Texas Windstorm Insurance Association

MEMORANDUM

DATE: August 30, 2011

TO: All Agents

RE: WPI-8 Waiver Certificate of Compliance Transition Program Rules for Certain Residential Structures

The Certificate of Compliance (WPI-8) Transition Program, relating to WPI-8 waivers for certain residential structures was set to expire on August 31, 2011.

On August 12, 2011 the Commissioner of Insurance adopted amendments to the certificate of compliance "transition" program that became effective immediately. The amendments included an extension of the certificate of compliance WPI-8 waiver transition program through September 27, 2011. The extension was necessary to provide a seamless transition period to the new statutory alternative eligibility program that becomes effective September 28, 2011.

Under the transition program and the alternative eligibility program, initial coverage must be obtained on or before August 31, 2012 and cannot be renewed after August 31, 2013 without an "alternative certification". Following those dates, coverage under the alternative eligibility program will only be available to those applicants who have obtained an "alternative certification" on their residential structure. Note: "alternative certification" requirements will be established at a later date and will be communicated in a separate agent bulletin.

Policyholders and applicants must also meet all of TWIA's underwriting eligibility requirements as noted below:

1. Complies with the mandatory building code requirements to secure a WPI-8 on all alterations, additions, repairs, or new construction on or after June 19, 2009.
2. Meets the declination requirements*.
3. Meets the flood insurance requirements, if applicable (see Agent Bulletin on this subject dated September 10, 2009).
4. Satisfies all other TWIA underwriting requirements, including being in an insurable condition.

Please note:

1. There is no longer a requirement for applicants to have been insured under a policy that included windstorm coverage within the 12-month period prior to the date of application.
2. Residential structures insured by the TWIA under the Certificate of Compliance Approval Program from April 12, 2006 through August 31, 2009, are grandfathered for the WPI-8 waiver eligibility and are not required to have an "alternative certification".
3. A 15% surcharge continues to apply to the premium for structures written under any of the WPI-8 waiver programs.

* See Agent Bulletin dated September 10, 2009 for declination requirements. A declination is required for new applicants. A declination is required annually on renewals effective prior to November 27, 2011. A declination is required on renewals effective on or after November 27, 2011 every three (3) calendar years.

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