



Frequently Asked Questions (FAQs) about TWIA Increased Cost of Construction Coverage

What is TWIA Increased Cost of Construction (ICC) coverage?

Increased cost of construction (ICC) coverage is insurance to help pay extra costs of complying with building ordinances and laws in your area. ICC is an added insurance policy that is separate from your windstorm policy, and comes attached as an endorsement. Look for forms TWIA-431 (for residential policies) and TWIA-432 (for commercial policies) in your policy packet.

What repairs are typically subject to increased cost of construction (ICC)?

Your contractor or city building department should be able to provide you a complete list. Common structures subject to building ordinances include: doors, windows, garage doors, siding, roofing, foundations, and elevation requirements, or the height of the foundation above ground.

How do I know if I have TWIA Increased Cost of Construction (ICC) coverage?

Look for forms TWIA-431 or TWIA-432 in your policy packet, and review your “Declarations Page” under Coverage A Property Description. On the Declarations Page, there would be a line item for Increased Cost of Construction, and the percentage of your limit of liability that is covered. Your agent can also help you determine what amount of ICC coverage you purchased.

What is covered by ICC and what is not?

There is detailed information on forms TWIA-431 or TWIA-432 in your policy packet about what is covered and what is not covered by ICC. These two forms are linked below for your review. If you have more questions, please contact TWIA.

How do I know if my property repairs are subject to building laws?

There are four ways to find out.

- 1. Contact your local contractor.** Based on experience working in your area, they may already know your city’s building requirements and will most likely factor these costs into their repair estimates.
- 2. Contact your city building department.** You or your contractor may find out which ordinances or laws apply when seeking building permits. City building officials determine rebuilding requirements and may make them a condition of issuing your building permits.
- 3. Contact TDI for windstorm certification requirements.** Any building constructed, altered, remodeled, enlarged, repaired, or added to must meet the applicable building code standards for its area in order to maintain insurance through TWIA.
- 4. Check your mail.** You may receive a letter from your community’s building department indicating you have substantial damage (greater than 50% of the value of your property) and must re-build in compliance with local floodplain management rules.



Will TWIA pay for professionals to help make sure my repairs comply with building ordinances and laws?

Yes, TWIA will reimburse you up to the ICC coverage limits for reasonable costs associated with professionals like:

- Flood elevation surveyors
- Property value appraisers
- Engineers and architects

Does ICC coverage have a deadline?

Yes, policyholders are required to submit a claim within two years of the date of loss showing the extra amount they incurred to comply with building laws.

I received a letter that says I must meet building laws that will increase my costs to repair or rebuild. What are my next steps?

TWIA suggests you contact us and provide us with the following documentation:

- A copy of letters you receive about local building laws or ordinances,
- A copy of the ordinance or law that applies to your property,
- National Flood Insurance Program (NFIP) elevation certificate, where applicable,
- Estimates showing the original cost of repair before the increased costs were identified, and separate estimates with the increased costs included,
- Proof of payment, such as cancelled checks or bank statements,
- Proof the repair or replacement of your property is complete, such as photos or a contractor letter, and
- Your flood claim information if you filed a flood claim with your flood insurer.

What about my FEMA ICC coverage?

If you have FEMA flood insurance, contact FEMA for your ICC coverage under your FEMA policy.

How do I contact TWIA about my ICC coverage?

TWIA has set up a special team of claims representatives for claims with extra repair costs associated with ordinances and laws.

- Call (800)-788-8247
- Visit Claims Center at www.twia.org/claimscenter
- Email: claims@twia.org with "ICC Coverage" in the subject line

**TEXAS WINDSTORM INSURANCE ASSOCIATION
DWELLING WINDSTORM AND HAIL POLICY**

EXTENSION OF COVERAGE-INCREASED COST OF CONSTRUCTION

Attached to and forming part of Policy No. _____ of the Texas Windstorm Insurance Association issued at its Austin, Texas agency.

Dated _____ Agents

When this endorsement is attached to the policy, this endorsement determines coverage to the extent that it is in conflict with the policy and/or General Exclusion 8.

In consideration of an additional premium shown on the declarations page, this policy is modified to provide the following coverage:

1. Subject to the maximum limit of liability established by law as described below, if a covered building or other covered structure is damaged by windstorm or hail, we will pay for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:
 - a. the construction, demolition or repair of that part of a covered building or other covered structure damaged by windstorm or hail;
 - b. the demolition and reconstruction of the undamaged part of a covered building or other covered structure, when that building or other structure must be totally demolished because of damage by windstorm or hail to another part of that covered building or other covered structure; or
 - c. the removal or replacement of the portion of the undamaged part of a covered building or other covered structure necessary to complete the repair or replacement of that part of the covered building or other covered structure damaged by windstorm or hail.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in 1 above.

2. When a covered structure is damaged by windstorm or hail, we will also pay the increased cost in construction you incur due to the requirement to rebuild or repair the structure in accordance with the windstorm code applicable to the specific area in which the structure is located in order to maintain insurance through the Texas Windstorm Insurance Association.

This is additional insurance and does not reduce the limit of liability applicable to Coverage A (Building), but the total limit of liability for the coverage A (Building) limit and the limit for Increased Cost of Construction cannot exceed the maximum limit of liability permitted by law.

3. Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- a. if the building or structure is not rebuilt or repaired;
- b. if the rebuilt or repaired building or structure is not intended for similar occupancy as the current building or structure;
- c. to relocate the insured building or structure(s), either on the same premises or to another location, or to demolish and reconstruct a building or structure that requires relocation;

- d. until the building or structure is actually repaired or rebuilt at the same premises; or
 - e. unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed two years after the loss.
4. We do not cover:
- a. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - b. fees charged by a qualified inspector for windstorm and hail insurance inspections pursuant to Chapter 2210, Subchapter F, of the Texas Insurance Code; or
 - c. the costs to comply with any ordinance or law which requires any “insured” or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, asbestos and asbestos-containing materials. Waste includes material to be recycled, reconditioned or reclaimed.

The total limit of liability under this extension for each building item designated is shown by the following percentage as indicated:

	Building Item Nos.:
5% of the Coverage A (Building) limit of liability	_____
10% of the Coverage A (Building) limit of liability	_____
15% of the Coverage A (Building) limit of liability	_____
25% of the Coverage A (Building) limit of liability	_____

This coverage is additional insurance, however in no event will payment of a covered loss under this policy including this endorsement exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.

All other Terms of the policy apply.

**TEXAS WINDSTORM INSURANCE ASSOCIATION
COMMERCIAL WINDSTORM AND HAIL POLICY**

EXTENSION OF COVERAGE-INCREASED COST OF CONSTRUCTION

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Dated _____ Agents

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1. Subject to the maximum limit of liability established by law as described below, if a covered building or other covered structure is damaged by windstorm or hail, we will pay for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:
 - a. the construction, demolition or repair of that part of a covered building or other covered structure damaged by windstorm or hail;
 - b. the demolition and reconstruction of the undamaged part of a covered building or other covered structure, when that building or other structure must be totally demolished because of damage by windstorm or hail to another part of that covered building or other covered structure; or
 - c. the removal or replacement of the portion of the undamaged part of a covered building or other covered structure necessary to complete the repair or replacement of that part of the covered building or other covered structure damaged by windstorm or hail.

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 - b. fees charged by a qualified inspector for windstorm and hail insurance inspections pursuant to Chapter 2210, Subchapter F, of the Texas Insurance Code; or
 - c. the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, asbestos and asbestos-containing materials. Waste includes material to be recycled, reconditioned or reclaimed.

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