



**Meeting of the Governing Committee
Texas FAIR Plan Association
Teleconference/Web Conference**

May 16, 2022
Hyatt Regency Hotel
208 Barton Springs Road
Austin, TX 78704
3:00 p.m.

Interested parties can listen to the meeting live by going to www.texasfairplan.org.

Go to "About Us/Governing Committee" and click on the webinar link.

***Indicates item on which General Manager believes the TFPA Governing Committee is likely to take action.
However, the TFPA Governing Committee may take action regarding any item on this agenda.**

1. Call to Order: 5 minutes
 - A. Reminder of Anti-Trust Statement – *Mark Solomon/Counsel*
 - B. Meeting Format Information – *Anna Stafford*
2. Welcoming Remarks – *Mark Solomon*
3. Consideration and Action to:
Approve the Minutes from Prior Governing Committee Meetings
– *Mark Solomon – Action/Vote Likely** 5 minutes
4. TFPA Operational Highlights – *John Polak* 5 minutes
5. Financial 20 minutes
 - A. Report of the Secretary/Treasurer – *Wendy Mueller – Action/Vote Likely**
 1. Income Statement
 2. Management Discussion and Analysis
 - B. Financial Statement Review by Staff – *Stuart Harbour*
 1. Income Statement and Expense Statement
 2. Balance Sheet
 3. Cash & Short-Term Investments
 4. Cash Flow Statement
 5. Historical Data
 - C. Investment Plan Review – *Stuart Harbour – Action/Vote Likely**
 - D. Financial Audit by Calhoun, Thomson + Matza – *Clark Thomson*
 1. Audit Wrap Up Report
 2. Statutory Report – **Action/Vote Likely***
 3. Internal Control Letter

6. Actuarial – <i>Jim Murphy</i>	<i>30 minutes</i>
A. Reserve Adequacy	
B. Rate Filing Update	
C. Policy Count/Exposures	
D. 2022 Funding; Reinsurance – <i>Gallagher Re</i> – Action/Vote Likely*	
7. Internal Audit Status & Update – <i>Bruce Zaret – Weaver</i>	<i>5 minutes</i>
8. Underwriting Operational Update – <i>Jessica Crass</i>	<i>5 minutes</i>
9. Claims	<i>15 minutes</i>
A. Claims Operations - Overview – <i>Dave Williams</i>	
B. Claims Litigation – <i>David Durden</i>	
10. TFPA Operations	<i>20 minutes</i>
A. IT Systems Enhancements – <i>Camron Malik</i>	
B. Communications Update – <i>Jennifer Armstrong</i>	
C. General Manager Retirement and Search for New General Manager – <i>Mark Solomon</i>	
11. Closed Session (Governing Committee Only)	<i>30 minutes</i>
A. Personnel Issues	
B. Legal Advice	
12. Consideration of Issues Related to Matters Deliberated in Closed Session that May Require Action, if any, of the Governing Committee	<i>5 minutes</i>
13. Future Meetings – <i>Mark Solomon</i>	<i>5 minutes</i>
• August 1, 2022 – Moody Gardens Hotel – Galveston, TX	
• December 2022 – TBD	
14. Committees – <i>Mark Solomon</i>	<i>5 minutes</i>
15. Adjourn	
Estimated Total Length of Meeting	2 hours 30 minutes

1. Anti-Trust Statement



TEXAS FAIR PLAN
ASSOCIATION

Anti-Trust Statement

The creation and operation of the Fair Access to Insurance Requirements (FAIR) Plan Association is authorized under Article 21.49A (now Chapter 2211) of the Texas Insurance Code. The Governing Committee is authorized to administer the FAIR Plan.

When involved in meetings or other activities of the FAIR Plan, Governing Committee members and insurer and agent participants are bound to limit their discussions and actions to matters relating solely to the business of the FAIR Plan and shall not discuss or pursue the business interests of individual insurers, agents, or others. There should be no discussions of or agreements to act that serve to restrain competition. This prohibition includes the exchange of information concerning individual company rates, coverage, market practices, claim settlement practices and other competitive aspects of individual company operations. Each member is obligated to speak up immediately for the purpose of preventing any discussion of any of the foregoing subjects. Counsel is asked to help us be mindful of these restraints and to alert us when our discussion goes into any of the prohibited subject areas.

3. Approve the Minutes

**Minutes of the Texas FAIR Plan Association
Governing Committee Meeting
Teleconference/Webinar**



Tremont House
2300 Ships Mechanic Row
Galveston, TX 77550

February 21, 2022

The Following Governing Committee Members were Present, Representing:

- | | |
|-------------------------------|-----------------------------------|
| 1. Mark Solomon (Chair) | Agent Member |
| 2. Wendy Mueller (Vice Chair) | State Farm |
| 3. Debbie King | AmTrust |
| 4. Frank Baumann | Public Member |
| 5. Georgia Neblett | Public Member |
| 6. Tim McCarthy | Texas Farm Bureau |
| 7. David Nardecchia | Public Member |
| 8. Walter Riggs | Public Member |
| 9. Edward James Sherlock | Agent Member |
| 10. Corise Morrison | USAA |
| 11. John Milette | Travelers |
| 12. Marianne Baker | Ex-Officio Non-Voting Member, TDI |

The Following TFPA Staff, Counsel, and Agents were Present:

- | | |
|---|-------------------------|
| 1. John Polak, General Manager | TFPA |
| 2. Stuart Harbour, Chief Financial Officer | TFPA |
| 3. Jessica Crass, VP Underwriting | TFPA |
| 4. Dave Williams, VP Claims | TFPA |
| 5. David Durden, VP Legal | TFPA |
| 6. Jennifer Armstrong, VP Communications and
Legislative Affairs | TFPA |
| 7. Camron Malik, Chief Information Officer | TFPA |
| 8. JD Lester, VP Human Resources | TFPA |
| 9. Jim Murphy, Chief Actuary | TFPA |
| 10. Amy Koehl, Senior Project Administrator | TFPA |
| 11. Anna Stafford, Legislative and External Affairs
Manager | TFPA |
| 12. Mike Perkins, Association Counsel | Perkins Law Group, PLLC |

The Following Guest Was Present:

- | | |
|----------------|--------|
| 1. Bruce Zaret | Weaver |
|----------------|--------|

The Association's Webinar Tool Attendance Report Indicates the Following Attendees
were Online:

- | | |
|--------------------|---------------------|
| 1. Luke Bellsnyder | 5. Brian Ryder |
| 2. Allen Cashin | 6. Kenisha Schuster |
| 3. Allen Fulkerson | 7. Aaron Taylor |
| 4. Laura Machado | 8. Scott Weiss |

1. Call to Order: Chairman Mark Solomon called the meeting to order at 3:00 p.m. Governing Committee members were provided with a copy of the anti-trust statement and reminded of the prohibitions in the statement by counsel. Anna Stafford provided housekeeping information to the attendees. Mr. Perkins conducted a roll call of attendees.
2. Approval of the Minutes from Prior Governing Committee Meeting: The minutes from the December 6, 2021 meeting were reviewed and approved as submitted.
3. TFPA Operational Highlights: Operating expenses remain below plan for Q4 2021. The Association is slightly behind the goal to complete all strategic initiatives by the originally scheduled deadlines. Turnaround time and quality standards were exceeded on underwriting and claim service levels. Litigated claims and complaints remain below plan in Q4 2021.
4. Financial:
 - A. Report of the Secretary/Treasurer: Mr. Nardecchia reviewed the Treasurer's Report. Ms. Mueller moved to accept the report. Mr. Miletti seconded the motion. The motion passed.
 - B. Financial Statement Review by Staff: Direct written premiums for the year ended December 31, 2021 totaled \$75.6 million, a decrease of \$3.8 million or 4.8% from the \$79.5 million for the prior year due to continued declines in policy counts. Direct written premium was \$7.2 million higher than the budgeted \$68.4 million. Policies in force as of December 31, 2021 totaled 66,512 or 1,888 policies under the budget of 68,400. At year-end 2020, total policies were 73,713.

Direct premiums earned 2021 were \$77.6 million or \$4.6 million (5.6%) lower than the same period in 2020 but were \$4.6 million higher than the budget of \$73.0 million.

TFPA successfully placed the 2021-2022 reinsurance program, incepting on July 1, 2021. The program provides coverage of \$360 million in excess of a \$30 million initial retention and includes a "second event" cover that reduces the net retention to \$10 million. Ceded earned premiums for the twelve months ended December 31, 2021 totaled \$28.2 million, which was less than budgeted by \$638,000. Ceded premium is written in July of each year and earned throughout the following twelve-month period.

Net premium earned through December 31, 2021 was \$49.4 million which exceeded the budget of \$44.2 million by \$5.2 million.

Year to date direct losses and loss adjustment expense totaled \$34.1 million which include estimated losses and LAE associated with winter storm Uri and Hurricane

Nicholas. Incurred losses and LAE are above budget by \$8.1 million. The 2021 direct loss and LAE ratio was 43.9% compared to the budgeted loss and LAE ratio of 35.6%.

Operating expenses for the year of \$10.4 million were under budget by \$719,000 or 6.5% and \$2.9 million or 21.6% below prior year levels. Notable expense items under budget include contractor and temporary help (\$396,000), surveys and inspections (\$160,000), software (\$115,000) and other professional services (\$107,000).

Commission expense and premium taxes for 2021 were above budget by a combined \$694,000 or 8.1% due to higher than budgeted written premium.

Gross investment income for 2021 was \$3,000 which was \$16,000 below the budget of \$19,000. Investment yields remain at near zero levels as the Federal Reserve maintains a low short-term interest rate environment.

TFPA's financial results for 2021 reflect a net loss of \$3.9 million compared to the budgeted loss of \$1.0 million due primarily to Winter Storm Uri and Hurricane Nicholas.

As of December 31, 2021, the Association had an ending surplus of \$2.1 million, or \$3.9 million less than the December 31, 2020 surplus of \$6.0 million.

5. Actuarial:

- A. Reserve Adequacy: TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of December 31, 2021.

Based on this review, the "indicated" ultimate cost of Hurricane Harvey is \$84.2 million, remaining almost the same as the indicated ultimate loss and expense estimate based on the review as of September 30, 2021. Due to uncertainties surrounding the adequacy of case reserves and the outcomes of disputed claims, the "selected" ultimate gross loss and expense estimate has been maintained at \$85 million.

Hurricane Nicholas made landfall on September 26 in Matagorda County as a Category 1 hurricane. As of January 11, 2022, 736 Nicholas related claims were reported to the Association and the total incurred loss and expense was estimated and booked at \$3.7 million for Q4 financials.

As of December 31, 2021, TFPA carried \$77.6 million in total gross loss and loss adjustment expense reserves with \$4.3 million of the total gross losses and expense reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

In the opinion of the senior actuary, the Association's net reserves met the requirements of the insurance laws of Texas, were consistent with reserves computed in accordance with accepted actuarial standards and principles and made a reasonable provision for all combined unpaid loss and loss expense obligations of the Association under the terms of its contracts and agreements.

- B. Policy Count/Exposures: Policy counts continue to decline year over year.
 - C. Appointment of Actuary and Qualification Documentation: Mr. Murphy stated that every year, the TFPA Governing Committee needs to approve the appointed actuary. Mr. Murphy pointed the committee members to Xiuyu Li's credentials in the meeting materials. Ms. Neblett moved to approve Xiuyu Li as the Association's appointed actuary. Ms. Mueller seconded the motion. The motion passed.
 - D. Rate Filing Update: Mr. Murphy provided an update on the rate filing.
6. Internal Audit:
- A. Internal Audit Status & Update: Mr. Zaret reviewed the current internal audit activities, including current audits for premium taxes, actuarial, vendor management, information security and business continuity of operations. Upcoming audits include information security, business continuity of operations and plan of operation.
8. Underwriting:
- A. Operational Review Update: Underwriting continues to have consistent turnaround time on all policy transactions. The goal is to issue 90% of new business submissions, endorsements, renewals and cancellations within 10 days. Staff is surpassing this standard with over 99% of transactions processed within 10 days and with approximately 90% of new business via straight through processing. Quality assurance scores on the underwriting decisions continue to meet or exceed established goals.

Customer service telephone response time and quality results are within established goals. Underwriting operated under budget year to date, primarily driven by managing headcount, reduced inspections and lower call center expense.

A standard sample of agencies were selected for review in the fourth quarter of 2021 to verify compliance with the declination of coverage requirement and TFPA producer requirements and performance standards. Seventy percent of agents have responded but only nine agents have provided documents. The statistics below are results of the analysis of documents that have been provided to date. Ten percent of agencies requested to postpone their audits to 2023 due to documentation loss from the 2021 winter storm. Another portion of the agencies requested additional time to comply due to the holidays. Staff continues to work with the agents who require accommodations.

Proof of declination was received for seventy eight percent of the policies selected. Staff is following up for outstanding proof of declinations. Signed applications were provided for seventy two percent of the policies selected. Staff is following up with

the agents who have not yet provided signed applications. Signed eligibility requirement statements were provided for seventy one percent of the policies selected. Staff is following up with the agents who have not yet provided signed applications. All agents selected have an active property and casualty license and have the required direct standard market appointments.

9. Claims:

- A. Claims Operations: First notice of loss to property inspection averaged 3.8 days and total cycle time from first notice to payment is 12.2 days. Historical TFPA claim volume for 2021 is 9,471 with only 16 TDI complaints. As of 12/31/21, there were 735 claims from Hurricane Nicholas. Of those claims, 75 remain open and 660 are closed.
- B. Litigation Summary: For the fourth quarter of 2021, there were four first party and one third party suits. No suits were settled and 47 first party and one third party suit was closed. As for TFPA claims with letters of representation, there were 24 first party and six third party. Fifteen first party suits and one third party suit was closed. None were settled during the quarter. The majority of the cases are held by Manuel Solis and the Buzbee Law Firm.

10. TFPA Operations:

- A. IT Systems Enhancements: The Virtual Desktop Infrastructure project successfully completed in December. This effort was to move the organization to a remote, virtual computing environment that is independent of the data center. The TFPA implementation continues in production support mode with the systems development/production support releases following their monthly cadence. The infrastructure and operations team continues to support remote work with excellent quality. All technology support and projects are on-track.
- B. Communications Update: Association staff met virtually with the new Texas Department of Insurance Commissioner, Cassie Brown, on November 2. Topics discussed at the meeting were primarily related to TWIA operations.

On November 9, TDI adopted new regulations for credit for reinsurance, effective January 1. The changes eliminate collateral and physical presence requirements for certain insurers and regulate aspects of reserve financing. The regulations implement House Bill 1689, passed in the 87th legislative session, which is expected to increase the number of companies eligible to offer reinsurance to TFPA.

Most legislative and regulatory inquiries received during the fourth quarter, October 1 through December 31, 2021, were related to TWIA matters.

11. Closed Session: There was no closed session.

12. Consideration of Issues Related to Matters Deliberated in Closed Session that May Require Action, If Any, of the Governing Committee: There were no items to consider.

13. Future Meetings: The next meetings are scheduled to take place on the following dates in the following locations:

- May 16, 2022 – Hyatt Regency – Austin, TX
- August 2022 - TBD

14. Committees: There was nothing to report.

15. Adjourn: There being no further business the meeting adjourned at 3:43 pm.

Prepared by: Amy Koehl
Senior Project Administrator

Approved by: Mark Solomon
TFPA Chairman

4. TFPA Operational Highlights

2022 TFPA Enterprise Scorecard

Reporting YTD as of March 31, 2022



	YTD	Trend	Goal	Δ	Performance
Operating Expense Ratio	15.3%		16.5%	-1.2%	
Net Gain from Operations	\$0.0 M		\$0.3 M	-\$0.3 M	
Enterprise Projects	94%		90%	4%	
Policy Administration	100%		90%	10%	
Claims Handling	97%		90%	7%	
Litigated Claims	0.00%		1.00%	-1.00%	
Complaints	2		3	-1	

Reference Data

Policies In-Force	64,778
Exposures In-Force	\$11.2 billion
Written Premiums YTD	\$17.8 million
Claims Received YTD	784
Losses Incurred YTD ¹	\$5.6 million

¹ Excludes IBNR

Key Quarterly Activities

- In preparation for the ELEVATE systems upgrade project, launched a single sign-on login page impacting more than 3,500 dual agents to strengthen cybersecurity efforts and streamline processes shared by TFPA and TWIA.
- Remain below plan for Q1 2022 operating expenses.
- Above goal to complete all strategic initiatives by the originally scheduled deadlines.
- Exceeded turnaround time and quality standards on Underwriting and Claim service levels.
- Remain below plan on litigated claims and complaints in Q1 2022.

5. Financial

5A. Report of the Secretary/Treasurer

5A1. Income Statement

TEXAS FAIR PLAN ASSOCIATION
Statutory Income Statement - Treasurer's Report
for the three months ended March 31,
(000's omitted)

	2022	2021
Direct Premiums Written	<u>\$ 17,848</u>	<u>\$ 18,608</u>
Premiums Earned:		
Direct Premiums Earned	\$ 18,523	\$ 19,469
Ceded Reinsurance Premiums	<u>(6,843)</u>	<u>(7,232)</u>
Net Premiums Earned	<u>11,680</u>	<u>12,237</u>
Deductions:		
Direct Losses and LAE Incurred	6,674	13,241
Direct Losses and LAE Incurred - Harvey	-	-
Ceded Losses and LAE Incurred - Harvey	-	-
Operating Expenses	2,841	2,625
Commission Expense	1,857	1,934
Ceding commissions / brokerage	-	-
Premium / Maintenance Tax	<u>334</u>	<u>349</u>
Total Deductions	<u>11,706</u>	<u>18,148</u>
Net Underwriting Gain or (Loss)	<u>(26)</u>	<u>(5,912)</u>
Other Income or (Expense):		
Investment Income	2	1
Investment Expenses (Line of Credit Commitment Fee)	(23)	(50)
Interest Expense on Line of Credit Advance	-	-
Sales Tax Refund and Other Income (Expense)	-	-
Member Assessment Income	-	-
Charge off's /Write off	(71)	(95)
Billing Fees	<u>118</u>	<u>19</u>
Total Other Income or (Expense)	<u>26</u>	<u>(125)</u>
Net Income (Loss)	<u>\$ (1)</u>	<u>\$ (6,037)</u>
Surplus (Deficit) Account:		
Beginning Surplus (Deficit)	1,955	6,006
Net Income (Loss)	(1)	(6,037)
Change in Provision for Reinsurance	21	70
Change in nonadmitted assets	(702)	(675)
Other	-	-
Ending Surplus (Deficit)	<u>\$ 1,274</u>	<u>\$ (636)</u>

5A2. Management Discussion and Analysis

Texas FAIR Plan Association
Management's Discussion and Analysis of Financial Results for the
Three Months Ended March 31, 2022

Direct Written Premium:

- Direct written premiums for the three months ended March 31, 2022 were \$17.8 million, a decrease of \$760,000 or 4.1% from the \$18.6 million for the same period in the prior year due to continued declines in policy count. Direct Written Premium was \$588,000 lower than the budgeted \$18.4 million.
- Policies in force totaled 64,778 or 436 policies under the budget of 65,214. At year end 2021 policies in force totaled 66,512.

Direct Premiums Earned:

- Direct premiums earned through March 2022 were \$18.5 million or \$946,000 (4.9%) lower than the same period in 2021, and \$224,000 lower than the budget of \$18.7 million.

Reinsurance Costs:

- TFPA successfully placed the 2021-2022 reinsurance program, incepting on July 1, 2021. The program provides coverage of \$360 million in excess of a \$30 million initial retention and includes a "second event" cover that reduces the net retention to \$10 million.
- Ceded earned premiums through March 31, 2022 totaled \$6.8 million which was below budget by \$273,000. Ceded premium is generally written in July of each year and earned throughout the following twelve-month period.

Net Premiums Earned

- Net premium earned for the three months ended March 31, 2022 was \$11.7 million which was on budget.

Loss and Loss Adjustment Expense Incurred:

- Year-to-date Direct losses and LAE totaled \$6.7 million which was above budget by \$675,000.
- The March YTD loss & LAE ratio of 36.0% was above the budgeted rate of 32.0%.

Operating Expenses:

- Year-to-date operating expense of \$2.8 million was under budget by \$251,000.
- Notable expense items under budget include Salaries & Wages (\$132,000), Employee Benefits (\$28,000), Boards Bureaus & Associations (\$23,000), and Dues & Subscriptions (\$33,000).

Commissions and Premium Taxes:

- Commission expense and premium taxes year-to-date were below budget by a combined \$79,000 or 3.5% due to lower than budgeted written premium.

Other Income (Expense):

- March 2022 gross investment income was \$1,534 which was slightly above the budgeted amount. Investment yields remain at low levels but are starting to move upward as the Federal Reserve reacts to the current high levels of price inflation.

Net Income:

- TFPA's financial results through March 2022 reflect a net loss of \$620 compared to the budgeted income of \$258,000.

Surplus:

- The ending surplus as of March 31, 2022 was \$1.3 million, or \$682,000 below the surplus at December 31, 2021 of \$2.0 million.
- Surplus was also reduced by \$702,000 year-to-date due to an increase in non-admitted assets related to prepayments.

5B. Financial Statement Review by Staff

5B1. Income Statement &
Expense Statement

5B2. Balance Sheet

5B3. Cash & Short-Term Investments

5B4. Cash Flow Statement

5B5. Historical Data

TEXAS FAIR PLAN ASSOCIATION				
Statutory Income Statement (000's omitted)				
for the three months ended March 31,				
	Actuals - 2022	Budget - 2022	Variance - 2022	Actuals - 2021
Premiums Written:				
Direct	\$ 17,848	\$ 18,436	\$ (588)	\$ 18,608
Ceded	-	-	-	-
Net	17,848	18,436	(588)	18,608
Premiums Earned:				
Direct	\$ 18,523	\$ 18,747	\$ (224)	\$ 19,469
Ceded	(6,843)	(7,116)	273	(7,232)
Net	11,680	11,631	49	12,237
Deductions:				
Direct Losses and LAE Incurred	6,674	5,999	675	13,241
Direct Losses and LAE Incurred - Harvey	-	-	-	-
Ceded Losses and LAE Incurred - Harvey	-	-	-	-
Operating Expenses	2,841	3,092	(251)	2,625
Commission Expense	1,857	1,927	(70)	1,934
Ceding commissions / brokerage	-	-	-	-
Premium / Maintenance Tax	334	343	(9)	349
Total Deductions	11,706	11,361	345	18,148
Net Underwriting Gain or (Loss)	(26)	270	(296)	(5,912)
Other Income or (Expense):				
Investment Income	2	0	1	1
Investment Expenses (Line of Credit Commitment Fee)	(23)	(23)	-	(50)
Interest Expense on Line of Credit Advance	-	-	-	-
Sales Tax Refund and Other Income (Expense)	-	-	-	-
Member Assessment Income	-	-	-	-
Charge offs /Write offs	(71)	(83)	12	(95)
Billing Fees	118	93	25	19
Total Other Income or (Expense)	26	(12)	38	(125)
Net Income (Loss)	\$ (1)	\$ 258	\$ (259)	\$ (6,037)
Surplus (Deficit) Account:				
Beginning Surplus (Deficit)	1,955	1,955	-	6,006
Net Income (Loss)	(1)	258	(259)	(6,037)
Change in Provision for Reinsurance	21	50	(29)	70
Change in nonadmitted assets	(702)	(676)	(26)	(675)
Other	-	-	-	-
Ending Surplus (Deficit)	\$ 1,274	\$ 1,588	\$ (314)	\$ (636)
Key Operating Ratios:				
Direct:				
Loss & LAE Ratio:				
Non Hurricane	36.0%	32.0%	4.0%	68.0%
Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
Loss & LAE Ratio	36.0%	32.0%	4.0%	68.0%
UW Expense Ratio:				
Acquisition	12.3%	12.3%	(0.0%)	12.3%
Non Acquisition	15.3%	16.5%	(1.2%)	13.5%
UW Expense Ratio	27.6%	28.8%	(1.2%)	25.8%
Combined Ratio	63.6%	60.8%	2.8%	93.8%
Net:				
Loss & LAE Ratio:				
Non Hurricane	57.1%	51.6%	5.6%	108.2%
Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
Loss & LAE Ratio	57.1%	51.6%	5.6%	108.2%
UW Expense Ratio:				
Acquisition	18.2%	18.4%	(0.2%)	18.3%
Non Acquisition	24.3%	26.6%	(2.3%)	21.4%
UW Expense Ratio	42.5%	44.9%	(2.4%)	39.7%
Combined Ratio	99.7%	96.5%	3.1%	147.9%

1	TEXAS FAIR PLAN ASSOCIATION				1
2	Statutory Expense Report (000's omitted)				2
3	for the three months ended March 31,				3
4					4
5	Description	Actuals - 2022	Budget - 2022	Variance - 2022	Actuals - 2021
6	Personnel Expenses				
7	Salaries & Wages - Permanent	\$ 1,421	\$ 1,586	\$ (165)	\$ 1,329
8	Contractor & Temporary Help	316	267	48	840
9	Payroll Taxes	108	136	(28)	108
10	Employee Benefits	552	588	(36)	472
11	Recruiting, Training & Other	1	25	(24)	7
12	Subtotal	2,397	2,602	(205)	2,756
13					
14	Professional & Consulting Services				
15	Legal	27	34	(7)	32
16	Accounting & Auditing	38	34	4	22
17	Information Technology	42	31	11	(47)
18	Actuarial Services	-	24	(24)	20
19	Surveys & Inspections	83	87	(4)	84
20	Disaster Recovery Services	9	31	(22)	52
21	Other Services (1)	324	302	22	361
22	Subtotal	523	544	(21)	523
23					
24	Hardware/Software Purchases & Licensing	471	460	11	437
25	Rental & Maintenance - Office/Equipment	173	185	(12)	181
26	Travel Expenses	18	14	4	0
27	Postage, Telephone and Express	90	120	(30)	96
28	Capital Management Expenses	23	23	-	50
29	Other Operating Expenses	113	197	(83)	107
30	Total Operating Expenses	\$ 3,808	\$ 4,144	\$ (336)	\$ 4,151
31					
32	Capitalization of Fixed Assets	0	0	0	0
33	Allocation To ULAE	(944)	(1,029)	85	(1,476)
34	Allocation To Investing & Other Expense	(23)	(23)	-	(50)
35	Net Operating Expense - UW Operations	\$ 2,841	\$ 3,092	\$ (251)	\$ 2,625
36					

(1) Other Services	Amount	Department/s
Underwriting	91	UNDERWRITING - TFPA
Underwriting	73	UNDERWRITING - TFPA
Claims	27	CLAIMS
Claims & Underwriting	26	CLAIMS
Underwriting	25	CLAIMS
Underwriting & Legal/Compliance	21	OPERATIONS
Various Departments	61	* Other Vendors less than \$20K
Total Other Services	324	

1	TEXAS FAIR PLAN ASSOCIATION			1
2	Statutory Balance Sheet (000's omitted)			2
3				3
4				4
5		March-22	December-21	5
6	Admitted Assets			6
7	Cash and short term investments	\$ 48,638	\$ 49,114	7
8	Premiums receivable	6,316	6,269	8
9	Assessment receivable	-	-	9
10	Amounts recoverable from reinsurers	1,593	1,716	10
11	Other assets	1	0	11
12	Total admitted assets	\$ 56,549	\$ 57,098	12
13				13
14	Liabilities, Surplus and other funds			14
15	Liabilities:			15
16	Loss and Loss adjustment expenses	\$ 12,899	\$ 12,932	16
17	Underwriting expenses payable	1,842	1,854	17
18	Unearned premiums, net of ceded unearned premiums	29,829	23,662	18
19	Ceded reinsurance premiums payable	5,912	12,859	19
20	Principal outstanding on line of credit advance	-	-	20
21	Interest payable on line of credit advance	-	-	21
22	Provision for reinsurance	463	484	22
23	Other payables	4,330	3,352	23
24	Total liabilities	55,275	55,143	24
25				25
26	Surplus and others funds			26
27	Unassigned Surplus (Deficit)	1,274	1,955	27
28	Total liabilities, surplus and other funds	\$ 56,549	\$ 57,098	28
29				29

TEXAS FAIR PLAN ASSOCIATION
Cash and Short Term Investments (\$ in 000's)
March 31, 2022

Bank	Non Interest Bearing	Interest Bearing	Total Amount of Deposits	Average Daily Balance for the Quarter	Investment Income during the Quarter	Annual Average Yield	Total Deposit % of TFPA's Portfolio	N.A. Bank Credit Rating	N.A. Tier 1 Capital Ratio	N.A. Regulatory Capital	Are funds in excess of the N.A. Regulatory Capital?
							< 40%	Superior or Strong	> 10%	> \$25B	> .2% of N.A. Reg Capital
Balances as of 3/31/2022:											
Bank of America	\$ 4,755	\$ -	\$ 4,755				10%	Superior	13.5%	\$183	No
Citibank	208	9,220	9,429	9,220	0	0.01%	19%	Superior	14.1%	\$150	No
JPMorgan Chase	19,103	-	19,103				39%	Superior	16.9%	\$267	No
JP Morgan U.S. Treasury Plus Money Market Fund (1)	-	15,352	15,352	15,352	0	0.01%	32%	N/A	N/A	N/A	N/A
Total of all financial institutions	\$ 24,066	\$ 24,572	\$ 48,638	\$ 24,572	\$ 0	0.01%	100%				
Balances as of 12/31/2021:											
Bank of America	\$ 7,838	\$ -	\$ 7,838				16%	Superior	13.5%	\$174	No
Citibank	208	9,220	9,428	6,046	0	0.01%	19%	Superior	13.6%	\$150	No
JPMorgan Chase	16,496	-	16,496				34%	Superior	16.6%	\$260	No
JP Morgan U.S. Treasury Plus Money Market Fund (1)	-	15,351	15,351	16,194	0	0.01%	31%	N/A	N/A	N/A	N/A
Total of all financial institutions	\$ 24,543	\$ 24,571	\$ 49,114	\$ 22,240	\$ 0	0.01%	100%				

(1) The Fund invests in U.S. treasury bills, notes, bonds and other obligations issued or guaranteed by the U.S. Treasury.

(2) Balances in non-interest bearing accounts have increased to reduce bank charges as rates for earnings credits have generally exceeded yields on short-term investments.

Bank credit rating, Tier 1 Capital Ratios, and Regulatory Capital were reviewed with the latest financial information available as of December 31, 2021. Rates, ratios and regulatory capital are comparable and consistent with year end National Association (N.A.) results.

1	TEXAS FAIR PLAN ASSOCIATION	1
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8	Premiums collected, net of reinsurance	8
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20	Net cash provided by investing activities	20
21	Cash flows from financing activities:	21
22	Borrowed funds	22
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TEXAS FAIR PLAN ASSOCIATION
HISTORICAL DATA
2003 - 2022
(\$ with 000's omitted)

YEAR	GROSS					NET					SURPLUS OR (DEFICIT) END OF PERIOD
	LIABILITY IN FORCE END OF PERIOD	POLICY COUNT	RATE CHANGES	WRITTEN PREMIUMS	LOSS & LAE INCURRED	EARNED PREMIUMS	LOSS & LAE INCURRED	UNDERWRITING EXPENSES INCURRED	UNDERWRITING GAIN (LOSS)	MEMBER ASSESSMENTS	
2003	\$ 18,272,542	100,223		\$ 82,004	\$ 19,580	\$ 31,287	\$ 19,580	\$ 26,618	\$ (14,911)		\$ (15,948)
2004	22,904,408	134,350		100,666	37,184	85,238	37,184	28,470	19,584		(1,821)
2005	14,165,560	88,512		60,969	31,262	77,389	31,262	18,588	27,539		31,563
2006	13,321,087	81,129		59,873	22,545	45,867	22,545	17,304	6,017		40,063
2007	15,556,965	91,847	3.9%	73,058	24,578	52,955	24,578	19,362	9,015		52,081
2008	14,060,852	84,438		64,488	239,886	48,364	82,774	18,797	(53,208)		209
2009	11,706,721	72,989	10.7%	60,255	32,961	28,136	6,659	18,811	2,666		(9,753)
2010	14,246,999	85,984	5.0%	73,924	86,187	40,905	34,601	17,019	(10,715)		(17,449)
2011	15,979,040	96,710		83,066	78,009	47,063	53,009	15,897	(21,843)		(33,860)
2012	17,966,799	108,637	14.6%	102,383	28,453	56,880	28,453	20,346	8,081		(25,722)
2013	20,594,317	124,222	16.7% (a)	122,683	39,438	75,343	39,438	22,610	13,295		(13,422)
2014	21,944,280	131,376		133,206	45,070	89,405	45,070	24,058	20,277		5,978
2015	22,154,205	132,734		132,879	68,593	90,952	68,593	24,675	(2,316)		4,977
2016	19,883,769	121,413	8.0% (b)	122,486	78,008	84,401	78,008	26,419	(20,026)		(15,203)
2017	18,029,369	110,989	5.0% (c)	112,316	128,666	76,837	84,864	29,739	(37,766)		(54,941)
2018	15,223,344	95,637	8.1% (d)	95,882	26,733	69,239	26,733	29,527	12,979	54,941	15,088
2019	12,299,224	80,923		85,327	38,241	59,625	38,241	25,310	(3,926)		12,133
2020	12,618,291	73,713	9.6% (e)	79,477	36,620	53,092	36,620	22,398	(5,926)		6,006
2021	11,471,201	66,512	9.2% (f)	75,648	34,070	49,414	34,070	19,050	(3,705)		2,105
2022	11,232,967	64,778		17,848	6,674	11,680	6,674	5,032	(26)		1,274
TOTAL				\$ 1,738,437	\$ 1,102,759	\$ 1,174,072	\$ 798,957	\$ 430,030	\$ (54,915)	\$ 54,941	

(a) Effective July 1, 2013

(b) Effective April 1, 2016

(c) Effective June 1, 2017

(d) Effective October 1, 2018 and November 1, 2018 for new business and renewal business, respectively.

(e) Effective August 1, 2020

(f) Effective August 1, 2021

*2022 data through 3/31/2022

5C. Investment Review Plan

MEMORANDUM

DATE: April 28, 2022
TO: John Polak, General Manager
FROM: Stuart Harbour, Chief Financial Officer
RE: **TFPA Investment Plan Review**

Annually, the TFPA Governing Committee reviews the adequacy and implementation of the association's investment plan as reflected in the Statement of Investment Objectives and Guidelines.

The primary focus of the investment plan is asset preservation and liquidity, along with compliance with the Texas Insurance Code and Plan of Operation of the Association.

On a quarterly basis, TFPA reviews the following criteria to monitor our counterparty relationships:

- Bank ratings and credit ratings from Moody or Standard and Poor's must meet 'AAA'. 'AA', or 'A' ratings defined as "superior or strong" in credit ratings.
- Tier 1 Capital Ratio must be above a 10% ratio.
- The National Association Regulatory Capital must be in excess of \$25 Billion.
- Total investment in any one financial institution will not exceed .2% of the National Association's regulatory capital.
- Total investment in any one financial institution will not exceed 40% of TFPA's total portfolio.

On the next page, you will find an evaluation of financial institutions based on certain of the criteria listed above.

At this time, we are not recommending any changes to the investment plan. However, we will be seeking a resolution at the May 16, 2022 Governing Committee meeting regarding Governing Committee review of the adequacy of the current investment plan, copy attached, and Governing Committee review of the implementation of the plan. Suggested wording of such resolution is as follows:



The Governing Committee of the Texas Fair Plan Association acknowledges its review of the adequacy and implementation of the investment plan of the Association and accepts staff's recommendation to make no changes to the investment plan at this time.

Please let me know if you have any questions or would like to discuss this matter.

Evaluation of Counterparty Relationships as of 12/31/2021				
Financial Institution	N.A. Bank Credit Rating (as of 12/31/21)	N.A. Tier 1 Capital Ratio (as of 12/31/21)	N.A. Regulatory Capital (as of 12/31/21)	Holding Level Market Capitalization (\$ in Billions as of 12/31/21)
JPMorgan Chase, N.A.	Superior	16.9%	\$267	\$468
Bank of America, N.A.	Superior	13.5%	\$183	\$341
Citibank, N.A.	Superior	14.1%	\$150	\$120

TEXAS FAIR PLAN ASSOCIATION

Investment Plan

I. Overview

The purpose of this statement is to provide clear objectives and guidelines for investing the assets of the Texas FAIR Plan Association ("TFPA").

The Texas FAIR Plan Association was created by the Texas Legislature when it enacted Article 21.49A (the "Act") sec. 3(a), as amended, of the Texas Insurance Code (re-codified as Texas Insurance Code Chapter 2211). The purpose of the Act is to ensure that residential property insurance coverage is available to Texas residents.

II. Investment Objectives

The investment objectives enable TFPA to manage funds with the primary focus of asset preservation and liquidity, as well as securing maximum total return through the application of the investment policy set forth below. This policy must comply with all restrictions on investments in accordance with the Texas Insurance Code, the Plan of Operation of the Association and any other applicable requirements. While maximizing yield is important, the Association will consider the safety of the principal and liquidity the foremost objective.

III. Permissible Asset Types

TFPA may invest funds in excess of minimum capital and surplus in accordance with Texas Insurance Code Subchapter B, Chapter 424. Under current law and in accordance with the minimum capital and surplus definition referenced in Section 822.054, \$5 million will be set aside to support this requirement. Furthermore, in order to preserve TFPA's funds for immediate need in the case of a catastrophe, all funds will be restricted to liquid investments that are free of risk of loss of principal. (See Appendix A for complete detail of these items).

1. Checking, savings accounts, and Money Market Demand Accounts in Financial Institutions that meet the counterparty requirements outlined below in section IV of this document.
2. US Treasury Notes not to exceed 12 months, unless otherwise approved by the governing committee.
3. Money Market Fund Accounts with a maximum duration of 1 year or less, unless otherwise approved by the governing committee. Account must invest exclusively in US bonds backed by the full faith and credit of the US government.
4. Other investments approved by the governing committee.

IV. Diversification and Evaluation of counterparty relationships:

The Association must evaluate bank financial performance, bank ranking and credit ratings from Moody or Standard & Poor's on a quarterly basis in order to assess the investment risk. All financial institutions ratings must meet "AAA", "AA", or "A" ratings defined as "strong or superior" in credit ratings.

The Association must also evaluate the bank's capital strength through Tier 1 Capital Ratios. The Association's criterion is that the Tier 1 Capital Ratio must be above 10% for the Association to invest with such institution.

The Association should evaluate the total capital of all banks on a quarterly basis. National Association (N.A.) Regulatory Capital must be in excess of \$25B.

Total investment in any one financial institution should not exceed .2% of the National Association's regulatory capital. Total investments in any one financial institution should not exceed 40% of TFPA's total portfolio.

The Association should perform the above evaluation on a quarterly and/or annual basis as information is available. To the extent certain information is not available quarterly at the N.A. level; the Association should review the Tier 1 Capital Ratio and Market Capitalization at the bank holding company level.

V. Monitoring, Evaluation and Compliance

TFPA's management will review the investment plan on an annual basis and make recommendations, if necessary, to the governing committee at that time. It is the responsibility of TFPA management to report to the governing committee all cash and investment balances, interest rates and diversification ratios on a quarterly basis.

Appendix A to Statement of Investment Objectives and Guidelines

I. Definitions related to the guidelines

- a. Tier 1 Capital Ratio also known as Capital Adequacy is the amount of capital a bank or other financial institution has to hold as required by its financial regulator. These requirements are put into place to ensure that institutions do not take on excess leverage and become insolvent.

A firm must have a Tier 1 capital ratio of 6% or greater, and not pay any dividends or distributions that would affect its capital, to be classified as well capitalized according to the Federal Deposit Insurance Corporation (FDIC).

Formula = (Total Equity – Revaluation Reserves) / Risk Based Assets

- b. Market Capitalization is the total value of the issued shares of a publicly traded company; it is equal to the share price times the shares outstanding. This allows the investment community to determine a company's size, as opposed to sales or total asset figures.

Formula = stock price X total number of shares outstanding

II. Permissible Assets:

TFPA may invest funds in excess of minimum capital and surplus in accordance with Texas Insurance Code Subchapter B, Chapter 424. The following are the investments as described by Chapter 424 of the Texas Insurance Code for reference.

- a. Government Obligations
- b. Stock of National or State Bank
- c. Deposits in Certain Financial Institutions
- d. Certain Obligations of Partnership or Corporation
- e. Mutual Funds
- f. Real Property
- g. Obligations secured by real property
- h. Transportation equipment
- i. Investment in Foreign Jurisdiction
- j. Certain loans
- k. Obligations of Local Governmental Entities
- l. The University of Texas
- m. Bonds issued, assumed or guaranteed in international market
- n. Insurer Engaged in Business in Foreign Country
- o. Other Specifically Authorized Investments
- p. Shares of certain registered bond exchange-traded funds

Appendix A to Statement of Investment Objectives and Guidelines (Continued)

Although the Plan of Operation allows TFPA to follow Texas Insurance Code Chapter 424, management and the governing committee recognize that TFPA is subject to the same risks as Texas Windstorm Insurance Association ("TWIA"). Therefore, TFPA will follow the more stringent policies adhered to by TWIA. The following are the permissible assets for TFPA based on the TWIA Plan of Operation:

- a. Interest bearing time deposits or certificates of deposit in any bank or banks doing business in the State of Texas and/or:
- b. In treasury notes of the government of the United States of America; and/or
- c. Money market funds which invest exclusively in the bonds or the evidence of indebtedness of the United States of America or any of its agencies when such obligations are guaranteed as to principal and interest by the United States of America; except however:
 - i. such money market funds may make loans to or purchases of the described bonds and other evidence of indebtedness from a solvent bank or securities broker, registered under the Securities Act of 1934, under an agreement (commonly called a "repurchase agreement") which provides for the purchase by the money market fund of the type of securities described and which agreement matures in 90 days or less and provides for the repurchase by such entity of the same or similar securities purchased by the money market fund, provided that the total market value of such securities shall equal or exceed the amount of such loan or repurchase when it is made; and
 - ii. such loan collateral or securities purchased from any one bank or securities broker may not exceed the greater of 5.0% of assets of the money market fund or 5.0% of the amount of capital, surplus, or individual profits of such bank or securities broker; and/or
- d. In such other investments as may be proposed by the governing committee and approved by the Commissioner. The governing committee shall determine what portion of such funds shall be retained in a checking account or accounts and what portion of such reserve shall be invested in the investments listed in this subparagraph, as well as which specific investments, if any, shall be made.

5D. Financial Audit by
Calhoun, Thomson + Matza
5D1. Audit Wrap Up Report



Audit Wrap Up



Calhoun, Thomson+Matza, LLP
Certified Public Accountants

This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, management, and is not intended and should not be used by anyone other than those specified parties.

April 25, 2022

Governing Committee
Texas FAIR Plan Association
Austin, Texas

Ladies and Gentlemen:

Professional standards require us to communicate with you regarding matters related to the statutory financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On August 5, 2021, we presented an overview of our plan for the audit of the statutory financial statements of Texas FAIR Plan Association (the "Association") as of and for the year ended December 31, 2021, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Association's accounting practices and policies, management's judgments and estimates, statutory financial statement disclosures, and other required matters.

We are pleased to be of service to the Association and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

Calhoun, Thomson & Matza, LLP

Discussion Outline

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Results of Our Audit	2
Internal Control Over Financial Reporting	3
Required Communications	4-5
Independence Communication	6

Status of Our Audit

Audit of Statutory Financial Statements

We have completed our audit of the statutory financial statements of Texas FAIR Plan Association as of and for the year ended December 31, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the statutory financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the statutory financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our engagement letter.
- We issued an unmodified opinion on the statutory financial statements on April 25, 2022.
- Our responsibility for other information in documents containing the Association's audited statutory financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the Association and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the statutory financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- All records and information requested by Calhoun, Thomson + Matza, LLP were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Association personnel throughout the course of our work.

Results of Our Audit

Accounting Practices, Policies, Estimates, and Statutory Financial Statement Disclosures

The following summarizes the more significant required communications related to our audit concerning the Association's accounting practices, policies, estimates, and statutory financial statement disclosures:

The Association's significant accounting practices and policies are those included in the Summary of Significant Accounting Policies in the statutory financial statements. These accounting practices and policies are appropriate, comply with accounting practices prescribed or permitted by the Texas Department of Insurance, and industry practice, were consistently applied, and are adequately described within the Summary of Significant Accounting Policies.

- There were no changes in significant accounting policies and practices during 2021.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Association's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in the Summary of Significant Accounting Policies.

Significant accounting estimates include:

Loss and Loss Adjustment Expense Reserves

Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2021.

Corrected and Uncorrected Misstatements

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

Internal Control Over Financial Reporting

In planning and performing our audit of the statutory financial statements, we considered the Association's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statutory financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Association's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's statutory financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the statutory financial statements, we noted no material weaknesses.

Required Communications

Matters Required To Be Reported to Those Charged with Governance

Various professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Association.

<i>Requirement</i>	<i>Discussion Points</i>
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our audit engagement letter.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Association's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Auditor's judgment about the quality of the Association's accounting policies, estimates and statutory financial statement disclosures	In accordance with applicable auditing standards, a discussion was held regarding the quality of financial reporting, which included the Association's significant accounting practices, estimates and statutory financial statement disclosures.
Critical accounting policies and practices	Refer to the Accounting Practices, Policies, Estimates, and Statutory Financial Statement Disclosures section on page 2 for all critical accounting policies and practices used by the Association.
Adoption of a change in accounting principle	There were no situations involving the adoption of or a change in accounting principles where the application of alternative statutory accounting principles, including alternative methods of applying an accounting principle, would have a material effect on the Association's statutory financial statements.
Material, corrected misstatements brought to the attention of management by the auditor	There were no corrected misstatements brought to the attention of management by the auditor.
Unrecorded misstatements, other than those the auditor believes to be trivial	There were no unrecorded misstatements brought to the attention of management by the auditor.

Required Communications

Disagreements with management	There were no disagreements with management on statutory financial accounting and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a modification of our auditors' reports.
Nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Significant findings and issues arising during the audit in connection with the Association's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the statutory financial statements from achieving fair presentation.
Other matters significant to the oversight of the Association's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the Association's financial reporting process that have not been previously communicated.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of statutory accounting principles.
Major issues discussed with management prior to retention	Prior to our being retained as auditor for the current fiscal year, there were no major accounting or other issues of concern discussed with management.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Other issues arising from the audit the auditor considers significant and relevant to those charged with governance	There were no other issues arising from the audit that we consider significant and relevant to those charged with governance.
Material alternative accounting treatments discussed with management	There was no discussion with management concerning alternative accounting treatments.
Representations requested from management	Please refer to the management representation letter.

Independence Communication

Our engagement letter to you dated August 5, 2021 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Association with respect to independence as agreed to by the Association. Please refer to that letter for further information.

5D2. Statutory Report

Texas FAIR Plan Association

Statutory Financial Statements and Supplemental Information

Years Ended December 31, 2021 and 2020



Texas FAIR Plan Association

Statutory Financial Statements and Supplemental Information

Years Ended December 31, 2021 and 2020

Texas FAIR Plan Association

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Accountants' Letter of Qualifications

Governing Committee
Texas FAIR Plan Association
Austin, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statutory financial statements of Texas FAIR Plan Association (the "Association") for the years ended December 31, 2021 and 2020, and have issued our report thereon dated April 25, 2022. In connection therewith, we advise you as follows:

- a. We are independent certified public accountants with respect to the Association and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Texas State Board of Public Accountancy.
- b. The engagement director, who is a certified public accountant, has 17 years of experience in public accounting and is experienced in auditing insurance enterprises. Members of the engagement team, most of whom have had experience in auditing insurance enterprises and most of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.
- c. We understand that the Association intends to file its audited statutory financial statements and our report thereon with the Texas Department of Insurance and that the Insurance Commissioner of that state will be relying on that information in monitoring and regulating the statutory financial condition of the Association.

While we understand that an objective of issuing a report on the statutory financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, the Association and Insurance Commissioner should understand that the objective of an audit of statutory financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the statutory financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus and other funds, results of operations and cash flows in conformity with accounting practices prescribed or permitted by the Texas Department of Insurance. Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the statutory financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for

detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material misstatements resulting from fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by the Insurance Commissioner.

It is the responsibility of the management of the Association to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain an internal control structure that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting practices prescribed or permitted by the Texas Department of Insurance.

The Insurance Commissioner should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the statutory financial position of insurers and should not rely solely upon the independent auditor's report.

- d. We will retain the workpapers prepared in the conduct of our audit until the Texas Department of Insurance has filed a Report of Examination covering 2021, but not longer than seven years. After notification to the Association, we will make the workpapers available for review by the Texas Department of Insurance at the offices of the insurer, at our offices, at the Insurance Department or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Texas Department of Insurance, photocopies of pertinent audit working papers may be made (under the control of the accountant) and such copies may be retained by the Texas Department of Insurance.
- e. The engagement director has served in that capacity with respect to the Association since 2018, is licensed by the Texas State Board of Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.
- f. To the best of our knowledge and belief, we are in compliance with the requirements of section 7 of the NAIC's Model Rule (Regulation) Requiring Annual Audited Financial Reports regarding qualifications of independent certified public accountants.

This letter is intended solely for the information and use of the Texas Department of Insurance and is not intended to be and should not be used by anyone other than these specified parties.

Cohn, Therman & Matza, LLP

April 25, 2022

Independent Auditors' Report

Governing Committee
Texas FAIR Plan Association
Austin, Texas

Opinion

We have audited the statutory basis financial statements of Texas FAIR Plan Association (the "Association"), which comprise the statutory basis statements of admitted assets, liabilities, and surplus and other funds as of December 31, 2021 and 2020, and the related statutory basis statements of income and changes in surplus and other funds, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus and other funds of the Association as of December 31, 2021 and 2020, and the results of its operations, changes in its surplus and other funds, and its cash flows for the years then ended, in accordance with the statutory accounting practices prescribed or permitted by the Texas Department of Insurance as described in the Summary of Significant Accounting Policies – "Basis of Accounting".

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to the Summary of Significant Accounting Policies – "Basis of Accounting" of the statutory basis financial statements, which describes the basis of accounting. As described in the Summary of Significant Accounting Policies – "Basis of Accounting" to the statutory basis financial statements, the statutory basis financial statements are prepared by the Association on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the statutory basis financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Emphasis of Matters - Other

As of December 31, 2021, the Association had approximately \$11.5 billion of insurance exposure in the State of Texas. The Association has authority to assess certain property and casualty insurers underwriting business

in the State of Texas under Texas Insurance Code Chapter 2211. If a major claim event occurs in the future, it could have a severe impact on the financial condition of the Association.

As of December 31, 2021, ultimate loss projections for Hurricane Harvey are estimated to be \$85 million by the Association's appointed actuary.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statutory basis financial statements in accordance with the accounting practices prescribed or permitted by the Texas Department of Insurance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory basis financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the statutory basis financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the statutory basis financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory basis financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory basis financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory basis financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory basis financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters

that we identified during the audit.

Other Matter - Supplementary Information

Our audits of the statutory basis financial statements were conducted for the purpose of forming an opinion on those statutory basis financial statements taken as a whole. The accompanying supplemental summary investment schedule, investment risk interrogatories, and the reinsurance interrogatories as of and for the year ended December 31, 2021, are presented for purposes of additional analysis and are not a required part of the basic statutory basis financial statements but is supplementary information required by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and Texas state law.

The accompanying supplementary information is the responsibility of the Association's management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory basis financial statements. Such information has been subjected to the auditing procedures applied in our audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic statutory basis financial statements taken as a whole.

Other Matter - Restriction on Use

This report is intended solely for the information and use of the Governing Committee and management of the Association and for filing with the Texas Department of Insurance and is not intended to be and should not be used by anyone other than these specified parties.

Cohn, Therman & Matza, LLP

April 25, 2022

Texas FAIR Plan Association

Statutory Statements of Admitted Assets, Liabilities, Surplus and Other Funds (In Thousands)

<i>December 31,</i>	2021	2020
Admitted Assets		
Cash and cash equivalents	\$ 49,114	\$ 57,717
Investment income due and accrued	-	1
Uncollected premiums and agents' balances in the course of collection	1,354	1,501
Deferred premiums, agents' balances and installments booked but deferred	4,915	5,130
Amounts recoverable from reinsurers	1,715	1,506
Total admitted assets	\$ 57,098	\$ 65,855
Liabilities, Surplus and Other Funds		
Liabilities		
Loss and loss adjustment expenses	\$ 12,932	\$ 15,458
Underwriting expenses payable	1,854	1,929
Unearned premiums, net of ceded unearned premiums	23,662	24,801
Ceded reinsurance premiums payable, net of ceding commissions	12,859	14,104
Provision for reinsurance	484	333
Other liabilities	3,352	3,224
Total liabilities	55,143	59,849
Commitments and contingencies (Notes 6, 7 and 8)		
Surplus and other funds		
Unassigned surplus	1,955	6,006
Total liabilities and surplus and other funds	\$ 57,098	\$ 65,855

See accompanying summary of significant accounting policies and notes to statutory financial statements.

Texas FAIR Plan Association

Statutory Statements of Income (In Thousands)

<i>Years ended December 31,</i>	2021	2020
Underwriting income:		
Premiums earned	\$ 77,565	\$ 82,159
Premiums ceded	(28,151)	(29,067)
Net premiums earned	49,414	53,092
Deductions:		
Losses and loss expenses incurred	34,070	36,620
Other underwriting expenses incurred	19,142	22,398
Total underwriting deductions	53,212	59,018
Net underwriting loss	(3,798)	(5,926)
Investment income:		
Net investment loss	(161)	(28)
Other income:		
Other (loss) income	(7)	21
Total other (loss) income	(7)	21
Net loss	\$ (3,966)	\$ (5,933)

See accompanying summary of significant accounting policies and notes to statutory financial statements.

Texas FAIR Plan Association

Statutory Statements of Changes in Surplus and Other Funds (In Thousands)

		Unassigned Surplus
Balance, January 1, 2020	\$	12,133
Net loss		(5,933)
Change in nonadmitted assets		44
Change in provision for reinsurance		(238)
Balance, December 31, 2020		6,006
Net loss		(3,966)
Change in nonadmitted assets		66
Change in provision for reinsurance		(151)
Balance, December 31, 2021	\$	1,955

See accompanying summary of significant accounting policies and notes to statutory financial statements.

Texas FAIR Plan Association

Statutory Statements of Cash Flows (In Thousands)

<i>Years ended December 31,</i>	2021	2020
Cash from operations:		
Premiums collected, net of reinsurance	\$ 47,611	\$ 50,544
Net investment (loss) income	(179)	13
Miscellaneous (loss) income	(7)	21
Benefit and loss related payments	(27,056)	(26,899)
Commissions, expenses paid and aggregate write-ins for deductions	(28,977)	(32,119)
Net cash from operations	(8,608)	(8,440)
Cash from financing and miscellaneous sources:		
Other cash provided	5	20
Net cash from financing and miscellaneous sources	5	20
Net change in cash and cash equivalents	(8,603)	(8,420)
Cash and cash equivalents, beginning of year	57,717	66,137
Cash and cash equivalents, end of year	\$ 49,114	\$ 57,717

See accompanying summary of significant accounting policies and notes to statutory financial statements.

Texas FAIR Plan Association

Summary of Significant Accounting Policies (In Thousands)

Nature of Business

Texas FAIR Plan Association (the "Association") was created by the Texas Legislature and activated by the Commissioner of Insurance pursuant to Chapter 2211 of the Texas Insurance Code (the "Act"). The purpose of the Act is to provide a method of delivering residential property insurance to qualified citizens of Texas in areas determined by the Commissioner of Insurance of the Texas Department of Insurance to be underserved areas. The membership of the Association includes every property insurer authorized to write residential property insurance in the State of Texas, except companies that are excluded by law. The Act provides that members will share in the Association's losses on a calendar year basis to the extent of their percentage of participation during the calendar year involved, as determined under the provisions of the Act and the Association's Plan of Operation.

Basis of Accounting

The accompanying financial statements have been prepared on a statutory basis in accordance with accounting practices prescribed or permitted by the Texas Department of Insurance. Prescribed statutory accounting practices include state laws, regulations and general administrative rules applicable to all insurance companies domiciled in the State of Texas and the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual. Permitted statutory practices include practices not prescribed but allowed by the Texas Department of Insurance.

Reconciliations of net loss and policyholders' surplus between the amounts reported in the accompanying financial statements (Texas basis) and NAIC statutory accounting practices ("SAP") follow:

<i>Years ended December 31,</i>	2021	2020
Net loss, Texas basis	\$ (3,966)	\$ (5,933)
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
Net loss, NAIC SAP basis	\$ (3,966)	\$ (5,933)

<i>December 31,</i>	2021	2020
Statutory surplus, Texas basis	\$ 1,955	\$ 6,006
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
Policyholders' surplus, NAIC SAP basis	\$ 1,955	\$ 6,006

Texas FAIR Plan Association

Summary of Significant Accounting Policies (In Thousands)

Significant differences between statutory accounting practices and accounting principles generally accepted in the United States of America ("GAAP"), as they relate to the Association include the following:

- (a) Certain assets designated as "non-admitted assets" are charged directly against unassigned surplus, rather than capitalized and charged to income as used under GAAP. These include certain prepaid expenses and premium receivables.
- (b) The statements of cash flows represent cash balances and cash equivalents with initial maturities of one year or less rather than cash and cash equivalents with initial maturities of three months or less.
- (c) Unearned premiums and loss and loss adjustment expense reserves are presented net of related reinsurance rather than on a gross basis as required under GAAP.

Use of Significant Estimates

The preparation of financial statements in accordance with statutory accounting practices prescribed or permitted by the Texas Department of Insurance requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Electronic Data Processing Equipment and Software

Electronic data processing equipment and operating system software are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of its estimated useful life or three years. Costs incurred for non-operating system software are capitalized and depreciated over the lesser of its useful life or five years and are non-admitted assets.

Income Taxes

As of June 18, 2005, the Association is a tax exempt organization whose gross income is excludable under Internal Revenue Code (IRC) Section 115 and is no longer required to file tax returns.

Texas FAIR Plan Association

Summary of Significant Accounting Policies (In Thousands)

Premiums

All policies issued by the Association have a maximum term of one year from date of issuance. Premiums earned are taken into income over the periods covered by the policies whereas the related acquisition costs are expensed when incurred. Premiums are generally recognized as revenue on a pro-rata basis over the policy term once the policy is effective. Unearned premiums, net of deductions for reinsurance, are computed on a pro-rata basis over the term of the policies.

Those premiums received for policies issued but not effective as of year-end are included in other liabilities within the Association's statutory statements of admitted assets, liabilities, surplus and other funds.

Those premiums received for policies which are not effective and not issued as of year-end are included in other liabilities within the Association's statutory statements of admitted assets, liabilities, surplus and other funds.

Loss and Loss Adjustment Expenses

Insurance losses and related adjustment expenses are charged to operations as incurred. The reserves for unpaid losses and loss adjustment expenses are determined based upon case-basis evaluations and actuarial projections, and include a provision for incurred but not reported losses. The actuarial projections of ultimate losses on reported claims are based on the Association's experience and expected development assumptions from industry data. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the actual cost of settling all remaining claims may be more or less than the reserve for unpaid losses and loss adjustment expenses. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current earnings.

Salvage and subrogation recoverables are not recognized until received.

Reinsurance

In the normal course of business, the Association seeks to reduce losses that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsured policies. The Association evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize exposure to significant gains or losses from reinsurer insolvencies.

Texas FAIR Plan Association

Summary of Significant Accounting Policies (In Thousands)

Fair Value Measurements

Statements of Statutory Accounting Principles (“SSAP”) No. 100R, Fair Value, requires disclosures of the aggregate fair value of all financial instruments, summarized by type of financial instrument, for which it is practicable to estimate fair value. SSAP No. 100R excludes obligations for pension benefits, substantively extinguished debt, insurance contracts, lease contracts, warranty obligations and rights, investments accounted for under the equity method and equity instruments issued by the entity. Accordingly, the aggregate fair value amounts presented herein do not necessarily represent the underlying value of the Association; similarly, care should be exercised in deriving conclusions about the Association's business or financial condition based on the fair value information presented herein.

The following methods and assumptions were used by the Association to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash: The carrying values approximate fair value.

Cash equivalents: Valued at the Net Asset Value (“NAV”) of units held by the Association at year end.

The Association is required to categorize its assets and liabilities that are measured at fair value into the three-level fair value hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

- Level 1 – Fair values are based on quoted prices in active markets for identical assets or liabilities that the Association has the ability to access as of the measurement date.
- Level 2 – Fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that can otherwise be corroborated by observable market data.
- Level 3 – Fair values are based on inputs that are considered unobservable where there is little, if any, market activity for the asset or liability as of the measurement date. In this circumstance, the Association has to rely on values derived by independent brokers or internally-developed assumptions. Unobservable inputs are developed based on the best information available to the Association which may include the Association's own data.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

1. Electronic Data Processing Equipment and Software

Electronic data processing equipment and software consists of the following:

<i>December 31,</i>	2021	2020
Electronic data processing equipment and software	\$ 68	\$ 68
Less: accumulated depreciation	(68)	(68)
	-	-
Less: non-admitted electronic data processing equipment and software	-	-
	\$ -	\$ -

Depreciation expense was \$0 for the years ended December 31, 2021 and 2020.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

2. Reinsurance

During 2021 and 2020, the Association entered into a reinsurance agreement. The agreement limits the amount of losses that can arise from claims under a general reinsurance contract known as a property catastrophe excess of loss reinsurance program ("excess of loss").

Excess of Loss. Effective July 1, 2021, the excess of loss reinsurance agreement provides the Association with two layers of coverage and one underlying layer. The first layer provides 100% participation of \$130,000 in excess of \$30,000 of each and every loss occurrence. The second layer provides 100% participation of \$230,000 in excess of \$160,000 of each and every loss occurrence. The first and second layers' limit of coverage will be reduced by loss payments and shall be reinstated for up to one full limit as detailed above. The \$20,000 excess \$10,000 layer is an underlying layer that does not respond until the second event. The agreement covers losses incurred on all in-force, new and renewal policies. Any additional liability would be funded by member assessments in the event that available funds are not sufficient to meet the obligations of the Association. This agreement expires on June 30, 2022.

During 2021, the Association has Reinstatement Premium Protection reinsurance coverage with a limit of \$24,100 to provide recoveries of reinstatement premium in conjunction with the first two layers of reinsurance coverage.

Effective July 1, 2020, the excess of loss reinsurance agreement provided the Association with two layers of coverage and one underlying layer. The first layer provided 100% participation of \$140,000 in excess of \$40,000 of each and every loss occurrence. The second layer provided 100% participation of \$245,000 in excess of \$180,000 of each and every loss occurrence. The first and second layers' limit of coverage will be reduced by loss payments and shall be reinstated for up to one full limit as detailed above. The \$30,000 excess \$10,000 layer was an underlying layer that would not respond until the second event. The agreement covered losses incurred on all in-force, new and renewal policies. Any additional liability would be funded by member assessments in the event that available funds are not sufficient to meet the obligations of the Association. This agreement expired on June 30, 2021.

During 2020, the Association had Reinstatement Premium Protection reinsurance coverage with a limit of \$25,200 to provide recoveries of reinstatement premium in conjunction with the first two layers of reinsurance coverage.

Ceded reinsurance is treated as the risk and liability of the assuming companies; however, the reinsurance contract does not relieve the Association from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Association. The Association evaluates the financial conditions of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

The Association has unsecured reinsurance recoverables which exceed 3% of the Association's surplus with the following reinsurers as of December 31, 2021 and 2020:

Name of reinsurer	2021	2020
Aspen Bermuda Ltd.	\$ 152	\$ 205
DaVinci Reinsurance	167	253
Endurance Specialty Ins Ltd.	301	440
Hannover Rück SE	118	195
Everest Reinsurance Company	532	676
Lloyd's Underwriter Syndicate No. 0033 HIS	194	280
The Cincinnati Insurance Company	119	-
Odyssey Reinsurance Company	66	-
Lloyd's Underwriter Syndicate No. 4020 ARK	121	-
Lloyd's Underwriter Syndicate No. 1183 TAL	85	-
Lloyd's Underwriter Syndicate No. 2623 AFB	76	-
Chubb Tempest Reinsurance Ltd.	60	-
Markel Bermuda Limited	115	-
XL Bermuda Ltd.	101	-
Lloyd's Underwriter Syndicate No. 1458 RNR	137	182
Lloyd's Underwriter Syndicate No. 1910 ARE	411	512
Lloyd's Underwriter Syndicate No. 2001 AML	429	553
Partner Reinsurance Company Ltd.	270	396
Renaissance Reinsurance Ltd.	251	380
Transatlantic Reinsurance Company	227	321
Allianz Risk Transfer Ltd.	-	462
SCOR Global P&C S.E. – Lirma S7300	-	245
Validus Reinsurance, Ltd.	339	452
Total	\$ 4,271	\$ 5,552

The effect of reinsurance on premiums written and earned for the years ended December 31, 2021 and 2020 is as follows:

	2021		2020	
	Written	Earned	Written	Earned
Direct	\$ 75,648	\$ 77,565	\$ 79,477	\$ 82,159
Ceded	(27,374)	(28,151)	(28,929)	(29,067)
Net	\$ 48,274	\$ 49,414	\$ 50,548	\$ 53,092

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

The maximum amount of return reinsurance ceding commission due in the event of cancellation as of December 31, 2021 and 2020 is as follows:

<i>December 31,</i>	2021	2020
Ceded unearned premium reserves	\$ 13,686	\$ 14,465
Less: ceded commission equity	(411)	(434)
Net ceded premium reserves	\$ 13,275	\$ 14,031
Direct unearned premium reserves	\$ 37,348	\$ 39,266

The amount of return commission that would have been due to the reinsurers if they or the Association had canceled the Association's excess of loss reinsurance agreement would have been approximately \$1,369 and \$1,446 as of December 31, 2021 and 2020, respectively.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

3. Loss and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending reserve balances, net of reinsurance recoverables, for losses and loss adjustment expenses:

<i>Years ended December 31,</i>	2021	2020
Beginning balance	\$ 23,020	\$ 27,424
Less: reinsurance recoverable	7,562	12,462
Beginning net balance	15,458	14,962
Incurred related to:		
Current loss year	36,432	36,367
Prior loss years	(2,362)	253
Losses and loss adjustment expense incurred	34,070	36,620
Paid related to:		
Current loss year	28,029	25,892
Prior loss years	8,567	10,232
Paid losses and loss adjustment expense	36,596	36,124
Ending net balance	12,932	15,458
Plus: reinsurance recoverable	4,297	7,562
Ending balance	\$ 17,229	\$ 23,020

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses ("LAE") affect the current year statutory statements of income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current year losses and LAE reflected on the statutory statements of income of \$34,070 are lower by \$2,362 due to favorable development of prior year estimates primarily from 2020 storm activity. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. Due to the inherently uncertain process involving loss and LAE reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. The appointed actuary for the Association has opined that the loss and LAE reserves as of December 31, 2021 and 2020 make a reasonable provision for the Association's claims liabilities.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

4. Governance

Pursuant to the Association's Plan of Operation, its Governing Committee consists of eleven members. The members are appointed by the Commissioner of the Texas Department of Insurance as follows: five members who represent the interest of insurers, four public members and two members who are licensed agents.

5. Service Contract with Texas Windstorm Insurance Association

The Association entered into a service contract with Texas Windstorm Insurance Association ("TWIA") in which the Association is to reimburse TWIA for all expenditures, professional fees, consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by TWIA on behalf of the Association. During 2021 and 2020 the Association incurred expenses from TWIA under its contract in the amounts of approximately \$13,186 and \$14,314, respectively. As of December 31, 2021 and 2020, the Association incurred expenses for which it has not reimbursed TWIA in the amount of \$1,159 and \$1,132, respectively, and are included in other liabilities in the statutory statements of admitted assets, liabilities, surplus and other funds. This arrangement is subject to a written agreement which requires that balances be settled within 30 days.

6. Borrowed Money – Line of Credit

The Association has a \$30,000 line of credit with one of its primary financial institutions effective August 28, 2021. The facility replaced the previous \$40,000 line of credit and terminates on June 30, 2023. There were no draws against the line of credit in 2021 or 2020. The Association pays the lender a 0.3% decreased from 0.5% commitment fee against the unused portion of the line of credit. Interest in the amount of \$0 were paid for the years ended December 31, 2021 and 2020. Interest expense was \$0 for the years ended December 31, 2021 and 2020. The line of credit agreement contains various covenants. The Association is in compliance with all line of credit covenants.

7. Contingencies

The Association is subject to various investigations, claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters in excess of the amounts provided will not have a material adverse effect on the financial position of the Association. These matters are subject to various uncertainties, and some of these matters may be resolved unfavorably to the Association.

The Association is subject to a fire assessment by the State of Texas. The assessment is based on premium and recorded at the time premiums are written. The Association is not subject to loss-based assessments. As of December 31, 2021 and 2020, the Association has accrued a liability for fire assessment of \$46 and \$49, respectively, and is included in underwriting expenses payable in the statutory statements of admitted assets, liabilities, surplus and other funds. The amounts recorded represent management's best estimates based on assessment rate information received from the State of Texas. The assessment is recouped by imposing a surcharge on policies written.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

Surcharges receivable of \$29 and \$75 have been fully non-admitted as of December 31, 2021 and 2020, respectively. Policy surcharges collected were \$94 and \$103 for the years ended December 31, 2021 and 2020, respectively.

8. Concentration of Credit Risk

The Association maintains deposits of cash in excess of federally insured limits with certain financial institutions. The Association has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents. The Association underwrites policies for residences located exclusively in the State of Texas.

The Association continues to experience significant premiums written in Harris County, Texas. As of December 31, 2021 and 2020 premiums written in Harris County, Texas represented 71% of total premiums.

9. Nonadmitted Assets

Nonadmitted assets consisted of the following:

<i>December 31,</i>	2021	2020
Uncollected premiums and agents' balances in the course of collection	\$ 93	\$ 199
Due from agents	94	63
Surcharge receivable	29	75
Prepaid expenses	100	45
Total nonadmitted assets	\$ 316	\$ 382

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

10. Fair Value Measurements

The following table reflects the fair values and admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. Cash and cash equivalents are the only financial instruments held by the Association. The investment strategy for the Association is to hold highly liquid cash and cash equivalents for funding catastrophe events. The Association does not believe that the assets stated at NAV have any significant restrictions to liquidate or to be sold for less than NAV.

Fair Value Measurements at December 31, 2021 Using:

	Aggregate Fair Value	Net Asset Value	Admitted Assets	Level 1	Level 2	Level 3
Cash	\$ 33,763	\$ -	\$ 33,763	\$ 33,763	\$ -	\$ -
Cash equivalents*	-	15,351	15,351	-	-	-
	\$ 33,763	\$ 15,351	\$ 49,114	\$ 33,763	\$ -	\$ -

Fair Value Measurements at December 31, 2020 Using:

	Aggregate Fair Value	Net Asset Value	Admitted Assets	Level 1	Level 2	Level 3
Cash	\$ 40,368	\$ -	\$ 40,368	\$ 40,368	\$ -	\$ -
Cash equivalents*	-	17,349	17,349	-	-	-
	\$ 40,368	\$ 17,349	\$ 57,717	\$ 40,368	\$ -	\$ -

* In accordance with SSAP 100R, certain investments that were measured at NAV have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to the line items presented in the statutory statements of admitted assets, liabilities, surplus and other funds.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

11. Surplus

The Act does not provide for a minimum surplus requirement. However, members may be assessed to the extent that the Association's Governing Committee determines that available funds are not sufficient to meet the obligations of the Association.

12. Distributions

The Act provides that the profits of the Association shall be used to mitigate losses, including the purchase of reinsurance and the offset of future assessments, and may not be distributed to insurers.

13. Reconciliation with Annual Statement

There were no differences between the 2021 and 2020 annual statements as filed with the Texas Department of Insurance and the 2021 and 2020 audited statutory financial statements.

14. Subsequent Events

The Association has evaluated subsequent events occurring after December 31, 2021, the date of the most recent statutory statements of admitted assets, liabilities, surplus and other funds, through April 25, 2022, the date the statutory financial statements were issued. The Association does not believe any subsequent events have occurred that would require further disclosure or adjustment to the statutory financial statements.

Texas FAIR Plan Association

Summary Investment Schedule December 31, 2021 (In Thousands)

Investment categories	Gross Investment Holdings *		Admitted Assets as Reported in the Annual Statement **	
	Amount	%	Amount	%
Long- Term Bonds (Schedule D, Part 1):				
U.S. Governments	\$ -	-	\$ -	-
All other governments	-	-	-	-
U.S. states, territories and possessions, etc. guaranteed	-	-	-	-
U.S. political subdivisions of states, territories, and possessions, guaranteed	-	-	-	-
U.S. special revenue and special assessment obligations, etc. non-guaranteed	-	-	-	-
Industrial and miscellaneous	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
SVO identified funds	-	-	-	-
Unaffiliated bank loans	-	-	-	-
Total long-term bonds	-	-	-	-
Preferred stocks (Schedule D, Part 2, Section 1):				
Industrial and miscellaneous (Unaffiliated)	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
Total preferred stocks	-	-	-	-
Common stocks (Schedule D, Part 2, Section 2):				
Industrial and miscellaneous Publicly traded (Unaffiliated)	-	-	-	-
Industrial and miscellaneous Other (Unaffiliated)	-	-	-	-
Parent, subsidiaries and affiliates Publicly traded	-	-	-	-
Parent, subsidiaries and affiliates Other	-	-	-	-
Mutual funds	-	-	-	-
Unit investments trusts	-	-	-	-
Closed-end funds	-	-	-	-
Total common stocks	-	-	-	-
Mortgage loans (Schedule B):				
Farm mortgages	-	-	-	-
Residential mortgages	-	-	-	-
Commercial mortgages	-	-	-	-
Mezzanine real estate loans	-	-	-	-
Total mortgage loans	-	-	-	-
Real Estate (Schedule A):				
Properties occupied by company	-	-	-	-
Properties held for production of income	-	-	-	-
Properties held for sale	-	-	-	-
Total real estate	-	-	-	-

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Summary Investment Schedule December 31, 2021 (In Thousands)

Investment categories	Gross Investment Holdings *		Admitted Assets as Reported in the Annual Statement **	
	Amount	%	Amount	%
Cash, cash equivalents and short-term investments:				
Cash (Schedule E, Part 1)	33,763	68.74%	33,763	68.74%
Cash equivalents (Schedule E, Part 2)	15,351	31.26%	15,351	31.26%
Short-term investments (Schedule DA)	-	-	-	-
Total cash, cash equivalents and short-term investments	49,114	100.00	49,114	100.00
Contract loans	-	-	-	-
Derivatives (Schedule DB)	-	-	-	-
Other invested assets (Schedule BA)	-	-	-	-
Receivables for securities	-	-	-	-
Securities Lending (Schedule DL, Part 1)	-	-	-	-
Other invested assets (Page 2, Line 11)	-	-	-	-
Total invested assets	\$ 49,114	100.00	\$ 49,114	100.00

*Gross investment holdings as valued in compliance with the NAIC Accounting Procedures Manual.

** The Association has no securities lending reinvested collateral at December 31, 2021.

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Supplemental Investment Risk Interrogatories

December 31, 2021

(In Thousands)

- | | | |
|----|--|-----------|
| 1) | Reporting entity's total admitted assets as reported in the accompanying financial statements. | \$ 57,098 |
|----|--|-----------|

Questions 2 through 23 are not applicable.

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Reinsurance Interrogatories

December 31, 2021

(In Thousands)

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? YES[] NO [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. N/A [X]
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? YES[] NO [X]
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity; or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, according retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. YES[] NO [X]

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Reinsurance Interrogatories

December 31, 2021

(In Thousands)

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

YES [] NO [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

N/A

9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

YES [] NO [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

N/A

See accompanying independent auditors' report on supplemental information.

5D3. Internal Control Letter

April 25, 2022

Governing Committee
Texas FAIR Plan Association
Austin, Texas

In planning and performing our audit of the financial statements of Texas FAIR Plan Association, (the "Association") as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the governing committee, and for filing with the Texas Department of Insurance, and is not intended to be and should not be used by anyone other than these specified parties.

Calhoun, Thomson & Matza, LLP

6. Actuarial

6A. Reserve Adequacy



TEXAS FAIR PLAN
ASSOCIATION

Xiuyu Li, ACAS, MAAA
Senior Actuary

MEMORANDUM

DATE: April 20, 2022

TO: James C. Murphy, FCAS, MAAA
Chief Actuary | Vice President, Enterprise Analytics

FROM: Xiuyu Li, ACAS, MAAA
Senior Actuary | Manager, Actuarial Analysis

RE: Reserve Adequacy

TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of March 31, 2022.

Based on this review, the indicated ultimate cost of Hurricane Harvey is \$84.2 million, remaining the same as the indicated ultimate loss and expense estimate based on the review as of December 31, 2021. Due to uncertainties surrounding the adequacy of case reserves and the outcomes of disputed claims, the selected ultimate gross loss & expense estimate has been maintained at \$85 million.

As of March 31, 2022, TFPA carried \$16.6 million in total gross loss and loss adjustment expense reserves with \$3.7 million of the total gross losses and expenses reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

In my opinion, the Association's net reserves met the requirements of the insurance laws of Texas, were consistent with reserves computed in accordance with accepted actuarial standards and principles and made a reasonable provision for all combined unpaid loss and loss expense obligations of the Association under the terms of its contracts and agreements. My opinion on the loss and loss adjustment expense reserves net of ceded reinsurance assumes that all ceded reinsurance is valid and collectible.

The complete actuarial analysis is available on request.

XL

6B. Rate Filing Update

There is no exhibit for this topic

6C. Policy Count/Exposures

Texas FAIR Plan Association
Liability Report
As of 3/31/22
All Forms Combined



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage
Harris	46,163	40,899	(5,264)	(11.40%)	7,107,084,243	6,298,005,054	(809,079,189)	(11.38%)	13,053,061	12,521,496	(531,565)	(4.07%)
Fort bend	5,008	4,308	(700)	(13.98%)	909,237,051	784,407,177	(124,829,874)	(13.73%)	1,511,175	1,326,950	(184,225)	(12.19%)
Galveston	4,411	4,165	(246)	(5.58%)	1,117,652,647	1,080,685,813	(36,966,834)	(3.31%)	427,768	436,067	8,299	1.94%
Dallas	2,402	2,030	(372)	(15.49%)	415,749,603	354,871,908	(60,877,695)	(14.64%)	642,230	558,489	(83,741)	(13.04%)
Brazoria	1,837	1,758	(79)	(4.30%)	462,328,201	450,619,264	(11,708,937)	(2.53%)	200,199	196,269	(3,930)	(1.96%)
Tarrant	1,807	1,564	(243)	(13.45%)	306,068,640	261,933,018	(44,135,622)	(14.42%)	557,994	499,057	(58,937)	(10.56%)
Nueces	1,275	1,182	(93)	(7.29%)	248,996,380	240,910,584	(8,085,796)	(3.25%)	171,869	168,489	(3,380)	(1.97%)
El paso	1,168	1,176	8	0.68%	262,768,740	275,475,930	12,707,190	4.84%	227,413	261,456	34,042	14.97%
Jefferson	1,087	1,072	(15)	(1.38%)	247,209,160	253,533,832	6,324,672	2.56%	108,700	133,135	24,435	22.48%
Montgomery	802	736	(66)	(8.23%)	141,243,795	129,473,451	(11,770,344)	(8.33%)	193,575	162,127	(31,448)	(16.25%)
Bexar	656	564	(92)	(14.02%)	112,178,762	100,711,912	(11,466,850)	(10.22%)	153,193	152,257	(937)	(0.61%)
Cameron	445	427	(18)	(4.04%)	76,629,790	75,073,010	(1,556,780)	(2.03%)	48,237	50,621	2,384	4.94%
Calhoun	393	377	(16)	(4.07%)	92,545,835	92,829,075	283,240	0.31%	44,978	46,128	1,150	2.56%
Orange	370	369	(1)	(0.27%)	61,497,778	61,524,878	27,100	0.04%	108,499	127,054	18,555	17.10%
Chambers	246	252	6	2.44%	69,202,640	72,497,130	3,294,490	4.76%	36,931	39,966	3,035	8.22%
Matagorda	237	251	14	5.91%	52,410,500	54,387,725	1,977,225	3.77%	28,620	34,038	5,418	18.93%
Travis	304	244	(60)	(19.74%)	57,660,628	43,846,868	(13,813,760)	(23.96%)	51,881	36,312	(15,569)	(30.01%)
Liberty	214	205	(9)	(4.21%)	23,710,970	23,593,566	(117,404)	(0.50%)	61,196	64,847	3,651	5.97%
Hidalgo	237	189	(48)	(20.25%)	26,107,171	22,391,821	(3,715,350)	(14.23%)	53,506	48,320	(5,186)	(9.69%)
Aransas	184	167	(17)	(9.24%)	41,072,190	35,859,050	(5,213,140)	(12.69%)	20,053	18,316	(1,738)	(8.67%)
San patricio	153	163	10	6.54%	35,161,736	36,964,756	1,803,020	5.13%	19,981	23,005	3,025	15.14%
Collin	183	155	(28)	(15.30%)	37,345,340	30,759,950	(6,585,390)	(17.63%)	82,124	84,914	2,790	3.40%
Waller	107	113	6	5.61%	15,942,940	17,228,990	1,286,050	8.07%	31,893	42,451	10,558	33.11%
Denton	130	104	(26)	(20.00%)	29,137,868	27,221,076	(1,916,792)	(6.58%)	43,994	36,562	(7,432)	(16.89%)
Brazos	117	91	(26)	(22.22%)	16,639,760	15,199,750	(1,440,010)	(8.65%)	19,755	19,081	(674)	(3.41%)
Top 25 Counties	69,936	62,561	(7,375)	(10.55%)	11,965,582,368	10,840,005,588	(1,125,576,780)	(9.41%)	17,898,828	17,087,408	(811,420)	(4.53%)
All Other Counties	2,419	2,217	(202)	(8.35%)	419,324,767	392,961,902	(26,362,865)	(6.29%)	709,100	760,434	51,335	7.24%
Tier 1	10,373	9,929	(444)	(4.28%)	2,467,559,329	2,418,976,269	(48,583,060)	(1.97%)	1,119,009	1,163,123	44,114	3.94%
Tier 2	52,308	46,286	(6,022)	(11.51%)	8,175,878,893	7,240,462,772	(935,416,121)	(11.44%)	14,884,825	14,207,886	(676,939)	(4.55%)
All Other Counties	9,674	8,563	(1,111)	(11.48%)	1,741,468,913	1,573,528,449	(167,940,464)	(9.64%)	2,604,093	2,476,833	(127,260)	(4.89%)
Statewide Total	72,355	64,778	(7,577)	(10.47%)	12,384,907,135	11,232,967,490	(1,151,939,645)	(9.30%)	18,607,927	17,847,842	(760,085)	(4.08%)

Exposure includes Dwelling, Contents, and Loss of Use coverages
Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Liability Report
As of 3/31/22
HO-A Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage
Harris	15,678	13,806	(1,872)	(11.94%)	3,836,234,198	3,399,597,903	(436,636,295)	(11.38%)	7,202,598	6,882,350	(320,247)	(4.45%)
Fort bend	1,262	1,089	(173)	(13.71%)	349,251,190	305,138,716	(44,112,474)	(12.63%)	665,291	552,153	(113,138)	(17.01%)
Galveston	3,124	2,973	(151)	(4.83%)	1,012,334,348	979,371,134	(32,963,214)	(3.26%)	340,711	353,448	12,737	3.74%
Dallas	1,112	928	(184)	(16.55%)	282,867,150	238,537,420	(44,329,730)	(15.67%)	441,566	397,718	(43,848)	(9.93%)
Brazoria	1,364	1,316	(48)	(3.52%)	409,457,280	398,702,880	(10,754,400)	(2.63%)	166,241	162,675	(3,565)	(2.14%)
Tarrant	963	816	(147)	(15.26%)	219,591,490	183,486,978	(36,104,512)	(16.44%)	414,233	354,973	(59,260)	(14.31%)
Nueces	705	692	(13)	(1.84%)	201,992,180	198,079,360	(3,912,820)	(1.94%)	129,471	132,548	3,077	2.38%
El paso	976	991	15	1.54%	242,683,370	255,004,630	12,321,260	5.08%	203,027	230,055	27,028	13.31%
Jefferson	817	803	(14)	(1.71%)	224,510,930	229,519,322	5,008,392	2.23%	93,699	116,225	22,526	24.04%
Montgomery	433	410	(23)	(5.31%)	103,518,060	95,971,280	(7,546,780)	(7.29%)	147,599	124,300	(23,299)	(15.79%)
Bexar	408	356	(52)	(12.75%)	93,014,150	84,869,100	(8,145,050)	(8.76%)	129,424	131,293	1,869	1.44%
Cameron	256	249	(7)	(2.73%)	60,355,280	58,283,300	(2,071,980)	(3.43%)	32,370	33,573	1,203	3.72%
Calhoun	323	309	(14)	(4.33%)	87,109,640	87,239,480	129,840	0.15%	41,094	42,326	1,232	3.00%
Orange	228	223	(5)	(2.19%)	50,276,178	49,476,428	(799,750)	(1.59%)	85,245	97,293	12,049	14.13%
Chambers	202	208	6	2.97%	64,065,800	67,636,590	3,570,790	5.57%	28,619	35,703	7,084	24.75%
Matagorda	208	207	(1)	(0.48%)	50,161,550	50,922,350	760,800	1.52%	24,761	28,978	4,216	17.03%
Travis	164	129	(35)	(21.34%)	44,232,240	33,508,960	(10,723,280)	(24.24%)	36,620	25,350	(11,270)	(30.78%)
Liberty	114	113	(1)	(0.88%)	16,495,800	16,697,608	201,808	1.22%	35,627	46,759	11,132	31.25%
Hidalgo	78	66	(12)	(15.38%)	9,942,271	9,866,521	(75,750)	(0.76%)	23,707	27,387	3,681	15.53%
Aransas	151	136	(15)	(9.93%)	38,528,870	33,443,790	(5,085,080)	(13.20%)	18,334	16,805	(1,529)	(8.34%)
San patricio	118	127	9	7.63%	32,089,886	34,134,756	2,044,870	6.37%	16,768	21,378	4,611	27.50%
Collin	51	41	(10)	(19.61%)	17,394,990	13,887,230	(3,507,760)	(20.17%)	29,129	33,128	3,999	13.73%
Waller	59	68	9	15.25%	11,455,960	13,104,710	1,648,750	14.39%	26,310	36,397	10,087	38.34%
Denton	71	63	(8)	(11.27%)	21,938,890	22,316,876	377,986	1.72%	31,264	27,861	(3,403)	(10.89%)
Brazos	45	35	(10)	(22.22%)	11,105,640	10,471,380	(634,260)	(5.71%)	12,969	8,885	(4,084)	(31.49%)
Top 25 Counties	28,910	26,154	(2,756)	(9.53%)	7,490,607,341	6,869,268,702	(621,338,639)	(8.29%)	10,376,675	9,919,563	(457,112)	(4.41%)
All Other Counties	1,441	1,318	(123)	(8.54%)	333,895,300	314,264,770	(19,630,530)	(5.88%)	556,842	585,530	28,688	5.15%
Tier 1	7,348	7,104	(244)	(3.32%)	2,203,186,614	2,160,699,042	(42,487,572)	(1.93%)	902,371	958,311	55,940	6.20%
Tier 2	17,533	15,477	(2,056)	(11.73%)	4,299,519,787	3,820,793,826	(478,725,961)	(11.13%)	8,086,379	7,698,225	(388,154)	(4.80%)
All Other Counties	5,470	4,891	(579)	(10.59%)	1,321,796,240	1,202,040,604	(119,755,636)	(9.06%)	1,944,767	1,848,557	(96,211)	(4.95%)
Statewide Total	30,351	27,472	(2,879)	(9.49%)	7,824,502,641	7,183,533,472	(640,969,169)	(8.19%)	10,933,517	10,505,093	(428,424)	(3.92%)

Exposure includes Dwelling, Contents, and Loss of Use coverages
Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Liability Report
As of 3/31/22
TDP-1 Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage
Harris	26,737	23,694	(3,043)	(11.38%)	3,076,939,885	2,727,460,671	(349,479,214)	(11.36%)	5,564,079	5,368,081	(195,998)	(3.52%)
Fort bend	3,566	3,062	(504)	(14.13%)	551,131,181	471,605,141	(79,526,040)	(14.43%)	833,757	765,002	(68,755)	(8.25%)
Galveston	692	639	(53)	(7.66%)	75,554,819	72,635,519	(2,919,300)	(3.86%)	61,818	56,917	(4,901)	(7.93%)
Dallas	1,138	979	(159)	(13.97%)	125,563,053	110,794,448	(14,768,605)	(11.76%)	191,911	152,114	(39,797)	(20.74%)
Brazoria	389	381	(8)	(2.06%)	49,455,481	49,276,744	(178,737)	(0.36%)	30,472	31,136	663	2.18%
Tarrant	787	706	(81)	(10.29%)	84,430,430	77,151,240	(7,279,190)	(8.62%)	141,786	141,884	98	0.07%
Nueces	336	285	(51)	(15.18%)	30,456,920	26,027,504	(4,429,416)	(14.54%)	25,618	22,808	(2,810)	(10.97%)
El paso	186	181	(5)	(2.69%)	19,837,570	20,117,300	279,730	1.41%	23,425	30,617	7,192	30.70%
Jefferson	233	238	5	2.15%	21,162,110	22,374,110	1,212,000	5.73%	13,991	16,091	2,100	15.01%
Montgomery	318	282	(36)	(11.32%)	35,240,055	31,207,171	(4,032,884)	(11.44%)	40,949	34,458	(6,491)	(15.85%)
Bexar	195	159	(36)	(18.46%)	16,768,212	13,726,612	(3,041,600)	(18.14%)	21,755	19,140	(2,615)	(12.02%)
Cameron	85	75	(10)	(11.76%)	7,831,910	6,886,110	(945,800)	(12.08%)	8,162	7,653	(509)	(6.23%)
Calhoun	58	55	(3)	(5.17%)	4,927,395	4,905,595	(21,800)	(0.44%)	2,976	2,494	(482)	(16.20%)
Orange	128	136	8	6.25%	10,873,600	11,766,450	892,850	8.21%	22,319	28,938	6,619	29.66%
Chambers	41	38	(3)	(7.32%)	5,067,000	4,712,700	(354,300)	(6.99%)	8,371	4,397	(3,974)	(47.47%)
Matagorda	28	43	15	53.57%	2,235,750	3,452,175	1,216,425	54.41%	3,859	5,060	1,201	31.13%
Travis	78	62	(16)	(20.51%)	9,991,828	7,447,348	(2,544,480)	(25.47%)	11,340	6,834	(4,506)	(39.73%)
Liberty	97	91	(6)	(6.19%)	7,137,170	6,883,958	(253,212)	(3.55%)	25,570	18,088	(7,481)	(29.26%)
Hidalgo	154	116	(38)	(24.68%)	15,978,900	12,159,300	(3,819,600)	(23.90%)	29,245	19,387	(9,857)	(33.71%)
Aransas	15	15	0	0.00%	1,340,200	1,367,300	27,100	2.02%	838	960	122	14.52%
San patricio	33	31	(2)	(6.06%)	2,963,850	2,681,800	(282,050)	(9.52%)	2,730	1,297	(1,433)	(52.49%)
Collin	106	87	(19)	(17.92%)	18,811,550	15,498,600	(3,312,950)	(17.61%)	52,097	50,694	(1,403)	(2.69%)
Waller	47	43	(4)	(8.51%)	4,468,980	3,995,280	(473,700)	(10.60%)	5,583	6,054	471	8.44%
Denton	56	40	(16)	(28.57%)	7,108,978	4,880,200	(2,228,778)	(31.35%)	12,580	8,701	(3,880)	(30.84%)
Brazos	31	30	(1)	(3.23%)	2,886,200	2,976,250	90,050	3.12%	4,583	8,442	3,859	84.20%
Top 25 Counties	35,534	31,468	(4,066)	(11.44%)	4,188,163,027	3,711,989,526	(476,173,501)	(11.37%)	7,139,814	6,807,248	(332,565)	(4.66%)
All Other Counties	879	804	(75)	(8.53%)	80,851,827	74,345,692	(6,506,135)	(8.05%)	146,683	168,662	21,979	14.98%
Tier 1	1,934	1,828	(106)	(5.48%)	202,746,835	196,401,507	(6,345,328)	(3.13%)	160,074	151,114	(8,960)	(5.60%)
Tier 2	30,814	27,227	(3,587)	(11.64%)	3,672,616,266	3,240,268,346	(432,347,920)	(11.77%)	6,497,854	6,225,871	(271,983)	(4.19%)
All Other Counties	3,665	3,217	(448)	(12.22%)	393,651,753	349,665,365	(43,986,388)	(11.17%)	628,568	598,925	(29,643)	(4.72%)
Statewide Total	36,413	32,272	(4,141)	(11.37%)	4,269,014,854	3,786,335,218	(482,679,636)	(11.31%)	7,286,497	6,975,910	(310,586)	(4.26%)

Exposure includes Dwelling, Contents, and Loss of Use coverages
Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Liability Report
As of 3/31/22
HO-CONB Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage
Harris	2,446	2,122	(324)	(13.25%)	164,490,000	145,447,560	(19,042,440)	(11.58%)	235,732	222,036	(13,696)	(5.81%)
Fort bend	88	77	(11)	(12.50%)	6,273,480	5,621,520	(651,960)	(10.39%)	8,019	6,537	(1,482)	(18.48%)
Galveston	250	226	(24)	(9.60%)	18,672,960	18,707,760	34,800	0.19%	13,685	14,359	673	4.92%
Dallas	112	88	(24)	(21.43%)	6,111,600	4,448,040	(1,663,560)	(27.22%)	7,881	7,770	(111)	(1.41%)
Brazoria	15	11	(4)	(26.67%)	1,074,000	805,200	(268,800)	(25.03%)	720	494	(226)	(31.39%)
Tarrant	9	6	(3)	(33.33%)	737,520	408,000	(329,520)	(44.68%)	1,136	1,406	270	23.77%
Nueces	211	182	(29)	(13.74%)	15,744,480	15,909,720	165,240	1.05%	15,553	11,319	(4,234)	(27.22%)
El paso	3	3	0	0.00%	136,800	342,000	205,200	150.00%	723	784	61	8.48%
Jefferson	10	10	0	0.00%	500,400	644,400	144,000	28.78%	145	309	164	113.10%
Montgomery	19	13	(6)	(31.58%)	1,499,280	1,103,280	(396,000)	(26.41%)	3,559	2,601	(958)	(26.93%)
Bexar	31	32	1	3.23%	1,782,000	1,826,400	44,400	2.49%	1,082	1,282	200	18.48%
Cameron	99	100	1	1.01%	8,310,600	9,195,600	885,000	10.65%	7,505	7,557	52	0.69%
Calhoun	5	5	0	0.00%	372,000	372,000	0	0.00%	708	658	(50)	(7.06%)
Orange	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Chambers	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Matagorda	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Travis	38	36	(2)	(5.26%)	2,872,560	2,425,560	(447,000)	(15.56%)	3,212	3,959	747	23.27%
Liberty	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Hidalgo	2	4	2	100.00%	132,000	300,000	168,000	127.27%	333	1,298	965	289.91%
Aransas	14	13	(1)	(7.14%)	1,028,760	951,600	(77,160)	(7.50%)	604	551	(52)	(8.63%)
San patricio	1	1	0	0.00%	78,000	78,000	0	0.00%	319	330	11	3.45%
Collin	20	22	2	10.00%	994,800	1,248,120	253,320	25.46%	798	892	94	11.78%
Waller	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Denton	1	0	(1)	(100.00%)	36,000	0	(36,000)	(100.00%)	149	0	(149)	(100.00%)
Brazos	35	19	(16)	(45.71%)	2,539,920	1,659,120	(880,800)	(34.68%)	2,255	1,754	(501)	(22.22%)
Top 25 Counties	3,409	2,970	(439)	(12.88%)	233,387,160	211,493,880	(21,893,280)	(9.38%)	304,118	285,897	(18,221)	(5.99%)
All Other Counties	27	24	(3)	(11.11%)	2,075,640	2,017,560	(58,080)	(2.80%)	3,081	3,299	218	7.09%
Tier 1	605	548	(57)	(9.42%)	45,781,200	46,664,280	883,080	1.93%	39,239	35,577	(3,662)	(9.33%)
Tier 2	2,537	2,203	(334)	(13.17%)	170,997,480	151,369,080	(19,628,400)	(11.48%)	244,084	229,872	(14,213)	(5.82%)
All Other Counties	294	243	(51)	(17.35%)	18,684,120	15,478,080	(3,206,040)	(17.16%)	23,875	23,747	(128)	(0.54%)
Statewide Total	3,436	2,994	(442)	(12.86%)	235,462,800	213,511,440	(21,951,360)	(9.32%)	307,199	289,196	(18,003)	(5.86%)

Exposure includes Dwelling, Contents, and Loss of Use coverages
Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Liability Report
As of 3/31/22
HO-BT Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage	03/31/21	03/31/22	Actual	Percentage
Harris	1,302	1,277	(25)	(1.92%)	29,420,160	25,498,920	(3,921,240)	(13.33%)	50,652	49,028	(1,624)	(3.21%)
Fort bend	92	80	(12)	(13.04%)	2,581,200	2,041,800	(539,400)	(20.90%)	4,109	3,258	(851)	(20.71%)
Galveston	345	327	(18)	(5.22%)	11,090,520	9,971,400	(1,119,120)	(10.09%)	11,554	11,343	(211)	(1.83%)
Dallas	40	35	(5)	(12.50%)	1,207,800	1,092,000	(115,800)	(9.59%)	873	887	14	1.63%
Brazoria	69	50	(19)	(27.54%)	2,341,440	1,834,440	(507,000)	(21.65%)	2,766	1,964	(802)	(29.00%)
Tarrant	48	36	(12)	(25.00%)	1,309,200	886,800	(422,400)	(32.26%)	839	794	(45)	(5.40%)
Nueces	23	23	0	0.00%	802,800	894,000	91,200	11.36%	1,227	1,814	587	47.85%
El paso	3	1	(2)	(66.67%)	111,000	12,000	(99,000)	(89.19%)	239	0	(239)	(100.00%)
Jefferson	27	21	(6)	(22.22%)	1,035,720	996,000	(39,720)	(3.84%)	866	510	(356)	(41.11%)
Montgomery	32	31	(1)	(3.13%)	986,400	1,191,720	205,320	20.82%	1,467	767	(700)	(47.72%)
Bexar	22	17	(5)	(22.73%)	614,400	289,800	(324,600)	(52.83%)	932	542	(390)	(41.85%)
Cameron	5	3	(2)	(40.00%)	132,000	708,000	576,000	436.36%	200	1,838	1,638	819.00%
Calhoun	7	8	1	14.29%	136,800	312,000	175,200	128.07%	200	650	450	225.00%
Orange	14	10	(4)	(28.57%)	348,000	282,000	(66,000)	(18.97%)	935	823	(112)	(11.98%)
Chambers	3	6	3	100.00%	69,840	147,840	78,000	111.68%	(59)	(134)	(75)	127.49%
Matagorda	1	1	0	0.00%	13,200	13,200	0	0.00%	0	0	0	N/A
Travis	24	17	(7)	(29.17%)	564,000	465,000	(99,000)	(17.55%)	710	169	(541)	(76.22%)
Liberty	3	1	(2)	(66.67%)	78,000	12,000	(66,000)	(84.62%)	0	0	0	N/A
Hidalgo	3	3	0	0.00%	54,000	66,000	12,000	22.22%	222	247	25	11.26%
Aransas	4	3	(1)	(25.00%)	174,360	96,360	(78,000)	(44.74%)	278	0	(278)	(100.00%)
San patricio	1	4	3	300.00%	30,000	70,200	40,200	134.00%	164	0	(164)	(100.00%)
Collin	6	5	(1)	(16.67%)	144,000	126,000	(18,000)	(12.50%)	99	200	101	102.02%
Waller	1	2	1	100.00%	18,000	129,000	111,000	616.67%	0	0	0	N/A
Denton	2	1	(1)	(50.00%)	54,000	24,000	(30,000)	(55.56%)	0	0	0	N/A
Brazos	6	7	1	16.67%	108,000	93,000	(15,000)	(13.89%)	(52)	0	52	(100.00%)
Top 25 Counties	2,083	1,969	(114)	(5.47%)	53,424,840	47,253,480	(6,171,360)	(11.55%)	78,221	74,700	(3,521)	(4.50%)
All Other Counties	72	71	(1)	(1.39%)	2,502,000	2,333,880	(168,120)	(6.72%)	2,494	2,943	449	18.02%
Tier 1	486	449	(37)	(7.61%)	15,844,680	15,211,440	(633,240)	(4.00%)	17,324	18,121	796	4.60%
Tier 2	1,424	1,379	(45)	(3.16%)	32,745,360	28,031,520	(4,713,840)	(14.40%)	56,508	53,919	(2,589)	(4.58%)
All Other Counties	245	212	(33)	(13.47%)	7,336,800	6,344,400	(992,400)	(13.53%)	6,883	5,604	(1,279)	(18.58%)
Statewide Total	2,155	2,040	(115)	(5.34%)	55,926,840	49,587,360	(6,339,480)	(11.34%)	80,715	77,643	(3,072)	(3.81%)

Exposure includes Dwelling, Contents, and Loss of Use coverages
Premium totals are not audited and may not match published financial statements

6D. 2022 Funding; Reinsurance



Texas FAIR Plan Association

Meeting of the Board of Directors

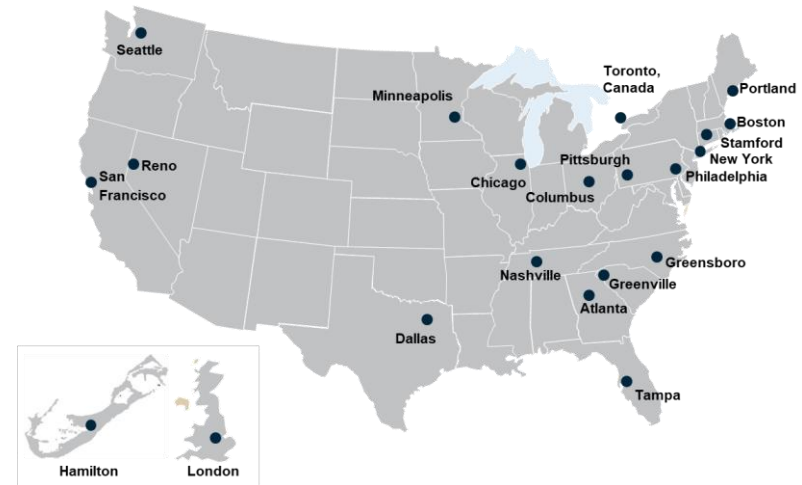
May 16, 2022



Gallagher Re

Introduction to Gallagher Re

- Gallagher Re + Willis Re in December 2021 to become the world's 3rd largest reinsurance broker
 - 2,400 colleagues across 70 offices in 31 countries
 - 21 office in North America + London and Bermuda offices where staff is solely dedicated to the placement reinsurance business for North America
 - Dallas office established in 2000 and has a significant Texas market share
 - Gallagher Re represents the 3 largest residual markets in 2022





















Arthur J. Gallagher & Co.



- ❖ Ticket: AJG on NYSE
- ❖ \$32B market capitalization
- ❖ \$7B revenue in 2021
- ❖ Recognized 10 years in a row as world's most ethical companies

Introduction to Gallagher Re Team

Account Management		Catastrophe Analytics		Advisory	
<div>Client Advocate Allen Cashin Executive Vice President – Branch Manager Dallas</div>		<div>Jade Nguyen EVP Dallas</div>	<div>Vaughn Jensen EVP Minneapolis</div>	<div>James Bradshaw CEO, Willis Re New York</div>	
		<div>Prescott Bishop VP Dallas</div>	<div>Prasad Gunturi Cat Modeling Minneapolis</div>	<div>Bill Dubinsky Willis Re Securities New York</div>	
U.S.	International	Actuarial		Claims & Accounting	
<div>Doug May President USA Seattle</div>	<div>Martin Verrills EVP London</div>				
<div>Alicia Gerte SVP Dallas</div>	<div>Charlie Hinchliffe VP London</div>			<div>Nancy Burdack SVP Minneapolis</div>	<div>Howard Bruch Willis Re Securities New York</div>
<div>Joey Walker AVP Dallas</div>	<div>Peter Gadeke EVP Bermuda</div>	Contracts			
				<div>Henry Castillo AVP, CSA New York</div>	
		<div>Jason Kenyon SVP, Contracts Chicago</div>			



 = attending presentation

2022 Property Cat Market Conditions

Commentary as of May 9, 2022

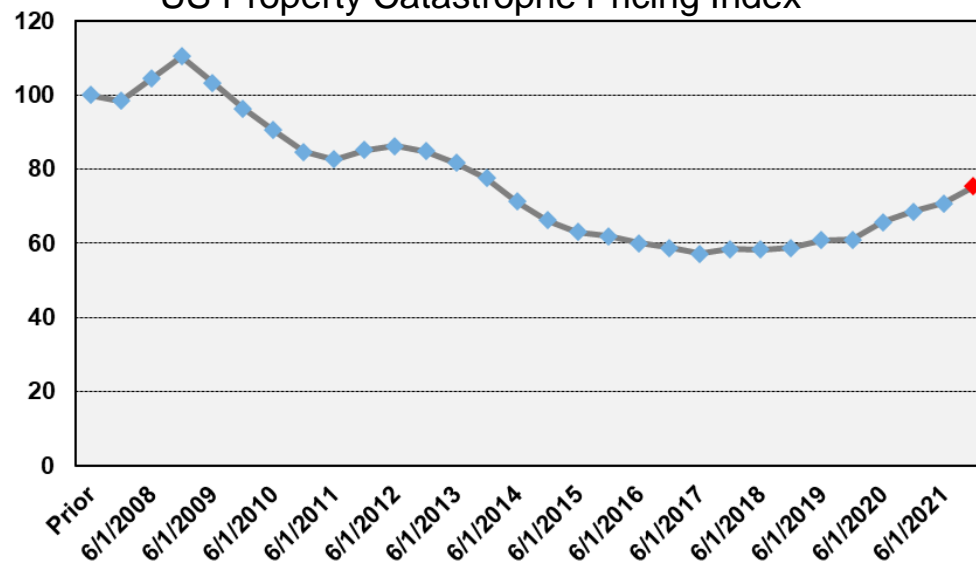
Still a “reasonably favorable” market for reinsurance buyers relative to the last 10 years

- Competing market with traditional vs. ILS (Cat Bonds)
- Loss-free deals are viewed favorably

An abundance of headwinds in 2022:

- Record cat losses in 2020 & 2021, a trend since 2017
- Large buyers of Cat....buying more at June 1, 2022
- Inflation on loss trend
- Retrocession rate increases
- All major reinsurers have reduced net PML in 2022
- Interest rates: risk free assets are now competing against risk assets

US Property Catastrophe Pricing Index

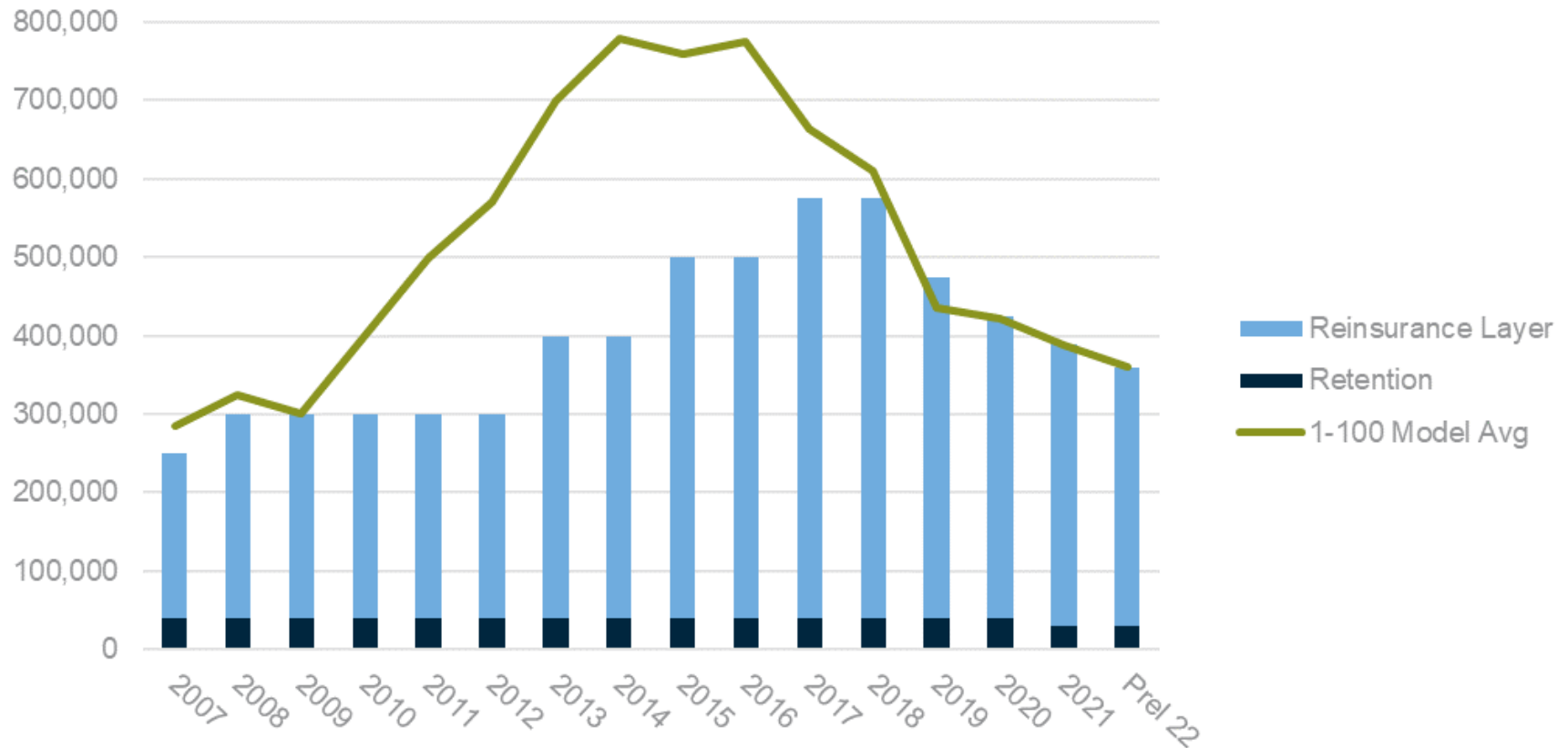


* Projected on June 1, 2022, excluding Florida weighted programs



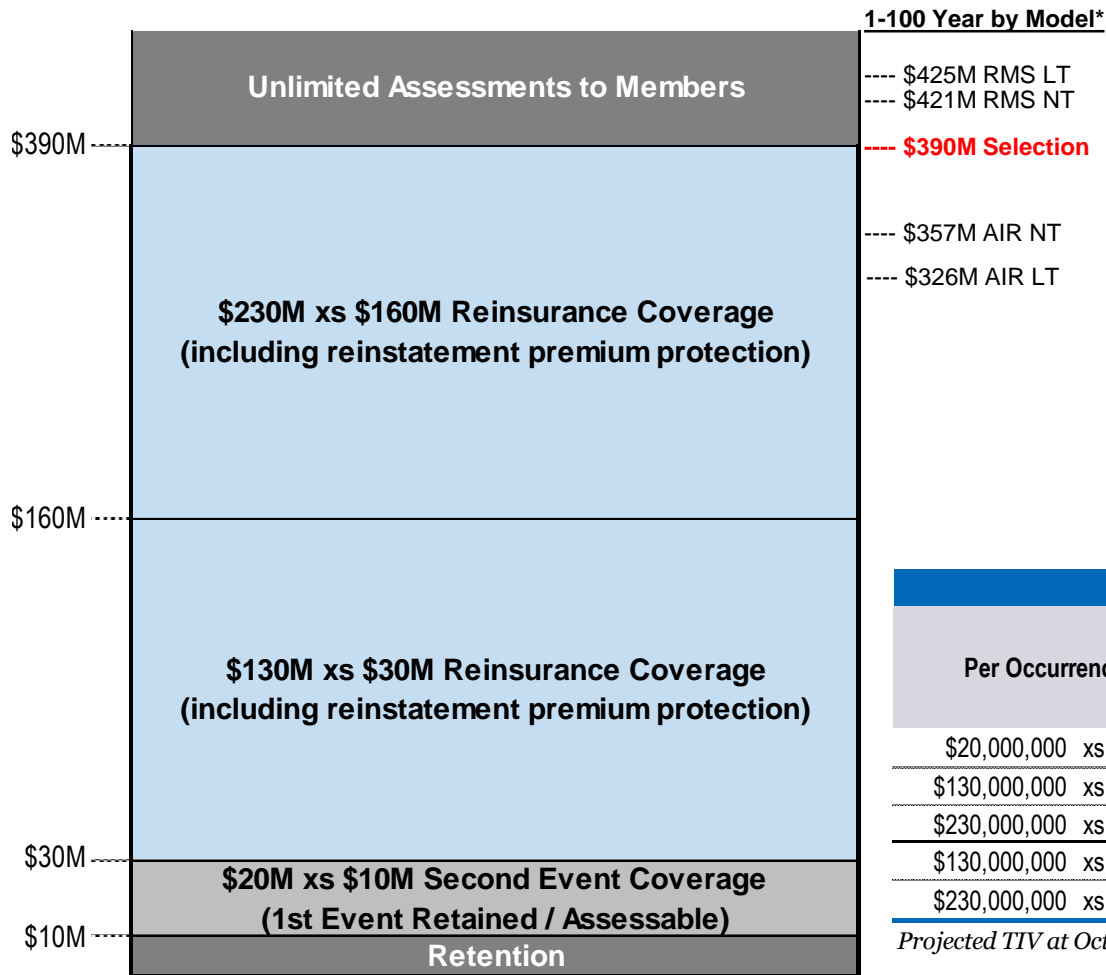
Gallagher Re

Funding Structure & 1-100 Year Modeled Loss



- TFPA retention has been \$30M - \$40M since 2007
- Most recently, targeted 1-100 yr modeled loss reinsurance protection

2021 Reinsurance Structure



Summary of Terms						
Per Occurrence Layer			Annual Aggregate Deductible	ROL	% Placed	Deposit Premium at % Placed
\$20,000,000	xs	\$10,000,000	\$20,000,000	6.00%	100%	\$1,200,000
\$130,000,000	xs	\$30,000,000	NA	10.60%	100%	\$13,780,000
\$230,000,000	xs	\$160,000,000	NA	4.90%	100%	\$11,270,000
\$130,000,000	xs	\$30,000,000	NA	2.50%	100%	\$1,606,748
\$230,000,000	xs	\$160,000,000	NA	20.00%	100%	\$607,453

Projected TIV at October 31, 2021 is \$10,100,459,316

\$28,464,201

- 2021 modeling results sourced from May 2021 Board packet. All perils OEP results, RMSv18.1 & AIR TSv8, both w/ Demand Surge and excluding Storm Surge. Loss amounts factored to include 15% for Loss Adjustment Expense

Catastrophe Modeling Results inclusive of 15% LAE Load

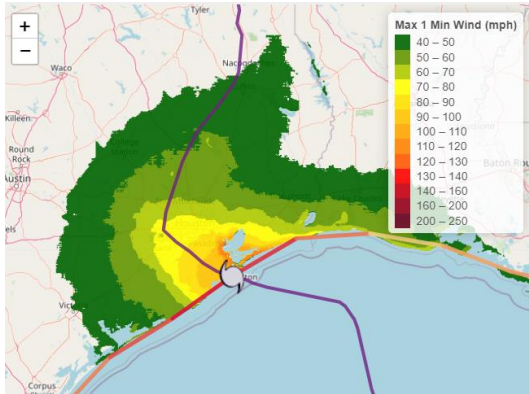
Data as of March 31, 2022

Exposure & Catastrophe Gross Modeled Losses Summary (OEP with 15% LAE factor applied):							
	Model	Key Stats	2021	2022	\$ Change	% Change	Commentary
Exposure		Total Limit	\$10,422,000	\$9,274,460	(\$1,147,540)	(11.0%)	- 2021 modeled losses are based on AIR TSv8 and RMS RLv18.1, taken from TWIA provided documents and not modeled by Gallagher Re.
		Total Policy & Risk Count	61,124	54,117	(7,007)	(11.5%)	
		Total Limit - Harris	\$7,412,000	\$6,576,904	(\$835,096)	(11.3%)	
Modeled Losses Long Term View	AIR	250-yr	\$646,000	\$609,488	(\$36,512)	(5.7%)	- 2022 modeled losses are based on AIR TSv9 and RMS RLv21 and are modeled by Gallagher Re.
		100-yr	\$326,000	\$312,743	(\$13,257)	(4.1%)	
		50-yr	\$170,000	\$166,556	(\$3,444)	(2.0%)	
		AAL	\$20,000	\$19,299	(\$701)	(3.5%)	
	RMS	250-yr	\$728,000	\$663,944	(\$64,056)	(8.8%)	- For AIR, around the 100-250yr return periods, modeled loss decreased by an average of 5% under long-term and 6% under near-term view (no changes between TSv8 and TSv9).
		100-yr	\$425,000	\$387,530	(\$37,470)	(8.8%)	
		50-yr	\$241,000	\$219,432	(\$21,568)	(8.9%)	
		AAL	\$24,000	\$21,645	(\$2,355)	(9.8%)	
Modeled Losses Near Term View	AIR	250-yr	\$722,000	\$675,814	(\$46,186)	(6.4%)	(inclusive of about 2% model loss increase due to version updates between RLv18.1 and RLv21) are inline with TFPA's exposure decrease of 11%.
		100-yr	\$357,000	\$335,548	(\$21,452)	(6.0%)	
		50-yr	\$185,000	\$180,229	(\$4,771)	(2.6%)	
		AAL	\$21,000	\$20,286	(\$714)	(3.4%)	
	RMS	250-yr	\$724,000	\$667,749	(\$56,251)	(7.8%)	- Potential differences in how Gallagher Re coded risk characteristics for modeling in AIR relative to how it was coded by last year's broker may be a contributing factor why losses are decreasing by smaller magnitude than exposure decrease.
		100-yr	\$421,000	\$390,622	(\$30,378)	(7.2%)	
		50-yr	\$237,000	\$222,995	(\$14,005)	(5.9%)	
		AAL	\$23,000	\$22,201	(\$799)	(3.5%)	

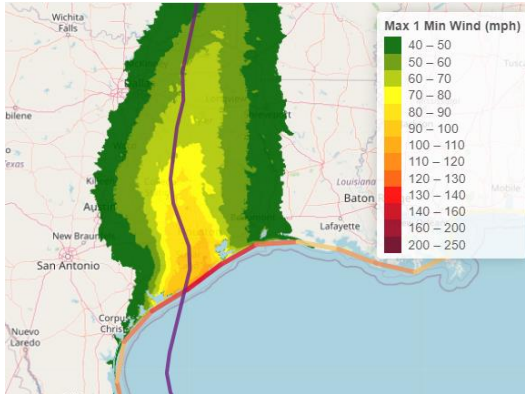
*Gallagher Re to work with Staff to confirm/refine modeled loss assumptions; Modeled losses subject to change
TFPA and Gallagher may consider other LAE loads given the current macro conditions

Events around 100-yr return period

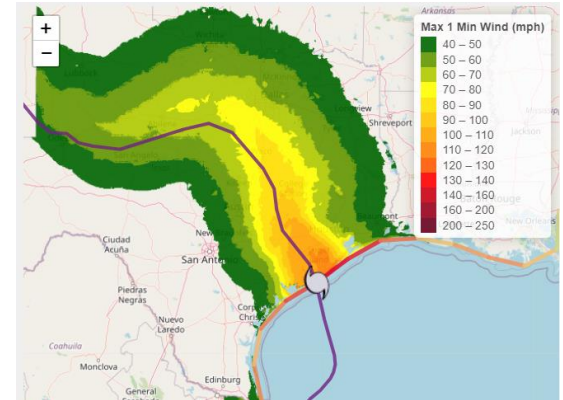
AIR 100-yr track - Galveston landfall, Cat 3



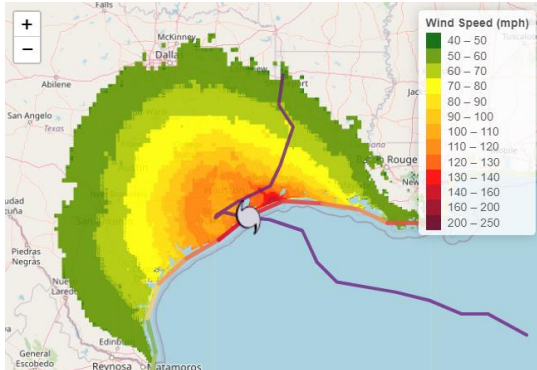
AIR 101-yr track - Belize landfall, Cat 4



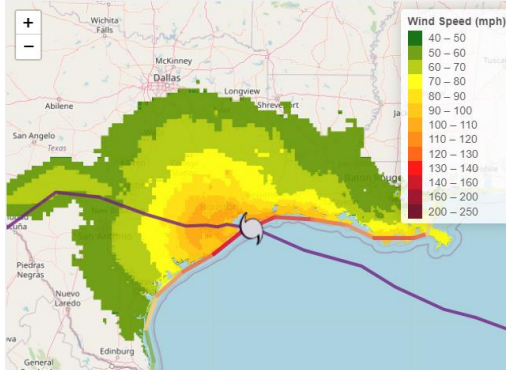
AIR 99-yr track - Matagorda landfall, Cat 4



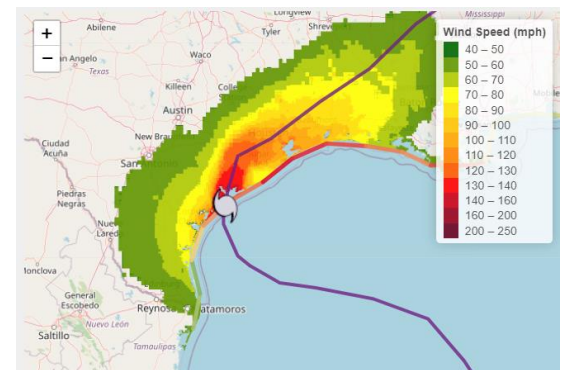
RMS 100-yr track: Galveston landfall, Cat 4



RMS 102-yr track, Galveston landfall, Cat 2



RMS 98-yr track, Calhoun landfall, Cat 4



- Type of events that can cause loss at similar level to FAIR Plan 100-yr PML can look very different from each other

Historical 1-100 Methodology

	Catastrophe Modeled 1-100 year + 15% LAE						
TFPA Program	RMS NT	RMS LT	AIR NT	AIR LT	Selection*	TIV	PML/1k TIV
2020 Program	\$460M	\$465M	\$380M	\$351M	\$422M	\$11,440M	36.9
2021 Program	\$421M	\$425M	\$357M	\$326M	\$391M	\$10,422M	37.5
2022 Program	\$390M	\$387M	\$335M	\$313M	\$362M	\$9,274M	39.1

Gallagher Re to work with Staff to confirm/refine modeled loss assumptions; Modeled losses subject to change

*Average of the highest RMS loss and the highest AIR loss

All figures include 15% for LAE

All Perils, OEP Model results with demand surge, excluding storm surge

2020: RMSv18.1 & AIR TSv6

2022: RMSv18.1 & AIR TSv7.3

2022: RMSv21 & AIR TSv9

**Gallagher Re to work with Staff to confirm/refine modeled loss assumptions; Modeled losses subject to change*

2022 Reinsurance Considerations

2021 Reinsurance Program	Deposit Premium
Inclusive RPP & Drop-Down	28,464,201

Option #	2022 Reinsurance Structure Considerations	Est. Gross Cost Range	Midpoint Change from 2021 Deposit	
1	<i>Expiring Structure</i> \$360M xs \$30M w/ RPP & Drop-Down to \$10M	\$28.5M - \$31.3M	\$1.4M	5.0%
2	<i>Reduced Limit to 1-100 in 2022</i> \$335M xs \$30M w/ RPP & Drop-Down to \$10M	\$27M - \$29.2M	(\$364k)	-1.3%
3	<i>1st Loss Retention of \$25M</i> \$340M xs \$25M w/ RPP & Drop-Down to \$10M	\$27.5M - \$30M	\$286k	1.0%

Option 1 reflect expiring structure regardless of updating modeling or projected portfolio to October 2022

Option 2 reflect 1-100 yr using avg of highest RMS (NT/LT) & highest AIR (NT/LT)

Option 3: same as Option 2 but with a lower 1st loss retention

Additional structure options can be evaluated as requested.

Disclaimer

Gallagher Re Disclaimer

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Gallagher Re

7. Internal Audit Status & Update

MEMORANDUM

TO: The Governing Committee - Texas FAIR Plan Association

FROM: Bruce Zaret, Weaver - Internal Audit

DATE: May 16, 2022

SUBJECT: Status of Internal Audit Activities

The following is our internal audit update representing current and planned activities:

➤ **Current Activities:**

Activity Description	Status
Premium Taxes	Report issued
Actuarial	Report issued
Vendor Management	Report issued
Information Security	Report is drafting and review
Business Continuity of Operations – Information Technology	Report in drafting and review
Reinsurance	Fieldwork phase
Findings Follow-up Audit	Fieldwork phase
Model Audit Rule	Fieldwork phase

➤ **Upcoming Audits:**

Activity Description	Timing
HR and Payroll	2 nd /3 rd Quarter
Business Continuity of Operations – Business Operations	2 nd /3 rd Quarter
Plan of Operation	2 nd / 3 rd Quarter

➤ **ELT meetings:**

- Attended Executive Leadership Team and Operations meetings.

Texas FAIR Plan Association

Internal Audit Plan – Lookback (2020 - 2021) and Prospective (2022-2024)

Process Area	Last Report Date	2021 Inherent Risk Rating	2020	2021	2022	2023	2024
Information Security	May 2018	High		x		x	
Claims Processing	Nov 2020	High	x		x		x
Reinsurance	Nov 2020	High	x		x		x
Database and Application Administration	Oct 2020	High	x			x	
Communications	Mar 2021	High		x		x	
Actuarial (Pricing and Reserving)	Sept 2021	High		x		x	
Legal & Compliance	Mar 2021	Moderate	x			x	
Underwriting	Jun 2020	Moderate	x			x	
Plan of Operation	N/A	Moderate			x		
Business Continuity of Operations	Feb 2020	Moderate			x		
Governance	May 2021	Moderate		x			x
Financial Close and Reporting ⁽¹⁾	Dec 2020	Moderate	x				x
Disaster Recovery	Feb 2020	Moderate	x	x			x
Accounts Payable and Expense Processing ⁽¹⁾	Oct 2019	Moderate				x	
Application Development	Sept 2019	Moderate			x		
Information Technology Services	N/A	Moderate			x		
Vendor Management	Nov 2021	Moderate		x			x
Accounts Receivable ⁽¹⁾	May 2020	Moderate				x	
Payroll	Jun 2019	Moderate			x		
Facilities and Services	Oct 2020	Low	x			x	
Cash Management	Aug 2021	Low		x			x
Premium Taxes	Jul 2021	Low		x			x

Note 1: The audit frequency has been modified to every 48 months due to the area's risk level and the fact the Model Audit Rule includes procedures that address this area annually.

8. Operational Review Update

MEMORANDUM

DATE: April 27, 2022
TO: John Polak, General Manager
FROM: Jessica Crass, Vice President, Underwriting
RE: Update on Underwriting Operational Highlights

Second Quarter 2022 Highlights

I. Service Results:

- a. Underwriting continues to have consistent turnaround time on all policy transactions. Our goal is to issue 90% of new business submissions, endorsements, renewals, and cancellations within 10 days; we are surpassing this standard with over 99% of transactions processed within 10 days and with approximately 90% of new business via straight through processing.
- b. Quality Assurance scores on the underwriting decisions continue to meet or exceed established goals.
- c. Customer Service telephone response time and quality results are within our established goals.
- d. Underwriting operated under budget year to date, primarily driven by managing headcount, reduced inspections, and lower call center expense.

II. TFPA Agent Audit Results:

- a. A standard sample of agencies were selected for review in the second quarter of 2022 to verify compliance with the declination of coverage requirement and TFPA Producer Requirements and Performance Standards. Seventy-five percent of agents have responded, and two of these requested extensions to provide documentation. The statistics below are results of the analysis of documents that have been provided to date. Staff continues to follow up with the agents who have not responded and work with the agents who require accommodation.
 - i. Proof of declination was received for 98% of the policies selected. Staff is following up for outstanding proof of declinations.
 - ii. Signed applications were provided for 98% of the policies selected. Staff is following up with the agents who have not yet provided signed applications.



- iii. Signed eligibility requirement statements were provided 98% of the policies selected. Staff is following up with the agents who have not yet provided signed applications.
- b. All agents selected have an active property & casualty insurance license and have the required direct standard market appointments.

9. Claims

9A. Claims Operations

TFPA Claims Operations 2022

TFPA Claims - 2022 Results (through Q1)					
Key Cycle Times (In days)	Industry Average, TX	TFPA	TFPA Plan	Variance to Plan	% Variance to Plan
FNOL to Inspect Property	5.3	2.6	<3	-0.4	-13%
Inspect Property to Receipt by TFPA	4.7	1.7	<8	-6.3	-79%
Total Cycle Time FNOL to Payment - Daily	N/A	6.5	<12	-5.5	-34%
Total Cycle Time FNOL to Payment - Cat	N/A	7.3	<12	-4.7	-29%
TDI Complaint Ratio					
2021	0.17% - 16 complaints from 9,471 new claims				
2022	0.26% - 2 complaints from 784 new claims				

Historical TFPA Claim Volume	
Year	Claims
2005	5,581
2006	3,067
2007	4,039
2008	27,777
2009	3,640
2010	3,200
2011	4,200
2012	5,886
2013	5,974
2014	5,498
2015	9,387
2016	11,509
2017	24,096
2018	5,720
2019	6,950
2020	2,931
2021	9,471
2022	784

Year	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Actual Volume	313	3,717	1,488	517	513	484	418	330	829	360	302	200	253	210	321
Actuarial Projected	369	220	219	727	724	331	329	470	610	353	211	210	338	203	203
Staffing Plan	342	342	342	342	342	342	342	342	342	342	342	342	315	315	315
Open Inventory	1,091	3,084	1,519	1,246	1,244	1,134	1,072	934	1,318	1,009	893	768	773	768	793

TFPA - Claim Severity by Accident Year and Peril

Reported Claims by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ
2018	211	-	114	-	184	-	1,007	-	2,933	-	4,778	-
2019	232	10.0%	84	-26.3%	156	-15.2%	727	-27.8%	4,944	68.6%	6,500	36.0%
2020	114	-50.9%	90	7.1%	111	-28.8%	623	-14.3%	3,607	-27.0%	4,971	-23.5%
2021	130	14.0%	63	-30.0%	77	-30.6%	4,025	546.1%	3,021	-16.2%	8,955	80.1%
2022	31	-76.2%	8	-87.3%	16	-79.2%	117	-97.1%	289	-90.4%	512	-94.3%

Incurred Amounts by Peril

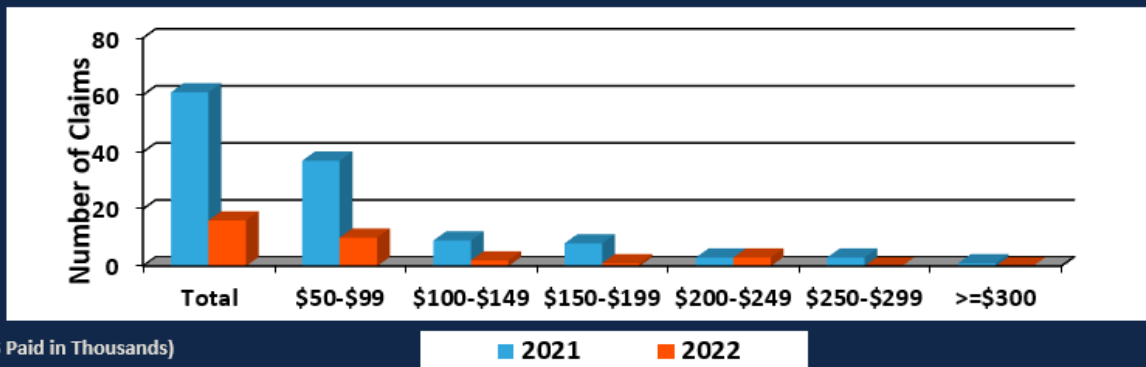
Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ
2018	\$9,524,538	-	\$536,762	-	\$512,246	-	\$967,647	-	\$8,941,099	-	\$21,058,407	-
2019	\$9,749,964	2.4%	\$567,045	5.6%	\$395,911	-22.7%	\$551,611	-43.0%	\$20,669,047	131.2%	\$32,525,774	54.5%
2020	\$5,813,971	-40.4%	\$650,149	14.7%	\$201,930	-49.0%	\$472,022	-14.4%	\$14,997,585	-27.4%	\$24,969,493	-23.2%
2021	\$8,379,709	44.1%	\$77,400	-88.1%	\$122,165	-39.5%	\$3,621,777	667.3%	\$10,058,291	-32.9%	\$23,469,944	-6.0%
2022	\$1,796,881	-78.6%	\$8,282	-89.3%	\$3,491	-97.1%	\$92,212	-97.5%	\$874,073	-91.3%	\$2,869,690	-87.8%

Incurred Claim Severity by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ
2018	\$45,140	-	\$4,708	-	\$2,784	-	\$961	-	\$3,048	-	\$4,407	-
2019	\$42,026	-6.9%	\$6,751	43.4%	\$2,538	-8.8%	\$759	-21.0%	\$4,181	37.1%	\$5,004	18.5%
2020	\$51,000	21.4%	\$7,224	7.0%	\$1,819	-28.3%	\$758	-0.1%	\$4,158	-0.5%	\$5,023	0.4%
2021	\$64,459	26.4%	\$1,229	-83.0%	\$1,587	-12.8%	\$900	18.8%	\$3,329	-19.9%	\$2,621	-47.8%
2022	\$57,964	-10.1%	\$1,035	-15.7%	\$218	-86.2%	\$788	-12.4%	\$3,024	-9.2%	\$5,605	113.9%

*Case incurred amounts exclude loss adjustment expenses and IBNR reserves

TFPA - Large Loss Based On Paid Indemnity



Date	Total	\$50-\$99	\$100-\$149	\$150-\$199	\$200-\$249	\$250-\$299	>=\$300
2021 (complete year)	61	37	9	8	3	3	1
Liability	0	0	0	0	0	0	0
2022 (year-to-date)	16	10	2	1	3	0	0
Liability	0	0	0	0	0	0	0
Variance	-45	-27	-7	-7	0	-3	-1

2017 Hurricane Harvey

TFPA Harvey	As of 4/26/22
Claims	18,008
Open	52
Closed	17,956
% Closed	99.70%
Paid Indemnity	\$36,933,214
Paid Expenses	\$24,964,866

2021 Hurricane Nicholas

TFPA Nicholas	As of 4/13/22
Claims	766
Open	67
Closed	699
% Closed	91.3%
Paid Indemnity	\$2,609,916
Paid Expenses	\$524,002

9B. Claims Litigation



TFPA Litigation Tracking Activity

Litigation Quarter Summary First Quarter 2022

1st Quarter 2022	Summary of TFPA Claims in Suit					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
	January	0	0	0	7	0
	February	2	0	0	3	0
March	0	0	0	0	15	0
	2	0	0	0	25	0

1st Quarter 2022	Summary of TFPA Claims with LORs					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
	January	9	0	0	4	0
	February	18	5	0	6	5
March	11	3	0	0	12	2
	38	8	0	0	22	7



TEXAS FAIR PLAN
ASSOCIATION

TFPA Claims Litigation March 2022

Mar-22	TFPA Claims in Suit						
		Beginning Inventory	New	Closed	Ending Inventory		
					1st Party	3rd Party	TOTAL
	Wind/Hail	78	0	(15)	63	0	63
	Other Perils	9	0	0	9	0	9
	Bodily Injury	4	0	0	0	4	4
	Property Damage	0	0	0	0	0	0
	TOTAL	91	0	(15)	72	4	76

Mar-22	TFPA Claims with LORs							
		Beginning Inventory	New	Closed	Converted to Suit	Ending Inventory		
						1st Party	3rd Party	TOTAL
	Wind/Hail	71	8	(7)	0	72	0	72
	Other Perils	23	3	(5)	0	21	0	21
	Bodily Injury	1	3	(2)	0	0	2	2
	Property Damage	0	0	0	0	0	0	0
	TOTAL	95	14	(14)	0	93	2	95

Mar-22	TFPA Claims with Suits/LORs: Detail of Ending Inventory											
	Category	Active Unsettled Claims					Settled & Funded (Awaiting closing documents and final invoices)					GRAND TOTAL
		Suits		LORs			Suits		LORs			
		1st	3rd	1st	3rd	Total	1st	3rd	1st	3rd	Total	
	TOTAL	72	4	93	2	171	0	0	0	0	0	171



TEXAS FAIR PLAN
ASSOCIATION

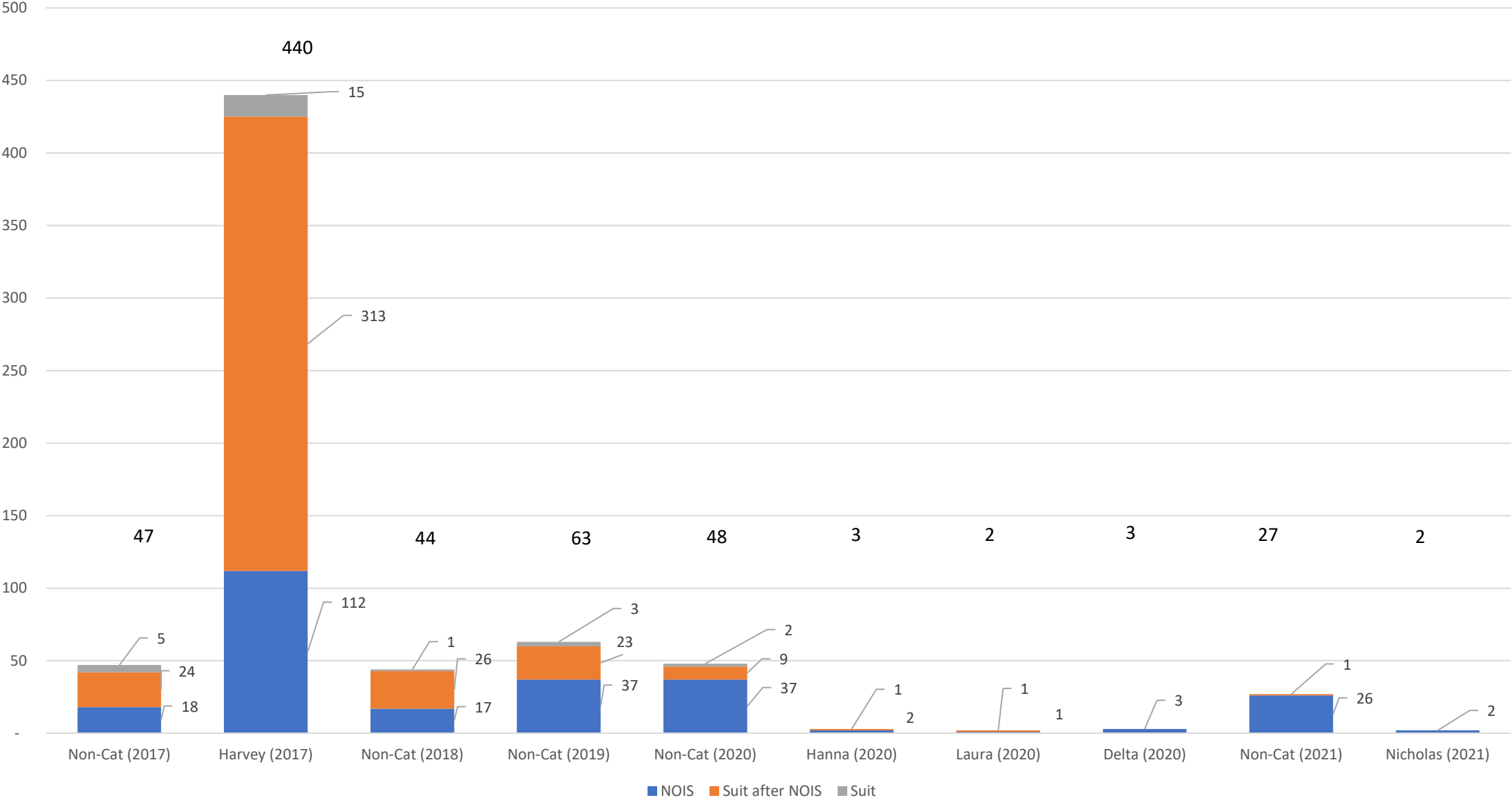
Mar-22	TFPA Active Claims with Suits/LORs: Breakdown by Plaintiff Firm	
	Firm	Total
	Manuel Solis, P.C.	44
	Dick Law Firm	27
	Buzbee Law Firm/Manuel Solis	24
	Zar Law Firm	10
	Daly & Black, PC	8
	Baker Law	7
	Chad T. Wilson Law Firm	6
	Lane Law Firm	5
	Joe Gibson	3
	Cristobal Galindo Law	2
	Brasher Law Firm	2
	Texas Professional Law Group	2
	Furlow Law Firm	2
	Arguello Law Firm	2
	Remaining 26 firms	27
	TOTAL	171



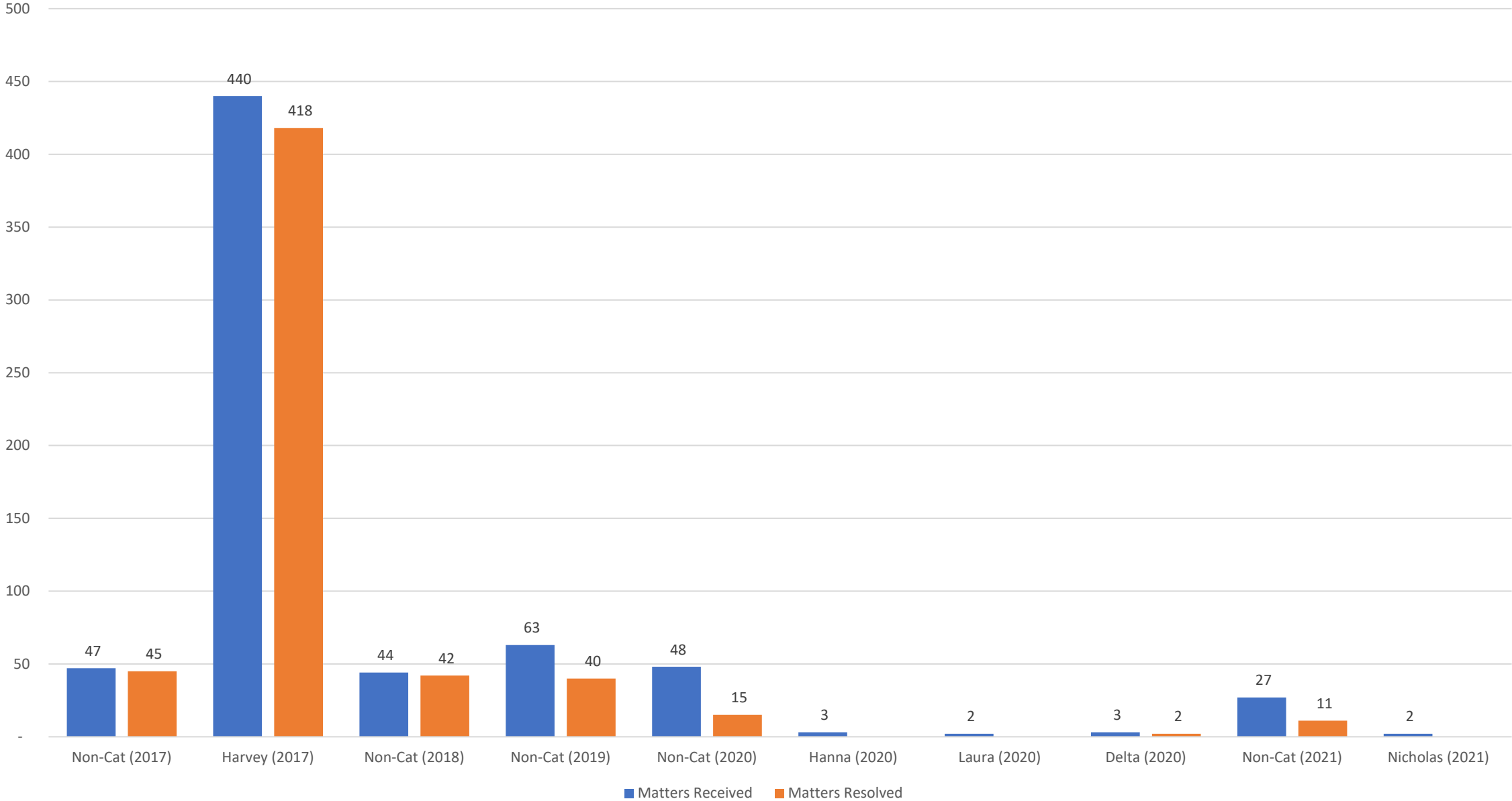
TEXAS FAIR PLAN
ASSOCIATION

Mar-22	TFPA Active Claims with Suits/LORs: County of Loss Location			
	County	1st Party	3rd Party	Total
	Bexar	2	0	2
	Brazoria	2	0	2
	Chambers	1	0	1
	Dallas	1	0	1
	El Paso	1	0	1
	Ft. Bend	6	0	6
	Galveston	2	2	4
	Harris	135	2	137
	Hidalgo	6	0	6
	Jasper	1	0	1
	Jefferson	1	0	1
	Johnson	0	1	1
	Maverick	1	0	1
	Montgomery	1	0	1
	Nueces	0	1	1
	Orange	2	0	2
	San Jacinto	1	0	1
	Tarrant	1	0	1
	Waller	1	0	1
	TOTAL	165	6	171

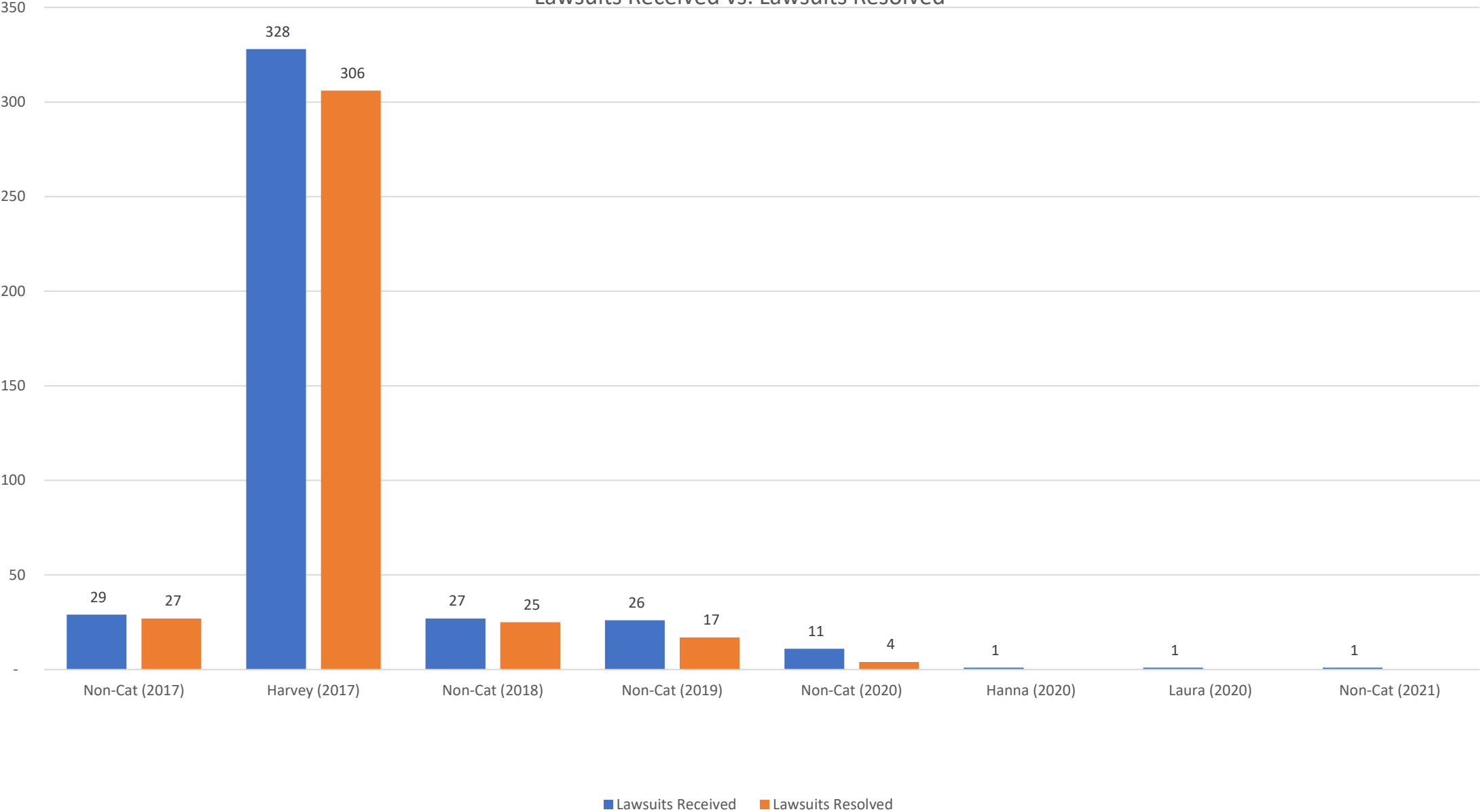
Matters Received by Storm



Matters Received vs. Matters Resolved



Lawsuits Received vs. Lawsuits Resolved



10. TFPA Operations

10A. IT Systems Enhancements



TEXAS WINDSTORM
INSURANCE ASSOCIATION



TEXAS FAIR PLAN
ASSOCIATION

MEMORANDUM

DATE: May 16, 2022
TO: John Polak, General Manager
FROM: Camron Malik, CIO / VP IT
RE: TFPA Information Technology status

The TFPA implementation continues in Production Support mode and under budget by \$87,992 as of Q1. The Systems Development/Production Support releases continue their monthly cadence. The Infrastructure and Operations team continues to support remote work with excellent quality. All technology support and projects are on-track.

10B. Communications Update

MEMORANDUM

DATE: April 29, 2022

TO: TFPA Governing Committee

FROM: Jennifer Armstrong, Vice President, Communications & Legislative Affairs

RE: Communications & Legislative Affairs Operational Highlights

Legislative & Regulatory Affairs

- a) Legislative & External Affairs staff continues to monitor legislative activity for indications of when the Windstorm Insurance Legislative Oversight Board (WILOB) may begin meeting. The WILOB will consider whether to recommend a merger of TWIA and TFPA ahead of next year's legislative session. We understand that the Lt. Governor's office is considering whether to update the Senate appointees to WILOB, which was last done in 2017. The WILOB report on a potential merger is due January 1, 2023.
- b) Most legislative and regulatory inquiries received during the first quarter, January 1 through March 31, 2022, were related to TWIA matters.

Strategic Communications

- a) Elevate Single Sign On (SSO) Communications and Issues Management: The Strategic Communications team developed and implemented a robust communications plan to prepare agents for the launch of SSO PortalGuard as part of the Elevate systems upgrade project. SSO PortalGuard impacted dual agents (agents that write both TWIA and TFPA policies) and required them to receive new TFPA usernames and reset their TWIA and TFPA passwords to access our systems.

The change impacted an audience of more than 3,500 agents and allowed the Association to strengthen our cybersecurity efforts and streamline processes shared by both TFPA and TWIA. Communication efforts included:

- i. A series of agent bulletin emails, website posts, and social media posts during Q1;
- ii. The Development of talking points and FAQs to support Underwriting / Policy Services responses to inquiries; and
- iii. Same-day message development for post-launch agent login issues.

10C. General Manager Retirement and Search for New General Manager

There is no exhibit for this topic

13. Future Meetings

August 1, 2022 – Moody Gardens Hotel –
Galveston, TX
December 2022 – TBD