TPIP Binder/Assignment Process [2214.352]

Residential property owner is denied coverage.

Agent gathers information, including inspections, declinations, and flood insurance.

Agent submits information, premium and fees to Administrator.

Administrator assigns to "Carrier A." Binder covers all TPIP perils except when suspended by Administrator based on pending weather.

Carrier A issues a 30-day binder. Receives premium at market rate +25%

Policy is placed in clearinghouse for 20 days; all offers received by Administrator are transmitted to agent for review.

If

Qualifying offer(s) received thru clearinghouse, applicant has 10 days to review, otherwise coverage terminates.

Policyholder can accept or decline offer.

If

Accept

- Qualifying offer received by carrier covers policy for remainder of term.
- Carrier A is responsible for any claims during first 30 days (binder period) and is reimbursed for applicable percentage of the premium.

Decline

- Applicant may not re-apply to clearinghouse for 12 months.

No qualifying offer received.

- 30-day binder becomes full year policy.
- Administrator sends premium to Carrier A, and Carrier A is responsible for all claims.

Renewals

Assigned carrier duties

•Provide 45-day notice of pending renewal.

•Renew coverage at least twice if a qualifying offer is not received.

Agent duties

•Submit required information, premium, and fees to the MGA at least 30 days prior to renewal.

Administrator duties

•Offer coverage through clearinghouse; coverage not bound due to assigned carrier coverage.

Policyholder duties

•Policyholder may accept a qualifying offer, if received.

•If no qualifying offer, policyholder may renew with assigned carrier.

• If policyholder declines renewal or qualifying offer, policyholder may not re-apply for at least 12 months.