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Chief Actuary
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September 17, 2014

Marilyn Hamilton
Property & Casualty Associate Commissioner
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 Marilyn:

Section 2210.502(a) of the Texas Insurance Code states that, not later than September 30 of each year, 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 12, 2014, 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:

	<u>Current</u> 2014	<u>Proposed</u> 2015
Dwellings and individually owned townhouses	\$1,773,000	\$1,853,000
Contents of an apartment, condominium, or townhouse	\$374,000	\$390,000
Commercial structures and associated contents	\$4,424,000	\$4,606,000

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,

James C. Murphy

Encl. (2)

Texas Windstorm Insurance Association
Proposed Limits of Liability
To Be Effective January 1, 2015
Impact on Exposures In-Force as of 6/30/14



Statutory Limits of Liability

	Current	Proposed	Increase
Dwelling	1,773,000	1,853,000	80,000
Contents	374,000	390,000	16,000
Non-Dwelling	4,424,000	4,606,000	182,000

	Risks at Statutory Limits	<u>Exposure</u> Current	Proposed	Increase
Dwelling	109	193,257,000	201,977,000	8,720,000
Contents	34	12,716,000	13,260,000	544,000
Non-Dwelling	156	690,144,000	718,536,000	28,392,000
Total	299	896,117,000	933,773,000	37,656,000
Total TWIA Exposure			74,597,110,953	
% Increase in TWIA Exposure			0.05%	