

No. **2764**

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

**Date: SEP 16 2013**

**Subject Considered:**

**APPROVAL OF TEXAS WINDSTORM INSURANCE ASSOCIATION  
DWELLING AND COMMERCIAL POLICY FORMS  
PURSUANT TO 28 TAC §5.4911**

Dwelling Policy, Link #128482, TDI #9212555394, Reference No. P-0613-01  
Commercial Policy, Link #128481, TDI #9212555393, Reference No. P-0613-02

The commissioner of insurance considers the Texas Windstorm Insurance Association's submission for approval of its revised dwelling and commercial insurance policy forms. The commissioner makes the following findings of fact and conclusions of law:

1. On June 27, 2013, TWIA submitted proposed revisions to its dwelling and commercial insurance policy forms, as required by 28 TAC §5.4911(a).
2. TWIA proposed revisions to both policy forms to add metal screen enclosures to the list of items shown in the Property Not Covered section of the policies. TWIA also proposed to revise Coverage A in both policy forms to clarify that coverage does not apply to items listed in the Property Not Covered section of the policy.
3. Policyholders may be eligible to obtain coverage for a metal screen enclosure after obtaining a WPI-8 certificate of compliance for the enclosure. The metal screen enclosure will be covered if it is specifically listed on the declarations page with a separate amount of insurance.
4. Notice of the policy form submission was timely published on the TDI website on July 8, 2013, and in the July 19, 2013, edition of the *Texas Register* at 38 TexReg 4666. TDI did not receive any written comments. No public hearing was requested or held.

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5. The revised portion of the dwelling policy form is attached as Exhibit A. The revised portion of the commercial policy form is attached as Exhibit B.
6. The revised policy forms are consistent with TWIA's obligation to provide windstorm and hail insurance in the catastrophe area under Insurance Code Chapter 2210.
7. The revisions to the policy forms should be approved for use by TWIA. TWIA should be required to begin using the revised policy forms for both new and renewal business no later than November 1, 2013. TWIA should notify TDI when it begins using the revised policy forms.
8. Under 28 TAC §5.4911, the commissioner may, after the public has an opportunity for comment and public hearing, approve policy forms TWIA has submitted to implement Insurance Code Chapter 2210.

The commissioner approves the revisions to TWIA's policy forms in Exhibits A and B. TWIA must begin using the revised policy forms no later than November 1, 2013. TWIA must notify TDI when TWIA begins using the revised policy forms.

  
Julia Rathgeber  
Commissioner of Insurance

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# **Exhibit A**

## Texas Windstorm Insurance Association - Dwelling Policy Windstorm and Hail

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "we", "us", and "our" refer to the Texas Windstorm Insurance Association. "You" and "your" refer to the named insured shown in the Declarations.

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### AGREEMENT

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We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

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### DEFINITIONS

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In this policy:

"Business" includes trade, profession or occupation.

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### COVERAGES

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#### COVERED PROPERTY

This insurance applies to the described location and coverages for which a limit of liability is shown in the Declarations.

#### COVERAGE A (Dwelling)

We cover:

1. The dwelling on the described location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling, unless listed in the PROPERTY NOT COVERED section of the policy.
2. Materials and supplies located on or next to the described location used to construct, alter or repair the dwelling or other structures on the described location. The total limit of liability for this item is 10% of the Coverage A (Dwelling) limit of liability. This is not additional insurance

and does not increase the Coverage A (Dwelling) limit of liability.

3. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the described location.
4. Maintenance equipment and supplies, floor coverings, window shades, refrigerators and stoves that you own as a landlord, located on the described location.
5. Other structures on the described location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection.

The total limit of liability for other structures is 10% of the Coverage A (Dwelling) limit of liability. This is not additional insurance and does not increase the Coverage A (Dwelling) limit of liability. We do not cover other structures used for business purposes.

6. Other structures specifically described in the Declarations. We do not cover other structures used for business purposes.

#### COVERAGE B (Personal Property)

We cover:

Personal property and business personal property owned or used by you or members of your family residing with you while it is on the described location. At your request, we will cover personal property owned by a guest or residence employee while the property is on the described location.

You may use up to 10% of the Coverage B (Personal Property) limit of liability for loss by windstorm or hail to personal property covered under Coverage B (Personal Property) while anywhere in the world. This coverage does not apply to business personal property or property of guests or residence employees. This is not additional insurance and does not increase the Coverage B (Personal Property) limit of liability.

At your request, you may use up to 10% of the Coverage B (Personal Property) limit of liability for loss by windstorm or hail to property of others while in your custody and located on the described

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

## PROPERTY NOT COVERED

### We do not cover:

1. Animals.
2. Money, currency or bullion.
3. Securities, deeds, or evidences of debt.
4. Records, books of records or manuscripts.
5. Motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment. However, we do cover such vehicles, while located in a fully enclosed building, which are not subject to motor vehicle registration and are:
  - a. Devices and equipment for assisting the handicapped.
  - b. Power mowers and other lawn and garden equipment not exceeding 18 horsepower.
  - c. Golf carts.
  - d. Vehicles or machines used for recreational purposes while located on the described location.
6. Aircraft, meaning any device used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo.
7. 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.
8. Unless specifically described in the Declarations:
  - a. Cloth awnings.
  - b. Greenhouses and their contents.
  - c. Metal screen enclosures and their contents.
  - d. Buildings or structures located wholly or partially over water and their contents.
  - e. Radio and television towers.
  - f. Outside satellite dishes, masts and antennas, including lead-in wiring.
  - g. Windmills and wind chargers.
9. Wind turbines.
10. Breakaway walls, or 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.
11. 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.

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## EXTENSIONS OF COVERAGE

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### 1. Debris Removal.

We will pay your expense for the removal from the described location of:

- a. Debris of covered property if windstorm or hail causes the loss.
- b. A tree that has damaged covered property if windstorm or hail causes the tree to fall.

This does not increase the limit of liability that applies to the damaged property.

When insurance under another policy applies to the damaged property, we will pay only a proportion of debris removal expense, determined by dividing the limit of liability that applies to the damaged property on this policy by the total limit of liability that applies to the damaged property under both policies, and applying the resulting percentage to the debris removal expense.

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# **Exhibit B**

## Texas Windstorm Insurance Association - Commercial Policy Windstorm and Hail

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "we", "us", and "our" refer to the Texas Windstorm Insurance Association. "You" and "your" refer to the named insured shown in the Declarations.

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### AGREEMENT

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We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

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### COVERAGES

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#### COVERED PROPERTY

Covered property, as used in this policy, means the following types of property for which a limit of liability is shown in the Declarations.

#### COVERAGE A (Building)

We cover:

1. Building or structure, meaning everything which is legally part of the building or structure described in the Declarations, unless listed in the PROPERTY NOT COVERED section of the policy. Also, we do not cover machinery which is not used solely in the service of the building.
2. Personal property owned by you that is used for the service of and located on the described location, including:
  - a. Fire extinguishing equipment;
  - b. Maintenance equipment and supplies;
  - c. Floor coverings;
  - d. Window shades;
  - e. Furnishings of corridors and stairs; and
  - f. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundry.

However, you are covered for these items as building landlord, but not if you are a tenant or occupant.

3. Materials and supplies located on or next to the described location used to construct, alter or repair the building or other structures on the described location. The total limit of liability for this coverage is 10% of the Coverage A (Building) limit of liability. This is not additional insurance and does not increase the Coverage A (Building) limit of liability.
4. At your option, 10% of the limit of liability applying to your boarding, rooming, fraternity or sorority houses or apartment buildings (containing 8 or less separate apartments) may be extended as excess insurance to:
  - a. Fences
  - b. Drives
  - c. Walks
  - d. Outdoor Fixtures
  - e. Garages, employee's quarters and other outbuildings used in connection with any such building.

This extension does not apply to structures over or partially over water. This is not additional insurance and does not increase the limit of liability.

#### COVERAGE B (Business Personal Property)

We cover:

Business personal property located in or on the building described in the Declarations, or in the open on the described location, or in a vehicle or railroad car located within 100 feet of the described building, consisting of the following unless otherwise specified in the Declarations:

1. Furniture and fixtures;
2. Machinery and Equipment;
3. Stock, meaning merchandise held in storage or for sale, raw materials, and goods in process or finished, including supplies used in their packing or shipping;
4. All other personal property owned by you;
5. Personal property of others for which you are legally liable, that is:
  - a. Sold but not delivered;
  - b. Held in trust, on consignment, for storage, or;

- 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.

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## EXTENSIONS OF COVERAGE

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### 1. Debris Removal.

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