

Xiuyu Li, ACAS, MAAA Actuary

August 15, 2017

Marianne Baker Texas Department of Insurance P.O. Box 149104 M/C 104-PC Austin, TX 78701

RE: Texas Windstorm Insurance Association Adjustments to Maximum Liability Limits

Dear Marianne:

Section 2210.502(a) of the Texas Insurance Code states that the Texas Windstorm Insurance Association shall propose to the Commissioner inflation adjustments to its maximum liability limits at a rate that reflects any change in the BOECKH index.

On August 1, 2017, the Board of Directors of the Association approved the filing of increased limits as indicated by changes in the BOECKH index. These indicated limits are as follows:

	Current	Proposed
	2017	2018
Dwellings and individually owned townhouses	\$1,773,000	\$1,789,000
Contents of an apartment, condominium, or townhouse	\$374,000	\$380,000
Commercial structures and associated contents	\$4,424,000	\$4,474,000

The limit of liability for governmental buildings and corporeal movable property shall be indexed and adjusted as provided for commercial structures and associated contents, per Texas Insurance Code Section 2210.502(d).

Supporting documents are attached.

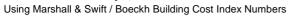
We look forward to the Commissioner's approval of the proposed limits. If you or your staff have any questions or comments, please contact John Polak or me.

Respectfully,

Stupe Li Xiuyu Li

Encl. (2)

Texas Windstorm Insurance Association Calculation of Indicated Limits of Liability To Be Effective January 1, 2018





Type of	Ratio of Total TWIA	Boeckh Inde	ex as of May/Ju	ne 2015		Boeckh Inde	x as of May	/June 2017	<u>7</u>
Construction	Business	Christi	Houston	Average		Christi	Houston	A	Average
Dwelling, including individuall	y owned townl	nouse unit, &	associated corp	oreal movable p	roperty				
Frame	98.14%	2307.	5 2368.8	2338.2		2295.5	5	2420.3	2357.9
Brick	1.86%	2318.	0 2444.0	2381.0		2345.4	1	2545.0	2445.2
Weighted Average Factor				2338.9					2359.5
Indicated Change									0.9%
Current Limit Indicated Limit of Liability									1,773,000 1,789,000
Individually-owned corporeal	movable prope	erty located in	an owner-occu	pied apartment,	residential o	condominium,	or townhou	se unit	
Frame	54.42%	2307.	5 2368.8	2338.2		2295.5	5	2420.3	2357.9
Brick	45.58%	2318.	0 2444.0	2381.0		2345.4	1	2545.0	2445.2
Weighted Average Factor				2357.7					2397.7
Indicated Change									1.7%
Current Limit									374,000
Indicated Limit of Liability									380,000
Structure other than a dwellin	ıg or public bui	lding and the	corporeal mova	ble property loca	ted in that	structure			
Apartments - Brick, Wood	16.18%	5 2380.	6 2437.3	2409.0		2377.5	5	2487.4	2432.5
Apartments - Brick, Concrete						2348.6		2629.8	2489.2
Apartments - Brick, Steel	8.94%			2412.9		2318.8		2564.0	2441.4
Commercial - Frame	18.73%					2441.1		2617.0	2529.1
Commercial - Steel Commercial - Brick, Wood	3.22% 7.21%			2452.7 2587.6		2399.2 2556.4		2598.4 2659.4	2498.8 2607.9
Commercial - Brick, Wood	19.98%					2527.9		2902.8	2715.4
Commercial - Brick, Concrete						2249.4		2660.0	2454.7
Weighted Average Factor				2500.8					2529.3
Indicated Change									1.1%
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Current Limit									4,424,000

Texas Windstorm Insurance Association Proposed Limits of Liability To Be Effective January 1, 2018

Impact on Exposures In-Force as of 6/30/17



Statutory Limits of Liability

	Current	Proposed	Increase	
Dwalling	1.773.000	1.789.000	16,000	
Dwelling Contents	374.000	380.000	16,000 6.000	
Non-Dwelling	- ,	4,474,000	50,000	

	Risks at Statutory Limits	Exposure Current	Proposed	Increase
Dwelling Contents Non-Dwelling	105 46 135	17,204,0	00 17,480,000	1,680,000 276,000 6,750,000
Total	286	800,609,0	00 809,315,000	8,706,000
Total TWIA E	xposure			67,489,224,669
% Increase in TWIA Exposure 0.01%				