



December 15, 2015

Regulatory Policy Division
Property & Casualty Intake Unit
Texas Department of Insurance
Mail Code 104-3B
P.O. Box 149104
Austin, Texas 78714-9104
Via email: PCFilingsIntake@tdi.texas.gov

Re: New Commercial Policy Amendatory Endorsement No.801 (Adding Storm Doors to Property Not Covered)

Dear Property & Casualty Filings Intake:

In accordance with Texas Administrative Code 5.4911, Texas Windstorm Insurance Association (TWIA or the Association) is submitting a new Amendatory Endorsement No. 801 to its Commercial Policy for Commissioner approval. A separate concurrent filing proposes a parallel change to TWIA's Dwelling Policy.

Attached to this cover letter please find: (1) a Property and Casualty Filing Transmittal Form; (2) an Explanatory Memorandum with enclosures; and (3) the new proposed Commercial Policy Amendatory Endorsement No. 801 and the corresponding section of the existing Policy for comparison.

Should you have questions or require anything further, please feel free to contact me at 512-637-2944.

Sincerely,

A handwritten signature in black ink that reads "Jessica M. Crass". The signature is written in a cursive, flowing style.

Jessica M. Crass
Compliance Manager

CC: Ms. Marilyn Hamilton (via email: marilyn.hamilton@tdi.texas.gov)
Property and Casualty, Personal and Commercial Lines, Director
Texas Department of Insurance
P.O. Box 149104
MC 104-PC
Austin, TX 78714-9104

Texas Windstorm Insurance Association

5700 South MoPac Expressway, Building A, Austin, Texas 78749 • P.O. Box 99090, Austin, Texas 78709-9090
512-637-4031 / Fax 512-505-2198



TEXAS DEPARTMENT OF INSURANCE

Regulatory Policy Division - P&C Filings Intake and Open Records (104-3B)
333 Guadalupe, Austin, Texas 78701 * PO Box 149104, Austin, Texas 78714-9104
(512) 676-6710 | F: (512) 490-1016 | (800) 578-4677 | TDI.texas.gov | @TexasTDI

Property and Casualty
Filing Transmittal Form

TDI Use Only
TDI Link Number: _____

1. List all companies. [] Additional sheet attached (if necessary)

Table with 4 columns: Company Name(s), NAIC No(s), EID No(s), TDI File No(s). Row 1: Texas Windstorm Insurance Association, 30040, [], []

2. Company Group Name Texas Windstorm Insurance Association Group NAIC No. 30040

3. Company Filing Number 2015 TWIA 801

4. Type of Filing: [x] New Filing [] Revision/Replacement: TDI File No. or Link No. []
[If revision/replacement, provide TDI File No. or Link No. that is being revised/replaced. If reference filing, refer to Item 8.]

5. Proposed Effective Date: New 3/1/2016 Renewal 5/2/2016

6. Line of Insurance (Refer to Instructions, Item 6) Commercial Property

6.a. [] Dual Filing. The filing will also be used as part of a multi-peril policy.
TDI File No(s). or Link No(s). of previously approved monoline and multi-peril policy: _____

6.b. [] Interline Filing. List applicable lines of insurance: _____

7. Contact Person Jessica Crass

Telephone No. 512-637-2944 Fax No. 512-505-2198

Mailing Address 5700 S. MoPac Expy, Bldg A E-Mail Address _____

City Austin State TX Zip 78749

TDI may release my e-mail address in response to a public information request [] Agree [x] Do not agree

8. Description of Filing

[] Rate Filing (rates, rating manual, rating rule, supporting information, etc.)

[] Initial/No Prior Experience

[] Rate Change

[] Rates Associated With Forms/Endorsements (endorsement filing # if filed separately _____)

[] Credit Scoring Model (filing cannot be combined with any other filing type)

[] Underwriting Guidelines (filing cannot be combined with any other filing type)

Policy Form

Endorsement

Manual Rules (other than rating rules)

Reference Filing

Rates: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____
Prospective Loss Costs: _____

Policy Forms/Endorsements: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____

Manual Rules: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____

9. If a similar filing has been made with TDI in the past by your company/group provide company name and TDI File No.(s) or TDI Link No.: _____

10. If a deemer provision applies to the filing, do you waive the deemer application? Yes No



MEMORANDUM

DATE: December 15, 2015
TO: Marilyn Hamilton, Texas Department of Insurance
FROM: Jessica Crass
RE: TWIA Commercial Policy Amendatory Endorsement No. 801 Filing
(Adding Storm Doors to Property Not Covered)

In accordance with Texas Administrative Code 5.4911 and 5.9320, TWIA is submitting a new Amendatory Endorsement (No. 801) to its Commercial Policy for Commissioner approval. This memorandum is submitted pursuant to Texas Administrative Code 5.9320(c)(1)(B)(iii). A separate concurrent filing proposes a parallel change to TWIA's Dwelling Policy.

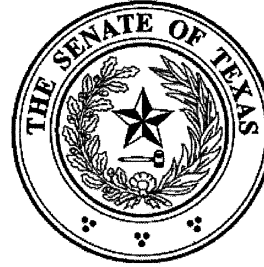
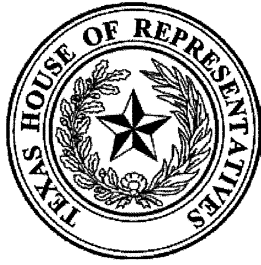
This new endorsement form is being proposed based on the following:

1. Properties that may otherwise qualify to obtain insurance from TWIA may not be eligible when a storm door that cannot be certified through the Windstorm Inspection Program has been installed.
2. In acknowledgement of this issue and the related concerns expressed by numerous Texas legislators, we understand the Texas Department of Insurance is in the process of adopting a rule to include storm doors on the list of items not requiring an inspection under 28 TAC 5.4605. In the meantime, to address this eligibility issue, and in response to the Commissioner's request, TWIA has drafted an Amendatory Endorsement (No. 801) to add: 'l. Storm doors', under Section 1 of PROPERTY NOT COVERED in the COVERAGES section of the Commercial Policy.
3. The effect of this endorsement on coverage will be to exclude storm doors unless such items are specifically listed on the Declarations page of an individual Commercial Policy. This will remove uncertified storm doors as a barrier to eligibility for coverage from TWIA. Additionally, as there is no coverage currently available for these items due to the inability to certify them, excluding storm doors from coverage has no impact on rates.

If approved, TWIA requests the endorsement be effective March 1, 2016 for new business, and May 2, 2016 for renewals. TWIA intends to include this endorsement with all Commercial Policies issued or renewed until such time as rules are adopted that render it unnecessary.

Thank you.

Enclosures: August 28, 2015 Letter from Legislators to TDI
September 14, 2015 Letter from Commissioner Mattax to Rep. Thompson et al.



August 28, 2015

Texas Department of Insurance
Personal and Commercial Lines Office
Attn: Mr. Sam Nelson
P.O. Box 149104
Austin, Texas 78714

Dear Mr. Nelson:

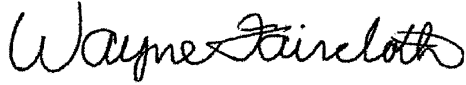
Thank you for the work you do for the Texas Department of Insurance (TDI) and for the people of Texas. We understand that TDI will begin working on rules in September to adopt a new building code, and that you intend to include Rule §5.4605 Items Not Requiring an Inspection for the Purposes of Windstorm and Hail Insurance Coverage through the Texas Windstorm Insurance Association (28 TAC) in this rulemaking. With that in mind, we would like to share an important issue that needs to be addressed.

We have been made aware of a frustrating problem for constituents who have TWIA residential coverage and need to replace the storm door, the glass door installed in front of a home's entry door, on their home. As storm doors are considered "retrofit" items in statute, these homes can become ineligible for TWIA coverage unless the replacement door is certified. However, it is our understanding that neither TDI nor TWIA are aware of a single certified storm door supplier in the entire nation.

This oversight should be addressed immediately. We understand that TDI has been searching to no avail for certified storm door suppliers this year. To remedy the situation where a policyholder needs to replace a storm door to maintain the safety of his or her home, yet runs the risk of losing TWIA coverage, we encourage TDI to no longer require storm doors to be a component of the residential inspection for the purposes of TWIA coverage. We urge you to include storm doors on the list of items not requiring an inspection, Rule §5.4605 Items Not Requiring an Inspection for the Purposes of Windstorm and Hail Insurance Coverage through the Texas Windstorm Insurance Association (28 TAC).

Thank you for your time and consideration of this request.

Sincerely,



Representative Wayne Faircloth
House District 23



Representative Greg Bonnen
House District 24



Representative Dennis Bonnen
House District 25



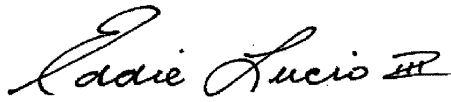
Representative Ed Thompson
House District 29



Representative Geanie Morrison
House District 30



Representative Ryan Guillen
House District 31



Representative Eddie Lucio III
House District 38



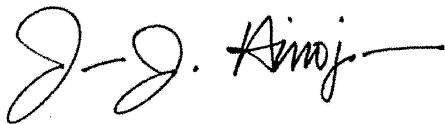
Representative Wayne Smith
House District 128



Representative Dennis Paul
House District 129



Senator Sylvia Garcia
Senate District 6



Senator Chuy Hinojosa
Senate District 20



Senator Judith Zaffirini
Senate District 21

CC: David Mattax, Commissioner of the Texas Department of Insurance



TEXAS DEPARTMENT OF INSURANCE

Commissioner of Insurance (113-1C)

333 Guadalupe, Austin, Texas 78701 ★ PO Box 149104, Austin, Texas 78714-9104
(512) 676-6020 | F: (512) 490-1045 | (800) 578-4677 | TDI.texas.gov | @TexasTDI

September 14, 2015

The Honorable Ed Thompson
Texas House of Representatives
P.O. Box 2910
Capitol Building
Austin, Texas 78768

Dear Representative Thompson and Honorable Members of the Texas Senate and House of Representatives:

Thank you for your August 28, 2015, letter regarding storm doors and eligibility for coverage in the Texas Windstorm Insurance Association (TWIA). We are aware of this issue and are drafting a rule to rectify this situation. In the interim, by copy of this letter, I am asking TWIA to consider excluding coverage of the storm door only. This would allow a home to obtain insurance from TWIA if the property otherwise qualifies for coverage.

Please do not hesitate to contact Melissa Hamilton, TDI's Director of Government Relations, at (512) 676-6602, should you have any questions.

Sincerely,

David C. Mattax
Commissioner of Insurance

Cc: The Honorable Judith Zaffirini
The Honorable Juan "Chuy" Hinojosa
The Honorable Sylvia R. Garcia
The Honorable Dennis Bonnen
The Honorable Geanie Morrison
The Honorable Wayne Smith
The Honorable Ryan Guillen
The Honorable Eddie Lucio III
The Honorable Greg Bonnen
The Honorable Wayne Faircloth
The Honorable Dennis Paul
Georgia Neblett, Chair, TWIA
John Polak, General Manager, TWIA
Sam Nelson, Texas Department of Insurance

- c. Held for repairs.
- 6. Personal property of your officers, partners or employees, if not otherwise insured. Loss or damage to the covered property will be adjusted and made payable to you.
- 7. Labor, materials or services furnished or arranged by you on personal property of others;
- 8. Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - a. Made a part of the building or structure you occupy but do not own; and
 - b. You acquired or made at your expense but cannot legally remove.
- 9. Your interest as unit owner in improvements and betterments made to a condominium. Improvements and betterments are fixtures, alterations, installations or additions which are part of:
 - a. The building and contained within the unfinished interior surfaces of the perimeter walls, floors, and ceilings; and
 - b. The exterior surfaces of balconies and terraces.

However, we do not cover property in or on the described location which is defined in the condominium's declarations or by-laws as a common element.

PROPERTY NOT COVERED

- 1. Unless specifically described in the Declarations, we do not cover:
 - a. Animals;
 - b. Motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment. However, we do cover such vehicles which are not subject to motor vehicle registration, while located in a fully enclosed building, and are:
 - (1) Devices and equipment for assisting the handicapped;
 - (2) Lawn and garden equipment not exceeding 18 horsepower;
 - (3) Golf carts;
 - (4) Vehicles or machines used for recreational purposes while located on the described location;
 - (5) Fork Lifts.

- c. Aircraft meaning any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
- d. Watercraft, including outboard motors and furnishings or equipment. However, we do cover watercraft, including outboard motors and furnishings or equipment, while located on land, in a fully enclosed building, on the described location.
- e. Wharves, docks, piers, boathouses, bulkheads or other structures located over or partially over water and the property in or on it;
- f. Radio or television towers, antennas and satellite signal receiving equipment, windmills, wind chargers, and outside erected signs;
- g. Metal smokestacks, except when securely fastened to walls of a masonry building;
- h. Greenhouses and cloth awnings;
- i. Metal screen enclosures and their contents;
- j. Manuscripts, bullion, records and books of records (except for their physical value in blank);
- k. Customers goods in laundries, cleaning, or pressing establishments.

2. We do not cover:

- a. Accounts, currency, deeds, or other evidences of debt, money, or securities.
- b. Wind turbines
- c. Breakaway walls, or business personal property contained within a breakaway wall enclosure. Breakaway wall means a wall that is not a part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation systems.
- d. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due from the other insurance.

EXTENSIONS OF COVERAGE

1. Debris Removal.

We will pay your expenses to remove debris of covered property caused by or resulting from

Texas Windstorm Insurance Association
Windstorm and Hail

Amendatory Endorsement

COVERAGES, PROPERTY NOT COVERED is amended to add storm doors as follows:

1. **Unless specifically described in the Declarations, we do not cover:**
 - a. Animals;
 - b. Motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment. However, we do cover such vehicles which are not subject to motor vehicle registration, while located in a fully enclosed building, and are:
 - (1) Devices and equipment for assisting the handicapped;
 - (2) Lawn and garden equipment not exceeding 18 horsepower;
 - (3) Golf carts;
 - (4) Vehicles or machines used for recreational purposes while located on the described location;
 - (5) Fork lifts.
 - c. Aircraft meaning any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 - d. Watercraft, including outboard motors and furnishings or equipment. However, we do cover watercraft, including outboard motors and furnishings or equipment, while located on land, in a fully enclosed building, on the described location;
 - e. Wharves, docks, piers, boathouses, bulkheads or other structures located over or partially over water and the property in or on it;
 - f. Radio or television towers, antennas and satellite signal receiving equipment, windmills, wind chargers, and outside erected signs;
 - g. Metal smokestacks, except when securely fastened to walls of a masonry building;
 - h. Greenhouses and cloth awnings;
 - i. Metal screen enclosures and their contents;
 - j. Manuscripts, bullion, records and books of records (except for their physical value in the blank);
 - k. Customers goods in laundries, cleaning, or pressing establishments;
 - l. Storm doors.

Endorsement No. TWIA 801 – Amendatory Endorsement (Commercial Policy)
Effective: [Pending Approval]