



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

May 6, 2024
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 – *Wendy Mueller/Counsel*
 - B. Meeting Format Information – *Kristina Donley*

2. Approve the Minutes from Prior Governing Committee Meeting *5 minutes*
– *Wendy Mueller* – **Action/Vote Likely***

3. TFPA Operational Dashboard – *David Durden* *15 minutes*

4. Financial *20 minutes*
 - A. Report of the Secretary/Treasurer – *E. Jay Sherlock* – **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

5. Actuarial – *Jim Murphy* *30 minutes*
 - A. Policy Count/Exposures
 - B. Reserve Adequacy
 - C. Rate Filing Update
 - D. 2024 Funding; Reinsurance – *Gallagher Re* – **Action/Vote Likely***

6. Internal Audit – <i>Bruce Zaret – Weaver</i>	<i>10 minutes</i>
A. Status & Update	
B. IT Audit Update	
7. Underwriting Operational Update – <i>Michael Ledwik</i>	<i>5 minutes</i>
8. Claims	<i>15 minutes</i>
A. Claims Operations - Overview – <i>David Harkin</i>	
B. Claims Litigation – <i>Jessica Crass</i>	
9. TFPA Operations	<i>20 minutes</i>
A. IT Systems Enhancements – <i>Camron Malik</i>	
B. Communications and Legislative Affairs Update – <i>David Durden</i>	
C. HB998 Property Owners Association Coverage – <i>Jessica Crass</i> – Action/Vote Likely*	
10. Closed Session (Governing Committee Only)	<i>15 minutes</i>
A. Personnel Issues	
B. Legal Advice	
11. Consideration of Issues Related to Matters Deliberated in Closed Session that May Require Action, if any, of the Governing Committee	<i>5 minutes</i>
12. Future Meetings – <i>David Durden</i>	<i>5 minutes</i>
• August 5, 2024 – Tremont House – Galveston, TX	
• December 9, 2024 – Omni Hotel – Corpus Christi, TX	
13. Committees – <i>Wendy Mueller</i>	<i>5 minutes</i>
14. 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.

2. Approve the Minutes

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



Moody Gardens Hotel
7 Hope Blvd.
Galveston, TX

February 19, 2024

The Following Governing Committee Members were Present, Representing:

- | | |
|--------------------------------------|-----------------------------------|
| 1. Mark Solomon (Chair) | Agent Member |
| 2. Wendy Mueller (Vice Chair) | State Farm |
| 3. Debbie King (Secretary/Treasurer) | AmTrust |
| 4. Frank Baumann | Public Member |
| 5. Georgia Neblett | Public Member |
| 6. Tim McCarthy | Texas Farm Bureau |
| 7. Danny Pringle | USAA |
| 8. John Milette | Travelers |
| 9. E. Jay Sherlock | Agent Member |
| 10. Ryan Bridges | Public Member |
| 11. Marianne Baker | Ex-Officio Non-Voting Member, TDI |

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

- | | |
|--|------------------------|
| 1. David Durden, General Manager | TFPA |
| 2. Stuart Harbour, Chief Financial Officer | TFPA |
| 3. Jessica Crass, VP Legal and Compliance | TFPA |
| 4. Dave Williams, VP Claims | TFPA |
| 5. Camron Malik, Chief Information Officer | TFPA |
| 6. Rachel Shann, Interim VP Human Resources | TFPA |
| 7. Jim Murphy, Chief Actuary | TFPA |
| 8. Michael Ledwik, VP Underwriting | TFPA |
| 9. Amy Koehl, Senior Project Administrator | TFPA |
| 10. Kristina Donley, Manager,
Training, QA and Agency Audit | TFPA |
| 11. Mike Perkins, Association Counsel | Perkins Law Group PLLC |

The Following Guests Were Present:

- | | |
|---------------------|---------------|
| 1. Dan Dick | Aon |
| 2. Allen Cashin | Gallagher Re |
| 3. Alicia Gerte | Gallagher Re |
| 4. Alex Donkervoet | Guy Carpenter |
| 5. Andy MacLaurin | TDI |
| 6. Jessica Davidson | TFPA |
| 7. Dan Graves | Weaver |
| 8. Bruce Zaret | Weaver |

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

1. Angela Fang
 2. Allen Fulkerson
 3. Hunter Hamilton
 4. Jordan He
 5. Dan Paschal
 6. Kenisha Schuster
 7. Aaron Taylor
1. Call to Order: Chairman Mark Solomon called the meeting to order at 3:01 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. Mr. Solomon welcomed the new committee member, Ryan Bridges. Kristina Donley provided housekeeping information to the attendees.
 2. Approval of the Minutes from Prior Governing Committee Meeting: Ms. Neblett moved to approve the minutes from the December 11, 2023 meeting. Mr. McCarthy seconded the motion. The motion passed unanimously.
 9. TFPA Operational Dashboard: Mr. Durden reviewed the operational dashboard. TFPA has received six TDI complaints. Some come in directly and some are filtered down from TDI. The employee headcount is currently 241.
 4. Financial:
 - A. Report of the Secretary/Treasurer: Ms. King reviewed the Treasurer's Report. Mr. Solomon moved to accept the report. Ms. Neblett seconded the motion. The motion passed unanimously.
 - B. Financial Statement Review by Staff: Direct written premiums for the year ended December 31, 2023 were \$113.5 million, an increase of \$42.6 million above the amount budgeted for the year. Direct earned premiums were \$92.2 million, an increase of \$18.3 million over the budgeted amount.

The TFPA 2023-2024 reinsurance program was placed through broker Arthur J. Gallagher and incepted on July 1, 2023. The program provided coverage of \$325 million in excess of a \$40 million initial retention and included a "second event" cover that reduced the net retention to \$10 million. Reinstatement premium protection was also purchased to cover the cost of reinstating the first \$120 million of reinsurance limit. Ceded premiums for January – December of 2023 totaled \$38.9 million, which exceeded the budget due to the higher than anticipated July 1, 2023 deposit premium and the impact of the prior year TIV true up in late 2022. The ceded written premium is higher than prior year amounts due to the harder than expected reinsurance market experienced during the most recent renewal period.

Year to date direct losses and LAE totaled \$47.3 million, which was above budget by

\$22.8 million. The December YTD loss and LAE ratio of 51.3% was above the budgeted ratio of 33.2%. The higher than anticipated losses and LAE were due to damage caused by the tornadoes and storms that struck the Houston area in late January and a return to more normal (higher) levels of spring and summer storm activity.

Year to date operating expense of \$13.0 million was under budget by \$.8 million. Net operating expenses shown and on the statutory income statement exclude claims related expenses, which are recorded in losses and loss adjustment expense. Notable expense items under budget include personnel expenses (\$940,000) and other operating expenses (\$248,000). Expenses over budget include professional and consulting services of \$426,000.

The Association's beginning surplus of \$1.2 million was reduced to a deficit of \$17.7 million as of December 31, 2023, due to the \$19.0 million year to date net loss.

5. Actuarial:

- A. Reserve Adequacy: TFPA actuarial staff has completed a review of the Texas FAIR Plan Association loss and loss adjustment expense reserves as of December 31, 2023.

Based on this review, the indicated ultimate cost of Hurricane Harvey has been reduced to \$82.3 million, a decrease of \$1.8 million from the previous quarterly review. While there remain uncertainties regarding the outcomes of disputed claims, the selected ultimate gross loss and expense estimate has been reduced to \$82.5 million.

As of December 31, 2023, TFPA carried \$15.7 million in total gross loss and loss adjustment expense reserves with just over \$400,000 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 chief 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 growth began at the end of last year and is now up 18%. Exposures are up 44%. Growth is fastest in tier 1 but there is an increase in growth rates in all other counties, including some metro areas.
- C. Rate Filing Update: The Texas FAIR Plan Association Governing Committee voted at its December 11, 2023 meeting to file for the full actuarial indications for all policy forms, limited to no more than a 10% change in any territory, to be effective August 1, 2024. The filing was made December 28, 2023.

The Texas Department of Insurance is actively reviewing the filing and TFPA actuarial staff is currently in the process of responding to questions from the department regarding the filing. By statute, TDI has 60 days to approve or disapprove the filed rates with an option to extend this period to 90 days at its discretion.

Mr. Murphy said the initial review was completed by TDI but they have asked to extend the review for 30 days. Mr. Miletti said if the numbers show improvement next year, perhaps a 10% cap is appropriate. He encouraged the committee to consider that in the event there isn't a truly significant improvement for the year, appropriate action will need to be taken. If the committee doesn't take the full rate indication year over year, the Association falls behind more and more. Mr. Pringle asked if staff has done any analysis on how much premium would come in if there is a higher rate and is there any information on how long policyholders stay with TFPA. Mr. Baumann asked if reducing agent commissions could be considered. Ms. Baker said TDI did approve the underwriting guideline with the limit adjustment. The Association can implement it in the next 60-120 days.

D. TFPA Assessment Discussion: TFPA actuarial and accounting staff have updated the 2024 calendar year financial projections as of January 31, 2024. The updated projections reflect actual premiums and losses for the month of January, as well as revised estimates for the remainder of the year based on current growth.

E. Appointed Actuary Qualification Documentation: Annual statement instructions require the Appointed Actuary to provide qualification documentation to the board of directors on the occasion of their appointment and on an annual basis thereafter. The Governing Committee most recently appointed Jim Murphy as the Appointed Actuary for the Texas FAIR Plan Association at its February 13, 2023 meeting. Mr. Murphy's qualifications were provided in the meeting materials.

6. Internal Audit:

A. Internal Audit Status Update: Mr. Zaret reported on the current internal audit activities including the risk assessment update, legal and compliance, application development & database access, accounts payable and expense processing, accounts receivable, actuarial, underwriting and legislative and external affairs. Upcoming audit activities include financial close and reporting, catastrophe plan, customer experience, strategic communications, executive management, operational planning and reporting and cash management.

7. Underwriting Operational Review Update: For the fourth quarter of 2023, 99.64% of transactions were issued within ten days of receiving the application and payment. Of those transactions, 90% were straight through processed by the system and 10% were referred by the system to underwriting for additional information, review and approval prior to issuance.

A standard sample of agencies (20) were selected for review in the fourth quarter of 2023 to verify compliance with the Texas FAIR Plan Association (TFPA) declination of coverage requirement and TFPA producer requirements and performance standards. Of

those agents, 70% have responded. Proof of declination was received for 88% of the policies selected. Signed applications were provided for 81% of the policies selected. Signed eligibility requirement statements were provided for 81% of the policies selected. All agents selected have an active property and casualty insurance license and the required direct standard market appointments. Staff is following up for outstanding proof of declinations, outstanding signed applications and outstanding signed eligibility statements for the agents who have open action items or have not fully responded.

8. Claims:

- A. Claims Operations: First notice of loss to property inspection is an average of 3.1 days. Total cycle time from first notice of loss to payment (daily) is 9.6 days and total cycle time (CAT) is 8.7 days. Historical TFPA claim volume for 2023 is 4,694.
- B. Litigation Summary: For the fourth quarter of 2023, five first party suits were received and six were closed. For TFPA claims with letters of representation, 17 first party and two third party were received and 27 first party and two third party were closed for the quarter. The majority of the suits are held by the Dick Law Firm and Chad. T. Wilson Law Firm.

9. TFPA Operations:

- A. IT Systems Enhancements: The cloud migration program continues to move forward. The first major milestone was met by completing the technical upgrade. The system integrator led portion of the program kicked off on January 8th and the inception phase is nearing completion, which involves requirements articulation, defining architecture and planning the work streams. The next step will be to finalize the project plans and start the construction phase of the program.

The recent substantial increase in written premium and projections for further growth led to a renegotiation of the terms of the cloud contract. This included increasing the premium threshold from \$650 million to \$1 billion and the license costs were renegotiated to reduce the impact of overages charges, which are incurred after the threshold is passed. This increased baseline fees but contained them below overage charges expected in the original contract.

Overall systems continue in production mode with a monthly cadence of releases and the infrastructure and operations team continues to support the organization.

- B. Communications and Legislative Affairs Update: Staff has launched a Legislative Implementation Program for the 88th legislative session (LIP 88) to put into effect the new laws impacting Association operations.

From October 1 through December 31, 2023, staff received and responded to three standing legislative inquiries on TFPA litigation.

10. Closed Session: There was no closed session.

11. 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.
12. Election of Officers: Mr. McCarthy moved to nominate E. Jay Sherlock for the Secretary/Treasurer position. Debbie King will move up to Vice Chair and Wendy Mueller to Chair. Ms. Neblett seconded the motion. The motion passed unanimously.
13. Future Meetings: The next meetings are scheduled to take place on the following dates in the following locations:
 - May 6, 2024 – Hyatt Regency – Austin
 - August 5, 2024 – Tremont House – Galveston
 - December 9, 2024 – Omni Hotel – Corpus Christi
14. Committees: There was nothing to report.
15. Adjourn: There being no further business the meeting adjourned at 4:28 pm.

Prepared by: Amy Koehl
Senior Project Administrator

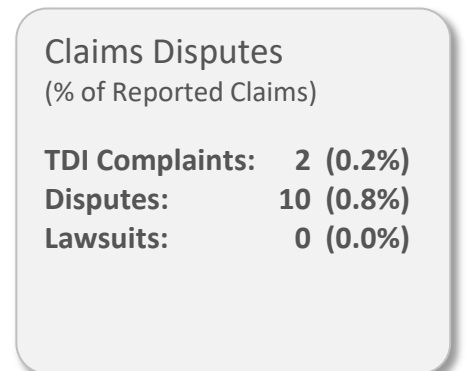
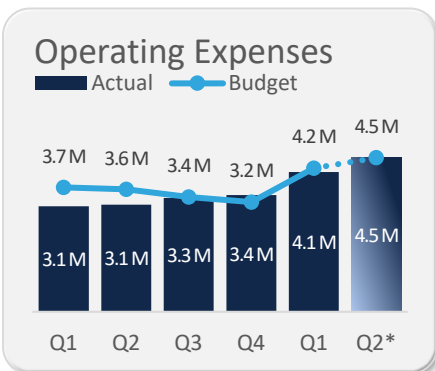
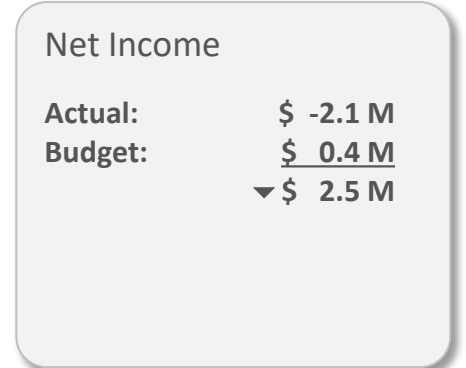
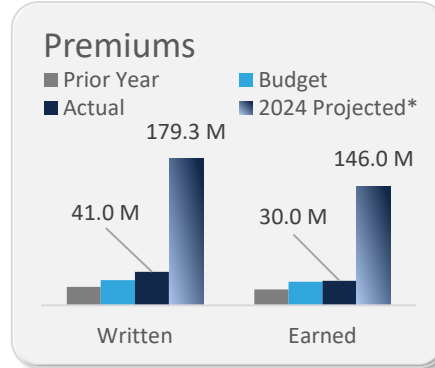
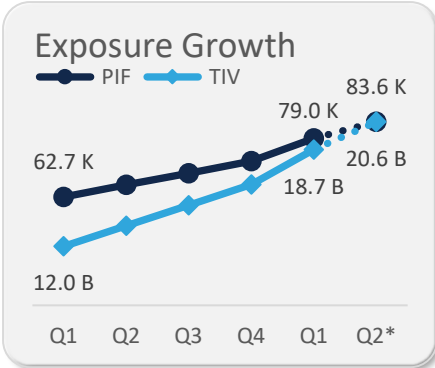
Approved by: Mark Solomon
TFPA Chairman

3. TFPA Operational Dashboard



Operational Dashboard

Reporting as of March 31, 2024



Exposure Growth, Operating Expenses, and Headcount as of Reporting Date
 All other amounts are Year to Date

4. Financial
4A. Report of the Secretary/Treasurer
4A1. Income Statement

Statutory Income Statement – Treasurer’s Report

(In 000s)



	For the three months ended March 31,			
	2024	2023		
1			1	
2			2	
3			3	
4	Premiums Written:		4	
5	Direct	\$ 41,011	\$ 22,544	5
6	Ceded	0	0	6
7	Net	41,011	22,544	7
8			8	
9	Premiums Earned:		9	
10	Direct	\$ 29,996	\$ 19,347	10
11	Ceded	(11,380)	(8,063)	11
12	Net	18,617	11,284	12
13			13	
14	Deductions:		14	
15	Direct Losses and LAE Incurred	11,817	16,955	15
16	Direct Losses and LAE Incurred - Harvey	0	0	16
17	Direct Losses and LAE Incurred - Ike & Dolly	0	0	17
18	Ceded Losses and LAE Incurred - Harvey	0	0	18
19	Operating Expenses	4,099	3,098	19
20	Commission Expense	4,613	2,445	20
21	Ceding commissions / brokerage	0	0	21
22	Premium / Maintenance Tax	716	414	22
23	Total Deductions	21,245	22,912	23
24			24	
25	Net Underwriting Gain or (Loss)	(2,628)	(11,628)	25
26			26	
27	Other Income or (Expense):		27	
28	Gross Investment Income	511	221	28
29	Line of Credit Fees	(23)	(23)	29
30	Interest Expense on Line of Credit Advance	0	0	30
31	Member Assessment Income	0	0	31
32	Premium Charge offs/Write offs	(130)	(83)	32
33	Billing Fees	172	124	33
34	Miscellaneous Income (Expense)	0	1	34
35	Total Other Income or (Expense)	531	241	35
36			36	
37	Net Income (Loss)	\$ (2,097)	\$ (11,387)	37
38			38	
39	Surplus (Deficit) Account:		39	
40	Beginning Surplus (Deficit)	\$ (17,655)	\$ 1,183	40
41	Net Income (Loss)	(2,097)	(11,387)	41
42	Change in Provision for Reinsurance	0	500	42
43	Change in nonadmitted assets	(49)	(643)	43
44	Other	0	0	44
45	Ending Surplus (Deficit)	\$ (19,802)	\$ (10,347)	45
46			46	

4A2. Management Discussion and Analysis

Texas FAIR Plan Association
Management’s Discussion and Analysis of Financial Results
For the Three Months Ended March 31, 2024

Written and Earned Premiums

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 41.0 M	\$ 30.9 M	\$ 10.2 M	32.9%
Direct Earned Premiums	\$ 30.0 M	\$ 29.0 M	\$ 1.0 M	3.4%
Policies In-Force	78,997	74,053	4,944	6.7%

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 41.0 M	\$ 22.5 M	\$ 18.5 M	81.9%
Direct Earned Premiums	\$ 30.0 M	\$ 19.3 M	\$ 10.6 M	55.0%
Policies In-Force	78,997	62,671	16,326	26.1%

Reinsurance Costs

- The TFPA 2023-2024 reinsurance program was placed through our broker Arthur J. Gallagher and incepted on July 1, 2023. The program provided coverage of \$325 million in excess of a \$40 million initial retention and included a “second event” cover that reduced the net retention to \$10 million. Reinstatement premium protection was also purchased to cover the cost of reinstating the first \$120 million of reinsurance limit. Ceded premiums are earned on a pro-rata basis over the term of the reinsurance coverage.

Management's Discussion and Analysis of Financial Results (cont'd)

Loss and Loss Adjustment Expense Incurred

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 8.9 M	\$ 7.6 M	\$ 1.2 M	16.2%
Direct LAE Incurred	\$ 3.0 M	\$ 1.9 M	\$ 1.1 M	59.8%
Total Direct Losses & LAE	\$ 11.8 M	\$ 9.5 M	\$ 2.3 M	24.7%
Loss & LAE Ratio	39.4%	32.6%		6.7%

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 8.9 M	\$ 13.6 M	(\$ 4.8 M)	(35.1%)
Direct LAE Incurred	\$ 3.0 M	\$ 3.3 M	(\$ 0.4 M)	(10.7%)
Total Direct Losses & LAE	\$ 11.8 M	\$ 17.0 M	(\$ 5.1 M)	(30.3%)
Loss & LAE Ratio	39.4%	87.6%		(48.2%)

Operating Expenses

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 4.1 M	\$ 4.2 M	(\$.1 M)	(2.8%)
Operating Expense Ratio	13.7%	14.5%		(0.9%)

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 4.1 M	\$ 3.1 M	\$ 1.0 M	32.3%
Operating Expense Ratio	13.7%	16.0%		(2.3%)

- Net operating expenses shown above and on the statutory income statement exclude claims related expenses which are recorded in losses and loss adjustment expense. Expenses under budget include Personnel Expenses of (\$263,000) and Other Expenses including rental, travel, and postage of (\$58,000). Notable expense items over budget include Professional & Consulting Services of (\$148,000) and Software & Hardware (\$54,000).

Management's Discussion and Analysis of Financial Results (cont'd)

Commission Expense and Premium Taxes

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 4.6 M	\$ 3.4 M	\$ 1.2 M	35.9%
Premium Taxes	\$ 716.1 K	\$ 564.7 K	\$ 151.5 K	26.8%

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 4.6 M	\$ 2.4 M	\$ 2.2 M	88.7%
Premium Taxes	\$ 716.1 K	\$ 414.3 K	\$ 301.8 K	72.9%

Other Income (Expense)

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 511.4 K	\$ 340.1 K	\$ 171.3 K	50.4%

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 511.4 K	\$ 221.3 K	\$ 290.1 K	131.1%

- Higher interest rates continue to produce better than budgeted investment income.

Net Income (Loss)

Actual vs Budget	Mar-2024 YTD Actual	Mar-2024 YTD Budget	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Net Income (Loss)	(\$ 2.1 M)	\$ 0.4 M	(\$ 2.5 M)	(583.8%)

Current Yr vs Prior Yr Actuals	Mar-2024 YTD Actual	Mar-2023 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Net Income	(\$ 2.1 M)	(\$ 11.4 M)	\$ 9.3 M	(81.6%)

Management’s Discussion and Analysis of Financial Results (cont’d)

Surplus (Deficit)

Current Period vs. Prior Year End Actual	Mar-2024 YTD Actual	Dec-23 YTD Actual	Variance \$/count Inc (Dec)	Variance % Inc (Dec)
Surplus (Deficit)	(\$ 19.8 M)	(\$ 17.7 M)	(\$ 2.1 M)	12.2%

- The Association’s beginning 2024 deficit of \$17.7 million increased to \$19.8 million as of March 31, 2024, due to the year-to-date net loss of \$2.1 million.

4B. Financial Statement Review by Staff

4B1. Income Statement &
Expense Statement

4B2. Balance Sheet

4B3. Cash & Short-Term Investments

4B4. Cash Flow Statement

4B5. Historical Data



TEXAS FAIR PLAN
ASSOCIATION

Quarterly
Financial
Statements
and Schedules

March 2024

Statutory Income Statement (In 000s)



	For the three months ended March 31,			
	Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023
1				1
2				2
3				3
4 Premiums Written:				4
5 Direct	\$ 41,011	\$ 30,855	\$ 10,156	\$ 22,544
6 Ceded	0	0	0	0
7 Ceded - Depopulation	0	0	0	0
8 Net	<u>41,011</u>	<u>30,855</u>	<u>10,156</u>	<u>22,544</u>
9				9
10 Premiums Earned:				10
11 Direct	\$ 29,996	\$ 29,022	\$ 975	\$ 19,347
12 Ceded	(11,380)	(11,292)	(87)	(8,063)
13 Ceded - Depopulation	0	0	0	0
14 Net	<u>18,617</u>	<u>17,729</u>	<u>888</u>	<u>11,284</u>
15				15
16 Deductions:				16
17 Direct Losses and LAE Incurred	11,817	9,475	2,343	16,955
18 Direct Losses and LAE Incurred - Harvey	0	0	0	0
19 Ceded Losses and LAE Incurred - Harvey	0	0	0	0
20 Operating Expenses	4,099	4,218	(119)	3,098
21 Commission Expense	4,613	3,394	1,219	2,445
22 Ceding commissions / brokerage	0	0	0	0
23 Premium / Maintenance Tax	716	565	151	414
24 Total Deductions	<u>21,245</u>	<u>17,652</u>	<u>3,594</u>	<u>22,912</u>
25				25
26 Net Underwriting Gain or (Loss)	<u>(2,628)</u>	<u>78</u>	<u>(2,706)</u>	<u>(11,628)</u>
27				27
28 Other Income or (Expense):				28
29 Gross Investment Income	511	340	171	221
30 Line of Credit Fees	(23)	(23)	0	(23)
31 Interest Expense on Line of Credit Advance	0	0	0	0
32 Member Assessment Income	0	0	0	0
33 Premium Charge offs/Write offs	(130)	(93)	(37)	(83)
34 Billing Fees	172	131	41	124
35 Miscellaneous Income (Expense)	0	0	0	1
36 Total Other Income or (Expense)	<u>531</u>	<u>356</u>	<u>175</u>	<u>241</u>
37				37
38 Net Income (Loss)	<u>\$ (2,097)</u>	<u>\$ 434</u>	<u>\$ (2,531)</u>	<u>\$ (11,387)</u>
39				39

Surplus (Deficit) and Key Operating Ratios

(In 000s)



		For the three months ended March 31,			
		Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023
1					
2					
3					
4					
5	Surplus (Deficit) Account:				
6	Beginning Surplus (Deficit)	(17,655)	(17,655)	0	1,183
7	Net Income (Loss)	(2,097)	434	(2,531)	(11,387)
8	Change in Provision for Reinsurance	0	500	(500)	500
9	Change in nonadmitted assets	(49)	(991)	941	(643)
10	Other	0	0	0	0
11	Ending Surplus (Deficit)	<u>\$ (19,802)</u>	<u>\$ (17,712)</u>	<u>\$ (2,090)</u>	<u>\$ (10,347)</u>
12					
13	Key Operating Ratios:				
14	Direct:				
15	Loss & LAE Ratio:				
16	Non Hurricane	39.4%	32.6%	6.7%	87.6%
17	Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
18	Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
19	Loss & LAE Ratio	<u>39.4%</u>	<u>32.6%</u>	<u>6.7%</u>	<u>87.6%</u>
20	UW Expense Ratio:				
21	Acquisition	13.0%	12.8%	0.2%	12.7%
22	Non Acquisition	13.7%	14.5%	(0.9%)	16.0%
23	UW Expense Ratio	<u>26.7%</u>	<u>27.4%</u>	<u>(0.7%)</u>	<u>28.7%</u>
24					
25	Combined Ratio	<u>66.1%</u>	<u>60.0%</u>	<u>6.0%</u>	<u>116.3%</u>
26					
27	Net:				
28	Loss & LAE Ratio:				
29	Non Hurricane	63.5%	53.4%	10.0%	150.3%
30	Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
31	Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
32	Loss & LAE Ratio	<u>63.5%</u>	<u>53.4%</u>	<u>10.0%</u>	<u>150.3%</u>
33	UW Expense Ratio:				
34	Acquisition	16.5%	16.6%	(0.1%)	16.5%
35	Non Acquisition	22.0%	23.8%	(1.8%)	27.5%
36	UW Expense Ratio	<u>38.5%</u>	<u>40.4%</u>	<u>(1.9%)</u>	<u>44.0%</u>
37					
38	Combined Ratio	<u>102.0%</u>	<u>93.9%</u>	<u>8.1%</u>	<u>194.2%</u>
39					
40	Note: Beginning budgeted deficit adjusted to actual for comparative purposes.				

4B1b. Surplus (Deficit) and Key Operating Ratios

Statutory Expense Statement (In 000s)



	For the three months ended March 31,			
Description	Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023
Personnel Expenses				
Salaries & Wages - Permanent	\$ 1,812	\$ 1,990	\$ (178)	\$ 1,773
Contractor & Temporary Help	369	295	74	294
Payroll Taxes	140	156	(16)	147
Employee Benefits	532	588	(55)	563
Recruiting, Training & Other	38	50	(12)	7
Subtotal	2,891	3,078	(187)	2,784
Professional & Consulting Services				
Legal	52	28	24	25
Accounting & Auditing	41	43	(2)	37
Information Technology	658	792	(134)	25
Actuarial Services	24	24	0	24
Surveys & Inspections	283	119	164	131
Disaster Recovery Services	0	4	(4)	4
Other Services (1)	388	356	32	332
Subtotal	1,446	1,366	80	579
Hardware/Software Purchases & Licensing	414	384	30	369
Rental & Maintenance - Office/Equipment	130	140	(11)	136
Travel Expenses	25	40	(15)	40
Postage, Telephone and Express	108	134	(26)	89
Capital Management Expenses	23	23	0	23
Other Operating Expenses	119	136	(17)	97
Total Operating Expenses	\$ 5,155	\$ 5,300	\$ (145)	\$ 4,118
Capitalization of Fixed Assets	0	0	0	0
Allocation To ULAE	(1,033)	(1,059)	26	(997)
Allocation To Investing & Other Expense	(23)	(23)	0	(23)
Net Operating Expense - UW Operations	\$ 4,099	\$ 4,218	\$ (119)	\$ 3,098

(1) Summary Details for Other Services:

VENDOR	Amount	Department
Clear Point Claims LLC	128	Underwriting
Marshall & Swift/Boeckh	58	Underwriting
*Other Outside Services below \$50K	202	Various Departments
Total Other Services	388	

Statutory Balance Sheet (In 000s)



	March 2024	December 2023	
1			1
2 Admitted Assets			2
3 Cash and short term investments	62,329	52,887	3
4 Premiums receivable & other	15,137	11,644	4
5 Amounts recoverable from reinsurers	41	51	5
6 Other Assets	166	138	6
7 Total admitted assets	<u><u>\$ 77,673</u></u>	<u><u>\$ 64,720</u></u>	7
8			8
9 Liabilities, Surplus and other funds			9
10 Liabilities:			10
11 Loss and Loss adjustment expenses	17,814	16,605	11
12 Underwriting expenses payable	4,199	3,859	12
13 Unearned premiums, net of ceded unearned premiums	59,692	37,298	13
14 Ceded reinsurance premiums payable	10,577	21,033	14
15 Provision for reinsurance	0	0	15
16 Other payables	5,192	3,579	16
17 Total liabilities	<u><u>97,475</u></u>	<u><u>82,375</u></u>	17
18			18
19 Surplus and others funds			19
20 Unassigned surplus (deficit)	(19,802)	(17,655)	20
21 Total liabilities, surplus and other funds	<u><u>\$ 77,673</u></u>	<u><u>\$ 64,720</u></u>	21
22			22

Cash and Short-Term Investments (In 000s)



1	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 Superior or Strong	N.A. Tier 1 Capital Ratio	N.A. Regulatory Capital	Are funds in excess of the N.A. Regulatory Capital? > .2% of N.A. Reg Capital	1	
								< 40%		> 10%	> \$25B		2	
3	Balances as of 03/31/2024:													3
4	Bank of America	\$ 3,957	0	\$ 3,957	0	0	0.0%	6%	Superior	13.5%	\$188	No	4	
5	Citibank	208	0	208	0	0	0.0%	0%	Superior	14.1%	\$149	No	5	
6	JPMorgan Chase	0	21,694	21,694	14,878	98	2.6%	35%	Superior	17.4%	\$262	No	6	
7	Citibank IMMA	0	110	110	110	0	1.7%	0%	N/A	N/A	N/A	N/A	7	
8	JP Morgan U.S. Treasury Plus Money Market Fund (1)	0	11,280	11,280	11,233	145	5.2%	18%	N/A	N/A	N/A	N/A	8	
9	JP Morgan Goldman Sachs (1)	0	10,510	10,510	10,466	135	5.2%	17%	N/A	N/A	N/A	N/A	9	
10	Fidelity Treasury (1)	0	14,570	14,570	10,137	133	5.2%	23%	N/A	N/A	N/A	N/A	10	
11													11	
12	Total of all financial institutions	\$ 4,165	\$ 58,164	\$ 62,329	\$ 46,823	\$ 511	4.4%	100%					12	
13													13	
14	Balances as of 12/31/2023:													14
15	Bank of America	\$ 5,236	0	\$ 5,236	0	0	0.0%	10%	Superior	13.3%	\$185	No	15	
16	Citibank	208	0	208	0	0	0.0%	1%	Superior	14.9%	\$153	No	16	
17	JPMorgan Chase	0	16,357	16,357	\$11,126	50	1.8%	31%	Superior	17.3%	\$282	No	17	
18	Citibank IMMA	0	109	109	109	0	1.7%	1%	N/A	N/A	N/A	N/A	18	
19	JP Morgan U.S. Treasury Plus Money Market Fund (1)	0	11,135	11,135	11,087	146	5.3%	21%	N/A	N/A	N/A	N/A	19	
20	JP Morgan Goldman Sachs (1)	0	10,375	10,375	9,380	124	5.3%	20%	N/A	N/A	N/A	N/A	20	
21	Fidelity Treasury (1)	0	9,465	9,465	9,424	125	5.3%	18%	N/A	N/A	N/A	N/A	21	
22													22	
23	Total of all financial institutions	\$ 5,445	\$ 47,442	\$ 52,887	\$ 41,125	\$ 445	4.3%	101%					23	
24													24	
25	(1) The Fund invests in U.S. treasury bills, notes, bonds and other obligations issued or guaranteed by the U.S. Treasury.													25
26	Bank credit rating, Tier 1 Capital Ratios, and Regulatory Capital were reviewed with the latest financial information available as of December 31, 2023. Rates, ratios and regulatory capital are comparable and consistent with year end National Association (N.A.) results.													26

Statement of Cash Flows

(In 000s)



	For the three months ended March 31,				
	Actuals - 2024	Budget - 2024	Variance - 2024		
1				1	
2				2	
3				3	
4	Cash flows from operating activities:			4	
5	Premiums collected, net of reinsurance	\$ 28,274	\$ 20,143	\$ 8,131	5
6	Losses and loss adjustment expense paid	(10,598)	(9,868)	(730)	6
7	Underwriting expenses paid	(8,779)	(9,482)	704	7
8	Member assessment received	0	0	0	8
9	Other	42	39	4	9
10	Net cash provided by operating activities	<u>8,939</u>	<u>832</u>	<u>8,108</u>	10
11	Cash flows from nonoperating activities:			11	
12	Other	0	0	0	12
13	Net cash provided by nonoperating activities	<u>0</u>	<u>0</u>	<u>0</u>	13
14	Cash flows from investing activities:			14	
15	Sales and maturities of investments	0	0	0	15
16	Net investment income	526	340	186	16
17	Net cash provided by investing activities	<u>526</u>	<u>340</u>	<u>186</u>	17
18	Cash flows from financing activities:			18	
19	Borrowed funds	0	0	0	19
20	Borrowed funds repaid	0	0	0	20
21	Interest Expense/Fees - Line of Credit Advance	(23)	(23)	0	21
22	Net cash provided by financing activities	<u>(23)</u>	<u>(23)</u>	<u>0</u>	22
23					23
24	Net increase (decrease) in cash and short-term investments	9,442	1,149	8,294	24
25	Cash and short-term investments, Beginning	52,887	52,887	0	25
26	Cash and short-term investments, Ending	<u>\$ 62,329</u>	<u>\$ 54,036</u>	<u>\$ 8,294</u>	26
27					27
	Note: Beginning budgeted Cash and Short-term investments adjusted to actual for comparative purposes.			28	

Historical Data (In 000s)



2003 - 2024											
(\$ 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	11,301,744	61,452	7.3% (g)	76,881	27,146	45,620	27,146	19,033	(559)		1,451
2023	16,275,783	72,626	9.8% (h)	113,460	47,339	53,316	49,839	23,917	(20,439)		(17,655)
2024	18,677,628	78,997		41,011	11,817	18,617	11,817	9,428	(2,628)		(19,802)
TOTAL				\$ 1,951,942	\$ 1,182,386	\$ 1,279,946	\$ 881,085	\$ 477,376	\$ (78,515)	\$ 54,941	

34 (a) Effective July 1, 2013
 35 (b) Effective April 1, 2016
 36 (c) Effective June 1, 2017
 37 (d) Effective October 1, 2018 and November 1, 2018 for new business and renewal business, respectively.
 38 (e) Effective August 1, 2020
 39 (f) Effective August 1, 2021
 40 (g) Effective August 1, 2022
 41 (h) Effective August 1, 2023
 42 *2024 data through 03/31/2024

4C. Investment Plan Review

MEMORANDUM

DATE: April 7, 2024

TO: David Durden, 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.

Below you will find an evaluation of our financial institutions based on certain of the criteria listed above.

Evaluation of Counterparty Relationships as of 12/31/2023						
	Moody's	S&P				
Financial Institution	N.A. Bank Credit Rating	N.A. Bank Credit Rating (as of 12/31/23)	N.A. Tier 1 Capital Ratio (as of 12/31/23)	N.A. Regulatory Capital (as of 12/31/23)	Holding Company Level Market Capitalization (\$ in Billions as of 12/31/23)	
JPMorgan Chase, N.A.	P-1	A-1	Superior	17.4%	\$262	\$492
Bank of America, N.A.	P-1	A-1	Superior	13.5%	\$188	\$266
Citibank, N.A.	P-1	A-1	Superior	14.1%	\$149	\$98



Currently, we are not recommending any changes to the Texas FAIR Plan Association investment plan. Throughout 2023, the Association invested available funds in US Treasury Money Market Mutual funds to take advantage of the higher interest rates.

We will be seeking a resolution at the May 7, 2024 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.

Stuart

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 = $(\text{Total Equity} - \text{Revaluation Reserves}) / \text{Risk Based Assets}$

- 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.

4D. Financial Audit by
Calhoun, Thomson + Matza
4D1. Audit Wrap Up Report



Audit Wrap Up



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.

May 1, 2024

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 July 13, 2023, 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, 2023, 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

	Page
Status of Our Audit	1
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, 2023. 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 May 1, 2024.
- 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 2023.

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 2023.

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.

Requirement	Discussion Points
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 July 13, 2023 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.

4D2. Statutory Report

Texas FAIR Plan Association

Statutory Financial Statements and Supplemental Information

Years Ended December 31, 2023 and 2022



Texas FAIR Plan Association

**Statutory Financial Statements
and Supplemental Information**
Years Ended December 31, 2023 and 2022

Texas FAIR Plan Association

Contents

Accountants' letter of qualifications	3-4
Independent auditors' report	5-7
Statutory financial statements	
Statutory statements of admitted assets, liabilities, surplus and other funds	8
Statutory statements of income	9
Statutory statements of changes in surplus and other funds	10
Statutory statements of cash flows	11
Summary of significant accounting policies	12-15
Notes to statutory financial statements	16-24
Supplemental information	
Summary investment schedule	25-26
Supplemental investment risk interrogatories	27
Reinsurance interrogatories	28-29

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, 2023 and 2022, and have issued our report thereon dated May 1, 2024. 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 partner, who is a certified public accountant, has 30 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 2023, 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 partner has served in that capacity with respect to the Association since 2023, 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

May 1, 2024

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023, the Association had approximately \$16 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, 2023, ultimate loss projections for Hurricane Harvey are estimated to be \$82 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, 2023, 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

May 1, 2024

Texas FAIR Plan Association

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

<i>December 31,</i>	2023	2022
Admitted Assets		
Cash and cash equivalents	\$ 52,887	\$ 50,619
Investment income due and accrued	138	58
Uncollected premiums and agents' balances in the course of collection	2,963	1,437
Deferred premiums, agents' balances and installments booked but deferred	8,681	5,224
Amounts recoverable from reinsurers	51	303
Total admitted assets	\$ 64,720	\$ 57,641
Liabilities, Surplus and Other Funds		
Liabilities		
Loss and loss adjustment expenses	\$ 16,605	\$ 12,858
Underwriting expenses payable	3,859	2,351
Unearned premiums, net of ceded unearned premiums	37,298	22,672
Ceded reinsurance premiums payable, net of ceding commissions	21,034	14,325
Provision for reinsurance	-	1,000
Other liabilities	3,579	3,252
Total liabilities	82,375	56,458
Commitments and contingencies (Notes 6, 7 and 8)		
Surplus and other funds		
Unassigned (deficit) surplus	(17,655)	1,183
Total liabilities and surplus and other funds	\$ 64,720	\$ 57,641

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>	2023	2022
Underwriting income:		
Premiums earned	\$ 92,201	\$ 75,432
Premiums ceded	(38,885)	(29,812)
Net premiums earned	53,316	45,620
Deductions:		
Losses and loss expenses incurred	49,839	27,229
Other underwriting expenses incurred	23,916	19,073
Total underwriting deductions	73,755	46,302
Net underwriting loss	(20,439)	(682)
Investment income:		
Net investment income	1,303	216
Other income:		
Other income	108	183
Total other income	108	183
Net loss	\$ (19,028)	\$ (283)

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 (Deficit)/Surplus
Balance, January 1, 2022	\$ 1,955
Net loss	(283)
Change in nonadmitted assets	27
Change in provision for reinsurance	(516)
Balance, December 31, 2022	1,183
Net loss	(19,028)
Change in nonadmitted assets	(810)
Change in provision for reinsurance	1,000
Balance, December 31, 2023	\$ (17,655)

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>	2023	2022
Cash from operations:		
Premiums collected, net of reinsurance	\$ 69,892	\$ 45,427
Net investment income	1,224	157
Miscellaneous income	108	183
Benefit and loss related payments	(36,092)	(18,108)
Commissions, expenses paid and aggregate write-ins for deductions	(33,013)	(26,255)
Net cash from operations	2,119	1,404
Cash from financing and miscellaneous sources:		
Other cash provided	149	101
Net cash from financing and miscellaneous sources	149	101
Net change in cash and cash equivalents	2,268	1,505
Cash and cash equivalents, beginning of year	50,619	49,114
Cash and cash equivalents, end of year	\$ 52,887	\$ 50,619

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>	2023	2022
Net loss, Texas basis	\$ (19,028)	\$ (283)
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
Net loss, NAIC SAP basis	\$ (19,028)	\$ (283)

<i>December 31,</i>	2023	2022
Statutory surplus, Texas basis	\$ (17,655)	\$ 1,183
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
Policyholders' surplus, NAIC SAP basis	\$ (17,655)	\$ 1,183

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) 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.

Cash and Cash Equivalents

Cash consists of demand deposits at financial institutions. Cash equivalents include short-term, highly liquid investments with original maturities of three months or less.

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>	2023		2022	
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, 2023 and 2022.

2. Reinsurance

During 2023 and 2022, 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, 2023, 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 \$120,000 in excess of \$40,000 of each and every loss occurrence. The second layer provides 100% participation of \$205,000 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 \$30,000 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, 2024.

During 2023, the Association has Reinstatement Premium Protection reinsurance coverage with a limit of \$21,875 to provide recoveries of reinstatement premium in conjunction with the first two layers of reinsurance coverage.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

Effective July 1, 2022, 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 \$120,000 in excess of \$30,000 of each and every loss occurrence. The second layer provided 100% participation of \$215,000 in excess of \$150,000 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 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, 2023.

During 2022, the Association had Reinstatement Premium Protection reinsurance coverage with a limit of \$28,000 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.

The Association has unsecured reinsurance recoverables which exceed 3% of the Association's surplus with the following reinsurers as of December 31, 2023 and 2022:

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

Name of reinsurer	2023	2022
Arch Reinsurance Ltd.	\$ 43	\$ 72
Ariel Re Bda Limited	132	-
Aspen Bermuda Ltd.	45	128
Chubb Tempest Reinsurance Ltd.	47	331
DaVinci Reinsurance	46	157
Endurance Specialty Ins Ltd.	18	167
Everest Reinsurance Company	225	418
Fidelis Insurance Bermuda Limited	187	183
Hamilton Re, Ltd.	24	-
Hannover Re	22	-
Hannover Rück SE	126	102
Hiscox Insurance Company Ltd	32	-
IQW Syndicate	43	60
Leadenhall Capital Partners	65	61
Lloyd's Syndicate No. 1856 IQUW	35	-
Lloyd's Syndicate No. 4444 CMA	12	-
Lloyd's Underwriter Syndicate No. 0033 HIS	8	135
Lloyd's Underwriter Syndicate No. 0623 AFB	4	-
Lloyd's Underwriter Syndicate No. 1084 CSL	2	-
Lloyd's Underwriter Syndicate No. 1183 TAL	29	71
Lloyd's Underwriter Syndicate No. 1274 AUL	11	-
Lloyd's Underwriter Syndicate No. 1301 IGO	7	-
Lloyd's Underwriter Syndicate No. 1414 ASC	30	-
Lloyd's Underwriter Syndicate No. 1458 RNR	7	67
Lloyd's Underwriter Syndicate No. 1910 ARE	25	312
Lloyd's Underwriter Syndicate No. 1955 BAR	13	-
Lloyd's Underwriter Syndicate No. 2001 AML	52	241
Lloyd's Underwriter Syndicate No. 2010 MMX	12	38
Lloyd's Underwriter Syndicate No. 2468 NEO	1	-
Lloyd's Underwriter Syndicate No. 2623 AFB	19	56
Lloyd's Underwriter Syndicate No. 2791 MAP	23	47
Lloyd's Underwriter Syndicate No. 4020 ARK	54	76
Markel Bermuda Limited	7	61
Munich Reinsurance America, Inc.	89	57
Odyssey Reinsurance Company	57	60
Partner Reinsurance Company Ltd.	55	171
Renaissance Reinsurance Ltd.	40	187
SCOR Reinsurance Company	43	67
The Cincinnati Insurance Company	28	99
Transatlantic Reinsurance Company	70	149
Validus Reinsurance, Ltd.	92	262
Vermeer Reinsurance Ltd.	26	-
XL Bermuda Ltd.	-	96
Total	\$ 1,906	\$ 3,931

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

The effect of reinsurance on premiums written and earned for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Written	Earned	Written	Earned
Direct	\$ 113,460	\$ 92,201	\$ 76,881	\$ 75,432
Ceded	(45,518)	(38,885)	(32,250)	(29,812)
Net	\$ 67,942	\$ 53,316	\$ 44,631	\$ 45,620

The maximum amount of return reinsurance ceding commission due in the event of cancellation as of December 31, 2023 and 2022 is as follows:

<i>December 31,</i>	2023	2022
Ceded unearned premium reserves	\$ 22,759	\$ 16,125
Less: ceded commission equity	(1,786)	(1,120)
Net ceded premium reserves	\$ 20,973	\$ 15,005
Direct unearned premium reserves	\$ 60,057	\$ 38,797

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 \$2,536 and \$1,870 as of December 31, 2023 and 2022, 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>	2023	2022
Beginning balance	\$ 15,902	\$ 17,229
Less: reinsurance recoverable	3,044	4,297
Beginning net balance	12,858	12,932
Incurred related to:		
Current loss year	50,634	27,878
Prior loss years	(795)	(649)
Losses and loss adjustment expense incurred	49,839	27,229
Paid related to:		
Current loss year	38,452	19,618
Prior loss years	7,640	7,685
Paid losses and loss adjustment expense	46,092	27,303
Ending net balance	16,605	12,858
Plus: reinsurance recoverable	309	3,044
Ending balance	\$ 16,914	\$ 15,902

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 \$49,839 are lower by \$795 due to favorable development of prior year. 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, 2023 and 2022 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 2023 and 2022 the Association incurred expenses from TWIA under its contract in the amounts of approximately \$15,270 and \$13,186, respectively. As of December 31, 2023 and 2022, the Association incurred expenses for which it has not reimbursed TWIA in the amount of \$1,088 and \$1,215, 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 obtained a \$30,000 line of credit with one of its primary financial institutions effective June 30, 2023. The facility replaced the previous \$30,000 line of credit and terminates on June 30, 2025. There were no draws against the line of credit in 2023 or 2022. The Association pays the lender a 0.3% commitment fee against the unused portion of the line of credit. Interest expense was \$0 for the years ended December 31, 2023 and 2022. 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, 2023 and 2022, the Association has accrued a liability for fire assessment of \$43, 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. Surcharges receivable of \$49 and \$11 have been fully non-admitted as of December 31, 2023 and 2022, respectively. Policy surcharges collected were \$1 and \$62 for the years ended December 31, 2023 and 2022, respectively.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

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, 2023 and 2022 premiums written in Harris County, Texas represented 70% of total premiums, respectively.

9. Nonadmitted Assets

Nonadmitted assets consisted of the following:

<i>December 31,</i>	2023	2022
Uncollected premiums and agents' balances in the course of collection	\$ 127	\$ 120
Due from agents	137	102
Surcharge receivable	49	11
Prepaid expenses	786	56
Total nonadmitted assets	\$ 1,099	\$ 289

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, 2023:

	Aggregate Fair Value	Net Asset Value	Admitted Assets	Level 1	Level 2	Level 3
Cash	\$ 21,911	\$ -	\$ 21,911	\$ 21,911	\$ -	\$ -
Cash equivalents*	-	30,976	30,976	-	-	-
	\$ 21,911	\$ 30,976	\$ 52,887	\$ 21,911	\$ -	\$ -

Fair Value Measurements at December 31, 2022:

	Aggregate Fair Value	Net Asset Value	Admitted Assets	Level 1	Level 2	Level 3
Cash	\$ 33,062	\$ -	\$ 33,062	\$ 33,062	\$ -	\$ -
Cash equivalents*	-	17,557	17,557	-	-	-
	\$ 33,062	\$ 17,557	\$ 50,619	\$ 33,062	\$ -	\$ -

* 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.

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.

Texas FAIR Plan Association

Notes to Statutory Financial Statements (In Thousands)

13. Reconciliation with Annual Statement

There were no differences between the 2023 and 2022 annual statements as filed with the Texas Department of Insurance and the 2023 and 2022 audited statutory financial statements.

14. Subsequent Events

The Association has evaluated subsequent events occurring after December 31, 2023, the date of the most recent statutory statements of admitted assets, liabilities, surplus and other funds, through May 1, 2024, 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, 2023 (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, 2023 (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)	21,911	41.43%	21,911	41.43%
Cash equivalents (Schedule E, Part 2)	30,976	58.57%	30,976	58.57%
Short-term investments (Schedule DA)	-	-	-	-
Total cash, cash equivalents and short-term investments	52,887	100.00	52,887	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	\$ 52,887	100.00	\$ 52,887	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, 2023.

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Supplemental Investment Risk Interrogatories December 31, 2023 (In Thousands)

- 1) Reporting entity's total admitted assets as reported in the accompanying financial statements. \$ 64,720

Questions 2 through 23 are not applicable.

See accompanying independent auditors' report on supplemental information.

Texas FAIR Plan Association

Reinsurance Interrogatories

December 31, 2023

(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, 2023

(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.

4D3. Internal Control Letter

May 1, 2024

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, 2023, 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

5. Actuarial
5A. Policy Count/Exposures

Texas FAIR Plan Association
Liability Report
As of 3/31/24
All Forms Combined



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage
Harris	38,745	46,903	8,158	21.06%	6,564,365,113	9,677,070,231	3,112,705,118	47.42%	15,815,824	26,324,751	10,508,927	66.45%
Galveston	4,305	5,152	847	19.67%	1,268,221,204	1,712,567,513	444,346,308	35.04%	648,018	896,461	248,443	38.34%
Fort bend	4,308	5,900	1,592	36.95%	858,760,188	1,516,053,195	657,293,007	76.54%	1,881,238	3,432,494	1,551,256	82.46%
Dallas	1,821	2,339	518	28.45%	327,652,763	566,185,104	238,532,341	72.80%	611,992	1,739,410	1,127,418	184.22%
Brazoria	1,872	2,655	783	41.83%	544,113,796	914,133,037	370,019,241	68.00%	297,752	574,378	276,626	92.90%
Tarrant	1,389	1,779	390	28.08%	242,699,788	426,860,129	184,160,341	75.88%	518,671	1,445,328	926,657	178.66%
El paso	1,340	1,983	643	47.99%	343,717,075	580,702,328	236,985,253	68.95%	317,437	750,093	432,655	136.30%
Jefferson	1,312	1,987	675	51.45%	342,792,487	615,209,566	272,417,079	79.47%	205,517	369,321	163,804	79.70%
Nueces	1,102	1,334	232	21.05%	240,742,500	329,955,528	89,213,028	37.06%	187,589	315,737	128,149	68.31%
Montgomery	699	1,013	314	44.92%	131,394,550	254,744,736	123,350,186	93.88%	205,893	541,222	335,330	162.87%
Bexar	514	653	139	27.04%	95,782,122	145,882,884	50,100,762	52.31%	164,690	303,783	139,092	84.46%
Cameron	429	542	113	26.34%	86,649,900	134,340,410	47,690,510	55.04%	65,203	97,075	31,872	48.88%
Calhoun	381	413	32	8.40%	97,164,055	111,022,530	13,858,475	14.26%	55,579	67,314	11,735	21.11%
Orange	371	508	137	36.93%	64,105,938	116,756,608	52,650,670	82.13%	158,988	382,314	223,326	140.47%
Chambers	282	407	125	44.33%	95,531,970	164,064,370	68,532,400	71.74%	53,417	100,622	47,205	88.37%
Matagorda	264	335	71	26.89%	65,354,415	95,963,170	30,608,755	46.84%	50,545	72,856	22,311	44.14%
Liberty	207	348	141	68.12%	26,533,642	56,650,012	30,116,370	113.50%	76,428	229,683	153,255	200.52%
Travis	210	298	88	41.90%	39,470,630	84,012,420	44,541,790	112.85%	53,471	154,634	101,163	189.19%
Aransas	173	202	29	16.76%	39,151,780	48,677,870	9,526,090	24.33%	23,643	32,356	8,713	36.85%
Hidalgo	161	205	44	27.33%	19,596,566	32,270,746	12,674,180	64.68%	53,274	93,972	40,698	76.39%
San patricio	160	224	64	40.00%	40,227,536	64,570,780	24,343,244	60.51%	25,587	46,946	21,359	83.48%
Collin	152	229	77	50.66%	34,075,660	88,339,710	54,264,050	159.25%	105,093	367,246	262,153	249.45%
Waller	142	169	27	19.01%	21,124,760	32,284,400	11,159,640	52.83%	59,206	90,332	31,127	52.57%
Denton	115	238	123	106.96%	36,007,606	107,156,556	71,148,950	197.59%	79,035	372,345	293,311	371.12%
Brazos	70	87	17	24.29%	10,740,410	17,748,800	7,008,390	65.25%	8,400	23,908	15,507	184.60%
Top 25 Counties	60,524	75,903	15,379	25.41%	11,635,976,455	17,893,222,633	6,257,246,178	53.77%	21,722,490	38,824,584	17,102,093	78.73%
All Other Counties	2,147	3,094	947	44.11%	404,397,545	784,405,600	380,008,055	93.97%	821,946	2,186,621	1,364,675	166.03%
Tier 1	10,396	13,381	2,985	28.71%	2,846,717,064	4,223,361,409	1,376,644,345	48.36%	1,637,763	2,600,223	962,460	58.77%
Tier 2	44,112	54,338	10,226	23.18%	7,583,229,787	11,492,515,634	3,909,285,847	51.55%	18,107,894	30,851,463	12,743,569	70.38%
All Other Counties	8,163	11,278	3,115	38.16%	1,610,427,149	2,961,751,190	1,351,324,041	83.91%	2,798,779	7,559,519	4,760,739	170.10%
Statewide Total	62,671	78,997	16,326	26.05%	12,040,373,999	18,677,628,233	6,637,254,233	55.12%	22,544,436	41,011,205	18,466,768	81.91%

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 3/31/24
HO-A Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage
Harris	13,438	18,333	4,895	36.43%	3,659,032,245	6,029,900,433	2,370,868,188	64.79%	9,027,521	17,011,939	7,984,418	88.45%
Galveston	3,149	3,813	664	21.09%	1,154,378,202	1,560,674,933	406,296,730	35.20%	524,667	739,595	214,928	40.96%
Fort bend	1,098	1,828	730	66.48%	345,350,556	772,720,090	427,369,534	123.75%	784,616	1,839,017	1,054,400	134.38%
Dallas	798	1,214	416	52.13%	213,370,600	424,144,790	210,774,190	98.78%	415,575	1,404,691	989,116	238.01%
Brazoria	1,423	2,057	634	44.55%	485,302,000	820,911,730	335,609,730	69.15%	259,503	495,950	236,447	91.12%
Tarrant	728	1,043	315	43.27%	172,220,308	338,923,349	166,703,041	96.80%	381,335	1,185,783	804,449	210.96%
El paso	1,150	1,731	581	50.52%	321,720,000	548,597,150	226,877,150	70.52%	287,588	689,913	402,325	139.90%
Jefferson	979	1,570	591	60.37%	311,127,832	572,657,142	261,529,310	84.06%	181,199	327,461	146,262	80.72%
Nueces	650	831	181	27.85%	197,962,750	276,244,320	78,281,570	39.54%	151,417	263,575	112,158	74.07%
Montgomery	394	600	206	52.28%	99,431,160	198,308,580	98,877,420	99.44%	154,657	419,940	265,284	171.53%
Bexar	312	417	105	33.65%	79,730,430	124,115,260	44,384,830	55.67%	132,745	255,590	122,845	92.54%
Cameron	268	363	95	35.45%	70,450,890	114,242,860	43,791,970	62.16%	48,436	74,959	26,524	54.76%
Calhoun	314	345	31	9.87%	91,444,420	105,113,340	13,668,920	14.95%	52,765	60,982	8,217	15.57%
Orange	232	356	124	53.45%	52,298,288	102,237,308	49,939,020	95.49%	130,413	347,437	217,024	166.41%
Chambers	236	358	122	51.69%	90,236,970	158,469,870	68,232,900	75.62%	48,589	92,956	44,367	91.31%
Matagorda	228	298	70	30.70%	62,374,840	92,273,220	29,898,380	47.93%	44,698	68,636	23,938	53.55%
Liberty	121	219	98	80.99%	19,703,134	45,217,704	25,514,570	129.49%	44,670	167,582	122,912	275.16%
Travis	106	171	65	61.32%	30,788,590	70,397,690	39,609,100	128.65%	39,025	118,824	79,799	204.48%
Aransas	143	168	25	17.48%	36,189,440	45,257,590	9,068,150	25.06%	22,263	29,562	7,299	32.79%
Hidalgo	52	65	13	25.00%	7,638,866	14,456,246	6,817,380	89.25%	25,429	39,206	13,777	54.18%
San patricio	128	182	54	42.19%	37,423,936	60,490,780	23,066,844	61.64%	25,340	43,683	18,343	72.39%
Collin	46	114	68	147.83%	18,010,960	69,436,150	51,425,190	285.52%	48,133	283,873	235,740	489.77%
Waller	89	101	12	13.48%	16,490,960	25,310,100	8,819,140	53.48%	47,153	55,374	8,221	17.44%
Denton	74	181	107	144.59%	30,719,406	95,697,016	64,977,610	211.52%	70,235	331,320	261,085	371.73%
Brazos	25	39	14	56.00%	7,792,160	14,042,280	6,250,120	80.21%	3,682	15,385	11,702	317.79%
Top 25 Counties	26,181	36,397	10,216	39.02%	7,611,188,944	12,679,839,931	5,068,650,987	66.59%	12,951,654	26,363,234	13,411,580	103.55%
All Other Counties	1,264	2,070	806	63.77%	321,418,760	678,854,010	357,435,250	111.21%	646,762	1,904,436	1,257,674	194.46%
Tier 1	7,602	10,080	2,478	32.60%	2,561,045,401	3,836,231,345	1,275,185,944	49.79%	1,381,779	2,225,401	843,621	61.05%
Tier 2	15,113	21,084	5,971	39.51%	4,121,601,399	7,040,457,741	2,918,856,342	70.82%	10,108,252	19,736,804	9,628,552	95.25%
All Other Counties	4,730	7,303	2,573	54.40%	1,249,960,904	2,482,004,855	1,232,043,951	98.57%	2,108,385	6,305,466	4,197,081	199.07%
Statewide Total	27,445	38,467	11,022	40.16%	7,932,607,703	13,358,693,941	5,426,086,237	68.40%	13,598,416	28,267,670	14,669,254	107.87%

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 3/31/24
TDP-1 Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage
Harris	22,504	25,583	3,079	13.68%	2,749,102,588	3,476,549,958	727,447,370	26.46%	6,521,250	8,948,995	2,427,745	37.23%
Galveston	674	857	183	27.15%	86,930,842	122,968,140	36,037,298	41.46%	98,153	128,491	30,337	30.91%
Fort bend	3,062	3,916	854	27.89%	505,574,832	734,217,305	228,642,473	45.22%	1,083,424	1,575,247	491,823	45.40%
Dallas	924	1,033	109	11.80%	109,583,443	137,298,514	27,715,071	25.29%	184,216	324,104	139,888	75.94%
Brazoria	399	554	155	38.85%	56,713,956	91,375,467	34,661,511	61.12%	35,966	76,485	40,519	112.66%
Tarrant	636	711	75	11.79%	69,723,480	86,702,460	16,978,980	24.35%	136,515	259,126	122,611	89.81%
El paso	184	248	64	34.78%	21,538,075	31,853,178	10,315,103	47.89%	28,502	59,258	30,756	107.91%
Jefferson	294	364	70	23.81%	29,675,775	39,280,984	9,605,209	32.37%	23,164	38,324	15,160	65.44%
Nueces	254	322	68	26.77%	25,067,030	37,806,528	12,739,498	50.82%	24,201	35,996	11,795	48.74%
Montgomery	269	370	101	37.55%	30,059,110	53,192,076	23,132,966	76.96%	48,781	116,361	67,580	138.54%
Bexar	153	186	33	21.57%	14,040,612	19,141,904	5,101,292	36.33%	28,372	40,907	12,535	44.18%
Cameron	68	80	12	17.65%	6,990,450	9,573,550	2,583,100	36.95%	9,384	12,457	3,073	32.75%
Calhoun	53	54	1	1.89%	4,873,395	5,152,950	279,555	5.74%	1,845	5,288	3,442	186.53%
Orange	130	142	12	9.23%	11,510,050	14,081,300	2,571,250	22.34%	27,924	34,804	6,880	24.64%
Chambers	39	43	4	10.26%	5,079,000	5,374,900	295,900	5.83%	4,650	7,472	2,823	60.71%
Matagorda	35	36	1	2.86%	2,966,375	3,676,750	710,375	23.95%	5,847	4,220	(1,627)	(27.83%)
Liberty	83	123	40	48.19%	6,740,508	11,192,308	4,451,800	66.05%	31,758	61,053	29,295	92.24%
Travis	48	65	17	35.42%	5,714,680	9,555,730	3,841,050	67.21%	9,896	25,614	15,718	158.84%
Aransas	18	21	3	16.67%	2,042,060	2,127,160	85,100	4.17%	960	590	(370)	(38.51%)
Hidalgo	99	131	32	32.32%	11,447,700	17,322,500	5,874,800	51.32%	26,325	52,841	26,516	100.73%
San patricio	32	40	8	25.00%	2,803,600	3,926,400	1,122,800	40.05%	247	2,737	2,490	1010.12%
Collin	85	93	8	9.41%	15,228,300	17,035,400	1,807,100	11.87%	55,977	82,116	26,139	46.70%
Waller	46	62	16	34.78%	4,269,480	6,651,980	2,382,500	55.80%	11,018	33,966	22,948	208.27%
Denton	36	50	14	38.89%	4,910,200	10,691,540	5,781,340	117.74%	8,070	39,063	30,992	384.04%
Brazos	18	22	4	22.22%	1,760,850	2,307,200	546,350	31.03%	4,308	6,596	2,288	53.11%
Top 25 Counties	30,143	35,106	4,963	16.46%	3,784,346,391	4,949,056,182	1,164,709,791	30.78%	8,410,753	11,972,111	3,561,358	42.34%
All Other Counties	806	936	130	16.13%	78,683,985	100,893,670	22,209,685	28.23%	168,447	277,289	108,842	64.61%
Tier 1	1,896	2,404	508	26.79%	225,605,783	324,057,104	98,451,321	43.64%	206,285	311,142	104,857	50.83%
Tier 2	26,020	30,079	4,059	15.60%	3,296,491,708	4,270,940,933	974,449,225	29.56%	7,716,496	10,728,616	3,012,120	39.03%
All Other Counties	3,033	3,559	526	17.34%	340,932,885	454,951,815	114,018,930	33.44%	656,420	1,209,642	553,222	84.28%
Statewide Total	30,949	36,042	5,093	16.46%	3,863,030,376	5,049,949,852	1,186,919,476	30.73%	8,579,201	12,249,400	3,670,199	42.78%

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 3/31/24
HO-CONB Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage
Harris	1,865	1,988	123	6.60%	137,336,160	151,990,560	14,654,400	10.67%	222,799	319,498	96,699	43.40%
Galveston	202	214	12	5.94%	18,730,200	20,901,000	2,170,800	11.59%	15,083	16,861	1,778	11.79%
Fort bend	71	73	2	2.82%	5,798,880	6,899,400	1,100,520	18.98%	9,405	12,105	2,700	28.71%
Dallas	74	73	(1)	(1.35%)	4,132,920	4,093,800	(39,120)	(0.95%)	11,304	9,155	(2,149)	(19.01%)
Brazoria	9	7	(2)	(22.22%)	708,000	468,000	(240,000)	(33.90%)	610	245	(365)	(59.84%)
Tarrant	1	4	3	300.00%	90,000	659,520	569,520	632.80%	546	142	(404)	(73.99%)
El paso	2	1	(1)	(50.00%)	243,600	117,600	(126,000)	(51.72%)	845	921	76	8.99%
Jefferson	8	19	11	137.50%	622,920	1,815,960	1,193,040	191.52%	413	2,395	1,982	479.90%
Nueces	177	157	(20)	(11.30%)	16,934,640	15,245,400	(1,689,240)	(9.98%)	11,071	15,513	4,441	40.12%
Montgomery	12	19	7	58.33%	907,680	1,475,280	567,600	62.53%	1,615	2,368	753	46.65%
Bexar	32	35	3	9.38%	1,668,120	2,307,720	639,600	38.34%	2,652	6,276	3,624	136.67%
Cameron	90	95	5	5.56%	9,047,760	10,374,000	1,326,240	14.66%	6,722	9,733	3,011	44.80%
Calhoun	6	5	(1)	(16.67%)	534,240	408,240	(126,000)	(23.58%)	270	290	20	7.41%
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
Liberty	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Travis	31	35	4	12.90%	2,285,520	2,910,840	625,320	27.36%	3,578	8,681	5,103	142.62%
Aransas	10	10	0	0.00%	835,920	1,149,120	313,200	37.47%	420	2,203	1,783	424.52%
Hidalgo	7	7	0	0.00%	456,000	456,000	0	0.00%	1,383	1,780	397	28.71%
San patricio	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Collin	13	14	1	7.69%	632,400	1,508,160	875,760	138.48%	949	1,007	58	6.11%
Waller	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Denton	2	2	0	0.00%	300,000	300,000	0	0.00%	570	619	49	8.60%
Brazos	11	13	2	18.18%	938,400	1,120,320	181,920	19.39%	410	1,927	1,517	370.00%
Top 25 Counties	2,623	2,771	148	5.64%	202,203,360	224,200,920	21,997,560	10.88%	290,645	411,719	121,075	41.66%
All Other Counties	18	18	0	0.00%	1,651,560	1,632,960	(18,600)	(1.13%)	4,021	1,283	(2,738)	(68.09%)
Tier 1	502	508	6	1.20%	47,413,680	50,510,520	3,096,840	6.53%	34,588	47,239	12,651	36.58%
Tier 2	1,943	2,068	125	6.43%	143,591,040	159,345,960	15,754,920	10.97%	233,587	333,383	99,796	42.72%
All Other Counties	196	213	17	8.67%	12,850,200	15,977,400	3,127,200	24.34%	26,490	32,380	5,890	22.23%
Statewide Total	2,641	2,789	148	5.60%	203,854,920	225,833,880	21,978,960	10.78%	294,666	413,003	118,337	40.16%

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 3/31/24
HO-BT Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage	03/31/23	03/31/24	Actual	Percentage
Harris	938	999	61	6.50%	18,894,120	18,629,280	(264,840)	(1.40%)	44,254	44,320	66	0.15%
Galveston	280	268	(12)	(4.29%)	8,181,960	8,023,440	(158,520)	(1.94%)	10,115	11,515	1,400	13.84%
Fort bend	77	83	6	7.79%	2,035,920	2,216,400	180,480	8.86%	3,792	6,125	2,333	61.51%
Dallas	25	19	(6)	(24.00%)	565,800	648,000	82,200	14.53%	897	1,460	563	62.76%
Brazoria	41	37	(4)	(9.76%)	1,389,840	1,377,840	(12,000)	(0.86%)	1,673	1,698	25	1.49%
Tarrant	24	21	(3)	(12.50%)	666,000	574,800	(91,200)	(13.69%)	275	276	1	0.36%
El paso	4	3	(1)	(25.00%)	215,400	134,400	(81,000)	(37.60%)	502	0	(502)	(100.00%)
Jefferson	31	34	3	9.68%	1,365,960	1,455,480	89,520	6.55%	741	1,142	401	54.09%
Nueces	21	24	3	14.29%	778,080	659,280	(118,800)	(15.27%)	899	654	(246)	(27.31%)
Montgomery	24	24	0	0.00%	996,600	1,768,800	772,200	77.48%	840	2,553	1,713	203.93%
Bexar	17	15	(2)	(11.76%)	342,960	318,000	(24,960)	(7.28%)	921	1,009	88	9.50%
Cameron	3	4	1	33.33%	160,800	150,000	(10,800)	(6.72%)	662	(74)	(736)	(111.18%)
Calhoun	8	9	1	12.50%	312,000	348,000	36,000	11.54%	699	755	56	8.01%
Orange	9	10	1	11.11%	297,600	438,000	140,400	47.18%	651	73	(578)	(88.79%)
Chambers	7	6	(1)	(14.29%)	216,000	219,600	3,600	1.67%	179	194	15	8.38%
Matagorda	1	1	0	0.00%	13,200	13,200	0	0.00%	0	0	0	N/A
Liberty	3	6	3	100.00%	90,000	240,000	150,000	166.67%	0	1,048	1,048	N/A
Travis	25	27	2	8.00%	681,840	1,148,160	466,320	68.39%	972	1,515	543	55.86%
Aransas	2	3	1	50.00%	84,360	144,000	59,640	70.70%	0	0	0	N/A
Hidalgo	3	2	(1)	(33.33%)	54,000	36,000	(18,000)	(33.33%)	137	145	8	5.84%
San patricio	0	2	2	N/A	0	153,600	153,600	N/A	0	526	526	N/A
Collin	8	8	0	0.00%	204,000	360,000	156,000	76.47%	34	250	216	635.29%
Waller	7	6	(1)	(14.29%)	364,320	322,320	(42,000)	(11.53%)	1,035	993	(42)	(4.06%)
Denton	3	5	2	66.67%	78,000	468,000	390,000	500.00%	160	1,344	1,184	740.00%
Brazos	16	13	(3)	(18.75%)	249,000	279,000	30,000	12.05%	0	0	0	N/A
Top 25 Counties	1,577	1,629	52	3.30%	38,237,760	40,125,600	1,887,840	4.94%	69,439	77,520	8,081	11.64%
All Other Counties	59	70	11	18.64%	2,643,240	3,024,960	381,720	14.44%	2,715	3,612	897	33.04%
Tier 1	396	389	(7)	(1.77%)	12,652,200	12,562,440	(89,760)	(0.71%)	15,111	16,441	1,330	8.80%
Tier 2	1,036	1,107	71	6.85%	21,545,640	21,771,000	225,360	1.05%	49,558	52,660	3,101	6.26%
All Other Counties	204	203	(1)	(0.49%)	6,683,160	8,817,120	2,133,960	31.93%	7,485	12,031	4,546	60.74%
Statewide Total	1,636	1,699	63	3.85%	40,881,000	43,150,560	2,269,560	5.55%	72,154	81,132	8,978	12.44%

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
Policy Growth Report
As of 3/31/24
All Forms Combined



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	46,903	45,575	44,712	43,925	43,441	43,008	42,598	42,263	41,662	40,905	40,102	39,288	38,745	8,158	21.1%	2,978	6.8%
Fort bend	5,900	5,695	5,547	5,404	5,281	5,151	5,036	4,956	4,843	4,640	4,509	4,388	4,308	1,592	37.0%	496	9.2%
Galveston	5,152	5,047	4,984	4,906	4,834	4,737	4,661	4,619	4,544	4,487	4,404	4,374	4,305	847	19.7%	246	5.0%
Dallas	2,339	2,181	2,082	1,999	1,936	1,899	1,868	1,850	1,827	1,823	1,816	1,813	1,821	518	28.4%	340	17.0%
Brazoria	2,655	2,560	2,480	2,375	2,315	2,246	2,200	2,156	2,092	2,039	1,976	1,912	1,872	783	41.8%	280	11.8%
Tarrant	1,779	1,614	1,540	1,483	1,454	1,402	1,364	1,375	1,365	1,353	1,362	1,378	1,389	390	28.1%	296	20.0%
Nueces	1,334	1,282	1,242	1,224	1,186	1,149	1,136	1,121	1,119	1,113	1,111	1,104	1,102	232	21.1%	110	9.0%
El paso	1,983	1,808	1,742	1,679	1,626	1,588	1,529	1,490	1,437	1,401	1,366	1,355	1,340	643	48.0%	304	18.1%
Jefferson	1,987	1,911	1,858	1,805	1,759	1,712	1,636	1,580	1,514	1,450	1,382	1,334	1,312	675	51.4%	182	10.1%
Montgomery	1,013	959	902	856	832	814	800	779	750	731	718	711	699	314	44.9%	157	18.3%
Bexar	653	609	599	578	565	555	537	517	512	509	507	508	514	139	27.0%	75	13.0%
Cameron	542	523	511	506	501	495	483	480	471	461	446	438	429	113	26.3%	36	7.1%
Calhoun	413	408	403	401	399	396	391	392	386	389	387	382	381	32	8.4%	12	3.0%
Orange	508	483	457	454	443	440	438	431	416	399	379	379	371	137	36.9%	54	11.9%
Chambers	407	392	376	367	353	346	341	332	323	314	302	289	282	125	44.3%	40	10.9%
Matagorda	335	326	320	318	308	298	288	288	279	274	266	266	264	71	26.9%	17	5.3%
Travis	298	280	270	252	243	228	224	219	220	216	216	213	210	88	41.9%	46	18.3%
Liberty	348	330	312	293	281	268	253	250	247	239	220	212	207	141	68.1%	55	18.8%
Hidalgo	205	198	186	180	182	180	180	183	179	176	170	161	161	44	27.3%	25	13.9%
Aransas	202	200	196	193	193	194	190	188	180	179	177	178	173	29	16.8%	9	4.7%
San patricio	224	213	207	200	196	191	186	183	175	166	163	161	160	64	40.0%	24	12.0%
Collin	229	208	188	176	172	165	163	162	158	155	151	149	152	77	50.7%	53	30.1%
Waller	169	166	157	155	155	148	150	145	144	147	148	145	142	27	19.0%	14	9.0%
Denton	238	202	178	151	144	136	133	131	125	117	116	115	115	123	107.0%	87	57.6%
Brazos	87	83	80	78	75	73	74	75	73	74	74	73	70	17	24.3%	9	11.5%
Top 25 Counties	75,903	73,253	71,529	69,958	68,874	67,819	66,859	66,165	65,041	63,757	62,468	61,326	60,524	15,379	25.4%	5,945	8.5%
All Other Counties	3,094	2,877	2,772	2,668	2,599	2,529	2,414	2,377	2,322	2,276	2,236	2,178	2,147	947	44.1%	426	16.0%
Tier 1	13,381	12,996	12,708	12,435	12,193	11,912	11,641	11,467	11,209	10,998	10,736	10,554	10,396	2,985	28.7%	946	7.6%
Tier 2	54,338	52,704	51,615	50,641	50,009	49,422	48,878	48,455	47,712	46,714	45,735	44,764	44,112	10,226	23.2%	3,697	7.3%
All Other Counties	11,278	10,430	9,978	9,550	9,271	9,014	8,754	8,620	8,442	8,321	8,233	8,186	8,163	3,115	38.2%	1,728	18.1%
Statewide Total	78,997	76,130	74,301	72,626	71,473	70,348	69,273	68,542	67,363	66,033	64,704	63,504	62,671	16,326	26.1%	6,371	8.8%

Texas FAIR Plan Association
Policy Growth Report
As of 3/31/24
HO-A Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	18,333	17,484	16,885	16,432	16,121	15,827	15,620	15,435	15,120	14,691	14,225	13,721	13,438	4,895	36.4%	1,901	11.6%
Fort bend	1,828	1,728	1,656	1,585	1,525	1,465	1,418	1,369	1,315	1,230	1,167	1,124	1,098	730	66.5%	243	15.3%
Galveston	3,813	3,727	3,671	3,608	3,560	3,497	3,438	3,402	3,335	3,291	3,227	3,190	3,149	664	21.1%	205	5.7%
Dallas	1,214	1,087	1,018	952	902	864	828	819	804	800	788	795	798	416	52.1%	262	27.5%
Brazoria	2,057	1,990	1,922	1,829	1,775	1,721	1,685	1,647	1,598	1,556	1,508	1,462	1,423	634	44.6%	228	12.5%
Tarrant	1,043	924	870	831	803	770	735	732	728	720	724	727	728	315	43.3%	212	25.5%
Nueces	831	792	763	743	721	697	681	669	666	660	658	652	650	181	27.8%	88	11.8%
El paso	1,731	1,565	1,502	1,449	1,407	1,366	1,311	1,276	1,226	1,193	1,164	1,160	1,150	581	50.5%	282	19.5%
Jefferson	1,570	1,505	1,460	1,418	1,379	1,337	1,271	1,233	1,175	1,117	1,057	1,013	979	591	60.4%	152	10.7%
Montgomery	600	561	526	496	485	477	467	443	419	409	396	394	394	206	52.3%	104	21.0%
Bexar	417	390	377	366	357	344	332	321	315	310	311	307	312	105	33.7%	51	13.9%
Cameron	363	345	335	331	325	323	313	311	303	293	282	277	268	95	35.4%	32	9.7%
Calhoun	345	341	337	336	334	333	330	329	321	321	322	316	314	31	9.9%	9	2.7%
Orange	356	333	307	298	286	279	273	269	264	246	238	235	232	124	53.4%	58	19.5%
Chambers	358	343	330	320	306	301	296	286	277	267	254	242	236	122	51.7%	38	11.9%
Matagorda	298	289	283	278	271	263	252	253	246	239	231	230	228	70	30.7%	20	7.2%
Travis	171	164	157	144	135	123	119	116	117	112	111	108	106	65	61.3%	27	18.8%
Liberty	219	204	190	178	167	159	148	147	146	138	125	124	121	98	81.0%	41	23.0%
Hidalgo	65	63	60	59	63	60	59	63	58	58	59	53	52	13	25.0%	6	10.2%
Aransas	168	166	162	160	158	158	153	152	146	146	145	145	143	25	17.5%	8	5.0%
San patricio	182	172	169	163	160	157	154	152	143	136	134	132	128	54	42.2%	19	11.7%
Collin	114	96	77	67	66	59	54	52	48	47	45	45	46	68	147.8%	47	70.1%
Waller	101	96	96	99	97	92	92	89	86	91	93	91	89	12	13.5%	2	2.0%
Denton	181	149	130	108	100	93	91	89	82	77	77	74	74	107	144.6%	73	67.6%
Brazos	39	37	36	35	32	30	30	30	30	29	27	25	25	14	56.0%	4	11.4%
Top 25 Counties	36,397	34,551	33,319	32,285	31,535	30,795	30,150	29,684	28,968	28,177	27,368	26,642	26,181	10,216	39.0%	4,112	12.7%
All Other Counties	2,070	1,894	1,799	1,689	1,613	1,560	1,488	1,443	1,398	1,353	1,319	1,289	1,264	806	63.8%	381	22.6%
Tier 1	10,080	9,769	9,528	9,282	9,083	8,880	8,667	8,526	8,302	8,118	7,907	7,745	7,602	2,478	32.6%	798	8.6%
Tier 2	21,084	20,059	19,324	18,764	18,373	18,001	17,723	17,483	17,095	16,552	16,001	15,434	15,113	5,971	39.5%	2,320	12.4%
All Other Counties	7,303	6,617	6,266	5,928	5,692	5,474	5,248	5,118	4,969	4,860	4,779	4,752	4,730	2,573	54.4%	1,375	23.2%
Statewide Total	38,467	36,445	35,118	33,974	33,148	32,355	31,638	31,127	30,366	29,530	28,687	27,931	27,445	11,022	40.2%	4,493	13.2%

Texas FAIR Plan Association
Policy Growth Report
As of 3/31/24
TDP-1 Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	25,583	25,161	24,923	24,615	24,433	24,284	24,117	23,988	23,725	23,411	23,081	22,768	22,504	3,079	13.7%	968	3.9%
Fort bend	3,916	3,812	3,742	3,671	3,608	3,543	3,479	3,450	3,384	3,266	3,199	3,118	3,062	854	27.9%	245	6.7%
Galveston	857	836	833	813	783	758	746	741	726	711	700	701	674	183	27.2%	44	5.4%
Dallas	1,033	1,006	973	952	938	939	942	934	927	928	928	917	924	109	11.8%	81	8.5%
Brazoria	554	525	514	502	497	482	472	466	451	433	417	401	399	155	38.8%	52	10.4%
Tarrant	711	667	647	629	627	607	603	616	612	608	614	627	636	75	11.8%	82	13.0%
Nueces	322	310	304	305	293	275	274	272	267	266	260	257	254	68	26.8%	17	5.6%
El paso	248	238	235	225	214	217	213	210	207	203	196	189	184	64	34.8%	23	10.2%
Jefferson	364	358	348	340	336	332	323	306	300	291	283	283	294	70	23.8%	24	7.1%
Montgomery	370	355	336	321	313	307	300	301	296	285	284	279	269	101	37.5%	49	15.3%
Bexar	186	171	173	166	162	165	159	151	151	153	150	153	153	33	21.6%	20	12.0%
Cameron	80	78	77	78	79	78	76	77	77	77	74	71	68	12	17.6%	2	2.6%
Calhoun	54	53	52	51	51	49	47	49	54	55	52	52	53	1	1.9%	3	5.9%
Orange	142	140	139	144	143	145	151	149	141	143	131	135	130	12	9.2%	(2)	(1.4%)
Chambers	43	42	39	41	41	38	38	40	40	41	40	39	39	4	10.3%	2	4.9%
Matagorda	36	36	36	39	36	34	35	34	32	34	34	35	35	1	2.9%	(3)	(7.7%)
Travis	65	57	57	55	55	51	50	50	49	50	48	48	48	17	35.4%	10	18.2%
Liberty	123	121	119	112	111	106	102	99	97	97	91	85	83	40	48.2%	11	9.8%
Hidalgo	131	127	117	112	110	110	111	110	111	108	101	99	99	32	32.3%	19	17.0%
Aransas	21	21	21	22	23	24	24	23	22	21	21	21	18	3	16.7%	(1)	(4.5%)
San patricio	40	39	37	37	36	34	32	31	32	30	29	29	32	8	25.0%	3	8.1%
Collin	93	91	90	88	85	85	89	88	88	87	85	83	85	8	9.4%	5	5.7%
Waller	62	61	54	49	51	50	51	49	50	49	48	47	46	16	34.8%	13	26.5%
Denton	50	47	43	39	40	39	38	38	37	35	34	36	36	14	38.9%	11	28.2%
Brazos	22	19	19	19	19	19	20	19	19	19	20	20	18	4	22.2%	3	15.8%
Top 25 Counties	35,106	34,371	33,928	33,425	33,084	32,771	32,492	32,291	31,895	31,401	30,920	30,493	30,143	4,963	16.5%	1,681	5.0%
All Other Counties	936	901	887	891	902	885	844	853	846	845	836	812	806	130	16.1%	45	5.1%
Tier 1	2,404	2,331	2,293	2,269	2,227	2,156	2,100	2,073	2,033	1,991	1,941	1,917	1,896	508	26.8%	135	5.9%
Tier 2	30,079	29,531	29,208	28,820	28,568	28,345	28,121	27,959	27,624	27,184	26,764	26,358	26,020	4,059	15.6%	1,259	4.4%
All Other Counties	3,559	3,410	3,314	3,227	3,191	3,155	3,115	3,112	3,084	3,071	3,051	3,030	3,033	526	17.3%	332	10.3%
Statewide Total	36,042	35,272	34,815	34,316	33,986	33,656	33,336	33,144	32,741	32,246	31,756	31,305	30,949	5,093	16.5%	1,726	5.0%

Texas FAIR Plan Association
Policy Growth Report
As of 3/31/24
HO-CONB Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	1,988	1,933	1,907	1,890	1,888	1,891	1,885	1,866	1,847	1,839	1,850	1,849	1,865	123	6.6%	98	5.2%
Fort bend	73	73	73	73	74	72	71	73	72	72	69	71	71	2	2.8%	0	0.0%
Galveston	214	215	214	218	217	213	211	213	213	210	208	208	202	12	5.9%	(4)	(1.8%)
Dallas	73	70	73	76	75	74	77	77	75	74	77	75	74	(1)	(1.4%)	(3)	(3.9%)
Brazoria	7	8	8	8	8	8	8	8	8	8	8	9	9	(2)	(22.2%)	(1)	(12.5%)
Tarrant	4	3	3	3	3	3	3	2	1	0	0	1	1	3	300.0%	1	33.3%
Nueces	157	156	151	152	151	155	160	161	165	164	171	174	177	(20)	(11.3%)	5	3.3%
El paso	1	1	1	1	1	1	1	1	1	1	2	2	2	(1)	(50.0%)	0	0.0%
Jefferson	19	17	15	14	13	13	11	10	10	9	9	8	8	11	137.5%	5	35.7%
Montgomery	19	19	19	18	15	15	16	16	16	16	16	14	12	7	58.3%	1	5.6%
Bexar	35	34	34	32	32	32	32	32	32	31	32	32	32	3	9.4%	3	9.4%
Cameron	95	95	94	91	91	89	89	89	88	88	87	87	90	5	5.6%	4	4.4%
Calhoun	5	5	5	5	5	5	5	5	4	5	5	6	6	(1)	(16.7%)	0	0.0%
Orange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	35	32	32	28	29	30	30	30	32	32	32	31	31	4	12.9%	7	25.0%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	7	7	7	7	7	7	7	7	7	7	7	6	7	0	0.0%	0	0.0%
Aransas	10	10	10	8	8	8	9	9	9	9	9	10	10	0	0.0%	2	25.0%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	14	13	14	14	14	14	13	14	14	13	13	13	13	1	7.7%	0	0.0%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Denton	2	2	2	2	2	2	2	2	2	2	2	2	2	0	0.0%	0	0.0%
Brazos	13	14	12	11	11	11	11	12	10	10	11	12	11	2	18.2%	2	18.2%
Top 25 Counties	2,771	2,707	2,674	2,651	2,644	2,643	2,641	2,627	2,606	2,590	2,608	2,610	2,623	148	5.6%	120	4.5%
All Other Counties	18	17	18	19	19	19	16	17	17	18	18	18	18	0	0.0%	(1)	(5.3%)
Tier 1	508	507	498	497	494	492	493	495	497	493	497	502	502	6	1.2%	11	2.2%
Tier 2	2,068	2,013	1,987	1,970	1,969	1,970	1,963	1,946	1,926	1,918	1,926	1,926	1,943	125	6.4%	98	5.0%
All Other Counties	213	204	207	203	200	200	201	203	200	197	203	200	196	17	8.7%	10	4.9%
Statewide Total	2,789	2,724	2,692	2,670	2,663	2,662	2,657	2,644	2,623	2,608	2,626	2,628	2,641	148	5.6%	119	4.5%

Texas FAIR Plan Association
Policy Growth Report
As of 3/31/24
HO-BT Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	999	997	997	988	999	1,006	976	974	970	964	946	950	938	61	6.5%	11	1.1%
Fort bend	83	82	76	75	74	71	68	64	72	72	74	75	77	6	7.8%	8	10.7%
Galveston	268	269	266	267	274	269	266	263	270	275	269	275	280	(12)	(4.3%)	1	0.4%
Dallas	19	18	18	19	21	22	21	20	21	21	23	26	25	(6)	(24.0%)	0	0.0%
Brazoria	37	37	36	36	35	35	35	35	35	42	43	40	41	(4)	(9.8%)	1	2.8%
Tarrant	21	20	20	20	21	22	23	25	24	25	24	23	24	(3)	(12.5%)	1	5.0%
Nueces	24	24	24	24	21	22	21	19	21	23	22	21	21	3	14.3%	0	0.0%
El paso	3	4	4	4	4	4	4	3	3	4	4	4	4	(1)	(25.0%)	(1)	(25.0%)
Jefferson	34	31	35	33	31	30	31	31	29	33	33	30	31	3	9.7%	1	3.0%
Montgomery	24	24	21	21	19	15	17	19	19	21	22	24	24	0	0.0%	3	14.3%
Bexar	15	14	15	14	14	14	14	13	14	15	14	16	17	(2)	(11.8%)	1	7.1%
Cameron	4	5	5	6	6	5	5	3	3	3	3	3	3	1	33.3%	(2)	(33.3%)
Calhoun	9	9	9	9	9	9	9	9	7	8	8	8	8	1	12.5%	0	0.0%
Orange	10	10	11	12	14	16	14	13	11	10	10	9	9	1	11.1%	(2)	(16.7%)
Chambers	6	7	7	6	6	7	7	6	6	6	8	8	7	(1)	(14.3%)	0	0.0%
Matagorda	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0.0%	0	0.0%
Travis	27	27	24	25	24	24	25	23	22	22	25	26	25	2	8.0%	2	8.0%
Liberty	6	5	3	3	3	3	3	4	4	4	4	3	3	3	100.0%	3	100.0%
Hidalgo	2	1	2	2	2	3	3	3	3	3	3	3	3	(1)	(33.3%)	0	0.0%
Aransas	3	3	3	3	4	4	4	4	3	3	2	2	2	1	50.0%	0	0.0%
San patricio	2	2	1	0	0	0	0	0	0	0	0	0	0	2	N/A	2	N/A
Collin	8	8	7	7	7	7	7	8	8	8	8	8	8	0	0.0%	1	14.3%
Waller	6	9	7	7	7	6	7	7	8	7	7	7	7	(1)	(14.3%)	(1)	(14.3%)
Denton	5	4	3	2	2	2	2	2	4	3	3	3	3	2	66.7%	3	150.0%
Brazos	13	13	13	13	13	13	13	14	14	16	16	16	16	(3)	(18.8%)	0	0.0%
Top 25 Counties	1,629	1,624	1,608	1,597	1,611	1,610	1,576	1,563	1,572	1,589	1,572	1,581	1,577	52	3.3%	32	2.0%
All Other Counties	70	65	68	69	65	65	66	64	61	60	63	59	59	11	18.6%	1	1.4%
Tier 1	389	389	389	387	389	384	381	373	377	396	391	390	396	(7)	(1.8%)	2	0.5%
Tier 2	1,107	1,101	1,096	1,087	1,099	1,106	1,071	1,067	1,067	1,060	1,044	1,046	1,036	71	6.9%	20	1.8%
All Other Counties	203	199	191	192	188	185	190	187	189	193	200	204	204	(1)	(0.5%)	11	5.7%
Statewide Total	1,699	1,689	1,676	1,666	1,676	1,675	1,642	1,627	1,633	1,649	1,635	1,640	1,636	63	3.9%	33	2.0%

Texas FAIR Plan Association
Exposure Growth Report
As of 3/31/24
All Forms Combined
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	9,677	9,230	8,921	8,645	8,437	8,245	8,074	7,916	7,693	7,392	7,082	6,778	6,564	3,113	47.4%	1,032	11.9%
Fort bend	1,516	1,435	1,377	1,315	1,264	1,210	1,167	1,132	1,073	1,000	940	894	859	657	76.5%	201	15.3%
Galveston	1,713	1,655	1,624	1,589	1,558	1,513	1,474	1,452	1,406	1,378	1,336	1,307	1,268	444	35.0%	123	7.7%
Dallas	566	500	460	423	399	380	362	352	340	337	332	328	328	239	72.8%	143	33.7%
Brazoria	914	870	835	785	756	727	705	683	656	627	596	569	544	370	68.0%	129	16.5%
Tarrant	427	364	328	310	296	275	260	255	250	243	242	242	243	184	75.9%	116	37.5%
Nueces	330	313	300	291	280	268	261	255	252	249	246	243	241	89	37.1%	39	13.2%
El paso	581	510	485	466	445	430	411	396	379	365	353	349	344	237	68.9%	115	24.6%
Jefferson	615	585	563	544	524	504	473	450	428	405	376	354	343	272	79.5%	72	13.2%
Montgomery	255	238	221	206	197	190	187	172	160	150	141	135	131	123	93.9%	49	23.6%
Bexar	146	136	131	127	123	117	111	104	101	98	98	96	96	50	52.3%	19	15.2%
Cameron	134	129	124	123	121	117	112	109	105	100	96	90	87	48	55.0%	11	9.0%
Calhoun	111	110	109	107	107	107	105	105	102	102	101	98	97	14	14.3%	4	3.3%
Orange	117	108	100	97	93	89	88	85	81	75	69	67	64	53	82.1%	20	20.6%
Chambers	164	155	146	140	134	131	128	123	119	114	104	99	96	69	71.7%	24	17.2%
Matagorda	96	93	91	89	85	82	78	78	74	71	67	66	65	31	46.8%	7	7.8%
Travis	84	78	72	65	60	53	52	49	47	44	43	41	39	45	112.8%	19	29.7%
Liberty	57	53	48	44	42	40	37	35	34	32	28	27	27	30	113.5%	13	30.2%
Hidalgo	32	30	28	28	28	26	25	25	24	23	22	20	20	13	64.7%	5	16.4%
Aransas	49	48	47	46	46	46	44	43	41	41	41	40	39	10	24.3%	2	5.2%
San patricio	65	60	58	56	56	53	52	51	48	45	43	42	40	24	60.5%	8	14.5%
Collin	88	78	65	55	54	47	43	41	38	36	34	33	34	54	159.2%	34	61.3%
Waller	32	30	28	29	28	26	25	23	22	21	22	21	21	11	52.8%	3	11.1%
Denton	107	87	73	59	53	49	48	47	42	38	37	36	36	71	197.6%	48	82.3%
Brazos	18	17	16	14	13	13	13	13	13	13	13	12	11	7	65.3%	3	23.2%
Top 25 Counties	17,893	16,913	16,253	15,654	15,200	14,739	14,333	13,994	13,528	13,000	12,462	11,989	11,636	6,257	53.8%	2,239	14.3%
All Other Counties	784	708	668	621	582	555	516	495	471	453	435	419	404	380	94.0%	163	26.2%
Tier 1	4,223	4,051	3,930	3,804	3,700	3,580	3,462	3,379	3,261	3,163	3,035	2,935	2,847	1,377	48.4%	420	11.0%
Tier 2	11,493	10,939	10,551	10,199	9,933	9,679	9,456	9,256	8,966	8,581	8,199	7,839	7,583	3,909	51.6%	1,293	12.7%
All Other Counties	2,962	2,630	2,440	2,273	2,148	2,034	1,931	1,854	1,772	1,709	1,663	1,633	1,610	1,351	83.9%	689	30.3%
Statewide Total	18,678	17,620	16,921	16,276	15,781	15,294	14,849	14,489	13,999	13,452	12,897	12,408	12,040	6,637	55.1%	2,402	14.8%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 3/31/24
HO-A Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	6,030	5,679	5,427	5,217	5,059	4,905	4,782	4,660	4,500	4,272	4,036	3,808	3,659	2,371	64.8%	813	15.6%
Fort bend	773	719	681	638	605	569	544	520	480	434	392	365	345	427	123.7%	134	21.1%
Galveston	1,561	1,507	1,476	1,446	1,420	1,380	1,343	1,324	1,279	1,252	1,216	1,188	1,154	406	35.2%	115	8.0%
Dallas	424	365	330	297	276	260	241	233	223	221	215	214	213	211	98.8%	127	42.8%
Brazoria	821	783	750	703	675	649	630	609	585	559	532	509	485	336	69.2%	118	16.8%
Tarrant	339	282	251	236	223	205	191	185	182	174	174	172	172	167	96.8%	103	43.6%
Nueces	276	261	250	241	232	222	216	210	208	205	203	200	198	78	39.5%	36	14.8%
El paso	549	480	455	438	418	403	385	370	353	340	329	327	322	227	70.5%	111	25.4%
Jefferson	573	543	522	504	485	465	435	415	394	373	345	323	311	262	84.1%	68	13.6%
Montgomery	198	184	171	159	153	146	144	131	119	112	104	101	99	99	99.4%	39	24.5%
Bexar	124	116	110	107	104	98	93	88	85	82	83	80	80	44	55.7%	17	15.7%
Cameron	114	109	105	104	102	98	94	91	87	83	78	73	70	44	62.2%	10	9.6%
Calhoun	105	104	103	102	101	101	100	99	96	96	95	92	91	14	14.9%	3	3.3%
Orange	102	94	85	82	78	74	72	69	67	62	57	55	52	50	95.5%	20	24.9%
Chambers	158	149	141	134	128	126	123	117	114	108	98	94	90	68	75.6%	25	18.4%
Matagorda	92	89	87	85	82	79	75	75	71	68	64	63	62	30	47.9%	7	8.3%
Travis	70	66	61	54	50	43	42	39	37	34	34	32	31	40	128.6%	17	31.0%
Liberty	45	41	37	34	32	31	28	27	26	24	21	20	20	26	129.5%	11	34.0%
Hidalgo	14	13	13	13	13	12	11	11	10	9	10	8	8	7	89.2%	1	11.0%
Aransas	45	45	44	43	43	43	40	39	37	38	38	36	36	9	25.1%	2	5.0%
San patricio	60	56	55	53	52	50	49	48	45	42	40	39	37	23	61.6%	8	14.4%
Collin	69	59	46	36	36	30	25	24	20	19	18	17	18	51	285.5%	33	90.7%
Waller	25	24	22	24	22	21	20	18	16	16	17	17	16	9	53.5%	1	6.1%
Denton	96	76	65	52	47	43	42	41	35	33	32	31	31	65	211.5%	44	84.1%
Brazos	14	13	13	11	10	9	10	10	10	10	9	9	8	6	80.2%	3	24.1%
Top 25 Counties	12,680	11,857	11,301	10,812	10,446	10,062	9,735	9,452	9,081	8,666	8,240	7,873	7,611	5,069	66.6%	1,868	17.3%
All Other Counties	679	607	569	523	483	458	426	405	382	364	348	335	321	357	111.2%	156	29.9%
Tier 1	3,836	3,676	3,562	3,442	3,348	3,240	3,132	3,054	2,943	2,852	2,736	2,643	2,561	1,275	49.8%	394	11.4%
Tier 2	7,040	6,613	6,304	6,038	5,842	5,646	5,488	5,335	5,128	4,845	4,558	4,296	4,122	2,919	70.8%	1,002	16.6%
All Other Counties	2,482	2,175	2,004	1,854	1,740	1,634	1,540	1,468	1,392	1,333	1,294	1,269	1,250	1,232	98.6%	628	33.9%
Statewide Total	13,359	12,463	11,870	11,334	10,929	10,520	10,161	9,857	9,463	9,029	8,588	8,208	7,933	5,426	68.4%	2,024	17.9%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 3/31/24
TDP-1 Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	3,477	3,385	3,331	3,267	3,216	3,178	3,131	3,097	3,038	2,966	2,890	2,814	2,749	727	26.5%	209	6.4%
Fort bend	734	707	687	668	651	633	615	604	585	558	540	521	506	229	45.2%	66	9.8%
Galveston	123	119	118	114	109	105	102	101	98	97	93	92	87	36	41.5%	9	7.5%
Dallas	137	131	125	121	118	116	115	114	112	112	111	109	110	28	25.3%	16	13.1%
Brazoria	91	85	82	80	79	76	73	72	69	66	61	58	57	35	61.1%	11	14.0%
Tarrant	87	81	76	73	72	69	68	69	68	68	68	69	70	17	24.4%	13	18.3%
Nueces	38	37	35	35	33	30	30	29	28	28	26	26	25	13	50.8%	2	6.9%
El paso	32	31	30	28	26	27	26	26	25	25	23	22	22	10	47.9%	4	13.5%
Jefferson	39	39	38	37	36	36	35	33	32	30	29	29	30	10	32.4%	3	6.9%
Montgomery	53	51	47	44	42	42	40	39	38	36	34	32	30	23	77.0%	9	20.6%
Bexar	19	18	18	17	17	17	16	14	14	14	13	14	14	5	36.3%	2	11.6%
Cameron	10	9	9	9	9	9	9	9	9	8	8	8	7	3	37.0%	0	3.8%
Calhoun	5	5	5	5	5	5	5	4	5	5	5	5	5	0	5.7%	0	3.6%
Orange	14	14	14	14	14	14	15	15	14	13	12	12	12	3	22.3%	(0)	(2.4%)
Chambers	5	6	6	6	6	5	5	6	6	6	6	5	5	0	5.8%	(0)	(8.2%)
Matagorda	4	4	4	4	3	3	3	3	3	3	3	3	3	1	23.9%	(0)	(2.4%)
Travis	10	8	8	8	8	7	7	7	6	7	6	6	6	4	67.2%	2	21.9%
Liberty	11	12	11	10	10	9	8	8	8	8	7	7	7	4	66.0%	2	15.6%
Hidalgo	17	17	15	14	14	14	14	14	14	13	12	12	11	6	51.3%	3	21.9%
Aransas	2	2	2	2	2	3	3	2	2	2	2	2	2	0	4.2%	(0)	(7.7%)
San patricio	4	4	3	3	3	3	3	3	3	3	3	2	3	1	40.0%	0	12.4%
Collin	17	17	17	17	16	16	17	16	16	16	15	15	15	2	11.9%	0	3.0%
Waller	7	6	6	5	5	5	5	5	5	5	5	5	4	2	55.8%	2	37.7%
Denton	11	10	8	6	7	6	6	6	6	5	5	5	5	6	117.7%	4	65.9%
Brazos	2	2	2	2	2	2	2	2	2	2	2	2	2	1	31.0%	0	23.8%
Top 25 Counties	4,949	4,798	4,698	4,592	4,504	4,428	4,352	4,297	4,205	4,095	3,981	3,875	3,784	1,165	30.8%	357	7.8%
All Other Counties	101	97	95	94	94	92	87	86	85	85	83	80	79	22	28.2%	7	7.4%
Tier 1	324	312	306	300	292	279	270	265	258	251	238	232	226	98	43.6%	24	8.1%
Tier 2	4,271	4,150	4,074	3,989	3,920	3,862	3,797	3,753	3,672	3,573	3,476	3,379	3,296	974	29.6%	281	7.1%
All Other Counties	455	432	413	397	387	380	371	365	360	356	349	344	341	114	33.4%	58	14.7%
Statewide Total	5,050	4,894	4,793	4,686	4,598	4,520	4,438	4,383	4,290	4,180	4,064	3,955	3,863	1,187	30.7%	364	7.8%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 3/31/24
HO-CONB Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	152	147	145	143	142	143	142	140	137	136	137	137	137	15	10.7%	9	6.5%
Fort bend	7	7	7	7	6	6	6	6	6	6	6	6	6	1	19.0%	0	5.7%
Galveston	21	21	21	21	21	20	20	20	20	20	20	20	19	2	11.6%	(0)	(1.9%)
Dallas	4	4	4	4	5	4	4	4	4	4	4	4	4	(0)	(0.9%)	(0)	(8.5%)
Brazoria	0	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(33.9%)	(0)	(17.0%)
Tarrant	1	1	1	1	1	1	1	1	1	0	0	0	0	1	632.8%	0	1.9%
Nueces	15	15	15	15	15	15	15	15	16	16	16	17	17	(2)	(10.0%)	1	4.0%
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(51.7%)	0	0.0%
Jefferson	2	2	1	1	1	1	1	1	1	1	1	1	1	1	191.5%	1	48.3%
Montgomery	1	1	1	1	1	1	1	1	1	1	1	1	1	1	62.5%	0	7.4%
Bexar	2	2	2	2	2	2	2	2	2	2	2	2	2	1	38.3%	0	16.5%
Cameron	10	10	10	10	10	9	9	9	10	9	9	9	9	1	14.7%	1	8.5%
Calhoun	0	0	0	0	0	0	0	0	0	0	0	1	1	(0)	(23.6%)	0	0.0%
Orange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	3	3	3	2	2	2	2	2	2	2	2	2	2	1	27.4%	1	32.3%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	0.0%
Aransas	1	1	1	1	1	1	1	1	1	1	1	1	1	0	37.5%	0	60.5%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	2	1	2	2	2	1	1	1	1	1	1	1	1	1	138.5%	0	0.0%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Denton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	0.0%
Brazos	1	1	1	1	1	1	1	1	1	1	1	1	1	0	19.4%	0	17.6%
Top 25 Counties	224	218	215	212	210	210	208	207	204	201	203	203	202	22	10.9%	12	5.9%
All Other Counties	2	1	1	2	2	2	1	1	1	2	2	2	2	(0)	(1.1%)	(0)	(14.2%)
Tier 1	51	50	49	49	48	48	47	47	48	47	47	48	47	3	6.5%	2	4.0%
Tier 2	159	154	152	150	149	150	148	147	144	143	143	143	144	16	11.0%	10	6.4%
All Other Counties	16	15	15	15	15	14	14	14	14	13	13	13	13	3	24.3%	1	4.4%
Statewide Total	226	220	216	214	212	212	209	208	206	203	204	204	204	22	10.8%	12	5.7%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 3/31/24
HO-BT Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	19	19	19	19	19	20	19	19	19	18	18	19	19	(0)	(1.4%)	(0)	(2.1%)
Fort bend	2	2	2	2	2	2	2	2	2	2	2	2	2	0	8.9%	0	18.1%
Galveston	8	8	8	8	8	8	8	8	8	8	8	8	8	(0)	(1.9%)	(0)	(2.7%)
Dallas	1	1	1	1	1	1	1	1	1	1	1	1	1	0	14.5%	0	25.6%
Brazoria	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(0.9%)	0	1.3%
Tarrant	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(13.7%)	0	5.5%
Nueces	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(15.3%)	(0)	(12.2%)
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(37.6%)	(0)	(36.7%)
Jefferson	1	1	2	1	1	1	1	1	1	1	1	1	1	0	6.6%	0	2.1%
Montgomery	2	2	1	1	1	1	1	1	1	1	1	1	1	1	77.5%	0	24.9%
Bexar	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(7.3%)	0	19.5%
Cameron	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(6.7%)	(0)	(16.7%)
Calhoun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11.5%	0	0.0%
Orange	0	0	0	1	1	1	1	0	0	0	0	0	0	0	47.2%	(0)	(14.7%)
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.7%	0	0.0%
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	0.0%
Travis	1	1	1	1	1	1	1	1	1	1	1	1	1	0	68.4%	0	12.7%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	166.7%	0	166.7%
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(33.3%)	0	0.0%
Aransas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70.7%	0	0.0%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76.5%	0	20.0%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(11.5%)	(0)	(11.5%)
Denton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500.0%	0	680.0%
Brazos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12.0%	0	0.0%
Top 25 Counties	40	40	40	39	39	39	38	38	38	38	38	38	38	2	4.9%	1	2.3%
All Other Counties	3	3	3	3	3	3	3	3	3	3	3	3	3	0	14.4%	0	2.6%
Tier 1	13	13	13	13	13	13	13	12	12	13	13	13	13	(0)	(0.7%)	(0)	(2.2%)
Tier 2	22	22	22	22	22	22	22	22	22	21	21	22	22	0	1.0%	(0)	(0.1%)
All Other Counties	9	9	8	8	7	7	7	7	6	7	7	7	7	2	31.9%	1	16.9%
Statewide Total	43	43	42	42	42	42	41	41	40	40	41	41	41	2	5.6%	1	2.3%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Premium Growth Report
As of 3/31/24
All Forms Combined
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	11,404.5	7,609.6	7,310.6	6,281.2	5,771.0	6,369.1	6,495.5	7,400.4	7,426.7	7,783.1	7,889.9	6,483.4	6,901.7	4,502.8	65.2%	5,123.2	81.6%
Fort bend	1,476.0	946.1	1,010.5	895.8	838.4	801.8	882.4	1,052.6	968.1	918.9	808.5	692.4	830.4	645.6	77.7%	580.2	64.8%
Galveston	422.4	246.9	227.1	224.4	224.8	256.4	241.9	323.2	252.8	291.4	270.5	256.1	292.6	129.8	44.3%	198.0	88.3%
Dallas	756.5	534.4	448.5	417.1	352.2	329.0	282.4	297.1	216.5	263.5	271.3	250.8	238.8	517.7	216.8%	339.5	81.4%
Brazoria	228.2	168.0	178.2	148.1	148.3	144.7	158.6	165.4	156.4	147.8	145.6	138.8	133.8	94.4	70.5%	80.1	54.1%
Tarrant	686.1	436.3	323.0	293.1	296.6	243.6	204.3	206.1	210.4	203.7	217.1	197.7	190.4	495.7	260.3%	393.0	134.1%
Nueces	137.6	93.2	84.9	85.1	89.1	79.0	91.8	80.7	102.4	89.7	71.5	61.5	79.7	57.9	72.6%	52.5	61.7%
El paso	373.5	197.7	178.9	171.8	141.3	154.8	161.8	180.1	143.8	154.3	116.6	125.3	122.3	251.2	205.4%	201.7	117.4%
Jefferson	168.2	107.1	94.0	89.2	94.8	124.9	130.6	139.1	112.2	133.3	104.9	65.3	100.4	67.8	67.6%	79.0	88.6%
Montgomery	205.9	171.3	164.0	104.4	96.9	113.9	164.5	147.1	126.9	135.2	104.9	110.5	80.5	125.4	155.8%	101.6	97.3%
Bexar	133.5	77.6	92.7	76.4	90.6	80.8	90.5	69.9	84.4	57.9	59.8	54.8	63.2	70.2	111.1%	57.1	74.7%
Cameron	44.4	26.9	25.7	21.5	24.8	31.8	19.8	23.3	24.6	30.2	33.3	25.6	25.6	18.8	73.4%	22.9	106.7%
Calhoun	23.0	22.7	21.6	20.6	13.1	21.3	17.9	28.9	32.0	24.8	27.5	17.7	21.8	1.2	5.5%	2.4	11.8%
Orange	147.9	149.3	85.1	89.2	90.0	72.3	83.6	103.5	129.7	127.6	77.4	92.2	47.2	100.7	213.1%	58.7	65.8%
Chambers	40.0	37.8	22.8	30.8	18.4	20.5	34.7	27.3	31.9	27.8	31.7	25.8	25.8	14.2	55.2%	9.2	29.9%
Matagorda	38.0	17.0	17.9	26.5	26.2	23.5	17.0	24.1	24.1	34.4	16.3	11.7	25.2	12.8	50.7%	11.4	43.1%
Travis	51.0	40.8	62.8	40.0	57.3	19.1	30.0	31.7	28.4	16.0	30.1	16.0	21.6	29.4	135.9%	11.0	27.5%
Liberty	69.5	90.2	69.9	39.3	51.9	72.2	60.8	38.8	55.3	60.7	57.4	30.7	23.5	46.0	195.8%	30.2	76.7%
Hidalgo	42.3	23.4	28.3	12.5	37.8	17.5	13.4	35.6	14.5	21.5	47.5	19.4	18.9	23.4	123.8%	29.8	238.6%
Aransas	8.0	15.0	9.3	4.1	4.5	13.0	12.4	17.5	10.2	7.8	10.3	14.5	5.5	2.5	45.5%	3.9	94.9%
San patricio	25.3	9.6	12.0	10.2	14.4	11.6	11.1	17.3	14.4	13.9	11.6	10.1	15.3	10.1	65.8%	15.2	149.6%
Collin	90.1	168.6	108.5	17.1	79.2	38.5	33.2	31.8	45.1	22.1	27.2	23.8	11.5	78.6	681.8%	73.0	425.5%
Waller	28.8	34.5	27.1	23.0	21.9	16.3	26.4	29.0	17.7	11.3	11.1	17.8	22.2	6.6	29.8%	5.8	25.4%
Denton	151.2	101.3	119.9	62.8	50.1	33.9	34.6	45.7	43.5	14.1	22.4	17.1	33.8	117.4	347.6%	88.4	140.9%
Brazos	9.2	3.9	10.8	9.3	6.9	3.7	5.7	9.8	2.6	8.2	11.4	9.0	5.4	3.8	69.3%	(0.1)	(1.4%)
Top 25 Counties	16,761.1	11,329.3	10,734.2	9,193.5	8,640.6	9,093.1	9,305.0	10,525.9	10,274.4	10,599.3	10,475.7	8,767.9	9,337.2	7,423.8	79.5%	7,567.5	82.3%
All Other Counties	943.2	590.9	652.6	497.0	419.9	549.5	457.1	456.5	444.8	383.5	431.2	400.8	316.3	626.9	198.2%	446.2	89.8%
Tier 1	1,145.2	755.6	699.4	663.9	666.6	740.8	746.7	857.2	765.5	808.5	734.1	630.9	735.9	409.3	55.6%	481.4	72.5%
Tier 2	13,319.1	8,920.1	8,612.3	7,383.1	6,825.8	7,424.3	7,607.7	8,728.4	8,652.2	8,978.9	8,968.5	7,388.5	7,866.3	5,452.8	69.3%	5,936.0	80.4%
All Other Counties	3,240.0	2,244.5	2,075.1	1,643.6	1,568.2	1,477.4	1,407.7	1,396.7	1,301.4	1,195.2	1,204.3	1,149.4	1,051.3	2,188.6	208.2%	1,596.4	97.1%
Statewide Total	17,704.2	11,920.2	11,386.8	9,690.5	9,060.6	9,642.5	9,762.1	10,982.4	10,719.2	10,982.7	10,907.0	9,168.8	9,653.5	8,050.7	83.4%	8,013.7	82.7%

Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Premium Growth Report
As of 3/31/24
HO-A Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	7,596	4,909	4,507	3,976	3,672	3,757	4,002	4,594	4,739	4,852	5,051	3,877	4,128	3,467	84.0%	3,620	91.1%
Fort bend	784	493	563	476	465	375	451	573	487	491	405	327	352	431	122.4%	308	64.7%
Galveston	356	194	189	184	187	219	209	275	215	243	228	207	239	117	49.1%	172	93.7%
Dallas	624	431	350	331	275	270	206	201	169	191	196	183	160	463	289.3%	292	88.2%
Brazoria	191	148	157	127	128	123	133	144	129	123	118	121	118	73	61.8%	64	50.7%
Tarrant	580	349	257	231	233	195	163	142	167	154	167	147	134	446	333.1%	349	151.5%
Nueces	115	74	74	68	72	67	76	63	81	68	62	47	64	51	80.4%	47	68.5%
El paso	351	179	160	150	134	144	152	166	134	140	103	112	110	241	218.4%	200	133.3%
Jefferson	150	96	81	80	87	108	105	124	98	116	91	60	88	62	70.6%	70	87.2%
Montgomery	170	127	123	74	67	89	139	116	95	111	80	73	65	105	162.1%	96	130.4%
Bexar	113	68	75	60	81	66	72	57	70	44	52	49	50	63	125.1%	53	89.8%
Cameron	34	21	20	19	17	22	15	21	18	22	26	20	19	15	76.3%	15	74.7%
Calhoun	22	21	18	19	13	19	16	26	29	21	25	17	21	1	4.1%	3	16.8%
Orange	137	132	79	78	76	63	68	78	115	105	69	72	42	95	223.8%	59	76.2%
Chambers	37	35	21	28	14	20	34	25	31	27	27	23	22	15	65.4%	9	31.4%
Matagorda	36	16	17	23	25	22	17	21	20	30	15	10	26	10	38.3%	13	54.2%
Travis	29	35	55	36	47	10	25	24	24	10	25	13	15	14	90.6%	(7)	(20.5%)
Liberty	55	67	46	30	40	64	55	26	48	54	36	21	10	44	425.1%	24	80.2%
Hidalgo	19	9	11	(1)	30	9	1	24	5	8	25	6	8	11	136.4%	20	(2067.1%)
Aransas	7	13	9	3	4	11	11	14	8	7	9	13	5	2	38.5%	4	112.3%
San patricio	24	8	11	8	13	9	9	13	12	12	11	10	14	10	68.4%	17	211.1%
Collin	77	107	101	6	70	40	25	26	34	16	16	19	7	69	941.5%	70	1085.5%
Waller	21	21	14	24	21	13	21	27	11	4	10	11	21	(0)	(1.2%)	(3)	(12.1%)
Denton	136	89	106	52	47	27	31	41	36	12	24	12	30	107	361.7%	84	162.0%
Brazos	6	2	8	8	6	4	4	5	3	6	8	7	4	2	38.3%	(3)	(35.1%)
Top 25 Counties	11,669	7,644	7,050	6,091	5,827	5,743	6,041	6,826	6,778	6,866	6,881	5,456	5,755	5,914	102.8%	5,578	91.6%
All Other Counties	832	508	565	438	340	436	368	383	372	309	326	322	257	575	223.5%	394	90.1%
Tier 1	983	637	606	566	569	622	633	733	644	674	621	532	627	356	56.7%	417	73.7%
Tier 2	8,743	5,700	5,294	4,609	4,307	4,348	4,632	5,379	5,436	5,564	5,653	4,345	4,578	4,165	91.0%	4,133	89.7%
All Other Counties	2,776	1,814	1,716	1,354	1,290	1,210	1,144	1,098	1,070	937	934	901	808	1,968	243.6%	1,422	105.0%
Statewide Total	12,501	8,151	7,615	6,529	6,167	6,180	6,409	7,210	7,150	7,176	7,207	5,778	6,012	6,488	107.9%	5,972	91.5%

Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Premium Growth Report
As of 3/31/24
TDP-1 Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)													Annual Growth		YTD Growth	
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	3,659	2,595	2,694	2,208	2,007	2,484	2,380	2,673	2,565	2,815	2,746	2,509	2,673	986	36.9%	1,451	65.7%
Fort bend	685	448	442	417	368	417	429	475	476	423	402	360	473	212	44.7%	268	64.3%
Galveston	52	44	33	34	28	27	23	38	28	35	31	37	43	9	20.1%	19	55.2%
Dallas	126	105	93	84	72	56	73	94	46	71	74	63	75	50	66.6%	42	49.7%
Brazoria	36	19	21	21	19	21	25	22	27	24	27	17	14	22	151.6%	15	70.8%
Tarrant	106	87	66	62	64	48	41	61	36	50	50	50	56	50	88.8%	43	69.7%
Nueces	15	13	8	14	14	9	11	9	12	14	6	8	8	7	89.7%	1	5.4%
El paso	23	19	18	21	7	11	10	14	10	15	13	13	12	11	93.8%	1	6.2%
Jefferson	16	10	12	8	7	16	24	14	13	16	12	5	12	5	38.1%	8	99.5%
Montgomery	35	42	40	26	27	24	24	31	30	24	24	36	15	19	128.2%	8	32.0%
Bexar	19	7	15	14	10	14	18	12	11	8	6	6	11	7	65.4%	4	31.0%
Cameron	8	2	3	2	5	4	1	1	2	3	4	3	4	4	93.2%	6	310.7%
Calhoun	1	1	3	1	1	2	2	1	2	4	3	1	1	0	62.9%	(0)	(35.6%)
Orange	11	17	7	12	14	8	14	25	15	22	8	20	4	7	152.7%	(1)	(6.3%)
Chambers	3	3	2	3	4	1	0	2	1	0	4	3	3	(0)	(11.7%)	0	10.0%
Matagorda	2	1	1	3	1	1	0	3	4	5	1	1	(1)	3	(375.1%)	(1)	(36.2%)
Travis	18	2	5	1	9	7	4	5	3	5	3	3	5	14	298.3%	17	1642.4%
Liberty	14	23	24	9	12	8	6	12	8	7	21	10	13	1	8.5%	5	57.3%
Hidalgo	21	14	17	13	7	9	13	12	9	13	21	13	9	12	125.4%	8	58.6%
Aransas	1	1	(1)	1	(0)	3	1	3	2	0	0	1	0	1	472.9%	(0)	-18%
San patricio	1	1	0	2	2	3	2	4	2	2	0	(0)	1	0	18%	(1)	-59%
Collin	13	62	7	10	5	(2)	8	5	8	5	11	5	4	9	248%	3	25.8%
Waller	8	12	13	(1)	1	4	6	1	7	7	1	7	1	7	1024.0%	9	(1354.2%)
Denton	14	12	13	11	3	7	4	4	7	2	(1)	4	4	10	282.6%	3	30%
Brazos	4	0	3	0	1	(1)	2	2	(1)	1	3	1	1	2	161.3%	3	846.2%
Top 25 Counties	4,890	3,542	3,540	2,978	2,688	3,180	3,121	3,526	3,324	3,572	3,473	3,176	3,442	1,448	42.1%	1,912	64.2%
All Other Counties	108	81	87	59	79	109	89	72	70	73	100	76	59	50	84.3%	49	83.7%
Tier 1	136	96	80	87	81	97	93	102	94	105	92	75	86	50	57.6%	48	55.7%
Tier 2	4,417	3,108	3,203	2,673	2,421	2,937	2,858	3,211	3,088	3,293	3,220	2,940	3,181	1,235	38.8%	1,743	65.2%
All Other Counties	446	419	344	277	265	255	259	284	211	248	261	237	234	213	90.9%	169	61.2%
Statewide Total	4,999	3,623	3,628	3,037	2,767	3,289	3,210	3,598	3,393	3,646	3,573	3,252	3,501	1,498	42.8%	1,961	64.6%

Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Premium Growth Report
As of 3/31/24
HO-CONB Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	132	88	99	89	79	112	100	114	107	99	79	86	83	49	59.3%	44	49.0%
Fort bend	6	3	4	2	5	9	1	3	3	4	1	5	3	3	77.7%	3	142.3%
Galveston	9	6	1	5	6	7	7	6	7	7	8	9	6	3	51.5%	4	80.8%
Dallas	6	(2)	5	2	5	3	3	2	1	0	1	4	3	4	129.1%	4	243.5%
Brazoria	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(100.0%)	0	N/A
Tarrant	0	0	0	0	0	0	0	1	7	0	(0)	0	1	(0)	(74.0%)	0	N/A
Nueces	7	6	2	2	2	3	4	8	9	8	3	6	8	(0)	(4.7%)	5	213.8%
El paso	0	0	1	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Jefferson	1	1	0	0	0	1	1	0	1	0	0	0	0	1	655.2%	1	127.5%
Montgomery	0	1	1	4	0	1	0	0	1	0	1	1	0	0	N/A	(4)	(93.3%)
Bexar	1	3	2	2	0	0	0	1	2	6	2	0	1	(0)	(5.8%)	(1)	(40.5%)
Cameron	2	5	3	0	2	6	3	2	5	5	3	2	2	0	7.0%	2	35733.3%
Calhoun	0	0	0	0	0	0	0	1	0	0	0	0	0	0	7.4%	(0)	(33%)
Orange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	3	3	3	2	1	2	1	1	1	1	1	0	1	2	128.3%	1	50.0%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	2	0	0	0	0	0	0	0	0	0	1	0	1	0	28.7%	2	N/A
Aransas	0	1	1	0	1	(0)	0	0	0	0	1	0	0	0	7.3%	0	N/A
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	1	0	0	0	3	0	0	0	2	0	0	0	0	0	47.7%	0	87.9%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Denton	1	0	0	0	0	0	0	0	0	0	0	1	1	0	8.6%	1	N/A
Brazos	(0)	1	1	0	0	1	(0)	1	0	1	1	1	0	(0)	N/A	(1)	(119.9%)
Top 25 Counties	173	115	124	111	105	145	119	143	148	132	102	116	112	61	54.5%	62	56.2%
All Other Counties	2	1	(1)	0	0	4	(1)	(0)	1	0	2	1	0	2	617.9%	2	N/A
Tier 1	20	19	8	8	12	18	15	18	22	21	15	18	17	3	20.0%	12	144.2%
Tier 2	140	91	103	91	84	121	101	118	111	103	81	91	88	52	59.5%	49	53.4%
All Other Counties	14	6	12	11	9	11	2	7	17	8	8	8	7	7	93.7%	3	30.5%
Statewide Total	175	116	123	111	105	149	118	143	150	133	104	117	112	63	55.9%	64	57.9%

Premium totals are not audited and may not match published financial statements

Texas FAIR Plan Association
Premium Growth Report
As of 3/31/24
HO-BT Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Actual	%	Actual	%
Harris	17	17	10	8	13	17	13	18	15	17	13	11	17	(0)	(2.7%)	8	100.1%
Fort bend	2	2	2	1	1	1	2	1	1	1	1	0	1	0	4.5%	1	84.1%
Galveston	5	3	3	2	3	3	3	4	3	6	3	4	4	1	11.7%	3	177.6%
Dallas	1	0	0	0	0	0	0	1	0	0	0	0	0	1	121.8%	1	38735.3%
Brazoria	1	0	0	0	0	1	1	0	0	0	1	1	1	(0)	(3.0%)	1	801.0%
Tarrant	0	0	0	0	0	0	0	2	0	0	0	0	0	0	N/A	(0)	(4.8%)
Nueces	0	0	0	0	0	0	0	0	1	0	0	0	0	(0)	(33.6%)	(0)	(42.0%)
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(100.0%)	(0)	(100.0%)
Jefferson	1	(0)	1	0	1	0	1	1	1	1	1	0	0	0	109.3%	0	98.7%
Montgomery	1	2	0	0	2	0	1	0	0	0	0	1	0	0	111.8%	1	153.3%
Bexar	0	0	1	0	0	0	0	0	0	0	(0)	0	0	0	42.2%	0	77.0%
Cameron	(0)	0	0	0	0	0	0	0	(0)	0	0	0	0	(0)	N/A	(0)	N/A
Calhoun	0	0	1	0	0	0	0	0	0	0	0	0	0	0	N/A	(0)	(100.0%)
Orange	0	0	(0)	(0)	(1)	1	2	0	0	1	0	1	1	(1)	(79.9%)	0	(236.5%)
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(61.5%)	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	1	1	0	0	0	0	0	1	0	0	0	0	0	0	37.7%	0	36.2%
Liberty	1	0	0	0	0	0	0	0	0	0	0	0	0	1	N/A	1	N/A
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Aransas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	(0)	(40.1%)
Waller	(0)	1	0	0	0	0	0	0	0	0	0	0	0	(1)	(145.6%)	(0)	N/A
Denton	0	0	1	0	0	0	0	(0)	0	0	0	0	0	0	N/A	0	N/A
Brazos	0	0	0	0	0	0	0	1	0	0	0	0	0	0	N/A	0	N/A
Top 25 Counties	29	29	20	13	21	24	24	31	24	28	20	20	28	1	3.9%	16	117.7%
All Other Counties	1	1	1	0	1	1	1	2	2	1	2	3	0	1	911.5%	1	151.3%
Tier 1	7	4	6	3	5	4	5	5	6	8	6	6	6	1	9.7%	4	157.1%
Tier 2	20	21	12	9	13	19	17	20	17	19	14	12	20	0	1.2%	11	114.4%
All Other Counties	4	5	3	2	4	1	3	7	4	2	2	5	2	1	55.3%	2	88.5%
Statewide Total	30	30	21	14	22	25	25	33	27	29	22	23	28	2	7.6%	16	118.8%

Premium totals are not audited and may not match published financial statements

5B. Reserve Adequacy



MEMORANDUM

DATE: April 22, 2024

TO: David Durden
General Manager

FROM: James Murphy, FCAS, MAAA
Chief Actuary, Vice President – Enterprise Analytics

RE: TFPA Reserve Adequacy as of March 31, 2024

TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of March 31, 2024.

Based on this review, the indicated ultimate cost of Hurricane Harvey remains at \$82.3 million. In recognition of uncertainties regarding the outcomes of disputed claims, the selected ultimate gross loss & expense estimate remains at \$82.5 million.

As of March 31, 2024, TFPA carried \$18.0 million in total gross loss and loss adjustment expense reserves with just over \$400,000 of the total gross loss 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 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.

JM

5C. Rate Filing Update

MEMORANDUM

DATE: April 22, 2024
TO: David Durden, General Manager
FROM: Jim Murphy, Chief Actuary
RE: TFPA 2024 Rate Filing Update

The Texas FAIR Plan Association Governing Committee voted at its December 11, 2023 meeting to file for the full actuarial indications for all policy forms, limited to no more than a 10% change in any territory, to be effective August 1, 2024. The filing was made December 28, 2023.

The Texas Department of Insurance approved the filing as submitted on March 26, 2024. Implementation of the approved rates is currently underway and on schedule for an August 1, 2024 effective date for all new and renewal policies.

A summary of indications and approved changes by form follows:

Product	Indicated	Approved
Homeowners	15.5%	10.0%
Tenants	21.9%	8.4%
Condo	49.5%	10.0%
Dwelling (Fire)	38.5%	10.0%
Dwelling (EC)	12.0%	9.5%

JM



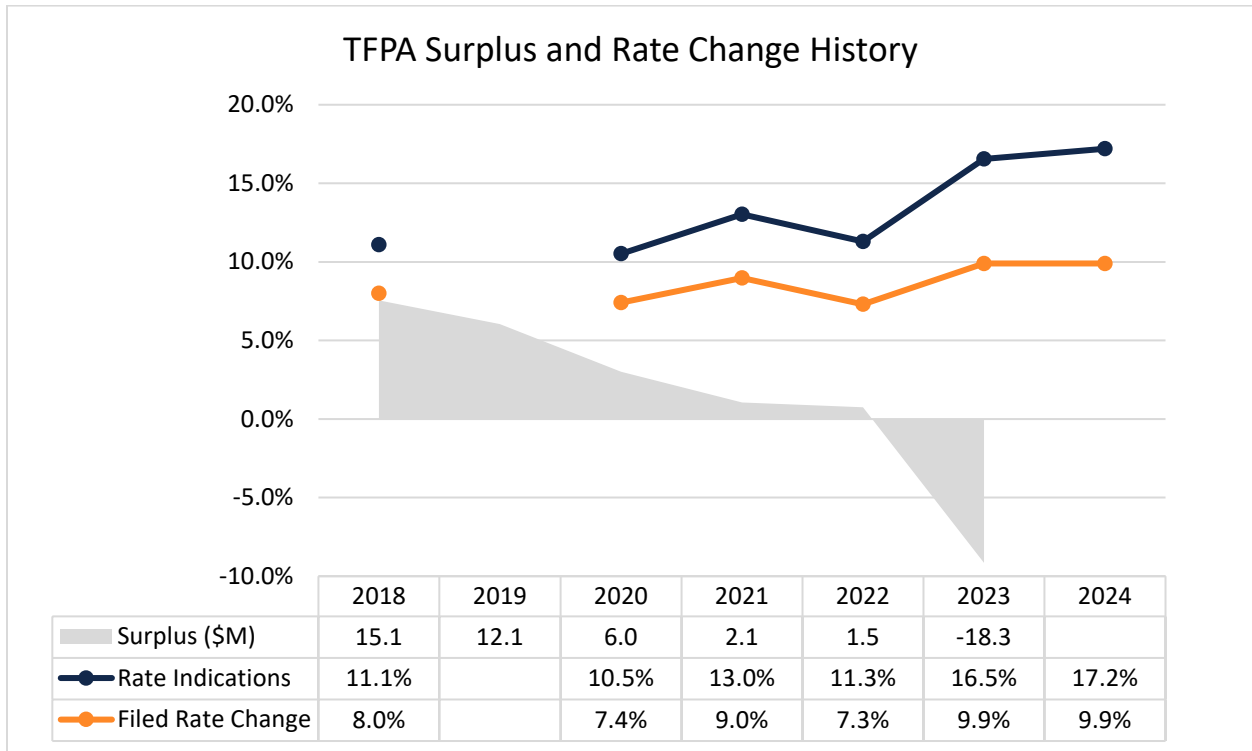
Homeowners	In-force Premium	Indicated	Filed	Remaining
Central North - Greater Dallas / Ft. Worth	3,467,769	34.7%	10.0%	22.5%
Central North - Remainder	303,569	16.6%	10.0%	6.0%
Central South	3,799,061	28.5%	10.0%	16.8%
North/Northwest	265,949	22.9%	10.0%	11.7%
Seacoast - Tier 1	5,111,041	17.2%	10.0%	6.5%
Seacoast - Tier 2	36,901,571	12.0%	10.0%	1.8%
Overall Statewide	49,848,961	15.5%	10.0%	5.0%

Tenants	In-force Premium	Indicated	Filed	Remaining
Central North - Greater Dallas / Ft. Worth	8,994	33.0%	10.0%	20.9%
Central North - Remainder	3,655	1.7%	1.7%	0.0%
Central South	19,150	8.2%	8.2%	0.0%
North/Northwest	943	2.1%	2.1%	0.0%
Seacoast - Tier 1	56,706	4.1%	4.1%	0.0%
Seacoast - Tier 2	166,137	29.5%	10.0%	17.7%
Overall Statewide	255,585	21.9%	8.4%	12.5%

Condos	In-force Premium	Indicated	Filed	Remaining
Central North - Greater Dallas / Ft. Worth	32,472	55.7%	10.0%	41.5%
Central North - Remainder	0	21.7%	10.0%	10.6%
Central South	47,649	70.7%	10.0%	55.2%
North/Northwest	817	50.3%	10.0%	36.6%
Seacoast - Tier 1	174,304	53.6%	10.0%	39.6%
Seacoast - Tier 2	1,014,732	47.6%	10.0%	34.2%
Overall Statewide	1,269,974	49.5%	10.0%	35.9%

Dwelling (Fire)	In-force Premium	Indicated	Filed	Remaining
Overall Statewide		38.5%	10.0%	25.9%

Dwelling (EC)	In-force Premium	Indicated	Filed	Remaining
Central North - Greater Dallas / Ft. Worth	1,375,632	47.4%	10.0%	34.0%
Central North - Remainder	166,709	39.0%	10.0%	26.4%
Central South	814,954	31.1%	10.0%	19.2%
North/Northwest	69,311	25.4%	10.0%	14.0%
Seacoast - Tier 1	774,357	-32.9%	-10.0%	-25.4%
Seacoast - Tier 2	27,315,881	10.7%	10.0%	0.6%
Overall Statewide	30,516,843	12.0%	9.5%	2.3%



Notes: Rate indications and filed rate changes shown are statewide overall averages
 Individual amounts vary across policy forms and territories
 Filed changes reflect the application of the 10% cap

5D. 2024 Funding; Reinsurance



MEMORANDUM

DATE: April 22, 2024
TO: David Durden, General Manager
FROM: Jim Murphy, Chief Actuary
RE: TFPA Funding for the 2024 Hurricane Season

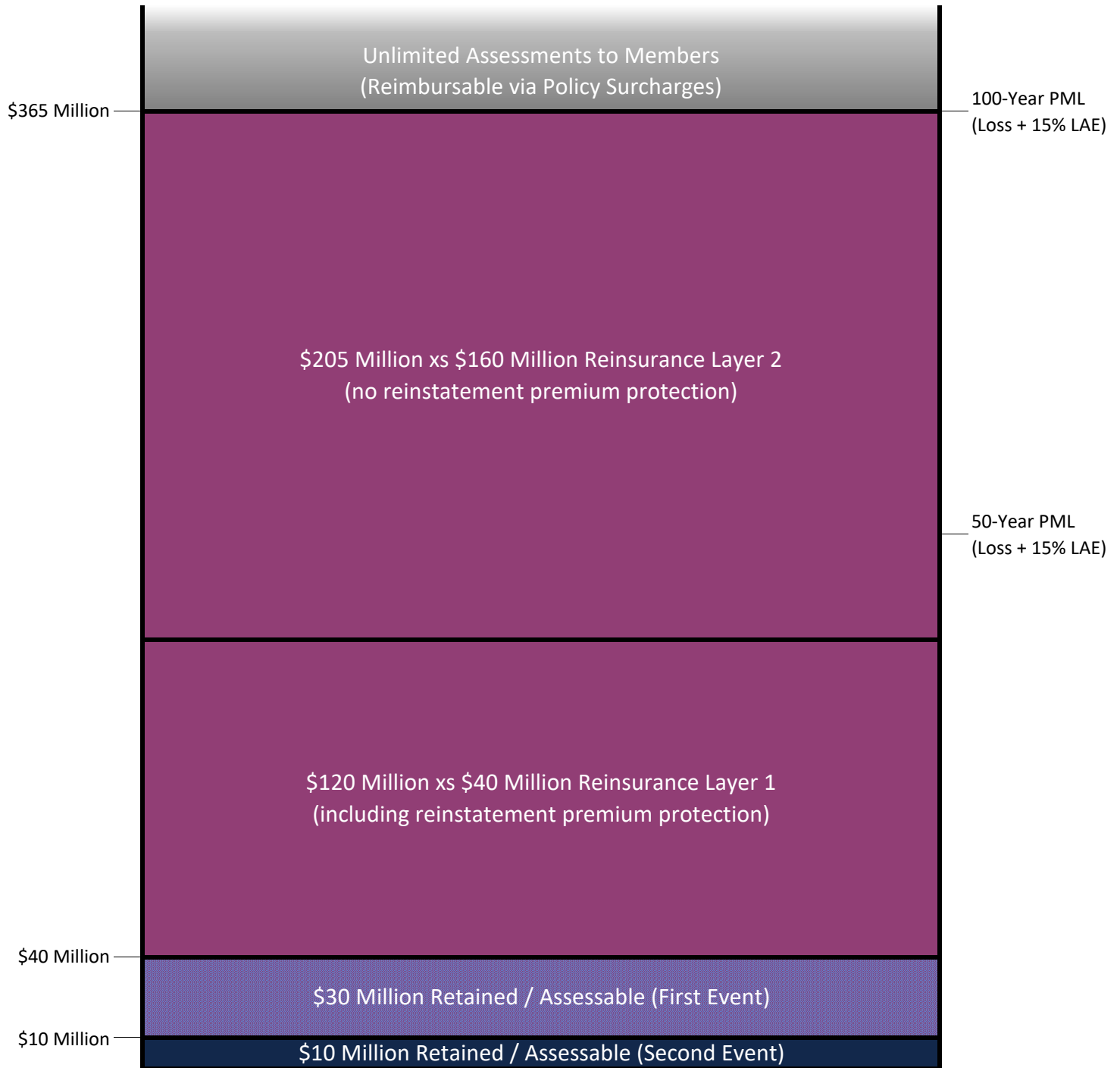
TFPA staff is working with Gallagher Re, the Association's reinsurance broker, to begin preparations for the July 1 renewal of the TFPA reinsurance program for the 2024 hurricane season.

Detailed exposure data has been provided to Gallagher Re for input into the AIR and RMS catastrophe models and they will provide modeling results and an update on general reinsurance market conditions at the May 6 TFPA Governing Committee Meeting.

Staff would look for a motion from the Governing Committee directing the purchase of reinsurance for the 2024 hurricane season at that May meeting.

An illustration of the expiring 2023 reinsurance program is attached for reference.

JM



Probable Maximum Loss estimates based on TFPA exposures as of 3/31/23, using average of RMS and Verisk near-term per occurrence estimates and include a 15% provision for LAE



Texas FAIR Plan Association

Governing Committee Meeting

May 6th, 2024

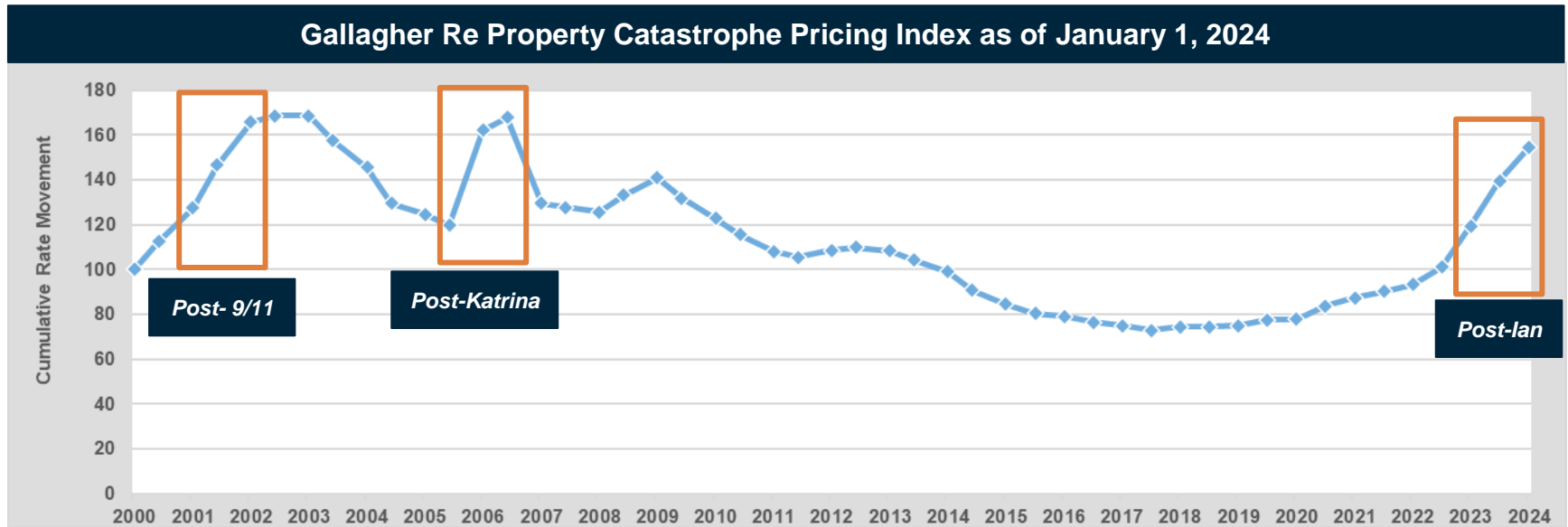


Gallagher Re

Reinsurance Market Conditions

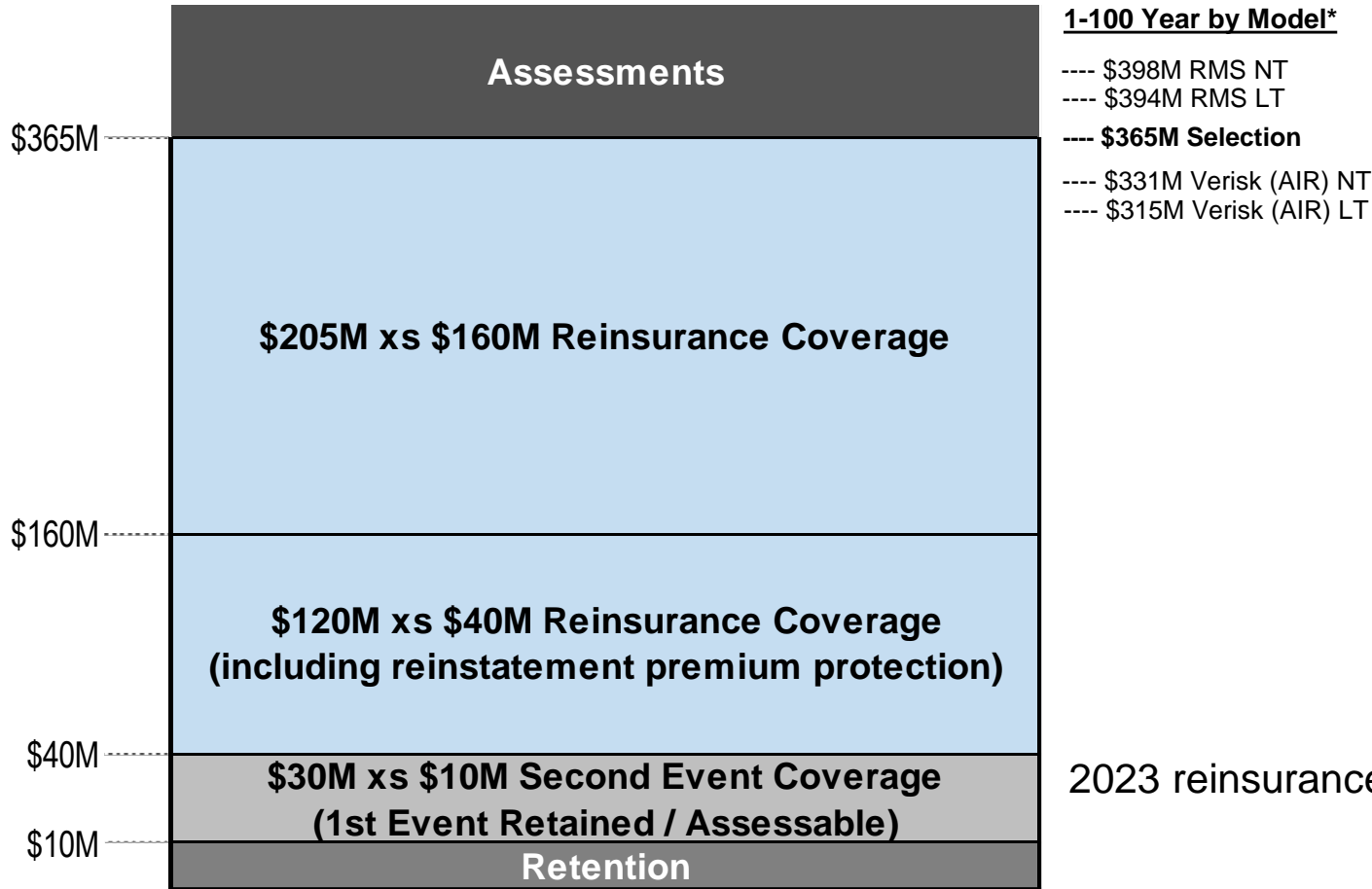
Developments since July 1, 2023

- Reinsurer capacity becoming more “stable”, but still at elevated prices vs 2014-2022
- Increased supply of reinsurance escalating throughout 2024
 - Retained earnings from 2023
 - New capital raises with reinsurers and cat bond asset managers
- Alternative asset classes continue to compete with reinsurance
 - 2 yr risk free rate increased from 1% in January 2022 to ~4.9% today



2023 Reinsurance Structure

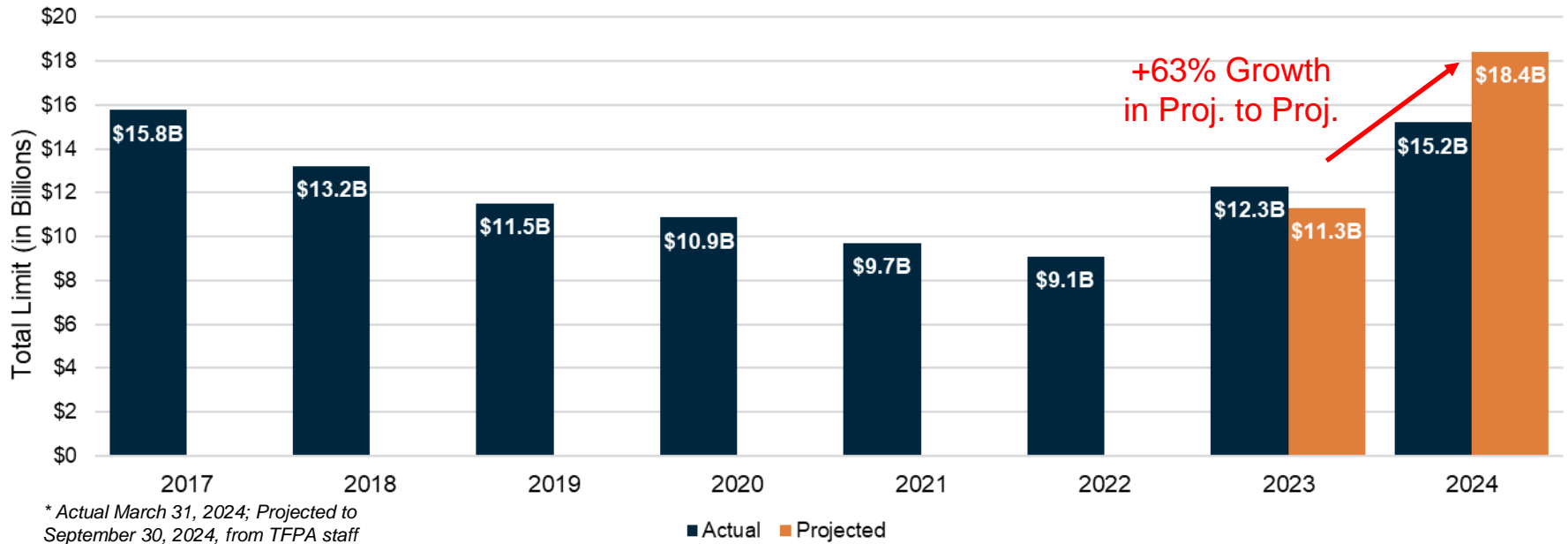
2023 TFPA Schematic



• 2023 modeling results sourced from May 2023 Board packet. All perils OEP results, RMSv22 (2021 rates) & AIR TSv10, both w/ Demand Surge and excluding Storm Surge. Loss amounts factored to include 15% for Loss Adjustment Expense

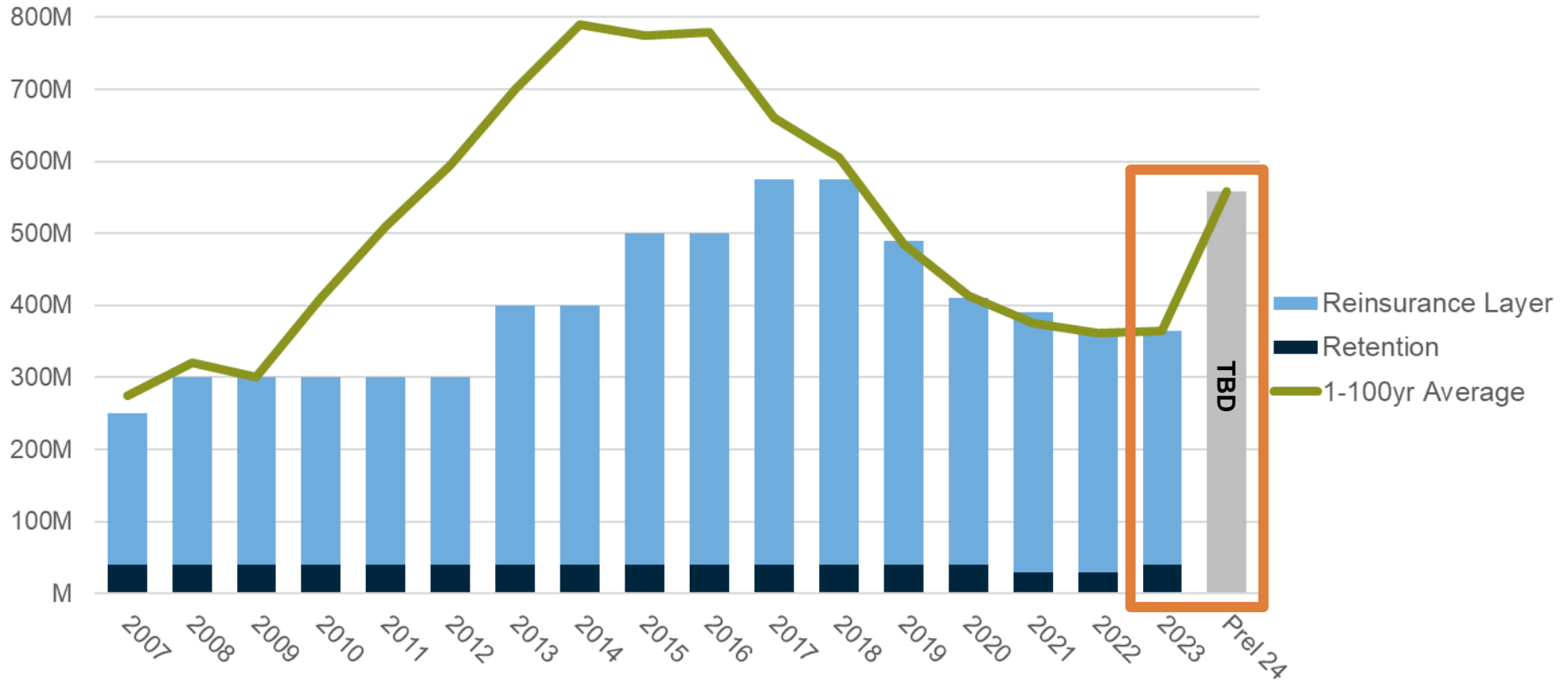
Historical Exposure

TFPA Historical Wind Exposure



- Actual TIV as of October 2023: \$12.3B
- Actual TIV as of March 2024: \$15.2B
- Projected September 2024 TIV is \$18.4B, an increase of 63% from 2023 projection (\$11.3B)

Funding Structure & 1-100 Year Modeled Loss



- TFPA retention has been \$30M - \$40M since 2007
- Large YOY growth in 100yr PML between 2023 and 2024
- Most recently, targeted 1-100 yr modeled loss reinsurance protection, per occurrence
 - Blend of highest near-term and long-term for RMS & AIR 1-100 yr

Catastrophe Modeling Summary

Data as of March 31, 2024

Exposure

Total Portfolio	2024	2023	Change
Total Value	\$15,179,994	\$9,649,260	57.3%
Total Limit	\$15,179,465	\$9,649,008	57.3%
Risk Count	64,722	51,536	25.6%

Combined Gross Modeled Losses Summary

	Verisk	2024		2023	YOY Change		
		TSv10	NA	TSv10	Model	Exposure	Total
Long-Term	100 Yr PML - w/ LAE Load	\$448,398		\$315,320	NA	42.2%	42.2%
	100 Yr PML - no LAE Load	\$389,911	[Blank]	\$274,192	NA	42.2%	42.2%
Near-Term	100 Yr PML - w/ LAE Load	\$495,910		\$331,575	NA	49.6%	49.6%
	100 Yr PML - no LAE Load	\$431,226		\$288,326	NA	49.6%	49.6%

	RMS	2024		2023	YOY Change		
		RLv23	RLv22	RLv22	Model	Exposure	Total
Long-Term	100 Yr PML - w/ LAE Load	\$594,371	\$565,917	\$394,441	5.0%	43.5%	50.7%
	100 Yr PML - no LAE Load	\$516,845	\$492,102	\$342,992	5.0%	43.5%	50.7%
Near-Term	100 Yr PML - w/ LAE Load	\$620,184	\$570,494	\$397,605	8.7%	43.5%	56.0%
	100 Yr PML - no LAE Load	\$539,290	\$496,082	\$345,744	8.7%	43.5%	56.0%

	50/50 Average	2024		2023	YOY Change		
		TSv10 / RLv23	TSv10 / RLv22	TSv10 / RLv22	Model	Exposure	Total
Long-Term	100 Yr PML - w/ LAE Load	\$521,385	\$507,157	\$354,881	2.8%	42.9%	46.9%
	100 Yr PML - no LAE Load	\$453,378	\$441,006	\$308,592	2.8%	42.9%	46.9%
Near-Term	100 Yr PML - w/ LAE Load	\$558,047	\$533,202	\$364,590	4.7%	46.2%	53.1%
	100 Yr PML - no LAE Load	\$485,258	\$463,654	\$317,035	4.7%	46.2%	53.1%

Verisk Touchstone v10; RMS RiskLink v22 and v23
 Hurricane loss results include demand surge, with and exclude storm surge
 Severe Convective Storm include demand surge where applicable
 Data as of March 31, 2024, and March 31, 2023
 Loss Results in \$000's

Historical 1-100 Methodology for Selecting Reinsurance Limit

Catastrophe Modeled 1-100 +15% LAE						
TFPA Program	RMS NT	RMS LT	Verisk NT	Verisk LT	TFPA Selection*	Total Insured Policy Limit
2020 Program	\$460M	\$465M	\$380M	\$351M	\$422M	\$11,440M
2021 Program	\$421M	\$425M	\$357M	\$326M	\$391M	\$10,422M
2022 Program	\$390M	\$387M	\$335M	\$313M	\$362M	\$9,274M
2023 Program	\$398M	\$394M	\$331M	\$315M	\$365M	\$9,649M
2024 Program	\$620M	\$594M	\$496M	\$448M	\$558M	\$15,179M

* **Bolded font** denotes historical model methodology used by Committee

* Historically, TFPA Board has selected the average of the highest RMS & highest Verisk (f.k.a. AIR) (avg NT & LT)

Data evaluated as of March 31st

All figures include 15% LAE assumption

All perils, occurrence (OEP) with demand surge, excluding storm surge

2020: RMS v18.1 and Verisk T/6 modeled by prior broker

2021: RMS v18.1 and Verisk T/7.3 modeled by prior broker

2022: RMSv21 and Verisk T/9 - based on preliminary results at time of board meeting

2023: RMSv21 (2021 hurricane rates) and Verisk T/10

2024: RMSv23 and Verisk T/10

2024 Reinsurance Considerations

2023 Reinsurance Program	Deposit Premium	Rate on CY 2023 Final Earned Premium \$92.2M
Cat Program	\$ 35,787,000	38.8%
RPP layer 1 only	\$ 3,562,021	3.9%
2nd Event drop-down (\$30M xs \$10M)	\$ 2,475,000	2.7%
	\$ 41,824,021	45.4%

Option #	2024 Reinsurance Structure Considerations	Est. Gross Cost Range	Rate on Proj. CY24 Earned Premium \$140.1M (at midpoint range)	Midpoint Change from 2023 Deposit	
1	\$558M PML-Expiring Approach \$40M Retention w/ RPP layer 1 & 2nd Event Retention \$10M	\$66M - \$75M	50.3%	\$28.6M	68%
2	\$558M PML-No 2nd Event Drop down \$40M Retention w/ RPP layer 1	\$63M - \$70M	47.5%	\$24.6M	59%
3	\$521M PML-1-100 yr LT average \$40M Retention w/ RPP layer 1	\$61M - \$68M	46.0%	\$22.6M	54%

All options included LAE

Additional structure options can be evaluated as requested.

- Above projected reinsurance pricing for 2024 / 2025 contemplates a projected TIV of \$18.4B for 2024 wind season per TFPA staff
 - 63% increase in exposure from projected 2023 to projected 2024 (\$11.3B to \$18.4B)

Appendix

Appendix - Modeling Commentary

TFPA 2024 Modeling Commentary

Long-Term (LT) vs Near-Term (NT) view

- LT is based on historical average of hurricane landfalls in both models.
- NT Methodology are different in Verisk and RMS.
 - > **Verisk** is based on years in which sea surface temperature was above historical mean, therefore provides a measure of expected risk for periods in which Atlantic is warmer than average.
 - > **RMS** utilizes historical average as baseline but includes a 5-yr forecast based on their understanding of activities during periods of heightened or diminished hurricane frequency.
- For TFPA, LT is about 9% lower than NT in Verisk TSv10, and 4% lower than NT in RMS RLv23 for the combined 100-yr return period losses.

YOY change based on same model version

- Risk count increased by approximately 26% while total value and limit increased by 57%
- Modeled loss increases are in the range of 42-56%, which is reasonable given the change in exposure value/limits

Model Updates

- Verisk modeled loss results are based on same model version, therefore changes to modeled losses are due entirely to underlying exposure change.
- For RMS, prior year was based on RLv22. Total change to modeled losses reflect partial change due to model updates, which included changes to hurricane event rates and vulnerability/damage functions components.

General Disclaimer for all Analytical Work

This analysis has been prepared by Gallagher Re on the condition that it shall be treated as strictly confidential and shall not be communicated in whole, in part, or in summary to any third party without prior written consent from Gallagher Re. Gallagher Re is a business unit that includes a number of subsidiaries and affiliates of Arthur J. Gallagher & Co. which are engaged in the reinsurance intermediary and advisory business. All references to Gallagher Re below, to the extent relevant, include the parent and applicable affiliate companies of Gallagher Re.

Gallagher Re has relied upon data from public and/or other sources when preparing this analysis. No attempt has been made to verify independently the accuracy of this data. Gallagher Re does not represent or otherwise guarantee the accuracy or completeness of such data nor assume responsibility for the result of any error or omission in the data or other materials gathered from any source in the preparation of this analysis. Gallagher Re shall have no liability in connection with any results, including, without limitation, those arising from based upon or in connection with errors, omissions, inaccuracies, or inadequacies associated with the data or arising from, based upon or in connection with any methodologies used or applied by Gallagher Re in producing this analysis or any results contained herein. Gallagher Re expressly disclaims any and all liability, based on any legal theory, arising from, based upon or in connection with this analysis. Gallagher Re assumes no duty in contract, tort or otherwise to any party arising from, based upon or in connection with this analysis, and no party should expect Gallagher Re to owe it any such duty.

There are many uncertainties inherent in this analysis including, but not limited to, issues such as limitations in the available data, reliance on client data and outside data sources, the underlying volatility of loss and other random processes, uncertainties that characterize the application of professional judgment in estimates and assumptions. *To the extent this information includes estimates and forecasts of future financial or operational performance, these have been obtained from public sources. Gallagher Re has assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and assumes no responsibility therefor.* Gallagher Re undertakes no duty to update this analysis based upon future events. Gallagher Re makes no representation about and does not guarantee the outcome, results, success, or profitability of any insurance or reinsurance product or market, whether or not the analyses or conclusions contained herein apply to such product or market.

Gallagher Re does not recommend making decisions based solely on the information contained in this analysis. Rather, this analysis should be viewed as a supplement to other information, including specific business practice, claims experience, and financial situation. Independent professional advisors should be consulted with respect to the issues and conclusions presented herein and their possible application.

Gallagher Re makes no representation or warranty as to the accuracy or completeness of this document and its contents.

This analysis is not intended to be a complete actuarial communication, and as such is not intended to be relied upon. A complete communication can be provided upon request. Subject to all terms of this Disclaimer, Gallagher Re actuaries are available to answer questions about this analysis.

Gallagher Re does not provide legal, accounting, or tax advice. This analysis does not constitute, is not intended to provide, and should not be construed as such advice. Qualified advisers should be consulted in these areas.

Gallagher Re makes no representation, does not guarantee and assumes no liability for the accuracy or completeness of, or any results obtained by application of, this analysis and conclusions provided herein.

Where data is supplied by way of CD or other electronic format, Gallagher Re accepts no liability for any loss or damage caused directly or indirectly through use of any such CD or other electronic format, even where caused by negligence. Without limitation, Gallagher Re shall not be liable for: loss or corruption of data, damage to any computer or communications system, indirect or consequential losses. The limitations of liability contained herein do not apply to losses or damage caused by death, personal injury, dishonesty or any other liability which cannot be excluded by law.

This analysis is not intended to be a complete Financial Analysis communication. A complete communication can be provided upon request. Subject to all terms of this Disclaimer, Gallagher Re analysts are available to answer questions about this analysis.

Gallagher Re does not guarantee any specific financial result or outcome, level of profitability, valuation, or rating agency outcome with respect to AM Best or any other agency. Gallagher Re specifically disclaims any and all liability for any and all damages of any amount or any type, including without limitation, lost profits, unrealized profits, compensatory damages based on any legal theory, punitive, multiple or statutory damages or fines of any type, based upon, arising from, in connection with or in any manner related to the services provided hereunder.

Acceptance of this document shall be deemed agreement to the above.

Gallagher Re is a trading name of Arthur J. Gallagher (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AW. Registered in England and Wales. Company Number: 1193013. www.ajg.com/uk

Gallagher Re is a trading name of Gallagher Re Inc. a New York corporation, that operates in California and Pennsylvania as Gallagher Re Insurance Services, California License Number OBO1804.

Gallagher Re is a trading name of Arthur J Gallagher Nordic AB (formerly called Nordic Försäkring & Riskhantering AB) which is authorised by the Swedish Financial Supervisory Authority. Incorporated in Sweden under company number 556418-5014 with registered address at Mölndalsvägen 22, 412 63 Göteborg, Sweden. Nordic also offers and performs reinsurance distribution services/activities through its Belgian branch. The Belgian branch has its registered office at Posthofbrug 6-8 bus 5/134, 2600 Berchem, company number 0743.567.257. Arthur J Gallagher Nordic AB is deemed authorised and regulated by the UK Financial Conduct Authority. Arthur J Gallagher Nordic AB is registered in England and Wales under branch number BR021003, with registered address at The Walbrook Building, 25 Walbrook, London EC4N 8AW

General Disclaimer

Work containing Risk Management Solutions (RMS) output

This report, and the analyses, models and predictions contained herein ("Information"), are based on data provided by the relevant Gallagher Re entity, and compiled using proprietary computer risk assessment technology of Risk Management Solutions, Inc. ("RMS"). Such Information contains RMS confidential and proprietary information and trade secrets. The Recipient of the Information shall (i) not disclose such Information to any third party; (ii) use such Information only for the purpose of facilitating an actual imminent reinsurance placement ("Purpose"); (iii) limit the disclosure of such Information only to its employees, partners and directors who have a need to know, provided that the Recipient shall ensure that each of those persons to whom such Information is to be disclosed is made aware of, and shall procure that such person or persons adhere to, the terms of these confidentiality restrictions; and (iv) use the same degree of care to prevent disclosure or use of such Information for other than the Purpose that it would use for its own confidential information (but in no case with less than a reasonable degree of care). The technology and data used in providing this Information is based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation: earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists, mathematicians and cyber security experts). As with any model of physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of predictions depends largely on the accuracy and quality of the data used. The Information is provided under license to Gallagher Re and is either Gallagher Re's or RMS's proprietary and confidential information and may not be shared with any third party without the prior written consent of both Gallagher Re and RMS. Furthermore, this Information may only be used for the specific business purpose specified by Gallagher Re and for no other purpose, and may not be used under any circumstances in the development or calibration of any product or service offering that competes with RMS.

The Recipient of this Information is further advised that RMS is not engaged in the insurance, reinsurance, or related industries, and that the Information provided is not intended to constitute professional advice. RMS SPECIFICALLY DISCLAIMS ANY AND ALL RESPONSIBILITIES, OBLIGATIONS AND LIABILITY WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE INFORMATION OR USE THEREOF, INCLUDING ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL RMS (OR ITS PARENT, SUBSIDIARY, OR OTHER AFFILIATED COMPANIES) BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE CONTENTS OF THIS INFORMATION OR USE THEREOF.

Work containing AIR Worldwide Corporation (AIR) Touchstone output

IMPORTANT NOTICE and DISCLAIMER

AIR Worldwide Corporation and Gallagher Re

The attached Touchstone reports are provided to you in confidence, and you may not cause or permit disclosure, copying, display, loan, publication, transfer of possession (whether by sale, exchange, gift, operation of law or otherwise) or other dissemination of the Touchstone reports (or details of the methodology and analysis employed to develop the Touchstone reports) in whole or in part, to any third party without the prior written consent of Gallagher Re and AIR Worldwide Corporation ("AIR").

Notwithstanding the foregoing, you may disclose the Touchstone reports associated with your reinsurance or risk transfer programs to insurance regulators and disclose, in confidence, to your rating agencies, reinsurers, actuarial consultants, managing general agencies, risk managers, investment bankers (but not in connection with the placement of any insurance-linked securities) and auditors (but in no event to any entity in the business of developing loss estimation models), provided that, in the event of any such disclosure, you clearly acknowledge in writing that AIR owns the exclusive right and title to the Touchstone reports and the methods employed to develop them.

You may not alter or remove any copyrights, trade secret, patent, proprietary and/or other legal notices contained on or in copies of the Touchstone reports. The existence of any such copyright notice on the Touchstone reports shall not be construed as an admission, or be deemed to create a presumption, that publication of such materials has occurred.

The Touchstone reports are intended to function as one of several tools which you will use in analyzing your estimated and potential losses from certain natural hazards. The estimation of hazards and potential losses involves uncertainties and depends on environmental, demographic and regulatory factors beyond the control of Gallagher Re and AIR. The Touchstone reports depend on data and inputs which you have supplied. The assumptions and methodologies used by AIR in creating Touchstone may not constitute the exclusive set of reasonable assumptions and methodologies, and the use of alternative assumptions and methodologies could yield materially different results. The loss probabilities indicated by the Touchstone reports are estimates of the magnitude of losses that may occur in the event of such natural hazards; they are not factual and do not predict future events. Actual loss experience can differ materially.

No responsibility is or shall be assumed or implied by Gallagher Re or AIR for loss or damage to you resulting from inaccuracies contained therein nor shall Gallagher Re or AIR be liable to you or others for any adverse results experienced in utilizing the Touchstone reports.

6. Internal Audit Status & Update

MEMORANDUM

TO: The Governing Committee – Texas FAIR Plan Association
FROM: Bruce Zaret, Weaver - Internal Audit
DATE: May 6, 2024
SUBJECT: Status of Internal Audit Activities

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

➤ **Current Activities:**

Activity Description	Status
Legal and Compliance	Final report review phase
Application and Database Administration	Final report review phase
Application Development	Final report review phase
Accounts Payable and Expense Processing	Complete – issued
Accounts Receivable	Complete – issued
Actuarial	Complete – issued
Underwriting	Complete – issued
Legislative and External Affairs	Final report review phase
Financial Close and Reporting	Fieldwork complete – report drafting phase
Catastrophe Plan	Fieldwork in progress

➤ **Upcoming Audits and Activities:**

Activity Description	Timing
Customer Experience	2 nd Quarter
Strategic Communications	3 rd Quarter
Executive Management, Operational Planning and Reporting	3 rd Quarter
Cash Management	4 th Quarter

➤ **ELT meetings:**

- Attended Executive Leadership Team and Operations meetings.

Texas FAIR Plan Association
Internal Audit Plan – Lookback (2022-2023) and Prospective (2024-2026)

Process Area	Last Report Date	2023 Inherent Risk Rating	2022	2023	2024	2025	2026
Funding Sources and Reinsurance	Nov. 2020	High		x			x
Information Security	Apr. 2022	High	x			x	
Emergency Planning – COOP/BCP	Nov. 2022	High	x				
Emergency Planning – CAT Plan	N/A	High			x		
Customer Experience	N/A	High			x		
Underwriting and Policy Services	Nov. 2023	High		x			x
Claims Processing	Dec. 2022	High	x			x	
Legislative & External Affairs	N/A	High			x		
Strategic Communications	Mar. 2021	High			x		x
Actuarial (Pricing and Reserving)	Sept. 2023	High		x		x	
Executive Management, Management Planning and Reporting (including Plan of Operation)	May 2021	High			x		
Information Technology Services	Apr. 2022	Moderate	x			x	
Database and Application Administration	Oct. 2020	Moderate		x		x	
Legal & Compliance (including Vendor Management)	Mar. 2021	Moderate		x			x
Financial Close and Reporting ⁽¹⁾	Dec. 2020	Moderate			x		
Accounts Payable and Expense Processing ⁽¹⁾	Aug. 2023	Moderate		x			
Application Development	N/A	Moderate		x		x	
Payroll	Dec. 2022	Moderate	x				x
Accounts Receivable ⁽¹⁾	Oct. 2023	Moderate		x			
Environmental, Social, and Corporate Governance	N/A	Low					
Cash Management	Aug. 2021	Low			x		
Premium Taxes	July. 2021	Low				x	

6B. IT Audit Update

This item will be covered in closed session.

7. Underwriting Operational Update

MEMORANDUM

DATE: April 17, 2024
 TO: David Durden, General Manager
 FROM: Michael Ledwik, Vice President, Underwriting
 RE: Update on Underwriting Operational Results

First Quarter 2024 Results

TFPA Underwriting Metrics	Monthly Summary			Quarterly Summary				YTD		
	Jan-24	Feb-24	Mar-24	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	2024 Goal	▲
Transaction Issuance	99.77%	99.70%	99.54%	99.67%				99.67%	90%	9.67
Internal Underwriting QA	97.58%	98.04%	97.89%	97.84%				97.84%	95%	2.84
Phone Service Level	93.85%	88.70%	91.19%	91.25%				91.25%	80%	11.25

I. Overview:

- 99.67% of the transactions were issued within 10 Days of receiving the application and payment.
 - a. 89% of the transactions were straight through processed by the system.
 - b. 11% of the transactions were referred by the system to Underwriting for additional information, review, and approval prior to issuance.
- 91.25% of calls were answered under 20 seconds.

II. Agency Compliance Audits:

A standard sample of agencies (20) were selected for review in the first quarter of 2024 to verify compliance with the Texas FAIR Plan Association (TFPA) declination of coverage requirement and TFPA Producer Requirements and Performance Standards. Ninety-Five percent (95%) of agents have responded. The statistics below are results of the analysis of documents that have been provided to date from the 19 out of 20 agents who have responded.

- a. Proof of declination was received for ninety-five percent (95%) of the policies selected.
- b. Signed applications were provided for ninety-four percent (94%) of the policies selected.



- c. Signed eligibility requirement statements were provided for ninety-four percent (94%) of the policies selected.
- III. All agents selected have an active property and casualty insurance license and the required direct standard market appointments.
- IV. This quarter's audit has been completed/closed. The Association suspended the one agent who failed to respond.

8. Claims

8A. Claims Operations

TFPA Claims Operations 2024

TFPA Claims - 2024 Results (year-to-date)					
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	3.9	1.7	<8	-6.3	-79%
Total Cycle Time FNOL to Payment - Daily	N/A	8.1	<12	-3.9	-24%
Total Cycle Time FNOL to Payment - Cat	N/A	7.8	<12	-4.2	-26%
TDI Complaint Ratio					
2023	0.13% - 6 complaints from 4,694 new claims				
2024	0.16% - 2 complaints from 1,217 new claims				

Year	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Actual Volume	712	367	479	479	454	530	313	288	289	295	264	224	464	318	435
Actuarial Projected	304	185	185	604	604	281	276	392	510	294	175	175	349	212	212
Staffing Plan	288	288	288	288	288	288	288	288	288	288	288	288	340	340	340
Open Inventory	1,012	883	982	1,030	992	1,065	994	935	925	887	843	772	892	820	996

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	3,322
2023	4,694
2024	1,217

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
2020	114	-	95	-	111	-	627	-	3,621	-	4,995	-
2021	133	16.7%	70	-26.3%	81	-27.0%	4,047	545.5%	3,206	-11.5%	9,188	83.9%
2022	97	-27.1%	69	-1.4%	62	-23.5%	714	-82.4%	1,930	-39.8%	3,173	-65.5%
2023	83	-14.4%	57	-17.4%	53	-14.5%	571	-20.0%	3,482	80.4%	4,541	43.1%
2024	34	-	14	-	14	-	170	-	804	-	1,095	-

Paid Amounts by Peril

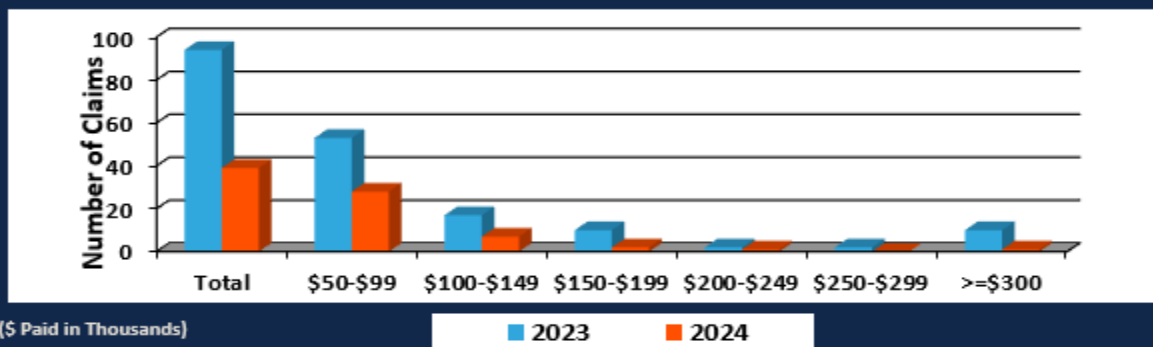
Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ
2020	\$5,815,627	-	\$919,398	-	\$206,387	-	\$477,463	-	\$15,402,027	-	\$25,769,975	-
2021	\$8,567,270	47.3%	\$341,857	-62.8%	\$132,140	-36.0%	\$3,691,034	673.1%	\$12,003,742	-22.1%	\$26,039,655	1.0%
2022	\$7,019,381	-18.1%	\$524,401	53.4%	\$188,149	42.4%	\$695,647	-81.2%	\$10,480,679	-12.7%	\$19,305,648	-25.9%
2023	\$6,658,749	-5.1%	\$606,125	15.6%	\$44,080	-76.6%	\$640,510	-7.9%	\$26,096,823	149.0%	\$34,651,689	79.5%
2024	\$2,290,466	-	\$12,841	-	\$8,630	-	\$141,544	-	\$4,355,840	-	\$6,898,395	-

Paid 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
2020	\$51,014	-	\$9,678	-	\$1,859	-	\$762	-	\$4,254	-	\$5,159	-
2021	\$64,416	26.3%	\$4,884	-49.5%	\$1,631	-12.3%	\$912	19.8%	\$3,744	-12.0%	\$2,834	-45.1%
2022	\$72,365	12.3%	\$7,600	55.6%	\$3,035	86.0%	\$974	6.8%	\$5,430	45.0%	\$6,084	114.7%
2023	\$80,226	10.9%	\$10,634	39.9%	\$832	-72.6%	\$1,122	15.1%	\$7,495	38.0%	\$7,631	25.4%
2024	\$67,367	-	\$917	-	\$616	-	\$833	-	\$5,418	-	\$6,300	-

*Paid 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
2023 (complete year)	92	52	16	10	2	2	10
Liability	2	1	1	0	0	0	0
2024 (year-to-date)	39	28	7	2	1	0	1
Liability	0	0	0	0	0	0	0
Variance	-55	-25	-10	-8	-1	-2	-9

TFPA - 2024 Claims				
Total Claims	Claims With No Supplemental Payments	% Claims With No Supplemental Payments	Claims With Supplemental Payments	% Claims With Supplemental Payments
1,217	1,200	98.6%	17	1.4%

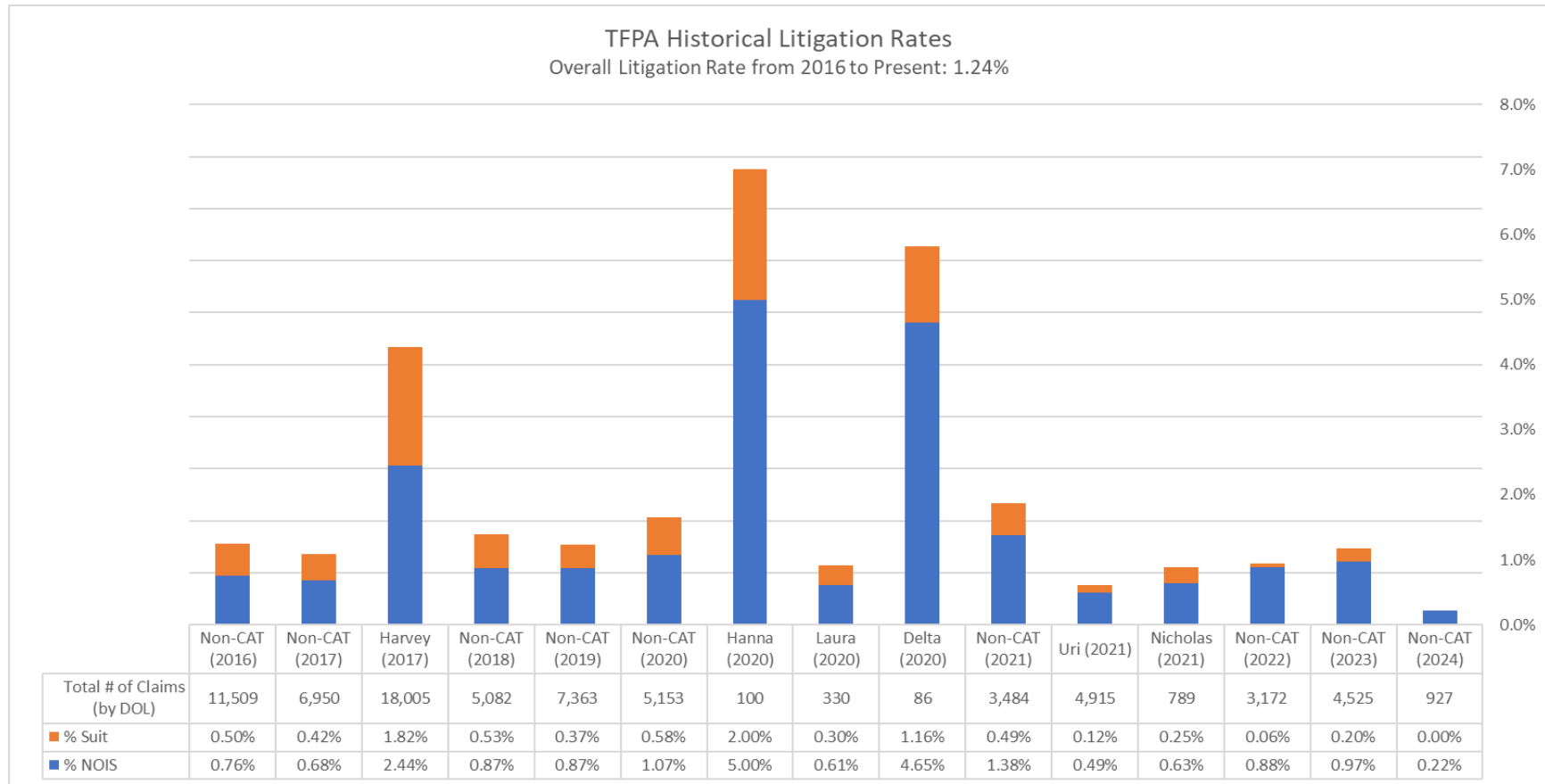
TFPA - 2024 Disputed Claims					
Dispute Frequency			Type of Dispute		
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Notice of Intent	Suits
1,217	10	0.82%	7	7	0

TFPA - 2024 Disputed Claims With Appraisal Invoked					
Total	Open/Pending	Appraisal Complete	Appraisal Process Stopped		
Appraisals	Appraisal In Process	Appraisal Award	Settled with Supplement	Withdrawn	Ineligible
7	6	0	1	0	0
	86%	0%	14%		

TFPA - 2024 Claims With Notice of Intent or Lawsuit Served				
Total Nol / Suit	Notices of Intent Received	Notices of Intent Resolved	Lawsuits Received	Lawsuits Resolved
7	7	0	0	0

8B. Claims Litigation

TFPA Litigation Summary



***NOIS: Notice of Intent to Sue**



TFPA Litigation Tracking Activity

Litigation Quarter Summary First Quarter 2024

1 st Quarter 2024	Summary of TFPA Claims in Suit					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
January	2	0	0	0	3	0
February	0	0	0	0	2	0
March	3	0	0	0	2	0
	5	0	0	0	7	0

1 st Quarter 2024	Summary of TFPA Claims with LORs					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
January	17	2	0	0	5	1
February	4	1	0	0	7	2
March	10	3	0	0	3	2
	31	6	0	0	15	5



TFPA Claims Litigation March 2024

Mar-24	TFPA Claims in Suit						
		Beginning Inventory	New	Closed	Ending Inventory		
					1st Party	3rd Party	TOTAL
	Wind/Hail	31	3	(2)	32	0	32
	Other Perils	6	0	0	6	0	6
	Bodily Injury	4	0	0	0	4	4
	Property Damage	0	0	0	0	0	0
	TOTAL	41	3	(2)	38	4	42

Mar-24	TFPA Claims with LORs							
		Beginning Inventory	New	Closed	Converted to Suit	Ending Inventory		
						1st Party	3rd Party	TOTAL
	Wind/Hail	50	9	(1)	(3)	55	0	55
	Other Perils	12	1	(2)	0	11	0	11
	Bodily Injury	2	3	(2)	0	0	3	3
	Property Damage	0	0	0	0	0	0	0
	TOTAL	64	13	(5)	(3)	66	3	69



TFPA Active Claims with Suits/LORs: County of Loss Location			
County	1st Party	3rd Party	Total
Atascosa	1	0	1
Brazoria	1	0	1
Dallas	1	0	1
El Paso	4	0	4
Ft. Bend	6	0	6
Galveston	2	1	3
Harris	77	3	80
Hidalgo	10	0	10
Johnson	0	1	1
Maverick	1	0	1
Nueces	0	1	1
San Jacinto	1	0	1
TOTAL	104	6	110

Mar-24

9. TFPA Operations

9A. IT Systems Enhancements



MEMORANDUM

DATE: April 22, 2024
TO: David Durden, General Manager
FROM: Camron Malik, CIO / VP IT
RE: TFPA Information Technology status

The Cloud program is in the Construction phase with development and testing underway. Upon completing Inception we discovered some work was under estimated and there was a lack of expert resources in the Enterprise Data Warehouse and Portals space. Both of which were addressed by the System Integrator and Guidewire. The System Integrator and TFPA continue to work well together and the project teams are focused on achieving the goals of the program.

All projects are making good progress and we are under budget. Overall, systems continue in production support mode with monthly releases and the Infrastructure and Operations team continues to support the organization meeting quality goals.

9B. Communications and Legislative Affairs Update

MEMORANDUM

DATE: April 17, 2024
TO: David Durden, General Manager
FROM: Anna Stafford, Senior Manager, Legislative & External Affairs
RE: Legislative & External Affairs Operational Highlights

Legislative & Regulatory Affairs

- a) Interim Charges: Lieutenant Governor Dan Patrick issued interim charges on topics for Senate committees to study before the 2025 legislative session. Among the issues to be studied by the Senate Business & Commerce Committee are:
- “Addressing the Rising Cost of Insurance: Assess the impact of rising property and casualty insurance costs on Texas property owners, real estate lenders, and commercial and industrial development. Identify ways to increase consumer transparency to better inform coverage decisions and make recommendations to ensure a competitive and affordable insurance market for consumers.”*
- b) Senate Hearings: The Business & Commerce Committee has scheduled three hearings during the interim (June 12, August 27, and October 1) but has not yet announced the charges they will address at the hearings. Association staff is prepared for potential requests for information or testimony from the Committee.
- c) Legislative Implementation: Following is the status of House Bill 998, the TFPA legislation passed in the 88th Regular Session of the Texas Legislature:
- TDI is developing rules for a process to designate areas where this coverage will be offered.
 - Staff is completing a contract with Arden Insurance Services to administer most aspects of these policies. Association staff will handle claims.
 - Association staff are working with outside counsel to develop coverage forms.
- d) Stakeholder Inquiries: From January 1 through March 31, 2024, we received and responded to one inquiry from a member of the public asking about the TFPA Governing Committee application process, one legislative inquiry about a constituent issue, and three standing legislative inquiries on TFPA litigation.
- e) Operational Updates: We continue to provide regular email updates to the Governing Committee, the Texas Department of Insurance (TDI), legislative staff, and coastal elected officials and stakeholders about Association operational activities.

9C. HB998 Property Owners Association Coverage

MEMORANDUM

DATE: April 23, 2024

TO: David Durden, General Manager

FROM: Jessica Crass, Vice President, Legal & Compliance

RE: Status of TFPA Property Owners Association Coverage Under House Bill 998

Introduction

The Texas Legislature passed House Bill 998 in the 88th Regular Legislative Session, directing TFPA to begin offering coverage to certain property owners associations in areas to be designated by the Commissioner of Insurance. This memorandum summarizes the primary activities that have occurred to date, and that are upcoming, in effectuating this law change.

Previous Activity

- Legislative Implementation Program 88 Project Team. A team of TFPA staff was formed to plan and implement this change as part of its larger program to implement all legislative changes resulting from the 88th Session.
- Sourcing Event 1. TFPA staff conducted a Request for Proposals (RFP) to find a third party Managing General Agent (MGA) capable of administering the new product(s). There were two respondents, and TFPA staff elected to reissue the RFP.
- Sourcing Event 2. In response to a second RFP, TFPA's staff evaluation committee selected Arden Insurance Services as the winning vendor out of six respondents. The team also determined the approach that Arden will provide all policy-related services for the product, while TFPA will perform all claims-related activities in-house.
- Cross-Functional MGA Working Team. TFPA staff has begun meeting regularly with Arden staff to execute the project. Meanwhile, TFPA staff continues to formulate the manual in-house aspects of the program.
- TDI Request for Public Comment. The Texas Department of Insurance issued a request for the public to comment on the parameters of the bill.



Upcoming Activity

- Continued dialogue with TDI and Arden. We will continue to collaborate with TDI in formulating an acceptable product that complies with the new law and TFPA's legislative mandate to serve as a residual market. Utilize the existing approved agent commission structure (12.5% new business and 10% renewals).
- TDI issuance of rules. We will continue providing support to TDI to set maximum limits of liability as well as the petition process whereby parties seeking this type of coverage may apply to TDI with evidence that their area qualifies as underserved.
- File forms and rates. We plan to file standard ISO forms with corresponding approved rates.
- September 1, 2024. Per the new law, TFPA will be prepared to begin offering the product beginning September 1, 2024, supported by communications and a change management plan.

12. Future Meetings

August 5, 2024 – Tremont House –
Galveston, TX

December 9, 2024 – Omni Hotel –
Corpus Christi, TX