



## Timeline for House Bill 3 Implementation

Date	Action	Notes
8/15/11	Emergency Rule to extend the eligibility of non-compliant structures to continue with TWIA coverage without meeting building code standards.	Adopted to close a gap between 9/1/11 rule expiration to 9/28/11 when statute effective.
8/19/11	TWIA files revised commercial and dwelling policies including eight revised endorsements based upon passage of House Bill 3.	Approved on 10/21/11.
9/15/11	TDI requests informal comments from stakeholders regarding the establishment of rules related to the new appraisal provisions in HB 3; the new dispute resolution provisions in HB 3; and the expert panel to be used on wind/water claims. Rule to be proposed sometime in late October 2011.	Comments submitted by 9/30/11. Sec. 2210.574 Sec. 2210.575 Sec. 2210.578 Sec. 2210.580
9/19/11	Public Hearing held on new TWIA policy forms.	Only one entity testified.
9/28/11	House Bill 3 became effective.	
9/28/11	New HB 3 Tab is active on TWIA website. The changes are dedicated to informing policyholders, agents, and other stakeholders about the changes to TWIA and the claims process resulting from the passage of HB 3. The website is divided into the following sections: legislation, public information act, and open meeting requirements. The legislation 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 educate stakeholders including: an illustrative chart to show how the claims process works; timelines for filing and processing claims and the various claim dispute processes; a link to the TDI website to find proposed or adopted rules relating to TWIA; a bulletin to agents and FAQs regarding the alternative eligibility program; and a summary of the policy changes.	TWIA initiative.
9/28/11	One-Year Deadline to File Claim. The deadline to file a claim under a Texas windstorm and hail insurance policy delivered, issued for delivery, or renewed before 9/28/11 is governed by the law in effect on the date the policy	HB 3 – Secs. 62(b)& Sec. 41 Enactment Clauses

	under which the claim is filed was delivered, issued for delivery, or renewed.	Sec. 2210.573
9/28/11	<p>For any cause of action that accrues on or after September 28, 2011 (regardless of the date the policy was issued), the policyholder's recovery under any cause of action is limited to:</p> <p>A. Policy benefits for a covered loss, less prior payments</p> <p>B. Prejudgment interest from the first day after the date TWIA would have been required to pay an accepted claim at the rate provided in Finance Code Chap. 304</p> <p>C. Court costs and reasonable and necessary attorney's fees</p> <p>D. Consequential damages as provided under common law</p> <p>E. An aggregate of (A) + (D) as "additional damages" if policyholder proves by clear and convincing evidence that TWIA intentionally mishandled the claim to policyholder's detriment by conduct set out in 2210.576(d).</p> <p>A cause of action generally accrues when TWIA issues the disputed claim decision. In most cases, this will be the date a claim is paid if the allegation is underpayment of benefits. It could also be the date TWIA rejected or underpaid a supplemental claim, or the date TWIA sent a claim denial letter out to the insured.</p>	<p>HB 3 - Sec. 62(g) Enactment Clauses</p> <p>Sec. 2210.573(d) Sec. 2210.5731 Sec. 2210.578(f)</p>
9/28/11	<p>Appraisal. For claims under policies delivered/issued/renewed before November 27, 2011, if the policyholder disputes the amount TWIA will pay for a partially or fully accepted claim, the policyholder must attempt to resolve the dispute through appraisal. TWIA interprets this provision is applicable to claims existing before September 28, 2011 if TWIA made a disputed claim decision on or after September 28, 2011</p>	Sec. 62 – HB 3 Enactment Clauses
Oct 2011	<p>Publication of Funding Rules. Rules would include: Alternative Funding when Class 1 public securities cannot be issued; Ability to issue Class 1 pre-event public securities; and premium surcharge changes on what types of insurances may be surcharged to pay for Class 2 public securities when issued.</p>	Sec. 2210.6136 Sec. 2210.072 Sec. 2210.613
Oct 2011	<p>Publication of proposed rule on alternative eligibility program to allow TWIA to insure structures with one compliant building code component. Proposed rule on surcharges to structures under the alternative eligibility</p>	Sec. 2210.259 Sec. 2210.260

	program to be filed.	
10/5/11	Alternative Certification information and FAQs placed on TWIA website	
10/14/11	Publication of proposed rule to reduce minimum retained premium from 180 to 90 days and implement new declination requirements for every three years.	Sec. 2210.204 Sec. 2210.202
10/14/11	Publication of proposed rule to establish the Ombudsman, Coastal Outreach and Assistance Services Team (COAST) Program, at TDI pursuant to HB 3 and funded by TWIA.	Sec. 2210.582
10/21/11	TDI approves new policy forms, endorsements, and manual.	To be issued on and after 11/27/11.
11/27/11	New and renewal policies being issued shall include the changes implemented in House Bill 3. This includes the new appraisal process for an accepted or partially accepted claim and New Subchapter L-1 for the filing of claims, settlement and dispute resolution.	HB 3 – Sec. 62(a) & (c) HB 3 – Sec. 41  Sec. 2210.574
Feb 2012	Filing of Arbitration endorsement by TDI and publication of proposed rules regarding arbitration process.	Sec. 2210.554
Feb/March 2012	Establish standards for construction in excess of the building code and applicable premium credit.	Sec. 2210.363
Feb/March 2012	New joint regulation of engineers performing windstorm compliance inspections by the TDI and Texas Board of Professional Engineers.	Sec. 2210.254 Sec. 2210.255 Sec. 2210.2551
Mar 2012	Publication of proposed rule to establish any rules to define procedures and deadlines for claims handling.	Sec. 2210.580
Mar 2012	Publication of proposed rule to allow for extension of all claims handling deadlines under HB 3.	Sec. 2210.581