



Texas Department of Insurance

Filing & Operations Division – P&C Intake Unit, Mail Code 104-3B
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-322-3575 telephone • 512-490-1016 fax • www.tdi.texas.gov

Property and Casualty Filing Transmittal Form

TDI Use Only
TDI Link Number: _____

1. List all companies. Additional sheet attached (if necessary)

Company Name(s)	NAIC No(s).	TDI USE ONLY	
		EID No(s).	TDI File No(s).
Texas Windstorm Insurance Association	30040		

2. Company Group Name Texas Windstorm Insurance Association Group NAIC No. _____
3. Company Filing Number 2015 TWIA PC Form 431
4. Type of Filing: New Filing Revision/Replacement: TDI File No. or Link No. _____
[If revision/replacement, provide TDI File No. or Link No. that is being revised/replaced. If reference filing, refer to Item 8.]
5. Proposed Effective Date: New 5/1/2015 Renewal _____
6. Line of Insurance (Refer to Instructions, Item 6) Property
- 6.a. Dual Filing. The filing will also be used as part of a multi-peril policy.
TDI File No(s). or Link No(s). of previously approved monoline and multi-peril policy: _____
- 6.b. Interline Filing. List applicable lines of insurance: _____
7. Contact Person Jennifer Armstrong
- Telephone No. (512) 637-4031 Fax No. (512) 505-2198
- Mailing Address P.O. Box 99090 E-Mail Address _____
- City Austin State Texas Zip 78709-9090

TDI may release my e-mail address in response to a public information request Agree Do not agree

8. Description of Filing
- Rate Filing (rates, rating manual, rating rule, supporting information, etc.)
- Initial/No Prior Experience
- Rate Change
- Rates Associated With Forms/Endorsements (endorsement filing # if filed separately _____)
- Credit Scoring Model (filing cannot be combined with any other filing type)
- Underwriting Guidelines (filing cannot be combined with any other filing type)

Policy Form

Endorsement

Manual Rules (other than rating rules)

Reference Filing

Rates: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____
Prospective Loss Costs: _____

Policy Forms/Endorsements: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____

Manual Rules: Insurance Company/Advisory Organization Name: _____
TDI File Number or Link Number/Reference Number: _____

9. If a similar filing has been made with TDI in the past by your company/group provide company name and TDI File No.(s) or TDI Link No.: _____

10. If a deemer provision applies to the filing, do you waive the deemer application? Yes No



Texas Windstorm Insurance Association
Extension of Coverage –
Increased Cost of Construction [Dwelling]
(Form 431) Filing





February 17, 2015

Ms. Marilyn Hamilton
Property and Casualty, Personal and Commercial Lines, Director
Texas Department of Insurance
P.O. Box 149104
MC 104-PC
Austin, TX 78714-9104

Reference: Revision to TWIA Residential Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431)

Dear Ms. Hamilton:

In accordance with Texas Administrative Code 5.4911, Texas Windstorm Insurance Association (TWIA or the Association) is submitting revisions to its previously approved Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431) for Commissioner approval.

Changes to this form are being made based on the following:

1. TWIA is in the process of implementing a new policy administration system, Policy Center. As part of this process, TWIA is reviewing and updating all applications, forms, and correspondence that will be communicated utilizing the system. TWIA's review and updates aim to ensure all applications, forms, and correspondences are clear, consistent, and customer-friendly.
2. In regards to Form 431 in particular, TWIA is making several slight changes to the formatting and wording of the form to increase readability, clarity, and consistency with other policy documents.

Attached to this cover letter please find: (1) a Property and Casualty Filing Transmittal Form; (2) an Explanatory Memorandum; (3) the previously approved Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431); and (4) the filed revised Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431).

We are currently scheduled to implement the new policy administration system May 1, 2015. As TWIA would like the Form to coincide with the release of the new system, TWIA staff respectfully requests that the revised Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431) be approved effective May 1, 2015.

Should you have questions or require anything further, please feel free to contact me at 512-637-2944.

Sincerely,

A handwritten signature in cursive script that reads "Jessica M. Crass".

Jessica M. Crass
Compliance Specialist

Texas Windstorm Insurance Association

5700 South MoPac Expressway, Building A, Austin, Texas 78749 • P.O. Box 99090, Austin, Texas 78709-9090
512-637-4031 / Fax 512-505-2198



Texas Windstorm Insurance Association
Extension of Coverage –
Increased Cost of Construction [Dwelling]
(Form 431) Filing



1. Property and Casualty Filing Transmittal Form



Texas Windstorm Insurance Association
Extension of Coverage –
Increased Cost of Construction [Dwelling]
(Form 431) Filing



2. Explanatory Memorandum

Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431) Filing

Introduction

In accordance with Texas Administrative Code 5.4911 and 5.9320, TWIA is submitting revisions to its Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431) for Commissioner approval. This form extends coverage by a certain percentage to account for additional construction costs in bringing the structure into compliance with building codes. This memorandum is submitted pursuant to Texas Administrative Code 5.9320(c)(1)(B)(iii).

Reason for Changes

Changes to the Form are being made based on the following:

1. TWIA is in the process of implementing a new policy administration system, Policy Center. As part of this process, TWIA is reviewing and updating all applications, forms, and correspondence that will be communicated utilizing the system. TWIA's review and updates aim to ensure all applications, forms, and correspondences are clear, consistent, and customer-friendly.
2. In regards to Form 431 in particular, TWIA is making several slight changes to the formatting and wording of the form to increase readability, clarity, and consistency with other policy documents.

Revisions

For the above reasons, the Form has been revised and reformatted in the following ways:

- Changed formatting of document title from uppercase to title case
- Removed underline from General Manager's name
- Added column heading of "ICC Limit:" for clarity
- Changed "Building Item Nos:" to "Building Item Number(s)"
- Changed Form Effective Date from "April 1, 2008" to "May 1, 2015"
- Added TWIA System-Generated Reference Number and Recipient to footer

Pursuant to 5.9320(c)(2)(B)(ii), please find attached a copy of the current TWIA Extension of Coverage – Increased Cost of Construction [Dwelling] (Form 431) and the filed revised Form.

If you have any additional questions or need more information, please feel free to contact me.



Texas Windstorm Insurance Association
Extension of Coverage –
Increased Cost of Construction [Dwelling]
(Form 431) Filing



3. Existing Form 431

**TEXAS WINDSTORM INSURANCE ASSOCIATION
DWELLING WINDSTORM AND HAIL POLICY**

EXTENSION OF COVERAGE-INCREASED COST OF CONSTRUCTION

Attached to and forming part of Policy No. _____ of the Texas Windstorm Insurance Association issued at its Austin, Texas agency.

Dated: [MM/DD/YY]

_____, John Polak _____, Agent

When this endorsement is attached to the policy, this endorsement determines coverage to the extent that it is in conflict with the policy and/or General Exclusion 8.

In consideration of an additional premium shown on the declarations page, this policy is modified to provide the following coverage:

1. Subject to the maximum limit of liability established by law as described below, if a covered building or other covered structure is damaged by windstorm or hail, we will pay for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:
 - a. the construction, demolition or repair of that part of a covered building or other covered structure damaged by windstorm or hail;
 - b. the demolition and reconstruction of the undamaged part of a covered building or other covered structure, when that building or other structure must be totally demolished because of damage by windstorm or hail to another part of that covered building or other covered structure; or
 - c. the removal or replacement of the portion of the undamaged part of a covered building or other covered structure necessary to complete the repair or replacement of that part of the covered building or other covered structure damaged by windstorm or hail.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in 1 above.

2. When a covered structure is damaged by windstorm or hail, we will also pay the increased cost of construction you incur due to the requirement to rebuild or repair the structure in accordance with the windstorm code applicable to the specific area in which the structure is located in order to maintain insurance through the Texas Windstorm Insurance Association.

This is additional insurance and does not reduce the limit of liability applicable to Coverage A (Building), but the total limit of liability for the coverage A (Building) limit and the limit for Increased Cost of Construction cannot exceed the maximum limit of liability permitted by law.

3. Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- a. if the building or structure is not rebuilt or repaired;
- b. if the rebuilt or repaired building or structure is not intended for similar occupancy as the current building or structure;
- c. to relocate the insured building or structure(s), either on the same premises or to another location, or to demolish and reconstruct a building or structure that requires relocation;
- d. until the building or structure is actually repaired or rebuilt at the same premises; or

**Prescribed by the Texas Department of Insurance
Form No. TWIA-431 - Extension of Coverage-Increased Cost of Construction
Effective: April 1, 2008**

e. unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed two years after the loss.

4. We do not cover:

- a. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- b. fees charged by a qualified inspector for windstorm and hail insurance inspections pursuant to Chapter 2210, Subchapter F, of the Texas Insurance Code; or
- c. the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, asbestos and asbestos-containing materials. Waste includes material to be recycled, reconditioned or reclaimed.

The total limit of liability under this extension for each building item designated is shown by the following percentage as indicated:

	Building Item Nos:
[#]% of the Coverage A (Building) limit of liability	[#]

This coverage is additional insurance, however in no event will payment of a covered loss under this policy including this endorsement exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.

All other Terms of the policy apply.



Texas Windstorm Insurance Association
Extension of Coverage –
Increased Cost of Construction [Dwelling]
(Form 431) Filing



4. Revised Form 431

Texas Windstorm Insurance Association
Dwelling Windstorm and Hail Policy

Extension of Coverage - Increased Cost of Construction

Attached to and forming part of Policy No. TWIA-_____ of the Texas Windstorm Insurance Association issued at its Austin, Texas agency.

Dated: [Month DD, YYYY]

John Polak, Agent

When this endorsement is attached to the policy, this endorsement determines coverage to the extent that it is in conflict with the policy and/or General Exclusion 8.

In consideration of an additional premium shown on the declarations page, this policy is modified to provide the following coverage:

1. Subject to the maximum limit of liability established by law as described below, if a covered building or other covered structure is damaged by windstorm or hail, we will pay for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:
 - a. the construction, demolition or repair of that part of a covered building or other covered structure damaged by windstorm or hail;
 - b. the demolition and reconstruction of the undamaged part of a covered building or other covered structure, when that building or other structure must be totally demolished because of damage by windstorm or hail to another part of that covered building or other covered structure; or
 - c. the removal or replacement of the portion of the undamaged part of a covered building or other covered structure necessary to complete the repair or replacement of that part of the covered building or other covered structure damaged by windstorm or hail.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in 1 above.

2. When a covered structure is damaged by windstorm or hail, we will also pay the increased cost of construction you incur due to the requirement to rebuild or repair the structure in accordance with the windstorm code applicable to the specific area in which the structure is located in order to maintain insurance through the Texas Windstorm Insurance Association.

This is additional insurance and does not reduce the limit of liability applicable to Coverage A (Building), but the total limit of liability for the coverage A (Building) limit and the limit for Increased Cost of Construction cannot exceed the maximum limit of liability permitted by law.

3. Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- a. if the building or structure is not rebuilt or repaired;
- b. if the rebuilt or repaired building or structure is not intended for similar occupancy as the current building or structure;
- c. to relocate the insured building or structure(s), either on the same premises or to another location, or to demolish and reconstruct a building or structure that requires relocation;
- d. until the building or structure is actually repaired or rebuilt at the same premises; or
- e. unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed two years after the loss.

4. We do not cover:

- a. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- b. fees charged by a qualified inspector for windstorm and hail insurance inspections pursuant to Chapter 2210, Subchapter F, of the Texas Insurance Code; or
- c. the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, asbestos and asbestos-containing materials. Waste includes material to be recycled, reconditioned or reclaimed.

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[TWIA System-Generated Reference Number]: [Recipient]

The total limit of liability under this extension for each building item designated is shown by the following percentage as indicated:

ICC Limit:

Building Item Number(s):

[#]% of the Coverage A (Building) limit of liability

[#]

This coverage is additional insurance, however in no event will payment of a covered loss under this policy including this endorsement exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.

All other Terms of the policy apply.

**Prescribed by the Texas Department of Insurance
Form No. TWIA - 431 - Extension of Coverage - Increased Cost of Construction
Effective: May 1, 2015**

[TWIA System-Generated Reference Number]: [Recipient]