

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

A Hail-Resistant Roof May Save You Money

HAILSTORMS that hit North Texas in May 1995 caused \$1.1 billion in insured losses and rank among the top 10 disasters in U.S. history in terms of total property damage. Most of this damage consisted of battered roofs.

To help hold down insurance rates by reducing future roof damage, the Texas Department of Insurance (TDI) requires insurance companies to give premium discounts as an incentive for installing hail-resistant roofs.

Rate-regulated companies must give homeowners premium discounts of 1 percent to 35 percent, depending on the strength of the roof and the area of Texas where it is located. Companies exempt from rate regulation, which make up 85 percent of the market, also must give discounts but choose the amounts for themselves.

This article provides answers to some of the most frequently asked questions about the impact-resistant roof discount.

Q Does TDI have to approve a roofing product before it is eligible for the discount?

A No, but a roof covering must be tested by a qualified and approved laboratory, such as Underwriters Laboratories (UL). Roof coverings that meet UL Standard 2218 are eligible. Those meeting the standard are classified as Class 1, 2, 3 or 4. A Class 4 roof covering is the toughest and gets the biggest discount.

Q How will I know if the type of roof I am considering is eligible for the impact resistant discount?

A For roofs installed on or after January 1, 1999, to be eligible, all individual shingles, tiles, shakes, panels and sheets of roof coverings must bear the label of UL or a testing laboratory approved by TDI. The label must indicate the classification of the product under UL Standard 2218 and the manufacturer's name, the year manufactured and the brand name. We list eligible products known to us on TDI's Web site, www.tdi.state.tx.us.

Q How do I prove I'm entitled to the credit?

A The installer should complete and sign a Roofing Installation Information and Certification for Reduction in Residential Insurance Premiums form and give it to you for presentation to your insurer.

Q Where can I get a copy of this form?

A The form is available on our Web site, or you can call the Residential Property Section of TDI at (512) 322-2266.

Q My impact-resistant roof was installed two years ago. Is my insurance company required to give me the discount?

A No. TDI requires companies to give the discount only for non-metal roof products installed on or after February 17, 1998, and for metal roofing products installed on or after May 2, 1998. However, companies may voluntarily give the credit for any impact-resistant roof covering installed before those effective dates.

Q I read in the paper that in my county, the discount for a Class 4 roof is 34 percent. My company is only giving me a discount of 25 percent. Why am I not receiving the full discount?

A You might be covered by a company not subject to rate regulation. Only rate-regulated companies must give the exact discounts prescribed by TDI. Lloyds companies and reciprocal exchanges, which are exempt from rate regulation, must give discounts for impact-resistant roofs but may determine the amount of the discounts for themselves. If covered by a rate-regulated company that is not giving the full discount, you might wish to contact TDI at 1-800-252-3439.

Q Is this credit available for my commercial building?

A No. The credit is available only for buildings insured under a Texas homeowners or dwelling policy. ★

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- If you need further information, call:

*Texas Department of Insurance
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We welcome your questions and suggestions about this column.