

How a TWIA Claim Works

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 Sr. Catastrophe Plan Analyst
- Erick Baltodano, Claims Care Team Quality Analyst
- Eric Casas, TDI COAST Program TWIA Ombudsman

First, a Few Frequently Asked Questions

- Can a policyholder check the status of their claim in real-time?
- Does TWIA “pay pennies on the dollar?”
- Endorsements that can cover food spoiling

How a TWIA Claim Works

- Reporting a claim to TWIA
- Field adjuster contact and expectations
- The property inspection
- Inspection report and other required documentation
- Claim determination and repair estimate
- How to get help after the webinar, TDI COAST Program



A Few FAQs First

Q: Can policyholders check the status of their claims in real-time?

- ✓ A: Yes, through the Policyholder Portal. The status will not change every day, though. Each step in the claim process can take several days.

Q: Is there any truth to the statement that “TWIA tries to not pay claims, and when they do, they pay pennies on the dollar?”

- ✓ A: TWIA is committed to honoring every insurance contract it issues by paying claims fully within the terms of the policy. TWIA evaluates each claim based on its own unique set of facts, works to find as much covered damage as possible, and pays reasonable costs for repairs or replacement for any covered damage.
 - ✓ Factors that affect a claim payment amount: Deductibles, depreciation, coverage limits, endorsements

Q: How do the extensions of coverage affect a claim and payment?

- ✓ A: Endorsements like ALE can provide coverage for food spoilage. TWIA policies only cover food spoilage if it is the result of a covered loss. For example, food that goes bad because of a power outage can only be covered if the outage was caused by wind or hail.



Temporary Repairs

Make temporary repairs as soon as possible.

- Walk around your property and take photos of the damage.
- Do your best to stop the loss/damage from getting worse.
 - Another storm might come along.
- Keep your claim recovery from getting longer.



Trees and Tarps

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.



Four Ways To Report a Claim:



[www.twia.org/
claimscenter](http://www.twia.org/claimscenter)

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.**



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Field Adjustor Contacts Policyholder

Scheduling the Inspection

- Once a policyholder has reported your claim, TWIA may send an adjuster to the insured's property to inspect the damage.
- The adjuster will contact the policyholder or their representative to schedule the inspection.



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Property Inspection Takes Place



- The inspector must document the entire property regardless of the cause of the damage
- In most cases, adjusters will physically get on and inspect the roof
- Drone Inspections, Ladder Assists

A Note About Field Adjusters

- Adjusters should have a professional and courteous demeanor
- Adjusters should explain the claims process and next steps
 - Adjuster submits inspection report to TWIA
 - TWIA claims examiner reviews the inspection report to determine whether the damage is covered
- Adjuster will provide you a copy of our brochure

The adjuster's job is to inspect and document the damage to your property. Only TWIA can determine whether this damage is covered under your policy.



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Field Adjuster Sends Inspection Report to TWIA

- TWIA receives the adjuster report which includes a damage assessment and estimate
- **A TWIA claims examiner reviews:**
 - All information in the report
 - Other info provided by the policyholder
 - Photos
 - Weather Data
- **Requests any additional information from the policyholder and/or the adjuster**
- **Reviews all the information to determine what damage is covered under the TWIA policy**



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



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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



TWIA Notice of Claim Decision

Insured: Mr. Smith
Policy Number: 123321123
Claim Number: 0775555
Loss Location(s): Galveston, TX

Dear Mr. Smith,

This letter is to inform you that we have accepted your wind claim in full. We estimate the amount of loss we will pay is \$12,000. We are issuing a payment of \$8,000 to you which represents the amount of loss, less depreciation.

We understand your property was damaged by wind or hail on _____ . We confirmed your policy covers the following damages:

- Roof Damage
- Fencing
- Siding

How we came up with your claim payment amount:

- Your claim payment amount is based on an estimate to repair your property, minus non-recoverable depreciation, if applicable, and your deductible.
- The estimate is based on covered damages we found and any information you gave to us.
- This is only an estimate of what it will cost to repair your property and it is possible the total cost may be different.

Your next steps:

- Provide our estimate to whomever will perform the work and begin repairs.
- If you agree with the amount of loss, begin work.
- If estimate is not enough, contact TWIA and request a supplemental payment. This must be done within 545 days of this notice.
- If additional damages are discovered while making repairs, please contact TWIA. You have one year from the date of loss to present these to TWIA.

There are mandated timelines associated with disputing the amount of the loss we will pay. See the section titled **IF YOU DISAGREE WITH THE AMOUNT OF LOSS** for more details.

If you have other questions, please contact us at 800-788-8247.

Texas Windstorm Insurance Association
PO Box 99090 Austin, TX 78709-9090
(800) 788-8247 | www.twia.org

How to Read a TWIA Claim Letter

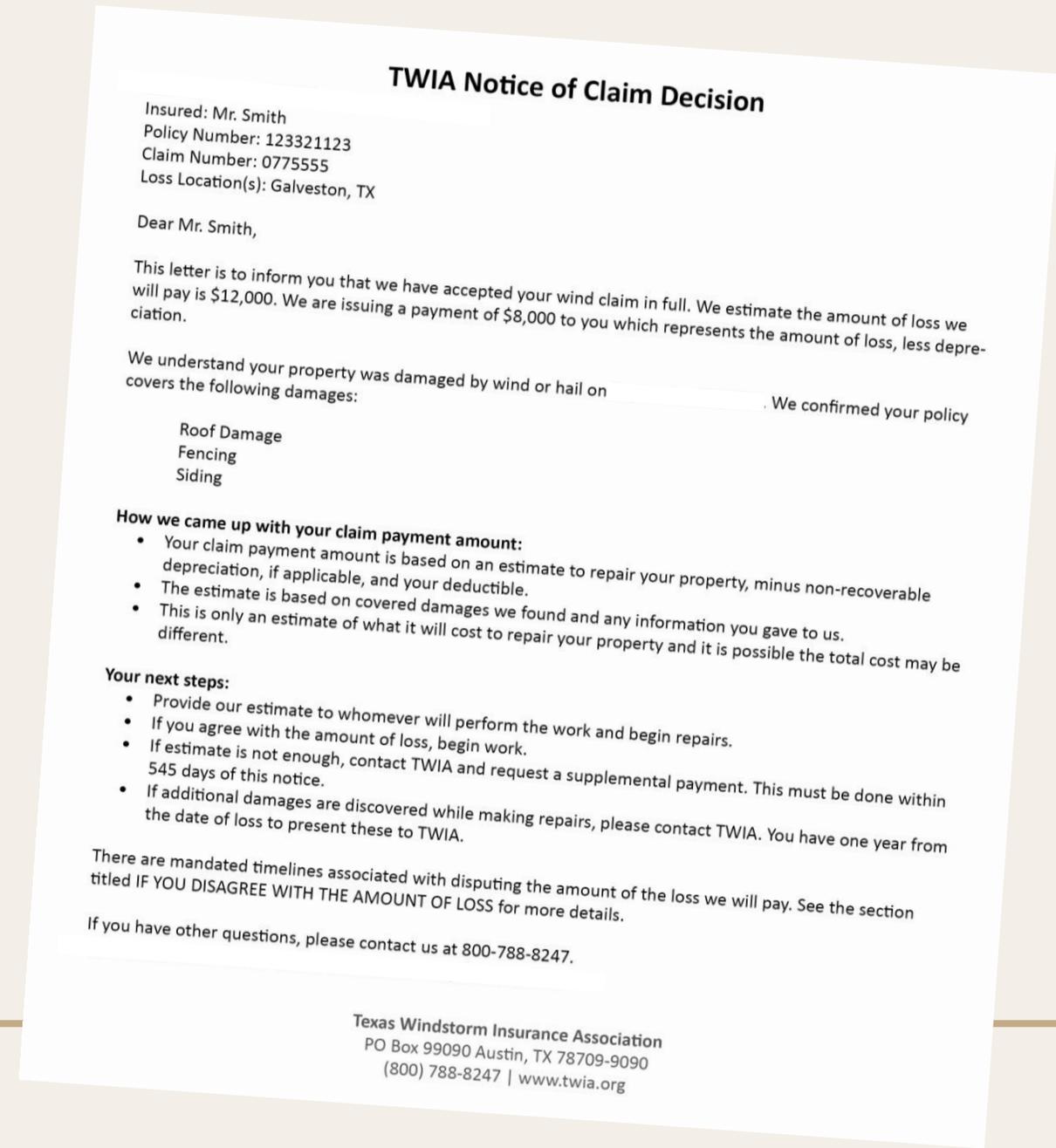
*Acceptance or Denial of the claim
(Or Partial Acceptance/Partial Denial)*



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



What to do if the Policyholder disagrees with our decision



The Repair Estimate included with the Claim Notice

- **What does it mean?**

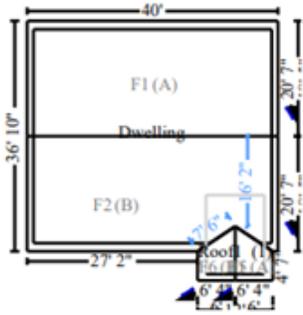
- The repair estimate lets everyone involved in the claim know what damage TWIA has accepted related to the claim and what we estimate it will cost to repair and/or replace damaged items.
- It provides the context for what we are paying, including any deductible that is applied and any depreciation that 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
 172.20 Total Perimeter Length
 17.04 Number of Squares
 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 1A: Primary	
Line Item Total	3,031.48
Material Sales Tax	48.20
Subtotal	3,079.68
Overhead	307.97
Profit	338.78
Total Tax	109.71
Replacement Cost Value	\$3,836.14
Less Deductible	(2,680.00)
Net Claim	\$1,156.14

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.



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.



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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.



Tips for Working with Contractors

- Get more than one bid
- Read what you sign
- Beware of misleading language
- Don't pay everything up front if they ask for it
- Skip offers to waive or pay your deductible



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





Questions?

Stay in touch with us.

www.twia.org/recovery



Follow us on Facebook: [**www.facebook.com/TexasWindstormInsurance**](http://www.facebook.com/TexasWindstormInsurance)



If you live in our coverage area and are on Nextdoor, search for our page to connect with us there: Texas Windstorm Insurance Association

Sign up for TWIA Connections, an email update for coastal stakeholders
www.twia.org/connections



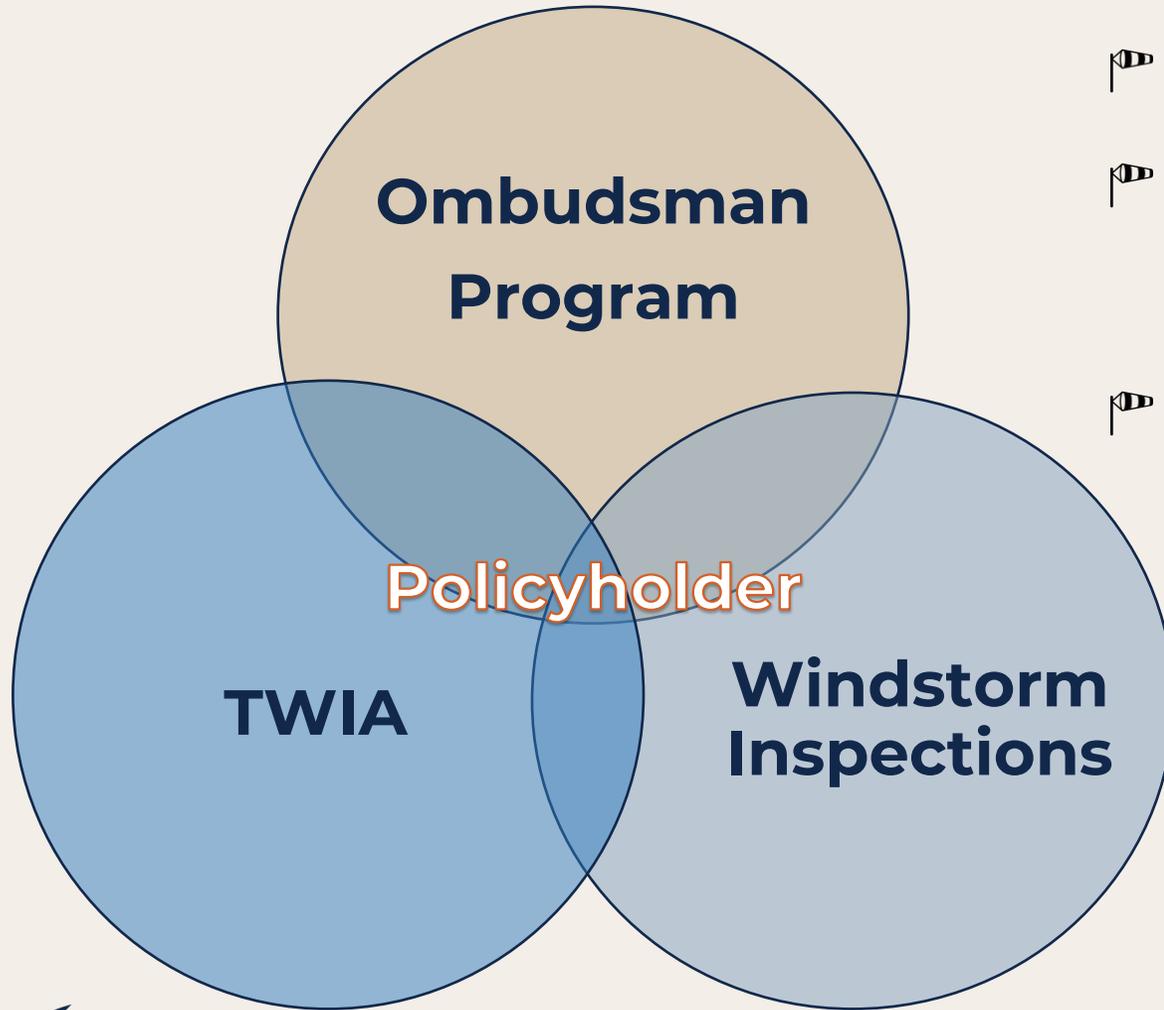


TDI Coast Program

TWIA Ombudsman & TDI



TWIA Ombudsman – Relationship



- 🚩 TWIA provides coverage
- 🚩 Windstorm Inspections certifies repairs/construction with WPI-8s*
- 🚩 Ombudsman assists policy holders

Contact us for help



Toll-Free:
1-800-252-3439



Email:
COAST@TDI.TEXAS.GOV

Website:
tdi.texas.gov/consumer/disasters.html

