



**James C. Murphy, FCAS, MAAA**  
Vice President - Actuary

August 10, 2011

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 Annual Rate Filing

Dear Marilyn:

Section 2210.352 of the Texas Insurance Code states that, not later than August 15 of each year, the Texas Windstorm Insurance Association shall file with the Department a proposed manual rate for all types and classes of risks written by the Association.

This filing is being made pursuant to Section 2210.352 (a-1) and fulfills all of the requirements of that subsection.

On June 28, 2011, the Board of Directors of the Association voted to file for 5% increases in both its residential and commercial rates, to be effective January 1, 2012. The increases are based on an actuarial review resulting in indications of +28% and +35% for residential and commercial rates, respectively, as well as an analysis of the current and projected financial cash flows of the Association in relation to the potentially sizable fixed net premium requirements of any public securities that may need to be issued. The complete residential and commercial analyses are attached.

If you or your staff have any questions or comments, please contact John Polak or me.

Respectfully,

James C. Murphy

Encl. (2)