

NOTICE OF CONTRACT CHANGES
TFPA HOMEOWNERS POLICY REVISIONS

We are making some changes to your contract coverage and conditions as part of policy revisions that affect all homeowners policies. These are outlined below and identified in the column labeled "New Change." A "New Change" is effective with this renewal. If after reviewing these changes and explanations, you have any questions, please contact us at 1-800-979-6440.

Coverage descriptions are necessarily brief and focus only on significant changes to wording. For exact terms and conditions, please refer to your policy. In the event of inconsistencies between this notice or your policy, your policy provisions will apply.

COVERAGE	NEW CHANGE	COMMENTS
DEFINITIONS	DEFINITIONS	
Actual cash value	<p><u>"Actual cash value" is calculated as the amount it would cost us to repair or replace the damaged part of covered property, at the time of loss or damage, with material of like kind and quality and for the same use on the premises shown on the declarations page, subject to a deduction for deterioration and depreciation. "Actual cash value" applies to valuation of damage regardless of whether the property has sustained partial loss or total loss. The "actual cash value" of lost or damaged property may be significantly less than its replacement cost. We will not pay to repair or replace undamaged property due to mismatch of color, discontinued, outdated or obsolete material.</u></p>	We added the definition to the policy.
Cost of repair or replacement	<p><u>"Cost of repair or replacement" is calculated as the amount it would cost us to repair or replace the damaged part of covered property, at the time of loss or damage, with material of like kind and quality and for the same use on the premises shown on the declarations page, without deduction for deterioration and depreciation. We will not pay to repair or replace undamaged property due to mismatch of color, discontinued, outdated or obsolete material.</u></p>	We added the definition to the policy.
Primary residence	<p><u>"Primary residence" means the residence premises where you normally live as your principal residence as of the date of loss and during the majority of the policy period, and that is stipulated as your "primary dwelling" on the declarations page.</u></p>	We added the definition to the policy.
Sudden and accidental	<p><u>"Sudden and accidental" means an abrupt, fortuitous event which is unintended from the perspective of a reasonable person.</u></p>	We added the definition to the policy.
Vacant	<p><u>"Vacant" means:</u> <u>a. the insured moves from the dwelling and a substantial part of the personal property is removed from that dwelling; or</u> <u>b. the dwelling is unoccupied by the insured; or</u> <u>c. the dwelling lacks the necessary amenities, adequate furnishings, utilities and services to permit occupancy of the dwelling as a residence.</u></p>	We added the definition to the policy.
PROPERTY NOT COVERED	PROPERTY NOT COVERED	
Property of roomers or tenants	<p><u>7. property of roomers, tenants, or any other person regularly staying at the described location shown on the declarations page for a period in excess of thirty consecutive days, except an insured.</u></p>	
EXTENSIONS OF COVERAGE	EXTENSIONS OF COVERAGE	
Loss of use	<p>2. LOSS OF USE. If a loss caused by a Peril Insured Against under Section I makes your <u>primary residence</u> wholly or partially untenantable, we cover:</p> <p>a. additional living expense, meaning any necessary and reasonable increase in living expense you incur so that your household in your <u>primary residence</u> can maintain its normal standard of living.</p> <p>b. fair rental value, meaning the fair rental value of that part of your <u>primary residence</u> usually rented to others by you, less any expenses that do not continue.</p>	"Loss of use" coverage is for a "primary residence."

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	<p><u>We do not cover expenses that you incur as a result of evacuation or displacement from your primary residence due to voluntary or mandatory evacuation, order of civil authority restricting ingress, egress or access, loss or disconnection of utilities, damage or closure of roads, ferries, bridges or infrastructure, or loss that is excluded in the Exclusions of this policy, except to the extent such expenses were incurred because damage to your primary residence caused by a Peril Insured Against under Section I made your primary residence wholly or partially untenable.</u></p> <p>The total limit of liability for all loss of use is 10% of the Coverage A (Dwelling) limit of liability. This is additional insurance and does not reduce the Coverage A (Dwelling) limit of liability. The deductible clause does not apply to loss of use coverage.</p> <p>Payment will be for the reasonable time required to repair or replace <u>covered damage to your primary residence.</u> If you permanently relocate, payment will be for the reasonable time required for your household to become settled. ...</p>	We state when costs of evacuation or displacement are not covered.
PERILS INSURED AGAINST	<p>PERILS INSURED AGAINST</p> <p>We insure for <u>sudden and accidental</u>, direct physical loss to the covered property caused by a peril listed below unless the loss is excluded in the General Exclusions.</p> <p>3. Windstorm and Hail. ...</p> <p>6. Vandalism and Malicious Mischief.</p> <p><u>This peril does not include loss caused by you, a roomer, tenant, or any other person regularly staying at the residence premises for a period in excess of thirty consecutive days.</u></p>	<p>Requires loss to be "sudden and accidental"</p> <p>Hurricane is removed.</p> <p>We state when vandalism and malicious mischief is not covered.</p>
GENERAL EXCLUSIONS	<p>GENERAL EXCLUSIONS</p> <p><u>We do not insure for loss or damage consisting of or caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to produce the loss or damage:</u></p> <p>1.b. <u>We do not cover under any and all circumstances loss or damage caused by or resulting from flood, surface water, waves, storm surge, tides, tidal water, tidal waves, tsunami, seiche, overflow of streams or other bodies of water, or spray from any of these, all whether driven by wind or not.</u></p> <p>We do cover ensuing loss by the <u>perils of Theft or attempted Theft.</u></p> <p>3. BUILDING LAWS.</p> <p>Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, <u>asbestos, mold, fungi, or microbes</u>. Waste includes material to be recycled, reconditioned or reclaimed.</p> <p>6. MOLD, FUNGI OR OTHER MICROBES.</p> <p><u>We do not cover any loss or damage caused by or resulting from mold, fungi or other microbes. We do cover direct physical loss caused by a Peril Insured Against under Section I to covered property containing mold, fungi or other microbes; however, we do not cover the additional cost or expense to test for, monitor, clean up, remove, contain, treat, abate or assess the effects of mold, fungi or other microbes on any materials or in the air.</u></p>	<p>This language applies to all exclusions from coverage.</p> <p>We list different types of flood loss that are not covered.</p> <p>We state different types of pollutants that are not covered.</p> <p>We simplified the wording of this exclusion.</p>
Flood exclusion		
Building Laws		
Mold, Fungi and Other Microbes		

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Asbestos	7. ASBESTOS. <u>We do not cover any loss or damage caused by or resulting from asbestos. We do cover direct physical loss caused by a Peril Insured Against under Section I to covered property containing asbestos materials; however, we do not cover the additional cost or expense to test for, monitor, clean up, remove, contain, treat, abate or assess the effects of asbestos-containing materials or asbestos on any materials or in the air.</u>	Asbestos is excluded from coverage.
Intentional Loss	8. INTENTIONAL LOSS. <u>We do not cover any loss or damage caused by or resulting from any act that any insured, roomer, tenant, or any person regularly staying at the described location, commits or conspires to commit;</u> <u>a. with the intent to cause a loss;</u> <u>b. with reckless disregard for the property insured; or</u> <u>c. in connection with a dishonest act or criminal offense.</u> <u>This exclusion does not apply to an insured who did not commit or conspire to commit the act causing the loss if that insured has filed a police report and fully cooperated with the law enforcement investigation and prosecution relating to any other insured causing the loss; provided, however, payment to an insured under this exception to exclusion 8 will be limited to that insured's interest in the property involved in the loss.</u>	Loss caused intentionally by an insured is not covered.
Vacancy	9. VACANCY. <u>We do not cover any loss or damage under Coverage A (Dwelling), Coverage B (Personal Property), or under any Extension of Coverage if the dwelling has been vacant for more than 60 consecutive days before the loss or damage occurs. Such loss or damage is excluded even if it was caused by Perils Insured Against. This exclusion does not apply to the Mortgagee if the Mortgagee has complied with all terms and conditions of the Mortgage Clause.</u>	The Vacancy clause is moved from Conditions 13. to Exclusions 9. and clarified using the defined term "vacant."
DUTIES AFTER LOSS	DUTIES AFTER LOSS a. Your Duties After Loss. In case of a loss to covered property caused by a peril insured against , you must: <u>(1) give us written notice of the facts relating to the claim promptly after the date of loss that is the subject of the claim.</u> <u>(2) file a police report with a complete inventory of the property involved in any loss by theft, vandalism, malicious mischief or other illegal act.</u> <u>(6) send to us, if we request, your signed sworn proof of loss within 91 days of our request on a standard form supplied by us. We must request a signed sworn proof of loss not later than the 15th day after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this policy.</u> This proof of loss shall state, to the best of your knowledge and belief: <u>(i) the date, time and cause of loss;</u> <u>(ii) the interest of the insured and all others in the property involved including all liens on the property, and any changes in title during the term of the policy;</u> <u>(iii) other insurance which may cover the loss;</u> <u>(iv) the name of the occupant at the time of the loss, and any changes in occupancy during the term of the policy;</u> <u>(v) a detailed repair estimate, receipts, invoices and expense records;</u> <u>(vi) the actual cash value of loss or damage to each item of damaged property.</u> <u>(vii) the cost of repair or replacement for the loss or damage to each item of damaged property; and</u> <u>(viii) the full replacement cost of the dwelling at the time of loss for purposes of the Loss Settlement Condition.</u>	 We explain how and when a claim must be reported. We state when a police report is required. We explain what proof of loss you are required to provide with a claim.
Claim filing deadline		
Police Report		
Proof of Loss		

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LOSS SETTLEMENT	<p>LOSS SETTLEMENT</p> <p>4. Loss Settlement. Our limit of liability and payment for covered losses under Section I Property Coverage will not exceed the smallest of the following:</p> <p>a. <u>the actual cash value ; or</u></p> <p>b. the specified limit of liability of the policy.</p>	<p>We utilize the defined term "actual cash value," which is no greater than "cost of repair or replacement" less depreciation.</p>
APPRAISAL	<p>APPRAISAL</p> <p>7. Appraisal.</p> <p><u>a. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a qualified appraiser and notify the other of the appraiser's identity within 20 days after receiving a written request from the other. The two appraisers will choose a qualified umpire. If they cannot agree upon an umpire within 15 days after selection of the second appraiser, you or we may request that a qualified umpire be chosen by a district judge of a court of record in the county where the loss occurred. You and we may agree to delay selection of an umpire until the appraisers have first attempted to reach agreement on the amount of the loss.</u></p> <p><u>b. The term "qualified" means competent, impartial, and disinterested appraiser or umpire. The umpire, appraisers, and their employers, may not have an interest in the property that is the subject of the claim or have a financial interest that is conditioned on the outcome of the appraisal or the claim. The umpire may not have made or received substantial referrals of business to or from you or us, or representatives of you or us. The umpire and appraisers must be one of the following and be licensed or certified as required by the applicable jurisdiction:</u> <u>(1) an engineer, architect, adjuster, or public adjuster with experience and training in investigation, estimating, and repair of the type of property damage in dispute;</u> <u>(2) an attorney mediator or former state judge with experience or training in the mediation, arbitration or trial of legal actions over investigation, estimating and repair of the type of property damage in dispute; or</u> <u>(3) have experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute.</u></p> <p><u>c. By accepting appointment, the appraisers and umpire agree that if requested by you or us, they will:</u> <u>(1) within 7 days after a request, disclose to you and us his or her qualifications, fee agreement, and any known facts which a reasonable person may consider to affect the appraiser's or umpire's independence, neutrality, or impartiality;</u> <u>(2) review any estimates, repair records, written statements, expert opinions, photos, and other pertinent information that you or we provide to the appraisers, umpire and each other; and</u> <u>(3) personally inspect the property.</u></p> <p><u>d. The appraisers will separately set and itemize the actual cash value of the damaged part of the property. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value. If they fail to agree, they will submit their differences, only, to the umpire. An itemized decision agreed to by any two of these three and filed with us will set the actual cash value, and any additional items determined under subparts e.(1) through e.(4), when received by us. Such an award shall be binding on you and us. The following conditions apply to appraisal:</u></p> <p><u>e. If you or we request that they do so, the appraisal will also determine:</u> <u>(1) the full replacement cost of the dwelling at the time of loss for purposes of the Loss Settlement Condition;</u></p>	<p>We specify procedures for appraisal and use defined terms.</p>

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	<p>(2) the cost of repair or replacement of the damaged part of covered property, if the policy includes an endorsement for replacement cost coverage;</p> <p>(3) the amount that you actually and necessarily spent to repair or replace the damaged property; and</p> <p>(4) the amount of loss for any applicable Extensions of Coverage.</p> <p>f. Each party will pay its own appraiser and bear the other expense of the appraisal and umpire equally. Any fees for expert witnesses or attorneys will be paid by the party who hires them.</p> <p>g. Each party must be given at least 3 business days' advance written notice of the date, time, location and identity of any judge who will be asked to choose an umpire. If such notice is not given, a judge's selection of an umpire at the request of one party who has not given such notice to the other party as described in this paragraph shall invalidate that selection and require selection of a new umpire either by agreement or by another judge after advance written notice as described in this paragraph.</p> <p>h. You, we, and each of our representatives shall cooperate with the appraisal process, provide the appraisers and umpire with existing repair bids, estimates, invoices, receipts, expense records, inventories, and photos which are reasonably requested, and allow the appraisers and umpire reasonable and timely access to inspect the damaged property.</p> <p>i. Neither party waives the right to an appraisal if the request for appraisal is made within 90 days after an impasse is reached or a suit is filed over the amount of loss, whichever is later.</p> <p>j. The appraisers and umpire are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us, and the appraisal decision is not binding on these issues.</p>	
SUIT AGAINST US	<p>SUIT AGAINST US</p> <p>11. Suit Against Us. No suit or action can be brought unless the policy provisions have been complied with. <u>Suit or action brought against us must be started within two years and one day after the cause of action accrues.</u></p> <p><u>Before you file or proceed with a suit or action against us concerning the amount of a loss:</u></p> <p><u>a. You must provide us with written notice of your dispute, and a copy of all existing repair bids, estimates, invoices, receipts, expense records, inventories, and photos that relate to the dispute;</u></p> <p><u>b. You must make a written demand to us for appraisal of the amount of loss under Section I – Conditions, part 7; and</u></p> <p><u>c. The appraisal must be completed as required by Section I – Conditions, part 7.</u></p> <p><u>These conditions precedent to suit or action may be waived only by a written agreement signed by you and us. If suit is filed prior to compliance with these conditions precedent, the parties agree to abatement of the lawsuit until these conditions precedent are fulfilled.</u></p>	<p>We specify what dispute resolution efforts are required before you file a suit against us.</p>
<p>SECTION II EXCLUSIONS</p> <p>Rental liability</p> <p>Sexual misconduct and abuse</p>	<p>SECTION II EXCLUSIONS</p> <p>1.c. bodily injury or property damage arising out of the rental or holding for rental of any part of any premises by an insured.</p> <p>1.m. bodily injury or property damage arising out of any actual, alleged or threatened sexual misconduct, sexual harassment, sexual molestation, corporal punishment, physical abuse, or mental abuse. For purposes of this policy, abuse means an act which is committed.</p>	<p>The policy does not provide rental liability coverage.</p> <p>The policy does not provide liability coverage for physical or sexual abuse.</p>

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Animals	<u>1.n. bodily injury or property damage caused by any dog or other animal owned by you or in your care that has a prior history of biting causing bodily injury or property damage.</u>	The policy does not provide liability coverage when a dog or other animal has a history of biting.
Social media and internet	<u>1.o. bodily injury or property damage arising out of any physical conduct, oral or written expression, publication of information, or use of the internet, email, instant messaging, audio or video recording, digital imagery, or electronic communication, in any manner that:</u> (1) <u>slanders or libels a person;</u> (2) <u>violates a person's right of privacy;</u> (3) <u>frightens, harasses, intimidates, torments, stalks, ridicules, or mentally abuses a person; or</u> (4) <u>acquires or uses another person's name, personal information, or electronic account without authorization.</u>	The policy does not provide liability coverage for certain misuses of electronic communications or the internet.
SECTION II CONDITIONS	SECTION II CONDITIONS	
Suit against us	6. Suit Against Us. No action can be brought against us unless there has been compliance with the policy provisions. <u>Suit or action brought against us must be started within two years and one day after the cause of action accrues. ...</u>	We specify a deadline for an insured to file suit against us under liability coverage.
SECTION I AND II CONDITIONS CANCELLATION	CANCELLATION 5. Cancellation. <u>a. You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will send you any refund due when the policy is returned to us. The refund will be pro rata, subject to our minimum premium.</u> <u>b. We may cancel this policy for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.</u> (1) We may not cancel this policy unless: <u>(a) there is a property condition which would have been grounds for nonacceptance of the risk had such condition been known to us at the time of acceptance;</u> <u>(b) your property does not meet the underwriting rules;</u> <u>(c) you do not pay the premium or any portion of the premium when due, including nonpayment of premium on a prior Texas FAIR Plan Association policy;</u> <u>(d) you commit fraud;</u> <u>(e) you make a material misrepresentation;</u> <u>(f) there is evidence of incendiarism by you or another person acting on your behalf; or</u> <u>(g) you make a written request for cancellation.</u> <u>The effective date of cancellation cannot be before the 10th day after we mail notice if we cancel for nonpayment of premium or the 30th day after we mail notice if we cancel for any other reason.</u> <u>c. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be mailed within 10 business days of the effective date of cancellation. The refund will be pro rata, subject to our minimum premium.</u> <u>d. We may not cancel this policy based solely on the fact that the policyholder is an elected official.</u>	We specify cancellation conditions that are required by law.

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REFUSAL TO RENEW	<p>REFUSAL TO RENEW</p> <p><u>6. Refusal to Renew. We may refuse to renew your policy if we determine the property does not meet our underwriting rules. Every two years starting with the second renewal we will non-renew the policy and you must reapply for residential property insurance in the voluntary market. You are no longer eligible for coverage unless:</u></p> <p><u>a. You receive two current declinations from insurers licensed to write property insurance and actually writing residential property insurance in the state; and</u></p> <p><u>b. You do not receive a valid offer of comparable residential property insurance from an insurance company licensed by the State of Texas, other than a surplus lines carrier.</u></p> <p><u>If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this policy expires. Our notice of non-renewal will state the reason for non-renewal. Proof of mailing will be sufficient proof of notice. We may not refuse to renew this policy based solely on the fact that the policyholder is an elected official.</u></p>	We specify nonrenewal conditions that are required by law.
ASSIGNMENT	<p>ASSIGNMENT</p> <p><u>7. Assignment. Your rights and duties under this policy may not be assigned. Assignment of this policy or your claim under this policy will not be valid.</u></p>	Assignments of policy rights to others are not permitted.
RIGHT TO APPEAL	<p>RIGHT TO APPEAL</p> <p><u>12. Right to Appeal. Any applicant shall have the right to appeal any action or decision of the Association or inspector to the staff of the Association or its administrator under 28 Texas Administrative Code Sec. 5.9919. Such appeal must be made in writing within thirty days after receipt of notice of the action or decision to be appealed. The staff of the Association or its administrator shall render its decision on the appeal and notify the applicant of its decision within forty-five days of receipt. Any applicant shall then have the right to appeal to the commissioner of insurance any action or decision within thirty days of the decision. The decision of the commissioner of insurance of an appeal under 28 Texas Administrative Code Sec. 5.9919 is a final order and is subject to judicial review as provided in Texas Insurance Code Chapter 36, Subchapter D.</u></p>	We specify appeal rights that are required by law.