

No. **2022-7234**

**Official Order  
of the  
Texas Commissioner of Insurance**

**Date: 02/17/2022**

**Subject Considered:**

Approval of Texas Windstorm Insurance Association  
Endorsement Forms

Petition Numbers: P-0521-07, P-0521-08, P-0521-09, and P-0521-10  
SERFF State Tracking Numbers: S691551, S691552, S691563, and S691564

**General remarks and official action taken:**

The subject of this order is the Texas Windstorm Insurance Association (TWIA) submission of new endorsement forms for approval.

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

1. On April 30, 2021, TWIA submitted four new endorsement forms for approval:
  - Endorsement No. 311 – Extension of Coverage – Additional Living Expense;
  - Endorsement No. 321 – Extension of Coverage – Wind-Driven Rain;
  - Endorsement No. 331 – Extension of Coverage – Consequential Loss; and
  - Endorsement No. 810 – Specified Building or Structure Exclusion Endorsement.
  
2. TWIA submitted the endorsement forms through the NAIC System for Electronic Rate and Form Filing (SERFF). TDI assigned SERFF State Tracking Numbers to the submissions:
  - S691551 (Endorsement No. 311);
  - S691552 (Endorsement No. 321);
  - S691563 (Endorsement No. 331); and

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Commissioner's Order

Texas Windstorm Insurance Association

Approval of Endorsement Forms

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- S691564 (Endorsement No. 810).
3. Endorsement Nos. 311, 321, and 331 will replace three existing endorsements (Nos. 310, 320, and 330) that provide various combinations of indirect loss coverage. The new endorsements split out and reorganize provisions from the existing endorsements.
  4. Endorsement No. 810 will list structures that are excluded from a particular dwelling policy. Policyholders will sign the new endorsement, which TWIA expects will increase the visibility of excluded structures.
  5. TDI posted notice of the submissions on the TDI website on May 10, 2021. Notice was also published in the May 21, 2021, issue of the *Texas Register* (46 TexReg 3316).
  6. The deadline to request a public hearing was June 10, 2021. TDI received no hearing requests. The comment period ended June 21, 2021. TDI received no comments.
  7. TDI staff reviewed the submissions and sent TWIA questions about the forms. TWIA responded and submitted a revised version of Endorsement No. 331, which slightly enhanced coverage. Final versions of the forms are attached to this order.
  8. TWIA plans to implement the new endorsements as part of its upgraded policy administration system release scheduled for April 2022.

## Conclusions of Law

1. TWIA submitted the forms for approval under 28 TAC § 5.4911.
2. TWIA modified its submission before it was approved or disapproved by providing written notice to TDI, under 28 TAC § 5.4911(d)(1).
3. After the public has had an opportunity to comment and request a public hearing, the Commissioner may approve the forms under 28 TAC § 5.4911. The Commissioner must approve the forms by order before TWIA can use them.
4. The forms are consistent with TWIA's obligation to provide windstorm and hail insurance in the catastrophe area under Insurance Code Chapter 2210.



**TEXAS WINDSTORM INSURANCE ASSOCIATION  
Windstorm and Hail**

**Endorsement No. (TWIA) 311**

**Extension of Coverage – Additional Living Expense**

In consideration an included additional premium, this policy is extended to provide the following coverage:

**A. Additional Living Expense.** Applicable only to Primary Residences – Dwellings

If a covered loss to your Primary Residence caused by windstorm or hail makes your Primary Residence wholly or partially untenantable, we cover additional living expense. Additional living expense is any necessary and reasonable increase in living expense you incur so that your household in your Primary Residence can maintain its normal standard of living.

We do not cover additional living expense that you incur as a result of evacuation or displacement from the described location due to voluntary or mandatory evacuation, order of civil authority restricting ingress, egress or access, loss or disconnection of utilities, damage or closure of roads, ferries, bridges or infrastructures, or loss that is excluded in the Exclusions of this policy, except to the extent such expenses were incurred because covered damage to your Primary Residence caused by windstorm or hail made your Primary Residence wholly or partially untenantable.

The total limit of liability for all additional living expense is 20% of the limit of liability applicable to Coverage A (Dwelling). If your policy was issued for tenant personal property of a dwelling and does not include a limit of liability applicable to the dwelling, the total limit of liability for all additional living expense is 20% of the limit of liability applicable to Coverage B (Personal Property). This is additional insurance and does not reduce the limit of liability applicable to Coverage A (Dwelling), but the total limit of liability for the Coverage A (Dwelling) limit and the additional living expense limit cannot exceed the maximum limit of liability permitted by law. The deductible does not apply to additional living expense coverage.

Payment will be for the reasonable time required to repair or replace the damage caused by windstorm or hail to your Primary Residence. If you permanently relocate, payment will be for the reasonable time required for your household to become settled. The periods of time for additional living expense are not limited by expiration of this policy.

**Primary Residence** means a dwelling where you normally live as your principal residence as of the date of loss and during the majority of the policy period, and that is stipulated as your “Primary Dwelling” on the Declarations of this policy.

The coverage provided by this Extension of Coverage is subject to all other terms, conditions, exclusions, and definitions of the policy to which this endorsement is attached.

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**TEXAS WINDSTORM INSURANCE ASSOCIATION  
Windstorm and Hail**

**Endorsement No. (TWIA) 321**

**Extension of Coverage – Wind-Driven Rain**

In consideration of an included additional premium, this policy is extended to provide coverage for the following:

A. **Wind-Driven Rain.** Applicable to Primary or Secondary Residences – Dwellings

We cover loss to the dwelling and personal property caused by wind-driven rain whether or not an opening is made in the dwelling by the direct force of wind or hail.

The coverage provided by this Extension of Coverage is subject to all other terms, conditions, exclusions, and definitions of the policy to which this endorsement is attached.

**TEXAS WINDSTORM INSURANCE ASSOCIATION  
Windstorm and Hail**

**Endorsement No. (TWIA) 331**

**Extension of Coverage – Consequential Loss**

In consideration of an included additional premium, this policy is extended to provide the following coverage:

**A. Consequential Loss.** Applicable to Primary or Secondary Residences – Dwellings

We cover personal property as follows:

1. Property contained in the dwelling or other structure on the described location against loss due to change in temperature as a direct result of physical damage to the dwelling, or any equipment contained in the dwelling, caused by windstorm or hail. The deductible does not apply to this coverage.
2. To the extent not covered by A.1 above, personal property against loss due to utility failure if the failure is a result of physical damage caused by windstorm or hail to power, heating or cooling equipment situated on the premises where the covered property is located.
3. To the extent not covered by A.1 or A.2 above, property contained in the dwelling or other structure on the described location against loss due to changes in temperature as a direct result of physical damage to any power, heating or cooling equipment (including connections and supply pipes) not contained in or on the dwelling, caused by windstorm or hail.

The total limit of liability for the coverage described in A.3. above is \$500.

This is not additional insurance and does not increase the limit of liability for Coverage B (Personal Property).

The coverage provided by this Extension of Coverage is subject to all other terms, conditions, exclusions, and definitions of the policy to which this endorsement is attached.

**TEXAS WINDSTORM INSURANCE ASSOCIATION  
Windstorm and Hail**

**Endorsement No. (TWIA) 810**

**Specified Building or Structure Exclusion Endorsement**

Policy Number: \_\_\_\_\_

Named Insured: \_\_\_\_\_

Effective Date: \_\_\_\_\_

**Exclusions:**

To keep this policy in effect at this time, this agreement is made:

Under Coverage A (Dwelling) of this policy, we do not cover loss or damage to the following building(s) or structure(s) on the described location:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This agreement also applies to any reinstatement or renewal of this policy. All other terms, conditions, exclusions and definitions of the policy apply.

Signed: \_\_\_\_\_ (Named Insured)

Signed: \_\_\_\_\_ (Named Insured)