



TEXAS WINDSTORM
INSURANCE ASSOCIATION



Texas Windstorm Insurance Association Rating Rules



Rating Rules Texas Windstorm Insurance Association

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RATING RULES

TEXAS WINDSTORM INSURANCE ASSOCIATION

I. General Rules

A. Scope

The rules and rates contained in this Manual shall govern the rating of the windstorm and hail insurance policies issued by Texas Windstorm Insurance Association (Association).

B. Definitions

1. Dwellings:

- a. Any structure occupied as a dwelling, garage apartment (not more than two families), duplex dwelling, employee quarters, private garage, private barns, seasonal dwelling, private club house, private camp house, or miscellaneous outbuildings on dwelling premises.
- b. Any individually owned townhouse unit insured in the name of the unit owner.

2. Commercial Risks: Any structure that is not occupied as a dwelling as defined in paragraph 1, Dwellings, including:

- a. Buildings/Structures that are occupied for business, professional, or manufacturing purposes, including apartments.
- b. Farm and Ranch: Buildings/structures located on the premises of a farm and ranch operation including a farm and ranch dwelling. A farm and ranch operation is the growing of crops, fruit, vegetables or other produce; the raising of poultry or livestock; dairying; general farming; timberland; grassland; or land turned back to pasture and not cultivated.
- c. Apartment Risks: Buildings containing three or more separate units arranged as private residences and permanently equipped for housekeeping.
- d. Residential Condominium Risks: Buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings, in which each individual unit owner has an undivided interest. Condominiums must be registered

in the county in which they are located.

- e. **Townhouse Risks:** When written in the name of an association, buildings containing three or more units, each of which is owned by one or more individuals or a corporation, arranged as private residences and permanently equipped for housekeeping. Townhouses with less than three units are considered as dwellings.

NOTE: Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof, without openings, are not subject to rating as commercial risks but rather are treated as dwellings for rating purposes. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.)

- 3. **Public Buildings:** Buildings that are owned by and at least 75% occupied by municipal, district, county, state or federal authorities, or buildings not so owned but wholly and exclusively occupied by such authorities.

C. Determination of Territory (Catastrophe Areas)

The following areas are designated by the Commissioner of Insurance as catastrophe areas:

- 1. The counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy.
- 2. Areas located east of the boundary line of State Highway 146 and:
 - a. within the city limits of Seabrook, (Harris County), Texas.
 - b. within the city limits of La Porte, (Harris County), Texas.
 - c. within the city limits of Shoreacres, (Harris County), Texas.
 - d. within the city limits of Pasadena, (Harris County), Texas.
 - e. within the city of Morgan's Point, (Harris County), Texas.

D. Rating Territories

The designated catastrophe areas are in the following rating territories:

County	Territory
Aransas	10
Brazoria	10
Calhoun	10
Cameron	10
Chambers	10
Galveston	8
Harris - Specified Areas	1
Jefferson	10
Kenedy	10
Kleberg	10
Matagorda	10
Nueces	9
Refugio	10
San Patricio	10
Willacy	10

E. Coinsurance

1. Coinsurance is required as follows:

- a. Commercial and Public Buildings or business personal property. (Risks rated under Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), or General Index (Appendix A-3)).

Tables 1, 2, 3, and 7 through 14:	80% or 100% coinsurance.
Tables HC, WR, and SWR- Buildings Only:	50%, 80% or 100% coinsurance.
Tables HC, WR, and SWR- Business Personal Property:	80% or 100% coinsurance.
Tables 5, 5A, and 5B:	80% coinsurance.

- b. Dwelling Buildings as defined in Rule I-B-1: 80% mandatory.
- c. Dwelling Personal Property: coinsurance not applicable.
- d. Builders Risk Form No. TWIA-21: coinsurance not applicable; use 100% coinsurance rates except if Tables 5, 5A, and 5B are applicable, use 80% coinsurance rate. Builders Risk Form No. TWIA-18: 80% or 100% coinsurance.

2. Waiver of Coinsurance. Coinsurance may be waived when the value exceeds the maximum limit of liability or the amount of insurance exceeds the following minimum limits:
 - a. Dwelling: \$100,000 for dwelling building.
 - b. Commercial:
 - 1) Farm and Ranch Dwelling: \$100,000 for the dwelling building and \$100,000 for the personal property.
 - 2) Apartments: \$100,000 for the building and \$100,000 for the business personal property.
 - 3) Residential Condominium: \$100,000 for the building and \$100,000 for the business personal property.
 - 4) Townhouse: \$100,000 for the building and \$100,000 for the business personal property.
 - 5) All other Commercial: \$200,000 for the building and \$200,000 for the business personal property.

3. Determination of Premium. When the Association waives the coinsurance requirements, the premium charged is determined in accordance with the First Loss Scale Formula.

First Loss Scale Formula:

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%



2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%
4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%



27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

F. Deductibles

1. Dwellings

- a. Deductible Adjustment Schedule for Dwelling and Farm & Ranch Dwelling Building and Personal Property. Determine the charge by applying the following percentages:

AMOUNT OF INSURANCE	\$ 100 FLAT	\$ 250 FLAT
\$10,000 and under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20



65,000	42	22
70,000	46	24
75,000 and Over	50	25

b. Optional Large Deductible Chart for Dwelling and Farm & Ranch Dwelling Property.

Amount of Coverage	Percentage of Credit					
	1.5%	2.0%	2.5%	3.0%	4.0%	5.0%
25,000	-6%	-12%	-18%	-23%	-33%	-41%
26,000	-7%	-13%	-19%	-24%	-34%	-42%
27,000	-7%	-13%	-19%	-25%	-35%	-43%
28,000	-7%	-14%	-20%	-26%	-36%	-44%
29,000	-7%	-14%	-20%	-26%	-37%	-45%
30,000	-7%	-14%	-21%	-27%	-38%	-46%
31,000	-8%	-15%	-22%	-28%	-38%	-46%
32,000	-8%	-15%	-22%	-28%	-39%	-47%
33,000	-8%	-16%	-23%	-29%	-40%	-48%
34,000	-8%	-16%	-23%	-30%	-40%	-48%
35,000	-8%	-16%	-24%	-30%	-41%	-49%
36,000	-9%	-17%	-24%	-31%	-42%	-50%
37,000	-9%	-17%	-24%	-31%	-42%	-50%
38,000	-9%	-17%	-25%	-32%	-43%	-51%
39,000	-9%	-17%	-25%	-32%	-43%	-51%
40,000	-9%	-18%	-26%	-33%	-44%	-51%
45,000	-10%	-19%	-27%	-34%	-46%	-53%
50,000	-10%	-20%	-29%	-36%	-47%	-55%
55,000	-11%	-21%	-30%	-37%	-48%	-56%
60,000	-11%	-21%	-30%	-38%	-49%	-57%
65,000	-12%	-22%	-31%	-39%	-50%	-57%
70,000	-12%	-22%	-32%	-39%	-50%	-58%
75,000	-12%	-23%	-32%	-40%	-51%	-58%
80,000	-12%	-23%	-32%	-40%	-51%	-58%
85,000	-13%	-23%	-33%	-40%	-51%	-58%
90,000	-13%	-24%	-33%	-40%	-51%	-58%
95,000	-13%	-24%	-33%	-41%	-52%	-59%
100,000	-13%	-24%	-33%	-41%	-52%	-59%
105,000	-13%	-24%	-33%	-41%	-52%	-59%
110,000	-13%	-24%	-33%	-41%	-52%	-59%
115,000	-13%	-24%	-33%	-41%	-52%	-59%
120,000	-13%	-24%	-34%	-41%	-52%	-59%
125,000	-13%	-24%	-34%	-41%	-52%	-59%
130,000	-13%	-24%	-34%	-41%	-52%	-59%
135,000	-13%	-24%	-34%	-41%	-52%	-59%
150,000	-13%	-25%	-34%	-41%	-52%	-59%
175,000	-13%	-25%	-34%	-41%	-52%	-59%
200,000	-14%	-25%	-34%	-41%	-52%	-59%
250,000	-14%	-25%	-34%	-41%	-52%	-59%
350,000	-14%	-25%	-34%	-41%	-52%	-59%
500,000	-15%	-25%	-34%	-41%	-52%	-59%
750,000 and over	-16%	-25%	-34%	-41%	-52%	-59%

Optional Large Deductible is not applicable on amounts of insurance less than \$25,000.

2. Commercial Risks and Public Buildings

- a. The following deductible credit percentages apply for a 1 %, 2%, or 5% per item, per occurrence deductible:

Amount of Insurance corresponding to the coverage item listed on the declarations page			Credit based on selected percentage		
			1%	2%	5%
0	to	100,000	10%	13%	20%
100,001	to	200,000	12%	15%	23%
200,001	to	250,000	15%	20%	24%
250,001	to	300,000	17%	21%	25%
300,001	to	400,000	18%	22%	27%
400,001	to	500,000	20%	23%	30%
500,001	to	1,000,000	23%	26%	34%
1,000,001	to	1,500,000	25%	30%	36%
1,500,001	to	2,000,000	27%	32%	37%
2,000,001	to	2,500,000	30%	34%	39%
2,500,001	to	3,500,000	32%	35%	41%
3,500,001	to	5,000,000	34%	36%	43%
5,000,001	to	7,500,000	36%	39%	45%
7,500,001	to	10,000,000	38%	41%	47%
10,000,001	to	15,000,000	40%	43%	49%
15,000,001	to	25,000,000	42%	45%	51%
25,000,001	to	Above	43%	46%	52%

Note: All deductibles subject to \$1000 minimum

- b. The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000:

Amount of Insurance corresponding to the coverage item listed on the declarations page	Credit for minimum deductible
	\$1000
1,000 to 1,110	90%
1,111 to 1,332	75%
1,333 to 1,999	60%
2,000 to 2,221	56%
2,222 to 2,499	51%
2,500 to 2,856	47%
2,857 to 3,332	42%
3,333 to 3,999	38%



4,000 to 4,999	33%
5,000 to 6,665	29%
6,666 to 9,999	24%
10,000 to 19,999	20%
20,000 to 24,000	18%
25,000 to 33,332	15%
33,333 to 49,999	13%
50,000 to 99,999	10%

G. Rules from Texas General Basis Schedules

The rules of the Texas General Basis Schedules, approved prior to and in effect on October 1, 1991, as applicable in whole or in part, shall apply when not in conflict with the other rules of this manual. These rules are contained in Appendix B.

H. Certification and Eligibility Exception (TIC § 2210.259)

New applicants who were non-renewed or cancelled by their private market insurer between June 19, 2009 and December 31, 2015 that are missing one or more certificates of compliance from that time period are able to waive the certificate of compliance requirement. These individuals applying for TWIA coverage will pay premium for basic coverage equal to 110% of the rate charged in the voluntary market for wind and hail. Please refer to the TWIA Instructions and Guidelines Manual for further eligibility requirements under this exception.

II. Policy Forms and Endorsements

A. Rules for Attachment of Certain Endorsements

1. Replacement Cost Endorsement Form No. TWIA-365 (Personal Property)

Form No. TWIA-365 may be attached to substitute "Replacement Cost" for "Actual Cash Value" subject to the exclusions and conditions of the endorsement. Attachment of the endorsement is subject to the following conditions and additional premium:

- a. If the Association policy covers dwelling and personal property and coverage on the same personal property is provided under Endorsement HO-101 or an equivalent form, the Association policy may be endorsed with Form No. TWIA- 365 by applying a 5% surcharge to the total Association policy premium for such dwelling and personal property.
- b. If the Association policy covers personal property only and coverage on the same personal property is provided under Endorsement TDP-002 or an equivalent form, the Association policy may be endorsed with Form No. TWIA- 365 by applying a 15% surcharge to the total Association policy premium for such personal property. The



surcharge shall be applied to the total Association policy premium for the dwelling and personal property before charge for a deductible other than the percentage deductible.

- c. Additional premium for this endorsement: 15% surcharge when covering personal property located in a commercially rated building.

2. Actual Cash Value—Roofs (Dwellings), Endorsement Form No. TWIA-400

Form No. TWIA-400 may be attached to policies insuring dwellings.

- a. Premium Calculation. When Endorsement Form No. TWIA- 400 is attached to a policy, a credit of 15% (all territories) shall be applied to the modified extended coverage premium. The credit is applied before any other adjustments to the modified extended coverage premium. The percentage of credit and the amount of the premium credit must be shown on the declarations page of the policy.

3. Builders Risk — Actual Completed Value Form (Form No. TWIA-21)

- a. Additions, Repairs, and Improvements.

- 1) An addition of 10% or less of the original building grade floor area or the value of the repairs or improvements to the building of 10% or less of the total insured value may be insured under a separate policy with Form No. TWIA-21 attached using the permanent rates of the original building. The policy must be limited to the repairs, improvements or additions. An existing permanent policy may be endorsed to extend coverage to include such construction at the rate applicable to the original building.
- 2) If the addition is more than 10% of the grade floor area of the original building, the permanent rate of the original building or the builders risk rate, whichever is the higher, shall be used.
- 3) DWELLING EXCEPTION: If specific insurance is desired to cover (i) an addition that does not exceed 10% of the grade floor area of existing building; or (ii) value of repairs or improvements to a building, a separate policy with Form No. TWIA-21 attached may be written using premiums applicable to dwellings. The premium shall be based upon the construction of the existing building and 50% of the estimated completed cost.

In lieu of the foregoing, an existing policy may be endorsed to include coverage for construction that does not exceed 10% of the grade floor area at a premium determined on the same basis as the existing building.

If an addition exceeds 10% of the grade floor area, the premium applicable to dwellings or the premium developed for a builders risk, whichever is greater, shall be charged.

b. Renewal of Policies

- 1) When the period of completion extends beyond the original term of the policy and the renewal policy is written in the same amount with no change in percentage of liability, the premium for the renewal policy shall be calculated on the basis of one half the estimated completed cost using current rate.
- 2) If a change in percentage of liability occurs when the renewal policy is written, the premium for the original policy shall be adjusted, based on the completed value for its term, and the premium for the renewal policy shall be calculated on the average liability for its term.

Example: 1-year policy issued August 15, 1998 for \$600,000 (Estimated completed cost)
 Premium based on \$300,000 (average liability)
 By August 15, 1999, value of \$400,000 has been placed in building. Original policy must be readjusted to average liability of \$200,000 (Starting value zero; completed at the end of 1 year, \$400,000; average \$200,000). Renewal policy starts out with \$400,000 value in building on August 15, 1999, and estimated completed cost of \$600,000, producing average liability of \$500,000, on which its premium must be based, \$500,000 at full rate.

4. Builders Risk-Stated Value Form No. TWIA-18

- a. The rate for Form No. TWIA-18 shall be the full builders risk rate.

5. Extension of Coverage—Increased Cost in Construction Form No. TWIA-431 and TWIA-432

a. DWELLING POLICY

- 1) The rates for the attachment of Form No. TWIA-431 are as follows:

<u>COVERAGE AVAILABLE</u>	<u>RATE AS % OF STRUCTURE PREMIUM</u>
5% of Coverage A limit of liability	7.0%
10% of Coverage A limit of liability	11.6%
15% of Coverage A limit of liability	14.0%
25% of Coverage A limit of liability	15.7%



b. COMMERCIAL POLICY

1) The rates for the attachment of Form No. TWIA-432 are as follows:

<u>COVERAGE AVAILABLE</u>	<u>RATE AS % OF STRUCTURE PREMIUM</u>
5% of Coverage A limit of liability	7.0%
10% of Coverage A limit of liability	11.6%
15% of Coverage A limit of liability	14.0%
25% of Coverage A limit of liability	15.7%

6. Business Income Coverage Endorsement Form No. TWIA-17

1) The premium for Business Income coverage will be calculated using the 80% coinsurance building rate and will be based on the occupancy of the risk. The occupancy should be shown on the Form TWIA-17 Schedule.

a. Rating procedure: To determine the applicable premium, multiply the TWIA annual extended coverage building rate (including the 90% modification) by the business income rate adjustment factor from the table. Multiply the result by the per occurrence limit of liability (do not include extra expense), then divide by 100.

Number of days covered	Apartment Buildings						MFG	Other
	1-25 units		26-50 units		51-100 units			
	Dally limit: \$50-\$1000	Dally limit: \$50-\$399	Dally limit: \$400- SI 000	Dally Limit: \$50-\$399	Dally limit: \$400- \$799	Dally limit: \$800- \$1000		
365	0.641	0.673	n/a	0.705	n/a	n/a	1.052	0.708
330	0.650	0.682	n/a	0.715	n/a	n/a	1.060	0.717
300	0.665	0.698	n/a	0.731	n/a	n/a	1.082	0.731
270	0.690	0.725	n/a	0.759	n/a	n/a	1.125	0.756
240	0.724	0.761	0.724	0.797	0.761	n/a	1.176	0.790
210	0.758	0.796	0.758	0.834	0.796	n/a	1.235	0.833
180	0.799	0.839	0.799	0.879	0.839	n/a	1.301	0.883
150	0.874	0.917	0.874	0.961	0.917	n/a	1.430	0.956
120	0.945	0.993	0.945	1.040	0.993	0.945	1.554	1.027
90	1.008	1.058	1.008	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269

III. Rating Rules

A. Commercial Risks

1. Buildings/Structures that are occupied for business, professional or manufacturing purposes, including apartments
 - a. Determine the applicable extended coverage rate.
 - b. Use 90% of the manual extended coverage rate as determined in *Step a* for the applicable windstorm and hail rate for the Association policy.

EXCEPTION: In determining the annual extended coverage rate for Business Personal Property/Personal Property of apartments, use 50% of the building rate for all classes except construction classified as WR or SWR. All other provisions for determining the windstorm rate apply.

Refer to Special Index (Appendix A-1), Supplemental Special Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

2. Farm and Ranch Property
 - a. Farm and Ranch Property (other than dwellings). Apply the applicable territorial multiplier to the base extended coverage premium.
 - b. Apply a factor of 1.30 to the extended coverage premium and/or rate determined in *Step a* to produce the modified extended coverage premium and/or rate.
3. Townhouses and Condominiums
 - a. Determine the applicable extended coverage rate.
 - b. Use 90% of the manual extended coverage rate as determined in *Step a* for the applicable windstorm and hail rate for the Association policy.

EXCEPTION: In determining the annual extended coverage rate for Business Personal Property/Personal Property owned in common, use 50% of the building rate for all classes except construction classified as WR or SWR. All other provisions for determining the windstorm rate apply.

Refer to Special Index (Appendix A-1), Supplemental Special Index, (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

B. Public Buildings

1. Determine the applicable extended coverage rate.
2. Use 90% of the manual extended coverage rate as determined in *Step 1* for the applicable windstorm and hail rate for the Association policy.

Refer to Special Index (Appendix A-1), Special Supplements Index (Appendix A-2), and General Index (Appendix A-3) for rate tables and construction classification tables.

C. Dwellings (Including Individually Insured Townhouse Units)

1. Premium Calculation
 - a. Applicable Windstorm Premium
 - 1) In the Dwelling Section of the Texas Personal Lines Manual, refer to the Dwelling Chart 1A and 1B - 1 year Extended Coverage Base Premium Chart, and the Deductible Adjustment Percentage Schedule. Apply the applicable territory multiplier to the extended coverage base premium.
 - 2) Apply a factor of 1.30 to the extended coverage premium determined in *Step 1* to produce the modified extended coverage premium.
 - 3) Use 90% of the modified extended coverage premium as determined in *Step 2* for the applicable windstorm premium for the Association policy.
 - b. Extensions of Coverage (Indirect Losses)
 - 1) When Form No. TWIA-320 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 98% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 93% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).
 - 2) When Form No. TWIA-310 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 96% to the modified extended coverage premium when insuring a primary residence (dwelling) and by applying a factor of 91% to the modified extended coverage premium when insuring a secondary residence (dwelling). These percentages are to be used in lieu of the 90% under Rule III-C-a-(3).
 - 3) When Form No. TWIA-330 is attached to the Association policy, the premium for the Association policy shall be calculated by applying a factor of 91% to the modified extended coverage premium when insuring either a primary or



secondary residence (dwelling). This percentage is to be used in lieu of the 90% under Rule III-C-a-(3).

2. Mandatory Roof Covering Credits

- a. Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U.L. Standard 2218 are eligible for the following mandatory credits to be applied to the dwelling modified extended coverage premium:

TERRITORY	CLASS 1 CREDIT	CLASS 2 CREDIT	CLASS 3 CREDIT	CLASS 4 CREDIT
1,8,9,10	4%	6%	10%	14%

The roof covering credit and applicable premium credit applied must be shown on the declarations page of the policy. The credits reduce the modified extended coverage premium and are applied before any other adjustments to the modified extended coverage premium.

Credits apply only on policies insuring a risk that replacement of the existing roof covering on a residence is with a new roof covering(s) meeting U.L. Standard 2218 or is new residential construction which includes the installation of a roof covering meeting U.L. Standard 2218, and the roof covering must be classified within one of the four resistance classifications specified in U.L. Standard 2218.

The credits will be reviewed at such time as credible statistical data becomes available but not later than 5 years from the effective date of the implementation of the credits. The credits may be modified if the statistical data indicates modifications are needed.

Note: *Other impact or hail resistance testing standards approved by the Texas Department of Insurance may be substituted for the U.L. Standard 2218. Testing to U.L. Standard 2218 or other acceptable standards may be accomplished by a testing facility recognized and approved by the Texas Department of Insurance based on standards for testing laboratories adopted by the Department.*

- b. A certificate of installation promulgated by the Texas Department of Insurance (Appendix A of TWIA Instructions and Guidelines Manual) must be provided to the policyholder by the installer of the roof covering. All information on the certificate must be completed and signed by the individual responsible for the installation of the roof covering.
- c. A policyholder may present the certificate of installation to the Association for the application of the mandatory credit as provided in *subsection a* of this rule.

Presentation of a certificate of installation does not preclude the Association from inspecting the risk for verification of roof covering installation.

- d. Product Labeling. In order for mandatory roof covering credits to be applicable to dwelling insurance, roof coverings meeting U.L. Standard 2218 or any other test standard for impact resistance approved by the Department which are installed on and after June 15, 1999, must meet the following labeling requirements. All individual shingles, tiles, shakes, panels, sheets, etc., of roof coverings must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured, and the brand name. For roof coverings meeting U.L. Standard 2218 that are installed prior to June 15, 1999, only the package containing the roof covering products is required to be labeled. The package must bear the Underwriters' Laboratories label or the label of a testing laboratory approved by the Department indicating the classification of the product under U.L. Standard 2218 and the manufacturer's name, the year manufactured and the brand name.
 - e. It shall be optional with the Association to provide credits for impact resistant roof coverings installed prior to June 15, 1999. The optional credits given for impact resistant roof coverings installed prior to June 15, 1999 shall be within the range of credits specified in this rule. The Association may request from insureds, who apply for this optional credit, information regarding the installation of the impact resistant roof covering including, but not limited to, the date of installation, verification of the installation, and type of impact resistant roofing material installed. Any roof covering that is replaced on or after June 15, 1999, shall meet U.L. Standard 2218 in order for the property owner to receive the credit.
 - f. The mandatory roof covering credits with the certification process is solely for the purpose of enabling residential property owners to obtain a reduction in their residential insurance premium, and it is not intended by the Department to require or create any type of express or implied warranty by the manufacturer, supplier, or installer.
3. Mandatory Building Code Credits
(Adopted in 28 (TAC §5.4700) (Windstorm Resistant Construction Code Credits Effective for policies issued on and after February 28, 1999) (International Residential/international Building Code Credits Effective for policies issued on and after July 31, 2003)
- a. The following mandatory credits shall be provided to new residential construction, excluding additions or repairs to existing structures, constructed to or exceeding the standards of the *TWIA Building Code for Windstorm Resistant Construction* or to the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.



LOCATION OF RISK	BUILDING CODE STANDARDS	WINDSTORM RESISTANT CONSTRUCTION Effective 9/1/98		INT'L. RESIDENTIAL CODE & INT'L. BUILDING CODE	
		DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT	DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT
Seaward	Seaward	26%	20%	28%	23%
Inland I	Inland I	24%	19%	26%	21%
Inland I	Seaward	29%	23%	31%	25%
Inland II	Inland II	0%	0%	26%	20%
Inland II	Inland I	27%	21%	28%	23%
Inland II	Seaward	32%	25%	33%	28%
All designated Catastrophe areas	Retrofit	10%	10%	10%	10%

b.

- c. The following mandatory credits shall be provided to residential structures in any of the designated catastrophe areas which were constructed prior to September 1, 1998, or February 1, 2003, as applicable, in which all exterior openings have been retro-fitted with exterior opening protections that meets the windborne debris impact-resisting standards of the *TWIA Building Code for Windstorm Resistant Construction*, the International Residential Code/International Building Code as modified by the Texas Department of Insurance. The credits shall be applied to the modified extended coverage premium.

Dwelling 10%
Personal Property 10%

- d. A residential structure must be certified by the Texas Department of Insurance as meeting the applicable standards to qualify for the mandatory credits.

IV. Manufactured Homes

A. Additions to Mobile Homes

1. A site-built addition attached to a mobile home will rate as part of the mobile home.

B. Rates

Inland of the Intracoastal Canal \$2.75 per \$100 coverage

Seaward of the Intracoastal Canal \$5.50 per \$100 coverage

V. Commercial Insurance

Commercial Rating Steps

- **Step #1.** Determine the Annual Extended Coverage rate.
- **Step #2.** Multiply the rate derived in Step #1 by the amount of insurance per \$100.00 (or the replacement cost per \$100.00 where coinsurance is being waived)
- **Step #3.** Apply the [Indirect Loss Adjustment Factor](#) to the premium derived in Step #2.
- **Step #4.** If applicable apply the [Public Housing Credit](#) and/or the [Excess Area Surcharge](#)
- **Step #5.** Apply the [deductible adjustment](#) to the rate calculated in Step 3 (or 4).
- **Step #6.** If [Personal Property Replacement Cost Form TWIA 365](#) has been selected, multiply the rate from Step #3 by 15% and add to the premium derived in Step #5.
- **Step #7.** If coinsurance has been waived, apply the 1st Loss Scale Formula to the premium calculated in Step #6 prior to rounding (refer to the [First Loss Scale Formula](#)). Round to the nearest whole dollar.
- **Step #8.** Calculate the ICC premium by multiplying the insurance amount by the [Increased Cost of Construction](#) rate (per \$100). Round to the nearest whole dollar.
- **Step #9.** Calculate the BI premium by following the instructions on [Business Income Coverage Form TWIA 17](#). Round to the nearest whole dollar.
- **Step #10.** The total premium for this item is determined by adding the results of Steps 5 (or 6 or 7), 8, and 9. Round to the nearest whole dollar.
- **Step #11.** Apply the pro-rata factor for a Builder's Risk policy with a term of less than one year.

Apartment Contents Credit

Personal property located in an apartment house which consists of three or more units, a residential condominium, or a townhouse (when not individually owned) will rate as follows:

- For construction not classified as WR or SWR, a 50% credit shall be applied to the appropriate Modified Extended Coverage rate.
- For construction classified as WR, and SWR, the appropriate Modified EC rate shall be applied without the 50% credit.

Indirect Loss Endorsement and Percentage

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

Public Housing Credit

A 40% credit shall be deducted from the Extended Coverage building rate applicable to dwellings and apartments of Housing Projects and to apartments of privately owned apartment house projects, when such projects consist of eight or more apartment units, in one or more apartment buildings, and situated on the same premises.

Note: Contents rate is not affected by the foregoing.

Excess Area Surcharge

If any division of a building or any building of one division contains a ground floor area that equals 20,000 square feet or more, the rate shall be increased by 20%.

Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

Builder's Risk Coverage

- when insuring repairs, improvements, and/or additions, where the addition does not exceed 10% of the original grade floor area of the original structure, permanent building rate will apply in lieu of builder's risk rate.
- when insuring an addition, which exceeds 10% of the original grade floor area of the original structure, apply the appropriate builder's risk rate.
- A rating of FR or SFR requires a statement from a contractor or engineer certifying that the construction qualifies as FR or SFR and listing the criteria to support the designation.

VI. Dwelling and Farm & Ranch Dwelling Insurance

Residential Personal Property Located in a Commercially Rated Building:

To calculate the premium for residential personal property located in a commercially rated structure, refer to the "Commercial Insurance" section of these rules.

Rating Territories

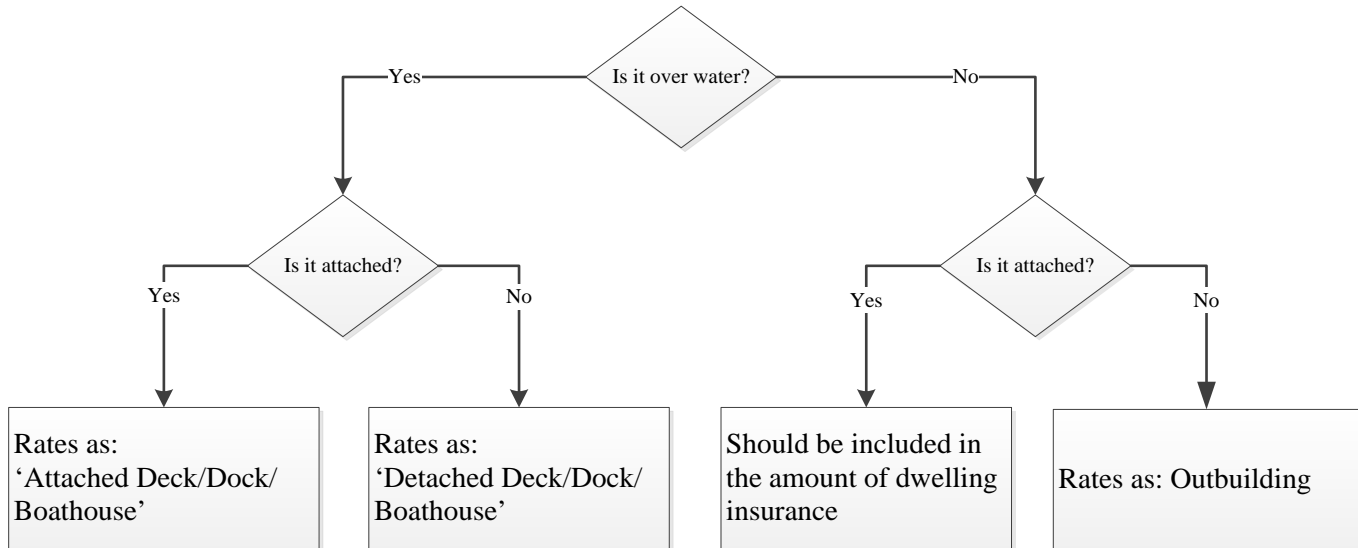
The designated catastrophe areas are in the following rating territories:

- Territory 1 Harris County (Specific areas)
- Territories 8, 9, and 10 Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy Counties

Refer to <https://www.twia.org/coverage-eligibility/>

Boathouse, Decks, Docks, and Piers

- Please use the following decision tree to determine how to add a boathouse, deck, dock or pier to a new business application
- If structure has a boat lift or a roof, it rates as a "Boathouse."



Indirect Loss Endorsement and Percentages

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

WPI-8 Waiver Program

All structures and/or their contents that qualify under this program will be issued at the appropriate TWIA premium plus a 15% surcharge and will not be eligible for credits for building code compliance.

EXAMPLE: If a TWIA policy premium for all coverages on a particular dwelling policy total \$1,000, and the WPI-8 Waiver applies, then the waiver surcharge will be an added \$150 (15%), no commission is paid to the agent on the surcharge amount. If the policy is cancelled prior to its expiration, the surcharge is non-refundable to the policyholder, or anyone else with an interest in the policy. In this example, agents would receive 16% commission on the premium portion only.

VII. Superior Construction

Insurance Service Office BGII List

CONSTRUCTION	DEFINITION	NEW BGII (1998)
1 - Frame		B (11) – Ordinary
2 - Joisted Masonry		B (21) – No key factor present AB (22) – High rise AB (23) – Reinforced masonry AB (24) – Reinforced masonry and High rise
3 - Non-Combustible		B – (31) – Light steel AB (32) – Light steel and high rise AB (33) – Heavy steel AB (34) – Heavy steel and high rise
4 - Masonry Non-Combustible		B – (41) – Light steel AB (42) – Light steel and high rise AB (43) – Heavy steel A (44) – Heavy steel and high rise AB (45) – Reinforced masonry AB (46) – Reinforced masonry and high rise A (47) – Reinforced masonry and heavy steel A (48) – Reinforced masonry, heavy steel and high rise
5 – Modified Fire Resistive		AB (51) – Light steel A (52) – Light steel and high rise A (53) – Heavy steel AA (54) – Heavy steel and high rise A (55) – Light steel and reinforced masonry A (56) – Light steel, reinforced masonry and high rise AA (57) – Heavy steel and reinforced masonry

CONSTRUCTION	DEFINITION	NEW BGII (1998)
6 – Fire Resistive		AA (58) – Heavy steel, reinforced masonry and high rise AB (61) – Light steel A (62) – Light steel and high rise A (63) – Heavy steel AA (64) – Heavy steel and high rise A (65) – Light steel and reinforced masonry A (66) – Light steel, reinforced masonry and high rise AA (67) – Heavy steel and reinforced masonry AA (68) – Heavy steel, reinforced masonry and high rise
7 – Heavy Timber Joisted Masonry	Joisted Masonry with either 2” roof with min 6” support or wind uplift 90 or higher.	AB (71) – No key factor present AB (72) – High rise AB (73) – Reinforced masonry AB (74) – Reinforced masonry and High rise
8 – Superior Non-Combustible	Non-combustible with: Roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher.	AB (81) – Light steel and low rise AB (82) – Light steel and high rise AB (83) – Heavy steel AA (84) – Heavy steel and high rise
9 – Superior Masonry Non-Combustible	Masonry non-Combustible with roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher	AB (91) – Light steel A (92) – Light steel and high rise A (93) – Heavy steel AA (94) – Heavy steel and high rise A (95) – Reinforced masonry A (96) – Reinforced masonry and high rise AA (97) – Reinforced masonry and heavy steel AA (98) – Reinforced masonry, heavy steel and high rise

Windstorm Symbol Matrix

Windstorm Symbols		
ISO Designation	ISO Description	TWIA Rating
AA	Superior	WR
A	Wind Resistive	WR
AB	Semi-Wind Resistive	SWR
B	Ordinary	Frame or Brick

VIII. APPENDICES

Appendix A-1

Special Index Extended Coverage – Windstorm, Hurricane and Hail

All buildings shall rate according to construction unless otherwise provided.

Item	Types of Construction	Rate Table
1.	FRAME BUILDINGS , including iron clad, stucco, asbestos siding and brick veneer construction.....	1

NOTE: Except as may be otherwise provided, buildings of this class that have more than 50% of outside walls open shall rate under Table 11. Walls that are not closed from floor to roof shall be considered open.

2.	BRICK BUILDINGS , (except building qualifying under Item Nos. 3 and 4), including reinforced concrete, stone, hollow tile or tile faced with brick; adobe, hollow masonry units, ICM and ICMS Construction.....	2
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NOTE: Combustible interior wall finish, ceilings and floor finish permitted in ICM and ICMS buildings.

3.	(a) One story buildings having all outside masonry walls as described for Table 2 buildings, but with concrete balcony..	3
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NOTE: To qualify under the above, the concrete balcony must be securely tied into 3 exterior walls of the building.

	(b) Masonry or ICM buildings of *extra heavy construction throughout approved as such by publication by the Texas Department of Insurance.....	HC
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NOTE: To qualify for "Extra Heavy" Classification, building or structure must be designed and constructed according to nationally recognized good engineering practice and codes to resist a horizontal wind pressure on all surfaces exposed to the wind without suffering any distortion or damage allowing for wind in any direction, in accordance with the following table. No allowance will be made for the shielding effect of other buildings or structures. The height is to be measured above the average level of the ground adjacent to the building or structure.

Height Zone (Feet)

	Wind Pressure (Lbs. per Sq. Ft.)	
	All Territories Except 1,8,9,10and 11	Territories 1, 8, 9, 10 and 11
Less than 30	25	35
30-49	30	45
50.99	40	55

Data on buildings exceeding 99 feet in height must be submitted to the Texas Department of Insurance for consideration.

Exterior walls must be designed and constructed to withstand pressures specified above, acting either inward or outward.

The roofs of buildings and structures must be designed and constructed to withstand pressures acting outward, normal to the roof surface; equal to 1-1/4 times the pressure specified above. The height is to be taken as the vertical distance from the average elevation of the ground adjoining the building to the average elevation of the roof. Roofs or sections of roof with slopes greater than 30 degrees, must be designed and constructed to withstand pressure, acting inward, normal to the surface, equal to those specified above and applied to the windward slope only.

The property must be inspected by a registered structural engineer, after which he must submit for each building and structure a certificate, accompanied by a diagram (or diagrams) showing complete details of walls and roof construction, anchorages and fasteners, together with complete supportive structural calculations.



*Structural steel, light gage steel and steel joist construction must be designed and erected in accordance with the following specifications.

(1) American Institute of Steel Construction Specifications for the Design Fabrication, and Erection of Structural Steel for Buildings - (Latest Edition).

(2) American Iron & Steel Institute Light Gage Cold Formed Steel Design Manual •• (Latest Edition).

(3) Standard Specifications and Load Tables of the Steel Joist Institute.

(4) Welding - Standard Code of American Welding Society.

4. **HEAVY TIMBER CONSTRUCTION:** Those risks receiving 50% credit for heavy timber construction in fire rate..... SWR

4a. **SEMI-HEAVY TIMBER CONSTRUCTION:** Those Risks receiving credit for Semi-Heavy Timber Construction in fire rate HC

5. **ELECTRIC UTILITY GENERATING STATION BUILDINGS:** All electric utility generating station buildings when constructed to meet the minimum requirements of the Texas Department of Insurance. WR (Design and construction conditions will be furnished upon request from the Texas Department of Insurance.)



Appendix A-2
SUPPLEMENTAL SPECIAL INDEX
Construction Classification Table
Extended Coverage – Windstorm, Hurricane and Hail

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	** Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC***
			2	SWR***
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M+
	2	HC		
	3 or more	SWR		
		Certified as Class 60****	1	SWR*
		Certified as Class 90****	1 or 2	WR*



Construction Classification Table
Continued

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Non-Combustible or no walls	**Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M+ HC*
			1	HC
	**Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	2	SWR
			3 or more	WR
			Certified as Class 60 ¹² Certified as Class 90 ¹¹	1 1 or 2
			Steel or other non-combustible deck on non-combustible supports	2
3 or more				WR
			Reinforced Concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more
Masonry or Reinforced Concrete	Wood or other material	Wood or other material	1 or more	M+ HC*
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	F+
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted			1 or more	SWR
ICMS as described in the Texas Commercial Property Rating Manual			1 or more	M+

* These buildings must be certified as required in Special Index of this manual

** Combustible Floor Finish Permissible

*** Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.

***** Roof deck assembly Certified as Class 60 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR. Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.

+ Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.

Abbreviations: WR = Wind Resistive; SWR = Semi-wind Resistive; HC = Heavy Construction; M = Masonry; F = Frame



NOTES AND DEFINITIONS
Applicable to all Types of Building
Classifications

Outside Trim: To be disregarded in the application of the construction classification table.

Masonry Walls: Means a built-up construction or combination of building units of such materials as clay, adobe, shale, concrete, glass blocks, gypsum or stone set in mortar or plain concrete.

Reinforced Concrete: Within the meaning of extended coverage, concrete with steel, either mesh or bars imbedded therein shall be considered to mean reinforced concrete. **Non-Combustible:** As defined in Fire Resistive Section of The Texas Commercial Property Rating Manual.

Greenhouse: Greenhouses or Greenhouse Sections (glassed in area) may be rated specifically.

Doors and Windows: Shall be ignored in classifying exterior walls except masonry walls with doors and windows in excess of 50% of wall area of wall in which located shall be classed as noncombustible construction.

NOTES AND DEFINITIONS
Applicable to WR, SWR and HC
Building Classifications

Exterior Walls: Exception - Exterior walls of frame class construction aggregating not more than 10% of total above ground wall area shall be treated as non-combustible in the application of the Construction Classification Table; if aggregating more than 10%, then the building shall rate as frame or masonry according to mixed construction rule.

Story and Floor: A story is that part of a building between a floor and the roof or floor next above, designed for occupancy. Decks and mezzanines which are structurally a part of the building shall be considered a story if their area exceeds 33-1/3% of the area of the floor immediately below.

NOTE: Decks, mezzanines and portions of floors, not structurally a part of the building, shall not be considered in establishing the E.C. Classification. Roof structure means any structure above the roof of any part of a building. Roof structures shall be considered a story if they exceed 33-1/3% of the ground floor area of the building in which case the inferior roof construction shall govern construction classification.

Basement: Means a story of a building or structure having one half or more of its clear height below grade. Basements with floor area of at least 75% of grade floor area shall be considered a story.

NOTES AND DEFINITIONS
MIXED CONSTRUCTION

- (a) In the case of risks having published fire rates, building classification used in fire rating shall determine Extended Coverage and Windstorm rate table, except as otherwise directed.
- (b) In the case of risks for which fire rates are not published apply the higher construction charge applicable, unless the less hazardous type comprises over 50% of the total exterior wall area (Gables above top ceiling to be ignored).
- (c) Extended Coverage, Windstorm, Hurricane and Hail Insurance may be written specifically on any individual standard division of building, each division to be rated as if it were a separate building.

NOTE: Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

EXCEPTION: Greenhouses or greenhouse sections (glassed-in area) may be written specifically with or without standard division wall.

Applicable to Frame and Masonry Building
Classifications

Mixed Construction: Applies to frame and masonry classes only.

Where walls of two classes of construction, rate as for the classification comprising 50% or more of the building. Over-all area of walls excluding gables above top of the eave line are to be used in calculations.

Where walls are three or more types of construction, none of which comprise 50% of the wall area, apply the following:

1. Begin with measurements of the best type of construction.
2. Add the second best type of construction.
3. Add the third best type of construction, and if necessary,
4. Add the fourth best construction, etc. consecutively until a total equalling at least 50% of the building is reached.
5. Class building as type of construction last added to achieve 50% of the building.

NOTE: Where heights of walls are not uniform, use wall areas in square feet as a basis of above calculations; otherwise, use linear feet measurements.



Appendix A-3
GENERAL INDEX
EXTENDED COVERAGE, WINDSTORM, HURRICANE AND HAIL

Use the indicated rate table number for extended coverage and windstorm and hail.

The letter "C" means to rate according to construction, Special Index Items 1 through 4.

For Occupancies not listed in the table below see "Mercantile Risks Not Otherwise Listed" or "Manufacturing Risks, Ordinary Hazards (Not Specifically Classified)."

	E.C. AND WINDSTORM
ACETYLENE GAS MANUFACTURING OR TANK CHARGING	C
AIRPLANE HANGERS	C
AIRPLANE MANUFACTURING	C
ALFALFA DEHYDRATING PLANTS (when charge of .50 is applied in rate for "grinding in building")	
ALFALFA MEAL AND SEED CLEANING	C
ALKALI PRODUCT PLANTS	
A. Electrolytic	C
B. Non Electrolytic	C
AMUSEMENT PARKS	C
APARTMENT HOUSES --- Three units or over (Rated under Apt. Ho. schedule) (If less than 3 apartments rate as dwelling)	C
A. Contents of all classes of Apt. except those subject to WR or SWR	50% of bldg rate
B. Contents of Apt. subject to WR or SWR WR or SWR	WR SWR
C. Outbuildings and Sheds (except greenhouses) on premises of apartment houses	C
ART GALLERIES	C
ASBESTOS WORKS	C
ASPHALT PLANTS	C
AUTOMOBILES	
A. Manufacturing	C
B. Sales Room without service station	C
C. Garages, storage, repairs or sales with service station	C
AWNINGS: Cloth or Detachable (Use Building Rate in rate chart)	14
BAKERIES	C



BATH AND BOAT HOUSES	
A. If wholly on land	C
B. If not wholly on land	11
BATTERY FACTORY	C
BEVERAGE MANUFACTURING --- See Food Manufacturing	
BLEACHERS --- See Stadiums	
BOARDING AND ROOMING HOUSES	
A. Fire Resistive and Semi-Fire Resistive (when rated as such by the Texas Department of Insurance)	4
B. Brick, stone, adobe, poured concrete, hollow masonry units veneered with brick, and hollow masonry units (of clay or concrete)	5
C. All classes except those listed under A, B, and D including frame, stucco, ICM, ICMS, etc.	5A
D. Brick veneer and stone veneer	5B
BOAT HOUSES --- See Bath Houses	
BOAT DOCKS PRIVATE	
A. Covered, see Bath Houses	
B. Uncovered, see Piers	
BREWERIES, BEVERAGES AND FOOD MANUFACTURING	C
BRICK AND TILE PLANTS	
A. All buildings that do not class as Frame Sheds	C
B. Sheds and Kilns thereunder (Frame class and over 50% open)	9
BRIDGES	
A. Concrete	4
B. Steel	3
C. Frame	1
BUILDERS RISKS	
A. Frame or Ironclad and all buildings classified under Item No. 1, Special Index	9
B. Brick or ICM and all buildings classified under Item No. 2, Special Index	8
C. Fire Resistive or Semi-Fire Resistive buildings (except those listed in "D" below) and those buildings that when completed will classify under Items No. 3 and 5, Special Index	2
D. Dwelling and Boarding and Rooming Houses, same as the permanent building rate for boarding and rooming houses	
E. Additions, Improvements or Repairs when subject to permanent building rate, use net rate including Grade of Occupancy and/or area charge, if applicable	C
CANDY MANUFACTURING	C
CANNING PLANTS... Vegetables	C
CELLULOID MANUFACTURING CELLULOID GOODS MANUFACTURING CEMENT MILLS	C
CEREAL MILLS --- See Flour Mills CHARCOAL MANUFACTURING	C
CHLORATES	
A. Manufacturing	C
B. Storage	C
CHURCHES	C
CLEANING AND PRESSING	



A. Using approved solvents	C
B. Using unapproved solvents	C
CLOTH MANUFACTURING --- See Garment Manufacturing	C
COFFEE ROASTING	
COLD STORAGE AND LOCKER PLANTS	
CONDOMINIUMS (RESIDENTIAL)	
A. Contents Owned in Common of all classes except those subject to WR or SWR	50% or bldg rate
B. Contents Owned in Common subject to WR or SWR	
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses on premises of condominiums)	
Owned in Common	C
COOLING TOWERS --- Specific Coverage	
A. If completely enclosed, or of induced or forced draft type	C
B. All others	8
CORN SHELLER OR SHUCKER	C
COTTON, BALED -- INCLUDING LINTERS, MOTES, GRABBOTS, FLUES AND HULL FIBERS IN BALES	4
COTTON COMPRESS AND WAREHOUSE	
A. Buildings	C
B. Machinery and Furniture and Fixtures	
1. In other than Fire Resistant or Semi-Fire Resistant building	2
2. In Fire Resistant or Semi-Fire Resistant building	C
COTTON GINS AND AUXILIARY BUILDINGS OR SHEDS (except Office, for which see E below)	
A. Frame, Ironclad, or brick veneer	9
B. Brick, ICM, hollow masonry units or HTB	2
C. Extra Heavy ICM Construction throughout	3
D. Semi-Fire Resistant	4
E. Office	3
F. Outside equipment, conveyors, dust flues and ventilators (Use Building Rate)	13
COTTONSEED OIL MILLS AND PEANUT OIL MILLS AND REFINERIES AND STOCK	
A. Blanket Policies --- All buildings and/or machinery and/or stock	8
B. Buildings, Machinery, and Stock --- When insured specifically	C
CREAMERIES	C
CREOSOTING PLANTS	C
DOUGHNUT FACTORY	C
DRIVE-IN THEATRE SCREENS	C
A. Brick or reinforced concrete wall, or structural steel frame construction	8
B. Heavy pole construction	12
C. All other construction	14
NOTE: If screen structure and its foundation and appendages has been designed and constructed to withstand not less than 90 miles per hour wind, and certificate to that effect by a registered professional engineer is furnished with application to Texas Department of Insurance, rate will be published authorizing Table 1.	



DRIVE-IN THEATRE SPEAKERS in the open for automobiles (Use Building Rate in rate chart)	12
DRUG MANUFACTURING	C
DYEING --- See Laundries	
ELECTRICAL SUPPLIES in open --- See Poles	
ELECTRIC LIGHT PLANTS	C
EXPLOSIVES --- Manufacturing or Storage	C
FAIRGROUNDS AND PARK BUILDINGS	
A. Where buildings and other structures and/or contents are insured blanket	12
B. Permanent Buildings insured specifically	C
C. Open Sheds	11
D. Grandstands --- See Grandstands	
FEED DRYERS	C
FEED GRINDING OR MIXING	C
FEED MILLS AND FEED GRINDING --- See Flour Mills	
FENCES: (Except on farms) (Use Building Rate)	
A. Masonry construction or steel with steel posts set in concrete	1
B. All other types of construction	
1. With 80% or higher coinsurance	9
2. Without 80% or higher coinsurance	10
C. Fences on dwelling premises	9
NOTE: When on dwelling premises fences of masonry construction or steel with steel posts set in concrete apply Table 1.	
FERTILIZER PLANTS	C
FILLING STATIONS (Gasoline)	C
FILM EXCHANGE AND LABORATORIES	C
FILTRATION PLANTS	C
FIREWORKS --- See Explosives	
FLOOD LIGHTS --- See Power	
FLOUR, RICE, CEREAL AND FEED MILLS	C
FOOD AND BEVERAGE MANUFACTURING	C
FOUNDRIES	C
FRATERNITY HOUSES --- Same as Boarding and Rooming Houses	
FRUIT --- See Vegetables	
FULLER'S EARTH PLANTS	C
FUNERAL HOMES	C
GARAGES --- See Automobiles	
GARMENT AND CLOTH MANUFACTURING	C
GASOLINE --- See Volatiles	
GLASS PLANTS	C



GRAIN CLEANING	C
GRAIN ELEVATORS OR DRYERS	C
A. Grain Tanks --- See Tanks	
B. Elevators Legs	1
C. Fixed Conveyor Galleries	
1. On steel trestles --- ICM construction or better	2
2. Other construction	2
D. Movable Marine Legs and Conveyors	13
GRAIN WAREHOUSE	C
GRANDSTANDS (with roof)	
A. All classes of construction classified Item No. 1, Special Index	12
B. Concrete or Steel (extra well constructed)	10
C. If not roofed --- See Stadiums	
GREENHOUSES (Building or Contents)	20
*This rate is for \$100.00 Windstorm, Hurricane and Hail deductible.	
GRIST MILL	C
HAY IN THE OPEN (Use Contents Rate)	8
HOSIERY MILLS --- Same as Textile Mills	
HYDROGEN AND OXYGEN PLANTS	C
ICE MANUFACTURING	C
INCINERATORS	C
IRON PIPE IN OPEN (Use Contents Rates)	4
LACQUER --- See Paint	
LAND AND OUTSIDE SITE IMPROVEMENTS not otherwise provided for, including, but not limited to landscaping (excluding trees, shrubs and plants), drives, parking areas, walks, curbs and gutters; and/or UNDERGROUND UTILITIES located outside the perimeter of any building or structure. Use 80% Co-insurance Building Rate.	4
NOTE: Values of land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure, shall not be included in a blanket average rate unless the highest rate of any building on the premises be applied to the land and outside site improvements, and/or underground utilities located outside the perimeter of any building or structure.	
LAUNDERETTE OR WASHATERIA	C
If unattended --- See Unattended Service and Vending Machine Risks	
LAUNDRIES AND DYEING	
A. Without Dry Cleaning	C
B. With Dry Cleaning --- See Cleaning and Pressing	
If unattended -- See Unattended Service & Vending Machine Risks	
LOCKER PLANTS --- See Cold Storage	
LUMBER YARDS	
A. Blanket policies covering structures (with or without fence)	8
B. Blanket policies covering structures and contents	8
C. Specific coverage on structures with separate amount on each structure	C
D. Contents in frame buildings, sheds, or yard (omit area)	1
E. Contents in Table 2 or better buildings only	C



LUMBER	
A. In frame or ironclad buildings or sheds or in open (omit area)	1
B. In Table 2 or better building	C
MANUFACTURING RISKS ORDINARY HAZARDS (Not Specifically Classified)	C
MATCH FACTORIES	C
MEAT PACKING --- See Packing Houses	
MERCANTILE RISKS not otherwise listed	C
METAL WORKERS (Machine Shops)	C
MUSEUMS AND ART GALLERIES	C
NEWSPAPER PLANTS	C
OIL WELL SUPPLIES (Contents; 50% extended coverage or windstorm building rate, EXCEPT Wind Resistive or Semi-Wind Resistive. If building not eligible for coinsurance use 1 / 2 of no coinsurance rate unless clause is attached)	C
NOTE: Not applicable to contents of Tanks or Iron Pipe in Open	
OXYGEN PLANTS... See Hydrogen	
PACKING HOUSES, MEAT	C
PAINT, VARNISH AND LACQUER MANUFACTURING	C
A. Oil or turpentine process	
B. Benzine Process	
C. Using and/or Manufacturing Pyroxylin base	
PAPER AND PULP MILLS	C
PARK BUILDINGS... See Fairgrounds	
PEANUT AND FEED DRYERS	C
PEANUT OIL MILLS AND REFINERIES ---See Cottonseed Oil Mill	
PEANUT SHELLING	C
PIER AND WHARF PROPERTIES	C
PLANING AND SAW MILLS	C
POLES AND ELECTRICAL SUPPLIES IN OPEN (Use contents rate in rate charts)	4
PORTABLE BUILDINGS	C
POTTERIES	C
POWER, TRANSMISSION, FLOOD LIGHTS OR OTHER ELECTRICAL LINES...	
A. Supports of all-steel construction and securely anchored	12
B. Flood Lights without over-head wires	8
C. Supports partly or all frame	12
D. Outside transformers and sub-station equipment on ground (Use Building Rate in rate charts)	
PRINTING PLANTS	C
PUTTY MANUFACTURING (All processes)	C
PYROXYLIN BASE MANUFACTURING	C
QUARRIES	C



RACE TRACK PROPERTY (Same as Fairgrounds)	
RADIO AND TELEVISION TOWERS AND ANTENNAS AND SATELLITE DISHES (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	13
B. When any part of tower is of frame construction or is on building of other than Fire Resistive or Semi-Fire Resistive construction	14
RADIO AND T.V. TRANSMITTING STATIONS	C
REFINERIES: Cottonseed and Peanut Oil... See Cottonseed Oil Mills	
RICE BINS AND TANKS... Same as Grain Tanks	
RICE DRYERS --- Same as Grain Elevators	
RICE MILLS OR ELEVATORS... See Flour Mills	
ROCK CRUSHING AND SAND AND GRAVEL PLANTS --- Including Conveyors	C
ROLLER COASTERS	12
ROOMING HOUSES (Including outbuildings and sheds) --- Same as Boarding and Rooming Houses	
ROOFING PLANTS	
A. With Distilling or Refining Coal Tar Products	C
B. All Other	C
ROOFS: Buildings with roofs of roll composition over wire netting	13
RUBBER GOODS MANUFACTURING	C
RUG CLEANING --- Same as Dry Cleaning	
SAW AND PLANING MILLS	C
SAW MILL DRY KILNS	C
SCHOOLS	C
SCOREBOARDS	12
SEED CLEANING	C
SEED DRYING	C
SEWAGE DISPOSAL, PUMPING AND FILTRATION PLANTS	C
SHEDS... FRAME CLASS BUILDINGS THAT HAVE MORE THAN 50% OF OUTSIDE WALLS OPEN... WALLS THAT ARE NOT CLOSED FROM FLOOR TO ROOF SHALL BE CONSIDERED OPEN	11
SHIPYARD	C
SHOE MANUFACTURING	C
SHRUBBERY --- See Trees	
SIGNS -- ERECTED (Use Building Rate in rate charts)	
A. When of all metal construction and securely anchored	12
B. When any part of erected sign is of frame construction	14
C. Neon Signs and tubing, any type of support	14
SILOS	



A. Brick, concrete or solid concrete block	11
B. All others	13
SLAUGHTER HOUSE RISKS INCLUDING SHEDS AND PENS	C
SMELTING PLANTS	C
SMOKE STACKS	
A. Metal	13
B. Metal smoke stacks with inner lining of firebrick or 2-1/2" of gunnite	8
C. Brick and Reinforced Concrete when written specifically (when written with building, same as building)	4
SORORITY HOUSES --- Same as Boarding and Rooming House	
STADIUMS	
A. Concrete (with or without wood seats)	4
B. Steel securely anchored in concrete (with or without wood seats)	2
C. Frame or Steel not anchored in concrete	10
STOCK PENS (Heavy wooden without roof) at Packing Houses and Stock Yards (Use Building Rate in rate charts)	1
NOTE: If with roof, rate as building, See Special Index	
SULPHUR PLANTS	C
SWIMMING POOLS IN OPEN (Use 80% Coinsurance building rate)	4
TANKS	
A. Cylindrical, all-steel construction with steel roof, or concrete tanks with concrete roof or no roof	4
B. Cylindrical, sides of steel or concrete construction but with wood or composition roof	3
C. Elevated on steel, masonry or concrete supports	1
D. Tanks and Towers (for water supply) composed entirely of steel, the foundation of each column composed of concrete sunk in the ground, and each column anchored by bolts running through such foundation	1
E. Pickle and Vinegar Tanks	13
F. Tanks and Towers other than as above	
TELEVISION --- See Radio	
TENTS	14
TENT TOP BUILDINGS TEXTILE MILLS	13
Textile Mills	C
TILE PLANTS --- See Brick Plants TIRE RECAPPING	
TIRE RECAPPING	C
TOURIST COURTS	C
TOWNHOUSES RATED UNDER THE TOWNHOUSE RATING SCHEDULE	C
THREE UNITS OR OVER (If less than 3 units, rate as dwelling)	
A. Contents owned in common of all classes except those subject to WR or SWR	50% of bldg rate
B. Contents Owned in Common subject to WR or SWR	
WR or	WR
SWR	SWR
C. Outbuildings and Sheds (except greenhouses on premises of townhouses) Owned in common	



	C
TREES AND SHRUBBERY	\$1.50
UNATTENDED SERVICE AND VENDING MACHINE RISKS	
"Unattended" means without attendant on duty and on premises at all times risk is open for business	
Building	C
Contents	C
VARNISH --- See Paint	
VAULT CONTENTS	
If fire rate is published for fireproof vault	4
All others rate same as contents in building	
VEGETABLES AND FRUIT	
A. Canning	C
B. Packing	C
VINEGAR WORKS-- Not including Tanks	C
VOLATILES	C
WASHATERIAS	C
If unattended see Unattended Service and Vending Machine Risks	
WHARFS --- See Piers	
WINDMILLS	14
WOOD ALCOHOL MANUFACTURING	C
WOODWORKING PLANTS	C



Appendix B

Applicable Rules from the Texas General Basis Schedules Approved Prior to and In Effect on October 1, 1991

The rules contained in this Appendix B shall apply in whole or in part when not in conflict with the other rules of this Manual.

MIXED CONSTRUCTION RULE

When walls are of two classes of construction, rate as for the classification comprising 50% or more of the building and make proportionate charge for inferior construction, unless otherwise provided for.

EXCEPTION:

1. Special Hazards and School risks with all metal roofs, 2 or 3 outside masonry walls and 2 or 1 outside walls, respectively, of strictly ICM are to be classed and rate as ICM, with proportionate charge for hollow tile where applicable.
2. Apartment Houses, Auto Courts, Boarding Houses, Rooming Houses and Dwellings. In applying this rule to arrive at rates or premiums for these classes use these rules except:
 - a. Area of gables above ceiling to roof to be ignored (does not apply to FR and SFR buildings).
 - b. Area of additions to be included.
 - c. No charge for inferior construction.
 - d. If 3 or more types of construction, see rule "BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING."
 - e. Applicable only to fire and extended coverage.

BUILDING OF THREE OR MORE TYPES OF CONSTRUCTION, WITH NO ONE TYPE COMPRISING 50% OF THE BUILDING

To determine construction classification of such building(s), apply the following formula:

1. Begin with measurement of best type of construction;
2. Add second best construction;
3. Add third best construction; and if necessary
4. Add fourth best construction, and so on, consecutively, until a total equaling at least 50% of building is reached.
5. Class building as type of construction last added to achieve 50% of building, and make proportionate charge for any remaining inferior construction.

NOTE: Where height of walls is not uniform, use wall areas (sq. ft.) as basis for above calculation; otherwise use linear feet measurements.

GROSS RATE CALCULATION RULE

In all calculations pertaining to rating schedules and published rates (before experience, coinsurance, etc.), each calculation shall be considered separately and fractions less than half a cent shall be dropped and fractions of half a cent and over shall be treated as a full cent. Calculations shall be made using percentages in lieu of complements.

EXAMPLES

<u>Credit/Debit Factor</u>	<u>Rate(-+) Factor= Result</u>
-30%	.25 - .08 (30%) = .17
+30%	.25 + .08 (30%) = .33

EXCEPTION: In all instances, to determine KEY RATE CHARGE, refer to pre-calculated Key Rate Charts on GBS pages 159-166.

REFERENCE CHART - CONSTRUCTION CLASSIFICATIONS

Construction Symbol	Mercantile Rating Schedule*	Experience Classification All Schedules
"B" "C" "H-T", "H-T-S" (a) "H-T-B", "H-T-B-S" "I-C-M", "1-C-M-S" & "N-C"	Brick	B Class
(b) "F-R"	Fire Resistive	FR
(c) "S-F-R"	Semi-Fire Resistive	SFR
(d) "C-D", "D" & "1-C"	Frame	F Class
(e) "B-V", "B-V-S" "S" & "S-S"	Brick	F Class

*Special Class & Special Hazard Risks -- Rate under Special Schedules

Sprinklered Risks

- If a, above, apply Brick Sprinklered Experience
- If b, above, apply•..... Fire Resistive Sprinklered Experience
- If c, above, apply Semi-Fire Resistive Sprinklered Experience
- If d, or e, above, apply Frame Sprinklered Experience



**PUBLIC HOUSING AUTHORITY
PROJECTS EXPERIENCE**

Class Nos. 038 (1) Apartment Buildings with eight or more units; 039 (1) Dwelling or Duplexes.

The following modifications shall apply to the building fire rates (No other experience credit or penalty applicable):

	<u>Class 038 (1)</u>	<u>Class 039 (1)</u>
Frame Protected	Deduct 62%	Deduct 62%
Frame Unprotected	Deduct 74%	Deduct 74%
Brick Protected	Deduct 9%	Deduct 9%
Brick Unprotected	Deduct 39%	Deduct 39%
Fire Resistive & Semi-Fire Resistive Protected	Add 31%	Add 31%
Fire Resistive & Semi-Fire Resistive Unprotected	Deduct 75%	Deduct 75%

These modifications are applicable to:

1. Dwellings and apartments of Housing Projects owned by, supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.
2. Dwellings and apartments of Housing Projects owned and supervised by Federal Authorities.
3. Dwellings and apartments of similar housing projects privately owned, built and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.
4. Apartment units (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.

The above rule applies to all classes of construction.

Note 1: Contents rate is not affected by the foregoing; contents rates to be calculated just as though the above experience did not exist.

Note 2: The above experience, when applicable, applies only to those buildings occupied as apartments, duplexes or dwellings, and do not apply to individually rated outbuildings or other private structures on the premises of privately owned apartment house projects.



SPECIAL DWELLING SCHEDULE
Contents to Rate Same as Building
Unless Otherwise Specified
Experience Credit Not Applicable.

Fire Record Applicable

1. GENERAL PROVISIONS:

- 1.1 The following rules and premiums shall govern the writing of coverage on Dwellings, Individually Owned Townhouse Units, Garage Apartments (not more than two families), Two Family (Duplex) Dwellings, Servant Houses, Private Garages, Private Barns, Fencing (Also see Fence Schedule), Shade Trees, Windmills, Miscellaneous Outbuildings, Seasonal Dwellings, Private Club Houses, and Private Camp Houses, (Television and Radio Antennas owned or at Dwellings - Subject to Dwelling Fire Rate), Trailer Houses that are stationary (Wheels removed and Trailer on blocks, but not Trailer Houses on wheels or on Boat Trailers)---Rates and Premiums for all perils (including Tenant Charge and minimum premium) in Special Dwelling Premium Charts shall apply to Trailer Houses subject to a 20% increase.
 - 1.2 The risks eligible for this Schedule shall not be occupied by more than two families, each living in separate quarters. This Schedule does not apply to **ROOMING HOUSES, APARTMENT HOUSES OR TOURIST COURTS.**
 - 1.3 **ABODES OF TEACHERS**, located on School premises, occupied solely by teachers, rent free, and where teacher occupants do not exceed ten, shall rate under this Schedule. If such abodes contain teacher occupants in excess of ten, rate under School Schedule and apply charge for Dormitories.
 - 1.4 Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses, other than those built on pontoons or floating type supports, Water Tanks and Towers, TV Antennas, Satellite Dishes, Fencing, Shade Trees, Plants and Shrubs and Windmills on Dwelling premises (except those located on Farms or containing **MERCANTILE** occupancies) and insured with the Dwelling but for a separate amount on which not more than \$1,000 insurance is carried on the building (not the amount on **CONTENTS**), the building and its contents shall take the same FIRE PREMIUM GROUP as the main dwelling.
The premium for building or contents shall be that for \$1,000 or pro rata thereof for amounts less than \$1,000 not subject to Fire Minimum Premiums. Otherwise such risks shall be treated as individual risks under this schedule.
 - 1.5 **FENCING, SHADE TREES, PLANTS AND SHRUBS AND WINDMILLS** shall take the same Fire Premium Group as the main dwelling in connection with which they are written. If written for an amount less than \$1,000.00, the premium shall be pro rata of the premium for \$1,000.00 coverage.
 - 1.6 **PERSONAL EFFECTS** in dwellings located on Military Posts, Camps or Stations shall rate under this Schedule.
 - 1.7 Blanket Insurance is not permitted on dwellings and/or their contents.
- Schedule Policies**



When dwellings or other risks governed by the Special Dwelling Schedule are included in schedule policies, the premium for each such item shall be determined by using the total insurance carried on such item under all policies covering pro rata of the schedule.

1.8 **DWELLINGS QUALIFYING FOR PUBLIC HOUSING CREDITS**-Credits apply to premium developed under the **FIRE AND EXTENDED COVERAGE PREMIUM CHARTS**. Credits shall apply to the **PREMIUM** for each coverage separately. Credits applicable to Fire coverage shall be applied before "Fire Record." See Public Housing Credits.

1.9 **PREMIUMS APPLY PER ITEM**-In the application of this schedule, the premium (minimum if applicable), for each peril shall be determined for each item subject to these rules. The sum of the premiums for each peril will be the policy premium. See Fire Record Rule and Rounding of Premium Rule.

2. SMALL MERCANTILE OCCUPANCY - If floor space used for storage and/or sale of merchandise, or for other business or professional purposes (except as listed under Note 2 below) does not exceed 500 square feet, add to the FIRE premium the Mercantile Charge (as shown in the Fire Premium Charts) to the amount of insurance on each item (building and/or contents) covered.

NOTE 1: In case floor space used as above exceeds 500 square feet, or building occupied exclusively for Mercantile or Mercantile Storage, submit to the Texas Department of Insurance for rating.

NOTE 2: No charge shall be made for offices, including Doctor's or Dentists' Offices, Telephone Exchanges, Music or Dancing Studios, Churches or Schools, unless more than 50% of the total area is used as such, in which case refer to Texas Department of Insurance for rating.

NOTE 3: If Music or Dancing Studio comprises more than 50% of the total floor area, rate under School Schedule.

NOTE 4: No charge for Dressmaking by occupant where no outside help is employed, or for Salesman's Samples stored, unless space so used exceeds 500 square feet.

3. BUILDERS RISK - Dwellings in process of construction shall be rated under Builders Risk Schedule.

4. MIXED CONSTRUCTION - To determine premiums for risks of two different wall constructions, use premiums applicable to construction which comprises over 50% of the total exterior wall area (1) Area of gables above ceiling to roof to be ignored (does not apply to FR & SFR Buildings). (2) Area of additions to be included. If three or more types of construction, rate according to rule, "Building of Three or More Types of Construction, With No One Type Comprising 50% of the Building" in the GBS, except no charge for inferior construction. This rule is applicable only to Fire and Extended Coverage.

5. FIRE RESISTIVE, SEMI-FIRE RESISTIVE AND SPRINKLERED DWELLINGS.

5.1 **FIRE RESISTIVE AND SEMI-FIRE RESISTIVE DWELLINGS**--Submit to the Texas Department of Insurance for Confirmation of classification.

When approved as Fire Resistive or Semi-Fire Resistive, the following method shall be used by companies and agents in calculating fire premiums; FIRE--Use 60% of the brick premium.

NOTE: (A) Subject to minimum premium

NOTE: (B) Round premium to nearest dollar

EXTENDED COVERAGE-DWELLINGS, THEIR OUT BUILDINGS OR SHEDS. When approved as Fire Resistive or Semi-Fire Resistive by the Texas Department of Insurance, the following method shall be used by

companies and agents in calculating extended coverage premiums: All Territories except 1, 8, 9, 10 & 11 --Use 10 percent of the brick premium for buildings and 20 percent of the brick premium for contents. Territories 1, 8, 9, 10 & 11 --Use 20 percent of the brick premium for buildings and 40 percent of the brick premium for contents.

NOTE: (A) Subject to minimum premium
(B) Round premium to nearest dollar

5.2 **SPRINKLERED DWELLINGS**--Submit to the **TEXAS DEPARTMENT OF INSURANCE** for rating.

6. INTERPOLATION OF PREMIUM--Premium for any amount of insurance, in excess of the Minimum, not shown in the Premium Charts may be obtained by interpolation.

6.1 **METHOD OF INTERPOLATION**--A 1-year premium is desired for a policy amount of \$15,500 which falls between \$15,000 and \$16,000 shown in the Dwelling Premium chart. In other words, the desired amount is \$500 in excess of the \$15,000 shown. The example below is a Frame Dwelling in key rate charged interval 10-14.

Step 1. Policy Amount Shown	Premiums Shown
\$16,000	\$50
<u>\$15,000</u>	<u>\$46</u>
\$1,000	\$ 4 (Diff. in premium)
Step 2. \$500	(Additional Amount)
\$1,000	(Diff. in Amount X \$4)
Step 3.	(Diff. in Premium = \$2)
\$46	(Premium for \$15,000)
<u>2</u>	(Premium for additional \$500)
\$48	(Basic Premium for \$15,500)

7. ADDITIONAL AMOUNTS OR COVERAGES-Amounts of insurance may be increased or additional coverages may be added after the inception date of the policy by endorsement.

The premium for such additional coverage or amount, unless otherwise specifically provided, shall be computed on a pro rata basis

The following procedure shall be used to determine the additional premium to be charged for increases and shall be applicable to each separate peril.

STEP 1: Convert the premium for the old total amount of insurance to current premium. Use current key rates and fire record.

STEP 2: Determine the premium for the new total amount of insurance at current premium. Use current key rates and fire record.

STEP 3: Subtract the premium determined in Step 1 from that determined Step 2 and pro rate the difference. The result will be the additional premium to be charged for the increase in amount.

CONSTRUCTION

"FRAME" includes outer walls of frame; iron-clad; sheet aluminum or aluminum siding on wood; composition siding; and asphalt covered fiberboard.

"STUCCO" includes outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.

"BRICK VENEER" includes outer walls of brick veneer or stone veneer.

"BRICK" includes outer walls solid masonry; brick; stone; concrete; HTB; HT hollow masonry units; ICM and ICMS. (For FR or SFR risks refer to Rule 8.)

APARTMENT HOUSES, TENEMENTS AND FLATS Including their Servant Houses, Garages, Carports and Miscellaneous Outbuildings (See General Rules)

APARTMENT HOUSE OR FLAT--An apartment house or flat is a building containing three or more separate suites or apartments arranged as private residences and permanently equipped for housekeeping. A single room or a single room with bath, designed or converted for light housekeeping purposes, shall not be considered as a suite or an apartment.

TENEMENT--A tenement is a building which is rented out to be occupied as its home or residence by each of three or more families living independently of each other and doing their cooking on the premises.

ROOM--If over 4 rooms rented or for rent by any one occupant, risk shall be classified as a Rooming House and rated under the Rooming House Schedule.



AUTO COURTS (Tourist Courts)

Including Office and Outbuildings of Courts and Trailer Camps.

NOTE 1: Recreation Halls used in connection with auto courts are subject to auto court rates.

NOTE 2: If subject to rental on monthly basis only, rate as dwelling or apartment house. This is determined by the number of units in each structure.

BOY AND GIRL VACATION CAMPS, RELIGIOUS ENCAMPMENTS, LUNCHEON CLUB, CHILDREN'S CAMPS AND WELFARE CAMP HOUSES

Rate Under Auto Court Schedule

NOTE 1: If unexposed Frame Class building is occupied as administration building, dining and mess hall, recreation building or commissary apply Country Mercantile rates. If other than Frame Class or if risk is exposed by Mercantile or Special Hazard, submit for rating by the Texas Department of Insurance.

NOTE 2: If dining and mess hall or cafeteria building is subject to specific rating by the Texas Department of Insurance apply OTC #428.

NOTE 3: Church, Tabernacle or assembly building on premises of church encampments occupied exclusively as such to be rated by agent by applying Church Schedule.

ROOMING HOUSES, BOARDING HOUSES, FRATERNITY AND SORORITY HOUSES, GUEST AND DUDE RANCHES

Including their servant house, garages, carports and miscellaneous outbuildings.

(See General Rules)

(Not exceeding 5 rooms for transients)

ROOMING HOUSE--A rooming house shall be defined, for rating purposes, as a building or house having 5 or more separate rooms, with or without private bath, rented or held for rent to individuals to reside therein in the manner usual to such type of occupants and where no ordinary family cooking is performed in the rooms rented or held for rent.

GUEST AND DUDE RANCHES--same as Rooming Houses.

NOTE 1: The installation or use of hot plates or other cooking devices in the rooms rented or held for rent shall not permit the classification of a rooming house, as herein defined, as an apartment house, flat or tenement.

NOTE 2: If over four rooms are rented, although sleeping quarters are on one sleeping porch or in one room, charge for rooms applies, even though rooms are not used for bedrooms.

NOTE 3: If not exceeding 4 rooms rented or for rent to roomers, rate as dwelling.

NOTE 4: If over 5 rooms rented or held for rent to transients, submit to Texas Department of Insurance for rating as a Hotel.



NOTE 5: If five or more rooms are rented or held for rent by any occupant of a building otherwise classed as an apartment or flat, such risk shall be classed as a Rooming House and so rated with no charge for apartments.

NOTE 6: Frame Class recreation rooms, dining rooms and kitchens on premises of Dude or Guest Ranch are subject to rating under Country Mercantile Schedule if qualifying as such. Otherwise, submit for published rate to Texas Department of Insurance.

NOTE 7: In case dwelling is occupied by two families, the highest number of rooms rented or for rent by either occupant shall determine whether risk shall be rated as a Rooming House.

FRATERNITY AND SORORITY HOUSES--A Fraternity or Sorority house is a building owned or rented by a fraternity or sorority and used as a domicile for its members.

CHURCHES

Net Building Rate to be applied where Building and Contents are written blanket.

SCHOOLS, COLLEGES, UNIVERSITIES, CONVENTS, DAY NURSERIES, ORPHANAGES, PUBLIC LIBRARIES AND PRIVATE DORMITORIES ON SCHOOL CAMPUS

Net Building Rate to be applied where Building and Contents are written blanket.

NOTE 1 : This schedule shall apply to all School and College properties, except Churches, Shops, Steam Laundries, Pump Houses, Light and Power Plants (in separate buildings), Cold Storage Plants or Ice Factories, Creameries, Barns, Dwellings and Infirmarys, which classes shall be rated under their respective schedules.

NOTE 2: If abodes of teachers contain teacher occupants in excess of ten, rate under School Schedule and apply charge for dormitories. Otherwise see Rule 1 .3 under Special Dwelling Schedule.

NOTE 3: Abandoned Schools -- Vacant (other than between terms): If situated localities for which Specific Schedule of rates is published -- submit for rating. If in the country, rate as Country Mercantile; School Form not applicable.

NOTE 4: School buildings of other than "frame class," connected by covered walkways are to be rated as separate buildings.

NOTE 5: Orphanages of the cottage type, rate under Special Dwelling Schedule, when housing not more than 12 children.

NOTE 6: Buildings on school premises, belonging to Churches and occupied as church activities buildings, rate as church.

NOTE 7: Temporary classroom buildings of frame or stucco construction to be rated by the agent.

CONDOMINIUMS COMMERCIAL AND RESIDENTIAL

I. General:

When coverage is provided for a condominium association, one of the following coverage forms must be attached regardless of whether the condominium occupancy is residential, commercial or a combination of both.

II. Basic Forms: Condominium Property Form No. 280, and Special Condominium Property Form No. 281, replace Sections I -- Definition and III Specific Coverage Conditions of the Texas Standard Policy.

III.

- A. Condominium Property Form No. 280 provides fire and extended coverage. Coverage may be expanded or modified by using standard endorsements.
- B. Special Condominium Property Form No. 281 provides coverage on all risk basis.
- C. Standard Windstorm, Hurricane and Hail Deductible endorsements must be attached to these forms.

IV. Optional Endorsements:

- A. Condominium Endorsement (Additional Property Coverage) Form No. 282 provides coverage for fixtures, installation or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual condominium units, either
 - 1. initially installed, or replacements thereof, in accordance with the original condominium plans and specifications; or
 - 2. initially installed, or replacements thereof, in accordance with the original condominium plans and specifications, or installed by or at the expense of the unit owners.
- B. Special Condominium Property Form--Optional Amendatory Endorsement No. 283 may be used only in conjunction with Form No. 281, Special Condominium Form, and amends the exclusion relating to rain damage. Wind driven rain coverage can be provided to a condominium building containing individual condominium units so long as all the units within that single building qualify for the coverage. The qualifications for each single unit are as follows: 1) Each single unit cannot be more than three stories in height. Single units may be a 1, 2 or 3 story condominium unit, but must be occupied by a single occupant. 2) Each single unit (whether 1, 2 or 3 stories) must be attached to land. 3) Each single unit cannot be directly above or below any other single condominium unit.
- C. Loss Caused by Water Which Backs Up Through Sewers and Drains Assumption Endorsement No. 284 may be used only in conjunction with Form No. 281 -- Special Condominium Form -- and broadens coverage by deleting Exclusion C(3) of Form No. 281. This endorsement may be used only on policies insuring residential condominiums.
- D. Office Contents Special Form 136 may be attached to a condominium sales or leasing office used solely as an office operation when located in a separate building or within the same fire division with other condominium units.



V. Commercial Condominiums:

- A. Coverage for individual commercial and condominium unit owners may not be provided under Form Nos. 280 and 281. Coverage must be provided by a separate Texas Standard Policy.
- B. Commercial Condominium Endorsement No. 285 must be attached to the Texas Standard Policy to modify the definition of contents.
- C. Commercial Condominium Unit Owners Loss Assessment Endorsement No. 286 may be attached to a policy insuring a commercial condominium unit to provide coverage for assessments charged to the unit owner by the condominium association.

Rates:

1. Condominium Property Form No. 280 -- Charge for Fire and Extended Coverages according to the normal rules in the GBS applicable to the construction, occupancy and protection of the Condominium project.
2. Special Condominium Property Form No. 281 •• Charge the applicable Fire and Extended Coverage premium as in 1 above plus a charge for all other perils from the following table:

RESIDENTIAL CONDOMINIUM AND TOWNHOUSE RATING SCHEDULE

This Schedule is applicable to the following:

- A. Townhouses, as defined below, including all outbuildings, when written under a townhouse association policy.
- B. Residential condominium buildings arranged as private residences and permanently equipped for housekeeping, including outbuildings in which each individual unit owner has an undivided interest.

DEFINITION

A townhouse is a building containing three or more units, each of which is owned by one or more Individuals or a corporation, arranged as private residences and permanently equipped for housekeeping.

NOTE: Buildings which contain individually owned townhouse units where each unit or two units are separated by a divisional firewall of at least 8 inches of masonry or 6 inches of reinforced concrete extending continuously from the foundation through all stories to and above the roof, without openings, are not subject to rating under this schedule. (Where a roof is of semi-fire resistive construction, the wall need only be carried up tightly against the underside of the roof deck.) Townhouse units which qualify under this note are subject to rating under the Homeowners or Special Dwellings Schedules.

TOWNHOUSES

GENERAL

- A. A townhouse is not a condominium and a townhouse association is not subject to the Texas Condominium Act. These rules, rates and forms are provided to recognize the special characteristics of a townhouse association, its insurable interest and the interest of the townhouse unit owners as members of the association.
- B. Coverage may be provided for a townhouse association in accordance with the provisions of the association declarations and by-laws to insure the association for its interest in the townhouse units owned by the association members, and for personal property in which the members of the association have an undivided interest.
- C. Definition: The definition of a **TOWNHOUSE** shall be the definition as outlined under the Town house Rating Schedule in this manual.

ELIGIBILITY:

- A. Subject to the definition of a townhouse, a townhouse association may be insured provided it meets the eligibility requirements.

DISTRIBUTING STATIONS

TABLES OF RATES FOR WHOLESALE TANK TRUCK, OIL, GASOLINE AND/OR LIQUIFIED PETROLEUM GAS DISTRIBUTING STATIONS (OCCUPIED EXCLUSIVELY AS SUCH) CONTEMPLATING ALL BUILDINGS AND TANKS AND/OR THEIR CONTENTS, IRRESPECTIVE OF CONSTRUCTION OR LOCATION.

NOTE: If blanket coverage is written on Building and/or Contents, Co-Insurance Clause of at least 90% must be attached or No-Coinsurance rates must be used.

NOTE: Term Rate = 3 x Annual

SEACOAST TERRITORY

\$100 Deductible-Mandatory	EC Rates	W S Rates
COINSURANCE	1 year (All Construction)	1 year
80% & 90%	\$0.201	\$.212
100%	.165	.177
None (Bldg.)	2.650	5.000
None (Conts.)	.210	5.000

**These rates are in addition to the Initial Waiving Charge provided in Rules



IMPROVEMENTS AND BETTERMENTS INSURANCE

- The rate applying to Improvements and Betterments, when written under a separate item or a separate policy, shall be the highest rate applying to the contents associated with the Improvements and Betterments in the same premises, subject to the same credits for attachment to the Coinsurance Clause that apply to the contents, with regular term rule applicable.
- If Improvements and Betterments insurance is written to cover in two or more buildings regular Average Rate rules will apply.

REPLACEMENT COSTS ENDORSEMENT RULES

(Replacement cost without deduction for depreciation)

1. Insurance covering on buildings or contents, other than dwellings and their contents, may be extended to cover the difference between the actual cash value and the actual cost of repairs or replacement without deduction for depreciation by the use of the approved Replacement Cost Endorsements and subject to the following provisions.
2. Replacement Cost Endorsement No. 1, Building and Contents Endorsement, may be made applicable to items insuring buildings and contents other than dwellings and their contents and to Improvements and Betterments when the insured is not the building owner. Policies covering specifically on tenant's interest in Improvements and Betterments with Form 105 attached may be extended to cover the difference between actual cash value and the actual cost of repair or replacement without deduction for depreciation by using Replacement Cost Endorsement No. 1 with the following amendatory endorsement:
"As to items covering tenant's use Interest in Improvements and Betterments, wherever the words "items or items or property" appear in the Replacement Cost Endorsement Form No. 1 attached to this policy, there shall be substituted therefore the words 'tenant's use interest in Improvements and Betterments.'"

When Replacement Cost Coverage is provided for Improvements and Betterments, the rate shall be determined in accordance with Rule 6, but the contents rate shall be used as a basis for rate determination rather than the building rate.

3. The Replacement Cost Endorsement No. 2 may be attached to policies insuring building(s), structures, and contents (except Dwellings) used in, or supplemental to, the performance of respective programs of Schools, Churches, and Hospitals. This form may not be used to provide Replacement Cost Insurance on contents only. When Replacement Cost Endorsement No. 2 is used, the building rate shall apply. (See Rule 6.)
4. Coverage under the Replacement Cost Endorsements may be applied to either specific or blanket policies.
5. When blanket policies are written or endorsed to include coverage under this endorsement using a blanket average rate based upon a sworn statement of replacement cost values, the average rate bulletin shall state that rates are based on replacement cost values.
6. The rates that will apply when a Replacement Cost Endorsement is attached to a policy shall be:
 - (a) When written without coinsurance the rate shall be five times the no-coinsurance building and/or contents rate.



- (b) When written with 80% or 90% coinsurance and...
 - (1) Risk is eligible for coinsurance under regular coinsurance rules and the rate shall be the 80% coinsurance building and/or contents rate.
 - (2) Risk is ineligible for coinsurance under regular coinsurance rules, and rate shall be the no-coinsurance building and/or contents rate.
 - (c) When written with 100% coinsurance and --
 - (1) Risk is eligible for coinsurance under regular coinsurance rules, the rate shall be the coinsurance rate for the highest percentage coinsurance to which eligible under regular coinsurance rules.
 - (2) Risk is ineligible for coinsurance under the regular coinsurance rules; the rate shall be the no-coinsurance building and/or contents rate.
7. In the case of buildings owned and principally occupied by Federal, State, County, or Municipal Governments or divisions thereof, or by Educational Institutions not operating for profit, or buildings owned by Religious Organizations and occupied exclusively as churches or for religious purposes together with appurtenant buildings occupied for such purposes as social halls, Sunday schools, nurseries or parish houses, the requirement in the Replacement Cost Endorsement of actual repair or replacement on the same premises may be waived by use of the following endorsement:
- "The words 'on the same premises' appearing in Paragraphs 3(c) and 5(b) of the Replacement Cost Endorsement attached to this policy are hereby deleted as respects the insurance provided by the Replacement Cost Endorsement to Item(s) _____ of this policy."

AUTOMOBILE SERVICE STATIONS

For rating purposes, gasoline pumps and hydraulic lifts shall be considered contents and when specifically insured the contents rate shall be used.

For rating purposes underground tanks shall be considered as a building item and when specifically insured the building rate shall be used.

BOWLING ALLEYS

Bowling lanes are considered contents and shall be insured using contents rate.

CHANGE IN HAZARD

A Change in Hazard is construed to be:

- (1) Any physical change in the building structure,
- (2) installation of or removal of "first aid equipment" where credit or penalty is allowed therefore in the rating schedule,
- (3) creation of or removal of chargeable exposures,
- (4) or, any change in type of occupancy that will normally produce change in rate. (Changes in type of occupancy that are rated under the Special Class or Special Hazard Schedule having similar schedules and mercantile occupancies having the same OTC will not necessarily produce a change in rate.)



NOTE: An effective date following the rate analysis of a published rate is evidence that such rate resulted from a Change in Hazard. Does not apply in cases of published rates for multiple occupancy buildings where a supplement is issued changing the occupancy in part, and the published rate on the building is not changed, or the new occupant does not create a new Experience class. In this case the Building rate is not subject to adjustment, as it is not considered that there has been an actual Change in Hazard. Same rule applies to other Contents of the building, even though supplement bears an effective date.

NOTE 2: Removal of property from one location to another is considered a Change in Hazard insofar as the policy covering the property moved is concerned.

NOTE 3: The attachment or removal of Coinsurance or the changing in percentage of Coinsurance is not a Change in Hazard.

NOTE 4: Existing policies must be endorsed to reduced rate resulting from a Change in Hazard, whether rate is one that is published by the Texas Department of Insurance or on a class that is subject to rating by the companies or agents.

NOTE 6: In cases of dwellings, apartments and rooming houses, the change of owner or tenant occupancy is not to be considered a Change in Hazard. (Except items rated under the Special Dwelling Schedule which are subject to a Tenant Occupancy change.)

NOTE 7: The installation of a new standard fire hydrant within required distance of a risk previously over a required distance shall constitute a Change In Hazard and shall permit adjustment of rate under existing policies.

NOTE 8: Extension of city limits does not constitute a Change in Hazard. The application of a reduced rate to existing policies covering risks within such extended areas may not be made, unless there is a standard fire hydrant within required distance of the risk at the time of annexation, or unless there is a change in hazard of the individual risk after date of annexation, and even then Fire Record of city cannot be applied.

NOTE 9: When adjusting premium to a new rate resulting from a Change in Hazard, the current rating schedule, Key Rate and Experience must be used.

CONVALESCENT HOMES

Convalescent Homes eligible for rating under Hospital Schedule are those having nurse(s) on duty at all times. Convalescent Homes not having nurse(s) on duty at all times rate as Rooming Houses.

NET RATE CALCULATION RULE

- A. All calculations applied to the gross building and/or contents rate to determine the final net rate(s) shall:
1. be made using the complement of the applicable factors in the Texas General Basis Schedules and
 2. consider each calculation separately and be carried to three decimal places, disregarding the fourth place figure.

EXAMPLES

<u>Credit/Debit Factor</u>	<u>Complement</u>	<u>Rate x Complement = Result</u>
.35%	.65	.25 X .65 = .162
+35%	1.35	.25 X 1.35 = .337



+135%

2.35

.25 X 2.35 = .587

B. Definitions:

Gross Rate shall mean:

1. A rate (including applicable key rate) published by the Texas Department of Insurance before application of any experience, coinsurance and/or other factors.
2. A rate (including applicable key rate) determined under a rating schedule before application of any experience, coinsurance and/or other factors.
3. A rate named by the company and approved by the Texas Department of Insurance.
4. A rate set out as a flat rate in the Texas General Basis Schedules.

Final Net Rate shall mean the rate established after application of experience, coinsurance and/or other factors to the gross rate.

**MACHINERY AND EQUIPMENT
PERTAINING TO SERVICE OF BUILDINGS**

Machinery and equipment that is used solely in the service of the building, if the property of the owner of the building, may be insured with the building at the Building rate; but no manufacturing machinery or apparatus may be included. If insured specifically under a separate item, use the contents rate.

PREMIUM CALCULATION

Except where otherwise provided, premiums are to be based on rate time \$100 insurance.

PRIVATE DAIRIES

Rate as farm barn if qualifying under definition of Farm Property. If risk does not qualify as Farm Property, rate as a barn under Special Dwelling Schedule.

NOTE: Applies to all outbuildings used in connection with private dairies.

**SERVANT HOUSES, PRIVATE
GARAGES AND OUTBUILDINGS**

(On premises of Apartments or Rooming Houses)

Servant Houses, Private Garages, Outbuildings, including Barns, Private Piers, Boat Houses and Water Tanks and Towers on the premises on which not more than \$750 insurance is carried on the building (not **CONTENTS**), the building and contents shall take the rate of the rooming house or apartment house to which they belong; otherwise they shall rate as individual risks under the schedule of the main building with which they are associated. Public Housing Credits are not to be applied to individually rated and privately owned property as described above.

WAIVER OF PREMIUM

Should the final premium under "rate adjustment" endorsement be less than \$5.00, it may be waived. Exception: For permits or endorsements, other than rate adjustments, additional premiums shall be reported regardless of amount.

PRIVATE CLUB HOUSES

Private Club Houses {including private miscellaneous structures used in connection therewith) are defined as structures owned by not more than five (5) private individuals and/or their families (not



corporations, companies, organizations, associations, clubs, federations, combines or fraternal orders); located in suburban or country districts, on lakes or rivers, at resorts or parks (not farm property); furnished and used, at least periodically by owners only, for dwelling occupancy. Such risks, except Fire Resistive, Semi-Fire Resistive, and Sprinklered, are subject to rating by the agent under the Special Dwelling Schedule. Club houses not falling within the above definition are to be rated by the Texas Department of Insurance under the schedule provided for Hunting, Fishing, Resort and Employee Club Houses (See Club Houses). Exception: dwelling type cottages and miscellaneous structures to be rated by the agent under the Special Dwelling Schedule.

EXTENDED COVERAGE (Windstorm, Hurricane, Hail, Explosion, Riot and Civil Commotion including Explosion and Aircraft and Land Vehicle Property Damages);

WINDSTORM, HURRICANE AND HAIL; EXPLOSION; RIOT AND CIVIL COMMOTION; EXPLOSION; VANDALISM AND MALICIOUS MISCHIEF; AND AIRCRAFT AND LAND VEHICLE PROPERTY DAMAGE INSURANCE

(Excluding Petroleum Property and Farm Property)

DEDUCTIBLE CLAUSE:

NOTE: Does not apply to private Radio or Television Antennas and Towers, Cloth Awnings, Improvements and Betterments, Form 105, Improvements and Repairs (not additions) when written as builders risk, Signs, Poles and Posts in the open, Portable Saw Mills, Scales, Smokestacks, Gasoline Pumps and Time Element Coverages.

NOTE: The deductible clause should not be attached to any item to which the Large Deductible Endorsement Form No. 65 is applicable.

PUBLIC HOUSING AUTHORITY PROJECTS

A 40% credit shall be deducted from the windstorm or extended coverage building rate applicable to the following. The credit is to be applied after application of the proper territory multiplier.

1. Dwellings and apartments of Housing Projects owned by supervised and maintained by Local Housing Authorities organized under the Housing Authority Law of the State of Texas as amended.
2. Dwellings and apartments of Housing Projects owned and supervised by Federal Housing Authorities.
3. Dwellings and apartments of similar apartment housing projects privately owned, built under and maintained under the supervision of and whose mortgages are insured by and rents controlled by the Federal Housing Administration.
4. Apartments (not dwellings or duplexes) of apartment house projects privately owned, when such projects consist of eight or more apartment units in one or more apartment buildings situated on the same premises.

The above rule applies to all classes of construction.

NOTE: Contents rate is not affected by the foregoing; contents rate to be calculated just as though the above credit did not exist.