or structures. The height is to be measured above the average level of the ground adjacent to the building or structure.

Height Zone (Feet)

**Wind Pressure (Lbs. per Sq. Ft.)**

	All Territories Except 1,8,9,10and 11	Territories 1, 8, 9, 10 and 11
Less than 30	25	35
30-49	30	45
50-99	40	55

Data on buildings exceeding 99 feet in height must be submitted to the Texas Department of Insurance for consideration.

Exterior walls must be designed and constructed to withstand pressures specified above, acting either inward or outward.

The roofs of buildings and structures must be designed and constructed to withstand pressures acting outward, normal to the roof surface; equal to 1-1/4 times the pressure specified above. The height is to be taken as the vertical distance from the average elevation of the ground adjoining the building to the average elevation of the roof. Roofs or sections of roof with slopes greater than 30 degrees, must be designed and constructed to withstand pressure, acting inward, normal to the surface, equal to those specified above and applied to the windward slope only.

The property must be Inspected by a registered structural engineer, after which he must submit for each building and structure a certificate, accompanied by a diagram (or diagrams) showing complete details of walls and roof construction, anchorages and fasteners, together with complete supportive structural calculations.

\*Structural steel, light gage steel and steel joist construction must be designed and erected in accordance with the following specifications.

~~0) (1)~~ American Institute of Steel Construction Specifications for the Design Fabrication, and Erection of Structural Steel for Buildings - (Latest Edition).

1)  
~~0) (2)~~ American Iron & Steel Institute Light Gage Cold Formed Steel Design Manual ~~---~~ (Latest Edition).

2)  
~~0) (3)~~ Standard Specifications and Load Tables of the Steel Joist Institute.

3)  
4) (4) Welding - Standard Code of American Welding Society.

4. **HEAVY TIMBER CONSTRUCTION:** Those risks receiving 50% credit for heavy timber construction in fire rate.....-SWR

4a. **SEMI-HEAVY TIMBER CONSTRUCTION:** Those Risks receiving credit for Semi-Heavy Timber Construction in fire rate .....-HC

5. **ELECTRIC UTILITY GENERATING STATION BUILDINGS:** All electric utility generating station buildings when constructed to meet the minimum requirements of the Texas Department of Insurance. WR

(Design and construction conditions will be furnished upon request from the Texas Department of Insurance.)

## **B. Appendix A-2**

## Appendix A-2

### SUPPLEMENTAL SPECIAL INDEX

#### Construction Classification Table

#### Extended Coverage – Windstorm, ~~Hurricane~~ and Hail

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	** Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC***
			2	SWR***
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M <sup>+</sup>
			2	HC
			3 or more	SWR
		Certified as Class 60****	1	SWR*
		Certified as Class 90****	1 or 2	WR*

Construction Classification Table  
Continued

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
----------------	---------------------	-------------------------	-------------------	---------------

Non-Combustible or no walls	**Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M <sup>+</sup>	
				HC <sup>+</sup>	
	**Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1	HC	
			2	SWR	
			3 or more	WR	
		Certified as Class 60 <sup>12</sup> Certified as Class 90 <sup>11</sup>	1	SWR <sup>*</sup>	
			1 or 2	WR <sup>*</sup>	
		Steel or other non-combustible deck on non-combustible supports	2	SWR	
	3 or more		WR		
	Reinforced Concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR		
Masonry or Reinforced Concrete		Wood or other material	Wood or other material	1 or more	M <sup>+</sup> HC <sup>+</sup>
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	F <sup>+</sup>	
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted				1 or more	SWR
ICMS as described in the Texas Commercial Property Rating Manual				1 or more	M <sup>+</sup>

\* These buildings must be certified as required in Special Index of this manual

\*\* Combustible Floor Finish Permissible

\*\*\* Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.

\*\*\*\*\* Roof deck assembly Certified as Class 60 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR. Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.

+ Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.

**Abbreviations: WR = Wind Resistive; SWR = Semi-wind Resistive; HC = Heavy Construction; M = Masonry; F = Frame**

## **Notes and Definitions**

### **Applicable to all Types of Building Classifications**

Outside Trim: To be disregarded in the application of the construction classification table.

Masonry Walls: Means a built-up construction or combination of building units of such materials as clay, adobe, shale, concrete, glass blocks, gypsum or stone set in mortar or plain concrete.

Reinforced Concrete: Within the meaning of extended coverage, concrete with steel, either mesh or bars imbedded therein shall be considered to mean reinforced concrete.

Non-Combustible: As defined in Fire Resistive Section of The Texas Commercial Property Rating Manual.

Greenhouse: Greenhouses or Greenhouse Sections (glassed in area) may be rated specifically.

Doors and Windows: Shall be ignored in classifying exterior walls except masonry walls with doors and windows in excess of 50% of wall area of wall in which located shall be classed as non-combustible construction.

### **Applicable to WR, SWR and HC Building Classifications**

Exterior Walls: Exception -- Exterior walls of frame class construction aggregating not more than 10% of total above ground wall area shall be treated as non-combustible in the application of the Construction Classification Table; if aggregating more than 10%, then the building shall rate as frame or masonry according to mixed construction rule.

Story and Floor: A story is that part of a building between a floor and the roof or floor next above, designed for occupancy. Decks and mezzanines which are structurally a part of the building shall be considered a story if their area exceeds 33-1/3% of the area of the floor immediately below.

NOTE: Decks, mezzanines and portions of floors, not structurally a part of the building, shall not be considered in establishing the E.C. Classification. Roof structure means any structure above the roof of any part of a building. Roof structures shall be considered a story if they exceed 33-1/3% of the ground floor area of the building in which case the inferior roof construction shall govern construction classification.

Basement: Means a story of a building or structure having one half or more of its clear height below grade. Basements with floor area of at least 75% of grade floor area shall be considered a story.

### **Mixed Construction**

- a) In the case of risks having published fire rates, building classification used in fire rating shall determine Extended Coverage and Windstorm rate table, except as otherwise directed.
- b) In the case of risks for which fire rates are not published apply the higher construction charge applicable, unless the less hazardous type comprises over 50% of the total exterior wall area (Gables above top ceiling to be ignored).
- c) Extended Coverage, Windstorm and Hail Insurance may be written specifically on any individual standard division of building, each division to be rated as if it were a separate building.

NOTE: Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

EXCEPTION: Greenhouses or greenhouse sections (glassed-in area) may be written specifically with or without standard division wall.

**Applicable to Frame and Masonry Building Classifications**

Mixed Construction: Applies to frame and masonry classes only.

Where walls of two classes of construction, rate as for the classification comprising 50% or more of the building. Over-all area of walls excluding gables above top of the eave line are to be used in calculations.

Where walls are three or more types of construction, none of which comprise 50% of the wall area, apply the following:

1. Begin with measurements of the best type of construction.
2. Add the second best type of construction.
3. Add the third best type of construction, and if necessary,
4. Add the fourth best construction, etc. consecutively until a total equaling at least 50% of the building is reached.
5. Class building as type of construction last added to achieve 50% of the building.

NOTE: Where heights of walls are not uniform, use wall areas in square feet as a basis of above calculations; otherwise, use linear feet measurements.

**NOTES AND DEFINITIONS**  
**Applicable to all Types of Building**  
**Classifications**

**Outside Trim:** To be disregarded in the application of the construction classification table.

**Masonry Walls:** Means a built-up construction or combination of building units of such materials as clay, adobe, shale, concrete, glass blocks, gypsum or stone set in mortar or plain concrete.

**Reinforced Concrete:** Within the meaning of extended coverage, concrete with steel, either mesh or bars imbedded therein shall be considered to mean reinforced concrete. **Non-Combustible:** As defined in Fire Resistive Section of The Texas Commercial Property Rating Manual.

**Greenhouse:** Greenhouses or Greenhouse Sections (glassed in area) may be rated specifically.

**Doors and Windows:** Shall be ignored in classifying exterior walls except masonry walls with doors and windows in excess of 50% of wall area of wall in which located shall be classed as noncombustible construction.

**NOTES AND DEFINITIONS**  
**Applicable to WR, SWR and HC**  
**Building Classifications**

**Exterior Walls:** Exception - Exterior walls of frame class construction aggregating not more than 10% of total above ground wall area shall be treated as non-combustible in the application of the Construction Classification Table; if aggregating more than 10%, then the building shall rate as frame or masonry according to mixed construction rule.

**Story and Floor:** A story is that part of a building between a floor and the roof or floor next above, designed for occupancy. Decks and mezzanines which are structurally a part of the building shall be considered a story if their area exceeds 33-1/3% of the area of the floor immediately below.

**NOTE:** Decks, mezzanines and portions of floors, not structurally a part of the building, shall not be considered in establishing the E.C. Classification. Roof structure means any structure above the roof of any part of a building. Roof structures shall be considered a story if they exceed 33-1/3% of the ground floor area of the building in which case the inferior roof construction shall govern construction classification.

**Basement:** Means a story of a building or structure having one half or more of its clear height below grade. Basements with floor area of at least 75% of grade floor area shall be considered a story.

**NOTES AND DEFINITIONS**  
**MIXED CONSTRUCTION**

- (a) In the case of risks having published fire rates, building classification used in fire rating shall determine Extended Coverage and Windstorm rate table, except as otherwise directed.
- (b) In the case of risks for which fire rates are not published apply the higher construction charge applicable, unless the less hazardous type comprises over 50% of the total exterior wall area (Gables above top ceiling to be ignored).
- (c) Extended Coverage, Windstorm, Hurricane and Hail Insurance may be written specifically on any individual standard division of building, each division to be rated as if it were a separate building.

**NOTE:** Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

**EXCEPTION:** Greenhouses or greenhouse sections (glassed-in area) may be written specifically with or without standard division wall.

**Applicable to Frame and Masonry Building**  
**Classifications**

**Mixed Construction:** Applies to frame and masonry classes only.

Where walls of two classes of construction, rate as for the classification comprising 50% or more of the building. Over-all area of walls excluding gables above top of the eave line are to be used in calculations.

Where walls are three or more types of construction, none of which comprise 50% of the wall area, apply the following:

1. Begin with measurements of the best type of construction.
2. Add the second best type of construction.
3. Add the third best type of construction, and if necessary,
4. Add the fourth best construction, etc. consecutively until a total equaling at least 50% of the building is reached.
5. Class building as type of construction last added to achieve 50% of the building.

**NOTE:** Where heights of walls are not uniform, use wall areas in square feet as a basis of above calculations; otherwise, use linear feet measurements.

**C.**

## Appendix A-3

### GENERAL INDEX

#### EXTENDED COVERAGE, WINDSTORM, ~~HURRICANE~~ AND HAIL

Use the indicated rate table number for extended coverage and windstorm, ~~hurricane~~ and hail.

The letter "C" means to rate according to construction, Special Index Items 1 through 4.

For Occupancies not listed in the table below see "Mercantile Risks Not Otherwise Listed" or "Manufacturing Risks, Ordinary Hazards (Not Specifically Classified)."

	E.C. AND WINDSTORM
ACETYLENE GAS MANUFACTURING OR TANK CHARGING	C
AIRPLANE HANGERS	C
AIRPLANE MANUFACTURING	C
ALFALFA DEHYDRATING PLANTS, <del>Form 6</del> (when charge of .50 is applied in rate for "grinding in building")	
ALFALFA MEAL AND SEED CLEANING, <del>Form 4</del>	C
ALKALI PRODUCT PLANTS	
A. Electrolytic	C
B. Non Electrolytic	C
AMUSEMENT PARKS	C
APARTMENT HOUSES --- Three units or over (Rated under Apt. Ho. schedule) (If less than 3 apartments rate as dwelling)	C
A. Contents of all classes of Apt. except those subject to Table 4, WR or SWR	50% of bldg rate
B. Contents of Apt. subject to Table 4, WR, or SWR	Table 4
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses) on premises of apartment houses	C
ART GALLERIES	C
ASBESTOS WORKS	C
ASPHALT PLANTS	C
AUTOMOBILES	
A. Manufacturing	C
B. Sales Room without service station	C
C. Garages, storage, repairs or sales with service station	C
AWNINGS: Cloth or Detachable (Use Building Rate in rate chart)	14
BAKERIES	C
BATH AND BOAT HOUSES	
A. If wholly on land	C
B. If not wholly on land	11

BATTERY FACTORY	C
BEVERAGE MANUFACTURING --- See Food Manufacturing	
BLEACHERS --- See Stadiums	
BOARDING AND ROOMING HOUSES	
A. Fire Resistive and Semi-Fire Resistive (when rated as such by the Texas Department of Insurance)	4
B. Brick, stone, adobe, poured concrete, hollow masonry units veneered with brick, and hollow masonry units (of clay or concrete)	5
C. All classes except those listed under A, B, and D including frame, stucco, ICM, ICMS, etc.	5A
D. Brick veneer and stone veneer	5B
BOAT HOUSES --- See Bath Houses	
BOAT DOCKS PRIVATE	
A. Covered, see Bath Houses	
B. Uncovered, see Piers	
BREWERIES, BEVERAGES AND FOOD MANUFACTURING	C
BRICK AND TILE PLANTS	
A. All buildings that do not class as Frame Sheds	C
B. Sheds and Kilns thereunder (Frame class and over 50% open)	9
BRIDGES	
A. Concrete	4
B. Steel	3
C. Frame	1
BUILDERS RISKS	
A. Frame or Ironclad and all buildings classified under Item No. 1, Special Index	9
B. Brick or ICM and all buildings classified under Item No. 2, Special Index	8
C. Fire Resistive or Semi-Fire Resistive buildings (except those listed in "D" below) and those buildings that when completed will classify under Items No. 3 and 5, Special Index	2
D. Dwelling and Boarding and Rooming Houses, same as the permanent building rate for boarding and rooming houses	
E. Additions, Improvements or Repairs when subject to permanent building rate, use net rate including Grade of Occupancy and/or area charge, if applicable	C
CANDY MANUFACTURING	C
CANNING PLANTS... Vegetables	C
CELLULOID MANUFACTURING CELLULOID GOODS MANUFACTURING CEMENT MILLS	C
CEREAL MILLS --- See Flour Mills CHARCOAL MANUFACTURING	C
CHLORATES	
A. Manufacturing	C
B. Storage	C
CHURCHES	C
CLEANING AND PRESSING	
A. Using approved solvents	C
B. Using unapproved solvents	C
CLOTH MANUFACTURING --- See Garment Manufacturing COFFEE ROASTING	C
COLD STORAGE AND LOCKER PLANTS	
CONDOMINIUMS (RESIDENTIAL)	

A. Contents Owned in Common of all classes except those subject to Table 4, WR or SWR	50% or bldg rate
B. Contents Owned in Common subject to Table 4	Table 4
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses on premises of condominiums) Owned in Common	C
COOLING TOWERS --- Specific Coverage	
A. If completely enclosed, or of induced or forced draft type	C
B. All others	8
CORN SHELLER OR SHUCKER	C
COTTON, BALED -- INCLUDING LINTER\$, MOTES, GRABBOTS, FLUES AND HULL FIBERS IN BALES	4
COTTON COMPRESS AND WAREHOUSE	
A. Buildings	C
B. Machinery and Furniture and Fixtures	
1. In other than Fire Resistant or Semi-Fire Resistant building	2
2. In Fire Resistant or Semi-Fire Resistant building	C
COTTON GINS AND AUXILIARY BUILDINGS OR SHEDS (except Office, for which see E below)	
A. Frame, Ironclad, or brick veneer	9
B. Brick, ICM, hollow masonry units or HTB	2
C. Extra Heavy ICM Construction throughout	3
D. Semi-Fire Resistant	4
E. Office	3
F. Outside equipment, conveyors, dust flues and ventilators (Use Building Rate)	13
COTTONSEED OIL MILLS AND PEANUT OIL MILLS AND REFINERIES AND STOCK	
A. Blanket Policies --- All buildings and/or machinery and/or stock	8
B. Buildings, Machinery, and Stock --- When insured specifically	C
CREAMERIES	C
CREOSOTING PLANTS	C
DOUGHNUT FACTORY	C
DRIVE-IN THEATRE SCREENS	C
A. Brick or reinforced concrete wall, or structural steel frame construction	8
B. Heavy pole construction	12
C. All other construction	14
NOTE: If screen structure and its foundation and appendages has been designed and constructed to withstand not less than 90 miles per hour wind, and certificate to that effect by a registered professional engineer is furnished with application to Texas Department of Insurance, rate will be published authorizing Table 1.	
DRIVE-IN THEATRE SPEAKERS in the open for automobiles (Use Building Rate in rate chart)	12
DRUG MANUFACTURING	C
DYEING --- See Laundries	
ELECTRICAL SUPPLIES in open --- See Poles	
ELECTRIC LIGHT PLANTS	C
EXPLOSIVES --- Manufacturing or Storage	C
FAIRGROUNDS AND PARK BUILDINGS	

A. Where buildings and other structures and/or contents are insured blanket	12
B. Permanent Buildings insured specifically	C
C. Open Sheds	11
D. Grandstands --- See Grandstands	
FEED DRYERS	C
FEED GRINDING OR MIXING, <del>Form 4</del>	C
FEED MILLS AND FEED GRINDING, <del>Form 6</del> --- See Flour Mills	
FENCES: (Except on farms) (Use Building Rate)	
A. Masonry construction or steel with steel posts set in concrete	1
B. B. All other types of construction	
1. With 80% or higher coinsurance	9
2. Without 80% or higher coinsurance	10
C. Fences on dwelling premises	9
NOTE: When on dwelling premises fences of masonry construction or steel with steel posts set in concrete apply Table 1.	
FERTILIZER PLANTS	C
FILLING STATIONS (Gasoline)	C
FILM EXCHANGE AND LABORATORIES	C
FILTRATION PLANTS	C
FIREWORKS --- See Explosives	
FLOOD LIGHTS --- See Power	
FLOUR, RICE, CEREAL AND FEED MILLS	C
FOOD AND BEVERAGE MANUFACTURING	C
FOUNDRIES	C
FRATERNITY HOUSES --- Same as Boarding and Rooming Houses	
FRUIT --- See Vegetables	
FULLER'S EARTH PLANTS	C
FUNERAL HOMES	C
GARAGES --- See Automobiles	
GARMENT AND CLOTH MANUFACTURING	C
GASOLINE --- See Volatiles	
GLASS PLANTS	C
GRAIN CLEANING	C
GRAIN ELEVATORS OR DRYERS	C
A. Grain Tanks --- See Tanks	
B. Elevators Legs	
C. Fixed Conveyor Galleries	1
1. On steel trestles --- ICM construction or better	2
2. Other construction	2
D. Movable Marine Legs and Conveyors	13
GRAIN WAREHOUSE	C
GRANDSTANDS (with roof)	

A. All classes of construction classified Item No. 1, Special Index	12
B. Concrete or Steel (extra well constructed)	10
C. If not roofed --- See Stadiums	
GREENHOUSES (Building or Contents)	<del>\$8.00</del> *20
*This rate is for \$100.00 Windstorm, Hurricane and Hail deductible.	
GRIST MILL	C
HAY IN THE OPEN (Use Contents Rate)	8
HOSIERY MILLS --- Same as Textile Mills	
HYDROGEN AND OXYGEN PLANTS	C
ICE MANUFACTURING	C
INCINERATORS	C
IRON PIPE IN OPEN (Use Contents Rates)	4
LACQUER --- See Paint	
LAND AND OUTSIDE SITE IMPROVEMENTS not otherwise provided for, including, but not limited to landscaping (excluding trees, shrubs and plants), drives, parking areas, walks, curbs and gutters; and/or UNDERGROUND UTILITIES located outside the perimeter of any building or structure. Use 80% Co-insurance Building Rate.	4
NOTE: Values of land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure, shall not be included in a blanket average rate unless the highest rate of any building on the premises be applied to the land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure.	
LAUNDERETTE OR WASHATERIA	C
If unattended --- See Unattended Service and Vending Machine Risks	
LAUNDRIES AND DYEING	
A. Without Dry Cleaning	
B. With Dry Cleaning --- See Cleaning and Pressing	C
If unattended -- See Unattended Service & Vending Machine Risks	
LOCKER PLANTS --- See Cold Storage	
LUMBER YARDS	
A. Blanket policies covering structures (with or without fence)	8
B. Blanket policies covering structures and contents	8
C. Specific coverage on structures with separate amount on each structure	C
D. Contents in frame buildings, sheds, or yard (omit area)	1
E. Contents in Table 2 or better buildings only	C
LUMBER	
A. In frame or ironclad buildings or sheds or in open (omit area)	1
B. In Table 2 or better building	C
MANUFACTURING RISKS ORDINARY HAZARDS (Not Specifically Classified)	C
MATCH FACTORIES	C
MEAT PACKING --- See Packing Houses	
MERCANTILE RISKS not otherwise listed	C
METAL WORKERS (Machine Shops)	C
MUSEUMS AND ART GALLERIES	C
NEWSPAPER PLANTS	C

OIL WELL SUPPLIES (Contents; 50% extended coverage or windstorm building rate, EXCEPT Wind Resistive or Semi-Wind Resistive. If building not eligible for coinsurance use 1 / 2 of no coinsurance rate unless clause is attached)	C
NOTE: Not applicable to contents of Tanks or Iron Pipe in Open	
OXYGEN PLANTS... See Hydrogen	
PACKING HOUSES, MEAT	C
PAINT, VARNISH AND LACQUER MANUFACTURING	C
A. Oil or turpentine process	
B. Benzine Process	
C. Using and/or Manufacturing Pyroxylin base	
PAPER AND PULP MILLS	C
PARK BUILDINGS... See Fairgrounds	
PEANUT AND FEED DRYERS	C
PEANUT OIL MILLS AND REFINERIES ---See Cottonseed Oil Mill	
PEANUT SHELLING	C
PIER AND WHARF PROPERTIES	C
PLANING AND SAW MILLS	C
POLES AND ELECTRICAL SUPPLIES IN OPEN (Use contents rate in rate charts)	4
PORTABLE BUILDINGS	C
POTTERIES	C
POWER, TRANSMISSION, FLOOD LIGHTS OR OTHER ELECTRICAL LINES...	
A. Supports of all-steel construction and securely anchored	12
B. Flood Lights without over-head wires	8
C. Supports partly or all frame	12
D. Outside transformers and sub-station equipment on ground (Use Building Rate in rate charts)	
PRINTING PLANTS	C
PUTTY MANUFACTURING (All processes)	C
PYROXYLIN BASE MANUFACTURING	C
QUARRIES	C
RACE TRACK PROPERTY (Same as Fairgrounds)	
RADIO AND TELEVISION TOWERS AND ANTENNAS AND SATELLITE DISHES (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	13
B. When any part of tower is of frame construction or is on building of other than Fire Resistive or Semi-Fire Resistive construction	14
RADIO AND T.V. TRANSMITTING STATIONS	C
REFINERIES: Cottonseed and Peanut Oil... See Cottonseed Oil Mills	
RICE BINS AND TANKS... Same as Grain Tanks	
RICE DRYERS --- Same as Grain Elevators	
RICE MILLS OR ELEVATORS... See Flour Mills	
ROCK CRUSHING AND SAND AND GRAVEL PLANTS --- Including Conveyors	C

ROLLER COASTERS	12
ROOMING HOUSES (Including outbuildings and sheds) --- Same as Boarding and Rooming Houses	
ROOFING PLANTS	
A. With Distilling or Refining Coal Tar Products	C
B. All Other	C
ROOFS: Buildings with roofs of roll composition over wire netting	13
RUBBER GOODS MANUFACTURING	C
RUG CLEANING --- Same as Dry Cleaning	
SAW AND PLANING MILLS	C
SAW MILL DRY KILNS	C
SCHOOLS	C
SCOREBOARDS	12
SEED CLEANING	C
SEED DRYING	C
SEWAGE DISPOSAL, PUMPING AND FILTRATION PLANTS	C
SHEDS--- FRAME CLASS BUILDINGS THAT HAVE MORE THAN 50% OF OUTSIDE WALLS OPEN--- WALLS THAT ARE NOT CLOSED FROM FLOOR TO ROOF SHALL BE CONSIDERED OPEN	11
SHIPYARD	C
SHOE MANUFACTURING	C
SHRUBBERY --- See Trees	
SIGNS -- ERECTED (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	12
B. When any part of erected sign is of frame construction	14
C. Neon Signs and tubing, any type of support	14
SILOS	
A. Brick, concrete or solid concrete block	11
B. All others	13
SLAUGHTER HOUSE RISKS INCLUDING SHEDS AND PENS	C
SMELTING PLANTS	C
SMOKE STACKS	
A. Metal	13
B. Metal smoke stacks with inner lining of firebrick or 2-1/2" of gunnite	8
C. Brick and Reinforced Concrete when written specifically (when written with building, same as building)	4
SORORITY HOUSES --- Same as Boarding and Rooming House	
STADIUMS	
A. Concrete (with or without wood seats)	4
B. Steel securely anchored in concrete (with or without wood seats)	2
C. Frame or Steel not anchored in concrete	10

STOCK PENS (Heavy wooden without roof) at Packing Houses and Stock Yards (Use Building Rate in rate charts)	1
NOTE: If with roof, rate as building, See Special Index	
SULPHUR PLANTS	C
SWIMMING POOLS IN OPEN (Use 80% Coinsurance building rate)	4
TANKS	
A. Cylindrical, all-steel construction with steel roof, or concrete tanks with concrete roof or no roof	4
B. Cylindrical, sides of steel or concrete construction but with wood or composition roof	3
C. Elevated on steel, masonry or concrete supports	1
D. Tanks and Towers (for water supply) composed entirely of steel, the foundation of each column composed of concrete sunk in the ground, and each column anchored by bolts running through such foundation	1
E. Pickle and Vinegar Tanks	13
F. Tanks and Towers other than as above	
TELEVISION --- See Radio	
TENTS	14
TENT TOP BUILDINGS TEXTILE MILLS	13
Textile Mills	C
TILE PLANTS --- See Brick Plants TIRE RECAPPING	
TIRE RECAPPING	C
TOURIST COURTS	C
TOWNHOUSES RATED UNDER THE TOWNHOUSE RATING SCHEDULE	C
THREE UNITS OR OVER (If less than 3 units, rate as dwelling)	
A. Contents owned in common of all classes except those subject to Table 4, WR or SWR	50% of bldg rate
B. Contents Owned in Common subject to Table 4	Table 4
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses on premises of townhouses) Owned in common	C
TREES AND SHRUBBERY	\$1.50
UNATTENDED SERVICE AND VENDING MACHINE RISKS	
"Unattended" means without attendant on duty and on premises at all times risk is open for business	
Building	C
Contents	C
VARNISH --- See Paint	
VAULT CONTENTS	
If fire rate is published for fireproof vault	4
All others rate same as contents in building	
VEGETABLES AND FRUIT	
A. Canning	C
B. Packing	C
VINEGAR WORKS-- Not including Tanks	C
VOLATILES	C
WASHATERIAS	C

If unattended see Unattended Service and Vending Machine Risks

WHARFS --- See Piers

WINDMILLS 14

WOOD ALCOHOL MANUFACTURING C

WOODWORKING PLANTS C

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**Appendix B**  
**ROOFING INSTALLATION INFORMATION AND CERTIFICATION**  
**FOR REDUCTION IN RESIDENTIAL INSURANCE PREMIUMS**

**NOTICE TO HOMEOWNER:** Completion of this certificate will entitle you to a reduction in your residential insurance premium. This certification form is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium and it is not to be construed as an e of express or implied warranty by the manufacturer, supplier or installer.

Name of Roofing Company: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ County: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ License Number If Any: \_\_\_\_\_

**Address of Residence (Installer must complete the following information before signing form)**

Name of Owner: \_\_\_\_\_ Home Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Office Phone: \_\_\_\_\_  
City: \_\_\_\_\_ County: \_\_\_\_\_ Zip Code: \_\_\_\_\_

I, \_\_\_\_\_, an authorized representative of  
\_\_\_\_\_ Print Name

\_\_\_\_\_ roofing company, do hereby certify that I have  
\_\_\_\_\_ Print Name of Company

installed in accordance with the manufacturer's specifications on the above described residence a roof covering listed as complying with Underwriters' Laboratory Standard 2218, Impact Standard for Impact Resistance of Prepared Roof Covering Materials, with an impact resistance Classification of:

Class 1	<input type="checkbox"/>	Class 2	<input type="checkbox"/>	Class 3	<input type="checkbox"/>	Class 4	<input type="checkbox"/>
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Manufacturers' Name: \_\_\_\_\_  
Year Manufactured: \_\_\_\_\_  
Brand Name: \_\_\_\_\_  
Date of Installation: \_\_\_\_\_

Labeling of Products: The roof covering installed on the above described residence bears the following label: CHECK ONE BELOW

☐

The roof covering product packaging indicates the U.L. classification under U.L. Standard 2218, the manufacturer's name, the date of manufacture, and the brand name. A label from the packaging has been supplied to the owner of the residence.

☐

Each individual shingle, tile, shake, panel, sheet, etc. of roof covering is separately labeled with the U.L. Standard 2218 classification and with the manufacturer's name, the date of manufacture, and brand name.

NOTE: After January 1, 1999 all individual shingles, tiles, shakes, panels, sheets, etc. must be labeled with the information outlined above.

\_\_\_\_\_  
Original Signature of Roofing Company's Authorized Representative \_\_\_\_\_ Date

**ONE COPY TO BE RETAINED BY HOMEOWNER**

**SECOND COPY TO INSURANCE COMPANY**

Prescribed by the Texas Department of Insurance \_\_\_\_\_ Form No.

**Any intentional misrepresentation relating to the completion or presentation of this form constitutes fraud.**

Effective June 1, 1999

**Appendix C**  
**Applicable Rules from the Texas General Basis Schedules**  
**~~Approved Prior to and In Effect on October 1, 1991~~**

The rules contained in this Appendix C shall apply in whole or in part when not in conflict with the other rules of this Manual.

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## Appendix C

The rules contained in this Appendix C shall apply in whole or in part when not in conflict with the other rules of this Manual.

### MIXED CONSTRUCTION RULE

When walls are of two classes of construction, rate as for the classification comprising 50% or more of the building and make proportionate charge for inferior construction, unless otherwise provided for.

#### EXCEPTION:

1. ~~Special Hazards and School risks with all metal roofs, 2 or 3 outside masonry walls and 2 or 1 outside walls, respectively, of strictly ICM are to be classed and rate as ICM, with proportionate charge for hollow tile where applicable.~~
1. ~~Apartment Houses, Auto Courts, Boarding Houses, Rooming Houses and Dwellings. In applying this rule to arrive at rates or premiums for these classes use these rules except:~~
  - a. ~~Area of gables above ceiling to roof to be ignored (does not apply to FR and SFR buildings).~~
  - b. ~~Area of additions to be included.~~
  - c. ~~No charge for inferior construction.~~
  - d. ~~If 3 or more types of construction, see rule "BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING."~~
  - e. ~~Applicable only to fire and extended coverage.~~

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### ~~BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING~~

~~To determine construction classification of such building(s), apply the following formula:~~

1. ~~Begin with measurement of best type of construction;~~
2. ~~Add second best construction;~~
3. ~~Add third best construction; and if necessary~~
4. ~~Add fourth best construction, and so on, consecutively, until a total equaling at least 50% of building is reached.~~
5. ~~Class building as type of construction last added to achieve 50% of building, and make proportionate charge for any remaining inferior construction.~~

~~NOTE: Where height of walls is not uniform, use wall areas (sq. ft.) as basis for above calculation; otherwise use linear feet measurements.~~

### GROSS RATE CALCULATION RULE

In all calculations pertaining to rating schedules and published rates (before experience, coinsurance, etc.), each calculation shall be considered separately and fractions less than half a cent shall be dropped and fractions of half a cent and over shall be treated as a full cent. Calculations shall be made using percentages in lieu of complements.

#### EXAMPLES

<u>Credit/Debit Factor</u>	<u>Rate(-+) Factor= Result</u>
-30%	$.25 - .08 (30\%) = .17$
+30%	$.25 + .08 (30\%) = .33$

EXCEPTION: In all instances, to determine KEY RATE CHARGE, refer to pre-calculated Key Rate Charts on GBS pages 159-166.

### REFERENCE CHART — CONSTRUCTION CLASSIFICATIONS

Construction Symbol	Mercantile Rating Schedule*	Experience Classification All Schedules
<del>"B" "C"</del>	Brick	B-Class
<del>"H-T", "H-T-S"</del>		
<del>(a) "H-T-B", "H-T-B-S"</del>		
<del>"I-C-M", "I-C-M-S"</del>		
<del>&amp; "N-C"</del>		
<del>(b) "F-R"</del>	Fire Resistive	FR
<del>(c) "S-F-R"</del>	Semi-Fire Resistive	SFR
<del>(d) "C-D", "D"</del>	Frame	F-Class
<del>&amp; "I-C"</del>		
<del>(e) "B-V", "B-V-S"</del>	Brick	F-Class
<del>"S" &amp; "S-S"</del>		

\*Special Class & Special Hazard Risks — Rate under Special Schedules

#### Sprinklered Risks

If a, above, apply ..... Brick Sprinklered Experience  
 If b, above, apply ..... Fire Resistive Sprinklered Experience  
 If c, above, apply ..... Semi-Fire Resistive Sprinklered Experience  
 If d, or e, above, apply ..... Frame Sprinklered Experience

**PUBLIC HOUSING AUTHORITY  
PROJECTS EXPERIENCE**

Class Nos. 038 (1) Apartment Buildings with eight or more units; 039 (1) Dwellings or Duplexes.

The following modifications shall apply to the building fire rates (No other experience credit or penalty applicable):

	<u><b>Class 038 (1)</b></u>	<u><b>Class 039 (1)</b></u>
Frame Protected	Deduct 62%	Deduct 62%
Frame Unprotected	Deduct 74%	Deduct 74%
Brick Protected	Deduct 9%	Deduct 9%
Brick Unprotected	Deduct 39%	Deduct 39%
Fire Resistive & Semi-Fire Resistive Protected	Add 31%	Add 31%
Fire Resistive & Semi-Fire Resistive Unprotected	Deduct 75%	Deduct 75%

These modifications are applicable to:

- ~~1. Dwellings and apartments of Housing Projects owned by, supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.~~
- ~~1. Dwellings and apartments of Housing Projects owned and supervised by Federal Authorities.~~
- ~~2. Dwellings and apartments of similar housing projects privately owned, built and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.~~
- ~~3. Apartment units (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.~~

The above rule applies to all classes of construction.

Note 1: ~~Contents rate is not affected by the foregoing; contents rates to be calculated just as though the above experience did not exist.~~

Note 2: ~~The above experience, when applicable, applies only to those buildings occupied as apartments, duplexes or dwellings, and do not apply to individually rated outbuildings or other private structures on the premises of privately owned apartment house projects.~~

**SPECIAL DWELLING SCHEDULE**  
**Contents to Rate Same as Building**

~~Unless Otherwise Specified~~

~~Experience Credit Not Applicable.~~

**Fire Record Applicable**

**1. GENERAL PROVISIONS:**

1.1 — ~~The following rules and premiums shall govern the writing of coverage on Dwellings, Individually Owned Townhouse Units, Garage Apartments (not more than two families), Two Family (Duplex) Dwellings, Servant Houses, Private Garages, Private Barns, Fencing (Also see Fence Schedule), Shade Trees, Windmills, Miscellaneous Outbuildings, Seasonal Dwellings, Private Club Houses, and Private Camp Houses, (Television and Radio Antennas owned or at Dwellings — Subject to Dwelling Fire Rate), Trailer Houses that are stationary (Wheels removed and Trailer on blocks, but not Trailer Houses on wheels or on Boat Trailers) — Rates and Premiums for all perils (including Tenant Charge and minimum premium) in Special Dwelling Premium Charts shall apply to Trailer Houses subject to a 2 % increase.~~

1.2 — ~~The risks eligible for this Schedule shall not be occupied by more than two families, each living in separate quarters. This Schedule does not apply to~~ **ROOMING HOUSES, APARTMENT HOUSES OR TOURIST COURTS.**

1.3 — ~~**ABODES OF TEACHERS**, located on School premises, occupied solely by teachers, rent free, and where teacher occupants do not exceed ten, shall rate under this Schedule. If such abodes contain teacher occupants in excess of ten, rate under School Schedule and apply charge for Dormitories.~~

1.4 — ~~Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses, other than those built on pontoons or floating type supports, Water Tanks and Towers, TV Antennas, Satellite Dishes, Fencing, Shade Trees, Plants and Shrubs and Windmills on Dwelling premises (except those located on Farms or containing **MERCANTILE** occupancies) and insured with the Dwelling but for a separate amount on~~

~~which not more than \$1,000 insurance is carried on the building (not the amount on **CONTENTS**), the building and its contents shall take the same FIRE PREMIUM GROUP as the main dwelling.~~

The premium for building or contents shall be that for \$1,000 or pro rata thereof for amounts less than \$1,000 not subject to Fire Minimum Premiums. Otherwise such risks shall be treated as individual risks under this schedule.

1.5 — ~~FENCING, SHADE TREES, PLANTS AND SHRUBS AND WINDMILLS~~ shall take the same Fire Premium Group as the main dwelling in connection with which they are written. If written for an amount less than \$1,000.00, the premium shall be pro rata of the premium for \$1,000.00 coverage.

1.6 — ~~PERSONAL EFFECTS~~ in dwellings located on Military Posts, Camps or Stations shall rate under this Schedule.

1.7 — Blanket Insurance is not permitted on dwellings and/or their contents.

### **Schedule Policies**

When dwellings or other risks governed by the Special Dwelling Schedule are included in schedule policies, the premium for each such item shall be determined by using the total insurance carried on such item under all policies covering pro rata of the schedule.

1.8 — ~~DWELLINGS QUALIFYING FOR PUBLIC HOUSING CREDITS~~ Credits apply to premium developed under the ~~FIRE AND EXTENDED COVERAGE PREMIUM CHARTS~~. Credits shall apply to the ~~PREMIUM~~ for each coverage separately. Credits applicable to Fire coverage shall be applied before "Fire Record." See Public Housing Credits.

1.9 — ~~PREMIUMS APPLY PER ITEM~~ In the application of this schedule, the premium (minimum if applicable), for each peril shall be determined for each item subject to these rules. The sum of the premiums for each peril will be the policy premium. See Fire Record Rule and Rounding of Premium Rule.

**2. SMALL MERCANTILE OCCUPANCY** — If floor space used for storage and/or sale of merchandise, or for other business or professional purposes (except as listed under Note 2 below) does not exceed 500 square feet, add to the FIRE premium the Mercantile Charge (as shown in the Fire Premium Charts) to the amount of insurance on each item (building and/or contents) covered.

**NOTE 1:** In case floor space used as above exceeds 500 square feet, or building occupied exclusively for Mercantile or Mercantile Storage, submit to the Texas Department of Insurance for rating.

**NOTE 2:** No charge shall be made for offices, including Doctor's or Dentists' Offices, Telephone Exchanges, Music or Dancing Studios, Churches or Schools, unless more than 50% of the total area is used as such, in which case refer to Texas Department of Insurance for rating.

**NOTE 3:** If Music or Dancing Studio comprises more than 50% of the total floor area, rate under School Schedule.

**NOTE 4:** No charge for Dressmaking by occupant where no outside help is employed, or for Salesman's Samples stored, unless space so used exceeds 500 square feet.

**3. BUILDERS RISK**—Dwellings in process of construction shall be rated under Builders Risk Schedule.

**4. MIXED CONSTRUCTION**—To determine premiums for risks of two different wall constructions, use premiums applicable to construction which comprises over 50% of the total exterior wall area (1) Area of gables above ceiling to roof to be ignored (does not apply to FR & SFR Buildings). (2) Area of additions to be included. If three or more types of construction, rate according to rule, "Building of Three or More Types of Construction, With No One Type Comprising 50% of the Building" in the GBS, except no charge for inferior construction. This rule is applicable only to Fire and Extended Coverage.

### **5. FIRE RESISTIVE, SEMI-FIRE RESISTIVE AND SPRINKLERED DWELLINGS.**

**5.1**—**FIRE RESISTIVE AND SEMI-FIRE RESISTIVE DWELLINGS**—Submit to the Texas Department of Insurance for Confirmation of classification.

When approved as Fire Resistive or Semi-Fire Resistive, the following method shall be used by companies and agents in calculating fire premiums; FIRE—Use 60% of the brick premium.

**NOTE:** (A) Subject to minimum premium

**NOTE:** (B) Round premium to nearest dollar

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**EXTENDED COVERAGE DWELLINGS, THEIR OUT BUILDINGS OR SHEDS.** When approved as Fire Resistive or Semi-Fire Resistive by the Texas Department of Insurance, the following method shall be used by companies and agents in calculating extended coverage premiums: All Territories except 1, 8, 9, 10 & 11—Use 10 percent of the brick premium for buildings and 20 percent of the brick premium for contents. Territories 1, 8, 9, 10 & 11—Use 20 percent of the brick premium for buildings and 40 percent of the brick premium for contents.

**NOTE:** (A) Subject to minimum premium

(B) Round premium to nearest dollar

**5.2**—**SPRINKLERED DWELLINGS**—Submit to the **TEXAS DEPARTMENT OF INSURANCE** for rating.

**6. INTERPOLATION OF PREMIUM**—Premium for any amount of insurance, in excess of the Minimum, not shown in the Premium Charts may be obtained by interpolation.

~~6.1 **METHOD OF INTERPOLATION** A 1-year premium is desired for a policy amount of \$15,500 which falls between \$15,000 and \$16,000 shown in the Dwelling Premium chart. In other words, the desired amount is \$500 in excess of the \$15,000 shown. The example below is a Frame Dwelling in key rate charged interval 10-14.~~

<del>Step 1. Policy Amount Shown</del>	<del>Premiums Shown</del>
<del>\$16,000</del>	<del>\$50</del>
<del><u>\$15,000</u></del>	<del><u>\$46</u></del>
<del>\$1,000</del>	<del>===== \$ 4 (Diff. in premium)</del>
<del>===== Step 2. \$500</del>	<del>(Additional Amount)</del>
<del>\$1,000</del>	<del>(Diff. in Amount X \$4)</del>
<del>===== Step 3.</del>	<del>(Diff. in Premium = \$2)</del>
<del>\$46</del>	<del>(Premium for \$15,000)</del>
<del><u>2</u></del>	<del>(Premium for additional \$500)</del>
<del>\$48</del>	<del>(Basic Premium for \$15,500)</del>

~~7. **ADDITIONAL AMOUNTS OR COVERAGES** Amounts of insurance may be increased or additional coverages may be added after the inception date of the policy by endorsement.~~

~~The premium for such additional coverage or amount, unless otherwise specifically provided, shall be computed on a pro-rata basis~~

~~The following procedure shall be used to determine the additional premium to be charged for increases and shall be applicable to each separate peril.~~

~~**STEP 1:** Convert the premium for the old total amount of insurance to current premium. Use current key rates and fire record.~~

~~**STEP 2:** Determine the premium for the new total amount of insurance at current premium. Use current key rates and fire record.~~

~~**STEP 3:** Subtract the premium determined in Step 1 from that determined Step 2 and pro-rate the difference. The result will be the additional premium to be charged for the increase in amount.~~

## **CONSTRUCTION**

**"FRAME"** includes outer walls of frame; iron-clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard.

**"STUCCO"** includes outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.

**"BRICK VENEER"** includes outer walls of brick veneer or stone veneer.

**"BRICK"** includes outer walls solid masonry; brick; stone; concrete; HTB; HT hollow masonry units; ICM and ICMS. (For FR or SFR risks refer to Rule 8.)

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### **APARTMENT HOUSES, TENEMENTS AND FLATS (Form 5) Including their Servant Houses, Garages, Carports and Miscellaneous Outbuildings (See General Rules)**

**APARTMENT HOUSE OR FLAT**—An apartment house or flat is a building containing three or more separate suites or apartments arranged as private residences and permanently equipped for housekeeping. A single room or a single room with bath, designed or converted for light housekeeping purposes, shall not be considered as a suite or an apartment.

**TENEMENT**—A tenement is a building which is rented out to be occupied as its home or residence by each of three or more families living independently of each other and doing their cooking on the premises.

**ROOM**—If over 4 rooms rented or for rent by any one occupant, risk shall be classified as a Rooming House and rated under the Rooming House Schedule.

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### **AUTO COURTS (Tourist Courts) (Form 5)**

Including Office and Outbuildings of Courts and Trailer Camps.

**NOTE 1:** Recreation Halls used in connection with auto courts are subject to auto court rates.

**NOTE 2:** If subject to rental on monthly basis only, rate as dwelling or apartment house. This is determined by the number of units in each structure.

### **BOY AND GIRL VACATION CAMPS, RELIGIOUS ENCAMPMENTS, LUNCHEON CLUB, CHILDREN'S CAMPS AND WELFARE CAMP HOUSES (Form 5)**

**Rate Under Auto Court Schedule**

**NOTE 1:** If unexposed Frame Class building is occupied as administration building, dining and mess hall, recreation building or commissary apply Country Mercantile rates. If other than Frame Class or if risk is exposed by Mercantile or Special Hazard, submit for rating by the Texas Department of Insurance.

**NOTE 2:** If dining and mess hall or cafeteria building is subject to specific rating by the Texas Department of Insurance apply OTC #428.

**NOTE 3:** Church, Tabernacle or assembly building on premises of church encampments occupied exclusively as such to be rated by agent by applying Church Schedule.

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**ROOMING HOUSES, BOARDING HOUSES, FRATERNITY AND  
SORORITY HOUSES, GUEST AND DUDE RANCHES  
(Form 5)**

Including their servant houses, garages, carports and miscellaneous outbuildings.

(See General Rules)

(Not exceeding 5 rooms for transients)

**ROOMING HOUSE**—A rooming house shall be defined, for rating purposes, as a building or house having 5 or more separate rooms, with or without private bath, rented or held for rent to individuals to reside therein in the manner usual to such type of occupants and where no ordinary family cooking is performed in the rooms rented or held for rent.

**GUEST AND DUDE RANCHES**—same as Rooming Houses.

**NOTE 1:** The installation or use of hot plates or other cooking devices in the rooms rented or held for rent shall not permit the classification of a rooming house, as herein defined, as an apartment house, flat or tenement.

**NOTE 2:** If over four rooms are rented, although sleeping quarters are on one sleeping porch or in one room, charge for rooms applies, even though rooms are not used for bedrooms.

**NOTE 3:** If not exceeding 4 rooms rented or for rent to roomers, rate as dwelling.

**NOTE 4:** If over 5 rooms rented or held for rent to transients, submit to Texas Department of Insurance for rating as a Hotel.

**NOTE 5:** If five or more rooms are rented or held for rent by any occupant of a building otherwise classed as an apartment or flat, such risk shall be classed as a Rooming House and so rated with no charge for apartments.

**NOTE 6:** Frame Class recreation rooms, dining rooms and kitchens on premises of Dude or Guest Ranch are subject to rating under Country Mercantile Schedule if qualifying as such. Otherwise, submit for published rate to Texas Department of Insurance.

**NOTE 7:** In case dwelling is occupied by two families, the highest number of rooms rented or for rent by either occupant shall determine whether risk shall be rated as a Rooming House.

**FRATERNITY AND SORORITY HOUSES**—A Fraternity or Sorority house is a building owned or rented by a fraternity or sorority and used as a domicile for its members.

**CHURCHES  
(Form 5)**

Net Building Rate to be applied where Building and Contents are written blanket.

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**SCHOOLS, COLLEGES, UNIVERSITIES, CONVENTS,  
DAY NURSERIES, ORPHANAGES,  
PUBLIC LIBRARIES AND PRIVATE DORMITORIES**

### **ON-SCHOOL CAMPUS**

~~Net Building Rate to be applied where Building and Contents are written blanket.~~

**NOTE 1:** ~~This schedule shall apply to all School and College properties, except Churches, Shops, Steam Laundries, Pump Houses, Light and Power Plants (in separate buildings), Cold Storage Plants or Ice Factories, Creameries, Barns, Dwellings and Infirmarys, which classes shall be rated under their respective schedules.~~

**NOTE 2:** ~~If abodes of teachers contain teacher occupants in excess of ten, rate under School Schedule and apply charge for dormitories. Otherwise see Rule 1.3 under Special Dwelling Schedule.~~

**NOTE 3:** ~~Abandoned Schools—Vacant (other than between terms): If situated localities for which Specific Schedule of rates is published—submit for rating. If in the country, rate as Country Mercantile; School Form not applicable.~~

**NOTE 4:** ~~School buildings of other than "frame class," connected by covered walkways are to be rated as separate buildings.~~

**NOTE 5:** ~~Orphanages of the cottage type, rate under Special Dwelling Schedule, when housing not more than 12 children.~~

**NOTE 6:** ~~Buildings on school premises, belonging to Churches and occupied as church activities buildings, rate as church.~~

**NOTE 7:** ~~Temporary classroom buildings of frame or stucco construction to be rated by the agent.~~

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### **CONDOMINIUMS COMMERCIAL AND RESIDENTIAL**

#### **I.—General:**

~~When coverage is provided for a condominium association, one of the following coverage forms must be attached regardless of whether the condominium occupancy is residential, commercial or a combination of both.~~

#### **II.—Basic Forms: Condominium Property Form No. 280, and Special Condominium Property Form No. 281, replace Sections I—Definition and III Specific Coverage Conditions of the Texas Standard Policy.**

##### **I.—**

- ~~A.—Condominium Property Form No. 280 provides fire and extended coverage. Coverage may be expanded or modified by using standard endorsements.~~
- ~~B.—Special Condominium Property Form No. 281 provides coverage on all risk basis.~~
- ~~C.—Standard Windstorm, Hurricane and Hail Deductible endorsements must be attached to these forms.~~

#### **IV.—Optional Endorsements:**

~~A.—Condominium Endorsement (Additional Property Coverage) Form No. 282 provides coverage for fixtures, installation or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual condominium units, either~~

- ~~1.—initially installed, or replacements thereof, in accordance with the original condominium plans and specifications; or~~
- ~~2.—initially installed, or replacements thereof, in accordance with the original condominium plans and specifications, or installed by or at the expense of the unit owners.~~

~~B. Special Condominium Property Form—Optional Amendatory Endorsement No. 283 may be used only in conjunction with Form No. 281, Special Condominium Form, and amends the exclusion relating to rain damage. Wind driven rain coverage can be provided to a condominium building containing individual condominium units so long as all the units within that single building qualify for the coverage. The qualifications for each single unit are as follows: 1) Each single unit cannot be more than three stories in height. Single units may be a 1, 2 or 3 story condominium unit, but must be occupied by a single occupant. 2) Each single unit (whether 1, 2 or 3 stories) must be attached to land. 3) Each single unit cannot be directly above or below any other single condominium unit.~~

~~A. Loss Caused by Water Which Backs Up Through Sewers and Drains Assumption Endorsement No. 284 may be used only in conjunction with Form No. 281—Special Condominium Form—and broadens coverage by deleting Exclusion C(3) of Form No. 281. This endorsement may be used only on policies insuring residential condominiums.~~

~~B. Office Contents Special Form 136 may be attached to a condominium sales or leasing office used solely as an office operation when located in a separate building or within the same fire division with other condominium units.~~

~~V. Commercial Condominiums:~~

~~A. Coverage for individual commercial and condominium unit owners may not be provided under Form Nos. 280 and 281. Coverage must be provided by a separate Texas Standard Policy.~~

~~A. Commercial Condominium Endorsement No. 285 must be attached to the Texas Standard Policy to modify the definition of contents.~~

~~B. Commercial Condominium Unit Owners Loss Assessment Endorsement No. 286 may be attached to a policy insuring a commercial condominium unit to provide coverage for assessments charged to the unit owner by the condominium association.~~

**Rates:**

1. Condominium Property Form No. 280—Charge for Fire and Extended Coverages according to the normal rules in the GBS applicable to the construction, occupancy and protection of the Condominium project.

2. Special Condominium Property Form No. 281—•• Charge the applicable Fire and Extended Coverage premium as in 1 above plus a charge for all other perils from the following table:

**RESIDENTIAL CONDOMINIUM AND TOWNHOUSE RATING SCHEDULE**

This Schedule is applicable to the following:

~~A. Townhouses, as defined below, including all outbuildings, when written under a townhouse association policy.~~

~~A. Residential condominium buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings in which each individual unit owner has an undivided interest.~~

**DEFINITION**

A townhouse is a building containing three or more units, each of which is owned by one or more individuals or a corporation, arranged as private residences and permanently equipped for housekeeping.

**NOTE:** Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof, without openings, are not subject to rating under this schedule. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.) Townhouse units which qualify under this note are subject to rating under the Homeowners or Special Dwellings Schedules.

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## **TOWNHOUSES**

### GENERAL

- A. A townhouse is not a condominium and a townhouse association is not subject to the Texas Condominium Act. These rules, rates and forms are provided to recognize the special characteristics of a townhouse association, its insurable interest and the interest of the townhouse unit owners as members of the association.
- A. Coverage may be provided for a townhouse association in accordance with the provisions of the association declarations and by laws to insure the association for its interest in the townhouse units owned by the association members, and for personal property in which the members of the association have an undivided interest.
- B. Definition: The definition of a **TOWNHOUSE** shall be the definition as outlined under the Townhouse Rating Schedule in this manual.

### **ELIGIBILITY:**

- A. Subject to the definition of a townhouse, a townhouse association may be insured provided it meets the eligibility requirements.

### **DISTRIBUTING STATIONS**

TABLES OF RATES FOR WHOLESALE TANK TRUCK, OIL, GASOLINE AND/OR LIQUIFIED PETROLEUM GAS DISTRIBUTING STATIONS (OCCUPIED EXCLUSIVELY AS SUCH) CONTEMPLATING ALL BUILDINGS AND TANKS AND/OR THEIR CONTENTS, IRRESPECTIVE OF CONSTRUCTION OR LOCATION.

**NOTE:** If blanket coverage is written on Building and/or Contents, Co-Insurance Clause of at least 90% must be attached or No-Coinsurance rates must be used.

**NOTE:** Term Rate = 3 x Annual

### **SEACOAST TERRITORY**

\$100-Deductible-Mandatory COINSURANCE	EC Rates 1-year (All Construction)	W-S Rates 1-year
80% & 90%	\$0.201	\$.212
100%	.165	.177
None (Bldg.)	2.650	5.000
None (Conts.)	.210	5.000

**\*\*These rates are in addition to the Initial Waiving Charge provided in Rules**

### **IMPROVEMENTS AND BETTERMENTS INSURANCE**

1. In the Texas Standard Policy, provided the insured is not the owner of the building, the insured's interest in Improvements and Betterments made to the building is included under the definitions "Furniture, Fixtures and Machinery" and "Contents" (not "Stock") and is covered by insurance on such items unless insured specifically. It is permissible to attach Form 105 to such policies in order to include the provisions contained therein.

1. The tenant's use interest in Improvements and Betterments may be written either under a separate item or a separate policy. When so written, Improvements and Betterments Endorsement, Form No. 105, must be attached to policy. When writing Improvements and Betterments as a separate item or a separate policy the building in which the Improvements and Betterments are located must be clearly identified by description and location.

It is suggested that when filling out "Description of Property" in the face of the policy the following methods be used:

\$ ..... on Improvements and Betterments, as provided in Form No. 105 attached, to the ..... (Then describe building as to construction, location and occupancy.)

2. Improvements and Betterments are defined in Endorsement Form 105 as fixtures, alterations, installations or additions comprising a part of the described building and made or acquired at the expense of the Insured exclusive of rents paid by the Insured but which are not legally subject to removal by the Insured.

**NOTE:** Improvements and Betterments as defined above are not limited to those acquired or installed during the period of the current lease. Improvements and Betterments to the building acquired or made at the expense of the Insured at any time during his tenancy are included in the above definition but the coverage is as specified in the conditions and limitations of the form.

3. ~~Improvements and Betterments coverage may be written for a tenant occupying the building under a conventional term lease, on a month to month basis or other form of rental agreement. However, occupancy of the building or the premises by the Insured is not a requirement for eligibility. The coverage may also be written for a lessee who has installed Improvements and Betterments and sub-leases or rents the premises to others.~~
4. ~~The rate applying to Improvements and Betterments, when written under a separate item or a separate policy, shall be the highest rate applying to the contents associated with the Improvements and Betterments in the same premises, subject to the same credits for attachment o the Coinsurance Clause that apply to the contents, with regular term rule applicable.~~
5. ~~If Improvements and Betterments insurance is written to cover in two or more buildings regular Average Rate rules will apply.~~
6. ~~Insurance shall not be written in the name of the building owner and tenant jointly to cover Improvements and Betterments. When coverage is desired in the names of the building owner and the tenant jointly in lieu of Improvements and Betterments insurance, the coverage may be written only as building insurance.~~

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#### **REPLACEMENT COSTS ENDORSEMENT RULES**

##### **(Replacement cost without deduction for depreciation)**

1. ~~Insurance covering on buildings or contents, other than dwellings and their contents, may be extended to cover the difference between the actual cash value and the actual cost of repairs or replacement without deduction for depreciation by the use of the approved Replacement Cost Endorsements and subject to the following provisions:~~
1. ~~Replacement Cost Endorsement No. 1, Building and Contents Endorsement, may be made applicable to items insuring buildings and contents other than dwellings and their contents and to Improvements and Betterments when the insured is not the building owner. Policies covering specifically on tenant's interest in Improvements and Betterments with Form 105 attached may be extended to cover the difference between actual cash value and the actual cost of repair or replacement without deduction for depreciation by using Replacement Cost Endorsement No. 1 with the following amendatory endorsement:  
"As to items covering tenant's use interest in Improvements and Betterments, wherever the words "items or items or property" appear in the Replacement Cost Endorsement Form No. 1 attached to this policy, there shall be substituted therefore the words  
'tenant's use interest in Improvements and Betterments.'"~~

~~When Replacement Cost Coverage is provided for Improvements and Betterments, the rate shall be determined in accordance with Rule 6, but the contents rate shall be used as a basis for rate determination rather than the building rate.~~

2. ~~The Replacement Cost Endorsement No. 2 may be attached to policies insuring building(s), structures, and contents (except Dwellings) used in, or supplemental to, the performance of respective programs of Schools, Churches, and Hospitals. This form may not be used to provide Replacement Cost Insurance on contents only. When Replacement Cost Endorsement No. 2 is used, the building rate shall apply. (See Rule 6.)~~
3. ~~Coverage under the Replacement Cost Endorsements may be applied to either specific or blanket policies.~~

- ~~4. When blanket policies are written or endorsed to include coverage under this endorsement using a blanket average rate based upon a sworn statement of replacement cost values, the average rate bulletin shall state that rates are based on replacement cost values.~~
- ~~5. The rates that will apply when a Replacement Cost Endorsement is attached to a policy shall be:~~
- ~~(a) When written without coinsurance the rate shall be five times the no-coinsurance building and/or contents rate.~~
  - ~~(b) When written with 80% or 90% coinsurance and--~~
    - ~~(1) Risk is eligible for coinsurance under regular coinsurance rules and the rate shall be the 80% coinsurance building and/or contents rate.~~
    - ~~(2) Risk is ineligible for coinsurance under regular coinsurance rules, and rate shall be the no-coinsurance building and/or contents rate.~~
  - ~~(c) When written with 100% coinsurance and--~~
    - ~~(1) Risk is eligible for coinsurance under regular coinsurance rules, the rate shall be the coinsurance rate for the highest percentage coinsurance to which eligible under regular coinsurance rules.~~
    - ~~(2) Risk is ineligible for coinsurance under the regular coinsurance rules; the rate shall be the no-coinsurance building and/or contents rate.~~
- ~~6. In the case of buildings owned and principally occupied by Federal, State, County, or Municipal Governments or divisions thereof, or by Educational Institutions not operating for profit, or buildings owned by Religious Organizations and occupied exclusively as churches or for religious purposes together with appurtenant buildings occupied for such purposes as social halls, Sunday schools, nurseries or parish houses, the requirement in the Replacement Cost Endorsement of actual repair or replacement on the same premises may be waived by use of the following endorsement:~~
- ~~"The words 'on the same premises' appearing in Paragraphs 3(c) and 5(b) of the Replacement Cost Endorsement attached to this policy are hereby deleted as respects the insurance provided by the Replacement Cost Endorsement to Item(s) \_\_\_\_\_ of this policy."~~

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#### **AUTOMOBILE SERVICE STATIONS**

~~For rating purposes, gasoline pumps and hydraulic lifts shall be considered contents and when specifically insured the contents rate shall be used.~~

~~For rating purposes underground tanks shall be considered as a building item and when specifically insured the building rate shall be used.~~

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#### **BOWLING ALLEYS**

~~Bowling lanes are considered contents and shall be insured using contents rate.~~

## CHANGE IN HAZARD

A Change in Hazard is construed to be:

- (1) Any physical change in the building structure,
- (2) installation of or removal of "first aid equipment" where credit or penalty is allowed therefore in the rating schedule,
- (3) creation of or removal of chargeable exposures,
- (4) or, any change in type of occupancy that will normally produce change in rate. (Changes in type of occupancy that are rated under the Special Class or Special Hazard Schedule having similar schedules and mercantile occupancies having the same OTC will not necessarily produce a change in rate.)

**NOTE:** An effective date following the rate analysis of a published rate is evidence that such rate resulted from a Change in Hazard. Does not apply in cases of published rates for multiple occupancy buildings where a supplement is issued changing the occupancy in part, and the published rate on the building is not changed, or the new occupant does not create a new Experience class. In this case the Building rate is not subject to adjustment, as it is not considered that there has been an actual Change in Hazard. Same rule applies to other Contents of the building, even though supplement bears an effective date.

**NOTE 2:** Removal of property from one location to another is considered a Change in Hazard insofar as the policy covering the property moved is concerned.

**NOTE 3:** The attachment or removal of Coinsurance or the changing in percentage of Coinsurance is not a Change in Hazard.

**NOTE 4:** Existing policies must be endorsed to reduced rate resulting from a Change in Hazard, whether rate is one that is published by the Texas Department of Insurance or on a class that is subject to rating by the companies or agents.

**NOTE 5:** Revised published rates will not be dated back more than 60 days from the date change is reported to the Texas Department of Insurance; likewise, rate adjustments on property subject to rating by the company or agent are not to be made retroactive more than 60 days from the date of the adjustment.

**NOTE 6:** In cases of dwellings, apartments and rooming houses, the change of owner or tenant occupancy is not to be considered a Change in Hazard. (Except items rated under the Special Dwelling Schedule which are subject to a Tenant Occupancy change.)

**NOTE 7:** The installation of a new standard fire hydrant within required distance of a risk previously over a required distance shall constitute a Change In Hazard and shall permit adjustment of rate under existing policies.

**NOTE 8:** Extension of city limits does not constitute a Change in Hazard. The application of a reduced rate to existing policies covering risks within such extended areas may not be made, unless there is a standard fire hydrant within required distance of the risk at the time of annexation, or unless there is a change in hazard of the individual risk after date of annexation, and even then Fire Record of city cannot be applied.

**NOTE 9:** When adjusting premium to a new rate resulting from a Change in Hazard, the current rating schedule, Key Rate and Experience must be used.

### CONVALESCENT HOMES

Convalescent Homes eligible for rating under Hospital Schedule are those having nurse(s) on duty at all times. Convalescent Homes not having nurse(s) on duty at all times rate as Rooming Houses.

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### NET RATE CALCULATION RULE

- A.—All calculations applied to the gross building and/or contents rate to determine the final net rate(s) shall:
- 1.—be made using the complement of the applicable factors in the Texas General Basis Schedules and
  - 1.—consider each calculation separately and be carried to three decimal places, disregarding the fourth place figure.

#### EXAMPLES

<u>Credit/Debit Factor</u>	<u>Complement</u>	<u>Rate x Complement = Result</u>
.35%	.65	.25 X .65 = .162
+35%	1.35	.25 X 1.35 = .337
+135%	2.35	.25 X 2.35 = .587

- A.—Definitions:

**Gross Rate** shall mean:

- 1.—A rate (including applicable key rate) published by the Texas Department of Insurance before application of any experience, coinsurance and/or other factors.
- 1.—A rate (including applicable key rate) determined under a rating schedule before application of any experience, coinsurance and/or other factors.
- 2.—A rate named by the company and approved by the Texas Department of Insurance.
- 3.—A rate set out as a flat rate in the Texas General Basis Schedules.

**Final Net Rate** shall mean the rate established after application of experience, coinsurance and/or other factors to the gross rate.

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### MACHINERY AND EQUIPMENT

#### PERTAINING TO SERVICE OF BUILDINGS

Machinery and equipment that is used solely in the service of the building, if the property of the owner of the building, may be insured with the building at the Building rate; but no manufacturing machinery or apparatus may be included. If insured specifically under a separate item, use the contents rate.

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### PREMIUM CALCULATION

Except where otherwise provided, premiums are to be based on rate time \$100 insurance.

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### PRIVATE DAIRIES

Rate as farm barn if qualifying under definition of Farm Property. If risk does not qualify as Farm Property, rate as a barn under Special Dwelling Schedule.

**NOTE:** Applies to all outbuildings used in connection with private dairies.

### **SERVANT HOUSES, PRIVATE GARAGES AND OUTBUILDINGS**

(On premises of Apartments or Rooming Houses)

Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses and Water Tanks and Towers on the premises on which not more than \$750 insurance is carried on the building (not **CONTENTS**), the building and contents shall take the rate of the rooming house or apartment house to which they belong; otherwise they shall rate as individual risks under the schedule of the main building with which they are associated. Public Housing Credits are not to be applied to individually rated and privately owned property as described above.

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### **TRANSFERS OR REMOVALS**

Transfers of insurance from one locality to another shall not be granted unless there has been an actual removal of the property coverage corresponding with the transfer. See rule for application of Fire Record. Transfer of amounts of insurance from one item to another or one type of coverage to another shall not be permitted.

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### **WAIVER OF PREMIUM**

Should the final premium under "rate adjustment" endorsement be less than \$5.00, it may be waived. Exception: For permits or endorsements, other than rate adjustments, additional premiums shall be reported regardless of amount.

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### **CANCELLATIONS**

Except as noted below, cancellation of policies shall be made in accordance with the provisions of the policy contract, wherein it is provided that if policy is cancelled by Insured, it shall be cancelled short rate or if cancelled by the company, cancellation shall be pro rata. If company cancels pro rata it must be for the purpose of retiring from risk or reducing its liability. No other pro rata cancellations will be permitted other than as excepted below:

**Exception 1.** See rule for Rewriting Unexpired Policies.

**Exception 2.** Builders Risks policies shall be cancelled pro rata only upon completion of risk, or at request of the company. Builders Risk policies may not be cancelled flat for non-payment of premium but must show the proper earned premium up to date they are sent in.

**Exception 3.** Flat cancellation is a privilege designed to protect the agent against liability for earned premiums on policies issued in good faith and upon which an earned premium cannot be collected.

Annual or term policies, other than on builders risks, may be cancelled flat for non-payment of premium only when satisfactory evidence of cancellation is sent to the company within 60 days of the inception date of policy. If such cancelled policy is not returned within 60 days of its inception, the full earned premium must be figured from the inception date to a date not more than 10 days prior to the date the cancelled policy is sent to the company.

When a policy is cancelled and it is impossible for any reason to secure possession of the policy in time to return it to the company within the time required under the above rules, agents may notify the company of the cancellation, with the statement that the policy will be returned later. Then, upon receipt of the cancelled policy itself, the company will recognize the date of actual termination of liability as thus reported as being the date from which the earned or returned premium actual should be

figured, provided, however, the reported date of actual termination of liability and notification to the company, bear a date not more than ten days prior to the date such notification is sent to the company. This notice should be in writing and forwarded to the company and should show the name of Company, number of policy, location of risk, effective date of policy, and actual date of termination of liability.

**Exception 4.** Any policy, other than a Builders Risk Policy, may be cancelled pro rata and rewritten as follows:

- a. ~~If the same coverage (Property covered, amounts and perils), and for the same term shown in the policy cancelled, would produce no advantage in total policy premium under the new rates and fire record (if any change in either), the rewritten policy must be for not less than the unexpired term of the policy cancelled. (See Notes 1 thru 4 below.)~~
- a. ~~If the property is sold or if there is a change in the mortgagee and the new owner or the new mortgagee requests a new policy. (See Notes 1 thru 4 below.)~~
- b. ~~If the city limits are extended to include the insured risk or if a standard fire hydrant is installed within the required distance of an insured risk, provided the new policy is written for not less than the full term of the policy being cancelled. (See Notes 1 thru 4 below.)~~
- c. ~~If dwelling is sold and insured buys dwelling at another location and new policy is issued at new location by same agent, in the same company group (unless agent no longer represents the company group) for same amount or more and includes at least same perils as covered by policy being cancelled provided new policy is issued at same time and date old policy is cancelled. If new policy is not written at same time and date old policy is cancelled, old policy shall be cancelled short rate and if within 30 days new policy is issued as above, cancellation may be adjusted to pro rata. (See Notes 1 thru 4 below.)~~

**NOTE 1:** Under each item, a, b, or c, the insurance must be rewritten from date of cancellation, by the same agent, in the same company group (unless agent no longer represents the company group) and must include coverage on the same property for the same amount or more and include the same perils as covered by the policy being cancelled.

**NOTE 2:** The cancellation of a policy may not be back-dated and the policy rewritten with an inception date prior to effective date of a rate increase (including fire record change) after such rate increase or fire record change has been promulgated.

**NOTE 3:** Individual items of a schedule policy may not be cancelled pro rata and rewritten leaving other items in force except in case where the property covered under an item is sold and insurance on such property is rewritten in accordance with Note 1, or where there is a change in mortgagee and insurance on such property is rewritten in accordance with Note 1. A portion of the coverage under a blanket policy or blanket item may not be cancelled pro rata and rewritten leaving the remainder of the coverage in force.

**NOTE 4:** Pro Rata Cancellation, Form 24, completed in detail must accompany policy in each instance where a policy is cancelled pro rata and rewritten under these rules.

**NOTE 5:** In any event the insuring company cancels a policy for its own convenience, the insured shall have the right to receive pro rata cancellation on any policy remaining in force with the canceling company.

#### **PRIVATE CLUB HOUSES**

Private Club Houses (including private miscellaneous structures used in connection therewith) are defined as structures owned by not more than five (5) private individuals and/or their families (not corporations, companies, organizations, associations, clubs, federations, combines or fraternal orders);

located in suburban or country districts, on lakes or rivers, at resorts or parks (not farm property); furnished and used, at least periodically by owners only, for dwelling occupancy. Such risks, except Fire Resistive, Semi-Fire Resistive, and Sprinklered, are subject to rating by the agent under the Special Dwelling Schedule. Club houses not falling within the above definition are to be rated by the Texas Department of Insurance under the schedule provided for Hunting, Fishing, Resort and Employee Club Houses (See Club Houses). Exception: dwelling type cottages and miscellaneous structures to be rated by the agent under the Special Dwelling Schedule.

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**EXTENDED COVERAGE (Windstorm, Hurricane, Hail, Explosion, Riot and Civil Commotion including Explosion and Aircraft and Land Vehicle Property Damages);  
~~WINDSTORM, HURRICANE AND HAIL; EXPLOSION; RIOT AND CIVIL COMMOTION; EXPLOSION;  
VANDALISM AND MALICIOUS MISCHIEF; AND AIRCRAFT AND LAND VEHICLE PROPERTY DAMAGE~~  
INSURANCE  
(Excluding Petroleum Property and Farm Property)**

**DEDUCTIBLE CLAUSE:**

**NOTE:** Does not apply to private Radio or Television Antennas and Towers, Cloth Awnings, Improvements and Betterments, Form 105, Improvements and Repairs (not additions) when written as builders risk, Signs, Poles and Posts in the open, Portable Saw Mills, Scales, Smokestacks, Gasoline Pumps and Time Element Coverages.

**NOTE:** The deductible clause should not be attached to any item to which the Large Deductible Endorsement Form No. 65 is applicable.

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**PUBLIC HOUSING AUTHORITY PROJECTS**

A 40% credit shall be deducted from the windstorm or extended coverage building rate applicable to the following. The credit is to be applied after application of the proper territory multiplier.

- ~~1. Dwellings and apartments of Housing Projects owned by supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.~~
- ~~1. Dwellings and apartments of Housing Projects owned and supervised by Federal Housing Authorities.~~
- ~~2. Dwellings and apartments of similar apartment housing projects privately owned, built under and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.~~
- ~~3. Apartments (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.~~

The above rule applies to all classes of construction.

**NOTE:** Contents rate is not affected by the foregoing; contents rate to be calculated just as though the above credit did not exist.

**DAYS EARNED TABLE (Based on 365 Day Basis)  
Effective Month of Cancellation or Endorsement**

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Effective	Jan.	31	59	90	120	151	181	212	243	273	304	334
Month	Feb.	334		28	59	89	120	150	181	212	242	273
of	Mar.	306	337		31	61	92	122	153	184	214	245
Policy	Apr.	275	306	334		30	61	91	122	153	183	214
	May	245	276	304	335		31	61	92	123	153	184
	June	214	245	273	304	334		30	61	92	122	153
	July	184	215	243	274	304	335		31	62	92	123
	Aug.	153	184	212	243	273	304	334		31	61	92
	Sept.	122	153	181	212	242	273	303	334		30	61
	Oct.	92	123	151	182	212	243	273	304	335		31
	Nov.	61	92	120	151	181	212	242	273	304	334	
	Dec.	31	62	90	121	151	182	212	243	274	304	335

Month shown in first column are the months in which the policy is effective. Months across the top of the chart are the months in which the cancellation date or endorsement change is to be effective. Number of days are even days as evidenced for the period of July 15 to December 15 shown as 153 days. Had the effective date of cancellation been December 20, you would simply add the 5 days making the total number of days in force at 158. Had the date of cancellation been December 10, you would subtract the 5 days.

## PRO-RATA TABLES

The pro-rata premium for any period of less than the full policy term may be determined by the following procedure:

- a. ~~Cancellation~~—By multiplying the premium by the Pro-Rata Decimal Fraction for the period.
- b. ~~New Policies~~—
  1. ~~Dwellings~~—by multiplying the 1 or 3-year premium, as the case may be, by the Pro-Rata Decimal fraction for the period.
  2. ~~Other than Dwellings~~—by multiplying the 1 or 3-year rate, as the case may be, by the Pro-Rata Decimal Fraction for the period, and then multiply the policy amount by the product so obtained.

General instructions (for use of the following Pro-Rata Tables): either the premium for the period from commencement to date of cancellation (earned premium) or the premium from date of cancellation to expiration (return premium) may be computed. Where

there has been a change in rate or amount of insurance during the effective period of the policy, the premium for the full policy term at the rate and amount of insurance as of the date of cancellation shall be used in the computation. Directions: After the period for which the pro-rata premium is desired has been determined, the Pro-Rata Decimal Fraction for such period shall be obtained as follows:

- I. ~~For a Period Not Longer Than One Year~~: The decimal fraction for any period not longer than one year may be taken directly from the tables following, for a 1-year or 3-year policy.
- II. ~~For a Period Longer than One Year~~: The decimal fraction for any period longer than one year shall be determined as follows:

A. ~~Obtain the decimal fraction for the period of one or more full years from the table of Pro-Rata Decimal Fractions for Full Year Periods.~~

~~B. ——— Add to such figure the decimal fraction for the number of days (if any) in excess of the period of full year(s), as shown in the table of Pro Rata Decimal Fractions for Period from 1 to 365 Days.~~



## EXAMPLES

**Period of 1 year 73 Days:**

**Period of 2 Years 55 Days:**

	For 3 Yr. Policy		For 3 Yr. Policy
Decimal Fraction for 1 year.....	.3333	Decimal Fraction for 2 years.....	.6667
Decimal Fraction for 73 Days.....	<u>.0667</u>	Decimal Fraction for 55 Days.....	<u>.0502</u>
Decimal Fraction for Period.....	.4000	Decimal Fraction for Period.....	.7169

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## PRO-RATA DECIMAL FRACTIONS FOR FULL YEAR PERIODS

The table shows decimal fraction for full year periods for policies written for a term of years:

### PRO RATA OF

No. of Years

3-yr

1

.3333

2

.6667

### TEXAS GENERAL BASIS SCHEDULES

#### PRO RATA DECIMAL FRACTIONS FOR PERIOD FROM 1 TO 365 DAYS

The following table shows decimal fractions for periods from 1 to 365 days for policies written for a term of 1 year or 3 years.

No. of Days	PRORATAOF		No. of Days	PRORATAOF		No. of Days	PRORATAOF	
	1 yr.	3 yrs.		1 yr.	3 yrs.		1 yr.	3 yrs.
1	.0027	.0009	26	.0712	.0237	51	.1397	.0466
2	.0055	.0018	27	.0740	.0247	52	.1425	.0475
3	.0082	.0027	28	.0767	.0256	53	.1452	.0484
4	.0110	.0037	29	.0795	.0265	54	.1479	.0493
5	.0137	.0046	30	.0822	.0274	55	.1507	.0502
6	.0164	.0055	31	.0849	.0283	56	.1534	.0511
7	.0192	.0064	32	.0877	.0292	57	.1562	.0521
8	.0219	.0073	33	.0904	.0301	58	.1589	.0530
9	.0247	.0082	34	.0932	.0311	59	.1616	.0539
10	.0274	.0091	35	.0959	.0320	60	.1644	.0548
11	.0301	.0100	36	.0986	.0329	61	.1671	.0557
12	.0329	.0110	37	.1014	.0338	62	.1699	.0566
13	.0356	.0119	38	.1041	.0347	63	.1726	.0575
14	.0384	.0128	39	.1068	.0356	64	.1753	.0584
15	.0411	.0137	40	.1096	.0365	65	.1781	.0594
16	.0438	.0146	41	.1123	.0374	66	.1808	.0603
17	.0466	.0155	42	.1151	.0384	67	.1836	.0612
18	.0493	.0164	43	.1178	.0393	68	.1863	.0621
19	.0521	.0174	44	.1205	.0402	69	.1890	.0630
20	.0548	.0183	45	.1233	.0411	70	.1918	.0639
21	.0575	.0192	46	.1260	.0420	71	.1945	.0648
22	.0603	.0201	47	.1288	.0429	72	.1973	.0658
23	.0630	.0210	48	.1315	.0438	73	.2000	.0667
24	.0658	.0219	49	.1342	.0447	74	.2027	.0676
25	.0685	.0228	50	.1370	.0457	75	.2055	.0685



No. of Days	PRO RATA OF		No. of Days	PRO RATA OF		No. of Days	PRO RATA OF	
	1 yr.	3 yrs.		1 yr.	3 yrs.		1 yr.	3 yrs.
76	.2082	.0694	126	.3452	.1151	176	.4822	.1607
77	.2110	.0703	127	.3479	.1160	177	.4849	.1616
78	.2137	.0712	128	.3507	.1169	178	.4877	.1626
79	.2164	.0721	129	.3534	.1178	179	.4904	.1635
80	.2192	.0731	130	.3562	.1187	180	.4932	.1644
81	.2219	.0740	131	.3589	.1196	181	.4959	.1653
82	.2247	.0749	132	.3616	.1205	182	.4986	.1662
83	.2274	.0758	133	.3644	.1215	183	.5014	.1671
84	.2301	.0767	134	.3671	.1224	184	.5041	.1680
85	.2329	.0776	135	.3699	.1233	185	.5068	.1689
86	.2356	.0785	136	.3726	.1242	186	.5096	.1699
87	.2384	.0795	137	.3753	.1251	187	.5123	.1708
88	.2411	.0804	138	.3781	.1260	188	.5151	.1717
89	.2438	.0813	139	.3808	.1269	189	.5178	.1726
90	.2466	.0822	140	.3836	.1279	190	.5205	.1735
91	.2493	.0831	141	.3863	.1288	191	.5233	.1744
92	.2521	.0840	142	.3890	.1297	192	.5260	.1753
93	.2548	.0849	143	.3918	.1306	193	.5288	.1763
94	.2575	.0858	144	.3945	.1315	194	.5315	.1772
95	.2603	.0868	145	.3973	.1324	195	.5342	.1781
96	.2630	.0877	146	.4000	.1333	196	.5370	.1790
97	.2658	.0886	147	.4027	.1342	197	.5397	.1799
98	.2685	.0895	148	.4055	.1352	198	.5425	.1808
99	.2712	.0904	149	.4082	.1361	199	.5452	.1817
100	.2740	.0913	150	.4110	.1370	200	.5479	.1826
101	.2767	.0922	151	.4137	.1379	201	.5507	.1836
102	.2795	.0932	152	.4164	.1388	202	.5534	.1845
103	.2822	.0941	153	.4192	.1397	203	.5562	.1854
104	.2849	.0950	154	.4219	.1406	204	.5589	.1863
105	.2877	.0959	155	.4247	.1416	205	.5616	.1872
106	.2904	.0968	156	.4274	.1425	206	.5644	.1881
107	.2932	.0977	157	.4301	.1434	207	.5671	.1890
108	.2959	.0986	158	.4329	.1443	208	.5699	.1900
109	.2986	.0995	159	.4356	.1452	209	.5726	.1909
110	.3014	.1005	160	.4384	.1461	210	.5753	.1918
111	.3041	.1014	161	.4411	.1470	211	.5781	.1927
112	.3068	.1023	162	.4438	.1479	212	.5808	.1936
113	.3096	.1032	163	.4466	.1489	213	.5836	.1945
114	.3123	.1041	164	.4493	.1498	214	.5863	.1954
115	.3151	.1050	165	.4521	.1507	215	.5890	.1963
116	.3178	.1059	166	.4548	.1516	216	.5918	.1973
117	.3205	.1068	167	.4575	.1525	217	.5945	.1982
118	.3233	.1078	168	.4603	.1534	218	.5973	.1991
119	.3260	.1087	169	.4630	.1543	219	.6000	.2000
120	.3288	.1096	170	.4658	.1553	220	.6027	.2009
121	.3315	.1105	171	.4685	.1562	221	.6055	.2018
122	.3342	.1114	172	.4712	.1571	222	.6082	.2027
123	.3370	.1123	173	.4740	.1580	223	.6110	.2037
124	.3397	.1132	174	.4767	.1589	224	.6137	.2046
125	.3425	.1142	175	.4795	.1598	225	.6164	.2055



## Appendix D

### RATING RULES

#### FOR ALL FARM AND RANCH PROPERTY

##### Rating Classifications

Construction	
Frame	<del>Outer walls of frame; iron clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard</del>
Stucco	<del>Outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.</del>
Brick Veneer	<del>Outer walls of brick veneer or stone veneer.</del>
Brick	<del>Outer walls of solid masonry: brick; stone; concrete; HTB; HT; hollow masonry units; ICM and ICMS.</del>

1. ~~For risks with mixed construction, the predominant construction shall be the construction comprising over 50% of the total exterior wall area (excluding gables).~~

2. ~~For risks with more than two constructions, the predominant construction shall be the construction comprising the majority of the total exterior wall area (excluding gables).~~

3. ~~For risks of superior construction (FR, SFR and/or Automatic Sprinklered Risks) apply to the Texas Department of Insurance for confirmation of construction.~~

		BUILDING	PERSONAL PROPERTY
Territory #1	Frame & Asbestos/Stucco	2.242	2.244
	Brick Veneer	2.302	2.342
	Brick	1.924	1.954



<del>Territory #8</del>	<del>Frame &amp; Asbestos/Stucco</del>	<del>2.477</del>	<del>2.479</del>
	<del>Brick Veneer</del>	<del>2.544</del>	<del>2.588</del>
	<del>Brick</del>	<del>2.126</del>	<del>2.160</del>
<del>Territory #9</del>	<del>Frame &amp; Asbestos/Stucco</del>	<del>2.477</del>	<del>2.479</del>
	<del>Brick Veneer</del>	<del>2.544</del>	<del>2.588</del>
	<del>Brick</del>	<del>2.126</del>	<del>2.160</del>
<del>Territory #10</del>	<del>Frame &amp; Asbestos/Stucco</del>	<del>2.477</del>	<del>2.479</del>
	<del>Brick Veneer</del>	<del>2.544</del>	<del>2.588</del>
	<del>Brick</del>	<del>2.126</del>	<del>2.160</del>



**FARM & RANCH DWELLING CHART NO. 1A**

**1 Year Extended Coverage Base Premium Building – 1% Deductible \$100 Minimum**

Amount of Insurance	Construction	
	FAAS	BABV
\$1,000	3	3
1,500	4	3
2,000	5	4
2,500	6	5
3,000	7	6
3,500	8	6
4,000	9	7
5,000	9	8
6,000	10	9
7,000	11	9
7,500	12	10
8,000	13	10
9,000	14	12
10,000	16	14
11,000	17	14
12,000	19	16
13,000	20	17
14,000	22	19
15,000	24	20
16,000	26	21
17,000	27	22
18,000	28	24
19,000	30	25
20,000	31	26
21,000	33	28
22,000	35	29
23,000	37	31
24,000	38	31
25,000	40	33
26,000	41	34
27,000	43	36
28,000	44	37
29,000	46	38
30,000	48	40
35,000	55	46
40,000	63	53
45,000	71	60
50,000	79	66
55,000	87	72
60,000	95	79
65,000	103	86
70,000	111	93
75,000	119	99
80,000	127	105
85,000	134	112
90,000	142	119
95,000	150	125
100,000	158	132

Each Add'l \$1,000

For Frame or Asbestos & Stucco add 1.86

For Brick or Brick Veneer add 1.55

Abbreviations: Brick-BR; Brick Veneer-BV; Asbestos & Stucco-AS; Frame-FR.

To determine premium for deductibles other than 1% refer to the Deductible Adjustment Percentage Schedule.



**FARM & RANCH DWELLING CHART NO.1B**

1 Year Extended Coverage Base Premium Personal Property – 1% Deductible \$100 Minimum

Amount of Insurance	Construction	
	FRAS	BRBV
\$1,000	3	3
1,500	3	3
2,000	3	3
2,500	3	3
3,000	3	3
3,500	3	3
4,000	3	3
5,000	3	3
6,000	3	3
7,000	4	3
7,500	4	3
8,000	4	3
9,000	5	4
10,000	6	4
11,000	6	5
12,000	7	5
13,000	7	6
14,000	8	7
15,000	9	7
16,000	9	8
17,000	9	8
18,000	10	9
19,000	10	9
20,000	11	9
21,000	12	9
22,000	12	10
23,000	13	10
24,000	14	11
25,000	14	12
26,000	14	12
27,000	15	13
28,000	15	13
29,000	16	14
30,000	17	14
35,000	20	16
40,000	22	19
45,000	25	20
50,000	28	23
55,000	31	26
60,000	33	27
65,000	36	30
70,000	39	32
75,000	42	35
80,000	44	37
85,000	47	39
90,000	50	42
95,000	53	43
100,000	55	46

Each Add'l \$100

For Frame or Asbestos & Stucco add .65

For Brick or Brick Veneer add .54

Abbreviations: Brick BA; Brick Veneer-BV; Asbestos & Stucco-AS; Frame-FR.

To determine premium for deductibles other than 1% refer to the Deductible Adjustment Percentage Schedule.



**DWELLINGS, DWELLING OUTBUILDING & PERSONAL PROPERTY DEDUCTIBLE ADJUSTMENT PERCENTAGE SCHEDULE**

**Farm and Ranch Schedule--Deductible**

Determine the Dwelling or Dwelling Outbuildings or Personal Property deductible adjustment premium charge by applying the following percentages to the basic windstorm premium. The amount shall be added to the premium to determine the total premium for each peril.

	\$100 Flat	\$250 Flat
\$10,000 & Under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 & Over	50	25

RATE CHART NO. 2 FARM BUILDINGS Extended Coverage Rate



	BR&BV	AS&FR
Class 1 Barns	.35	.42
Class 2 Barns	.35	.42

Abbreviations: Brick BR, Brick Veneer BV, Asbestos & Stucco AS, Frame FR Extended Coverage means windstorm and hail.



**RATE CHART NO. 3**

**SCHEDULED MISCELLANEOUS FARM & RANCH PROPERTY**

Description	Extended Coverage*
Apiary Equipment	Rate Chart 2A
Bridges (Wooden)	See Rate Chart 2A Table No. 15
Broom Corn:	See Rate Chart 2A Table No. 15
Cooling Towers	See Rate Chart 2A Table No. 15
Elevator Legs	See Rate Chart 2A Table No. 15
Fences, including corrals & Chutes:	See Rate Chart 2A Table No. 15
Non Combustible Grain:	Table No. 15
A. _____ When not restricted to a specific building	See Rate Chart 2A Table No. 15
B. _____ When restricted to a specific building	Refer to Tanks
C. _____ In tanks	
D. _____ Threshed:	Table No. 15
1) _____ While located in separate granaries	Table No. 15
2) _____ In the open	Table No. 15
3) _____ While in tanks	
Grandstands and Bleachers	See Rate Chart 2A Table No. 22
Hay:	See Rate Chart 2A Table No. 15
Sign	See Rate Chart 2A Table No. 24
Site	
A. _____ Class 1—Brick Class Construction, minimum capacity 150 tons silage or 4,000 bushels grain; concrete foundation; sealed; bottom unloading and identified by trade name, model, year built, and location of building diagram.	See Rate Chart 2A 50% of Table No. 15
B. _____ Class 2	Table No. 21
(1) _____ Brick, All Metal, Solid Concrete, Tile or Masonry Block	Table No. 23
(2) _____ Not Brick, All Metal, Solid Concrete, Tile or Masonry Block	



<del>Tanks</del>	
<del>A. <u>Water (elevated)</u></del>	
<del>(1) <u>Metal, Concrete or Masonry Tower</u></del>	<del>See Rate Chart 2A Table No. 23</del>
<del>(2) <u>Wooden Tower</u></del>	<del>Table No. 23</del>
<del>B. <u>Water (Ground)</u></del>	
<del>(1) <u>Metal, Concrete or Masonry Tower</u></del>	<del>Table No. 15</del>
<del>(2) <u>Wooden Tower</u></del>	<del>Table No. 15</del>
<del>Grain</del>	<del>50% of Table No. 15</del>
<del>(1) Class I – Grain Tank must be "Brick" class construction, minimum capacity – 150 tons silage or 4,000 bushels grain, concrete foundation, sealed, bottom unloading and identified by trade name, model, year built, and location on building diagram.</del>	
<del>(2) Class II – All metal &amp; not Class I</del>	<del>Table No. 15</del>
<del>Water Trough and Reservoir</del>	<del>See Rate Chart 2A Table No. 15</del>
<del>A. <u>Metal Tower</u></del>	<del>Table No. 15</del>
<del>Windmill and Tower</del>	<del>See Rate Chart 2A Table No. 24</del>
<del>A. <u>Metal Tower</u></del>	<del>Table No. 24</del>
<del>Wool</del>	<del>See Rate Chart 2A Table No. 15</del>
<del>"Extended Coverage means windstorm and hail."</del>	



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

# Texas Windstorm Insurance Association

## Rating Rules



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# I. General Rules

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## A. Scope

The rules and rates contained in this Manual shall govern the writing of the windstorm and hail insurance policies issued by Texas Windstorm Insurance Association (Association).

## B. Determination of Territory (Catastrophe Areas)

TWIA policies provide coverage for residential and commercial property located within the area designated by the Commissioner of Insurance. This area currently includes all 14 first tier coastal counties and parts of Harris County east of Highway 146. The specific counties are Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy. When the property is located inside the city limits and east of Highway 146, the following portions of Harris County are also included: La Porte, Morgan's Point, Pasadena, Seabrook, and Shore Acres.

## C. Rating Territories

The designated catastrophe areas are in the following rating territories:

County	Territory
Aransas	10
Brazoria	10
Calhoun	10
Cameron	10
Chambers	10
Galveston	8
Harris - Specified Areas	1
Jefferson	10
Kenedy	10
Kleberg	10
Matagorda	10
Nueces	9
Refugio	10
San Patricio	10
Willacy	10

## D. Policy Term

Policies are to be issued for one year only.

## E. Coinsurance

1. Coinsurance is required as follows:

- a. Commercial and Public Buildings or business personal property. (Risks rated under Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), or General Index (Appendix A-3)).

Tables 1, 2, 3, and 7 through 14:	80% or 100% coinsurance.
Tables HC, WR, and SWR-- Buildings Only:	50%, 80% or 100% coinsurance.
Tables HC, WR, and SWR- Business Personal Property:	80% or 100% coinsurance.
Tables 5, 5A, and 5B:	80% coinsurance.

- b. Dwelling Buildings as defined in the TWIA Instructions and Guidelines Manual: 80% mandatory.
- c. Dwelling Personal Property: coinsurance not applicable.
- d. Builders Risk Form No. TWIA-21: coinsurance not applicable; use 100% coinsurance rates except if Tables 5, 5A, and 5B are applicable, use 80% coinsurance rate. Builders Risk Form No. TWIA-18: 80% or 100% coinsurance.

2. Waiver of Coinsurance. Coinsurance may be waived when the value exceeds the maximum limit of liability or the amount of insurance exceeds the following minimum limits:

- a. Dwelling: \$100,000 for dwelling building
- b. Commercial:
  - 1) Farm and Ranch Dwelling: \$100,000 for the dwelling building and \$100,000 for the personal property.
  - 2) Apartments: \$100,000 for the building and \$100,000 for the business personal property.



- 3) Residential Condominium: \$100,000 for the building and \$100,000 for the business personal property.
  - 4) Townhouse: \$100,000 for the building and \$100,000 for the business personal property.
  - 5) All other Commercial: \$200,000 for the building and \$200,000 for the business personal property.
3. Determination of Premium. When the Association waives the coinsurance requirements, the premium charged is determined in accordance with the First Loss Scale Formula.

### First Loss Scale Formula:

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%



4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%
4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

## F. Premium

### Interpolation of Premium

Premium for any amount of insurance, in excess of the Minimum, not shown in the Premium Charts may be obtained by interpolation.

**Method of Interpolation** – A 1-year premium is desired for a policy amount of \$15,500 which falls between \$15,000 and \$16,000 shown in the Dwelling Premium chart. In other words, the



desired amount is \$500 in excess of the \$15,000 shown. The example below is a Frame Dwelling in key rate charged interval 10-14.

Step 1. Policy Amount Shown	Premiums Shown
\$16,000	\$50
<u>\$15,000</u>	<u>\$46</u>
\$1,000	\$ 4 (Diff. in premium)
Step 2. \$500	(Additional Amount)
\$1,000	(Diff. in Amount X \$4)
Step 3.	(Diff. in Premium = \$2)
\$46	(Premium for \$15,000)
<u>2</u>	(Premium for additional \$500)
\$48	(Basic Premium for \$15,500)

## G. Mixed Construction

1. For risks with mixed construction, the predominant construction shall be the construction comprising over 50% of the total exterior wall area (excluding gables).
2. For risks with more than two constructions, the predominant construction shall be the construction comprising the majority of the total exterior wall area (excluding gables).
3. For risks of superior construction (FR, SFR and/or Automatic Sprinklered Risks) apply to the Texas Department of Insurance for confirmation of construction.

## H. Buildings of Three or More Types of Construction, With No One Type Comprising More Than 50% of the Building

To determine construction classification of such building(s), apply the following formula:

1. Begin with measurement of best type of construction;
2. Add second best construction;
3. Add third best construction; and if necessary
4. Add fourth best construction, and so on, consecutively, until a total equaling at least 50% of building is reached.
5. Class building as type of construction last added to achieve 50% of building, and make proportionate charge for any remaining inferior construction.

NOTE: Where height of walls is not uniform, use wall areas (sq. ft.) as basis for above calculation; otherwise use linear feet measurements.

## II. Policy Forms and Endorsements

---

### A. Extensions of Coverage—Increased Cost in Construction Form No. TWIA-431 and TWIA-432

#### Dwelling Policy

An insured may select one of the limits of liability for each structure item from the ICC table below. Apply the appropriate rate from the ICC table to the Final structure premium for each structure then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

The rates for the attachment of Form No. TWIA-431 are as follows:

ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

#### Commercial Policy

Apply the appropriate rate from the ICC table to the Final Structure Premium for each structure (before any Business Income adjustment), and then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

The rates for the attachment of Form No. TWIA-432 are as follows:



ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

## B. Business Income Coverage Endorsement Form No. TWIA-17

Rating procedure: To determine the applicable premium, multiply the TWIA annual extended coverage building rate (including the 90% modification) times the business income rate adjustment factor from the table. Multiply the result times the per occurrence limit of liability (do not include extra expense), then divide by 100.

Number of days covered	Apartment Buildings						MFG.	Other
	3-25 Units	26-50 Units		51-100 Units				
	Daily Limit \$50-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$799	Daily Limit \$800-\$1000	Daily Limit \$50-\$1000	Daily Limit \$50-\$1000
365	.641	.673	n/a	.705	n/a	n/a	1.052	.708
330	.650	.682	n/a	.715	n/a	n/a	1.060	.717
300	.665	.698	n/a	.731	n/a	n/a	1.082	.731
270	.690	.725	n/a	.759	n/a	n/a	1.125	.756
240	.724	.761	.724	.797	.761	n/a	1.176	.790
210	.758	.796	.758	.834	.796	n/a	1.235	.833
180	.799	.839	.799	.879	.839	n/a	1.301	.883
150	.874	.917	.874	.961	.917	n/a	1.430	.956
120	.945	.993	.945	1.040	.993	.945	1.554	1.027
90	1.008	1.058	1.008	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269

## C. Replacement Cost Endorsement TWIA-365

Apply the appropriate surcharge to the dwelling and personal property Adjusted Base premiums, independent of any other adjustments.

Additional premium for this endorsement:



- 15% surcharge when covering personal property only
- 5% surcharge on the total premium for dwelling and personal property when covering both

## **D. Actual Cash Value Roof Endorsement TWIA-400**

A credit of 15% will be applied to the Modified Extended Coverage building premium, independent of any other adjustments, upon receipt of the endorsement Form TWIA-804, signed by the insured.

## **E. Other Structures on the Described Location Increased Limits Form TWIA-419**

Additional coverage for residential other structures may be provided at the per \$1,000 rate in the table shown below, regardless of deductible. The additional coverage is subject to a minimum of 10% of coverage A and a maximum of 50% of coverage A.

<b>Coverage % of Coverage A</b>	<b>Territory 1</b>	<b>Territory 8,9,10</b>
Min 10% to Max 50%	4.66	6.99

## **F. Replacement Cost Coverage A (Dwelling) – Actual Cash Value Roofs Form TWIA-804**

A credit of 15% credit will be applied to the Modified Extended Coverage building premium, independent of any other adjustments. Policies with this endorsement must have a TWIA deductible of 1% or less of coverage A.

## III. Manufactured Homes

---

### A. Deductibles

1. The following deductibles are mandatory under the T.W.I.A. Dwelling Policy with Form No. TWIA-411, Conversion to TWIA Manufactured Home Policy attached to the policy.
  - a. Homes located inland of the Intracoastal Canal: 1% of limit of liability with a \$250 minimum (TWIA Form No. 570)
  - b. Homes located seaward of the Intracoastal Canal: 2% of the limit of liability with a \$250 minimum (TWIA Form No. 575)
2. Deductibles apply separately to the home and household goods items on the policy.



## IV. Commercial Insurance

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### A. Commercial Rating

#### Deductibles

The only commercial deductibles available for new and renewal policies are 1%, 2%, or 5% per item, per occurrence as indicated by the table, which follows. This is mandatory on all items rated from commercial rate tables A, B, or C, and also for all Farm & Ranch barns and miscellaneous farm property. The appropriate commercial deductible will be applied without the attachment of an endorsement form. Multiple deductibles on a policy are not allowed. Both the deductible amount and the amount of credit are based on the insurance amount of each individually rated commercial item. The credits listed below shall be applied to the commercial rates printed in this manual.

**The following deductible credit percentages apply for a 1%, 2%, or 5% per item, per occurrence deductible:**

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>				<u>Credit based on selected percentage</u>		
				<u>1%</u>	<u>2%</u>	<u>5%</u>
0	to	100,000		10%	13%	20%
100,001	to	200,000		12%	15%	23%
200,001	to	250,000		15%	20%	24%
250,001	to	300,000		17%	21%	25%
300,001	to	400,000		18%	22%	27%
400,001	to	500,000		20%	23%	30%
500,001	to	1,000,000		23%	26%	34%
1,000,001	to	1,500,000		25%	30%	36%
1,500,001	to	2,000,000		27%	32%	37%
2,000,001	to	2,500,000		30%	34%	39%
2,500,001	to	3,500,000		32%	35%	41%
3,500,001	to	5,000,000		34%	36%	43%
5,000,001	to	7,500,000		36%	39%	45%
7,500,001	to	10,000,000		38%	41%	47%
10,000,001	to	15,000,000		40%	43%	49%
15,000,001	to	25,000,000		42%	45%	51%
25,000,001	to	Above		43%	46%	52%

Note: All deductibles subject to \$1,000 minimum.



The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000.

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>			<u>Credit for minimum deductible</u>
			<u>\$1,000</u>
1,000	to	1,110	90%
1,111	to	1,332	75%
1,333	to	1,999	60%
2,000	to	2,221	56%
2,222	to	2,499	51%
2,500	to	2,856	47%
2,857	to	3,332	42%
3,333	to	3,999	38%
4,000	to	4,999	33%
5,000	to	6,665	29%
6,666	to	9,999	24%
10,000	to	19,999	20%
20,000	to	24,999	18%
25,000	to	33,332	15%
33,333	to	49,999	13%
50,000	to	99,999	10%

### Apartment Contents Credit

Personal property located in an apartment house which consists of three or more units, a residential condominium, or a townhouse (when not individually owned) will rate as follows:

- For construction not classified as WR or SWR, a 50% credit shall be applied to the appropriate Modified Extended Coverage rate from Rate Table A.
- For construction types subject to Table 4, WR, and SWR, the appropriate Modified EC rate from Rate Table "C" on Rate Table C of this manual shall be applied without the 50% credit.

### Public Housing Credit

A 40% credit shall be deducted from the Extended Coverage building rate applicable to dwellings and apartments of Housing Projects and to apartments of privately owned apartment house projects, when such projects consist of eight or more apartment units, in one or more apartment buildings, and situated on the same premises.

Note: Contents rate is not affected by the foregoing.



## Excess Area Surcharge

If any division of a building or any building of one division contains a ground floor area that equals 20,000 square feet or more, the rate shall be increased by 20%.

Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

## Builder's Risk Coverage

- when insuring repairs, improvements, and/or additions, where the addition does not exceed 10% of the original grade floor area of the original structure, permanent building rate will apply in lieu of builder's risk rate.
- when you are insuring an addition, which exceeds 10% of the original grade floor area of the original structure, apply the appropriate builder's risk rate.

For rating purposes refer to [Rate Table A](#):

- **Dwelling:** Table 5 (Brick), 5A (Frame), or 5B (Brick Veneer)
- **Commercial:** Table 2 (FR or SFR), Table 8 (Brick), or Table 9 (Frame)
- A rating of FR or SFR requires a statement from a contractor or engineer certifying that the construction qualifies as FR or SFR and listing the criteria to support the designation.

## B. Commercial Premium Calculation Information

### Premium Calculation Information

Multiple adjustments may apply in the determination of a rate and/or the calculation of a premium. It is important that these debits and credits be applied in the proper sequence to ensure that the final premium is correct. The sequence in which to apply adjustments is listed below. Failure to follow these guidelines may result in the final premium being incorrect.

#### Calculation Factors:

Based on the coverage selected, multiple adjustments may apply to the base rate. All applicable debits/credits are listed below in the sequence which they should be applied. Commercial rates are truncated to 3 decimal places after each adjustment. (Refer to the "Rating information" section of this manual as indicated below for additional information).



### Adjustments<sup>1</sup>:

Indirect Loss Adjustment  
Public Housing  
Excess Area Surcharge  
Deductible Adjustment  
Replacement Cost Endorsement Form 365  
(for commercially rated personal property)  
Value Exceeds Association Limit & First Loss Scale Formula  
(where coinsurance is being waived)  
Increased Cost in Construction (ICC) Form 432 Charge  
Business Income (BI) Form 17 Charge

### Refer to:

Indirect Loss Endorsement  
[Public Housing Credit](#)  
[Excess Area Surcharge](#)  
[Commercial Deductibles](#)  
  
[Replacement Cost Endorsement](#)  
[Values in Excess of TWIA Limit](#)  
  
[Increase Cost in Construction](#)  
[Business Income Coverage](#)

## Commercial Rating Steps

- **Step #1.** Determine the Annual Extended Coverage rate beginning at:
  - [Rate Table A](#) for:
    - Commercial Structures and Miscellaneous items
    - [Builder's Risk](#)
    - Commercially rated "Miscellaneous" Residential items
    - Business and Residential Personal Property in a commercially rated structure not classified as WR or SWR (Apply the [Apartment Contents Credit](#)).
  - [Rate Table B](#) for:
    - Condominium Association Structures
    - Townhouse Association Structures
  - [Rate Table C](#) for:
    - Business Personal Property
    - Residential Personal Property in a commercially rated structure classified as WR or SWR
  - [Farm & Ranch Barns and Miscellaneous Farm Property](#) for
    - Miscellaneous Farm property
    - Barns
    - Outbuildings used in conjunction with the Farm & Ranch
- **Step #2.** Multiply the rate derived in Step #1 by the amount of insurance per \$100.00 (or the replacement cost per \$100.00 where coinsurance is being waived)
- **Step #3.** Apply the Indirect Loss Adjustment Factor to the premium derived in Step #2.
- **Step #4.** If applicable apply the [Public Housing Credit](#) and/or the [Excess Area Surcharge](#)
- **Step #5.** Apply the [deductible adjustment](#) to the rate calculated in Step 3 (or 4).

---

<sup>1</sup> There is no adjustment for the Replacement Cost Endorsement Form TWIA-164 or the Replacement Cost Endorsement Excluding Roof Endorsement Form 165



- **Step #6.** If [Personal Property Replacement Cost Form TWIA 365](#) has been selected, multiply the rate from Step #3 by 15% and add to the premium derived in Step #5.
- **Step #7.** If coinsurance has been waived, apply the 1<sup>st</sup> Loss Scale Formula to the premium calculated in Step #6 prior to rounding (refer to the [First Loss Scale Formula](#)). Round to the nearest whole dollar.
- **Step #8.** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 5 (or 6 if replacement cost chosen, or 7 if coinsurance waived) times the appropriate [Increased Cost of Construction](#) rate, then round to the nearest whole dollar.
- **Step #9.** Calculate the BI premium by following the instructions on [Business Income Coverage Form TWIA 17](#). Round to the nearest whole dollar.
- **Step #10.** The total premium for this item is determined by adding the results of Steps 5 (or 6 or 7), 8, and 9. Round to the nearest whole dollar.



## V. Dwelling and Farm & Ranch Dwelling Insurance

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### A. Dwelling and Farm & Ranch Dwelling Rating

#### Dwelling Premium

The rounded premiums in this manual are provided for your convenience only. Use of these premiums will not affect the final policy premium in most cases. It is possible, however, that the use of these premiums, with additional adjustments, could result in a slight difference in the final premium due to rounding. For an exact calculation, begin with the premiums in the Texas Personal Lines Manual.

#### Residential Personal Property Located In a Commercially Rated Building:

To calculate the premium for residential personal property located in a commercially rated structure, refer to the “Commercial Insurance” section of this manual.

#### Rating Territories

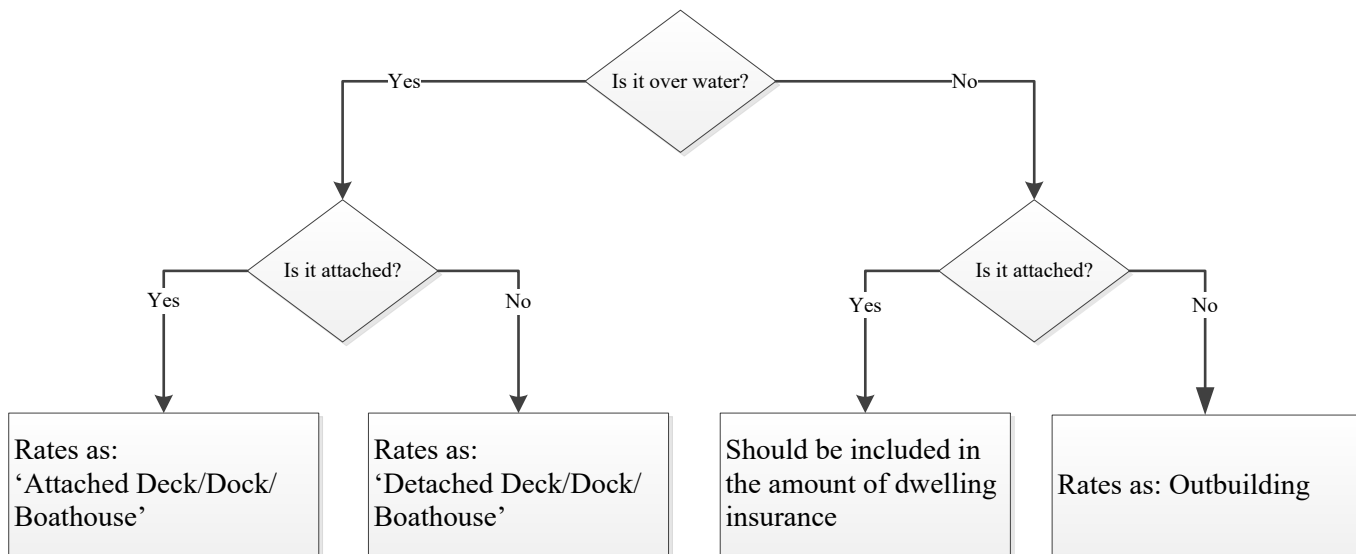
The designated catastrophe areas are in the following rating territories:

- Territory 1 Harris County (Specific areas)
- Territories 8, 9, and 10 Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy Counties

Refer to <https://www.twia.org/coverage-eligibility/>

#### Boathouse, Decks, Docks, and Piers

- Please use the following decision tree to determine how to add a boathouse, deck, dock or pier to a new business application
- If structure has a boat lift or a roof, it rates as a “Boathouse.”



## Indirect Loss Endorsement Percentages

**Apply the factors listed below to the Modified Extended Coverage Premium, independent of any other adjustments**

Where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For items where there is no other companion policy, multiply the Modified EC Premium times 90%.

**Note: The following factors listed below will be applicable to new business policies becoming effective before April 1, 2022 and renewal policies becoming effective before June 1, 2022.**

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a



Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

**Note: The following factors listed below will be applicable to new business policies becoming effective on or after April 1, 2022 and renewal policies becoming effective on or after June 1, 2022.**

Type of Companion Policy/Occupancy	Consequential Loss, Additional Living Expense, & Wind Driven Rain	Consequential Loss & Additional Living Expense	Consequential Loss & Wind Driven Rain	Consequential Loss Only	No Indirect Loss Coverage Provided
<b>Residential Occupancy: Primary</b>	98%	96%	n/a	91%	n/a
<b>Residential Occupancy: Secondary</b>	n/a	n/a	93%	91%	n/a
<b>Commercial or No Companion Policy</b>	n/a	n/a	n/a	n/a	90%

## Mandatory Building Code Credits

(Adopted in 28 (TAC §5.4700) (Windstorm Resistant Construction Code Credits Effective for policies issued on and after February 28, 1999) (International Residential/international Building Code Credits Effective for policies issued on and after July 31, 2003)

The following mandatory credits shall be provided to new residential construction, excluding additions or repairs to existing structures, constructed to or exceeding the standards of the TWIA Building Code



for Windstorm Resistant Construction or to the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

Location Of Risk	Building Code Standards	Windstorm Resistant Construction Effective 9/1/98		INT'L. Residential Code & INT'L. Building Code		2018 IRC Code	
		Dwelling Discount	Personal Property Discount	Dwelling Discount	Personal Property Discount	Dwelling Discount	Personal Property Discount
Seaward	Seaward (Risk Category I,II, IV)	26%	20%	28%	23%	28%	23%
Inland I	Inland I	24%	19%	26%	21%	0%	0%
Inland I	Seaward (Risk Category I,II, IV)	29%	23%	31%	25%	31%	25%
Inland II	Inland II	0%	0%	26%	20%	0%	0%
Inland II	Inland I	27%	21%	28%	23%	0%	0%
Inland II	Seaward (Risk Category I,II, IV)	32%	25%	33%	28%	33%	28%
All designated catastrophe areas	Retrofit	10%	10%	10%	10%	10%	10%

- a) The following mandatory credits shall be provided to residential structures in any of the designated catastrophe areas which were constructed prior to September 1, 1998, or February 1, 2003, as applicable, in which all exterior openings have been retro-fitted with exterior opening protections that meets the windborne debris impact-resisting standards of the TWIA Building Code for Windstorm Resistant Construction, the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

Dwelling: 10%

Personal Property: 10%

- b) A residential structure must be certified by the Texas Department of Insurance as meeting the applicable standards to qualify for the mandatory credits.

## Mandatory Roof Covering Credits

- a) Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U.L. Standard 2218 are eligible for the following mandatory credits to be applied to the dwelling modified extended coverage premium:

Territory	Class 1 Credit	Class 2 Credit	Class 3 Credit	Class 4 Credit
1, 8, 9, 10	4%	6%	10%	14%

The roof covering credit and applicable premium credit applied must be shown on the declarations page of the policy. The credits reduce the modified extended coverage premium and are applied before any other adjustments to the modified extended coverage premium.

Credits apply only on policies insuring a risk that replacement of the existing roof covering on a residence is with a new roof covering(s) meeting U.L. Standard 2218 or is new residential construction which includes the installation of a roof covering meeting U.L. Standard 2218, and the roof covering must be classified within one of the four resistance classifications specified in U.L. Standard 2218.

The credits will be reviewed at such time as credible statistical data becomes available but not later than 5 years from the effective date of the implementation of the credits. The credits may be modified if the statistical data indicates modifications are needed.

**Note:** *Other impact or hail resistance testing standards approved by the Texas Department of Insurance may be substituted for the U.L. Standard 2218. Testing to U.L. Standard 2218 or other acceptable standards may be accomplished by a testing facility recognized and approved by the Texas Department of Insurance based on standards for testing laboratories adopted by the Department.*

- b) A certificate of installation promulgated by the Texas Department of Insurance (Appendix B) must be provided to the policyholder by the installer of the roof covering. All information on the certificate must be completed and signed by the individual responsible for the installation of the roof covering.
- c) A policyholder may present the certificate of installation to the Association for the application of the mandatory credit as provided in subsection a of this rule. Presentation of a certificate of installation does not preclude the Association from inspecting the risk for verification of roof covering installation.



- d) **Product Labeling.** In order for mandatory roof covering credits to be applicable to dwelling insurance, roof coverings meeting U.L. Standard 2218 or any other test standard for impact resistance approved by the Department which are installed on and after June 15, 1999, must meet the following labeling requirements. All individual shingles, tiles, shakes, panels, sheets, etc., of roof coverings must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured, and the brand name. For roof coverings meeting U.L. Standard 2218 that are installed prior to June 15, 1999, only the package containing the roof covering products is required to be labeled. The package must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured and the brand name.
- e) It shall be optional with the Association to provide credits for impact resistant roof coverings installed prior to June 15, 1999. The optional credits given for impact resistant roof coverings installed prior to June 15, 1999 shall be within the range of credits specified in this rule. The Association may request from insureds, who apply for this optional credit, information regarding the installation of the impact resistant roof covering including, but not limited to, the date of installation, verification of the installation, and type of impact resistant roofing material installed. Any roof covering that is replaced on or after June 15, 1999, shall meet U.L. Standard 2218 in order for the property owner to receive the credit.
- f) The mandatory roof covering credits with the certification process is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium, and it is not intended by the Department to require or create any type of express or implied warranty by the manufacturer, supplier, or installer.

### **WPI-8 Waiver Program**

All structures and/or their contents that qualify under this program will be issued at the appropriate TWIA premium plus a 15% surcharge and will not be eligible for credits for building code compliance.

**EXAMPLE:** If a TWIA policy premium for all coverages on a particular dwelling policy total \$1,000, and the WPI-8 Waiver applies, then the waiver surcharge will be an added \$150 (15%), no commission is paid to the agent on the surcharge amount. If the policy is cancelled prior to its expiration, the surcharge is non-refundable to the policyholder, or anyone else with an interest in the policy. In this example, agents would receive 16% commission on the premium portion only.



### **Certification and Eligibility Exception (TIC 2210.259)**

Individuals applying for TWIA coverage who meet the qualifications for this exception, which are described in the TWIA Instructions and Guidelines manual, will pay premium for basic coverage equal to 110% of the rate charged in the voluntary market for wind and hail.

### **Deductibles**

Apply any applicable deductible debit or credit to the Adjusted Premium, independent of any other adjustment. Refer to the TWIA Instructions and Guidelines Manual for detailed descriptions of each deductible.

#### **Deductible Options:**

- A. **Dwelling Standard 1% deductible clause – Modified Extended Coverage premiums beginning at Dwelling/Farm and Ranch Dwelling Building and Personal Property (Territory 1) are based on this option**
- B. **Dwelling: \$100.00 deductible clause - Refer to the Deductible Adjustment Schedule**
- C. **Dwelling: \$250.00 deductible clause - Refer to the Deductible Adjustment Schedule**
- D. **Dwelling Optional Large Deductible -- Refer to the Optional Large Deductible Schedule**



## Deductible Adjustment Schedule for Dwelling and Farm & Ranch Dwelling Building and Personal Property

Determine the Deductible Adjustment Premium Charge by applying the following percentages to the premium for any item that has either a \$100 flat or a \$250 deductible. This charge will be added to the Adjusted Base Premium.

AMOUNT OF INSURANCE	\$ 100 FLAT	\$ 250 FLAT
\$10,000 and under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 and Over	50	25



## Optional Large Deductible Chart for Dwelling and Farm & Ranch Dwelling Property

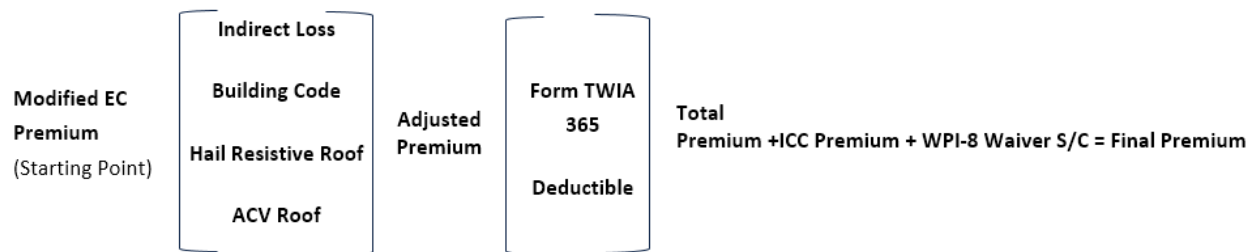
Amount of Coverage	Percentage of Credit					
	1.5%	2.0%	2.5%	3.0%	4.0%	5.0%
25,000	-6%	-12%	-18%	-23%	-33%	-41%
26,000	-7%	-13%	-19%	-24%	-34%	-42%
27,000	-7%	-13%	-19%	-25%	-35%	-43%
28,000	-7%	-14%	-20%	-26%	-36%	-44%
29,000	-7%	-14%	-20%	-26%	-37%	-45%
30,000	-7%	-14%	-21%	-27%	-38%	-46%
31,000	-8%	-15%	-22%	-28%	-38%	-46%
32,000	-8%	-15%	-22%	-28%	-39%	-47%
33,000	-8%	-16%	-23%	-29%	-40%	-48%
34,000	-8%	-16%	-23%	-30%	-40%	-48%
35,000	-8%	-16%	-24%	-30%	-41%	-49%
36,000	-9%	-17%	-24%	-31%	-42%	-50%
37,000	-9%	-17%	-24%	-31%	-42%	-50%
38,000	-9%	-17%	-25%	-32%	-43%	-51%
39,000	-9%	-17%	-25%	-32%	-43%	-51%
40,000	-9%	-18%	-26%	-33%	-44%	-51%
45,000	-10%	-19%	-27%	-34%	-46%	-53%
50,000	-10%	-20%	-29%	-36%	-47%	-55%
55,000	-11%	-21%	-30%	-37%	-48%	-56%
60,000	-11%	-21%	-30%	-38%	-49%	-57%
65,000	-12%	-22%	-31%	-39%	-50%	-57%
70,000	-12%	-22%	-32%	-39%	-50%	-58%
75,000	-12%	-23%	-32%	-40%	-51%	-58%
80,000	-12%	-23%	-32%	-40%	-51%	-58%
85,000	-13%	-23%	-33%	-40%	-51%	-58%
90,000	-13%	-24%	-33%	-40%	-51%	-58%
95,000	-13%	-24%	-33%	-41%	-52%	-59%
100,000	-13%	-24%	-33%	-41%	-52%	-59%
105,000	-13%	-24%	-33%	-41%	-52%	-59%
110,000	-13%	-24%	-33%	-41%	-52%	-59%
115,000	-13%	-24%	-33%	-41%	-52%	-59%
120,000	-13%	-24%	-34%	-41%	-52%	-59%
125,000	-13%	-24%	-34%	-41%	-52%	-59%
130,000	-13%	-24%	-34%	-41%	-52%	-59%
135,000	-13%	-24%	-34%	-41%	-52%	-59%
150,000	-13%	-25%	-34%	-41%	-52%	-59%
175,000	-13%	-25%	-34%	-41%	-52%	-59%
200,000	-14%	-25%	-34%	-41%	-52%	-59%
250,000	-14%	-25%	-34%	-41%	-52%	-59%
350,000	-14%	-25%	-34%	-41%	-52%	-59%
500,000	-15%	-25%	-34%	-41%	-52%	-59%
750,000 and over	-16%	-25%	-34%	-41%	-52%	-59%

Optional Large Deductible is not applicable on amounts of insurance less than \$25,000.



## B. Dwelling Premium Calculation Information

Premiums must be calculated separately for all items. Multiple adjustments may apply in the calculation of the premium. It is important that these adjustments be applied in the proper sequence to ensure that the premium is correct. The calculation diagram shown below and the following guidelines are provided to assist you in your calculation.



### CALCULATION STEPS:

**Step #1.** Calculate the Modified Extended Coverage Premium (hereinafter referred to as the Modified EC Premium) based on a 1% (\$100 minimum) deductible from [Dwelling/Farm and Ranch Dwelling Building and Personal Property \(Territory 1\)](#) of this manual.

**Step #2.** Calculate the Indirect Loss premium by applying the Indirect Loss factor from [Indirect Loss Endorsement and Percentages](#) of this manual to the premium calculated in step #1.

**Step #3.** Where applicable, apply the following adjustments independently to the Modified EC premium calculated in step #1:

- [Building Code Credit](#)
- [Hail Resistant Roof Credit](#)
- [Actual Cash Value Roof Credit](#)

Then add or subtract the results to the Indirect Loss premium calculated in step #2. This will result in the adjusted premium.

**Step #4.** Where applicable, apply the following adjustments independently to the Adjusted Premium calculated in step #3. Then add the results to the adjusted premium calculated in step #3 to equal the Total premium. If the coverages listed below do not apply, skip step #4. If this is done, the Total premium will be the same as the adjusted premium.

- [Replacement Cost Endorsement Form TWIA 365 surcharge](#)
- [Deductible Adjustment for a flat \\$100 or \\$250 flat](#)
- [Optional Large Deductible Percentage Chart](#)



**Step #5.** If coinsurance is being waived, apply the [First Loss Scale Formula](#) to the premium calculated in step #4 prior to rounding.

**Step #6.** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 4 (or 5) times the appropriate ICC rate, then round to the nearest whole dollar. Refer to Residential [Increased Cost of Construction](#). If ICC is not being added, skip to step #8.

**Step #7.** Add the rounded ICC premium (step 6) to the premium determined in step 4 (or step 5 if coinsurance has been waived) to arrive at the Final premium.

**Step #8.** The premium from step 4, 5, or 7 to equal the total *premium* due TWIA.

**Step #9.** If the policy is being issued under the WPI-8 Waiver program, multiply the Final premium from step 4, 5, or 7 times 15% to calculate the WPI-8 Waiver surcharge, then round to the nearest whole dollar.

**Step #10.** Add the WPI-8 Waiver surcharge calculated in step #9 to the total premium from steps 4, 5, or 7 to arrive at the total premium due TWIA.

## VI. Superior Construction

For a structure to qualify as superior construction, a copy of the ISO Loss Cost report dated after December 31, 1998, showing the BGII indication, will be required. Refer to Insurance Service Office BGII List.

### Insurance Service Office BGII List

CONSTRUCTION	DEFINITION	NEW BGII (1998)
1 - Frame		B (11) – Ordinary
2 - Joisted Masonry		B (21) – No key factor present AB (22) – High rise AB (23) – Reinforced masonry AB (24) – Reinforced masonry and High rise
3 - Non-Combustible		B – (31) – Light steel AB (32) – Light steel and high rise AB (33) – Heavy steel AB (34) – Heavy steel and high rise
4 - Masonry Non-Combustible		B – (41) – Light steel AB (42) – Light steel and high rise AB (43) – Heavy steel A (44) – Heavy steel and high rise AB (45) – Reinforced masonry AB (46) – Reinforced masonry and high rise A (47) – Reinforced masonry and heavy steel A (48) – Reinforced masonry, heavy steel and high rise
5 – Modified Fire Resistive		AB (51) – Light steel A (52) – Light steel and high rise A (53) – Heavy steel AA (54) – Heavy steel and high rise A (55) – Light steel and reinforced masonry A (56) – Light steel, reinforced masonry and high rise AA (57) – Heavy steel and reinforced masonry AA (58) – Heavy steel, reinforced masonry and high rise
6 – Fire Resistive		AB (61) – Light steel A (62) – Light steel and high rise A (63) – Heavy steel AA (64) – Heavy steel and high rise A (65) – Light steel and reinforced masonry A (66) – Light steel, reinforced masonry and high rise AA (67) – Heavy steel and reinforced masonry AA (68) – Heavy steel, reinforced masonry and high rise



CONSTRUCTION	DEFINITION	NEW BGII (1998)
7 – Heavy Timber Joisted Masonry	Joisted Masonry with either 2” roof with min 6” support or wind uplift 90 or higher.	AB (71) – No key factor present AB (72) – High rise AB (73) – Reinforced masonry AB (74) – Reinforced masonry and High rise
8 – Superior Non-Combustible	Non-combustible with: Roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher.	AB (81) – Light steel and low rise AB (82) – Light steel and high rise AB (83) – Heavy steel AA (84) – Heavy steel and high rise
9 – Superior Masonry Non-Combustible	Masonry non-Combustible with roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher	AB (91) – Light steel A (92) – Light steel and high rise A (93) – Heavy steel AA (94) – Heavy steel and high rise A (95) – Reinforced masonry A (96) – Reinforced masonry and high rise AA (97) – Reinforced masonry and heavy steel AA (98) – Reinforced masonry, heavy steel and high rise

## Windstorm Symbol Matrix

Windstorm Symbols		
ISO Designation	ISO Description	TWIA Rating
AA	Superior	WR
A	Wind Resistive	WR
AB	Semi-Wind Resistive	SWR
B	Ordinary	Frame or Brick



## VII. Rating Classifications

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Construction	
Frame	Outer walls of frame; iron clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard
Stucco	Outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.
Brick Veneer	Outer walls of brick-veneer or stone-veneer.
Brick	Outer walls of solid masonry: brick; stone; concrete; HTB; HT; hollow masonry units; ICM and ICMS.



## VIII. Rate Tables

### A. Commercial Rate Tables

#### Commercial Building and Business Personal Property/Personal Property of Buildings (other than dwellings)

##### ANNUAL EXTENDED COVERAGE RATES (per \$100)

TABLE*	COINSURANCE	BUILDING Rate Table A	BUSINESS PERSONAL PROPERTY Rate Table C
1 Frame (F)	50%	--	--
	80%	1.787	1.433
	100%	1.770	1.413
2 Brick (M)	50%	--	--
	80%	1.863	1.518
	100%	1.439	1.157
3	50%	--	--
	80%	1.518	1.212
	100%	1.285	1.000
(HC)	50%	2.211	--
	80%	1.369	1.085
	100%	1.307	1.071
4 (WR)	50%	0.883	--
	80%	0.553	0.433
	100%	0.516	0.426
(SWR)	50%	1.100	--
	80%	0.674	0.541
	100%	0.652	0.526
5 Brick **	50%	--	--
	80%	1.275	0.631
	100%	--	--
5A Frame **	50%	--	--
	80%	1.533	0.768
	100%	--	--
5B Brick Veneer **	50%	--	--
	80%	1.275	0.631
	100%	--	--
7	50%	--	--
	80%	4.345	3.455



	100%	3.735	2.980
	50%	--	--
8	80%	5.179	4.148
	100%	4.345	3.475
	50%	--	--
9	80%	6.202	4.963
	100%	5.083	4.071
	50%	--	--
10	80%	7.443	5.957
	100%	6.202	4.963
	50%	--	--
11	80%	9.662	7.747
	100%	8.177	6.535
	50%	--	--
12	80%	14.186	11.329
	100%	11.930	9.544
	50%	--	--
13	80%	19.335	15.470
	100%	16.283	13.031
	50%	--	--
14	80%	38.371	30.703
	100%	32.217	25.768
	50%	--	--
20	80%	8.820	8.820
	100%	8.820	8.820

**\*Refer to the Special Index & General Index of the TWIA Manual**

**\*\* for acv builder's risk form 21 (dwellings) use the 80% coinsurance rate**



## Townhouse Association Buildings and Condominium Buildings

### Annual Extended Coverage Rates (per \$100)

TABLE*	COINSURANCE	Building Rate Table B
1 Frame (F)	50%	--
	80%	1.060
	100%	1.048
2 Brick (M)	50%	--
	80%	1.115
	100%	0.847
3	50%	--
	80%	0.897
	100%	0.750
(HC)	50%	1.307
	80%	0.820
	100%	0.780
4 (WR)	50%	0.516
	80%	0.323
	100%	0.312
(SWR)	50%	0.652
	80%	0.409
	100%	0.394
*Refer to the Special Index & General Index of the TWIA Manual		



## Territorial Multipliers for Miscellaneous Farm Property and Barns and Outbuildings

### Territory 1

#### Territorial Multipliers for Miscellaneous Farm Property

<u>Table</u>	<u>Coinurance</u>	<u>Rate</u>
15	.80	3.700
21	.80	4.432
22	.80	4.140
23	.80	3.148
24	.80	3.150

#### Territorial Multipliers for Barns and Outbuildings

Frame	6.088
Brick Veneer	6.246
Brick	5.220

Note 1: Modified EC Rates are calculated by multiplying promulgated base rates by a 130% flex factor and the appropriate territorial multiplier

Note 2: All interim calculations are rounded down where applicable

### Territories 8, 9, & 10

#### Territorial Multipliers for Miscellaneous Farm Property

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	4.091
21	.80	4.896
22	.80	4.564
23	.80	3.481
24	.80	3.481

#### Territorial Multipliers for Barns and Outbuildings

Frame	6.720
Brick Veneer	6.903
Brick	5.768

Note 1: Modified EC Rates are calculated by multiplying promulgated base rates by a 130% flex factor and the appropriate territorial multiplier

Note 2: All interim calculations are rounded down where applicable

## Modified Extended Coverage Rates (Per \$100) For Miscellaneous Farm Property and Barns and Outbuildings

### Territory 1

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinurance</u>	<u>Rate</u>
15	.80	1.995
21	.80	3.916
22	.80	5.370
23	.80	7.771
24	.80	15.437

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	3.877
Brick Veneer	3.328
Brick	2.782

### Territories 8, 9, & 10

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	2.206
21	.80	4.327
22	.80	5.920
23	.80	8.593
24	.80	17.059

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	4.279
Brick Veneer	3.679
Brick	3.073



## B. Residential Rate Tables

### Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territory 1)

MODIFIED EXTENDED COVERAGE PREMIUMS  
(Rates for 1% Deductible – \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	15	11	9	4	4	3
1,500	18	15	13	8	7	6
2,000	26	23	19	8	7	6
2,500	29	23	19	11	7	6
3,000	33	26	22	11	11	9
3,500	37	30	25	11	11	9
4,000	37	30	25	15	11	9
5,000	44	38	31	15	11	9
6,000	48	42	35	15	15	12
7,000	52	45	38	19	15	12
7,500	55	45	38	19	15	12
8,000	59	49	41	23	18	15
9,000	66	57	47	23	18	15
10,000	74	64	53	26	22	18
11,000	81	68	57	30	22	18
12,000	88	76	63	30	25	22
13,000	96	79	66	34	29	25
14,000	103	87	72	38	29	25
15,000	110	95	78	38	33	28
16,000	118	98	82	41	33	28
17,000	125	106	88	45	36	31
18,000	133	113	94	45	40	34
19,000	140	117	97	49	40	34
20,000	147	125	104	53	44	37
21,000	155	132	110	53	44	37
22,000	162	136	113	57	47	40
23,000	169	144	119	60	51	43
24,000	177	151	126	64	51	43
25,000	184	155	129	64	55	46
26,000	192	163	135	68	55	46
27,000	199	170	141	72	58	49
28,000	206	174	144	72	62	52
29,000	214	182	151	75	62	52
30,000	221	189	157	79	65	55
35,000	258	219	182	91	76	65
40,000	295	250	207	106	87	74
45,000	331	280	232	117	98	83



50,000	368	314	261	132	109	92
55,000	401	344	286	143	116	98
60,000	438	375	311	155	127	108
65,000	475	405	336	170	138	117
70,000	512	439	364	181	149	126
75,000	549	469	389	196	160	135
80,000	586	499	414	207	171	144
85,000	622	530	440	223	182	154
90,000	659	564	468	234	193	163
95,000	696	594	493	249	204	172
100,000	733	624	518	260	214	181
Each Add'l 1,000	7.33	6.24	5.18	2.60	2.14	1.81
To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule						



## Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territories 8, 9, & 10)

### MODIFIED EXTENDED COVERAGE PREMIUMS (Rates for 1% Deductible - \$100 Minimum Premium Applies)

Insurance Amount	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	23	18	15	6	6	5
1,500	29	24	20	12	12	10
2,000	41	36	30	12	12	10
2,500	46	36	30	18	12	10
3,000	52	42	35	18	18	15
3,500	58	48	40	18	18	15
4,000	58	48	40	24	18	15
5,000	70	60	50	24	18	15
6,000	75	66	55	24	24	20
7,000	81	73	60	30	24	20
7,500	87	73	60	30	24	20
8,000	93	79	65	36	30	25
9,000	104	91	75	36	30	25
10,000	116	103	85	42	36	29
11,000	127	109	90	47	36	29
12,000	139	121	100	47	42	34
13,000	151	127	105	53	48	39
14,000	162	139	115	59	48	39
15,000	174	151	125	59	54	44
16,000	185	157	130	65	54	44
17,000	197	169	141	71	60	49
18,000	209	181	151	71	66	54
19,000	220	187	156	77	66	54
20,000	232	199	166	83	71	59
21,000	243	212	176	83	71	59
22,000	255	218	181	89	77	64
23,000	266	230	191	95	83	69
24,000	278	242	201	101	83	69
25,000	290	248	206	101	89	74
26,000	301	260	216	107	89	74
27,000	313	272	226	113	95	78
28,000	324	278	231	113	101	83
29,000	336	290	241	119	101	83
30,000	348	302	251	125	107	88
35,000	405	351	291	142	125	103
40,000	463	399	331	166	143	118
45,000	521	447	371	184	161	132
50,000	579	502	416	208	179	147



55,000	631	550	457	226	191	157
60,000	689	598	497	243	208	172
65,000	747	647	537	267	226	186
70,000	805	701	582	285	244	201
75,000	863	750	622	309	262	216
80,000	921	798	662	326	280	230
85,000	979	846	703	350	298	245
90,000	1037	901	748	368	316	260
95,000	1095	949	788	392	333	274
100,000	1153	997	828	409	351	289
Each Add'l \$1000	11.53	9.97	8.28	4.09	3.51	2.89
To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule						



## Territorial Multipliers

### Territorial Multipliers for Dwellings

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
Frame	2.833	4.456
Brick Veneer	2.910	4.650
Brick	2.415	3.860

### Territorial Multipliers for Personal Property

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
Frame	2.902	4.565
Brick Veneer	2.796	4.581
Brick	2.363	3.770

### Territorial Multipliers for Farm and Ranch Dwellings

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
Frame	2.833	4.456
Brick Veneer	2.910	4.650
Brick	2.415	3.860

### Territorial Multipliers for Farm and Ranch Personal Property

<u>Construction</u>	<u>Territory 1</u>	<u>Territories 8, 9, 10</u>
Frame	2.902	4.565
Brick Veneer	2.796	4.581
Brick	2.363	3.770

## C. Manufactured Homes Rate Tables

### Rates for Manufactured Homes

<u>Location</u>	<u>Rate per \$100 of Coverage</u>
Located inland of the intracoastal Waterway (MH1, MH3)	2.50
Located seaward of the intracoastal Waterway (MH2, MH4)	5.00



## D. Rate Chart No. 3 – Scheduled Miscellaneous Farm & Ranch Property

Description	Extended Coverage*
Apiary Equipment	Table No. 15
Bridges (Wooden)	Table No. 15
Broom Corn: In Building	Table No. 15
Cooling Towers	Table No. 15
Elevator Legs	Table No. 15
Fences, including corrals & Chutes: Non Combustible	Table No. 15
Combustible	Table No. 15
Grain: A. When not restricted to a specific building B. When restricted to a specific building C. In tanks D. Threshed: 1) While located in separate granaries 2) In the open 3) While in tanks	Table No. 15 Table No. 15 Refer to Tanks Table No. 15 Table No. 15 Table No. 15
Grandstands and Bleachers	Table No. 22
Hay: In buildings	Table No. 15
Sign	Table No. 24
Silo A. Class 1 - Brick Class Construction, minimum capacity -150 tons silage or 4,000 bushels grain; concrete foundation; sealed; bottom unloading and identified by trade name, model, year built, and location of building diagram. B. Class 2 (1) Brick, All Metal, Solid Concrete, Tile or Masonry Block (2) Not Brick, All Metal. Solid Concrete, Tile or Masonry Block	50% of Table No. 15 Table No. 21 Table No. 23
Tanks A. Water (elevated) (1) Metal, Concrete or Masonry Tower (2) Wooden Tower B. Water (Ground) (1) Metal, Concrete or Masonry Tower (2) Wooden Tower Grain (1) Class I - Grain Tank must be "Brick" class construction, minimum capacity - 150 tons silage or 4,000 bushels grain, concrete foundation, sealed, bottom unloading and identified by trade name, model, year built, and location on building diagram. (2) Class II - All metal & not Class I	Table No. 23 Table No. 23 Table No. 15 Table No. 15 50% of Table No. 15 Table No. 15
Water Trough and Reservoir A. Metal Tower B. Wooden	Table No. 15 Table No. 15
Windmill and Tower A. Metal Tower B. Wooden Tower	Table No. 24 Table No. 24



Wool A. In a building	Table No. 15
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\*Extended Coverage means windstorm and hail.



## IX. Appendices

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### A. Appendix A-1

#### Special Index Extended Coverage – Windstorm and Hail

All buildings shall rate according to construction unless otherwise provided.

Item	Types of Construction	Rate Table
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1. <b>FRAME BUILDINGS</b> , including iron clad, stucco, asbestos siding and brick veneer construction.....	1
-------------------------------------------------------------------------------------------------------------	---

NOTE: Except as may be otherwise provided, buildings of this class that have more than 50% of outside walls open shall rate under Table 11. Walls that are not closed from floor to roof shall be considered open.

2. <b>BRICK BUILDINGS</b> , (except building qualifying under Item Nos. 3 and 4), including reinforced concrete, stone, hollow tile or tile faced with brick; adobe, hollow masonry units, ICM and ICMS Construction.....	2
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NOTE: Combustible interior wall finish, ceilings and floor finish permitted in ICM and ICMS buildings.

3. (a) One story buildings having all outside masonry walls as described for Table 2 buildings, but with concrete balcony.....	3
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NOTE: To qualify under the above, the concrete balcony must be securely tied into 3 exterior walls of the building.

(b) Masonry or ICM buildings of *extra heavy construction throughout approved as such by publication by the Texas Department of Insurance.....	HC
------------------------------------------------------------------------------------------------------------------------------------------------	----

\*NOTE: To qualify for "Extra Heavy" Classification, building or structure must be designed and constructed according to nationally recognized good engineering practice and codes\* to resist a horizontal wind pressure on all surfaces exposed to the wind without suffering any distortion or damage allowing for wind in any direction, in accordance with the following table. No allowance will be made for the shielding effect of other buildings or structures. The height is to be measured above the average level of the ground adjacent to the building or structure.



Height Zone (Feet)

**Wind Pressure (Lbs. per Sq. Ft.)**

	All Territories Except 1,8,9,10and 11	Territories 1, 8, 9, 10 and 11
Less than 30	25	35
30-49	30	45
50-99	40	55

Data on buildings exceeding 99 feet in height must be submitted to the Texas Department of Insurance for consideration.

Exterior walls must be designed and constructed to withstand pressures specified above, acting either inward or outward.

The roofs of buildings and structures must be designed and constructed to withstand pressures acting outward, normal to the roof surface; equal to 1-1/4 times the pressure specified above. The height is to be taken as the vertical distance from the average elevation of the ground adjoining the building to the average elevation of the roof. Roofs or sections of roof with slopes greater than 30 degrees, must be designed and constructed to withstand pressure, acting inward, normal to the surface, equal to those specified above and applied to the windward slope only.

The property must be Inspected by a registered structural engineer, after which he must submit for each building and structure a certificate, accompanied by a diagram (or diagrams) showing complete details of walls and roof construction, anchorages and fasteners, together with complete supportive structural calculations.

\*Structural steel, light gage steel and steel joist construction must be designed and erected in accordance with the following specifications.

- 1) American Institute of Steel Construction Specifications for the Design Fabrication, and Erection of Structural Steel for Buildings - (Latest Edition).
- 2) American Iron & Steel Institute Light Gage Cold Formed Steel Design Manual – (Latest Edition).
- 3) Standard Specifications and Load Tables of the Steel Joist Institute.
- 4) Welding - Standard Code of American Welding Society.

4. **HEAVY TIMBER CONSTRUCTION:** Those risks receiving 50% credit for heavy timber construction in fire rate.....SWR

4a. **SEMI-HEAVY TIMBER CONSTRUCTION:** Those Risks receiving credit for Semi-Heavy Timber Construction in fire rate .....HC

5. **ELECTRIC UTILITY GENERATING STATION BUILDINGS:** All electric utility generating station buildings when constructed to meet the minimum requirements of the Texas Department of Insurance. WR (Design and construction conditions will be furnished upon request from the Texas Department of Insurance.)



## B. Appendix A-2

### SUPPLEMENTAL SPECIAL INDEX Construction Classification Table Extended Coverage – Windstorm and Hail

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	** Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC***
			2	SWR***
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M <sup>+</sup>
			2	HC
			3 or more	SWR
		Certified as Class 60****	1	SWR*
		Certified as Class 90****	1 or 2	WR*



### Construction Classification Table Continued

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Non-Combustible or no walls	**Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M <sup>+</sup>
				HC <sup>+</sup>
	**Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1	HC
			2	SWR
			3 or more	WR
		Certified as Class 60 <sup>12</sup> Certified as Class 90 <sup>11</sup>	1	SWR <sup>*</sup>
			1 or 2	WR <sup>*</sup>
		Steel or other non-combustible deck on non-combustible supports	2	SWR
			3 or more	WR
	Masonry or Reinforced Concrete	Wood or other material	Wood or other material	1 or more
HC <sup>+</sup>				
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	F <sup>+</sup>
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted			1 or more	SWR
ICMS as described in the Texas Commercial Property Rating Manual			1 or more	M <sup>+</sup>

\* These buildings must be certified as required in Special Index of this manual

\*\* Combustible Floor Finish Permissible

\*\*\* Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.

\*\*\*\*\* Roof deck assembly Certified as Class 60 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR. Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.

+ Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.

**Abbreviations: WR = Wind Resistive; SWR = Semi-wind Resistive; HC = Heavy Construction; M = Masonry; F = Frame**

## **Notes and Definitions**

### **Applicable to all Types of Building Classifications**

Outside Trim: To be disregarded in the application of the construction classification table.

Masonry Walls: Means a built-up construction or combination of building units of such materials as clay, adobe, shale, concrete, glass blocks, gypsum or stone set in mortar or plain concrete.

Reinforced Concrete: Within the meaning of extended coverage, concrete with steel, either mesh or bars imbedded therein shall be considered to mean reinforced concrete.

Non-Combustible: As defined in Fire Resistive Section of The Texas Commercial Property Rating Manual.

Greenhouse: Greenhouses or Greenhouse Sections (glassed in area) may be rated specifically.

Doors and Windows: Shall be ignored in classifying exterior walls except masonry walls with doors and windows in excess of 50% of wall area of wall in which located shall be classed as non-combustible construction.

### **Applicable to WR, SWR and HC Building Classifications**

Exterior Walls: Exception -- Exterior walls of frame class construction aggregating not more than 10% of total above ground wall area shall be treated as non-combustible in the application of the Construction Classification Table; if aggregating more than 10%, then the building shall rate as frame or masonry according to mixed construction rule.

Story and Floor: A story is that part of a building between a floor and the roof or floor next above, designed for occupancy. Decks and mezzanines which are structurally a part of the building shall be considered a story if their area exceeds 33-1/3% of the area of the floor immediately below.

NOTE: Decks, mezzanines and portions of floors, not structurally a part of the building, shall not be considered in establishing the E.C. Classification. Roof structure means any structure above the roof of any part of a building. Roof structures shall be considered a story if they exceed 33-1/3% of the ground floor area of the building in which case the inferior roof construction shall govern construction classification.

Basement: Means a story of a building or structure having one half or more of its clear height below grade. Basements with floor area of at least 75% of grade floor area shall be considered a story.

### **Mixed Construction**

- a) In the case of risks having published fire rates, building classification used in fire rating shall determine Extended Coverage and Windstorm rate table, except as otherwise directed.
- b) In the case of risks for which fire rates are not published apply the higher construction charge applicable, unless the less hazardous type comprises over 50% of the total exterior wall area (Gables above top ceiling to be ignored).



- c) Extended Coverage, Windstorm and Hail Insurance may be written specifically on any individual standard division of building, each division to be rated as if it were a separate building.

NOTE: Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

EXCEPTION: Greenhouses or greenhouse sections (glassed-in area) may be written specifically with or without standard division wall.

### **Applicable to Frame and Masonry Building Classifications**

Mixed Construction: Applies to frame and masonry classes only.

Where walls of two classes of construction, rate as for the classification comprising 50% or more of the building. Over-all area of walls excluding gables above top of the eave line are to be used in calculations.

Where walls are three or more types of construction, none of which comprise 50% of the wall area, apply the following:

1. **Begin with measurements of the best type of construction.**
2. **Add the second best type of construction.**
3. **Add the third best type of construction, and if necessary,**
4. **Add the fourth best construction, etc. consecutively until a total equaling at least 50% of the building is reached.**
5. **Class building as type of construction last added to achieve 50% of the building.**

NOTE: Where heights of walls are not uniform, use wall areas in square feet as a basis of above calculations; otherwise, use linear feet measurements.



## C. Appendix A-3

### GENERAL INDEX EXTENDED COVERAGE, WINDSTORM AND HAIL

Use the indicated rate table number for extended coverage and windstorm and hail.

The letter "C" means to rate according to construction, Special Index Items 1 through 4.

For Occupancies not listed in the table below see "Mercantile Risks Not Otherwise Listed" or "Manufacturing Risks, Ordinary Hazards (Not Specifically Classified)."

	E.C. AND WINDSTORM
ACETYLENE GAS MANUFACTURING OR TANK CHARGING	C
AIRPLANE HANGERS	C
AIRPLANE MANUFACTURING	C
ALFALFA DEHYDRATING PLANTS (when charge of .50 is applied in rate for "grinding in building")	
ALFALFA MEAL AND SEED CLEANING	C
ALKALI PRODUCT PLANTS	
A. Electrolytic	C
B. Non Electrolytic	C
AMUSEMENT PARKS	C
APARTMENT HOUSES --- Three units or over (Rated under Apt. Ho. schedule) (If less than 3 apartments rate as dwelling)	C
A. Contents of all classes of Apt. except those subject to Table 4, WR or SWR	50% of bldg rate
B. Contents of Apt. subject to Table 4, WR, or SWR	Table 4
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses) on premises of apartment houses	C
ART GALLERIES	C
ASBESTOS WORKS	C
ASPHALT PLANTS	C
AUTOMOBILES	
A. Manufacturing	C
B. Sales Room without service station	C
C. Garages, storage, repairs or sales with service station	C
AWNINGS: Cloth or Detachable (Use Building Rate in rate chart)	14
BAKERIES	C
BATH AND BOAT HOUSES	



A. If wholly on land	C
B. If not wholly on land	11
BATTERY FACTORY	C
BEVERAGE MANUFACTURING --- See Food Manufacturing	
BLEACHERS --- See Stadiums	
BOARDING AND ROOMING HOUSES	
A. Fire Resistive and Semi-Fire Resistive (when rated as such by the Texas Department of Insurance)	4
B. Brick, stone, adobe, poured concrete, hollow masonry units veneered with brick, and hollow masonry units (of clay or concrete)	5
C. All classes except those listed under A, B, and D including frame, stucco, ICM, ICMS, etc.	5A
D. Brick veneer and stone veneer	5B
BOAT HOUSES --- See Bath Houses	
BOAT DOCKS PRIVATE	
A. Covered, see Bath Houses	
B. Uncovered, see Piers	
BREWERIES, BEVERAGES AND FOOD MANUFACTURING	C
BRICK AND TILE PLANTS	
A. All buildings that do not class as Frame Sheds	C
B. Sheds and Kilns thereunder (Frame class and over 50% open)	9
BRIDGES	
A. Concrete	4
B. Steel	3
C. Frame	1
BUILDERS RISKS	
A. Frame or Ironclad and all buildings classified under Item No. 1, Special Index	9
B. Brick or ICM and all buildings classified under Item No. 2, Special Index	8
C. Fire Resistive or Semi-Fire Resistive buildings (except those listed in "D" below) and those buildings that when completed will classify under Items No. 3 and 5, Special Index	2
D. Dwelling and Boarding and Rooming Houses, same as the permanent building rate for boarding and rooming houses	
E. Additions, Improvements or Repairs when subject to permanent building rate, use net rate including Grade of Occupancy and/or area charge, if applicable	C
CANDY MANUFACTURING	C
CANNING PLANTS--- Vegetables	C
CELLULOID MANUFACTURING CELLULOID GOODS MANUFACTURING CEMENT MILLS	C
CEREAL MILLS --- See Flour Mills CHARCOAL MANUFACTURING	C
CHLORATES	
A. Manufacturing	C
B. Storage	C
CHURCHES	C
CLEANING AND PRESSING	
A. Using approved solvents	C
B. Using unapproved solvents	C



CLOTH MANUFACTURING --- See Garment Manufacturing	COFFEE ROASTING	C
COLD STORAGE AND LOCKER PLANTS		
CONDOMINIUMS (RESIDENTIAL)		
A. Contents Owned in Common of all classes except those subject to Table 4, WR or SWR		50% or bldg rate
B. Contents Owned in Common subject to Table 4		Table 4
WR or		WR
SWR		SWR
C. Outbuildings and Sheds (except greenhouses on premises of condominiums)		
Owned in Common		C
COOLING TOWERS --- Specific Coverage		
A. If completely enclosed, or of induced or forced draft type		C
B. All others		8
CORN SHELLER OR SHUCKER		C
COTTON, BALED -- INCLUDING LINTER\$, MOTES, GRABBOTS, FLUES AND HULL FIBERS IN BALES		4
COTTON COMPRESS AND WAREHOUSE		
A. Buildings		C
B. Machinery and Furniture and Fixtures		
1. In other than Fire Resistive or Semi-Fire Resistive building		2
2. In Fire Resistive or Semi-Fire Resistive building		C
COTTON GINS AND AUXILIARY BUILDINGS OR SHEDS (except Office, for which see E below)		
A. Frame, Ironclad, or brick veneer		9
B. Brick, ICM, hollow masonry units or HTB		2
C. Extra Heavy ICM Construction throughout		3
D. Semi-Fire Resistive		4
E. Office		3
F. Outside equipment, conveyors, dust flues and ventilators (Use Building Rate)		13
COTTONSEED OIL MILLS AND PEANUT OIL MILLS AND REFINERIES AND STOCK		
A. Blanket Policies --- All buildings and/or machinery and/or stock		8
B. Buildings, Machinery, and Stock --- When insured specifically		C
CREAMERIES		C
CREOSOTING PLANTS		C
DOUGHNUT FACTORY		C
DRIVE-IN THEATRE SCREENS		C
A. Brick or reinforced concrete wall, or structural steel frame construction		8
B. Heavy pole construction		12
C. All other construction		14
NOTE: If screen structure and its foundation and appendages has been designed and constructed to withstand not less than 90 miles per hour wind, and certificate to that effect by a registered professional engineer is furnished with application to Texas Department of Insurance, rate will be published authorizing Table 1.		
DRIVE-IN THEATRE SPEAKERS in the open for automobiles (Use Building Rate in rate chart)		12
DRUG MANUFACTURING		C



DYEING --- See Laundries	
ELECTRICAL SUPPLIES in open --- See Poles	
ELECTRIC LIGHT PLANTS	C
EXPLOSIVES --- Manufacturing or Storage	C
FAIRGROUNDS AND PARK BUILDINGS	
A. Where buildings and other structures and/or contents are insured blanket	12
B. Permanent Buildings insured specifically	C
C. Open Sheds	11
D. Grandstands --- See Grandstands	
FEED DRYERS	C
FEED GRINDING OR MIXING	C
FEED MILLS AND FEED GRINDING --- See Flour Mills	
FENCES: (Except on farms) (Use Building Rate)	
A. Masonry construction or steel with steel posts set in concrete	1
B. All other types of construction	
1. With 80% or higher coinsurance	9
2. Without 80% or higher coinsurance	10
C. Fences on dwelling premises	9
NOTE: When on dwelling premises fences of masonry construction or steel with steel posts set in concrete apply Table 1.	
FERTILIZER PLANTS	C
FILLING STATIONS (Gasoline)	C
FILM EXCHANGE AND LABORATORIES	C
FILTRATION PLANTS	C
FIREWORKS --- See Explosives	
FLOOD LIGHTS --- See Power	
FLOUR, RICE, CEREAL AND FEED MILLS	C
FOOD AND BEVERAGE MANUFACTURING	C
FOUNDRIES	C
FRATERNITY HOUSES --- Same as Boarding and Rooming Houses	
FRUIT --- See Vegetables	
FULLER'S EARTH PLANTS	C
FUNERAL HOMES	C
GARAGES --- See Automobiles	
GARMENT AND CLOTH MANUFACTURING	C
GASOLINE --- See Volatiles	
GLASS PLANTS	C
GRAIN CLEANING	C
GRAIN ELEVATORS OR DRYERS	C



A. Grain Tanks --- See Tanks	
B. Elevators Legs	1
C. Fixed Conveyor Galleries	
1. On steel trestles --- ICM construction or better	2
2. Other construction	2
D. Movable Marine Legs and Conveyors	13
GRAIN WAREHOUSE	C
GRANDSTANDS (with roof)	
A. All classes of construction classified Item No. 1, Special Index	12
B. Concrete or Steel (extra well constructed)	10
C. If not roofed --- See Stadiums	
GREENHOUSES (Building or Contents)	20
*This rate is for \$100.00 Windstorm, Hurricane and Hail deductible.	
GRIST MILL	C
HAY IN THE OPEN (Use Contents Rate)	8
HOSIERY MILLS --- Same as Textile Mills	
HYDROGEN AND OXYGEN PLANTS	C
ICE MANUFACTURING	C
INCINERATORS	C
IRON PIPE IN OPEN (Use Contents Rates)	4
LACQUER --- See Paint	
LAND AND OUTSIDE SITE IMPROVEMENTS not otherwise provided for, including, but not limited to landscaping (excluding trees, shrubs and plants), drives, parking areas, walks, curbs and gutters; and/or UNDERGROUND UTILITIES located outside the perimeter of any building or structure. Use 80% Co-insurance Building Rate.	4
NOTE: Values of land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure, shall not be included in a blanket average rate unless the highest rate of any building on the premises be applied to the land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure.	
LAUNDERETTE OR WASHATERIA	C
If unattended --- See Unattended Service and Vending Machine Risks	
LAUNDRIES AND DYEING	
A. Without Dry Cleaning	C
B. With Dry Cleaning --- See Cleaning and Pressing	
If unattended -- See Unattended Service & Vending Machine Risks	
LOCKER PLANTS --- See Cold Storage	
LUMBER YARDS	
A. Blanket policies covering structures (with or without fence)	8
B. Blanket policies covering structures and contents	8
C. Specific coverage on structures with separate amount on each structure	C
D. Contents in frame buildings, sheds, or yard (omit area)	1
E. Contents in Table 2 or better buildings only	C
LUMBER	
A. In frame or ironclad buildings or sheds or in open (omit area)	1



B. In Table 2 or better building	C
MANUFACTURING RISKS ORDINARY HAZARDS (Not Specifically Classified)	C
MATCH FACTORIES	C
MEAT PACKING --- See Packing Houses	
MERCANTILE RISKS not otherwise listed	C
METAL WORKERS (Machine Shops)	C
MUSEUMS AND ART GALLERIES	C
NEWSPAPER PLANTS	C
OIL WELL SUPPLIES (Contents; 50% extended coverage or windstorm building rate, EXCEPT Wind Resistive or Semi-Wind Resistive. If building not eligible for coinsurance use 1 /2 of no coinsurance rate unless clause is attached)	C
NOTE: Not applicable to contents of Tanks or Iron Pipe in Open	
OXYGEN PLANTS... See Hydrogen	
PACKING HOUSES, MEAT	C
PAINT, VARNISH AND LACQUER MANUFACTURING	C
A. Oil or turpentine process	
B. Benzine Process	
C. Using and/or Manufacturing Pyroxylin base	
PAPER AND PULP MILLS	C
PARK BUILDINGS... See Fairgrounds	
PEANUT AND FEED DRYERS	C
PEANUT OIL MILLS AND REFINERIES ---See Cottonseed Oil Mill	
PEANUT SHELLING	C
PIER AND WHARF PROPERTIES	C
PLANING AND SAW MILLS	C
POLES AND ELECTRICAL SUPPLIES IN OPEN (Use contents rate in rate charts)	4
PORTABLE BUILDINGS	C
POTTERIES	C
POWER, TRANSMISSION, FLOOD LIGHTS OR OTHER ELECTRICAL LINES...	
A. Supports of all-steel construction and securely anchored	12
B. Flood Lights without over-head wires	8
C. Supports partly or all frame	12
D. Outside transformers and sub-station equipment on ground (Use Building Rate in rate charts)	
PRINTING PLANTS	C
PUTTY MANUFACTURING (All processes)	C
PYROXYLIN BASE MANUFACTURING	C
QUARRIES	C
RACE TRACK PROPERTY (Same as Fairgrounds)	



RADIO AND TELEVISION TOWERS AND ANTENNAS AND SATELLITE DISHES (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	13
B. When any part of tower is of frame construction or is on building of other than Fire Resistive or Semi-Fire Resistive construction	14
RADIO AND T.V. TRANSMITTING STATIONS	C
REFINERIES: Cottonseed and Peanut Oil... See Cottonseed Oil Mills	
RICE BINS AND TANKS... Same as Grain Tanks	
RICE DRYERS --- Same as Grain Elevators	
RICE MILLS OR ELEVATORS... See Flour Mills	
ROCK CRUSHING AND SAND AND GRAVEL PLANTS --- Including Conveyors	C
ROLLER COASTERS	12
ROOMING HOUSES (Including outbuildings and sheds) --- Same as Boarding and Rooming Houses	
ROOFING PLANTS	
A. With Distilling or Refining Coal Tar Products	C
B. All Other	C
ROOFS: Buildings with roofs of roll composition over wire netting	13
RUBBER GOODS MANUFACTURING	C
RUG CLEANING --- Same as Dry Cleaning	
SAW AND PLANING MILLS	C
SAW MILL DRY KILNS	C
SCHOOLS	C
SCOREBOARDS	12
SEED CLEANING	C
SEED DRYING	C
SEWAGE DISPOSAL, PUMPING AND FILTRATION PLANTS	C
SHEDS... FRAME CLASS BUILDINGS THAT HAVE MORE THAN 50% OF OUTSIDE WALLS OPEN... WALLS THAT ARE NOT CLOSED FROM FLOOR TO ROOF SHALL BE CONSIDERED OPEN	11
SHIPYARD	C
SHOE MANUFACTURING	C
SHRUBBERY --- See Trees	
SIGNS -- ERECTED (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	12
B. When any part of erected sign is of frame construction	14
C. Neon Signs and tubing, any type of support	14
SILOS	
A. Brick, concrete or solid concrete block	11
B. All others	13



SLAUGHTER HOUSE RISKS INCLUDING SHEDS AND PENS	C
SMELTING PLANTS	C
SMOKE STACKS	
A. Metal	13
B. Metal smoke stacks with inner lining of firebrick or 2-1/2" of gunnite	8
C. Brick and Reinforced Concrete when written specifically (when written with building, same as building)	4
SORORITY HOUSES --- Same as Boarding and Rooming House	
STADIUMS	
A. Concrete (with or without wood seats)	4
B. Steel securely anchored in concrete (with or without wood seats)	2
C. Frame or Steel not anchored in concrete	10
STOCK PENS (Heavy wooden without roof) at Packing Houses and Stock Yards (Use Building Rate in rate charts)	1
NOTE: If with roof, rate as building, See Special Index	
SULPHUR PLANTS	C
SWIMMING POOLS IN OPEN (Use 80% Coinsurance building rate)	4
TANKS	
A. Cylindrical, all-steel construction with steel roof, or concrete tanks with concrete roof or no roof	4
B. Cylindrical, sides of steel or concrete construction but with wood or composition roof	3
C. Elevated on steel, masonry or concrete supports	1
D. Tanks and Towers (for water supply) composed entirely of steel, the foundation of each column composed of concrete sunk in the ground, and each column anchored by bolts running through such foundation	1
E. Pickle and Vinegar Tanks	13
F. Tanks and Towers other than as above	
TELEVISION --- See Radio	
TENTS	14
TENT TOP BUILDINGS TEXTILE MILLS	13
Textile Mills	C
TILE PLANTS --- See Brick Plants TIRE RECAPPING	
TIRE RECAPPING	C
TOURIST COURTS	C
TOWNHOUSES RATED UNDER THE TOWNHOUSE RATING SCHEDULE	C
THREE UNITS OR OVER (If less than 3 units, rate as dwelling)	
A. Contents owned in common of all classes except those subject to Table 4, WR or SWR	50% of bldg rate
B. Contents Owned in Common subject to Table 4	Table 4
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses on premises of townhouses) Owned in common	C
TREES AND SHRUBBERY	\$1.50



UNATTENDED SERVICE AND VENDING MACHINE RISKS

"Unattended" means without attendant on duty and on premises at all times risk is open for business

Building	C
Contents	C
VARNISH --- See Paint	
VAULT CONTENTS	
If fire rate is published for fireproof vault	4
All others rate same as contents in building	
VEGETABLES AND FRUIT	
A. Canning	C
B. Packing	C
VINEGAR WORKS-- Not including Tanks	C
VOLATILES	C
WASHATERIAS	C
If unattended see Unattended Service and Vending Machine Risks	
WHARFS --- See Piers	
WINDMILLS	14
WOOD ALCOHOL MANUFACTURING	C
WOODWORKING PLANTS	C