

James C. Murphy, FCAS, MAAA Chief Actuary Vice President – Enterprise Analytics

August 24, 2015

Marilyn Hamilton Property & Casualty Associate Commissioner Texas Department of Insurance P.O. Box 149104 M/C 104-PC Austin, TX 78701

RE: Texas Windstorm Insurance Association Adjustments to Maximum Liability Limits

Dear Marilyn:

Section 2210.502(a) of the Texas Insurance Code states that, not later than September 30 of each year, the Texas Windstorm Insurance Association shall propose to the Commissioner inflation adjustments to its maximum liability limits at a rate that reflects any change in the BOECKH index.

On August 4, 2015, the Board of Directors of the Association approved the filing of increased limits as indicated by changes in the BOECKH index. These indicated limits are as follows:

	Current	Proposed
	2015	2016
Dwellings and individually owned townhouses	\$1,773,000	\$1,807,000
Contents of an apartment, condominium, or townhouse	\$374,000	\$381,000
Commercial structures and associated contents	\$4,424,000	\$4,508,000

The limit of liability for governmental buildings and corporeal movable property shall be indexed and adjusted as provided for commercial structures and associated contents, per Texas Insurance Code Section 2210.502(d).

Supporting documents are attached.

We look forward to the Commissioner's approval of the proposed limits. If you or your staff have any questions or comments, please contact John Polak or me.

Respectfully,

James C. Murphy

Encl. (2)



Type of	Ratio of Total TWIA	Boeckh Index Corpus	cas of May/Ju	<u>ne 2014</u>	<u>Boeckh Inde</u> Corpus	k as of May/Ju	ne 2015
Construction	Business	Christi	Houston	Average	Christi	Houston	Average
Owelling, including individually	y owned townh	ouse unit, & as	sociated corp	oreal movable prope	rty		
Frame	98.27%	2268.9	2319.8	2294.4	2307.5	2368.8	2338.
Brick	1.73%	2279.1	2391.0	2335.1	2318.0	2444.0	2381.
Veighted Average Factor				2295.1			2338.
ndicated Change							1.9%
Current Limit Indicated Limit of Liability							1,773,000 1,807,000
ndividually-owned corporeal r	novable prope	rty located in a	n owner-occu	pied apartment, resid	ential condominium, d	or townhouse (unit
Frame	49.98%	2268.9	2319.8	2294.4	2307.5	2368.8	2338.
Brick	50.02%				2318.0		
Neighted Average Factor				2314.7			2359.0
ndicated Change							1.9%
Current Limit ndicated Limit of Liability							374,00 381,00
Structure other than a dwelling	g or public build	ding and the co	orporeal mova	ble property located i	n that structure		
Apartments - Brick, Wood	25.63%				2380.6		
partments - Brick, Concrete	2.85%				2335.0		
Apartments - Brick, Steel	7.71%				2326.6		
Commercial - Frame	16.59%				2441.8		
Commercial - Steel	3.31%				2390.2		
Commercial - Brick, Wood	6.25%				2572.4		
Commercial - Brick, Steel	15.06%	2498.9			2536.4		
Commercial - Brick, Concrete	22.59%	2201.2	2569.5	2385.4	2247.8	2613.5	2430.
Veighted Average Factor				2437.1			2483.
ndicated Change							1.9%
Current Limit Indicated Limit of Liability							4,424,00 4,508,00



Statutory Limits of Liability

<u> </u>	Current	Proposed	Increase
Dwelling Contents	1,773,000 374,000	381,000	7,000
Non-Dwelling	4,424,000	4,508,000	84,000

	Risks at Statutory Limits	Exposure Current	Proposed	Increase
Dwelling Contents Non-Dwelling	113 38 188	14,212,000	14,478,000	
Total	339	1,046,273,000	1,066,173,000	19,900,000
Total TWIA Exposure 77,60				77,606,535,238
% Increase in	0.03%			