

Explanatory Memorandum

As a result from the passage of House Bill 3 (HB 3), 82nd Legislature, 1st Called Special Session, TWIA is submitting for commissioner's approval the necessary amendments to the commercial policy form and endorsements. TWIA staff met with staff from the Texas Department of Insurance (TDI) and Office of Public Insurance Counsel (OPIC) to discuss informal drafts of amendments to the commercial policy form and endorsements. The amendments to the commercial policy form and endorsements contained in this submission are a result of those discussions. Following is a brief description of the amendments:

- Wind turbines are added to the list of property that is not covered.
- The duties after a loss for the insured and TWIA have been added and/or amended.
- Loss settlement provisions relating to a claim have been added and/or amended.
- Dispute resolution provisions relating to a claim have been added and/or amended.
- Provisions relating to a lawsuit and mediation have been added and/or amended.
- Appraisal provisions relating to a claim have been added and/or amended.
- Appeals relating to other than a claim dispute has been amended.
- Other claim related provisions have been added and/or amended.
- Cancellation provision relating to minimum retained premium has been amended.

The changes are further illustrated in the policy forms and endorsements submitted for approval utilizing tracked changes by using strike through to identify language that is being deleted and underlining to identify language that is being added.