



MEMORANDUM

DATE: October 5, 2020
TO: Marianne Baker, Texas Department of Insurance, Property & Casualty Lines
FROM: Cindy Watkins, Manager, Legal & Compliance
RE: TWIA Policy Center New Business and Renewal Application (Residential and Commercial)

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

TWIA has modified the New Business and Renewal Application for both Residential and Commercial policies in its policy administration system, Policy Center, as part of its effort to implement provisions of Senate Bill 615 passed during the 86th legislative session. Specifically, Senate Bill 615 added section 2210.2032 of the Texas Insurance Code requiring TWIA to accept payment of premium by credit card and to provide policyholders with the option to make premium payments in installments.

This filing implements the initial phase of the TWIA's plan regarding installment payments options. In this initial phase policyholders will have the option of paying the TWIA policy premium in two installments. The two-pay option is being implemented on TWIA's legacy system and will be available to policyholders on January 1, 2021 as required by section 2210.2032 referenced above. TWIA's current legacy system does not allow for TWIA to accept more than two installment payments for policy premium. The second phase of the TWIA's plan will be implemented once TWIA completes the upgrade of our policy, billing and claims administration systems which is currently underway and scheduled for completion in December 2021. The upgraded system will allow TWIA to provide additional installment payment options for policyholders.

Policyholders will also have the option to pay the TWIA policy premium by credit card on January 1, 2021. The application screens are being updated to reflect the new credit card option.

To implement these new requirements, TWIA is making two changes to the existing application screens:



Application Section	Description of Change
Item #1 Payment Method	<p>TWIA has expanded the available Payment Methods to include “Policyholder Online Payment.”</p> <p>Currently, one of the available payment methods is “Check/Money Order.”</p> <p>The proposed update would add “Policyholder Online Payment” to the existing available dropdown item for “Check/ Money Order.” The new proposed option to capture credit card payments will be: “Check/ Money Order/ Policyholder Online Payment.”</p>
Item #2 Payment Options	<p>This item is a new question built into the Application that is not included in the existing version.</p> <p>Currently, a user does not have the option to make payments in installments, and only has the option to make a full payment.</p> <p>The proposed update would add a question labeled “Payment Options” that would provide the user with two options: “Full Pay” or “2 Pay.” If the user selects the “Full Pay” option, the payment amount displayed will be for the full premium amount. If the user selects the “2 Pay” option, the payment amount will automatically update to display 50% of the total premium.</p>



Attached please find 1) the existing application payment screen; (2) a proposed application payment screen showing the proposed changes outlined by red boxes and numbered 1 and 2; and (3) a clean version of the proposed application payment screen.