

## **TWIA Loss Funding Rules**

### **Informal Working Draft and Request for Informal Comments**

Texas Administrative Code, Title 28, Chapter 5, Subchapter E, Sections 5.4102, 5.4114, 5.4133, 5.4134, 5.4160 – 5.4162, 5.4164, 5.4167, and 5.4171.

Posting date: July 18, 2019

Comments due: July 31, 2019

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TDI has prepared an informal working draft of rules relating to loss funding for the Texas Windstorm Insurance Association (TWIA). The rules would implement parts of House Bill 1900, which passed earlier this year.

HB 1900 requires that TWIA, with TDI Commissioner approval, assess its members to pay for any reinsurance it purchases above TWIA's statutory minimum funding level. TWIA must maintain total available loss funding in an amount at least equal to TWIA's probable maximum loss for a catastrophe year with a probability of one-in-100.

Some of the key changes in the informal working draft:

- Repeal rule text that allows a catastrophe reserve trust fund disbursement to buy reinsurance in an amount greater than TWIA's statutory minimum funding level.
- Require TWIA to:
  - annually determine its one-in-100-year probable maximum loss;
  - annually disclose to the Commissioner and the public that probable maximum loss, along with the method used to determine it;
  - determine the amount of reinsurance premium applicable to the reinsurance coverage that exceeds its one-in-100-year probable maximum loss; and
  - disclose to the Commissioner and the public the applicable amount of reinsurance premium.
- Apply the existing timeline for loss-paying assessments to reinsurance assessments.

### **Tell us what you think**

TDI invites your input on the informal working draft. This is an informal posting intended to gather comments and is not a formal publication for rulemaking.

The comment period for this informal working draft will close at 5:00 p.m., central time, on July 31, 2019. Submit comments to Brian Ryder in the Property and Casualty Actuarial Office at [PCActuarial@tdi.texas.gov](mailto:PCActuarial@tdi.texas.gov). For more information about this informal working draft, call 512-676-6709.

[Continue to informal working draft of TWIA Loss Funding Rules](#)

[Continue to current rules in 28 Tex. Admin. Code, Chapter 5, Subchapter E, Division 3](#)