

James C. Murphy, FCAS, MAAA Vice President - Actuary

September 30, 2013

Marilyn Hamilton Property & Casualty Associate Commissioner Texas Department of Insurance P.O. Box 149104 M/C 104-PC Austin, TX 78701

RE: Texas Windstorm Insurance Association Adjustments to Maximum Liability Limits

Dear Marilyn:

Section 2210.502(a) of the Texas Insurance Code states that, not later than September 30 of each year, the Texas Windstorm Insurance Association shall propose to the Commissioner inflation adjustments to its maximum liability limits at a rate that reflects any change in the BOECKH index.

On August 13, 2013, the Board of Directors of the Association approved the following adjustments:

	Current	Proposed
	2013	2014
Dwellings and individually owned townhouses	\$1,773,000	\$1,816,000
Contents of an apartment, condominium, or townhouse	\$374,000	\$383,000
Commercial structures and associated contents	\$4,424,000	\$4,514,000

The limit of liability for governmental buildings and corporeal movable property shall be indexed and adjusted as provided for commercial structures and associated contents, per Texas Insurance Code Section 2210.502(d).

Supporting documents are attached.

We look forward to the Commissioner's approval of the proposed limits. If you or your staff have any questions or comments, please contact John Polak or me.

Respectfully,

James C. Murphy

Encl. (2)



Type of	Ratio of Total TWIA	<u>Boeckh Index</u> Corpus	cas of May/Ju	ine 2012		Boeckh Index Corpus	cas of May/Ju	ne 2013
Construction	Business	Christi	Houston	Average		Christi	Houston	Average
Dwelling, including individuall	y owned townh	ouse unit, & as	ssociated corp	oreal movable	property			
						0457.4		0405.0
Frame Brick	98.25% 1.75%				1.02033674 1.02186944			
DIICK	1.75%	2133.4	2243.1	2190.3	1.02100944	2102.1	2301.0	2241.9
Weighted Average Factor				2143.9				2196.4
Indicated Change								2.4%
Current Limit								1,773,000
Indicated Limit of Liability								1,816,000
								.,,
Individually-owned corporeal	movable prope	rty located in a	in owner-occu	pied apartment	, residential co	ondominium, c	or townhouse	<u>unit</u>
Frame	50.06%	2114.4	2171.8	3 2143.1		2157.4	2233.8	2195.6
Brick	49.94%					2182.1	2301.6	
						2.02.1	200110	-
Weighted Average Factor				2166.6				2218.7
Indicated Change								2.4%
Current Limit								374,000
Indicated Limit of Liability								383,000
Structure other than a dwellin	g or public buil	ding and the c	orporeal mova	able property loo	cated in that s	tructure		
Anartmanta Driak Maad	20 550/	2104.4	0040.6	2000 E		2225.0	2202	00547
Apartments - Brick, Wood Apartments - Brick, Concrete	30.55% 2.90%					2225.9 2179.2		
Apartments - Brick, Steel	6.70%					217 9.2		
Commercial - Frame	15.02%					2205.0		-
Commercial - Steel	3.56%					2267.9		
Commercial - Brick, Wood	6.35%					2392.1		
Commercial - Brick, Steel	13.07%					2425.3		
Commercial - Brick, Concrete						2120.2		
Weighted Average Factor				2286.8				2333.4
Indicated Change								2.0%
Current Limit								4,424,000
Indicated Limit of Liability								4,424,000
moleated Elitin of Elability								4,514,000

Statutory Limits of Liability

	Current	Proposed	Increase
Dwelling	1,773,000	383,000	43,000
Contents	374,000		9,000
Non-Dwelling	4,424,000		90,000

	Risks at Statutory Limits	<u>Exposure</u> Current	Proposed	Increase
Dwelling Contents Non-Dwelling	3	6 170,208,00 0 11,220,00 6 690,144,00	, ,	270,000
Total	28	2 871,572,00	00 890,010,000	18,438,000
Total TWIA E	xposure			72,761,259,474
% Increase in	0.03%			

