

TWIA Implementation Under HB 3

September 28, 2011 – Effective date of Act

November 27, 2011 – 60th day after effective Date. Policies issued after this date are subject to all provisions of the Act, except as provided

Matter	Action	Date	Status
<p>Funding: Alternative Funding §2210.6136 <i>Addresses how the Association will fund losses when it is unable to issue all or any portion of the Class 1 public securities.</i></p> <p>Funding: Pre-Event Bonds §2210.072 <i>Allows the Association to enhance its initial post-storm liquidity through the issuance of pre-event Class 1 public securities.</i></p> <p>Coastal Policy Premium Surcharges §2210.613 <i>Revise TDI's existing rule to conform to changes made to §2210.613 regarding the types of insurance to be surcharged and whether the surcharges must be non-refundable.</i></p>	<p><i>These rules are anticipated to be proposed as a single package.</i></p> <p>Permanent Rules Proposed</p>	<p>October 2011</p>	<p>Rule outline to be posted for public comment.</p>
	<p>Permanent Rules Adopted</p>	<p>December 2011</p>	
<p>Claims: Expert Panel §2210.578 and §2210.580 <i>Provides for the creation of an expert panel to evaluate and model wind and water claims.</i></p>	<p>Permanent Rules Proposed</p> <p>Permanent Rules Adopted</p> <p>Panel Appointed</p>	<p>October 2011</p> <p>December 2011</p> <p>January 2012</p>	<p>Informal questions issued for comment, responses due 9/30/11.</p>

Matter	Action	Date	Status
<p>Claims: Ombudsman Program §2210.582 <i>Authorizes the Commissioner to establish an ombudsman to inform and educate policyholders concerning the claims process.</i></p>	<p>Permanent Rules Proposed Permanent Rules Adopted</p>	<p>Oct. / Nov. 2011 February 2012</p>	<p>Draft rule under internal review.</p>
<p>Claims: Appraisal Process §2210.574 and §2210.580 <i>Policies issued prior to November 27, 2011 must follow the appraisal process in the TWIA policy form. May be binding by agreement and each side pays its own costs.</i></p> <p><i>Policies issued on or after November 27, 2011 must follow HB 3 procedure. Appraisal is binding, fees split equally, and a successful challenge only awards a new appraisal. Rules must establish qualifications and, if the parties cannot agree on an umpire, the Commissioner will select an umpire from a list.</i></p> <p>Claims: Mediation and other ADR §2210.575 and §2210.580 <i>Policies issued on or after November 27, 2011 must follow HB 3 procedure. TWIA may request mediation before proceeding to suit. Rules must establish mediator qualifications and, if the parties cannot agree on a mediator, the Commissioner will select a mediator from a list.</i></p>	<p>Permanent Rules Proposed Permanent Rules Adopted Initial Appraisal Umpire and Mediator Lists Available</p>	<p>October 2011 December 2011 January 2012</p>	<p>Informal questions issued for comment, responses due 9/30/11.</p>

Matter	Action	Date	Status
<p>Claims: Good cause deadline extensions §2210.581 <i>Adopt rules allowing for the extension of Chapter 2210, Subchapter L-1, deadlines on showing of good cause.</i></p> <p>Claims: Claims Handling Requirements §2210.580 <i>Adopt rules defining procedures and deadlines for the handling of claims under Chapter 2210, Subchapter L-1.</i></p>	<p><i>Proceed with necessary rules following review of implementation of appraisal, mediation and ADR programs.</i></p> <p>Permanent Rules Proposed</p> <p>Permanent Rules Adopted</p>	<p>March 2012</p> <p>June 2012</p>	<p>Draft rule to be prepared late 2011.</p>
<p>Policy Forms §2210.205 <i>Association has three policy forms that must be modified. Other endorsements may also need to be created or modified.</i></p>	<p>Forms Proposed by TWIA</p> <p>Forms Approved by TDI <i>(for distribution with renewal notices to policyholders renewing on or after November 27, 2011)</i></p>	<p>August 2011</p> <p>October 2011</p>	<p>Forms proposed by TWIA; public hearing held 9/19/11; comment period ends 10/2/11</p>
<p>Policy Forms: Minimum Earned Premium §2210.204 <i>Reduced from 180 to 90 days. This may eliminate the need to separately treat premium finance customers.</i></p> <p>Eligibility: Declination §2210.202 <i>Requires a declination every three years.</i></p>	<p>Revise 28 TAC §5.4905, effective November 27, 2011</p> <p>Revise 28 TAC §5.4903, effective November 27, 2011</p> <p><i>These rules are anticipated to be proposed as a single package.</i></p> <p>Permanent Rules Proposed</p> <p>Permanent Rules Adopted</p>	<p>September 2011</p> <p>November 2011</p>	<p>Proposed rule being finalized for publication.</p>

Matter	Action	Date	Status
<p>Policy Forms: Arbitration §2210.554 <i>Adopt a pre-dispute binding arbitration program.</i></p>	<p>Permanent Rules Proposed Permanent Rules Adopted</p>	<p>February 2012 June 2012</p>	<p>Draft rule to be prepared late 2011.</p>
<p>Eligibility: Alternative Eligibility Program §2210.260 <i>Allows for the Association to insure structures that are inspected and certified as having at least one qualifying building component that has been built to code. Also allows for an actuarially justified rate credit.</i></p> <p>Rates/Surcharges: Approval Program Surcharges §2210.259 <i>Rules establishing qualifying structural components will be developed in conjunction with the Alternative Eligibility Program.</i></p>	<p>Current Certificate of Compliance Transition Program extended by emergency rule through September 27, 2011.</p> <p><i>These rules are anticipated to be proposed as a single package.</i></p> <p>Permanent Rules Proposed Permanent Rules Adopted</p>	<p>August 12, 2011 Oct. / Nov. 2011 February 2012</p>	<p>Emergency Rule adopted August 12, 2011.</p> <p>Permanent rule draft in progress.</p>
<p>Engineer Qualification Rules §2210.254, §2210.255 and §2210.2551 <i>HB 3 provides joint regulation of engineers seeking qualified inspector appointments. Texas Board of Professional Engineers (TBPE) creates roster of inspector candidates qualified in windstorm design work. Department appoints engineers from the roster that qualify as inspectors.</i></p>	<p><i>(following TBPEs implementation of qualifications to be placed on TBPEs roster)</i></p> <p>Permanent Rules Proposed Permanent Rules Adopted</p>	<p>Feb. / March 2012 August 2012</p>	<p>Draft rule in progress.</p>
<p>Rates/Surcharges: Construction in excess of Building Code standard §2210.363 <i>Establish standards for construction in excess of the building code adopted in TWIA's plan of operation.</i></p>	<p>Permanent Rules Proposed Permanent Rules Adopted</p>	<p>Feb. / March 2012 August 2012</p>	<p>Draft rule to be prepared late 2011.</p>

