

No. 2016-4828

Official Order

*of the*

Texas Commissioner of Insurance

Date: DEC 02 2016

**Subject Considered:**

Action on Proposed Adjustments to the Maximum Liability Limits Under Windstorm and Hail Insurance Policies Issued by the Texas Windstorm Insurance Association  
Docket No. 2795

The commissioner of insurance considers the Texas Windstorm Insurance Association's (TWIA) proposal concerning adjustments to its maximum liability limits for TWIA windstorm and hail insurance policies delivered, issued for delivery, or renewed on or after January 1, 2017, based on changes in the BOECKH Index, as required by Insurance Code §2210.502. The commissioner conducted a public hearing on the proposed adjustments on November 30, 2016.

After considering TWIA's filing and all written and oral testimony presented at the hearing, the commissioner adopts the following findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. On October 4, 2016, TWIA filed its proposal (Reference No. P-1016-12) concerning adjustments to its maximum liability limits for TWIA windstorm and hail insurance policies delivered, issued for delivery, or renewed on or after January 1, 2017, from the January 1, 2016, limits based on the BOECKH Index, as required by Insurance Code §2210.502.
2. The commissioner held a public hearing on the proposed adjustments on November 30, 2016.
3. In the hearing, Mr. Jim Murphy testified on behalf of TWIA, requesting that each of the maximum limits of liability listed below be retained for 2017, based on a one percent decline in the past year of the weighted average BOECKH Index factors that measure changes in construction costs. The maximum limits of liability are:
  - (a) \$1,773,000 for a dwelling, including an individually owned townhouse unit, and the corporeal movable property located in or about the dwelling, and as an extension of coverage, away from those premises, as provided under the policy,

(b) \$374,000 for individually owned corporeal movable property located in an apartment unit, residential condominium unit, or townhouse unit that is occupied by the owner of that property, and as an extension of coverage, away from those premises, as provided under the policy, and

(c) \$4,424,000 for a commercial building and the corporeal movable property located in that structure, and as an extension of coverage, away from those premises, as provided under the policy.

## CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter under Insurance Code §2210.504.
2. TWIA's board of directors must propose inflation adjustments to the maximum liability limits for its windstorm and hail insurance policies no later than September 30 of each year in compliance with Insurance Code §2210.502(a). TWIA filed its proposed inflation adjustments with the department on October 4, 2016.
3. The commissioner must, after notice and hearing, approve, disapprove, or modify the proposed inflation adjustments to the maximum liability limits no later than 60 days after the date TWIA files the proposed inflation adjustments in compliance with Insurance Code §2210.504.
4. The commissioner gave proper and timely notice of the hearing in compliance with Insurance Code §2210.504(a).

Based on the above findings of fact and conclusions of law, the commissioner finds that TWIA's proposal to retain its current maximum limits of liability is not unreasonable. The commissioner approves TWIA's proposal to retain the current maximum limits of liability for TWIA windstorm and hail insurance policies delivered, issued for delivery, or renewed on or after January 1, 2017.



David C. Mattax  
Commissioner of Insurance