



Texas Windstorm  
Insurance Association

# Texas Windstorm Insurance Association (TWIA)

## A GUIDE TO THE CLAIM PROCESS AND RESOLUTION OF DISPUTES

# 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.

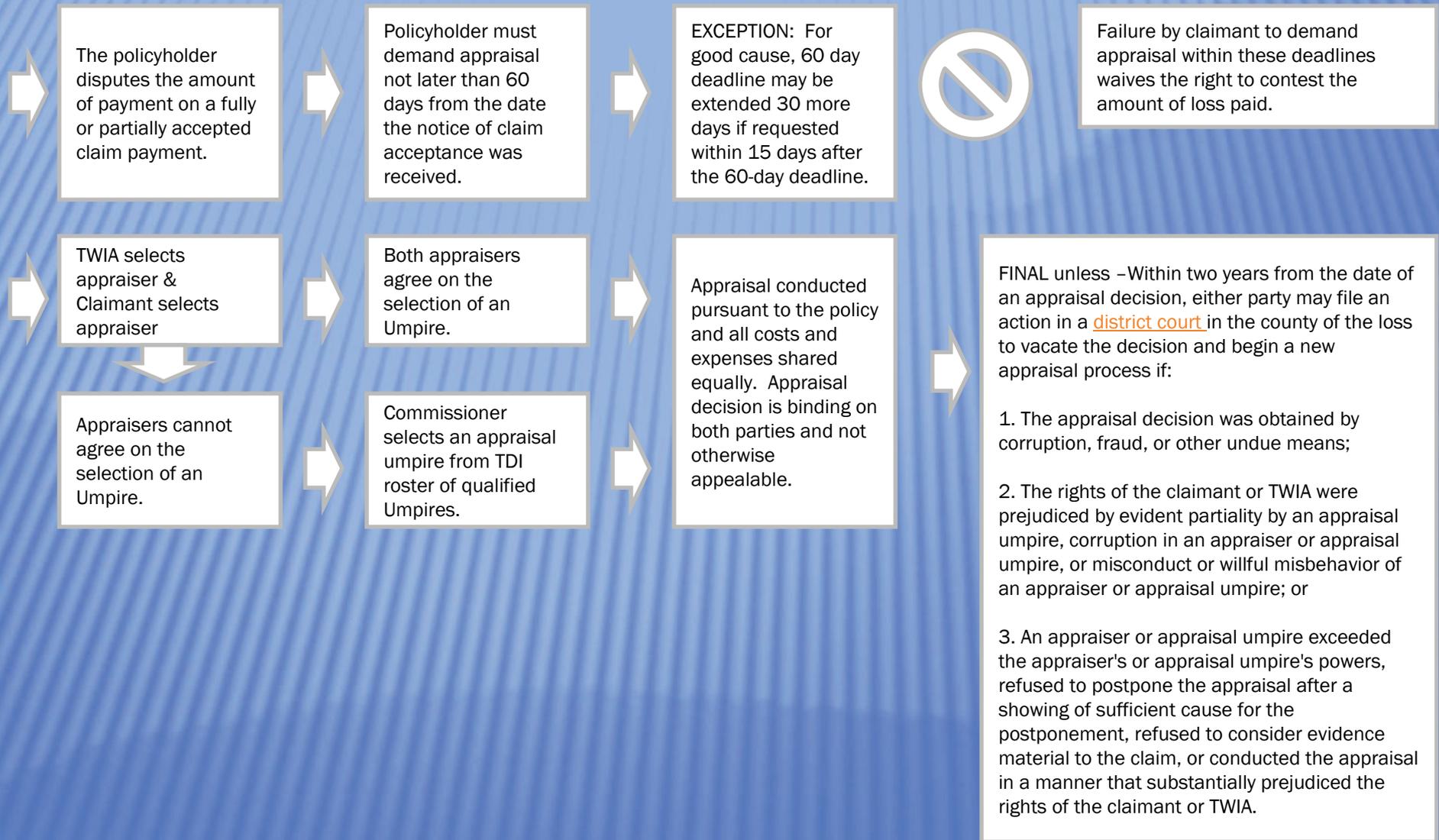
If payment is conditioned on the performance of an act, TWIA must pay the claim not later than the 10<sup>th</sup> day after performance of the action.

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.

# The Appraisal Process



# Alternative Dispute Resolution Process



# District Court Action



The only issues a claimant may raise in a suit brought against TWIA are whether TWIA's denial of coverage was proper, and what amount of the damages the claimant is entitled, if any.

A claimant that brings an action against TWIA may recover only the covered loss payable under the terms of TWIA policy minus the amount of loss already paid by TWIA; prejudgment interest from the first day after the date TWIA was or would have been required to pay an accepted claim or the accepted portion of a claim, at the prejudgment interest rate provided in Subchapter B, Chapter 304, Finance Code; and any court costs and reasonable and necessary attorney's fees.

There are no limitations on the amount of consequential damages that a claimant may recover under common law in an action against TWIA. In addition to consequential damages, a claimant may recover double damages if the claimant proves by clear and convincing evidence that TWIA mishandled the claimant's claim by intentionally:

Failing to meet the deadlines or timelines without good cause

Disregarding applicable guidelines published by the commissioner of insurance

Failing to provide written notice that a claim was accepted or rejected

Rejecting a claim without conducting a reasonable investigation

Denying coverage for a claim, if liability has become reasonably clear

# Arbitration



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A person insured under Chapter 2210 may elect to purchase a binding arbitration endorsement in a form prescribed by the commissioner. Implementation – TBD.



Arbitration shall be conducted in the manner and under rules and deadlines prescribed by the commissioner. Implementation – TBD.



A person who elects to purchase an endorsement under this section must arbitrate any dispute involving an act, ruling, or decision of TWIA relating to the payment of, the amount of, or the denial of the claim.



TWIA may offer a premium discount or credit against a surcharge not to exceed 10 percent of the premium, if a person elects to purchase a binding arbitration endorsement.



# Texas Windstorm Insurance Association

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