

How a TWIA Claim Works Part 2

A Webinar for Policyholders Impacted by Hurricane Beryl

Presented by Texas Windstorm Insurance Association



What this Webinar Will Cover

Very brief introduction of presenters

- David Lawson, TWIA Business Continuity Manager
- Erick Baltodano, Claims Care Team Quality Analyst

How a TWIA Claim Works

- Reporting a claim to TWIA
- People involved in your claim
- Claim determinations
- Deductible questions and information
- Working with contractors and how to avoid delays and fraud
- Dispute process and deadlines for disagreements with claims decisions
- How to get help after the webinar, TDI COAST Program

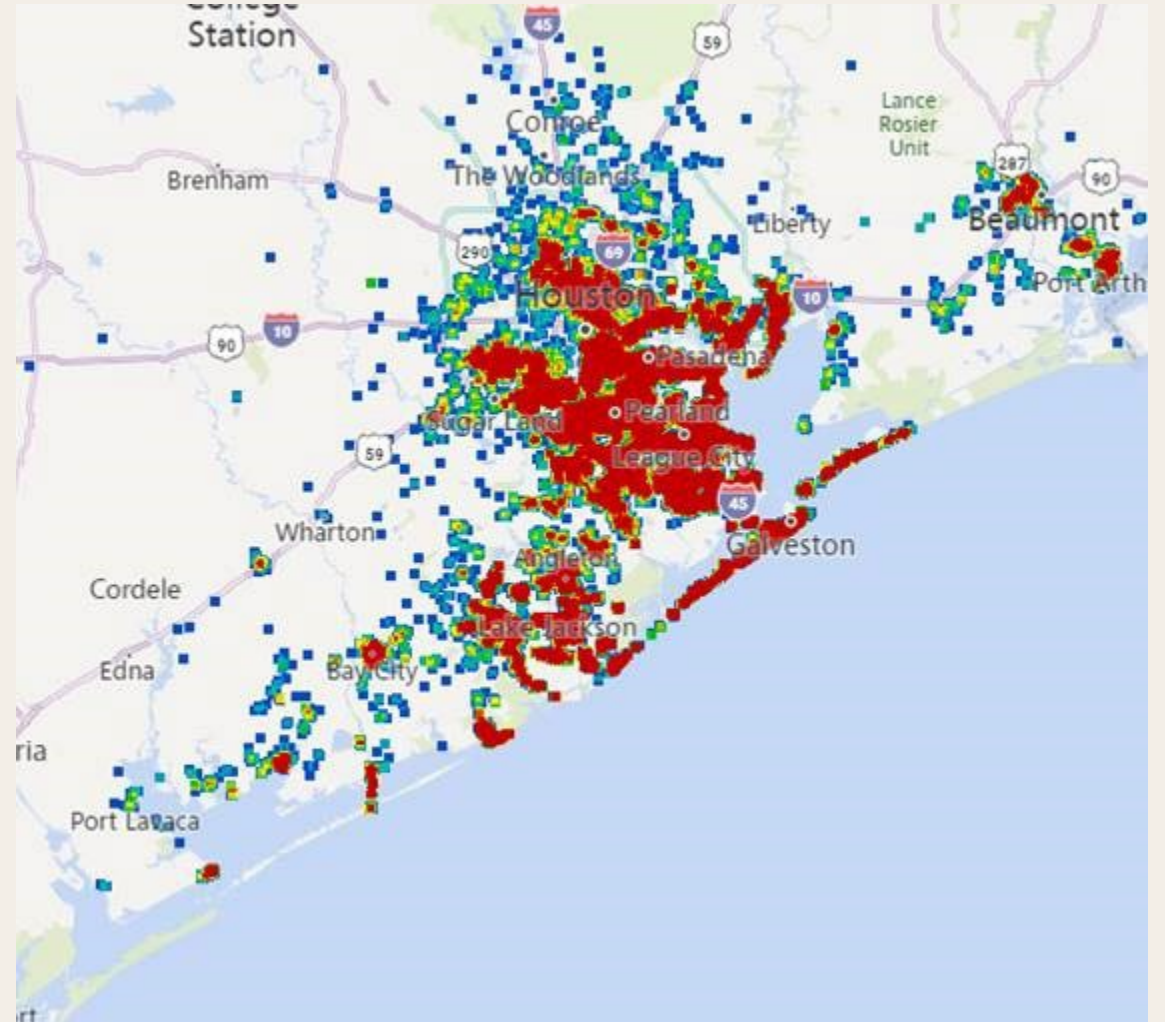


Hurricane Beryl Damage Reported to TWIA

As of Monday, August 5, 2024

- Claims reported to TWIA: 26,605
- Percent contacted: 97%
- Percent inspected: 90%
- Additional certified staff: 400

Our goal is to pay you for everything we can
under the policy.



Four Ways To Report a Claim:



www.twia.org/claims



Text "Hello" to
(512) 645-2846



Bottom Right corner
on twia.org/claims



(800) 788-8247,
Option 1

Or, you can always contact your insurance agent.

Take a look at the receipt of claim letter to verify your information.



A Few FAQs First

Q: If we do not agree with the first TWIA adjuster, can we request a second TWIA adjuster?

✓ A: In many cases, we can work with you on disputes without having additional inspections. If a contactor has supplied information, you can provide that to your claim examiner. The better we can identify the type of dispute the better we can resolve it.

Q: Where do we send or submit documents and receipts?

✓ A: You can send documents and photos to claims@twia.org with the claim number in the subject line and it will be attached to your claim. You can also submit documents and photos in the Policyholder Portal and see real time updates throughout the claims process.



A Few FAQs First

Q: After the inspection is done, are we allowed to make temporary repairs, such as patching lost shingles with new shingles, before the whole roof is replaced? Will TWIA cover the cost of temporary repairs?

✓ A: The cost of temporary repairs is typically covered. Save and submit all receipts and document your claim. You can begin making permanent repairs after we have inspected the damages. It is advisable to make sure we agree with what is covered before you start.



TWIA HURRICANE CLAIM TIMELINE

Approximately 3 to 4 Weeks

- ✓ 1. Policyholder Reports Claim to TWIA.
- ✓ 2. Field Adjuster Calls Policyholder and Schedules Inspection.
- ✓ 3. Property Inspection Takes Place.
- ✓ 4. Field Adjuster Sends Inspection Report to TWIA.
- ✓ 5. TWIA Makes the Determination on the Claim and Notifies Policyholder.



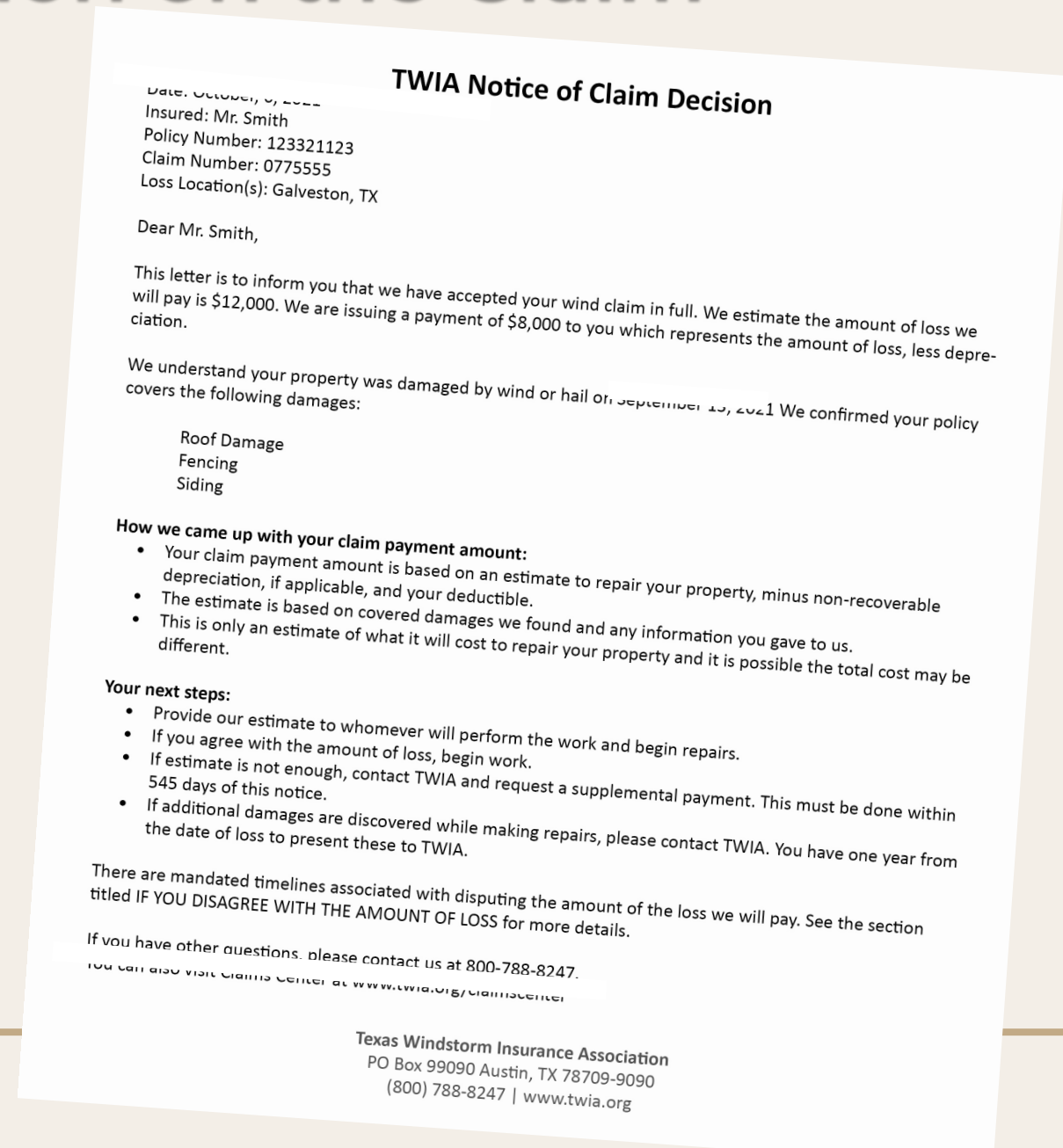
Documentation the Policyholder Should Provide

- Any property documentation and photos taken before damage occurred
- Any relevant photos of damage prior to our inspection
- Receipts for any temporary repairs completed prior to the inspection
- Estimates already received from contractors/repair people



TWIA Makes Determination on the Claim & Notifies Policyholder

- TWIA's claim decision must be provided in writing within 60 days after a claim is reported, or after they have provided any additional information requested by TWIA related to your claim.
- TWIA averages less than 30 days turnaround time for claims from catastrophic storms



How to Read a TWIA Claim Letter

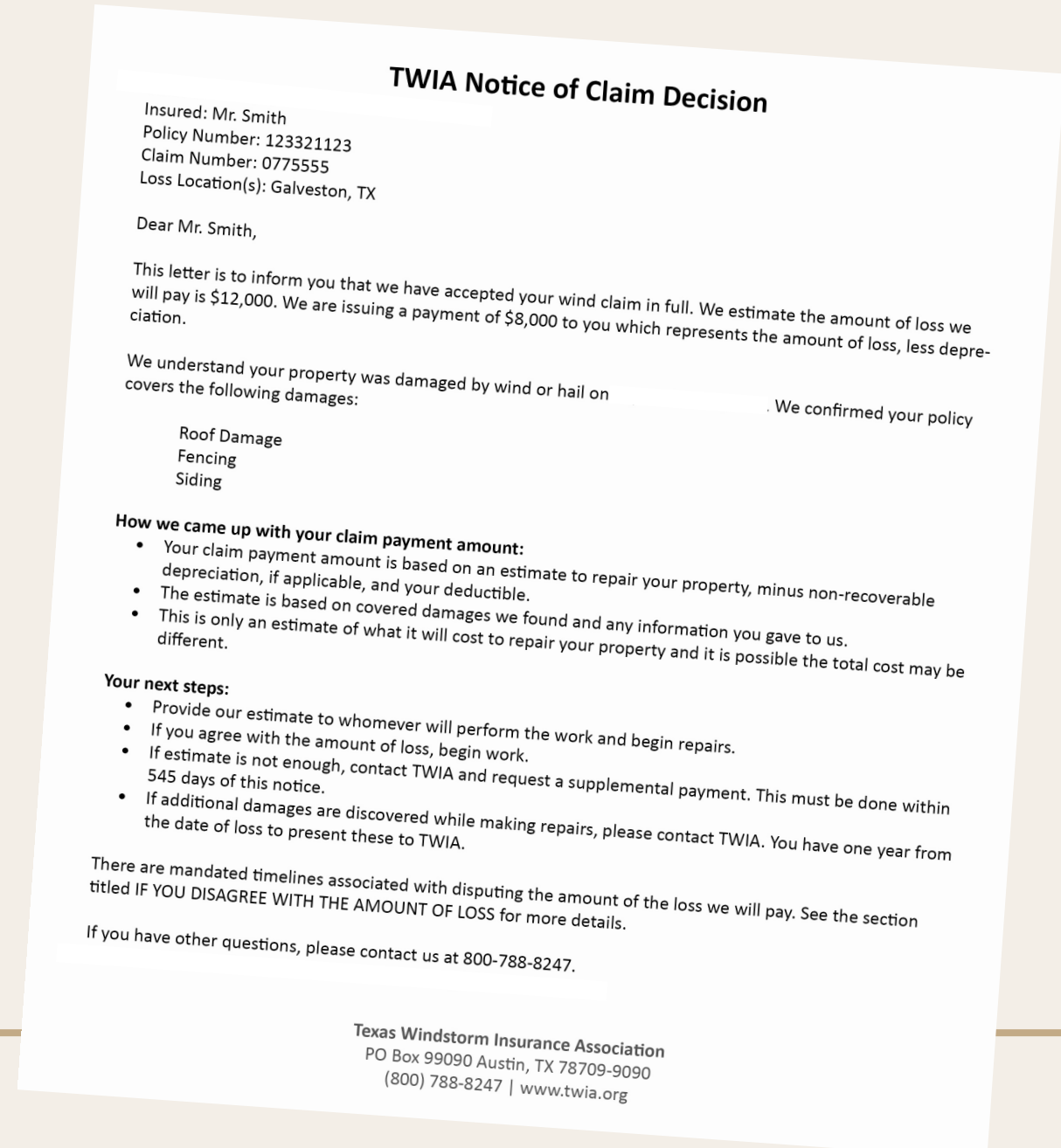
*Acceptance or Denial of the claim
(Or Partial Acceptance/Partial Denial)*



*Description of your claim as we understand it
- Observed but not claimed damage*



What to do if the Policyholder disagrees with our decision



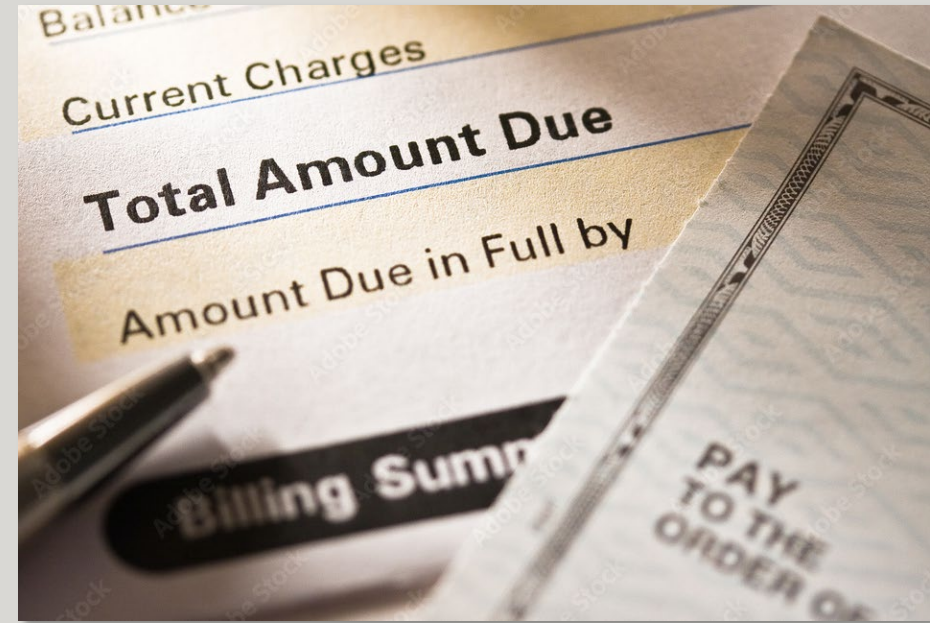
Acceptance of a Claim

- **What to do next?**

- Next steps after temporary repairs
 - Keep invoices and receipts
 - Do not make permanent repairs until after the adjuster has completed an inspection.
- Using TWIA estimates with a contractor
- Supplemental payment process

- **Deductibles**

- You must keep an accurate record of repair or replacement expenses and proof that you paid the deductible applicable to your claim.
- Deductibles are per occurrence
- There may be separate deductibles for dwelling and personal property sections



Replacement Cost vs. Actual Cash value

- RCV/ACV determines whether the damaged property's depreciation is factored into TWIA's final claim payment amount.

Depreciated Claim Payments

- Depreciation is the reduction in the value of a property with the passage of time, due to wear and tear.
- For policies with RCV coverage, claims are paid in multiple parts: the first payment is the ACV and then the recoverable depreciation as supplemental payments after repairs or replacement is completed.
- If your repairs exceed the initial ACV payment, documentation of those repairs must be submitted within 545 days of receiving your initial claims payment.
- Per Texas law, the full replacement cost will not be paid unless the policyholder provides proof they paid the deductible.



The Repair Estimate included with the Claim Notice

- **What does it mean?**

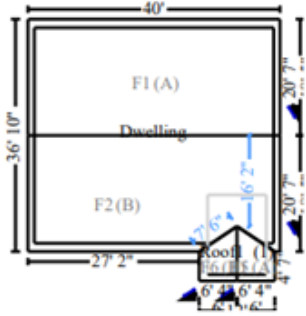
- The repair estimate lets everyone involved in the claim know what damage TWIA has accepted related to the claim and what we estimate it will cost to repair and/or replace damaged items.
- It provides the context for what we are paying, including any deductible that is applied and any depreciation that is withheld until repairs are made.

- **What to do with it?**

- Share it with the contractor to show what damage TWIA is covering and how much we estimate it will cost.



Typical Repair Estimate Entries: Showing Our Work



Dwelling

1704.26 Surface Area

17.04 Number of Squares

172.20 Total Perimeter Length

48.58 Total Ridge Length

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
1. Tear off, haul and dispose of comp. shingles - Laminated	3.00 SQ	55.58	0.00	35.01	201.75	(0.00)	201.75
2. Laminated - comp. shingle rfg. - w/out felt	3.00 SQ	205.38	28.89	135.46	780.49	(0.00)	780.49
The roof waste % is not available. The calculation contains values that may result in an inaccurate waste %.							
3. Roofing felt - 15 lb.	3.00 SQ	23.97	1.33	15.38	88.62	(0.00)	88.62
4. R&R Drip edge	20.00 LF	2.53	1.68	10.99	63.27	(0.00)	63.27
5. R&R Continuous ridge vent - shingle-over style	24.00 LF	8.27	6.93	43.12	248.53	(0.00)	248.53
6. R&R Ridge cap - composition shingles	24.00 LF	5.38	2.22	27.58	158.92	(0.00)	158.92
7. Tree - removal and disposal - per hour including equipment 2 men 5 hours each	10.00 HR	82.03	81.88	172.26	1,074.44	(0.00)	1,074.44
Totals: Dwelling			122.93	439.80	2,616.02	0.00	2,616.02



The Repair Estimate Summary

Repair Estimate without Recoverable Depreciation

Summary for Other Structures	
Line Item Total	1,960.98
Permit	10.16
Material Sales Tax	71.53
Replacement Cost Value	\$2,042.67
Less Non-recoverable Depreciation	<794.75>
Actual Cash Value	\$1,247.92
Net Claim	\$1,247.92

Repair Estimate with Recoverable Depreciation

Summary for 1A: MAIN BUILDING	
Line Item Total	5,721.65
Permit	29.49
Material Sales Tax	175.82
Replacement Cost Value	\$5,926.96
Less Depreciation	(965.57)
Actual Cash Value	\$4,961.39
Less Deductible	(3,570.00)
Net Claim	\$1,391.39
Total Recoverable Depreciation	965.57
Net Claim if Depreciation is Recovered	\$2,356.96



The Recap by Category

Recap by Category		
O&P Items	Total	%
GENERAL DEMOLITION	1,240.14	32.33%
PAINTING	244.81	6.38%
ROOFING	1,232.99	32.14%
SIDING	76.70	2.00%
SOFFIT, FASCIA, & GUTTER	236.84	6.17%
O&P Items Subtotal	3,031.48	79.02%
Material Sales Tax	48.20	1.26%
Overhead	307.97	8.03%
Profit	338.78	8.83%
Total Tax	109.71	2.86%
Total	3,836.14	100.00%



The Claim Payment

- **TWIA is required by law to issue a claim payment no later than 10 days after a claim decision is made.**
- **Once you receive your claim payment, go ahead and deposit your check so you can get started on repairs.**
 - Depositing the check doesn't mean you agree with the amount that TWIA has paid you.

Important: Supplemental Claim Payments

- If, before or during the process of completing repairs, you learn that TWIA's claim payment may not be sufficient to cover all your accepted damage, you can request a supplemental payment.
- Please contact TWIA ASAP to discuss your supplemental payment request as there are deadlines that apply.



After the Claim Payment—Completing Repairs

The policyholder received payment and found a contractor. Now what?

- Get started on repairs as soon as possible.
- Once repairs have begun or are completed, they can supply TWIA with receipts of what it cost to make the repairs, so we can provide any additional payments due (i.e., recoverable depreciation, supplemental payments, etc.) They will also need to supply proof the deductible was paid.
- If the policyholder or your contractor discover hidden or undiscovered damage related to the claim, notify TWIA to discuss any additional payment owed.



Important reminders about claim payments

- **Policyholders are responsible for payment of their deductible.**
- **Policyholders with a replacement cost coverage policy may not receive their entire claim payment until repairs are completed.**
- **Some funds, known as recoverable depreciation, may be withheld from the claim payment and will be reimbursed when proof of repairs are provided to TWIA.**
 - The amount of TWIA's reimbursement is based on what it actually cost to complete your repairs, which could be less than TWIA's repair estimate.



ICC/Material Upgrades

- **Increased Cost of Construction**

- During the property repair process, you may have to upgrade your repair method or materials to comply with updated local building ordinances and laws.
- ICC endorsement form TWIA-431 (for residential policies) or TWIA-432 (for commercial policies) provides coverage.
- Common structures subject to building ordinances include doors, windows, garage doors, siding, roofing, foundations, and elevation requirements (the height of the foundation above ground).

- **Material (non-code-related) upgrades are NOT covered.**

- If your contractor estimate includes material upgrades, this may impact and/or delay claim payment.



Disputing a Claim

Talk with TWIA — We Will Work with You

- Please contact TWIA if you believe our claim assessment is not enough to repair or replace damage to your covered property.
- We will work with you to address any needs you have and attempt to provide a timely resolution.
- We will also attempt to help you avoid incurring any out-of-pocket or additional costs.
- Contact TWIA so we may consider any new information that could support supplemental (additional) payments.



Disputing a Claim

Appraisal

- If you disagree with the amount TWIA has agreed to pay for the covered portion of your claim, and we have declined to issue a supplemental payment, you may pursue a formal resolution process called “appraisal.”
- Unless otherwise stated by TWIA or TDI, the deadline to request appraisal on the ACV amount of a claim is 60 days from the date you received your claim assessment letter.
- If you have replacement cost coverage, you will have additional time to request appraisal.
- To preserve your right to appraisal, this process is automatically activated if you notify TWIA that you disagree with our assessment of the covered portion of your claim.



Disputing a Claim

- If you wish to further dispute TWIA's decision to partially or fully deny coverage for your claim, you must provide notification that you intend to bring suit against TWIA.
- You have two years after receipt of a claim decision to notify TWIA of a coverage dispute.
- As a prerequisite to filing suit, TWIA has the option of requiring you to submit the dispute to Alternative Dispute Resolution (ADR). Mediation is the primary form of dispute resolution utilized by TWIA. ADR must be completed no later than 60 days after TWIA requests ADR, unless the period is extended by mutual agreement or by rule of the Commissioner of Insurance.



Avoiding Fraud

Stay alert to the potential for fraud during the recovery process.

- Beware of unsolicited contractors looking to prey on storm victims.
- Those contractors may pocket your payment without completing the job, offer to illegally waive your insurance deductible, use inferior materials, or perform subpar work not up to code.
- Don't feel pressured into signing a contract right away.
- Do not pay in full for repairs up-front.
- Get everything related to your repairs in writing.
- Work with only insured contractors.



Avoiding Fraud

- Get more than one estimate - multiple estimates are recommended, but not required.
- Don't feel pressured into signing a contract right away.
- **Get everything related to your repairs in writing.**
- Ask to see the contractor's driver's license and note their information. Write down the license plate numbers of work vehicles.
- Avoid signing a contract with blank sections, and do not sign a certificate of completion until all of the repair work is done to your satisfaction.
- Learn more ways to protect yourself from fraud at TDI's website at tdi.texas.gov/tips/contractor-scams.



Getting Your Repairs Certified

- Structures built, altered and/or repaired on or after January 1, 1988, with some exceptions, must obtain a Certificate of Compliance
- Certificates of Compliance (also called WPI-8s, WPI-8Cs, and WPI-8Es) are part of TWIA's eligibility requirements
- The Texas Department of Insurance operates the Windstorm Inspections Program:
 - Go to [TDI.Texas.Gov/Wind](https://www.tdi.texas.gov/wind)
 - Call (800) 248-6032
 - Email Windstorm@TDI.Texas.Gov
 - In most cases inspections to certify repairs or property improvements are FREE



TDI COAST Program

TWIA Ombudsman & TDI



Texas Department
of Insurance

Toll -Free:

1-800-252-3439



Texas Department of Insurance

Coastal Outreach and Assistance Services Team

Email:

COAST@TDI.TEXAS.GOV

Website:

tdi.texas.gov/consumer/disasters.html



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