Explanatory Memorandum

As a result from the passage of House Bill 3 (HB 3), 82nd Legislature, 1st Called Special Session, TWIA is submitting for commissioner's approval the necessary amendments to the dwelling policy form, endorsements and manual rules. TWIA staff met with staff from the Texas Department of Insurance (TDI) and Office of Public Insurance Counsel (OPIC) to discuss informal drafts of amendments to the dwelling policy form, endorsements, and manual rules. The amendments to the dwelling policy form, endorsements and manual rules contained in this submission are a result of those discussions. Following is a brief description of the amendments:

➢ Wind turbines are added to the list of property that is not covered.

➢ The duties after a loss for the insured and TWIA have been added and/or amended.

➢ Loss settlement provisions relating to a claim have been added and/or amended.

➢ Dispute resolution provisions relating to a claim have been added and/or amended.

➢ Provisions relating to a lawsuit and mediation have been added and/or amended.

➢ Appraisal provisions relating to a claim have been added and/or amended.

➢ Appeals relating to other than a claim dispute has been amended.

➢ Other claim related provisions have been added and/or amended.

➢ Cancellation provision relating to minimum retained premium has been amended.

➢ Created a new endorsement TWIA 411 to convert the T.W.I.A. Dwelling Policy to a manufactured home policy that will replace the Texas Special Mobile Home Windstorm and Hail Insurance Policy.

➢ Manual rule amendments to incorporate the HB 3 changes and amended the section on maximum limits of liability to reflect the current limits and the sections applicable to endorsements, TWIA 310, TWIA 320 and TWIA 330 to reflect the current application of the endorsements.

The changes are further illustrated in the policy forms and endorsements submitted for approval utilizing tracked changes by using strike through to identify language that is being deleted and underlining to identify language that is being added.