

EXHIBIT D
Manual Rule
Shall control over any conflicting provision
set forth in Exhibit C.

Cancellations and Minimum Retained Premium.

(a) Cancellations.

(1) A policy may be canceled at any time at the request of the insured or a premium financier by notifying the Texas Windstorm Insurance Association (Association) in writing of the date cancellation is to take effect. The Association will refund premium in accordance with §5.4905 of this subchapter (relating to Minimum Retained Premium) when the policy is returned to the Association. The refund will be pro rata of the amount in excess of the minimum retained premium under subsection (b) of this section in which case the Association shall upon demand and surrender of the policy refund the unearned premium on a pro-rata basis.

(2) Non-payment of premium shall be deemed a request for cancellation by the insured.

(3) The Association may not initiate flat cancellation for any reason.

(4) The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.

(5) The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.

(b) Minimum Retained Premium.

(1) The minimum retained premium per policy shall be the premium amount equal to 180 days of the annual policy term or \$100, as determined in accordance with §5.4905 of this subchapter.

(2) The minimum retained premium shall not create or extend coverage beyond the date cancellation takes effect.

(3) The minimum retained premium is fully earned on the effective date of the policy and the insured shall owe to the Association the unpaid balance of the minimum retained premium.

(4) In the event of cancellation of the policy by the Association, paragraphs (1) – (3) of this subsection shall not apply and the actual unearned premium must be refunded.

(c) This section shall control over any conflicting provision in the rules manual adopted by reference in §5.4501 of this title (relating to Rules for the Texas Windstorm Insurance Association). This section applies to each Association policy that is issued or renewed on or after November 1, 2009.