

## **TEXAS PROPERTY INSURANCE PROGRAM TIMELINE OF EVENTS**

### **June 1, 2013 or effective date of the Act**

- TPIP is established
- TWIA's current bond scheme for funding excess losses is eliminated and replaced with a new funding mechanism [Sec. 19; 2210.0561]
- An insurer with primary dwelling coverage must adjust all policy claims (single adjuster program) [2210.5725]

### **Not later than January 1, 2014**

- The administrator must establish the electronic clearinghouse [Sec. 20(a)]
- Each insurer must file all rates, rating factors, and supplementary rating information using file and use procedures [Sec. 20(b)]
- The administrator must make an initial assignment rate filing, which TDI will review for compliance with methodology [Sec. 20(c)]
- TDI must promulgate all forms and endorsements required under the Act [Sec. 20.(d)]
- TDI must establish the mitigation grant program as provided for in SB 19

### **January 1, 2014**

- The administrator must assume administration of TWIA and the FAIR plan and must adjust all claims, including claims not subject to the single adjuster program [2210.062; 2211.0555]
- Transition rates become available for holders of TWIA and FAIR plan policies that will not be renewed [2214.452]

### **January 1, 2014 or upon establishment of the clearinghouse, if later**

- The administrator must create a database, referred to as the "clearinghouse", containing information about TWIA and FAIR plan policies available to all insurers for purposes of soliciting offers of coverage.
  - The MGA must assign TWIA and FAIR plan coverage to an insurer that submits a qualifying offer [2210.211; 2211.1514]
- An application for a TWIA or FAIR plan policy must include premium and rating information on other perils coverage as a condition of receiving TWIA coverage [2210.2022; 2211.1516]

- TWIA policies must reflect market rates and a limit of liability on *new* residential coverage capped at \$750,000 with a standard deductible amount of 3% [2210.364; 2210.507]
- A statewide CRTF surcharge of 1 percent statewide and 5 percent in the "catastrophe area" begins on all property and automobile insurance issued or renewed [2210.4521]

#### **April 1, 2014**

- Insurers must offer the TPIP policy form to every applicant for residential property insurance coverage [2214.054]

#### **April 1, 2015 or after**

- The assigned risk plan takes effect for all new policies -- no new TWIA or FAIR plan policies may be issued [2210.212(1); 2211.1515(1)]
  - Therefore, TWIA and the FAIR plan may not issue residential coverage if a property has not been insured through TWIA or the FAIR plan for the preceding 12 month period [2210.212(1); 2211.1515(1)]
- TWIA and the FAIR plan are not permitted to renew residential coverage unless an application for coverage is first submitted through the clearinghouse [2210.213; 2211.1515]
- All insurers will be required to participate in the TPIP [2214.051]

#### **October 1, 2015 or after**

- TWIA may not issue any form of coverage on a residential structure, including renewal coverage or coverage subject to the Mitigation First plan that have not been mitigated [2210.212(2)]
- The FAIR plan may not issue any form of coverage [2211.1515(2)]
- Transition rates implemented over a 10-year time period will be available for qualified applicants [2214.452; 2214.456]

#### **September 20, 2016**

- The CRTF surcharge program ends, unless the commissioner ends it sooner [2210.4521]

#### **December 31, 2025**

- Transition rate program expires [2214.459]