



Texas Department of Insurance Windstorm Inspection Program





Goals of Presentation

- **Provide Overview of House Bill 3 Changes to Windstorm Inspections Program**
- **Discuss Changes for Engineers Appointed as Qualified Inspectors**
- **Review of Current Inspection Requirements**
- **Discuss Alternative Eligibility Program**
- **Discuss Possible Premium Credits or Discounts on Surcharges**



House Bill 3



House Bill 3

- **82nd Texas Legislature Passed HB 3, First Called Session (2011)**
 - **Amends Texas Insurance Code provisions to continue the Texas Windstorm Insurance Association (TWIA).**
 - **Amends the Occupations Code to require the Texas Board of Professional Engineers (TBPE) to establish criteria for windstorm design services.**



House Bill 3

- **82nd Texas Legislature Passed HB 3, First Called Session (2011)**
 - **Texas Legislature Online**
<http://www.capitol.state.tx.us>
 - **82(1) – 2011**
 - **Bill Number – HB 3**



Overview of HB 3 Changes to Windstorm Inspections Program



HB 3 Changes Windstorm Inspections

Inspection Requirements

- **Decision to issue the Certificate of Compliance is up to the TDI and not dependent on actions of the TBPE or any other state agency. (§2210.251)**



HB 3 Changes Windstorm Inspections

Qualified Inspectors

- **TDI appoints Texas licensed engineers on TBPE roster. (§§2210.254 & 2210.255)**
- **TDI may establish renewal period for appointments. (§2210.254)**



HB 3 Changes Windstorm Inspections

Enforcement Authority (§2210.2551)

- **Exclusive authority for matters relating to appointment and oversight of qualified inspectors.**
- **Reporting requirements to TBPE.**
- **TDI report to Legislature (biennial report) number of TBPE referrals and outcome.**



HB 3 Changes Windstorm Inspections

Disciplinary Proceedings (§2210.256)

- Authority to issue Cease and Desist order against qualified inspector or **“person acting as qualified inspector.”**



HB 3 Changes Windstorm Inspections

Surcharge Noncompliant Structures (§2210.259)

- Commissioner may provide a discount or credit against surcharge in waiver programs (**will discuss details later**).



HB 3 Changes Windstorm Inspections

Alternative Eligibility Program (§2210.260)

- Program to obtain windstorm insurance for a residential structure without obtaining a certificate of compliance (**will discuss details later**).
- Subject to surcharge.



HB 3 Changes Windstorm Inspections

Premium Discounts (§2210.363)

- TWIA may offer a discount on a policy or credit against surcharges for construction exceeding applicable building code standards (**will discuss details later**).



Proposed Changes for Appointed Engineers



Proposed Changes for Appointed Engineers

- **TDI will update Engineer Appointment Rule (28 TAC §5.4604) – Target Spring 2012**
 - **Transition time (August 31, 2012)**
- **HB 3 requirements**
 - ◆ **TBPE roster**
 - ◆ **TDI renewal period**
 - ◆ **Reporting requirements to TBPE**
 - ◆ **Cease & Desist**
- **Recommendations from Engineer Working Groups**



Engineer Working Group Recommendations



Engineer Working Group Recommendations

- **Engineer Working Groups**
 - **Established by former Commissioner**
 - ◆ **Appointed engineers**
 - ◆ **TBPE representative**
 - ◆ **Academia and inspector**



Engineer Working Group Recommendations

- **Engineer Working Groups**
 - **Appointment & Renewal**
 - **Oversight**
 - **Post Construction (Forensic)**



Engineer Working Group Recommendations

- **Appointment Process**
 - **Mandatory TDI orientation**
 - **Application Fees (\$500.00)**
 - **Examination – no grandfather**



Engineer Working Group Recommendations

- **Renewal Process**

- **2-year renewal period**
- **Renewal Fee (\$300.00)**
- **Continued education – 8 hours per year
(credit towards TBPE requirements)**



Engineer Working Group Recommendations

- **Appointed Engineer Responsibilities**
 - **Windstorm plans and calculations**
 - **Building code compliance for building products**
 - **Documentation retention – (3 years)**



Engineer Working Group Recommendations

- **Inspection Requirements**
 - **Direct supervision of inspectors**
 - **Inspection reports and photographs**



Engineer Working Group Recommendations

- **Oversight Process**
 - **TDI perform random oversights.**
 - **TDI provide notice to engineers.**
 - **Engineer required to have documentation (plans, calculations, product information and inspection records).**
 - **Maintain records in accordance with record retention requirements.**



Engineer Working Group Recommendations

- **Post-Construction (formerly Forensic)**
 - **Identify applicable codes and wind load standards.**
 - **Identify as-built conditions and component and cladding items.**
 - **Perform analysis (design check).**
 - **Perform detailed/invasive inspection.**
 - **Determine windstorm compliance.**
 - **No mandated checklist.**



Inspections and Certifications by Appointed Engineers



Inspections by Engineers

- **Inspect a structure according to high wind prescriptive requirements (e.g. WFCM, SSTD10).**
 - **Structure must fall within the design and construction limitations of the applicable building specification.**
- **Inspect structure to comply with a design generated in accordance with the wind loads specified in the TDI building specifications (ASCE 7).**



Inspections by Engineers

- **Windstorm designs and inspections must be based on recognized codes, standards, references and evaluation reports.**
 - **Documents used for design and construction methodologies (IRC, IBC, ASCE 7, ACI, AISI, WFCM, SSTD10, ASTM, NDS, APA, etc.).**
 - **ICC evaluation reports, TDI product evaluations, UL, FM, Dade County NOA, etc.**
 - ◆ **Must be compliant with TDI windstorm codes.**



Inspections by Engineers

- Responsible for inspections during four major stages of construction:
 - Foundation;
 - Rough Framing;
 - Final Framing; and
 - Mechanical Inspection.
- Engineer may employ an individual to perform inspections under their **direct supervision** for which the engineer is personally responsible.



Inspections by Engineers

Inspection Verification (WPI-2 form) to notify the Department of the following:

- Structure, repair, alteration or addition **designed** and **inspected** to meet the applicable building code and wind speed.
- **Certification not limited to the structural framing only.**
- Protection of exterior openings was provided (if applicable).
- Statement of compliance to notify the TWIA that structure is eligible for windstorm and hail insurance.



Inspections by Engineers

Appointed Engineers Subject to Oversight Authority by TDI

- TDI may request **plans, calculations, product information, and inspection records.**
- TDI has authority to take enforcement action.
- TDI is required to report any enforcement action to the Texas Board of Professional Engineers.



Design Plans

- **Are there windstorm plans for the project?**
- **Do they include items such as**
 - **Lateral wind load resisting system;**
 - **Vertical wind load resisting system;**
 - **Roof and wall framing connections;**
 - **Design pressures for exterior openings (windows, doors, garage doors);**
 - **Design pressures for exterior coverings & roof coverings; and**
 - **Requirements for windborne debris resistance.**



Design Calculations

- **Were calculations prepared for the project?**
- **Do they include items such as**
 - **Wind load requirements per ASCE 7**
 - ◆ **Main Wind Force-Resisting System (MWFRS); and**
 - ◆ **Components and Cladding (C&C).**
 - **Lateral loading analysis (diaphragms, shear walls, moment frames, etc.)**
 - **Uplift loading analysis.**



Waiver Programs for TWIA Insurance



Waiver Programs

History of Waiver Programs

- **Approval Program (4-12-06 to 8-31-09)**
- **Transition Program (9-1-09 to 9-27-11)**
- **Alternative Eligibility Program (HB 3)
(Began 9-28-11)**



Waiver Programs

Approval Program (4-12-06 to 8-31-09)

- **Implemented after Hurricane Rita**
- **Residential structures only**
- **Dropped by voluntary market**
- **Subject to surcharge**
- **Component inspection not required**
- **Meets all other eligibility requirements**



Waiver Programs

Transition Program (9-1-09 to 9-27-11)

- Residential structures only
- Dropped by voluntary market
- Construction prior to **6-19-09**
- Subject to surcharge
- Component inspection and alternative certification required
- Meets all other eligibility requirements



Waiver Programs

Alternative Eligibility Program (HB 3)

- Commenced 9-28-11
- Residential structures only
- Construction prior to 6-19-09
- Subject to surcharge
- Component inspection and alternative certification required
- Meets all other eligibility requirements



Waiver Programs

Alternative Eligibility Program (cont.)

- **Qualifying Structural Components (proposed)**
 - ◆ Entire re-roof
 - ◆ Entire exterior wall covering
 - ◆ Windborne debris protection
- **Transition and Alternative Eligibility need alternative certification to renew after 8-30-13.**
- **New applicants need alternative certification as of 9-1-12 to obtain TWIA coverage.**



Waiver Programs

Rates, Credits and/or Surcharges

- **Waiver Programs (§2210.259)**
 - ◆ **TDI may establish discount or credit against surcharge for component.**
- **Alternative Eligibility Program (§2210.260)**
 - ◆ **TWIA establish rate, credit or surcharge**
 - ◆ **Surcharge may not exceed 15%**



Waiver Programs

Premium Discounts or Surcharge Credit (§2210.363)

- **TWIA may offer discount on policy or credit against surcharge for superior construction; or if person elects binding arbitration endorsement.**
- **TDI implement through rule making process.**



Contact Information



Contact Information

- **Website**
 - **www.tdi.texas.gov/wind**
- **Windstorm Inspections**
 - **800.248.6032 or 512.322.2212**



Thank you for your attention

