



## **TWIA 2.0**

**That was then, this is now**

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



# Introduction

- Legacy of the past
- Promise of the future
- That was then and this is now



## **TWIA Overview**

- TWIA was established by the Texas Legislature in 1971 to provide wind and hail coverage to applicants unable to obtain insurance in the voluntary market
- TWIA now insures:
  - 251,000 Texans
  - \$69.7 billion in property
  - Approximately 57% of the coastal residential market



## **TWIA Today**

- TWIA has become a large business
- TWIA takes in approximately \$400 million in premium each year
- TWIA pays approximately \$20 million in non-catastrophe claims each year



## Hurricane Ike

- Hurricane Ike hit the Texas coast on September 13, 2008
- It was the largest hurricane in TWIA history and the first major test for virtually all of TWIA's employees and contractors
- TWIA received 92,888 claims and resolved 96.8% of those
- Lawsuits from Ike escalated beginning in September of 2010 and we continue to receive new ones today
  - We received a total of 5,774 lawsuits as of 10/3/2011
  - 462 have been filed since 4/1/2011
  - We have settled 4,804 or 83.6% of the total received
  - 970 remain outstanding



## Past vs. Future



Even today there are some who characterize and define TWIA by events of three years ago and the acts of individuals who are no longer here, even as we rapidly transform into a very different company.



## **Lessons Learned**

- TWIA was inadequately prepared to deal with a significant event.
- TWIA lacked sufficient management staff with the requisite skills and experience.
- TWIA lacked the necessary internal management controls.
- TWIA failed to effectively communicate with all of its stakeholders.



## **What Needed to Change**

- Operational Effectiveness
  - Improved Controls & Processes
  - Communication
  - Management Development
  - Culture
- Working smarter rather than harder by having the right people in the right positions doing the right things for customers.
- TWIA needed to review and revise all aspects of its operations.
- Developed a comprehensive Operations Improvement Plan





## **Next Steps: Changes within TWIA**

- **Management Development**
  - Adding experience and new skills to the organization
  - Ethics and compliance priority for the organization
- **Cultural Transformation**
  - Accountability
  - Customer Focus
  - Transparency
  - Continuous Improvement
  - Development of and Training in key processes and procedures



## **Transparency**

- New approach to selecting and training of outside adjusters
- Transformational strategy of creating a stronger professional management team to oversee adjusters
- New tools to manage and evaluate assignments and quality of adjuster
- We will adjust the size of the adjuster workforce to reflect claim activity



## Claim Reporting

- Claim processes simplified
  - Claims portals for
    - Policyholders
    - Agents
    - Call Center
    - Adjusters
  - All Other methods
    - Fax
    - Phone
    - Mail
    - E-Mail



# Catastrophe Plan Effectiveness

- Opportunity to test plan
- Tropical Storms Don & Lee
  - Plan activation
  - Plan assessment
  - Plan improvement



## **Control of Expenses**

- Contracting directly with legal defense and adjusting firms
- Auditing of legal bills – past and future
- Requiring litigation budgets
- Improving documentation of claim damage and non-damage
  - Did the adjuster document damage from wind and non-covered damage upon inspection of the risk based on open claim
  - Require better documentation on underwriting large commercial risks (i.e. – condition of the roof pre and post event)



## **Control of Expenses**

- Invoice Control Process
- Quality Review Function on Claims including Re-inspections
- Department Level Budgets for 2012



## **Communication Prior to a Storm**

- Public Service media releases
  - Storm preparedness
  - How to report a claim
- Underwriting Bulletins issued
  - How to report a claim
- Call Center activated
  - Extended hours and services



## Communication Post Storm

- Call Center
  - Expanded capabilities 24/7 during storms
- Customer Phone Communication
  - Seven (7) day follow-up contact intervals on open claims
- Written Communications
  - Revised letters
    - Informative
    - Clear
    - Customer Focused
- Website Update and Redesign
  - For House Bill 3 and other upgrades to make user friendly





# TWIA Website



Texas Windstorm  
Insurance Association

Search

Home

Policyholders

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## Claims Handling Procedures:

As Tropical Storm Lee nears the Texas coastline, the Texas Windstorm Insurance Association ("TWIA") wants to remind its policyholders on claim reporting procedures. To file a claim, please contact your agent or call TWIA's claim reporting center at:

**1-800-788-8247**

### Policyholders ▶

TWIA offers a Policyholder Portal that provides our policyholders direct access to information about their claims. You can get claim information such as loss payments issued, replacement depreciation holdbacks, and contact information for your adjuster and agent. To register for and use this portal, be sure to have your policy number and claim number handy.

[Policyholder User Guide](#)

### Agents ▶

The Agents section of this website is designed to help agents conduct business with TWIA.

When a storm is impending or recent, click the "Agent Alerts" button below for the latest updates from TWIA.

 **Agent Alerts**

Last updated 09/16/2010

Use the "Agent Login" button to enter the Agent Portal, where

### News & Upcoming Events

- **Notice: Board Meeting scheduled for September 13th.** Please click [here](#) for the Board Meeting Agenda.
- [An Open Letter to Policy Holders](#)
- [RFQ for Vendor Services](#)
- [2012 T.W.I.A. Underwriting Basics Workshop Schedule/Registration](#)
- [Information Regarding the Open Records Act](#)
- [2011 TWIA Board Meetings](#)



# Improved Communications with Policyholders and Agents

**XactAnalysis**

XactAnalysis > Advanced Search > Results

**SEARCH RESULTS**

384 assignments found. [Select All](#) [Clear All](#)

#	Claim #	Total	Insured	R	Adjuster	XactAnalysis	
1	<input type="checkbox"/> C0166285	-	Janice		Emily Robinson	Delivered	
2	<input type="checkbox"/> C0166285	-	Elizabeth		Elmer Holland	Delivered	
3	<input type="checkbox"/> C0166641	-	Allen D	R	Junie Jones	Notify Pend	
4	<input type="checkbox"/> C0166640	-	Harold		Emily Robinson	Notify Pend	
5	<input type="checkbox"/> C0166639	-	Alberto		Assignment Queue	In Queue	
6	<input type="checkbox"/> C0166638	-	James Johnson		Assignment Queue	In Queue	
7	<input type="checkbox"/> C0166637	-	Carol Martin		Assignment Queue	In Queue	
8	<input type="checkbox"/> C0166636	-	Robert Jones		Assignment Queue	In Queue	
9	<input type="checkbox"/> C0166615	-	Elaine Armstrong		77590 TWIA.TEST.GR	Greg Samson	Notify Pend
10	<input type="checkbox"/> C0166614						
11	<input type="checkbox"/> C0166612						
12	<input type="checkbox"/> C0166082						
13	<input type="checkbox"/> C0166445						
14	<input type="checkbox"/> C0166636						
15	<input type="checkbox"/> C0166643						
16	<input type="checkbox"/> C0166504						
17	<input type="checkbox"/> C0166633						
18	<input type="checkbox"/> C0166628						
19	<input type="checkbox"/> C0166589						
20	<input type="checkbox"/> C0166596						

**Claim Summary for TWIA Claim # C0000000 - Janice Doe**

Click clipboard icon to view Claim Notice

Claim Information	Temporary Contact Information	Adjuster's Information
TWIA claim ID: C0000000	Home phone: (555) 555-5555	Adjusting firm: AAA Adjusters, Inc.
TWIA policy ID: 00000000	Work phone: Ext:	
Date of loss: 08/25/2011	Cell phone:	
Date assigned: 08/27/2011	Email: jandoe@gmail.com	
Policy Information	Temporary Mailing Address	Insured
Name: Janice Doe	Address line 1: 1624 Daisy Avenue	Ella Smith
Primary phone:	Address line 2:	2708 Bayside Drive
Work phone: (555) 555-5555	City: Brownsville	Galveston, TX 44044
Cell phone:	State: TX	
Mailing address: 1100 Maple St.	ZIP: 78521	
	Brownsville, TX 78520	
Alternate Contact Information	Insured Contact Information	
Alternate contact: Alan Smith	Home #	
Contact's phone: (555) 555-5555	Work # (000) 000-0000	
	Cell # (000) 000-0000	
	Email: ellasmith@gmail.com	

**To update your contact information, please contact your adjuster or agent.**

**Loss Payments**

Issue date	Amt paid	Pmt type	Check#	Paid to the order of
09/05/2011	\$2331.15	LOSS	123456789	Janice Doe & Citimortgage:
08/27/2011	\$412.19	ALE	123456788	Janice Doe

Estimated Replacement Cost Depreciation Holdback (RCC): \$651.00. How to collect All Claim Summary and Loss Payments data are current as of yesterday.

Agency & Policyholder Portals and clearer policyholder communications create a more friendly and transparent environment

## Texas Windstorm Insurance Association

P.O. Box 99090 Austin, Texas 78709-9090  
(512) 899-4900 FAX (512) 899-4953

**Adjuster**  
AAA Adjusting, Inc.  
Galveston Branch  
4800 Elm Street  
Galveston, TX 77046  
Phone: (555) 555-5555 Fax: (555) 444-4444

**Agent**  
Acme Insurance Co.  
67 Main Street  
Galveston, TX 44042  
Phone: (000) 000-0000 Fax: (555) 555-5555

**Insured**  
Ella Smith  
2708 Bayside Drive  
Galveston, TX 44044

**Insured Contact Information**  
Home #  
Work # (000) 000-0000  
Cell # (000) 000-0000  
Email: ellasmith@gmail.com

### CLAIM NOTICE ACKNOWLEDGMENT AND ASSIGNMENT

See Attached "Important Notice for Insureds"

To see a summary of your claim, visit [www.twia.org](http://www.twia.org) and click on the button labeled Policyholder Login.

Claim No.	Policy No.	Effective Date	Expiration Date	Loss Date	Date Received	Date Assigned
C0000000	00000000	11/20/2010	11/20/2011	05/13/2011	06/02/2011	06/02/2011

Item	Limit of Liability	Coins %	Deductible	Form Numbers	Insured Property and Form Description
1	80,000.00	80	\$800	310	<b>Property Description: Building</b> 401 E Maple St Harlingen TX 78550 Occupancy: Primary Dwelling
2	2,500.00	80	\$25		<b>Property Description: Personal Property</b> 401 E Maple St Harlingen TX 78550 Occupancy: Contents

Mortgage(s)	Loan No.
Generic FCU PO Box 199 Houston TX 45689	000000000

Flood Carrier	Flood Policy No.
ABC Flood Insurers, Inc. PO Box 40219 Galveston TX 44043	000000000



## Legislation Implementation

- With HB3 there are additional changes to our operations that need to be communicated and implemented.
- Joint effort with the Texas Department of Insurance and the Office of Public Insurance Counsel.
- Ongoing meetings to discuss how best to implement legislative changes and the impact to TWIA and its stakeholders
- Approval of Policy Forms and Endorsements very soon.
- Dialogue continues on upcoming rule proposals and changes to plan of operation.
  - Recently commented on rule concepts for appraisal, alternative dispute resolution, and the expert panel
  - Shared drafts with known stakeholders to gather more input



# Communications on Website – House Bill 3

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## House Bill 3

### New Legislation

- [HB3 Full Text](#)
- [Summary](#)
- [Rules](#)
- [Policy Changes](#)
- [Claims & Disputes](#)

### Meetings

### Public Information Act

**Email questions about  
HB3 to:  
[HB3info@twia.org](mailto:HB3info@twia.org)**

This part of the Texas Windstorm Insurance Association ("TWIA") website is dedicated to informing policyholders, agents, and other stakeholders about the changes to TWIA and the claims process resulting from the passage of House Bill 3 by the 82nd Legislature, 1st Called Special Session. It is important to know that the changes are occurring very quickly; the effective date of the new law is September 28, 2011. In addition, policy forms have been revised to reflect the changes to the law. These new policy forms will begin to be issued for new and renewal policies beginning November 27, 2011.

### [New Legislation ▶](#)

This section of the website includes detailed information about House Bill 3, including a copy of the text of the bill and a summary of the bill's key sections. Also included in this section are documents intended to help you understand the significant changes. These documents include:

- an illustrative chart to show how the claims process works, timelines for filing and processing claims, and the various claim dispute processes;
- copies of any proposed or adopted rules including a link to the TDI website; and
- a summary of the policy changes.

### [Meetings ▶](#)



# Claims and Disputes PowerPoint on Website

## House Bill 3 Claims Resolution



Claim is filed with TWIA not later than one year from the date of damage including any information related to the claim.

TWIA may, not later than the 30<sup>th</sup> day after a claim is filed, request in writing necessary information related to the claim from the claimant.

Not later than the 60<sup>th</sup> day after TWIA receives notice of the claim or the 60<sup>th</sup> day after receiving requested materials, whichever is later, TWIA must provide a written decision that:

TWIA accepts coverage for the claim in full.

TWIA informs claimant of amount to be paid on the accepted claim or partially accepted claim, and of the time limit to request appraisal.

TWIA must pay the claim not later than the 10<sup>th</sup> day after date of notice.

Claimant may request from TWIA a detailed summary of the manner in which TWIA determined the amount to pay. If the claimant accepts the amount, the decision is final pending the passage of 60 and / or 90 day deadlines. If the claimant disputes this amount paid, the claimant may seek appraisal under the policy.  
[SEE SLIDE ON THE APPRAISAL PROCESS.](#)

TWIA accepts coverage for the claim in part and denies coverage for the claim in part.

TWIA informs claimant of the portion of the claim which TWIA denies coverage including a detailed summary of the manner TWIA determined not to accept coverage and the time limit to provide notice of intent to bring a lawsuit.

If payment is conditioned on the performance of an act, TWIA must pay the claim not later than the 10<sup>th</sup> day after performance of the action.

Not later than the second anniversary of the date the claimant receives a notice of denial or partial denial, claimant must provide notice to TWIA that the claimant intends to bring a lawsuit against TWIA concerning the partial or full denial of the claim. TWIA may require the claimant to submit the dispute to alternative dispute resolution (mediation or moderated settlement conference).  
[SEE SLIDE ON ALTERNATIVE DISPUTE RESOLUTION PROCESS.](#)

TWIA denies coverage for the claim in full.

TWIA required to provide a form to provide the notice of intent to bring a lawsuit.



# New Legislation Landing Page

## House Bill 3

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### New Legislation

The 82nd Legislature, 1st Called Special Session, enacted House Bill 3 to address issues related to the operations of TWIA, create new timelines for claims handling, develop dispute resolution for accepted and denied claims, enable TWIA to fund certain losses resulting from a catastrophe, require TWIA to issue annual reports on specific subjects, and require TWIA to study certain issues with the Texas Department of Insurance ("TDI") and the Legislature to address future legislative changes to TWIA.

- [House Bill 3 \(PDF\)](#) - the full text of the legislation.
- [Summary](#) - a section-by-section summary of the bill to help explain the changes in the law.
- [Proposed / Adopted Rules](#) - House Bill 3 requires the adoption of many rules to implement the new law. These rules are proposed and adopted by the TDI. You may also hear these rules referred to as "TWIA's Plan of Operation". Proposed and adopted rules related to HB 3 and TWIA may be found at: <http://www.tdi.texas.gov/rules/2011/parules.html>
- [Policy Changes](#) - a detailed summary of key changes to TWIA dwelling and commercial policy forms, in an easy to understand format. Policy forms submitted to TDI pending final approval may be found on the TDI website at the following link: <http://www.tdi.texas.gov/submissions/indextwia.html>
- [Timelines for Handling Claims, and Processes for Disputing Claim Determination](#) - an illustrative chart of the key steps and deadlines after a claim is filed with TWIA. In addition, the processes for the dispute of an accepted or denied claim and related timelines for processing the claim are also illustrated to help you to understand the new law as it relates to the claims process.



# Open Meetings Landing Page

## House Bill 3

### New Legislation

- HB3 Full Text
- Summary
- Rules
- Policy Changes
- Claims & Disputes

### Meetings

### Public Information Act

Email questions about  
HB3 to:  
[HB3info@twia.org](mailto:HB3info@twia.org)

## Meetings

### Open meetings

TWIA Board of Directors meetings and meetings of Board of Directors Committees are open to the public, except for closed executive sessions. Prior to any meetings, TWIA will post notice of the meeting on the TWIA website and the TDI website. In addition, TWIA posts notice of its meetings in the Texas Register. TWIA will broadcast live on its website all meetings of the Board of Directors, other than closed executive sessions.

### Upcoming meetings

*Next Meeting is Tuesday, December 13, 2011 in Austin; Location: TBD; Time: 8 a.m.*

### Archived meetings

TWIA will maintain on its website an archive of meetings for the Board of Directors. The recording of a meeting must be maintained in the archive for at least two years.

#### **September 13, 2011 – Corpus Christi**

Please click [here](#) for the electronic board books for the meetings including an agenda.

Note: This large file may require extra time to load.

### Board of Directors

Please click [here](#) for the current Board of Directors Membership Roster for 2011.

Please click [here](#) for the current list of TWIA Committees and Membership Roster.

The Board of Directors is composed of nine voting members and one non-voting member. All ten members must be appointed by the commissioner. All members of the Board of Directors must have demonstrated experience in insurance, general business, or actuarial principles.



# Public Information Landing Page

## New Legislation

- HB3 Full Text
- Summary
- Rules
- Policy Changes
- Claims & Disputes

## Meetings

## Public Information Act

**Email questions about  
HB3 to:  
HB3info@twia.org**

## Public Information Act

Generally, information collected, assembled, or maintained by or for TWIA is public information unless it is excepted from disclosure by the Public Information Act or is considered to be confidential by constitutional or statutory law, or by judicial decision.

### Filing a request for Public Information with TWIA

TWIA will review all requests for information to determine whether the information requested is public information and should be released. To view or obtain copies of public information, please send a written request to TWIA by any of the following methods:

Email:	<a href="mailto:RecordsRequest@twia.org">RecordsRequest@twia.org</a>
Fax:	Attn: Public Information Coordinator (512) 505-2198
Mail:	Attn: Public Information Coordinator Texas Windstorm Insurance Assn P.O. Box 99090 Austin, TX 78709-9090
Physical Delivery:	5700 South MoPac, Building E Austin, Texas 78749

### Public Information Act opinions relating to TWIA

If there is a question about whether information requested from a government body is public information that should be released upon a request under the Public Information Act, the Office of the Attorney General ("OAG") will make a determination about whether the information is public. Several decisions have been made by the OAG since 2009 relating to requests for information submitted to TWIA. Please click [here](#) for a listing of the OAG opinions related to TWIA.





## **Additional Changes to Website from House Bill 3**

- Broadcast Future Meetings
- Frequently Asked Questions (FAQs) Guidance
- New Policy Forms and Endorsements
- Alternative Certification Information
- Financial Reports and other Expenditure Reports
- Allow Signing-up for Email Alerts and Announcements
- Focus on Each Stakeholder Group
  - What does each group need to know about:
    - Coverage Issues
    - Claims Processes
    - Dispute Processes



## **Next Steps: Customer Outreach**

- Outreach before and after a storm to local authorities
  - Legislative offices
  - Counties
  - Cities
  - Local and regional disaster services
- Agent Webinar
- Website Upgrades
  - Policyholder education
- Written Notice
  - Renewal notice for agents (60 days)
  - Expiration notice for policyholders (55 days)
  - Mass mailings & e-mails for future



**Thank You**

The past is behind us; learn from it.

The future is ahead; prepare for it.