



Texas Windstorm Insurance Association
Policy Center Residential Renewal Application

Filing



3. Explanatory Memorandum



MEMORANDUM

DATE: July 21, 2017
TO: Marianne Baker, Texas Department of Insurance, Property & Casualty Lines
FROM: Jessica Crass, Legal & Compliance
RE: TWIA Policy Center Residential Renewal Application

In accordance with Texas Administrative Code 5.4911 and 5.9320, TWIA is submitting revisions to the TWIA Policy Center Residential Renewal Application for approval. This memorandum is submitted pursuant to Texas Administrative Code 5.9320(c)(1)(B)(iii).

TWIA previously filed an update to its Residential Renewal Application in 2015 while in the process of implementing a new policy administration system, Policy Center. During this transition, TWIA changed the residential renewal process by moving from a PDF renewal application to an online renewal application within Policy Center. This system walks the agent through several different pages or screens with data fields to enter the information and select from drop-down menus as appropriate. The current modifications to the Residential Renewal Application are being made within the Policy Center system and follow the same format as the previously filed revisions.

Please note that the revisions being made at this time are minor updates following the previously-filed system update that entailed more substantial changes. Specifically, the below sections have been revised to reflect updates to the residential policy renewal process.

Application Section	Description of Change
Item #3 (p. 13 in the Existing Application, p. 11 in the New Application)	The Official IDs section of the Policy Info Screen containing the insured's social security number has been removed from that screen. The social security number is still included in the renewal application on the Primary Named insured screen.



Application Section	Description of Change
Item #'s 10.D & 10.E (p. 29 in New Application)	An expanded version of the “additional interests” tab is being provided. This is a newly-included page.
Item #16.C (p. 16 in the Existing Application, p. 14 in the New Application)	The method for entering a location’s address on the Location Information Screen has been simplified by consolidating the number of fields that need to be completed.
Item #32.A (p. 8 in the Existing Application)	The pre-qualification question regarding this requirement remains the same, as does the requirement itself. The application has been updated so that instead of this language appearing on the application screen itself, if Item 36 is answered "No", the user is automatically linked to TWIA's webpage outlining the Evidence of Declination Requirements.
Item #32.B (p. 10 in the Existing Application)	The pre-qualification question regarding this requirement remains the same, as does the requirement itself. The application has been updated so that instead of this language appearing on the application screen itself, if Item 37 is answered "No", the user is automatically linked to TWIA's webpage outlining the Flood Insurance Requirement.
Item #39 (p. 16 and 17 in the Existing Application, p. 14 and 15 in the New Application)	The options “Structure was Relocated” and “Personal Property Moved to a New Location” have been removed from the drop-down list of reasons that a risk location has changed and replaced with a warning instructing the user to go back and add a new location if an entirely new address needs to be added instead of simply correcting the one already entered. The “Other”



Application Section	Description of Change
	<p>option has also been removed as the other possible reasons for an address change are covered by the remaining available options.</p>
Item #'s 40 and 41 (p. 25 in the Existing Application, p. 23 in the New Application)	<p>The logic behind these items has been updated to change the order in which they appear in the application based on the user's answers to each question.</p> <p>Item #40 – The wording itself has not changed in Item #40, however, if the applicant answers this question “Yes”, Item #43 appears instead of Item #41.</p> <p>Item #41 – The wording itself has not changed in Item #41, however, this item now appears if Item #43, instead of Item #40, is answered “Yes”.</p>
Item #43 (p. 23 in the New Application)	<p>This item is a new question built into the residential renewal application. Currently, when a user increases the Insurance Amount, they are presented with the question, "You have indicated a change in the Insurance Amount. Has the replacement cost changed?" If the user selects no, they are not prompted to take any further action. If the user selects yes, the system requires they import a new MSB replacement cost calculation. When a user decreases the Insurance Amount, they are not presented the question; they are simply required to import a new replacement cost calculation. This may potentially cause an agent that is submitting renewals on behalf of their clients to have to run a replacement cost calculation on every renewal</p>



Application Section	Description of Change
	<p>they receive from TWIA, even if the replacement cost has not changed.</p> <p>The proposed update would mitigate the above situation by presenting the user with the question “You have indicated a change in the Insurance Amount. Has the replacement cost changed?” If the user selects no, nothing will happen. If the user selects yes, they will be presented with a second question, “Do you wish to upload a new MSB?” If the user selects no, they will not be prompted to take any further action. If the user selects yes, they will be required to import a new MSB replacement cost calculation.</p>

The above described changes are the only updates that have been made to the application. Attached please find a comparison legend which lists the data fields captured by the existing TWIA Residential Renewal Application side-by-side with the information as it is captured by the revised TWIA Residential Renewal Application, the existing renewal application (numbered in accordance with the Legend), and a version of the renewal application showing the proposed changes (numbered in accordance with the Legend).