



**James C. Murphy, FCAS, MAAA**  
Vice President - Actuary

September 30, 2011

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 September 13, 2011, the Board of Directors of the Association voted to propose no change in its maximum liability limits. Due to a decrease in construction costs from 2009 to 2010, limits of liability did not change in 2011. While construction costs have increased, the indicated limits are still slightly less than the current limits. Rather than reduce the statutory limits of liability as indicated, TWIA proposes no change in the limits. Current and indicated limits are as follows:

	Current 2011	Calculated 2011	Indicated 2012
Dwellings and individually owned townhouses	\$1,773,000	\$1,759,000	\$1,770,000
Contents of an apartment, condominium, or townhouse	\$374,000	\$370,000	\$371,000
Commercial structures and associated contents	\$4,424,000	\$4,236,000	\$4,417,000

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).

Documents showing the detailed changes in the BOECKH index factors 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)

**Texas Windstorm Insurance Association**

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