

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

December 11, 2023

Omni Hotel

900 North Shoreline Blvd.

Corpus Christi, TX 78401

3:00 p.m.



TEXAS FAIR PLAN
ASSOCIATION

Interested parties can listen to the meeting live by going to www.texasfairplan.org.
Go to “About Us/Board Meetings” and access the video conferencing website with instructions
available on www.texasfairplan.org or may attend the meeting in person at the Omni Hotel.

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

1. Call to Order
 - A. Welcoming Remarks – *Mark Solomon* *5 minutes*
 - B. Reminder of Anti-Trust Statement – *Counsel*
 - C. Meeting Format Information – *Kristina Donley*

2. Consideration and Action to:
Approve the Minutes from Prior Governing Committee Meetings
– *Mark Solomon* – **Action/Vote Likely*** *5 minutes*

3. TFPA Operational Dashboard – *David Durden* *5 minutes*

4. Financial *30 minutes*
 - A. Report of the Secretary/Treasurer – *Debbie King* – **Action/Vote Likely***
 1. Income Statement
 2. Management Discussion and Analysis
 - B. Financial Statement Review by Staff – *Stuart Harbour*
 - C. Review/Approval of 2024 Budget – *Stuart Harbour* – **Action/Vote Likely***

5. Actuarial – *Jim Murphy* *25 minutes*
 - A. Policy Count/Exposures
 - B. Reserve Adequacy
 - C. Annual Rate Review – **Action/Vote Likely***

6. Internal Audit – *Bruce Zaret* – *Weaver* *20 minutes*
 - A. Internal Audit Status Update
 - B. Internal Audit Risk Assessment and Internal Audit Plan – **Action/Vote Likely***

7. Underwriting Operational Review Update – *Michael Ledwik* *10 minutes*

8. Claims *15 minutes*
 - A. Claims Operations – *Dave Williams*
 - B. Claims Litigation – *Jessica Crass*

- | | |
|--|--------------------|
| 9. TFPA Operations | <i>20 minutes</i> |
| A. IT System Enhancements – <i>Camron Malik</i> | |
| B. Communications and Legislative Update – <i>David Durden</i> | |
| 10. Closed Session (Governing Committee Only) | <i>20 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 – Action/Vote Likely* | <i>5 minutes</i> |
| 12. Committees – <i>Mark Solomon</i> | <i>5 minutes</i> |
| 13. Future Meetings – <i>David Durden</i> | <i>5 minutes</i> |
| • February 19, 2024 – Moody Gardens Hotel – Galveston | |
| • May 6, 2024 – Hyatt Regency – Austin | |
| • August 5, 2024 – Tremont House – Galveston | |
| 14. Adjourn | |
| Estimated Total Length of Meeting | 2 hours 50 minutes |

1. Call to Order



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)**



4801 Southwest Parkway
Building 1, Suite 200
Austin, TX 78735

November 2, 2023

The Following Governing Committee Members were Present, Representing:

- | | |
|-------------------------|-----------------------------------|
| 1. Mark Solomon (Chair) | Agent Member |
| 2. Wendy Mueller | Agent Member |
| 3. Debbie King | Amtrust |
| 4. Georgia Neblett | Public Member |
| 5. Danny Pringle | USAA |
| 6. John Miletti | Travelers |
| 7. Marianne Baker | Ex-Officio Non-Voting Member, TDI |

Absent: E. Jay Sherlock, Frank Baumann, Tim McCarthy

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

- | | |
|---|-------------------|
| 1. David Durden, General Manager | TFPA |
| 2. Camron Malik, Chief Information Officer | TFPA |
| 3. Jessica Crass, VP Legal and Compliance | TFPA |
| 4. Stuart Harbour, Chief Financial Officer | TFPA |
| 5. Jim Murphy, Chief Actuary | TFPA |
| 6. Dave Williams, VP Claims | TFPA |
| 7. JD Lester, VP Human Resources | TFPA |
| 8. Mike Ledwik, VP Underwriting | TFPA |
| 9. Amy Koehl, Senior Project Administrator | TFPA |
| 10. Kristina Donley, Training, QA and Agency
Audit Manager | TFPA |
| 11. Clarisse Lilley, Senior Manager,
Financial Planning | TFPA |
| 12. Rubi Harman, Senior Financial Analyst | TFPA |
| 13. Al Fulkerson, Comptroller | TFPA |
| 14. Mike Perkins, Association Counsel | Perkins Law Group |

The Following Guests Were Present:

- | | |
|----------------------|--------|
| 1. David Muckerheide | TDI |
| 2. Bruce Zaret | Weaver |

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

1. Angie Cervantes
 2. Lou Cusano
 3. Brian Leventhal
 4. Ruben O'Bell
 5. Elisabeth Ret
 6. Anna Stafford
 7. Aaron Taylor
 8. Annika Vandayar
-
1. Call to Order: Chairman Mark Solomon called the meeting to order at 1:31 pm. Governing Committee members were provided with a copy of the anti-trust statement and reminded of the prohibitions in the anti-trust statement by counsel. Kristina Donley provided housekeeping information to the attendees.

 2. Review of 2024 TFPA Budget: Mr. Harbour started the meeting by going over some key assumptions from the budget.
 - Rate level: Includes 2023 rate increase. Does not project future rate increases.
 - The number of policies in force is projected to increase from a projected 71,749 policies at December 31, 2023 to 81,448 at year end 2024, an increase of 9,600 policies (a 13.5% increase).
 - Employee merit increases is set at 3.5%.
 - Operating expenses: Developed using zero-based detailed departmental budgets.
 - Commissions: Budgeted at \$16.5 million using average rate of 10.7% for new and renewal policies.
 - Premium taxes, licenses and other fees: 1.83%
 - The FAIR Plan \$30 million line of credit that was effective July 1, 2023 is in effect for a two-year duration. The line of credit was renewed at the same commitment fee rate of 30 basis points.
 - Loss and loss adjustment expense ratios used are based on actuarial review.

Mr. Harbour reviewed the budget information with the committee members. He asked if there were any questions. Ms. Muller had a question about the difference in policies in force for 2022 to 2023. She asked why the budgeted amount for 2024 is 13.5%. Mr. Murphy said it tends to grow quickly, then go down and then level out. Ms. Muller continued by asking if TFPA does something about inflation on policies. Mr. Durden said a process of automatically increasing limits was implemented based on inflation. It hasn't been approved yet as filings are pending with TDI.

Ms. Neblett asked if the office move affected the rental costs. Mr. Harbour said by going to a smaller office, the rent has decreased from 2022 and 2021. The cost is around where it was 10 years ago.

3. Adjourn: There being no further business, the meeting adjourned at 3:00 pm.

Prepared by: Amy Koehl
Senior Project Administrator

Approved by: Mark Solomon
TFPA Chairman

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



Tremont House
2300 Ships Mechanic Row
Galveston, TX

August 7, 2023

The Following Governing Committee Members were Present, Representing:

- | | |
|-------------------------------|-----------------------------------|
| 1. Mark Solomon (Chair) | Agent Member |
| 2. Wendy Mueller (Vice Chair) | State Farm |
| 3. Debbie King | AmTrust |
| 4. Frank Baumann | Public Member |
| 5. Georgia Neblett | Public Member |
| 6. Tim McCarthy | Texas Farm Bureau |
| 7. Danny Pringle | USAA |
| 8. John Miletta | Travelers |
| 9. E. Jay Sherlock | Public Member |
| 10. 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. JD Lester, VP Human Resources | TFPA |
| 7. Jim Murphy, Chief Actuary | TFPA |
| 8. Michal Ledwik, VP Underwriting | TFPA |
| 9. Amy Koehl, Senior Project Administrator | TFPA |
| 10. Kristina Donley, Training, QA and
Agency Audit Manager | TFPA |
| 11. Mike Perkins, Association Counsel | Perkins Law Group PLLC |

The Following Attendees Were Present:

- | | |
|-----------------------|--------------|
| 1. Jim Conroy | Aon |
| 2. Joey Walker | Gallagher Re |
| 3. Tammy Malik | Guest |
| 4. Andy MacLaurin | TDI |
| 5. David Mueckerheide | TDI |
| 6. Jessica Davidson | TFPA |
| 7. Bruce Zaret | Weaver |

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

- | | |
|--------------------|----------------------|
| 1. Angie Cervantes | 9. Elisabeth Ret |
| 2. Ebony Cormier | 10. Brian Ryder |
| 3. Angela Fang | 11. Kenisha Schuster |
| 4. Allen Fulkerson | 12. Anna Stafford |
| 5. Alicia Gerte | 13. Jocelyn Strong |
| 6. Brian Leventhal | 14. Brenda Talavera |
| 7. Clarisse Lilley | 15. Aaron Taylor |
| 8. Juana Mejia | 16. Mark Worman |

1. Call to Order: Chairman Mark Solomon called the meeting to order at 3:00 p.m. Governing Committee members were provided with a copy of the anti-trust statement and reminded of the prohibitions in the statement by counsel. 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 May 22, 2023 meeting. Ms. Mueller seconded the motion. The motion passed unanimously.
3. Election of TFPA Officer: David Nardecchia, TFPA Secretary/Treasurer, has resigned from the governing committee. Mr. Sherlock moved to nominate Debbie King to fill the Secretary/Treasurer position. Ms. Neblett seconded the motion. The motion passed unanimously.
4. TFPA Operational Dashboard: Mr. Durden reviewed the current operational dashboard. Operating expenses are below budget. Written and earned premiums are increasing. Mr. Durden reviewed the current enterprise projects.
5. Financial:
 - A. Report of the Secretary/Treasurer: Mr. Harbour reviewed the Treasurer's Report as the former Secretary/Treasurer has resigned. Ms. Neblett moved to approve the report. Mr. Miletti seconded the motion. The motion passed unanimously.
 - B. Financial Statement Review by Staff: Direct written premiums for the three months ended June 31, 2023 were \$53.6 million, an increase of \$15.6 million. Direct earned premiums were \$40.8 million. Policies in force at year end 2022 totaled 61,452.

The TFPA 2022-2023 reinsurance program was placed through broker Arthur J. Gallagher and incepted on July 1, 2022. The program provided coverage of \$335 million in excess of a \$30 million initial retention and included a "second event" cover that reduced the net retention to \$10 million. Reinstatement premium protection was also purchased with the program. Ceded premiums are earned on a pro-rata basis over the term of the reinsurance coverage. Ceded earned premiums for January – June of 2023 totaled \$16.1 million, which exceeded the budget and prior

year amounts due to the harder than expected reinsurance market experienced during the 2022 – 2023 renewal period.

Direct losses and loss adjustment expense totaled \$31.2 million. The higher than anticipated losses and LAE were due primarily to the damage caused by the tornadoes and storms that struck the Houston area in late January.

Operating expenses were \$6.2 million, which was \$1.0 million over budget. Notable expense items under budget include personnel expenses (\$480,000), professional and consulting (\$151,000), software and hardware (\$78,000), and other operating expenses (\$233,000).

Commission expense was \$5.9 million and premium taxes were \$980,000. Gross investment income was \$514,000. Higher interest rates continue to produce better than budgeted investment income.

The ending deficit as of June 2023 was \$19.4 million. The surplus at June 30, 2023 was also reduced by \$2.5 million due to an increase in non-admitted assets related to prepaid expenses and reinsurance.

- C. Selection of Auditors/Accountants for 2023: Each year, the Association retains an accounting firm to conduct an audit of the Association's financial statements as of and for the year ended December 31. Pursuant to an RFP process in 2021, Calhoun, Thomson + Matza (CTM) was selected to continue in their role as the Association's independent auditor. The engagement letter from CTM for use in connection with the audit of the Association's 2023 statutory financial statements was included in the meeting materials. Legal counsel has reviewed the letter and reports it is the same as last year with no changes in terms or fee amounts. Mr. Milette moved that the Governing Committee of the Association, acting as the audit committee, authorizes and directs that the firm of Calhoun, Thomson + Matza be engaged to conduct the upcoming annual audit of the Association's financial statements on the terms set forth in the engagement letter included in the Governing Committee book. Mr. Sherlock seconded the motion. The motion passed unanimously.

6. Actuarial:

- A. Policy Count/Exposures: Mr. Murphy reported that FAIR Plan is growing, both in policy counts and exposures. Policy counts are up 5% and exposure growth is up just over 20%.
- B. Reserve Adequacy: TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of June 30, 2023. Based on this review, the indicated ultimate cost of Hurricane Harvey is \$84.1 million, remaining very close to the previous quarterly review. Due to uncertainties surrounding the adequacy of case reserves and the outcomes of disputed claims, the selected ultimate gross loss and expense estimate has been maintained at \$85 million.

As of June 30, 2023, TFPA carried \$16.6 million in total gross loss and loss adjustment expense reserves with \$3.1 million of the total gross losses and expense reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

In the opinion of Mr. Murphy, 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.

- C. Rate Filing Update: The Texas FAIR Plan Association Governing Committee voted at its December 12, 2022 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, 2023. The filing was made December 22, 2022. The Texas Department of Insurance approved the filing as submitted on March 22, 2023. Implementation of the approved rates is currently underway and on schedule for an August 1, 2023 effective date for all new and renewal policies.
- D. Reinsurance Report: TFPA has successfully secured reinsurance coverage for the 2023 hurricane season as directed by the Governing Committee at its May 22, 2023 meeting and with the assistance of its broker, Gallagher Re.

The 2023 reinsurance program became effective July 1, 2023 and provides protection up to \$365 million. Gross deposit premiums for all reinsurance layers total \$42.6 million, within the maximum premium authorized by the Governing Committee.

- 7. Internal Audit Status Update: Current internal audit activity includes accounts payable and expense processing, accounts receivable, depopulation, CAT Plan tabletop exercises, underwriting, app development and database access, model audit rule and reinsurance funding. Upcoming audit activities include actuarial, communications, legal and compliance and plan of operation.
- 8. Underwriting Operational Review Update: Mr. Ledwik reported that 99.62% of transactions were issued within 10 days of receiving the application and payment. Of those transactions, 89% were straight through processed by the system and 11% were referred by the system to underwriting for additional information, review and approval prior to issuance. Calls were answered in under 20 seconds 82% of the time.

A standard sample of agencies (20) were selected for review in the second 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, 45% have responded. Proof of declination was received for 67% of the policies selected. Signed applications were provided for 72% of the policies selected. Signed eligibility requirement statements were provided for 71% of policies selected. At

this time, 11 agents have not responded and two agents that could not provide the requested documentation cited a book of business transfer. All agents selected have an active property and casualty insurance license and the required direct standard market appointments. Staff are following up for outstanding proof of declinations, outstanding signed applications and outstanding signed eligibility statements for the agents who have not fully responded. Follow up audits continue to be conducted on agents who have been previously audited when that audit was deemed non-compliant.

9. Claims:

- A. Claims Operations: First notice of loss to property inspection is averaging 3.2 days. The total cycle time of first notice of loss to payment daily was 9.6 days and 8.8 days for catastrophe. Historical TFPA claim volume for 2023 is 3,021. Ms. Neblett asked if TFPA activated claims adjusters for the spring storms and how many were activated. Mr. Williams said he wasn't sure how many were activated but staff moved CAT claims faster than general claims.
- B. Litigation Summary: Seven first party suits were received and six were closed in the second quarter of 2023. Twenty-six first party and three third party TFPA claims with letters of representation were received in the second quarter. Sixteen first party and four third party claims with letters of representation were closed during the same period. The majority of the suits are held by the Dick Law Firm and Manuel Solis, P.C. Ms. Mueller asked if staff are comfortable with the number of suits. Ms. Crass said the number of disputed claims should go back to normal levels. She expects more activity this year as opposed to a slow 2022.

10. TFPA Operations:

- A. IT Systems Enhancements: Staff has started early preparations for the cloud effort with individuals taking cloud training on Guidewire core applications. The team is in on-going discussions on infrastructure, such as tools and technologies, that will change with the move to the cloud. The project is still on track to start January 2024.

Overall, TFPA systems continue in production support mode with a monthly cadence of releases and the infrastructure and operations team continues to support remote work with excellent quality. All technology-related efforts are on track.

- B. Legislative Affairs Update and Legislative Implementation: The regular session of the 88th Legislature concluded on May 29. House Bill 998 by Rep. Dennis Paul (Harris County) passed and was signed into law by the governor. This bill allows the Insurance Commissioner to designate areas within 10 miles of TWIA's coverage area where property owners' associations would be eligible for FAIR Plan coverage.

The governor vetoed Senate Bill 1393. This bill would have allowed an offer of private market residential coverage that is at least 10% higher than a TFPA offer for equivalent coverage to be considered a declination for purposes of eligibility for TFPA coverage in areas within four miles of TWIA's coverage area.

Staff have launched a Legislative Implementation Program for the 88th Session (LIP 88) to put into effort the new laws impacting Association operations.

11. Closed Session: There was no closed session.
12. Consideration of Issues Related to Matters Deliberated in Closed Session that May Require Action, If Any, of the Governing Committee: There were no items to consider.
13. Future Meetings: The next meetings are scheduled to take place on the following dates in the following locations:
 - December 11, 2023 – Omni Hotel – Corpus Christi
 - February 19, 2024 – Moody Gardens Hotel – Galveston,
14. Committees: There was nothing to report.
15. Adjourn: There being no further business the meeting adjourned at 4:02 pm.

Prepared by: Amy Koehl
Senior Project Administrator

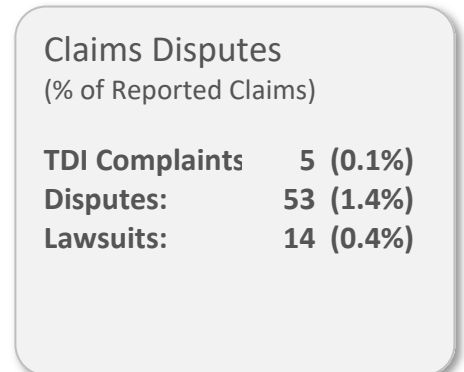
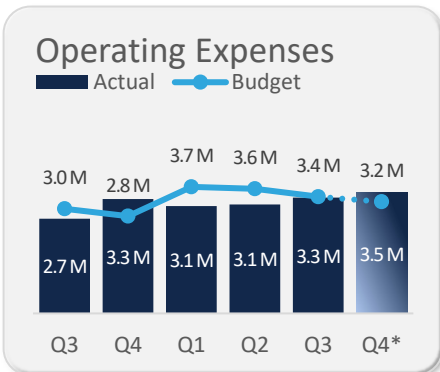
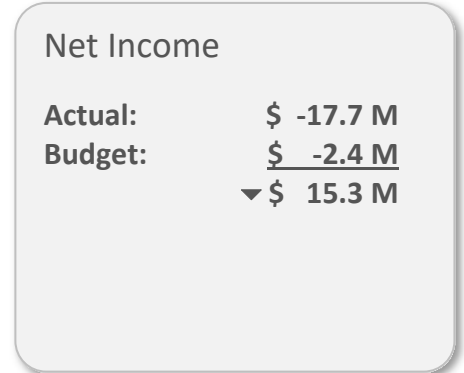
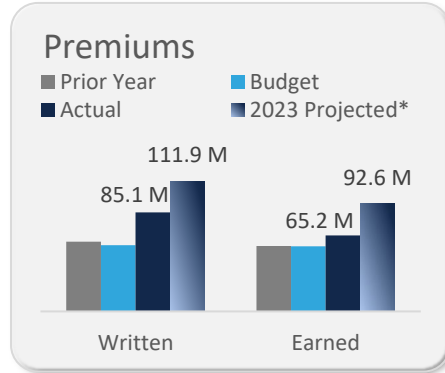
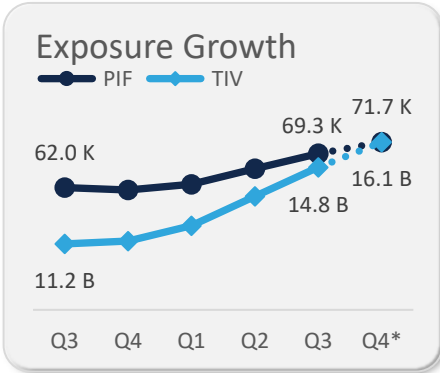
Approved by: Mark Solomon
TFPA Chairman

3. TFPA Operational Dashboard



Operational Dashboard

Reporting as of September 30, 2023



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

4. Financial

4A. Report of Secretary/Treasurer

4A1. Income Statement

4A2. Management Discussion and Analysis

TEXAS FAIR PLAN ASSOCIATION
Statutory Income Statement - Treasurer's Report
for the nine months ended September 30,
(000's omitted)

	2023	2022
Direct Premiums Written	<u>\$ 85,067</u>	<u>\$ 59,794</u>
Premiums Earned:		
Direct Premiums Earned	\$ 65,238	\$ 56,188
Ceded Reinsurance Premiums	<u>(27,418)</u>	<u>(21,529)</u>
Net Premiums Earned	<u>37,821</u>	<u>34,658</u>
Deductions:		
Direct Losses and LAE Incurred	39,569	19,993
Direct Losses and LAE Incurred - Harvey	-	-
Ceded Losses and LAE Incurred - Harvey	-	(0)
Operating Expenses	9,582	8,494
Commission Expense	9,343	6,263
Ceding commissions / brokerage	(3,534)	(2,138)
Premium / Maintenance Tax	<u>1,553</u>	<u>1,111</u>
Total Deductions	<u>56,513</u>	<u>33,722</u>
Net Underwriting Gain or (Loss)	<u>(18,693)</u>	<u>936</u>
Other Income or (Expense):		
Investment Income	949	102
Investment Expenses (Line of Credit Commitment Fee)	(68)	(68)
Interest Expense on Line of Credit Advance	-	-
Member Assessment Income	-	-
Charge off's /Write off	(247)	(237)
Billing Fees	405	358
Other Income (Expense)	<u>1</u>	<u>-</u>
Total Other Income or (Expense)	<u>1,040</u>	<u>155</u>
Net Income (Loss)	<u>\$ (17,653)</u>	<u>\$ 1,091</u>
Surplus (Deficit) Account:		
Beginning Surplus (Deficit)	1,183	1,955
Net Income (Loss)	(17,653)	1,091
Change in Provision for Reinsurance	1,000	465
Change in nonadmitted assets	(129)	(140)
Other	-	-
Ending Surplus (Deficit)	<u>\$ (15,599)</u>	<u>\$ 3,371</u>

Texas FAIR Plan Association
Management’s Discussion and Analysis of Financial Results for the
Nine Months Ended September 30, 2023

Written and Earned Premiums

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 85.1 M	\$ 56.8 M	\$ 28.2 M	49.7%
Direct Earned Premiums	\$ 65.2 M	\$ 55.9 M	\$ 9.4 M	16.8%
Policies In-Force	69,273	55,736	13,537	24.3%

Current Yr vs Prior Yr Actuals	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 85.1 M	\$ 59.8 M	\$ 25.3 M	42.3%
Direct Earned Premiums	\$ 65.2 M	\$ 56.2 M	\$ 9.1 M	16.1%
Policies In-Force	69,273	61,976	7,297	11.8%

- Policies in force at year- end 2022 totaled 61,452.

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 with the program. Ceded premiums are earned on a pro-rata basis over the term of the reinsurance coverage. Ceded earned premiums for January – September of 2023 totaled \$ 27.4 million which exceeded the budget due to the impact of the TIV true up in late 2022 and the higher than budgeted cost for the 2023 program. The Association recorded an additional \$3.3 million of ceded written premium during September to recognize the estimated increase in cost associated with the upcoming October 2023 true-up of total insured value. The ceded premium is higher than prior year amounts due to the harder than expected reinsurance market experienced during the renewal period.

Loss and Loss Adjustment Expense Incurred

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 31.5 M	\$ 15.4 M	\$ 16.1 M	104.8%
Direct LAE Incurred	\$ 8.1 M	\$ 3.8 M	\$ 4.3 M	114.7%
Total Direct Losses & LAE	\$ 39.6 M	\$ 19.1 M	\$ 20.4 M	106.8%
Loss & LAE Ratio	60.7%	34.3%		26.4%

Current Yr vs Prior Yr Actuals	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 31.5 M	\$ 14.3 M	\$ 17.2 M	120.0%
Direct LAE Incurred	\$ 8.1 M	\$ 5.7 M	\$ 2.4 M	42.1%
Total Direct Losses & LAE	\$ 39.6 M	\$ 20.0 M	\$ 19.6 M	97.9%
Loss & LAE Ratio	60.7%	35.6%		25.1%

- The higher than anticipated losses and LAE were due primarily to the damage caused by the tornados and storms that struck the Houston area in late January and a return to more normal levels of spring storms experienced throughout Texas.

Operating Expenses

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 9.6 M	\$ 10.6 M	(\$ 1.0 M)	(9.7%)
Operating Expense Ratio	14.7%	19.0%		(4.3%)

Current Yr vs Prior Yr Actuals	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 9.6 M	\$ 8.5 M	\$ 1.1 M	12.8%
Operating Expense Ratio	14.7%	15.1%		(0.4%)

- Notable expense items under budget include Personnel Expenses (\$679,000), Software and Hardware (\$86,000), and Other Operating Expenses (\$193,000).

Commissions and Premium Taxes

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 9.3 M	\$ 6.0 M	\$ 3.4 M	57.0%
Premium Taxes	\$ 1.6 M	\$ 1.1 M	\$ 0.5 M	47.3%

Current Yr vs Prior Yr Actuals	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 9.3 M	\$ 6.3 M	\$ 3.1 M	49.2%
Premium Taxes	\$ 1.6 M	\$ 1.1 M	\$ 0.4 M	39.9%

Other Income (Expense)

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 949.3 K	\$ 132.1 K	\$ 817.1 K	618.4%

Current Yr vs Prior Yr Actual	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 949.3 K	\$ 101.9 K	\$ 847.4 K	831.9%

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

Net Income (Loss)

Actual vs Budget	Sep-2023 YTD Actual	Sep-2023 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Net Income (Loss)	(\$ 17.7 M)	(\$ 2.4 M)	(\$ 15.3 M)	635.5%

Current Yr vs Prior Yr Actual	Sep-2023 YTD Actual	Sep-2022 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Net Income	(\$ 17.7 M)	\$ 1.1 M	(\$ 18.7 M)	(1,718.1%)

Surplus (Deficit)

Actual vs Prior Yr End	Sep-2023 YTD Actual	Dec-22 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Surplus (Deficit)	(\$ 15.6 M)	\$ 1.2 M	(\$ 16.8 M)	(1,419.2%)

- Surplus as of September 30, 2023, was also reduced by \$ 128.9 K due to an increase in non-admitted assets related primarily to prepaid expenses.

4B. Financial Statement Review by Staff

TEXAS FAIR PLAN ASSOCIATION
Statutory Income Statement (000's omitted)
for the nine months ended September 30,

	<u>Actuals - 2023</u>	<u>Budget - 2023</u>	<u>Variance - 2023</u>	<u>Actuals - 2022</u>
1 Premiums Written:				
5 Direct	\$ 85,067	\$ 56,837	\$ 28,229	\$ 59,794
6 Ceded	(45,169)	(32,846)	(12,323)	(31,370)
7 Ceded - Depopulation	-	-	-	-
8 Net	<u>39,897</u>	<u>23,991</u>	<u>15,906</u>	<u>28,423</u>
10 Premiums Earned:				
11 Direct	\$ 65,238	\$ 55,861	\$ 9,377	\$ 56,188
12 Ceded	(27,418)	(23,897)	(3,521)	(21,529)
13 Ceded - Depopulation	-	-	-	-
14 Net	<u>37,821</u>	<u>31,964</u>	<u>5,856</u>	<u>34,658</u>
16 Deductions:				
17 Direct Losses and LAE Incurred	39,569	19,137	20,432	19,993
18 Direct Losses and LAE Incurred - Harvey	-	-	-	-
19 Ceded Losses and LAE Incurred - Harvey	-	-	-	(0)
20 Operating Expenses	9,582	10,615	(1,034)	8,494
21 Commission Expense	9,343	5,951	3,392	6,263
22 Ceding commissions / brokerage	(3,534)	(2,300)	(1,233)	(2,138)
23 Premium / Maintenance Tax	1,553	1,055	499	1,111
24 Total Deductions	<u>56,513</u>	<u>34,457</u>	<u>22,056</u>	<u>33,722</u>
26 Net Underwriting Gain or (Loss)	<u>(18,693)</u>	<u>(2,493)</u>	<u>(16,200)</u>	<u>936</u>
28 Other Income or (Expense):				
29 Gross Investment Income	949	132	817	102
30 Line of Credit Fees	(68)	(68)	(0)	(68)
31 Interest Expense on Line of Credit Advance	-	-	-	-
32 Member Assessment Income	-	-	-	-
33 Premium Charge offs/Write offs	(247)	(255)	8	(237)
34 Billing Fees	405	284	121	358
35 Miscellaneous Income (Expense)	1	-	1	-
36 Total Other Income or (Expense)	<u>1,040</u>	<u>93</u>	<u>947</u>	<u>155</u>
38 Net Income (Loss)	<u>\$ (17,653)</u>	<u>\$ (2,400)</u>	<u>\$ (15,253)</u>	<u>\$ 1,091</u>
40 Surplus (Deficit) Account:				
41 Beginning Surplus (Deficit)	1,183	1,183	-	1,955
42 Net Income (Loss)	(17,653)	(2,400)	(15,253)	1,091
43 Change in Provision for Reinsurance	1,000	-	1,000	465
44 Change in nonadmitted assets	(129)	(151)	22	(140)
45 Ending Surplus (Deficit)	<u>\$ (15,599)</u>	<u>\$ (1,369)</u>	<u>\$ (14,231)</u>	<u>\$ 3,371</u>
47 Key Operating Ratios:				
48 Direct:				
49 Loss & LAE Ratio:				
50 Non Hurricane	60.7%	34.3%	26.4%	35.6%
51 Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
52 Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
53 Loss & LAE Ratio	<u>60.7%</u>	<u>34.3%</u>	<u>26.4%</u>	<u>35.6%</u>
54 UW Expense Ratio:				
55 Acquisition	12.8%	12.3%	0.5%	12.3%
56 Non Acquisition	14.7%	19.0%	(4.3%)	15.1%
57 UW Expense Ratio	<u>27.5%</u>	<u>31.3%</u>	<u>(3.8%)</u>	<u>27.4%</u>
58 Combined Ratio	<u>88.1%</u>	<u>65.6%</u>	<u>22.6%</u>	<u>63.0%</u>

TEXAS FAIR PLAN ASSOCIATION					
Statutory Expense Report (000's omitted)					
for the nine months ended September 30,					
Description	Actuals - 2023	Budget - 2023	Variance - 2023	Actuals - 2022	
Personnel Expenses					
Salaries & Wages - Permanent	\$ 5,316	\$ 5,342	\$ (27)	\$ 4,334	
Contractor & Temporary Help	773	1,152	(379)	993	
Payroll Taxes	401	416	(15)	315	
Employee Benefits	1,634	1,624	10	1,668	
Recruiting, Training & Other	46	164	(119)	72	
Subtotal	<u>8,169</u>	<u>8,699</u>	<u>(530)</u>	<u>7,383</u>	
Professional & Consulting Services					
Legal	97	100	\$ (3)	84	
Accounting & Auditing	114	78	37	108	
Information Technology	89	558	(469)	247	
Actuarial Services	24	24	-	17	
Surveys & Inspections	596	336	260	300	
Disaster Recovery Services	4	5	(1)	62	
Other Services (1)	1,137	1,013	124	823	
Subtotal	<u>2,061</u>	<u>2,113</u>	<u>(53)</u>	<u>1,641</u>	
Hardware/Software Purchases & Licensing	1,046	1,310	(264)	1,073	
Rental & Maintenance - Office/Equipment	381	422	(42)	488	
Travel Expenses	92	112	(20)	57	
Postage, Telephone and Express	319	347	(29)	250	
Capital Management Expenses	68	68	0	68	
Other Operating Expenses	326	522	(197)	322	
Total Operating Expenses	<u>\$ 12,461</u>	<u>\$ 13,594</u>	<u>\$ (1,133)</u>	<u>\$ 11,282</u>	
Capitalization of Fixed Assets	0	0	-	0	
Allocation To ULAE	(2,811)	(2,911)	100	(2,720)	
Allocation To Investing & Other Expense	(68)	(68)	(0)	(68)	
Net Operating Expense - UW Operations	<u>\$ 9,582</u>	<u>\$ 10,615</u>	<u>\$ (1,034)</u>	<u>\$ 8,494</u>	

(1) Summary Details for Other Services:

<u>VENDOR</u>	<u>Amount</u>	<u>Department</u>
Clear Point Claims LLC	315	Underwriting
Insurance Services Office, Inc.	243	Underwriting & Claims
Xactware Solutions Inc	103	Claims
Marshall & Swift/Boeckh	96	Underwriting
EagleView Technologies Inc	69	Claims
LYNX Services LLC	53	Claims
* Other Vendors less than \$50K	257	Various Departments

Total Other Services 1,137

TEXAS FAIR PLAN ASSOCIATION
Statutory Balance Sheet (000's omitted)

	September-2023	December 2022	
1			1
2 Admitted Assets			2
3 Cash and short term investments:	59,030	50,619	3
4 Premiums receivable & other	11,491	6,661	4
5 Amounts recoverable from reinsurers	298	303	5
6 Other Assets	165	58	6
7 Total admitted assets	<u><u>\$ 70,984</u></u>	<u><u>\$ 57,641</u></u>	7
8			8
9 Liabilities, Surplus and other funds			9
10 Liabilities:			10
11 Loss and Loss adjustment expenses	15,784	12,858	11
12 Underwriting expenses payable	3,113	2,351	12
13 Unearned premiums, net of ceded unearned premiums	24,749	22,672	13
14 Ceded reinsurance premiums payable	39,395	14,325	14
15 Provision for reinsurance	-	1,000	15
16 Other payables	3,543	3,252	16
17 Total liabilities	<u><u>86,584</u></u>	<u><u>56,458</u></u>	17
18			18
19 Surplus and others funds			19
20 Unassigned surplus (deficit)	(15,599)	1,183	20
21 Total liabilities, surplus and other funds	<u><u>\$ 70,984</u></u>	<u><u>\$ 57,641</u></u>	21
22			22

TEXAS FAIR PLAN ASSOCIATION
Cash and Short Term Investments (\$ in 000's)
September 30, 2023

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 TFFPA'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
Balances as of 9/30/2023:											
Bank of America	\$ 6,221	\$ -	\$ 6,221				11%	Superior	13.3%	\$185	No
Citibank	208	109	317	115	0	1.7%	1%	Superior	14.9%	\$153	No
JPMorgan Chase	13,938	-	13,938				24%	Superior	17.3%	\$282	No
JP Morgan U.S. Treasury Plus Money Market Fund (1)	-	10,992	10,992	10,943	142	5.2%	19%	N/A	N/A	N/A	N/A
JP Morgan Goldman Sachs (1)	-	18,220	18,220	13,276	172	5.2%	31%	N/A	N/A	N/A	N/A
Fidelity Treasury (1)	-	9,342	9,342	9,301	121	5.2%	16%	N/A	N/A	N/A	N/A
Total of all financial institutions	\$ 20,368	\$ 38,662	\$ 59,030	\$ 33,634	\$ 435	5.2%	100%				
Balances as of 6/30/2023:											
Bank of America	\$ 5,664	\$ -	\$ 5,664				13%	Superior	13.4%	\$185	No
Citibank	208	108	316	3,144	22	2.8%	1%	Superior	14.8%	\$154	No
JPMorgan Chase	11,030	-	11,030				24%	Superior	17.3%	\$274	No
JP Morgan U.S. Treasury Plus Money Market Fund (1)	-	10,853	10,853	10,809	131	4.9%	24%	N/A	N/A	N/A	N/A
JP Morgan Goldman Sachs (1)	-	8,092	8,092	8,061	95	4.7%	18%	N/A	N/A	N/A	N/A
Fidelity Treasury (1)	-	9,225	9,225	6,181	45	2.9%	20%	N/A	N/A	N/A	N/A
Total of all financial institutions	\$ 16,902	\$ 28,279	\$ 45,180	\$ 28,194	\$ 293	4.2%	100%				

(1) The Fund invests in U.S. treasury bills, notes, bonds and other obligations issued or guaranteed by the U.S. Treasury.
Bank credit rating, Tier 1 Capital Ratios, and Regulatory Capital were reviewed with the latest financial information available as of September 30, 2023. Rates, ratios and regulatory capital are comparable and consistent with year end National Association (N.A.) results.

TEXAS FAIR PLAN ASSOCIATION
Statement of Cash Flows (000's omitted)
As of September 30, 2023

1	Actuals - 2023	Budget - 2023	Variance - 2023	1
2				2
3				3
4 Cash flows from operating activities:				4
5 Premiums collected, net of reinsurance	\$ 61,096	\$ 27,594	\$ 33,502	5
6 Losses and loss adjustment expense paid	(36,638)	(20,989)	(15,649)	6
7 Underwriting expenses paid	(16,478)	(14,246)	(2,232)	7
8 Member assessment received	-	-	-	8
9 Other	(344)	29	(373)	9
10 Net cash provided by operating activities	<u>7,637</u>	<u>(7,613)</u>	<u>15,249</u>	10
11 Cash flows from nonoperating activities:				11
12 Other	-	-	-	12
13 Net cash provided by nonoperating activities	<u>-</u>	<u>-</u>	<u>-</u>	13
14 Cash flows from investing activities:				14
15 Sales and maturities of investments	-	-	-	15
16 Net investment income	775	132	643	16
17 Net cash provided by investing activities	<u>775</u>	<u>132</u>	<u>643</u>	17
18 Cash flows from financing activities:				18
19 Borrowed funds	-	-	-	19
20 Borrowed funds repaid	-	-	-	20
21 Interest Expense/Fees - Line of Credit Advance	(0)	(68)	68	21
22 Net cash provided by financing activities	<u>(0)</u>	<u>(68)</u>	<u>68</u>	22
23				23
24 Net increase (decrease) in cash and short-term investments	8,411	(7,549)	15,960	24
25 Cash and short-term investments, Beginning	50,619	50,619	-	25
26 Cash and short-term investments, Ending	<u>\$ 59,030</u>	<u>\$ 43,070</u>	<u>\$ 15,960</u>	26
27				27
28 Note: Beginning budgeted Cash and Short-term investments adjusted to actual for comparative purposes.				28

TEXAS FAIR PLAN ASSOCIATION
HISTORICAL DATA
2003 - 2023
(\$ 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	14,849,425	69,273	9.8% (h)	85,067	39,569	37,821	39,569	16,944	(18,693)		(15,599)
TOTAL				\$ 1,882,537	\$ 1,162,799	\$ 1,245,833	\$ 858,998	\$ 460,975	\$ (74,140)	\$ 54,941	

(a) Effective July 1, 2013

(b) Effective April 1, 2016

(c) Effective June 1, 2017

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

(e) Effective August 1, 2020

(f) Effective August 1, 2021

(g) Effective August 1, 2022

(h) Effective August 1, 2023

*2023 data through 9/30/2023

4C. Review/Approval of 2024 Budget

Texas FAIR Plan Association

2024 Budget Summary to
Governing Committee
December 11, 2023



2023 Forecasted Income Statement w/ Reconciliation to Workshop

(In 000s)

	A			B			C			D		E	
	For the twelve months ended December 31,						Budget Workshop		Forecast FY2023		CHANGE		
	FINAL						November 2						
	Forecast FY2023	Budget FY2023	Variance 2023	Forecast FY2023	Budget FY2023	Variance 2023	Forecast FY2023	Budget FY2023	Variance 2023	Forecast FY2023	Budget FY2023	Variance 2023	
Premiums Written:													
1 Direct	\$ 111,890	\$ 70,829	\$ 41,061	\$ 111,890	\$ 70,829	\$ 41,061	\$ 111,890	\$ 70,829	\$ 41,061	\$ 111,890	\$ 70,829	\$ 41,061	
Premiums Earned:													
2 Direct	\$ 92,576	\$ 73,852	\$ 18,724	\$ 92,576	\$ 73,852	\$ 18,724	\$ 92,576	\$ 73,852	\$ 18,724	\$ 92,576	\$ 73,852	\$ 18,724	
3 Ceded	(38,710)	(32,108)	(6,602)	(38,710)	(32,108)	(6,602)	(38,710)	(32,108)	(6,602)	(38,710)	(32,108)	(6,602)	
4 Net	53,867	41,744	12,123	53,867	41,744	12,123	53,867	41,744	12,123	53,867	41,744	12,123	
Deductions:													
6 Losses and LAE Incurred	47,716	24,498	23,218	46,631	24,498	23,218	46,631	24,498	23,218	46,631	24,498	23,218	
7 Operating Expenses	13,058	13,836	(778)	13,058	13,836	(778)	13,058	13,836	(778)	13,058	13,836	(778)	
8 Commission Expense	12,294	7,416	4,878	12,105	7,416	4,878	12,105	7,416	4,878	12,105	7,416	4,878	
9 Ceding commissions / brokerage	(3,534)	(2,300)	(1,233)	(3,534)	(2,300)	(1,233)	(3,534)	(2,300)	(1,233)	(3,534)	(2,300)	(1,233)	
10 Premium / Maintenance Tax	2,044	1,334	710	2,047	1,334	710	2,047	1,334	710	2,047	1,334	710	
11 Total Deductions	71,578	44,784	26,793	70,306	44,784	26,793	70,306	44,784	26,793	70,306	44,784	26,793	
12 Net Underwriting Gain or (Loss)	(17,711)	(3,041)	(14,671)	(16,440)	(3,041)	(14,671)	(16,440)	(3,041)	(14,671)	(16,440)	(3,041)	(14,671)	
13 Other Income or (Expense):													
14 Gross Investment Income	1,297	174	1,123	1,306	174	1,123	1,306	174	1,123	1,306	174	1,123	
15 Line of Credit Fees	(91)	(91)	(0)	(91)	(91)	(0)	(91)	(91)	(0)	(91)	(91)	(0)	
16 Interest Expense on Line of Credit Advance	0	0	0	0	0	0	0	0	0	0	0	0	
17 Premium Charge Offs/Write Offs	(328)	(319)	(9)	(329)	(319)	(9)	(329)	(319)	(9)	(329)	(319)	(9)	
18 Billing Fees	519	354	165	504	354	165	504	354	165	504	354	165	
19 Other Income (Expense)	1	0	1	1	0	1	1	0	1	1	0	1	
20 Total Other Income or (Expense)	1,398	117	1,280	1,391	117	1,280	1,391	117	1,280	1,391	117	1,280	
21 Net Income (Loss)	\$ (16,314)	\$ (2,923)	\$ (13,390)	\$ (15,049)	\$ (2,923)	\$ (13,390)	\$ (15,049)	\$ (2,923)	\$ (13,390)	\$ (15,049)	\$ (2,923)	\$ (13,390)	
22													
23													
24													

Discussion Notes

- No changes in premiums and reinsurance 2023 forecasts
- Losses & LAE forecasts were updated with September 2023 actuals
- No change in Net Operating expenses
- Changes in Commission Expense, Premium Tax, Write Offs and Billing Fees reflect the updates on the July to September 2023 actuals.

2023 Forecasted Deficit & Key Ratios w/ Reconciliation to Workshop

(In 000s)

	A	B	C	D	E
	For the twelve months ended December 31,			Budget Workshop	
	FINAL			November 2	
	Forecast FY2023	Budget FY2023	Variance 2023	Forecast FY2023	CHANGE
1 Surplus (Deficit) Account:					
2 Beginning Surplus (Deficit)	\$ 1,183	\$ 2,985	\$ (1,802)	\$ 1,183	(0)
3 Net Income (Loss)	(16,314)	(2,923)	(13,390)	(15,049)	(1,264)
4 Change in Provision for Reinsurance	0	0	0	1,000	(1,000)
5 Change in Non-Admitted Assets	8	332	(324)	41	(34)
6 Statutory Fund Cost	0	0	0	0	0
7 Ending Surplus (Deficit)	\$ (15,123)	\$ 393	\$ (15,517)	\$ (12,825)	\$ (2,298)
8					
9 Key Operating Ratios:					
10 Direct:					
11 Loss & LAE Ratio	51.5%	33.2%	18.4%	50.4%	1.2%
12 UW Expense Ratio:					
13 Acquisition	12.8%	12.4%	0.5%	12.6%	0.2%
14 Non Acquisition	14.1%	18.7%	(4.6%)	14.1%	0.0%
15 UW Expense Ratio	26.9%	31.1%	(4.2%)	26.8%	0.2%
16 Direct Combined Ratio	78.5%	64.3%	14.2%	77.1%	1.3%
17					

Note: Forecast reflects January to September 2023 actuals except for Operating Expenses and October to December 2023 forecast.

2023 Revised Forecast – Expense Summary

(000's)

		A	B	C	D	E	
		For the twelve months ended December 31,			Budget Workshop November 2		
		FINAL Forecast FY2023	Budget FY2023	Variance 2023	Forecast FY2023	CHANGE	
1	Personnel Expenses	\$ 11,129	\$ 11,534	\$ (405)	\$ 11,129	0	1
2	Professional & Consulting Services	2,621	2,631	(10)	2,621	0	2
3	Hardware/Software Purchases & Licensing	1,495	1,597	(102)	1,495	0	3
4	Rental & Maintenance - Office/Equipment	533	560	(28)	533	0	4
5	Travel Expenses	155	158	(2)	155	0	5
6	Postage, Telephone and Express	469	462	7	469	0	6
7	Capital Management Expenses	91	91	0	91	0	7
8	Depreciation	0	0	0	0	0	8
9	Other Operating Expenses	448	644	(196)	448	0	9
10	Gross Operating Expenses	\$ 16,942	\$ 17,678	\$ (736)	\$ 16,942	0	10
11	Less: Adjustments/Allocations						11
12	Capitalization of Fixed Assets	0	0	0	0	0	12
13	Reimbursement of Depopulation Servicing Expense	0	0	0	0	0	13
14	Allocation To ULAE	(3,793)	(3,750)	(42)	(3,793)	0	14
15	Allocation To Investing	(91)	(91)	(0)	(91)	0	15
16	Total Adjustments/Allocations	\$ (3,884)	\$ (3,841)	\$ (43)	\$ (3,884)	0	16
17							17
18	Net Operating Expense - UW Operations	\$ 13,058	\$ 13,836	\$ (778)	\$ 13,058	0	18

No Change in the Operating Expenses forecasts.

2024 Budget - Income Statement w/ Reconciliation to Workshop

(In 000's)

	A	B	C	
	FINAL Budget FY2024	Budget Workshop November 2 Budget FY2024	CHANGE	
Premiums Written:				
1 Direct	\$ 154,099	\$ 154,099	0	1
Premiums Earned:				
2 Direct	\$ 135,162	\$ 135,162	0	2
3 Ceded	(55,085)	(55,085)	0	3
4 Net	\$ 80,077	\$ 80,077	0	4
Deductions:				
5 Losses and LAE Incurred	38,279	38,279	0	5
6 Operating Expenses	17,122	17,122	0	6
7 Commission Expense	16,951	16,489	462	7
8 Ceding commissions / brokerage	(5,744)	(5,744)	0	8
9 Premium / Maintenance Tax	2,820	2,820	0	9
10 Total Deductions	69,428	68,966	462	10
Net Underwriting Gain or (Loss)	\$ 10,648	\$ 11,111	(462)	11
Other Income or (Expense):				
12 Gross Investment Income	1,793	1,793	0	12
13 Line of Credit Fees	(92)	(92)	0	13
14 Interest Expense on Line of Credit Advance	0	0	0	14
15 Premium Charge Offs/Write Offs	(462)	(462)	0	15
16 Billing Fees	655	655	0	16
17 Other Income (Expense)	0	0	0	17
18 Total Other Income or (Expense)	1,894	1,894	0	18
Net Income (Loss)	\$ 12,542	\$ 13,005	(462)	19

Commission Expense
 The increase of \$462K is attributed to the change in the assumption rate from 10.7% to 11.0% based on the increase in new business policies over recent months.

2024 Budget Deficit & Key Ratios w/ Reconciliation to Workshop

(In 000's)

	A	B	C
	FINAL Budget FY2024	Budget Workshop November 2 Budget FY2024	CHANGE
1 Surplus (Deficit) Account:			
2 Beginning Surplus (Deficit)	\$ (15,123)	\$ (12,825)	(2,298)
3 Net Income (Loss)	12,542	13,005	(462)
4 Change in Provision for Reinsurance	0	0	0
5 Change in Non-Admitted Assets	(9)	(9)	0
6 Statutory Fund Cost	0	0	0
7 Ending Surplus (Deficit)	\$ (2,590)	\$ 170	\$ (2,760)
8			
9 Key Operating Ratios:			
10 Direct:			
11 Loss & LAE Ratio	28.3%	28.3%	0.0%
12 UW Expense Ratio:			
13 Acquisition	12.8%	12.5%	0.3%
14 Non Acquisition	12.7%	12.7%	0.0%
15 UW Expense Ratio	25.5%	25.2%	0.3%
16 Direct Combined Ratio	53.8%	53.5%	0.3%
17			

Beginning Deficit
The increase in Deficit represents the change in the 2023 forecast.

2024 Budget – Operating Expenses Summary w/ Reconciliation to Workshop (In 000's)

	A	B	C	
	FINAL Budget FY2024	Budget Workshop November 2 Budget FY2024	CHANGE	
1 Personnel Expenses	12,489	12,489	0	1
2 Professional & Consulting Services	5,272	5,272	0	2
3 Hardware/Software Purchases & Licensing	1,676	1,676	0	3
4 Rental & Maintenance - Office/Equipment	570	570	0	4
5 Travel Expenses	162	162	0	5
6 Postage, Telephone and Express	556	556	0	6
7 Capital Management Expenses	92	92	0	7
8 Depreciation	0	0	0	8
9 Other Operating Expenses	557	557	0	9
10 Gross Operating Expenses	21,375	21,375	0	10
11 Less: Adjustments/Allocations				11
12 Capitalization of Fixed Assets	0	0	0	12
13 Reimbursement of Depopulation Servicing Expense	0	0	0	13
14 Allocation To ULAE	(4,161)	(4,161)	0	14
15 Allocation To Investing	(92)	(92)	0	15
16 Total Adjustments/Allocations	(4,252)	(4,252)	0	16
17				17
18 Net Operating Expense - UW Operations	17,122	17,122	0	18

**No change in the
2024 Operating
Expenses budget.**

Final TFPA 2024 Operating Expenses Budget

(In 000's)

A	B	C	D	E		
For the twelve months ended December 31,						
	Forecast FY2023	Budget FY2023	Variance 2023	Budget FY2024		
1	Personnel Expenses	11,129	11,534	(405)	12,489	1
2	Professional & Consulting Services	2,621	2,631	(10)	5,272	2
3	Hardware/Software Purchases & Licensing	1,495	1,597	(102)	1,676	3
4	Rental & Maintenance - Office/Equipment	533	560	(28)	570	4
5	Travel Expenses	155	158	(2)	162	5
6	Postage, Telephone and Express	469	462	7	556	6
7	Capital Management Expenses	91	91	0	92	7
8	Depreciation	0	0	0	0	8
9	Other Operating Expenses	448	644	(196)	557	9
10	Gross Operating Expenses	16,942	17,678	(736)	21,375	10
11	Less: Adjustments/Allocations					11
12	Capitalization of Fixed Assets	0	0	0	0	12
13	Reimbursement of Depopulation Servicing Expense	0	0	0	0	13
14	Allocation To ULAE	(3,793)	(3,750)	(42)	(4,161)	14
15	Allocation To Investing	(91)	(91)	(0)	(92)	15
16	Total Adjustments/Allocations	(3,884)	(3,841)	(43)	(4,252)	16
17						17
18	Net Operating Expense - UW Operations	13,058	13,836	(778)	17,122	18

Final TFPA 2024 Income Statement Budget

(In 000's)

		A	B	C	D		
		For the twelve months ended December 31,					
		Forecast FY2023	Budget FY2023	Variance 2023	Budget FY2024		
	Premiums Written:						
1	Direct	\$ 111,890	\$ 70,829	\$ 41,061	\$ 154,099		1
	Premiums Earned:						
2	Direct	\$ 92,576	\$ 73,852	\$ 18,724	\$ 135,162		2
3	Ceded	(38,710)	(32,108)	(6,602)	(55,085)		3
4	Net	53,867	41,744	12,123	80,077		4
5							5
	Deductions:						
6	Losses and LAE Incurred	47,716	24,498	23,218	38,279		6
7	Operating Expenses	13,058	13,836	(778)	17,122		7
8	Commission Expense	12,294	7,416	4,878	16,951		8
9	Ceding commissions / brokerage	(3,534)	(2,300)	(1,233)	(5,744)		9
10	Premium / Maintenance Tax	2,044	1,334	710	2,820		10
11	Total Deductions	71,578	44,784	26,793	69,428		11
12							12
13	Net Underwriting Gain or (Loss)	(17,711)	(3,041)	(14,671)	10,648		13
	Other Income or (Expense):						
14	Gross Investment Income	1,297	174	1,123	1,793		14
15	Line of Credit Fees	(91)	(91)	(0)	(92)		15
16	Interest Expense on Line of Credit Advance	0	0	0	0		16
17	Premium Charge Offs/Write Offs	(328)	(319)	(9)	(462)		17
18	Billing Fees	519	354	165	655		18
19	Other Income (Expense)	1	0	1	0		19
20	Total Other Income or (Expense)	1,398	117	1,280	1,894		20
21							21
22							22
23	Net Income (Loss)	\$ (16,314)	\$ (2,923)	\$ (13,390)	\$ 12,542		23
24							24

Final TFPA 2023 Income Statement Budget

(In 000's)

		A	B	C	D		
		For the twelve months ended December 31,					
		Forecast FY2023	Budget FY2023	Variance 2023	Budget FY2024		
1	Surplus (Deficit) Account:					1	
2	Beginning Surplus (Deficit)	1,183	2,985	(1,802)	(15,123)	2	
3	Net Income (Loss)	(16,314)	(2,923)	(13,390)	12,542	3	
4	Change in Provision for Reinsurance	0	0	0	0	4	
5	Change in Non-Admitted Assets	8	332	(324)	(9)	5	
6	Statutory Fund Cost	0	0	0	0	6	
7	Ending Surplus (Deficit)	(\$15,123)	\$393	(\$15,517)	(\$2,590)	7	
8						8	
9	Key Operating Ratios:					9	
10	Direct:					10	
11	Loss & LAE Ratio	51.5%	33.2%	18.4%	28.3%	11	
12	UW Expense Ratio:					12	
13	Acquisition	12.8%	12.4%	0.5%	12.8%	13	
14	Non Acquisition	14.1%	18.7%	(4.6%)	12.7%	14	
15	UW Expense Ratio	26.9%	31.1%	(4.2%)	25.5%	15	
16	Direct Combined Ratio	78.5%	64.3%	14.2%	53.8%	16	
17						17	

ANY
QUESTIONS



5. Actuarial

5A. Policy Counts/Exposures

Texas FAIR Plan Association
Liability Report
As of 9/30/23
All Forms Combined



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage
Harris	38,693	42,598	3,905	10.09%	6,161,730,295	8,074,013,615	1,912,283,321	31.03%	41,945,476	59,294,863	17,349,387	41.36%
Galveston	4,111	4,661	550	13.38%	1,124,752,814	1,473,784,027	349,031,213	31.03%	1,671,055	2,283,933	612,879	36.68%
Fort bend	4,088	5,036	948	23.19%	760,785,921	1,167,038,275	406,252,354	53.40%	4,321,150	7,204,150	2,883,000	66.72%
Dallas	1,882	1,868	(14)	(0.74%)	329,559,904	361,793,883	32,233,979	9.78%	1,807,305	2,193,721	386,416	21.38%
Brazoria	1,752	2,200	448	25.57%	469,453,246	705,431,057	235,977,811	50.27%	787,055	1,210,256	423,201	53.77%
Tarrant	1,437	1,364	(73)	(5.08%)	243,123,868	259,919,740	16,795,872	6.91%	1,518,469	1,757,940	239,472	15.77%
El paso	1,275	1,529	254	19.92%	315,306,525	411,099,699	95,793,174	30.38%	867,129	1,199,257	332,128	38.30%
Jefferson	1,174	1,636	462	39.35%	289,045,277	472,541,547	183,496,270	63.48%	536,294	890,868	354,574	66.12%
Nueces	1,131	1,136	5	0.44%	239,812,870	261,122,810	21,309,940	8.89%	586,898	685,203	98,305	16.75%
Montgomery	699	800	101	14.45%	127,584,426	186,514,440	58,930,014	46.19%	626,781	995,005	368,223	58.75%
Bexar	520	537	17	3.27%	95,000,082	110,620,714	15,620,632	16.44%	443,634	582,020	138,386	31.19%
Cameron	424	483	59	13.92%	78,934,190	111,802,440	32,868,250	41.64%	155,109	221,890	66,781	43.05%
Calhoun	376	391	15	3.99%	94,372,915	105,304,730	10,931,815	11.58%	170,390	204,292	33,902	19.90%
Orange	363	438	75	20.66%	60,812,608	87,503,718	26,691,110	43.89%	498,108	773,045	274,937	55.20%
Chambers	272	341	69	25.37%	83,083,950	128,107,990	45,024,040	54.19%	160,258	232,632	72,374	45.16%
Matagorda	253	288	35	13.83%	58,575,615	78,085,810	19,510,195	33.31%	136,342	178,065	41,723	30.60%
Liberty	198	253	55	27.78%	24,780,272	36,688,832	11,908,560	48.06%	264,321	380,232	115,911	43.85%
Travis	217	224	7	3.23%	39,535,220	51,765,090	12,229,870	30.93%	129,070	205,733	76,663	59.40%
Aransas	165	190	25	15.15%	35,938,100	43,784,340	7,846,240	21.83%	73,517	96,410	22,894	31.14%
Hidalgo	172	180	8	4.65%	19,786,036	24,978,706	5,192,670	26.24%	148,819	205,115	56,296	37.83%
San patricio	158	186	28	17.72%	37,094,926	51,855,796	14,760,870	39.79%	73,783	103,787	30,004	40.66%
Collin	156	163	7	4.49%	33,205,380	43,130,750	9,925,370	29.89%	184,899	288,287	103,388	55.92%
Waller	121	150	29	23.97%	17,907,830	25,027,010	7,119,180	39.75%	124,669	172,487	47,818	38.36%
Denton	107	133	26	24.30%	29,974,626	48,078,586	18,103,960	60.40%	146,818	256,344	109,526	74.60%
Brazos	83	74	(9)	(10.84%)	12,484,370	13,031,450	547,080	4.38%	51,868	55,204	3,336	6.43%
Top 25 Counties	59,827	66,859	7,032	11.75%	10,782,641,266	14,333,025,056	3,550,383,790	32.93%	57,429,217	81,670,741	24,241,524	42.21%
All Other Counties	2,149	2,414	265	12.33%	390,386,054	516,399,870	126,013,816	32.28%	2,364,362	3,395,871	1,031,509	43.63%
Tier 1	9,922	11,641	1,719	17.33%	2,535,449,604	3,462,156,153	926,706,549	36.55%	4,400,717	6,180,806	1,780,089	40.45%
Tier 2	43,822	48,878	5,056	11.54%	7,075,715,042	9,455,951,308	2,380,236,267	33.64%	47,552,219	68,432,219	20,880,000	43.91%
All Other Counties	8,232	8,754	522	6.34%	1,561,862,675	1,931,317,465	369,454,790	23.65%	7,840,643	10,453,587	2,612,945	33.33%
Statewide Total	61,976	69,273	7,297	11.77%	11,173,027,320	14,849,424,926	3,676,397,606	32.90%	59,793,579	85,066,612	25,273,033	42.27%

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 9/30/23
HO-A Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage
Harris	13,230	15,620	2,390	18.07%	3,364,348,618	4,782,176,571	1,417,827,954	42.14%	23,948,588	36,144,018	12,195,430	50.92%
Galveston	2,982	3,438	456	15.29%	1,024,586,432	1,343,421,291	318,834,859	31.12%	1,380,970	1,901,339	520,369	37.68%
Fort bend	1,040	1,418	378	36.35%	297,374,030	544,465,266	247,091,236	83.09%	1,840,820	3,518,582	1,677,762	91.14%
Dallas	830	828	(2)	(0.24%)	215,246,800	241,355,470	26,108,670	12.13%	1,268,719	1,561,078	292,359	23.04%
Brazoria	1,324	1,685	361	27.27%	417,617,970	630,146,870	212,528,900	50.89%	660,547	1,026,956	366,409	55.47%
Tarrant	746	735	(11)	(1.47%)	170,301,738	190,969,430	20,667,692	12.14%	1,102,433	1,320,895	218,462	19.82%
El paso	1,084	1,311	227	20.94%	293,472,500	384,768,730	91,296,230	31.11%	788,046	1,094,343	306,297	38.87%
Jefferson	874	1,271	397	45.42%	261,352,842	434,871,972	173,519,130	66.39%	450,195	774,650	324,456	72.07%
Nueces	664	681	17	2.56%	196,737,990	215,649,340	18,911,350	9.61%	461,013	548,548	87,536	18.99%
Montgomery	402	467	65	16.17%	97,381,390	144,404,600	47,023,210	48.29%	479,308	769,402	290,094	60.52%
Bexar	327	332	5	1.53%	80,128,670	93,020,130	12,891,460	16.09%	363,670	477,184	113,514	31.21%
Cameron	254	313	59	23.23%	62,267,230	93,829,540	31,562,310	50.69%	105,634	170,298	64,665	61.22%
Calhoun	306	330	24	7.84%	88,598,580	100,197,340	11,598,760	13.09%	150,475	186,132	35,657	23.70%
Orange	226	273	47	20.80%	49,490,908	71,912,418	22,421,510	45.30%	409,251	636,909	227,659	55.63%
Chambers	229	296	67	29.26%	78,522,550	122,559,390	44,036,840	56.08%	141,459	216,537	75,078	53.07%
Matagorda	211	252	41	19.43%	55,300,640	74,794,360	19,493,720	35.25%	119,228	156,929	37,700	31.62%
Liberty	116	148	32	27.59%	18,623,014	28,299,524	9,676,510	51.96%	205,465	284,102	78,637	38.27%
Travis	112	119	7	6.25%	30,563,000	41,822,660	11,259,660	36.84%	93,859	159,742	65,883	70.19%
Aransas	137	153	16	11.68%	33,468,040	40,195,600	6,727,560	20.10%	64,943	84,461	19,518	30.05%
Hidalgo	60	59	(1)	(1.67%)	8,122,756	10,735,606	2,612,850	32.17%	67,227	94,416	27,189	40.44%
San patricio	126	154	28	22.22%	34,427,826	48,857,996	14,430,170	41.91%	61,960	92,828	30,868	49.82%
Collin	47	54	7	14.89%	16,965,580	25,016,750	8,051,170	47.46%	103,339	186,054	82,715	80.04%
Waller	76	92	16	21.05%	13,922,250	19,605,910	5,683,660	40.82%	98,072	130,704	32,632	33.27%
Denton	66	91	25	37.88%	24,705,126	41,849,646	17,144,520	69.40%	119,921	226,238	106,317	88.66%
Brazos	32	30	(2)	(6.25%)	8,969,620	9,786,880	817,260	9.11%	33,946	37,317	3,371	9.93%
Top 25 Counties	25,501	30,150	4,649	18.23%	6,942,496,100	9,734,713,291	2,792,217,191	40.22%	34,519,089	51,799,662	17,280,574	50.06%
All Other Counties	1,273	1,488	215	16.89%	310,896,069	425,865,330	114,969,261	36.98%	1,800,380	2,726,955	926,575	51.47%
Tier 1	7,183	8,667	1,484	20.66%	2,274,961,101	3,131,948,530	856,987,429	37.67%	3,635,971	5,218,133	1,582,162	43.51%
Tier 2	14,838	17,723	2,885	19.44%	3,774,631,956	5,488,446,765	1,713,814,810	45.40%	26,744,808	41,116,760	14,371,952	53.74%
All Other Counties	4,753	5,248	495	10.41%	1,203,799,113	1,540,183,326	336,384,213	27.94%	5,938,690	8,191,725	2,253,035	37.94%
Statewide Total	26,774	31,638	4,864	18.17%	7,253,392,169	10,160,578,621	2,907,186,452	40.08%	36,319,468	54,526,617	18,207,149	50.13%

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 9/30/23
TDP-1 Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage
Harris	22,457	24,117	1,660	7.39%	2,633,166,477	3,131,122,604	497,956,127	18.91%	17,134,142	22,209,241	5,075,099	29.62%
Galveston	626	746	120	19.17%	72,403,422	102,081,256	29,677,834	40.99%	202,278	291,085	88,807	43.90%
Fort bend	2,901	3,479	578	19.92%	455,900,371	614,537,929	158,637,558	34.80%	2,450,397	3,649,461	1,199,064	48.93%
Dallas	948	942	(6)	(0.63%)	109,721,904	115,469,573	5,747,669	5.24%	519,001	606,260	87,260	16.81%
Brazoria	373	472	99	26.54%	49,383,436	73,462,347	24,078,911	48.76%	118,149	176,523	58,374	49.41%
Tarrant	659	603	(56)	(8.50%)	71,830,930	67,697,990	(4,132,940)	(5.75%)	411,152	425,220	14,068	3.42%
El paso	187	213	26	13.90%	21,465,025	26,000,969	4,535,944	21.13%	77,018	103,018	26,000	33.76%
Jefferson	264	323	59	22.35%	25,852,475	35,297,175	9,444,700	36.53%	80,085	108,119	28,034	35.01%
Nueces	265	274	9	3.40%	24,864,160	29,645,590	4,781,430	19.23%	64,627	83,901	19,274	29.82%
Montgomery	256	300	44	17.19%	27,948,956	40,133,560	12,184,604	43.60%	139,169	218,199	79,030	56.79%
Bexar	150	159	9	6.00%	13,106,212	15,506,704	2,400,492	18.32%	67,519	89,165	21,645	32.06%
Cameron	74	76	2	2.70%	7,049,560	8,543,300	1,493,740	21.19%	22,779	24,255	1,476	6.48%
Calhoun	56	47	(9)	(16.07%)	4,928,095	4,351,150	(576,945)	(11.71%)	16,522	15,388	(1,133)	(6.86%)
Orange	126	151	25	19.84%	10,967,700	15,041,700	4,074,000	37.15%	86,025	131,544	45,519	52.91%
Chambers	37	38	1	2.70%	4,393,400	5,281,000	887,600	20.20%	18,537	15,481	(3,055)	(16.48%)
Matagorda	41	35	(6)	(14.63%)	3,261,775	3,278,250	16,475	0.51%	17,007	21,023	4,017	23.62%
Liberty	80	102	22	27.50%	6,097,258	8,299,308	2,202,050	36.12%	58,353	95,272	36,919	63.27%
Travis	52	50	(2)	(3.85%)	6,067,500	6,809,830	742,330	12.23%	24,517	33,283	8,766	35.75%
Aransas	16	24	8	50.00%	1,650,100	2,626,460	976,360	59.17%	5,674	8,636	2,962	52.21%
Hidalgo	103	111	8	7.77%	11,171,280	13,733,100	2,561,820	22.93%	78,331	107,511	29,180	37.25%
San patricio	31	32	1	3.23%	2,589,100	2,997,800	408,700	15.79%	11,494	10,960	(534)	(4.65%)
Collin	86	89	3	3.49%	15,355,400	16,834,800	1,479,400	9.63%	78,348	97,902	19,554	24.96%
Waller	41	51	10	24.39%	3,796,580	5,056,780	1,260,200	33.19%	26,060	40,312	14,252	54.69%
Denton	37	38	1	2.70%	4,921,500	5,868,940	947,440	19.25%	25,248	28,358	3,110	12.32%
Brazos	21	20	(1)	(4.76%)	2,159,350	2,019,250	(140,100)	(6.49%)	12,618	12,963	346	2.74%
Top 25 Counties	29,887	32,492	2,605	8.72%	3,590,051,966	4,351,697,365	761,645,399	21.22%	21,745,050	28,603,083	6,858,033	31.54%
All Other Counties	797	844	47	5.90%	75,604,985	86,547,420	10,942,435	14.47%	543,824	647,879	104,056	19.13%
Tier 1	1,811	2,100	289	15.96%	198,530,223	270,325,103	71,794,880	36.16%	567,054	768,775	201,721	35.57%
Tier 2	25,802	28,121	2,319	8.99%	3,128,337,566	3,797,371,303	669,033,737	21.39%	19,906,785	26,327,398	6,420,613	32.25%
All Other Counties	3,071	3,115	44	1.43%	338,789,162	370,548,379	31,759,217	9.37%	1,815,035	2,154,790	339,755	18.72%
Statewide Total	30,684	33,336	2,652	8.64%	3,665,656,951	4,438,244,785	772,587,834	21.08%	22,288,874	29,250,963	6,962,089	31.24%

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 9/30/23
HO-CONB Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage
Harris	1,946	1,885	(61)	(3.13%)	142,722,480	141,516,120	(1,206,360)	(0.85%)	733,951	809,121	75,171	10.24%
Galveston	208	211	3	1.44%	18,893,760	20,190,720	1,296,960	6.86%	51,769	58,650	6,880	13.29%
Fort bend	74	71	(3)	(4.05%)	5,696,880	6,283,200	586,320	10.29%	20,417	26,554	6,137	30.06%
Dallas	77	77	0	0.00%	3,967,200	4,433,040	465,840	11.74%	16,213	23,114	6,900	42.56%
Brazoria	9	8	(1)	(11.11%)	708,000	564,000	(144,000)	(20.34%)	2,673	2,021	(652)	(24.40%)
Tarrant	4	3	(1)	(25.00%)	240,000	647,520	407,520	169.80%	1,186	8,504	7,318	617.12%
El paso	2	1	(1)	(50.00%)	243,600	117,600	(126,000)	(51.72%)	1,446	845	(601)	(41.56%)
Jefferson	8	11	3	37.50%	622,920	1,005,240	382,320	61.38%	1,686	3,061	1,375	81.60%
Nueces	180	160	(20)	(11.11%)	17,323,920	15,142,200	(2,181,720)	(12.59%)	57,648	49,711	(7,937)	(13.77%)
Montgomery	15	16	1	6.67%	1,211,280	1,117,680	(93,600)	(7.73%)	4,189	4,582	393	9.38%
Bexar	30	32	2	6.67%	1,538,400	1,827,720	289,320	18.81%	10,729	13,885	3,156	29.42%
Cameron	96	89	(7)	(7.29%)	9,617,400	9,267,600	(349,800)	(3.64%)	26,563	26,331	(232)	(0.87%)
Calhoun	6	5	(1)	(16.67%)	534,240	408,240	(126,000)	(23.58%)	2,286	1,443	(843)	(36.88%)
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	30	(1)	(3.23%)	2,314,320	2,288,040	(26,280)	(1.14%)	8,286	9,152	866	10.45%
Aransas	10	9	(1)	(10.00%)	735,600	787,920	52,320	7.11%	2,638	2,592	(46)	(1.74%)
Hidalgo	7	7	0	0.00%	456,000	456,000	0	0.00%	2,904	2,911	7	0.23%
San patricio	1	0	(1)	(100.00%)	78,000	0	(78,000)	(100.00%)	330	0	(330)	(100.00%)
Collin	14	13	(1)	(7.14%)	656,400	985,200	328,800	50.09%	2,098	3,480	1,382	65.87%
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%	1,377	1,384	7	0.53%
Brazos	13	11	(2)	(15.38%)	1,070,400	952,320	(118,080)	(11.03%)	3,483	3,461	(22)	(0.64%)
Top 25 Counties	2,733	2,641	(92)	(3.37%)	208,930,800	208,290,360	(640,440)	(0.31%)	951,872	1,050,802	98,931	10.39%
All Other Counties	18	16	(2)	(11.11%)	1,463,760	1,133,760	(330,000)	(22.54%)	8,101	7,715	(385)	(4.76%)
Tier 1	518	493	(25)	(4.83%)	48,513,840	47,365,920	(1,147,920)	(2.37%)	145,593	143,809	(1,784)	(1.22%)
Tier 2	2,027	1,963	(64)	(3.16%)	148,875,360	148,255,320	(620,040)	(0.42%)	757,272	838,587	81,314	10.74%
All Other Counties	206	201	(5)	(2.43%)	13,005,360	13,802,880	797,520	6.13%	57,107	76,122	19,014	33.30%
Statewide Total	2,751	2,657	(94)	(3.42%)	210,394,560	209,424,120	(970,440)	(0.46%)	959,972	1,058,518	98,545	10.27%

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 9/30/23
HO-BT Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage	09/30/22	09/30/23	Actual	Percentage
Harris	1,060	976	(84)	(7.92%)	21,492,720	19,198,320	(2,294,400)	(10.68%)	128,795	132,483	3,688	2.86%
Galveston	295	266	(29)	(9.83%)	8,869,200	8,090,760	(778,440)	(8.78%)	36,037	32,860	(3,178)	(8.82%)
Fort bend	73	68	(5)	(6.85%)	1,814,640	1,751,880	(62,760)	(3.46%)	9,515	9,552	37	0.38%
Dallas	27	21	(6)	(22.22%)	624,000	535,800	(88,200)	(14.13%)	3,372	3,269	(103)	(3.06%)
Brazoria	46	35	(11)	(23.91%)	1,743,840	1,257,840	(486,000)	(27.87%)	5,686	4,756	(930)	(16.35%)
Tarrant	28	23	(5)	(17.86%)	751,200	604,800	(146,400)	(19.49%)	3,698	3,321	(377)	(10.18%)
El paso	2	4	2	100.00%	125,400	212,400	87,000	69.38%	619	1,051	432	69.79%
Jefferson	28	31	3	10.71%	1,217,040	1,367,160	150,120	12.33%	4,328	5,038	709	16.38%
Nueces	22	21	(1)	(4.55%)	886,800	685,680	(201,120)	(22.68%)	3,610	3,042	(568)	(15.73%)
Montgomery	26	17	(9)	(34.62%)	1,042,800	858,600	(184,200)	(17.66%)	4,115	2,822	(1,293)	(31.42%)
Bexar	13	14	1	7.69%	226,800	266,160	39,360	17.35%	1,716	1,786	70	4.11%
Cameron	0	5	5	N/A	0	162,000	162,000	N/A	134	1,005	872	652.03%
Calhoun	8	9	1	12.50%	312,000	348,000	36,000	11.54%	1,107	1,329	222	20.05%
Orange	11	14	3	27.27%	354,000	549,600	195,600	55.25%	2,832	4,591	1,759	62.10%
Chambers	6	7	1	16.67%	168,000	267,600	99,600	59.29%	263	614	351	133.69%
Matagorda	1	1	0	0.00%	13,200	13,200	0	0.00%	107	113	6	5.61%
Liberty	2	3	1	50.00%	60,000	90,000	30,000	50.00%	503	858	355	70.58%
Travis	22	25	3	13.64%	590,400	844,560	254,160	43.05%	2,408	3,556	1,148	47.70%
Aransas	2	4	2	100.00%	84,360	174,360	90,000	106.69%	262	721	459	175.19%
Hidalgo	2	3	1	50.00%	36,000	54,000	18,000	50.00%	356	277	(79)	(22.19%)
San patricio	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Collin	9	7	(2)	(22.22%)	228,000	294,000	66,000	28.95%	1,114	851	(263)	(23.61%)
Waller	4	7	3	75.00%	189,000	364,320	175,320	92.76%	537	1,471	934	173.93%
Denton	2	2	0	0.00%	48,000	60,000	12,000	25.00%	272	364	92	33.82%
Brazos	17	13	(4)	(23.53%)	285,000	273,000	(12,000)	(4.21%)	1,821	1,463	(358)	(19.66%)
Top 25 Counties	1,706	1,576	(130)	(7.62%)	41,162,400	38,324,040	(2,838,360)	(6.90%)	213,207	217,193	3,986	1.87%
All Other Counties	61	66	5	8.20%	2,421,240	2,853,360	432,120	17.85%	12,057	13,321	1,264	10.48%
Tier 1	410	381	(29)	(7.07%)	13,444,440	12,516,600	(927,840)	(6.90%)	52,100	50,089	(2,011)	(3.86%)
Tier 2	1,155	1,071	(84)	(7.27%)	23,870,160	21,877,920	(1,992,240)	(8.35%)	143,354	149,474	6,120	4.27%
All Other Counties	202	190	(12)	(5.94%)	6,269,040	6,782,880	513,840	8.20%	29,810	30,951	1,141	3.83%
Statewide Total	1,767	1,642	(125)	(7.07%)	43,583,640	41,177,400	(2,406,240)	(5.52%)	225,264	230,514	5,250	2.33%

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 9/30/23
All Forms Combined



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	42,598	42,263	41,662	40,905	40,102	39,288	38,745	38,205	38,068	38,174	38,318	38,490	38,693	3,905	10.1%	4,424	11.6%
Fort bend	5,036	4,956	4,843	4,640	4,509	4,388	4,308	4,191	4,140	4,111	4,090	4,091	4,088	948	23.2%	925	22.5%
Galveston	4,661	4,619	4,544	4,487	4,404	4,374	4,305	4,208	4,153	4,126	4,123	4,127	4,111	550	13.4%	535	13.0%
Dallas	1,868	1,850	1,827	1,823	1,816	1,813	1,821	1,805	1,815	1,831	1,852	1,865	1,882	(14)	(0.7%)	37	2.0%
Brazoria	2,200	2,156	2,092	2,039	1,976	1,912	1,872	1,802	1,769	1,761	1,753	1,749	1,752	448	25.6%	439	24.9%
Tarrant	1,364	1,375	1,365	1,353	1,362	1,378	1,389	1,390	1,399	1,410	1,413	1,416	1,437	(73)	(5.1%)	(46)	(3.3%)
Nueces	1,136	1,121	1,119	1,113	1,111	1,104	1,102	1,108	1,110	1,110	1,124	1,126	1,131	5	0.4%	26	2.3%
El paso	1,529	1,490	1,437	1,401	1,366	1,355	1,340	1,315	1,310	1,301	1,302	1,285	1,275	254	19.9%	228	17.5%
Jefferson	1,636	1,580	1,514	1,450	1,382	1,334	1,312	1,263	1,246	1,238	1,218	1,199	1,174	462	39.4%	398	32.1%
Montgomery	800	779	750	731	718	711	699	695	689	698	697	695	699	101	14.4%	102	14.6%
Bexar	537	517	512	509	507	508	514	506	502	505	506	510	520	17	3.3%	32	6.3%
Cameron	483	480	471	461	446	438	429	428	425	420	428	423	424	59	13.9%	63	15.0%
Calhoun	391	392	386	389	387	382	381	375	370	373	374	373	376	15	4.0%	18	4.8%
Orange	438	431	416	399	379	379	371	378	368	366	361	363	363	75	20.7%	72	19.7%
Chambers	341	332	323	314	302	289	282	267	267	271	268	271	272	69	25.4%	70	25.8%
Matagorda	288	288	279	274	266	266	264	252	248	247	246	245	253	35	13.8%	41	16.6%
Travis	224	219	220	216	216	213	210	204	202	196	205	210	217	7	3.2%	28	14.3%
Liberty	253	250	247	239	220	212	207	206	202	202	198	200	198	55	27.8%	51	25.2%
Hidalgo	180	183	179	176	170	161	161	164	168	166	171	169	172	8	4.7%	14	8.4%
Aransas	190	188	180	179	177	178	173	172	171	169	169	166	165	25	15.2%	21	12.4%
San patricio	186	183	175	166	163	161	160	155	157	161	157	158	158	28	17.7%	25	15.5%
Collin	163	162	158	155	151	149	152	153	154	152	154	153	156	7	4.5%	11	7.2%
Waller	150	145	144	147	148	145	142	129	126	123	123	124	121	29	24.0%	27	22.0%
Denton	133	131	125	117	116	115	115	113	110	108	109	109	107	26	24.3%	25	23.1%
Brazos	74	75	73	74	74	73	70	73	77	82	82	83	83	(9)	(10.8%)	(8)	(9.8%)
Top 25 Counties	66,859	66,165	65,041	63,757	62,468	61,326	60,524	59,557	59,246	59,301	59,441	59,600	59,827	7,032	11.8%	7,558	12.7%
All Other Counties	2,414	2,377	2,322	2,276	2,236	2,178	2,147	2,141	2,145	2,151	2,127	2,138	2,149	265	12.3%	263	12.2%
Tier 1	11,641	11,467	11,209	10,998	10,736	10,554	10,396	10,145	10,029	9,986	9,971	9,945	9,922	1,719	17.3%	1,655	16.6%
Tier 2	48,878	48,455	47,712	46,714	45,735	44,764	44,112	43,462	43,267	43,339	43,449	43,623	43,822	5,056	11.5%	5,539	12.8%
All Other Counties	8,754	8,620	8,442	8,321	8,233	8,186	8,163	8,091	8,095	8,127	8,148	8,170	8,232	522	6.3%	627	7.7%
Statewide Total	69,273	68,542	67,363	66,033	64,704	63,504	62,671	61,698	61,391	61,452	61,568	61,738	61,976	7,297	11.8%	7,821	12.7%

Texas FAIR Plan Association
Policy Growth Report
As of 9/30/23
HO-A Policies



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	15,620	15,435	15,120	14,691	14,225	13,721	13,438	13,100	13,020	13,062	13,120	13,161	13,230	2,390	18.1%	2,558	19.6%
Fort bend	1,418	1,369	1,315	1,230	1,167	1,124	1,098	1,066	1,045	1,044	1,039	1,042	1,040	378	36.3%	374	35.8%
Galveston	3,438	3,402	3,335	3,291	3,227	3,190	3,149	3,069	3,044	3,013	2,998	2,998	2,982	456	15.3%	425	14.1%
Dallas	828	819	804	800	788	795	798	798	794	804	815	824	830	(2)	(0.2%)	24	3.0%
Brazoria	1,685	1,647	1,598	1,556	1,508	1,462	1,423	1,365	1,335	1,325	1,324	1,326	1,324	361	27.3%	360	27.2%
Tarrant	735	732	728	720	724	727	728	730	735	736	740	743	746	(11)	(1.5%)	(1)	(0.1%)
Nueces	681	669	666	660	658	652	650	655	655	654	661	662	664	17	2.6%	27	4.1%
El paso	1,311	1,276	1,226	1,193	1,164	1,160	1,150	1,127	1,119	1,107	1,108	1,092	1,084	227	20.9%	204	18.4%
Jefferson	1,271	1,233	1,175	1,117	1,057	1,013	979	940	925	915	907	891	874	397	45.4%	356	38.9%
Montgomery	467	443	419	409	396	394	394	394	389	401	399	402	402	65	16.2%	66	16.5%
Bexar	332	321	315	310	311	307	312	311	312	316	320	321	327	5	1.5%	16	5.1%
Cameron	313	311	303	293	282	277	268	263	259	251	258	252	254	59	23.2%	62	24.7%
Calhoun	330	329	321	321	322	316	314	308	301	307	309	306	306	24	7.8%	23	7.5%
Orange	273	269	264	246	238	235	232	237	227	227	222	227	226	47	20.8%	46	20.3%
Chambers	296	286	277	267	254	242	236	227	225	229	227	229	229	67	29.3%	67	29.3%
Matagorda	252	253	246	239	231	230	228	215	211	210	208	207	211	41	19.4%	42	20.0%
Travis	119	116	117	112	111	108	106	104	105	99	105	108	112	7	6.3%	20	20.2%
Liberty	148	147	146	138	125	124	121	124	121	119	117	116	116	32	27.6%	29	24.4%
Hidalgo	59	63	58	58	59	53	52	54	56	56	59	58	60	(1)	(1.7%)	3	5.4%
Aransas	153	152	146	146	145	145	143	142	140	138	139	137	137	16	11.7%	15	10.9%
San patricio	154	152	143	136	134	132	128	123	124	126	124	124	126	28	22.2%	28	22.2%
Collin	54	52	48	47	45	45	46	46	46	43	46	46	47	7	14.9%	11	25.6%
Waller	92	89	86	91	93	91	89	81	79	79	78	79	76	16	21.1%	13	16.5%
Denton	91	89	82	77	77	74	74	71	66	65	67	67	66	25	37.9%	26	40.0%
Brazos	30	30	30	29	27	25	25	27	29	31	32	32	32	(2)	(6.3%)	(1)	(3.2%)
Top 25 Counties	30,150	29,684	28,968	28,177	27,368	26,642	26,181	25,577	25,362	25,357	25,422	25,450	25,501	4,649	18.2%	4,793	18.9%
All Other Counties	1,488	1,443	1,398	1,353	1,319	1,289	1,264	1,252	1,252	1,254	1,249	1,254	1,273	215	16.9%	234	18.7%
Tier 1	8,667	8,526	8,302	8,118	7,907	7,745	7,602	7,389	7,299	7,246	7,233	7,207	7,183	1,484	20.7%	1,421	19.6%
Tier 2	17,723	17,483	17,095	16,552	16,001	15,434	15,113	14,750	14,640	14,675	14,724	14,767	14,838	2,885	19.4%	3,048	20.8%
All Other Counties	5,248	5,118	4,969	4,860	4,779	4,752	4,730	4,690	4,675	4,690	4,714	4,730	4,753	495	10.4%	558	11.9%
Statewide Total	31,638	31,127	30,366	29,530	28,687	27,931	27,445	26,829	26,614	26,611	26,671	26,704	26,774	4,864	18.2%	5,027	18.9%

Texas FAIR Plan Association
Policy Growth Report
As of 9/30/23
TDP-1 Policies



County	Policies In-Force at Prior 12 Months End												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	24,117	23,988	23,725	23,411	23,081	22,768	22,504	22,252	22,168	22,186	22,241	22,358	22,457	1,660	7.4%	1,931	8.7%
Fort bend	3,479	3,450	3,384	3,266	3,199	3,118	3,062	2,977	2,948	2,916	2,899	2,902	2,901	578	19.9%	563	19.3%
Galveston	746	741	726	711	700	701	674	646	615	616	624	626	626	120	19.2%	130	21.1%
Dallas	942	934	927	928	928	917	924	912	923	928	939	940	948	(6)	(0.6%)	14	1.5%
Brazoria	472	466	451	433	417	401	399	388	383	384	374	369	373	99	26.5%	88	22.9%
Tarrant	603	616	612	608	614	627	636	634	636	645	644	644	659	(56)	(8.5%)	(42)	(6.5%)
Nueces	274	272	267	266	260	257	254	255	252	251	262	259	265	9	3.4%	23	9.2%
El paso	213	210	207	203	196	189	184	183	186	190	190	189	187	26	13.9%	23	12.1%
Jefferson	323	306	300	291	283	283	294	284	284	286	275	272	264	59	22.3%	37	12.9%
Montgomery	300	301	296	285	284	279	269	264	264	260	259	253	256	44	17.2%	40	15.4%
Bexar	159	151	151	153	150	153	153	149	146	145	143	147	150	9	6.0%	14	9.7%
Cameron	76	77	77	77	74	71	68	72	71	72	72	73	74	2	2.7%	4	5.6%
Calhoun	47	49	54	55	52	52	53	53	54	51	51	53	56	(9)	(16.1%)	(4)	(7.8%)
Orange	151	149	141	143	131	135	130	132	131	129	128	125	126	25	19.8%	22	17.1%
Chambers	38	40	40	41	40	39	39	34	35	35	34	36	37	1	2.7%	3	8.6%
Matagorda	35	34	32	34	34	35	35	36	36	36	37	37	41	(6)	(14.6%)	(1)	(2.8%)
Travis	50	50	49	50	48	48	48	46	45	46	49	49	52	(2)	(3.8%)	4	8.7%
Liberty	102	99	97	97	91	85	83	79	78	80	78	81	80	22	27.5%	22	27.5%
Hidalgo	111	110	111	108	101	99	99	100	102	100	102	102	103	8	7.8%	11	11.0%
Aransas	24	23	22	21	21	21	18	18	18	18	17	17	16	8	50.0%	6	33.3%
San patricio	32	31	32	30	29	29	32	32	32	33	32	33	31	1	3.2%	(1)	(3.0%)
Collin	89	88	88	87	85	83	85	85	86	86	86	85	86	3	3.5%	3	3.5%
Waller	51	49	50	49	48	47	46	44	44	41	42	40	41	10	24.4%	10	24.4%
Denton	38	38	37	35	34	36	36	37	39	39	38	38	37	1	2.7%	(1)	(2.6%)
Brazos	20	19	19	19	20	20	18	18	20	21	21	22	21	(1)	(4.8%)	(1)	(4.8%)
Top 25 Counties	32,492	32,291	31,895	31,401	30,920	30,493	30,143	29,730	29,596	29,594	29,637	29,750	29,887	2,605	8.7%	2,898	9.8%
All Other Counties	844	853	846	845	836	812	806	808	817	820	799	805	797	47	5.9%	24	2.9%
Tier 1	2,100	2,073	2,033	1,991	1,941	1,917	1,896	1,849	1,811	1,812	1,809	1,806	1,811	289	16.0%	288	15.9%
Tier 2	28,121	27,959	27,624	27,184	26,764	26,358	26,020	25,682	25,572	25,557	25,585	25,708	25,802	2,319	9.0%	2,564	10.0%
All Other Counties	3,115	3,112	3,084	3,071	3,051	3,030	3,033	3,007	3,030	3,045	3,042	3,041	3,071	44	1.4%	70	2.3%
Statewide Total	33,336	33,144	32,741	32,246	31,756	31,305	30,949	30,538	30,413	30,414	30,436	30,555	30,684	2,652	8.6%	2,922	9.6%

Texas FAIR Plan Association
Policy Growth Report
As of 9/30/23
HO-CONB Policies



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	1,885	1,866	1,847	1,839	1,850	1,849	1,865	1,876	1,894	1,918	1,926	1,935	1,946	(61)	(3.1%)	(33)	(1.7%)
Fort bend	71	73	72	72	69	71	71	71	72	71	75	74	74	(3)	(4.1%)	0	0.0%
Galveston	211	213	213	210	208	208	202	200	198	202	204	205	208	3	1.4%	9	4.5%
Dallas	77	77	75	74	77	75	74	71	75	74	75	75	77	0	0.0%	3	4.1%
Brazoria	8	8	8	8	8	9	9	9	9	9	9	8	9	(1)	(11.1%)	(1)	(11.1%)
Tarrant	3	2	1	0	0	1	1	0	2	2	2	2	4	(1)	(25.0%)	1	50.0%
Nueces	160	161	165	164	171	174	177	177	181	183	179	183	180	(20)	(11.1%)	(23)	(12.6%)
El paso	1	1	1	1	2	2	2	2	2	2	2	2	2	(1)	(50.0%)	(1)	(50.0%)
Jefferson	11	10	10	9	9	8	8	9	9	8	8	8	8	3	37.5%	3	37.5%
Montgomery	16	16	16	16	16	14	12	14	14	14	14	15	15	1	6.7%	2	14.3%
Bexar	32	32	32	31	32	32	32	30	30	30	30	30	30	2	6.7%	2	6.7%
Cameron	89	89	88	88	87	87	90	90	92	96	97	98	96	(7)	(7.3%)	(7)	(7.3%)
Calhoun	5	5	4	5	5	6	6	6	7	7	6	6	6	(1)	(16.7%)	(2)	(28.6%)
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	30	30	32	32	32	31	31	30	30	31	29	30	31	(1)	(3.2%)	(1)	(3.2%)
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	6	7	7	7	7	7	7	7	0	0.0%	0	0.0%
Aransas	9	9	9	9	9	10	10	10	11	11	11	10	10	(1)	(10.0%)	(2)	(18.2%)
San patricio	0	0	0	0	0	0	0	0	0	1	1	1	1	(1)	(100.0%)	(1)	(100.0%)
Collin	13	14	14	13	13	13	13	13	13	13	13	14	14	(1)	(7.1%)	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	11	12	10	10	11	12	11	12	12	14	13	13	13	(2)	(15.4%)	(3)	(21.4%)
Top 25 Counties	2,641	2,627	2,606	2,590	2,608	2,610	2,623	2,629	2,660	2,695	2,703	2,718	2,733	(92)	(3.4%)	(54)	(2.0%)
All Other Counties	16	17	17	18	18	18	18	19	18	18	18	19	18	(2)	(11.1%)	(2)	(11.1%)
Tier 1	493	495	497	493	497	502	502	501	507	517	515	519	518	(25)	(4.8%)	(24)	(4.6%)
Tier 2	1,963	1,946	1,926	1,918	1,926	1,926	1,943	1,954	1,973	1,996	2,008	2,016	2,027	(64)	(3.2%)	(33)	(1.7%)
All Other Counties	201	203	200	197	203	200	196	193	198	200	198	202	206	(5)	(2.4%)	1	0.5%
Statewide Total	2,657	2,644	2,623	2,608	2,626	2,628	2,641	2,648	2,678	2,713	2,721	2,737	2,751	(94)	(3.4%)	(56)	(2.1%)

Texas FAIR Plan Association
Policy Growth Report
As of 9/30/23
HO-BT Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	976	974	970	964	946	950	938	977	986	1,008	1,031	1,036	1,060	(84)	(7.9%)	(32)	(3.2%)
Fort bend	68	64	72	72	74	75	77	77	75	80	77	73	73	(5)	(6.8%)	(12)	(15.0%)
Galveston	266	263	270	275	269	275	280	293	296	295	297	298	295	(29)	(9.8%)	(29)	(9.8%)
Dallas	21	20	21	21	23	26	25	24	23	25	23	26	27	(6)	(22.2%)	(4)	(16.0%)
Brazoria	35	35	35	42	43	40	41	40	42	43	46	46	46	(11)	(23.9%)	(8)	(18.6%)
Tarrant	23	25	24	25	24	23	24	26	26	27	27	27	28	(5)	(17.9%)	(4)	(14.8%)
Nueces	21	19	21	23	22	21	21	21	22	22	22	22	22	(1)	(4.5%)	(1)	(4.5%)
El paso	4	3	3	4	4	4	4	3	3	2	2	2	2	2	100.0%	2	100.0%
Jefferson	31	31	29	33	33	30	31	30	28	29	28	28	28	3	10.7%	2	6.9%
Montgomery	17	19	19	21	22	24	24	23	22	23	25	25	26	(9)	(34.6%)	(6)	(26.1%)
Bexar	14	13	14	15	14	16	17	16	14	14	13	12	13	1	7.7%	0	0.0%
Cameron	5	3	3	3	3	3	3	3	3	1	1	0	0	5	N/A	4	400.0%
Calhoun	9	9	7	8	8	8	8	8	8	8	8	8	8	1	12.5%	1	12.5%
Orange	14	13	11	10	10	9	9	9	10	10	11	11	11	3	27.3%	4	40.0%
Chambers	7	6	6	6	8	8	7	6	7	7	7	6	6	1	16.7%	0	0.0%
Matagorda	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0.0%	0	0.0%
Travis	25	23	22	22	25	26	25	24	22	20	22	23	22	3	13.6%	5	25.0%
Liberty	3	4	4	4	4	3	3	3	3	3	3	3	2	1	50.0%	0	0.0%
Hidalgo	3	3	3	3	3	3	3	3	3	3	3	2	2	1	50.0%	0	0.0%
Aransas	4	4	3	3	2	2	2	2	2	2	2	2	2	2	100.0%	2	100.0%
San patricio	0	0	0	0	0	0	0	0	1	1	0	0	0	0	N/A	(1)	(100.0%)
Collin	7	8	8	8	8	8	8	9	9	10	9	8	9	(2)	(22.2%)	(3)	(30.0%)
Waller	7	7	8	7	7	7	7	4	3	3	3	5	4	3	75.0%	4	133.3%
Denton	2	2	4	3	3	3	3	3	3	2	2	2	2	0	0.0%	0	0.0%
Brazos	13	14	14	16	16	16	16	16	16	16	16	16	17	(4)	(23.5%)	(3)	(18.8%)
Top 25 Counties	1,576	1,563	1,572	1,589	1,572	1,581	1,577	1,621	1,628	1,655	1,679	1,682	1,706	(130)	(7.6%)	(79)	(4.8%)
All Other Counties	66	64	61	60	63	59	59	62	58	59	61	60	61	5	8.2%	7	11.9%
Tier 1	381	373	377	396	391	390	396	406	412	411	414	413	410	(29)	(7.1%)	(30)	(7.3%)
Tier 2	1,071	1,067	1,067	1,060	1,044	1,046	1,036	1,076	1,082	1,111	1,132	1,132	1,155	(84)	(7.3%)	(40)	(3.6%)
All Other Counties	190	187	189	193	200	204	204	201	192	192	194	197	202	(12)	(5.9%)	(2)	(1.0%)
Statewide Total	1,642	1,627	1,633	1,649	1,635	1,640	1,636	1,683	1,686	1,714	1,740	1,742	1,767	(125)	(7.1%)	(72)	(4.2%)

Texas FAIR Plan Association
Exposure Growth Report
As of 9/30/23
All Forms Combined
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	8,074	7,916	7,693	7,392	7,082	6,778	6,564	6,309	6,224	6,195	6,182	6,171	6,162	1,912	31.0%	1,879	30.3%
Fort bend	1,167	1,132	1,073	1,000	940	894	859	814	793	782	770	767	761	406	53.4%	385	49.2%
Galveston	1,474	1,452	1,406	1,378	1,336	1,307	1,268	1,200	1,173	1,157	1,145	1,139	1,125	349	31.0%	317	27.4%
Dallas	362	352	340	337	332	328	328	324	322	324	328	331	330	32	9.8%	37	11.5%
Brazoria	705	683	656	627	596	569	544	512	493	488	479	475	469	236	50.3%	218	44.6%
Tarrant	260	255	250	243	242	242	243	242	242	241	240	240	243	17	6.9%	19	8.1%
Nueces	261	255	252	249	246	243	241	239	239	237	240	239	240	21	8.9%	24	10.3%
El paso	411	396	379	365	353	349	344	335	332	327	326	319	315	96	30.4%	85	25.9%
Jefferson	473	450	428	405	376	354	343	323	314	311	304	297	289	183	63.5%	162	52.1%
Montgomery	187	172	160	150	141	135	131	129	127	128	129	129	128	59	46.2%	58	45.4%
Bexar	111	104	101	98	98	96	96	94	94	94	94	93	95	16	16.4%	17	17.8%
Cameron	112	109	105	100	96	90	87	84	83	80	81	79	79	33	41.6%	32	40.6%
Calhoun	105	105	102	102	101	98	97	96	94	95	95	94	94	11	11.6%	10	10.6%
Orange	88	85	81	75	69	67	64	65	63	63	60	61	61	27	43.9%	25	40.0%
Chambers	128	123	119	114	104	99	96	87	85	86	84	84	83	45	54.2%	42	48.6%
Matagorda	78	78	74	71	67	66	65	61	60	59	57	57	59	20	33.3%	19	32.8%
Travis	52	49	47	44	43	41	39	38	37	35	37	38	40	12	30.9%	17	49.7%
Liberty	37	35	34	32	28	27	27	27	26	26	25	25	25	12	48.1%	11	42.8%
Hidalgo	25	25	24	23	22	20	20	19	19	19	19	19	20	5	26.2%	6	30.1%
Aransas	44	43	41	41	41	40	39	39	38	37	37	36	36	8	21.8%	7	18.8%
San patricio	52	51	48	45	43	42	40	38	38	39	38	37	37	15	39.8%	13	32.9%
Collin	43	41	38	36	34	33	34	34	34	32	33	33	33	10	29.9%	12	36.4%
Waller	25	23	22	21	22	21	21	20	19	19	18	18	18	7	39.8%	6	32.3%
Denton	48	47	42	38	37	36	36	34	30	30	30	30	30	18	60.4%	19	62.9%
Brazos	13	13	13	13	13	12	11	11	12	12	13	13	12	1	4.4%	1	4.4%
Top 25 Counties	14,333	13,994	13,528	13,000	12,462	11,989	11,636	11,171	10,991	10,913	10,865	10,824	10,783	3,550	32.9%	3,420	31.3%
All Other Counties	516	495	471	453	435	419	404	395	393	389	388	389	390	126	32.3%	128	32.9%
Tier 1	3,462	3,379	3,261	3,163	3,035	2,935	2,847	2,703	2,643	2,611	2,586	2,562	2,535	927	36.5%	851	32.6%
Tier 2	9,456	9,256	8,966	8,581	8,199	7,839	7,583	7,283	7,174	7,133	7,104	7,090	7,076	2,380	33.6%	2,322	32.6%
All Other Counties	1,931	1,854	1,772	1,709	1,663	1,633	1,610	1,580	1,567	1,557	1,563	1,561	1,562	369	23.7%	374	24.1%
Statewide Total	14,849	14,489	13,999	13,452	12,897	12,408	12,040	11,566	11,384	11,302	11,253	11,213	11,173	3,676	32.9%	3,548	31.4%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 9/30/23
HO-A Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	4,782	4,660	4,500	4,272	4,036	3,808	3,659	3,470	3,415	3,397	3,388	3,372	3,364	1,418	42.1%	1,385	40.8%
Fort bend	544	520	480	434	392	365	345	323	312	309	303	301	297	247	83.1%	235	76.0%
Galveston	1,343	1,324	1,279	1,252	1,216	1,188	1,154	1,091	1,073	1,056	1,044	1,038	1,025	319	31.1%	287	27.2%
Dallas	241	233	223	221	215	214	213	213	210	212	214	217	215	26	12.1%	30	13.9%
Brazoria	630	609	585	559	532	509	485	455	438	432	426	424	418	213	50.9%	198	45.7%
Tarrant	191	185	182	174	174	172	172	172	172	169	169	169	170	21	12.1%	21	12.7%
Nueces	216	210	208	205	203	200	198	196	196	194	197	196	197	19	9.6%	22	11.2%
El paso	385	370	353	340	329	327	322	314	310	304	304	297	293	91	31.1%	80	26.4%
Jefferson	435	415	394	373	345	323	311	292	284	280	275	269	261	174	66.4%	155	55.2%
Montgomery	144	131	119	112	104	101	99	97	96	97	98	99	97	47	48.3%	47	48.2%
Bexar	93	88	85	82	83	80	80	79	79	80	80	79	80	13	16.1%	13	16.9%
Cameron	94	91	87	83	78	73	70	67	67	64	65	62	62	32	50.7%	30	47.8%
Calhoun	100	99	96	96	95	92	91	90	88	89	90	88	89	12	13.1%	11	12.0%
Orange	72	69	67	62	57	55	52	53	51	50	49	50	49	22	45.3%	21	42.4%
Chambers	123	117	114	108	98	94	90	83	81	82	80	80	79	44	56.1%	41	49.9%
Matagorda	75	75	71	68	64	63	62	57	57	56	54	53	55	19	35.3%	19	34.1%
Travis	42	39	37	34	34	32	31	29	29	26	29	29	31	11	36.8%	15	58.1%
Liberty	28	27	26	24	21	20	20	20	19	19	19	18	19	10	52.0%	9	45.7%
Hidalgo	11	11	10	9	10	8	8	7	8	8	8	8	8	3	32.2%	3	37.9%
Aransas	40	39	37	38	38	36	36	36	35	34	34	34	33	7	20.1%	6	18.9%
San patricio	49	48	45	42	40	39	37	35	36	36	35	34	34	14	41.9%	13	35.1%
Collin	25	24	20	19	18	17	18	18	18	15	16	16	17	8	47.5%	10	62.7%
Waller	20	18	16	16	17	17	16	15	15	15	14	14	14	6	40.8%	4	29.6%
Denton	42	41	35	33	32	31	31	28	24	24	25	25	25	17	69.4%	18	76.8%
Brazos	10	10	10	10	9	9	8	8	8	9	9	9	9	1	9.1%	1	9.8%
Top 25 Counties	9,735	9,452	9,081	8,666	8,240	7,873	7,611	7,251	7,118	7,060	7,027	6,983	6,942	2,792	40.2%	2,675	37.9%
All Other Counties	426	405	382	364	348	335	321	313	310	306	307	309	311	115	37.0%	120	39.1%
Tier 1	3,132	3,054	2,943	2,852	2,736	2,643	2,561	2,427	2,376	2,345	2,323	2,301	2,275	857	37.7%	787	33.6%
Tier 2	5,488	5,335	5,128	4,845	4,558	4,296	4,122	3,911	3,841	3,821	3,802	3,784	3,775	1,714	45.4%	1,668	43.7%
All Other Counties	1,540	1,468	1,392	1,333	1,294	1,269	1,250	1,226	1,211	1,201	1,209	1,207	1,204	336	27.9%	340	28.3%
Statewide Total	10,161	9,857	9,463	9,029	8,588	8,208	7,933	7,564	7,428	7,366	7,334	7,291	7,253	2,907	40.1%	2,795	37.9%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 9/30/23
TDP-1 Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	3,131	3,097	3,038	2,966	2,890	2,814	2,749	2,682	2,650	2,638	2,632	2,636	2,633	498	18.9%	493	18.7%
Fort bend	615	604	585	558	540	521	506	483	474	465	460	459	456	159	34.8%	149	32.1%
Galveston	102	101	98	97	93	92	87	81	73	73	73	73	72	30	41.0%	29	40.0%
Dallas	115	114	112	112	111	109	110	106	108	108	109	109	110	6	5.2%	7	6.7%
Brazoria	73	72	69	66	61	58	57	55	53	53	51	49	49	24	48.8%	20	38.3%
Tarrant	68	69	68	68	68	69	70	69	69	70	70	70	72	(4)	(5.8%)	(3)	(3.6%)
Nueces	30	29	28	28	26	26	25	25	24	24	25	24	25	5	19.2%	5	22.5%
El paso	26	26	25	25	23	22	22	22	21	21	22	22	21	5	21.1%	4	19.1%
Jefferson	35	33	32	30	29	29	30	29	28	28	27	27	26	9	36.5%	7	24.1%
Montgomery	40	39	38	36	34	32	30	30	29	29	28	28	28	12	43.6%	11	39.3%
Bexar	16	14	14	14	13	14	14	13	13	13	12	12	13	2	18.3%	3	23.6%
Cameron	9	9	9	8	8	8	7	7	7	7	7	7	7	1	21.2%	2	27.3%
Calhoun	4	5	5	5	5	5	5	5	5	5	5	5	5	(1)	(11.7%)	(0)	(9.6%)
Orange	15	15	14	13	12	12	12	12	12	12	11	11	11	4	37.1%	3	28.8%
Chambers	5	6	6	6	6	5	5	4	4	4	4	4	4	1	20.2%	1	23.9%
Matagorda	3	3	3	3	3	3	3	3	3	3	3	3	3	0	0.5%	0	9.4%
Travis	7	7	6	7	6	6	6	5	5	5	6	6	6	1	12.2%	1	27.0%
Liberty	8	8	8	8	7	7	7	6	6	6	6	6	6	2	36.1%	2	34.5%
Hidalgo	14	14	14	13	12	12	11	11	11	11	11	11	11	3	22.9%	3	25.9%
Aransas	3	2	2	2	2	2	2	2	2	2	2	2	2	1	59.2%	1	27.1%
San patricio	3	3	3	3	3	2	3	3	3	3	3	3	3	0	15.8%	0	8.4%
Collin	17	16	16	16	15	15	15	15	15	15	15	15	15	1	9.6%	1	9.5%
Waller	5	5	5	5	5	5	4	4	4	4	4	4	4	1	33.2%	1	36.9%
Denton	6	6	6	5	5	5	5	5	5	5	5	5	5	1	19.3%	0	6.7%
Brazos	2	2	2	2	2	2	2	2	2	2	2	2	2	(0)	(6.5%)	(0)	(6.7%)
Top 25 Counties	4,352	4,297	4,205	4,095	3,981	3,875	3,784	3,679	3,630	3,608	3,592	3,592	3,590	762	21.2%	744	20.6%
All Other Counties	87	86	85	85	83	80	79	78	79	79	77	76	76	11	14.5%	8	10.0%
Tier 1	270	265	258	251	238	232	226	216	206	205	201	199	199	72	36.2%	66	32.0%
Tier 2	3,797	3,753	3,672	3,573	3,476	3,379	3,296	3,207	3,166	3,144	3,132	3,135	3,128	669	21.4%	653	20.8%
All Other Counties	371	365	360	356	349	344	341	335	337	338	336	335	339	32	9.4%	33	9.7%
Statewide Total	4,438	4,383	4,290	4,180	4,064	3,955	3,863	3,757	3,709	3,687	3,669	3,669	3,666	773	21.1%	751	20.4%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 9/30/23
HO-CONB Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	142	140	137	136	137	137	137	138	139	140	141	142	143	(1)	(0.8%)	1	1.1%
Fort bend	6	6	6	6	6	6	6	6	6	6	6	6	6	1	10.3%	1	12.3%
Galveston	20	20	20	20	20	20	19	18	18	19	19	19	19	1	6.9%	1	7.7%
Dallas	4	4	4	4	4	4	4	4	4	4	4	4	4	0	11.7%	1	15.5%
Brazoria	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(20.3%)	(0)	(20.3%)
Tarrant	1	1	1	0	0	0	0	0	0	0	0	0	0	0	169.8%	1	439.6%
Nueces	15	15	16	16	16	17	17	17	17	18	17	18	17	(2)	(12.6%)	(2)	(14.0%)
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(51.7%)	(0)	(51.7%)
Jefferson	1	1	1	1	1	1	1	1	1	1	1	1	1	0	61.4%	0	61.4%
Montgomery	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(7.7%)	0	2.2%
Bexar	2	2	2	2	2	2	2	2	2	2	2	2	2	0	18.8%	0	18.8%
Cameron	9	9	10	9	9	9	9	9	9	9	9	10	10	(0)	(3.6%)	(0)	(0.1%)
Calhoun	0	0	0	0	0	1	1	1	1	1	1	1	1	(0)	(23.6%)	(0)	(34.6%)
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	2	2	2	2	2	2	2	2	2	2	2	2	2	(0)	(1.1%)	0	2.8%
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	7.1%	(0)	(10.9%)
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(100.0%)	(0)	(100.0%)
Collin	1	1	1	1	1	1	1	1	1	1	1	1	1	0	50.1%	0	55.8%
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)	(11.0%)	(0)	(17.5%)
Top 25 Counties	208	207	204	201	203	203	202	202	204	206	206	208	209	(1)	(0.3%)	3	1.2%
All Other Counties	1	1	1	2	2	2	2	2	1	1	1	2	1	(0)	(22.5%)	(0)	(18.5%)
Tier 1	47	47	48	47	47	48	47	47	48	49	48	49	49	(1)	(2.4%)	(1)	(2.4%)
Tier 2	148	147	144	143	143	143	144	144	145	146	147	148	149	(1)	(0.4%)	2	1.5%
All Other Counties	14	14	14	13	13	13	13	13	13	13	12	13	13	1	6.1%	1	10.1%
Statewide Total	209	208	206	203	204	204	204	204	206	207	208	210	210	(1)	(0.5%)	2	1.1%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 9/30/23
HO-BT Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	19	19	19	18	18	19	19	19	19	20	21	21	21	(2)	(10.7%)	(1)	(3.6%)
Fort bend	2	2	2	2	2	2	2	2	2	2	2	2	2	(0)	(3.5%)	(0)	(11.1%)
Galveston	8	8	8	8	8	8	8	9	9	9	9	9	9	(1)	(8.8%)	(1)	(8.0%)
Dallas	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(14.1%)	(0)	(7.3%)
Brazoria	1	1	1	1	1	1	1	1	2	2	2	2	2	(0)	(27.9%)	(0)	(18.3%)
Tarrant	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(19.5%)	(0)	(15.4%)
Nueces	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(22.7%)	(0)	(22.6%)
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69.4%	0	69.4%
Jefferson	1	1	1	1	1	1	1	1	1	1	1	1	1	0	12.3%	0	5.0%
Montgomery	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(17.7%)	(0)	(11.0%)
Bexar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17.4%	0	11.5%
Cameron	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	350.0%
Calhoun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11.5%	0	11.5%
Orange	1	0	0	0	0	0	0	0	0	0	0	0	0	0	55.3%	0	60.7%
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	59.3%	0	39.4%
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	43.0%	0	56.0%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50.0%	0	0.0%
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50.0%	0	0.0%
Aransas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106.7%	0	106.7%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	(0)	(100.0%)
Collin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28.9%	0	19.5%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92.8%	0	274.4%
Denton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25.0%	0	25.0%
Brazos	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(4.2%)	0	9.6%
Top 25 Counties	38	38	38	38	38	38	38	39	39	39	40	40	41	(3)	(6.9%)	(1)	(2.6%)
All Other Counties	3	3	3	3	3	3	3	3	3	2	2	2	2	0	17.8%	0	15.0%
Tier 1	13	12	12	13	13	13	13	13	13	13	14	13	13	(1)	(6.9%)	(1)	(6.1%)
Tier 2	22	22	22	21	21	22	22	22	22	22	23	23	24	(2)	(8.3%)	(1)	(2.7%)
All Other Counties	7	7	6	7	7	7	7	6	6	6	6	6	6	1	8.2%	1	12.6%
Statewide Total	41	41	40	40	41	41	41	41	41	42	43	43	44	(2)	(5.5%)	(1)	(1.6%)

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Premium Growth Report
As of 9/30/23
All Forms Combined
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	6,495.5	7,400.4	7,426.7	7,783.1	7,889.9	6,483.4	6,901.7	4,538.1	4,376.0	3,932.9	3,627.1	4,402.6	4,467.7	2,027.8	45.4%	2,562.6	65.2%
Fort bend	882.4	1,052.6	968.1	918.9	808.5	692.4	830.4	542.2	508.6	478.6	419.8	438.9	515.1	367.4	71.3%	403.9	84.4%
Galveston	241.9	323.2	252.8	291.4	270.5	256.1	292.6	187.4	168.0	151.3	133.0	176.1	182.8	59.0	32.3%	90.6	59.9%
Dallas	282.4	297.1	216.5	263.5	271.3	250.8	238.8	214.7	158.5	183.4	155.4	203.5	186.8	95.6	51.2%	99.0	54.0%
Brazoria	158.6	165.4	156.4	147.8	145.6	138.8	133.8	95.1	68.8	86.6	68.8	92.1	106.2	52.4	49.4%	72.0	83.2%
Tarrant	204.3	206.1	210.4	203.7	217.1	197.7	190.4	154.0	174.3	147.0	149.7	116.3	140.7	63.6	45.2%	57.3	39.0%
Nueces	91.8	80.7	102.4	89.7	71.5	61.5	79.7	51.2	56.7	45.6	49.3	56.7	62.5	29.3	46.9%	46.2	101.3%
El paso	161.8	180.1	143.8	154.3	116.6	125.3	122.3	103.1	92.0	81.4	90.0	71.6	92.9	68.9	74.2%	80.4	98.8%
Jefferson	130.6	139.1	112.2	133.3	104.9	65.3	100.4	54.2	51.0	50.3	49.5	57.7	73.3	57.2	78.0%	80.3	159.7%
Montgomery	164.5	147.1	126.9	135.2	104.9	110.5	80.5	63.5	61.9	45.6	35.3	80.8	65.5	99.0	151.1%	118.9	260.4%
Bexar	90.5	69.9	84.4	57.9	59.8	54.8	63.2	49.3	52.2	46.3	54.5	37.0	34.6	55.9	161.3%	44.2	95.5%
Cameron	19.8	23.3	24.6	30.2	33.3	25.6	25.6	19.2	20.3	13.3	15.5	19.0	18.6	1.2	6.5%	6.5	48.7%
Calhoun	17.9	28.9	32.0	24.8	27.5	17.7	21.8	19.0	14.8	19.7	11.8	17.0	13.8	4.1	29.5%	(1.8)	(9.1%)
Orange	83.6	103.5	129.7	127.6	77.4	92.2	47.2	65.4	46.4	57.1	33.1	53.8	63.5	20.1	31.6%	26.5	46.4%
Chambers	34.7	27.3	31.9	27.8	31.7	25.8	25.8	20.4	7.3	19.3	5.8	14.0	21.7	13.1	60.3%	15.4	79.5%
Matagorda	17.0	24.1	24.1	34.4	16.3	11.7	25.2	11.3	14.0	13.3	16.3	11.5	13.3	3.7	27.6%	3.8	28.5%
Travis	30.0	31.7	28.4	16.0	30.1	16.0	21.6	12.3	19.5	10.6	21.9	9.4	20.1	9.9	49.4%	19.4	183.2%
Liberty	60.8	38.8	55.3	60.7	57.4	30.7	23.5	35.6	17.4	14.7	25.2	21.9	45.1	15.7	34.8%	46.1	313.7%
Hidalgo	13.4	35.6	14.5	21.5	47.5	19.4	18.9	10.9	23.5	7.8	19.7	6.3	14.8	(1.4)	(9.5%)	5.6	72.3%
Aransas	12.4	17.5	10.2	7.8	10.3	14.5	5.5	11.2	6.9	3.3	6.3	8.4	7.4	5.1	68.5%	9.2	278.8%
San patricio	11.1	17.3	14.4	13.9	11.6	10.1	15.3	5.5	4.8	8.2	9.2	4.6	6.3	4.8	75.1%	2.9	34.7%
Collin	33.2	31.8	45.1	22.1	27.2	23.8	11.5	61.6	31.9	8.6	16.3	0.2	7.4	25.8	347.9%	24.6	286.3%
Waller	26.4	29.0	17.7	11.3	11.1	17.8	22.2	15.3	21.5	16.0	9.4	11.8	15.2	11.2	73.9%	10.5	65.5%
Denton	34.6	45.7	43.5	14.1	22.4	17.1	33.8	28.8	16.4	21.9	20.7	8.9	36.5	(2.0)	(5.4%)	12.7	57.8%
Brazos	5.7	9.8	2.6	8.2	11.4	9.0	5.4	(0.3)	3.3	4.7	3.1	3.9	2.2	3.5	154.6%	1.0	22.3%
Top 25 Counties	9,305.0	10,525.9	10,274.4	10,599.3	10,475.7	8,767.9	9,337.2	6,369.0	6,016.1	5,467.4	5,046.8	5,923.9	6,214.1	3,090.9	49.7%	3,837.6	70.2%
All Other Counties	457.1	456.5	444.8	383.5	431.2	400.8	316.3	246.3	259.5	237.4	197.6	214.2	242.5	214.6	88.5%	219.8	92.6%
Tier 1	746.7	857.2	765.5	808.5	734.1	630.9	735.9	481.4	420.4	415.8	371.7	463.9	516.9	229.8	44.5%	331.0	79.6%
Tier 2	7,607.7	8,728.4	8,652.2	8,978.9	8,968.5	7,388.5	7,866.3	5,224.5	5,017.1	4,548.4	4,159.8	4,975.5	5,145.1	2,462.6	47.9%	3,059.4	67.3%
All Other Counties	1,407.7	1,396.7	1,301.4	1,195.2	1,204.3	1,149.4	1,051.3	909.4	838.0	740.6	712.9	698.7	794.6	613.0	77.1%	667.0	90.1%
Statewide Total	9,762.1	10,982.4	10,719.2	10,982.7	10,907.0	9,168.8	9,653.5	6,615.3	6,275.6	5,704.8	5,244.4	6,138.1	6,456.7	3,305.5	51.2%	4,057.3	71.1%

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

Texas FAIR Plan Association
Premium Growth Report
As of 9/30/23
HO-A Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	4,002	4,594	4,739	4,852	5,051	3,877	4,128	2,527	2,372	2,226	2,079	2,418	2,587	1,415	54.7%	1,777	79.8%
Fort bend	451	573	487	491	405	327	352	222	210	214	201	179	193	258	133.9%	237	110.9%
Galveston	209	275	215	243	228	207	239	144	142	134	112	153	156	52	33.5%	75	56.1%
Dallas	206	201	169	191	196	183	160	161	95	129	98	154	118	88	74.4%	77	59.5%
Brazoria	133	144	129	123	118	121	118	82	59	70	57	79	91	42	46.0%	63	90.1%
Tarrant	163	142	167	154	167	147	134	112	135	101	112	75	100	63	62.6%	62	61.8%
Nueces	76	63	81	68	62	47	64	41	47	36	40	47	52	24	46.1%	40	110.1%
El paso	152	166	134	140	103	112	110	92	85	72	80	66	88	64	73.4%	80	111.5%
Jefferson	105	124	98	116	91	60	88	49	44	38	42	47	59	46	78.5%	68	180.5%
Montgomery	139	116	95	111	80	73	65	46	43	33	22	66	53	86	161.7%	107	328.2%
Bexar	72	57	70	44	52	49	50	37	46	33	48	30	25	47	186.1%	39	118.4%
Cameron	15	21	18	22	26	20	19	12	17	11	13	13	10	5	51.0%	4	41.4%
Calhoun	16	26	29	21	25	17	21	20	12	16	11	17	11	5	41.3%	0	0.1%
Orange	68	78	115	105	69	72	42	54	34	45	19	40	52	17	31.8%	23	51.7%
Chambers	34	25	31	27	27	23	22	19	7	15	5	14	21	13	60.6%	20	132.2%
Matagorda	17	21	20	30	15	10	26	10	9	12	16	10	13	4	32.0%	4	33.8%
Travis	25	24	24	10	25	13	15	6	18	10	15	5	15	9	60.8%	14	141.6%
Liberty	55	26	48	54	36	21	10	26	9	8	20	20	44	11	25.2%	47	583.7%
Hidalgo	1	24	5	8	25	6	8	6	12	0	14	(1)	4	(3)	(82.8%)	1	368.1%
Aransas	11	14	8	7	9	13	5	10	7	2	6	6	7	5	66.4%	9	460.4%
San patricio	9	13	12	12	11	10	14	5	5	6	8	4	5	4	77.3%	3	43.7%
Collin	25	26	34	16	16	19	7	14	27	5	10	(2)	1	25	2743.4%	20	387.0%
Waller	21	27	11	4	10	11	21	11	15	15	8	8	12	9	72.6%	6	39.3%
Denton	31	41	36	12	24	12	30	26	14	12	21	8	33	(2)	(5.9%)	19	159.5%
Brazos	4	5	3	6	8	7	4	(1)	1	4	3	2	1	3	210.3%	0	0.8%
Top 25 Counties	6,041	6,826	6,778	6,866	6,881	5,456	5,755	3,730	3,466	3,246	3,060	3,458	3,752	2,289	61.0%	2,795	86.1%
All Other Counties	368	383	372	309	326	322	257	189	201	165	136	159	179	190	106.2%	203	122.5%
Tier 1	633	733	644	674	621	532	627	398	356	343	317	391	433	200	46.1%	290	84.3%
Tier 2	4,632	5,379	5,436	5,564	5,653	4,345	4,578	2,860	2,670	2,533	2,363	2,694	2,904	1,728	59.5%	2,099	82.9%
All Other Counties	1,144	1,098	1,070	937	934	901	808	661	640	535	516	532	593	551	92.9%	609	113.8%
Statewide Total	6,409	7,210	7,150	7,176	7,207	5,778	6,012	3,919	3,666	3,411	3,196	3,617	3,930	2,478	63.1%	2,998	87.9%

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Texas FAIR Plan Association
Premium Growth Report
As of 9/30/23
TDP-1 Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	2,380	2,673	2,565	2,815	2,746	2,509	2,673	1,932	1,916	1,625	1,460	1,887	1,783	597	33.5%	755	46.5%
Fort bend	429	475	476	423	402	360	473	316	294	263	214	252	320	109	34.2%	166	63.1%
Galveston	23	38	28	35	31	37	43	34	20	13	14	15	19	5	24.1%	11	83.2%
Dallas	73	94	46	71	74	63	75	51	58	53	55	45	67	6	9.3%	21	39.3%
Brazoria	25	22	27	24	27	17	14	12	9	17	11	13	14	10	71.0%	8	49.0%
Tarrant	41	61	36	50	50	50	56	42	39	46	38	41	40	1	2.4%	(5)	(11.1%)
Nueces	11	9	12	14	6	8	8	8	8	6	7	5	6	5	78.4%	5	87.7%
El paso	10	14	10	15	13	13	12	11	6	9	10	5	5	4	84.2%	0	0.9%
Jefferson	24	14	13	16	12	5	12	5	6	12	7	11	13	11	84.1%	12	100.7%
Montgomery	24	31	30	24	24	36	15	16	18	12	13	13	11	14	130.5%	12	102.1%
Bexar	18	12	11	8	6	6	11	12	5	12	6	7	9	9	94.6%	6	52.5%
Cameron	1	1	2	3	4	3	4	3	2	3	0	2	4	(2)	(67.6%)	(1)	(54.2%)
Calhoun	2	1	2	4	3	1	1	(1)	2	3	1	0	3	(1)	(22.3%)	(1)	(39.2%)
Orange	14	25	15	22	8	20	4	11	13	12	14	13	11	2	21.3%	2	13.2%
Chambers	0	2	1	0	4	3	3	2	(0)	5	0	0	0	0	1.7%	(4)	(94.0%)
Matagorda	0	3	4	5	1	1	(1)	2	5	1	0	1	1	(0)	(50.8%)	(0)	(55.4%)
Travis	4	5	3	5	3	3	5	4	1	(2)	6	2	4	0	12.6%	6	(371.6%)
Liberty	6	12	8	7	21	10	13	10	9	7	5	2	1	5	474.9%	(1)	(15.6%)
Hidalgo	13	12	9	13	21	13	9	5	12	8	6	7	11	2	18.0%	5	66.6%
Aransas	1	3	2	0	0	1	0	1	(0)	1	0	3	1	1	93.9%	(0)	-4%
San patricio	2	4	2	2	0	(0)	1	0	(1)	2	1	1	1	1	65%	0	10%
Collin	8	5	8	5	11	5	4	47	5	3	5	2	6	2	30%	5	158.0%
Waller	6	1	7	7	1	7	1	4	6	1	2	3	3	3	89.8%	5	385.5%
Denton	4	4	7	2	(1)	4	4	2	2	10	(0)	1	4	(0)	(1.5%)	(6)	(63%)
Brazos	2	2	(1)	1	3	1	1	0	3	0	0	1	1	1	229.6%	2	455.1%
Top 25 Counties	3,121	3,526	3,324	3,572	3,473	3,176	3,442	2,530	2,438	2,121	1,876	2,331	2,337	785	33.6%	1,001	47.2%
All Other Counties	89	72	70	73	100	76	59	53	57	72	61	54	64	24	37.9%	17	23.4%
Tier 1	93	102	94	105	92	75	86	66	54	62	42	53	65	29	44.4%	31	49.9%
Tier 2	2,858	3,211	3,088	3,293	3,220	2,940	3,181	2,280	2,255	1,932	1,703	2,175	2,141	718	33.5%	927	48.0%
All Other Counties	259	284	211	248	261	237	234	236	187	199	191	157	196	63	32.0%	60	30.1%
Statewide Total	3,210	3,598	3,393	3,646	3,573	3,252	3,501	2,583	2,495	2,193	1,936	2,386	2,401	809	33.7%	1,018	46.4%

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Texas FAIR Plan Association
Premium Growth Report
As of 9/30/23
HO-CONB Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	100	114	107	99	79	86	83	64	76	76	75	85	84	16	18.8%	24	31.8%
Fort bend	1	3	3	4	1	5	3	2	4	1	4	8	1	(0)	(21.7%)	(0)	(4.0%)
Galveston	7	6	7	7	8	9	6	6	3	3	3	6	5	2	38.3%	3	103.5%
Dallas	3	2	1	0	1	4	3	3	6	1	2	4	2	1	48.0%	2	114.1%
Brazoria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Tarrant	0	1	7	0	(0)	0	1	0	0	0	0	(0)	0	0	N/A	0	N/A
Nueces	4	8	9	8	3	6	8	2	1	4	2	5	4	0	7.7%	1	26.8%
El paso	0	0	0	0	0	0	0	0	1	0	0	0	0	0	N/A	0	N/A
Jefferson	1	0	1	0	0	0	0	0	0	0	0	0	0	0	160.6%	0	98.1%
Montgomery	0	0	1	0	1	1	0	1	1	1	0	1	0	0	N/A	(1)	(100.0%)
Bexar	0	1	2	6	2	0	1	0	1	1	0	0	0	0	N/A	(1)	(100.0%)
Cameron	3	2	5	5	3	2	2	4	1	0	2	5	5	(2)	(37.9%)	3	N/A
Calhoun	0	1	0	0	0	0	0	0	0	0	0	0	0	0	N/A	(0)	(100%)
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	1	1	1	1	1	0	1	2	(0)	2	1	2	1	(0)	(10.7%)	(1)	(66.7%)
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	1	0	1	0	0	0	0	0	0	0	N/A	0	N/A
Aransas	0	0	0	0	1	0	0	0	0	0	1	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	2	0	0	0	0	0	0	0	1	0	0	(0)	(100.0%)	(0)	(100.0%)
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	1	1	0	0	0	0	0	(0)	0	(100.0%)	0	N/A
Brazos	(0)	1	0	1	1	1	0	0	0	0	0	0	0	(0)	N/A	(1)	(224.2%)
Top 25 Counties	119	143	148	132	102	116	112	86	93	90	93	116	102	16	16.1%	29	31.6%
All Other Counties	(1)	(0)	1	0	2	1	0	3	0	0	0	0	0	(1)	N/A	(1)	N/A
Tier 1	15	18	22	21	15	18	17	12	5	8	8	16	14	1	5.4%	7	97.1%
Tier 2	101	118	111	103	81	91	88	66	79	77	79	93	85	16	18.3%	24	31.4%
All Other Counties	2	7	17	8	8	8	7	10	9	6	5	8	3	(1)	(28.0%)	(4)	(63.3%)
Statewide Total	118	143	150	133	104	117	112	89	94	90	93	117	102	15	15.1%	28	30.4%

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Texas FAIR Plan Association
Premium Growth Report
As of 9/30/23
HO-BT Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Actual	%	Actual	%
Harris	13	18	15	17	13	11	17	15	12	7	13	13	14	(0)	(1.8%)	7	101.6%
Fort bend	2	1	1	1	1	0	1	2	1	1	1	1	1	0	3.3%	1	68.3%
Galveston	3	4	3	6	3	4	4	3	3	2	3	2	3	0	9.2%	2	94.6%
Dallas	0	1	0	0	0	0	0	0	0	0	0	0	(0)	1	(239.7%)	0	12.9%
Brazoria	1	0	0	0	1	1	1	0	0	0	0	1	1	0	44.7%	1	795.2%
Tarrant	0	2	0	0	0	0	0	0	0	0	0	1	1	(0)	(71.1%)	(0)	(55.5%)
Nueces	0	0	1	0	0	0	0	0	0	0	0	0	0	0	102.7%	0	N/A
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Jefferson	1	1	1	1	1	0	0	0	0	0	0	0	1	(0)	(47.9%)	0	34.1%
Montgomery	1	0	0	0	0	1	0	0	0	0	0	0	2	(1)	(63.0%)	1	N/A
Bexar	0	0	0	0	(0)	0	0	0	0	0	0	0	0	0	N/A	0	0.0%
Cameron	0	0	(0)	0	0	0	0	0	1	0	0	0	0	0	N/A	0	N/A
Calhoun	0	0	0	0	0	0	0	0	1	0	0	0	0	0	N/A	(0)	(100.0%)
Orange	2	0	0	1	0	1	1	0	0	(0)	0	0	0	1	308.5%	2	(5424.1%)
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	0	1	0	0	0	0	0	0	0	0	0	0	0	0	110.7%	0	N/A
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4.5%	0	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)	(100.0%)
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	(0)	(100%)
Collin	0	0	0	0	0	0	0	0	(0)	0	0	0	0	(0)	(100.0%)	(0)	(100.0%)
Waller	0	0	0	0	0	0	0	0	0	0	(0)	1	0	(0)	(100.0%)	0	N/A
Denton	0	(0)	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Brazos	0	1	0	0	0	0	0	0	0	0	0	(0)	0	(0)	(31.5%)	0	N/A
Top 25 Counties	24	31	24	28	20	20	28	23	19	11	19	19	23	1	4.2%	13	122.4%
All Other Counties	1	2	2	1	2	3	0	1	1	(0)	1	0	(0)	2	(374.0%)	1	(3660.6%)
Tier 1	5	5	6	8	6	6	6	4	5	2	5	3	5	1	14.8%	3	119.4%
Tier 2	17	20	17	19	14	12	20	18	12	7	14	14	15	1	8.2%	9	123.2%
All Other Counties	3	7	4	2	2	5	2	2	3	1	1	2	3	1	23.3%	2	259.3%
Statewide Total	25	33	27	29	22	23	28	24	20	11	20	19	23	3	11.3%	15	133.8%

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5B. Reserve Adequacy



MEMORANDUM

DATE: November 14, 2023

TO: David Durden
General Manager

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

RE: TFPA Reserve Adequacy as of September 30, 2023

TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of September 30, 2023.

Based on this review, the indicated ultimate cost of Hurricane Harvey remains \$84.1 million, unchanged from the previous quarterly review. Due to uncertainties surrounding the adequacy of case reserves and the outcomes of disputed claims, the selected ultimate gross loss & expense estimate has been maintained at \$85 million.

As of September 30, 2023, TFPA carried \$18.6 million in total gross loss and loss adjustment expense reserves with \$3.0 million of the total gross losses and expenses reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

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

The complete actuarial analysis is available on request.

JM

5C. Annual Rate Review

MEMORANDUM

DATE: November 21, 2023
 TO: David Durden, General Manager
 FROM: Jim Murphy, Chief Actuary
 RE: TFPA 2023 Rate Review

TFPA actuarial staff has updated its analysis of TFPA indicated rate needs. The methodology used in this analysis is consistent with that used in previous rate analyses. The analysis incorporates the most current data for loss experience and operating expenses as of December 31, 2022. Modeled catastrophe exposures as of March 31, 2023, projected 2024 operating expenses, and the projected cost of the 2024-2025 reinsurance program have also been incorporated.

The following is a summary of rate indications from 2022 and 2023 by product form, capped at $\pm 10\%$:

Product	2022 Analysis		2023 Analysis	
	Indicated	Filed	Indicated	Capped
Homeowners	18.2%	10.0%	15.5%	10.0%
Tenants	28.0%	9.8%	21.9%	8.4%
Condo	29.9%	10.0%	49.5%	10.0%
Dwelling (Fire)	14.2%	10.0%	38.5%	10.0%
Dwelling (EC)	21.1%	9.5%	12.0%	9.5%

Primary drivers of indicated rates are adverse loss experience in the most recent accident period, decreased allocation to operating expense provisions, and increases in average claim costs (loss trend).

I recommend the Governing Committee 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.

Indications by territory are shown on the following pages. The complete actuarial analysis is available on request.

JM



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

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

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

Dwelling (Fire)	In-force Premium	Indicated	Proposed
Overall Statewide		38.5%	10.0%

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

6. Internal Audit

6A. Internal Audit Status Update

MEMORANDUM

TO: The Governing Committee - Texas FAIR Plan Association
FROM: Bruce Zaret, Weaver - Internal Audit
DATE: December 11, 2023
SUBJECT: Status of Internal Audit Activities

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

➤ **Current Activities:**

Activity Description	Status
Accounts Payable and Expense Processing	Report issued
Risk Assessment and Audit Plan Update	Completed
Catastrophe Plan Table-Top Exercises	Completed
Accounts Receivable	Report in progress
Database and Application Administration	Report in final review
Reinsurance Funding	Report in progress
Underwriting	Fieldwork wrap-up phase
Actuarial	Reporting in progress
Legal and Compliance	Fieldwork planning phase

➤ **Upcoming Audits and Activities:**

Activity Description	Timing
Cash Management	1st/2nd Quarter 2024
Strategic Communications	1st/2nd Quarter 2024
Plan of Operation	1st/2nd Quarter 2024

➤ **ELT meetings:**

- Attended Executive Leadership Team and Operations meetings.

Texas FAIR Plan Association Internal Audit Plan – Lookback (2021 - 2022) and Prospective (2023-2025)

Process Area	Last Report Date	2022 Inherent Risk Rating	2021	2022	2023	2024	2025
Reinsurance	Nov. 2020	High		x	x		
Information Security	Apr. 2022	High		x		x	
Emergency Planning/COOP	Nov. 2022	High		x			x
Customer Experience	N/A	High				x	
Underwriting	June 2020	High			x		x
Claims Processing	Dec. 2022	High		x		x	
Strategic Communications	Mar. 2021	High	x		x		x
Actuarial (Pricing and Reserving)	Sept. 2021	High	x		x		x
Governance	May 2021	High	x			x	
Database and Application Administration	Oct. 2020	Moderate			x		
Legal & Compliance	Mar. 2021	Moderate	x		x		
Plan of Operation	N/A	Moderate				x	
Financial Close and Reporting	Dec. 2020	Moderate				x	
Accounts Payable and Expense Processing	Oct. 2019	Moderate			x		
Application Development	N/A	Moderate			x		x
Information Technology Services	Apr. 2022	Moderate		x			x
Vendor Management	Nov. 2021	Moderate	x			x	
Accounts Receivable	May 2020	Moderate			x		
Facilities and Services	Oct. 2020	Moderate			x		
Cash Management	Aug. 2021	Low	x			x	
Premium Taxes	July. 2021	Low	x				x

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

6B. Internal Audit Risk Assessment and Internal Audit Plan



MEMORANDUM

TO: Mr. David Durden, General Manager
Texas FAIR Plan Association

FROM: Bruce Zaret, Partner
Weaver

DATE: December 11, 2023

SUBJECT: Risk Assessment and Internal Audit Plan Resolution

In conjunction with International Standards for the Professional practice of Internal Auditing, Weaver is presenting the annual risk assessment update and internal audit plan to the Governing Committee for review and approval at the upcoming December 11, 2023 meeting in Corpus Christi. The annual risk assessment was updated by management with assistance by Weaver and was used in determining the rolling three-year internal audit plan for fiscal years 2024 through 2026. These documents are presented in the accompanying materials.

The risk assessment and the internal audit plan are completed to assist association management with its risk mitigation efforts and continuous evaluation of processes to improve efficiencies. The risk assessment and internal audit plan are not static documents; rather, they are dynamic and evolve based on the association's changing operating environment and risk factors. Input by the Governing Committee is appreciated in the risk evaluation process and in determining areas subject to audit.

If the materials are acceptable, Weaver requests the TFPA Governing Committee pass the following resolution at their upcoming meetings in Corpus Christi:

Resolved, that the updated risk assessment and the audit plan for 2024-2026 are approved as presented.



Texas FAIR Plan Association Risk Assessment and Internal Audit Plan Update

December 11, 2023



Risk Assessment Process

- ✓ **Purpose:** The accompanying risk assessment has been completed for the purpose of developing an internal audit plan. This risk assessment, therefore, is not an enterprise-wide risk assessment, which may consider other risk characteristics.
- ✓ Risk Assessments:
 - Are required by professional internal audit standards
 - Allow internal audit to focus its resources on the areas of greatest risk
 - Result in a comprehensive internal audit plan that identifies the specific areas of internal audit focus over a period of time
 - The frequency of internal audits performed is based on the over risk assessed, risk trends and other qualitative factors

Risk Assessment Update Process



- Review results of prior risk assessments as benchmark criteria
 - Receive feedback from the Executive Leadership Team
 - Review financial risks, process documentation, and strategic initiatives
 - Consider industry best practices
-
- Evaluate inherent risk of probability and impact
 - Consider current and anticipated business changes
 - For key operating areas, evaluate financial/transaction significance and risk trends
 - Consider the current control environment: staffing, policies, culture, anticipated changes in the environment
 - Assess the degree of legal/regulatory compliance requirements
-
- Summarize risk ratings by business process area
 - Develop internal audit plans for 2024, 2025 and 2026 to monitor and mitigate process risks

Risk Culture Observations

Weaver observed the following organizational culture characteristics while developing the Risk Assessment and Audit Plan:

- ✓ Tone-at-the-top fosters strong control-focused culture
- ✓ Management thoughtfully discussed the risk assessments with Weaver for each business process area
- ✓ Policyholder communications – the Association is proactive in outreach to Texas communities about coverage and protecting property from loss
- ✓ Management was very responsive to our request items and feedback during the course of the audits conducted over the past year

Risk Assessment Definitions

Risks were evaluated based on inherent versus residual risk

Inherent Risk: The natural risk (exposure) in the significant activities of the organization ***without consideration of internal controls*** or other actions that mitigate risk.



Vs.



*The Inherent Risk Assessment was used in developing the proposed areas of the internal audit plan. The plan is subject to review and approval of the Board.



Financial Stability Risks –

- The risk the Association will fail to adequately forecast and plan to achieve necessary cash flow, manage liquidity, receive adequate funding and accurately report financial results.



Operations Risks –

- The risk that internal operations do not adequately identify and provide for the needs of the Association's policyholders.
- The risk the Association's daily processes are not effectively designed to prevent and detect errors or adequately process claim volumes.
- The risk that the diverse nature of the Association's operations, processes, and/or underlying mechanics mitigate the economies of scale to efficiently execute transactions and processes.



Legal and Compliance Risks –

- The risk that legislative and political activities and decisions will have an adverse impact on the Association and inhibit its ability to achieve strategic objectives, or that regulatory changes impair operations and the ability to conduct business.



Reputational Risks –

- The risk of an event generating poor public opinion and/or reduced employee commitment. Considers policyholder relations, agent relations, internal and external communications, data privacy, headline risk, etc.



Fraud Risks –

- The risk of the occurrence of illegal acts characterized by deceit, concealment, or violation of trust. Risks associated with dollar volume, non-conformance with ethical standards, and complexity of operations making detection more difficult.



Information Technology Risks –

- The risk the Association's IT strategy is not aligned with the business model to embrace and rely on technology. Also includes the risk the Association is highly dependent on technology to execute strategic operations and that IT infrastructure and systems are not consistently available and reliable.

Risk Assessment Results

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Funding Sources and Reinsurance	<ul style="list-style-type: none"> • Funding Sources • Execution of Agreements • Billing and Recoverables • Risk Transfer • Reinsurer Credit Risk Monitoring • Buying and Placement • CAT Bond Market Funding 	High	High	High	↑	X	X	X	X			Risk is trending higher due to hardening reinsurance market and probable decline in reinsurance capacity for catastrophic risks. Risk of increased cost in funding TFPA is trending higher.
Information Security	<ul style="list-style-type: none"> • Mobile Security • Logical Access (Database, OS, Application) • Physical Access • Cybersecurity and Cybersecurity Insurance 	High	High	High	↑		X		X	X	X	Risk is trending higher due to geopolitical risks and the velocity and evolution of cyber threats. Data risk and application programming interface (API) security risk will increase moving into 2025 by the Association migrating to cloud computing. Independent tests by CDW Corporation and others show that effective controls are in place over cybersecurity. Any residual risk has been addressed with the purchase of cyber insurance.

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Emergency Planning	<ul style="list-style-type: none"> • Continuity of Operations Plans (COOP) • CAT (Operations) and Business Continuity Planning (TFPA and Claimants) • Disaster Recovery Planning (COOPs extension to IT) • Safety Planning 	High	High	High	↑		X		X		X	Risk is trending higher due to challenges with executing the individual departmental business continuity plans in a consistent and seamless manner. These challenges also extend to COOP testing and training of a remote workforce. While emergency planning has always been a focus of the Association, more demands on emergency resources throughout the U.S. could impact response time should multiple events occur simultaneously.
Customer Experience	<ul style="list-style-type: none"> • Customer Experience • Policy Services • Communications • Claims • Agent Services 	Not Rated	High	High	↔		X	X	X		X	Risk trend is stable as there are existing and planned initiatives to address and improve the customer experience over the next one to three years. Customer experience feedback from policyholders, agents and across the Association will help with a culture of self-assessment and continuous improvement.

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Underwriting and Policy Services	<ul style="list-style-type: none"> • Application & Quoting Process • Policy Issuance Process (includes Billing) • Agent Registration • Policy Eligibility Determination Process • Fraud Reporting Process • Inspection Process • Agent Commissions • Association Mergers • Risk Evaluation and Pricing Process • QA/Audit Process • Policyholder/Agent Complaint Process • Appeal Process • Voluntary Market Contraction 	Moderate	High	High	↑	X	X	X	X	X	X	Risk is trending higher due to increase in policy count without an increase in staffing/resources. Potential resource constraints increases policy service risk in the event of increased policies in force. Management is in the process of resolving any items related to the Project Elevate implementation. Transition to the cloud in 2025 will result in some changes for the Underwriting Department.

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Claims Processing	<ul style="list-style-type: none"> • Intake/FNOL Process • Triage/Assign Claim • Investigate Claim • Evaluate Claim • Resolve Claim • Recover Damages • Compliance (Legislative & TDI Regulations) • Litigation/Disputed Claims • Quality Assurance • Vendor Management 	High	High	High	↑	X	X	X	X	X	X	<p>The risk is trending upwards due to the increase in frequency and severity of claims. Claims are processed in accordance with TDI regulatory and TFPA guidelines. There is a dependency on third-party adjusters in the event of a named storm or hurricane, whereby quality resources may not be available should more than one weather event occur in the Gulf or Atlantic seaboard. The recent impact of inflation and labor and material shortages have increased the financial and legal risks. Overall risk remains high.</p>

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Legislative & External Affairs	<ul style="list-style-type: none"> • Media Relations • Legislative Affairs • Implementation of Legislative Changes • Development of Legislative Recommendations • Board Meeting Communications and Postings • Board Meeting Updates • Annual Reporting • Agent Advisory Group Coordination • Agent Commission Study 	High	High	High	↔			X	X			<p>The risk is stable due to the positive relationship with the legislature, recently strengthened by the 2023 legislative session. However, there are vacancies and resource constraints within the Department. Agent Commission Study will be presented to the Board in December 2023.</p>

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Strategic Communications	<ul style="list-style-type: none"> • Agent/Policyholder Communications • Internal Communications and Coordination • Branding (Reputation Management) • Organizational Change Management • Digital Media • Community Outreach • Website Design and Updates • Website Maintenance and Security 	High	High	High	↔		X	X	X		X	Communication requirements are demanding, though processes are stable and adequately meet demands of stakeholders.
Actuarial (Pricing and Reserving)	<ul style="list-style-type: none"> • Case Reserving • Data Capture and Accuracy • IBNR Estimation • Premium Rate Changes • Reporting and Analytics 	High	High	High	↑	X	X	X	X	X	X	Reserves have heavy reliance on data accuracy and assumptions used in determining final estimates. Risk trend is increasing due to pricing challenges and the complexity in the assumptions used in the reserve estimation processes (i.e. cost estimates)

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Executive Management, Management Planning and Reporting	<ul style="list-style-type: none"> • Plan of Operation • Operational Planning and Reporting • Board Reporting • Strategic Planning and Execution • Talent Retention • Succession Planning 	Moderate	High	High	↑		X		X			Risk trending higher due to the departure of the VP of People and Business Operations. Interim personnel will need time to learn the new role. Additionally, due to strong job market, there is increased risk in retaining top talent and succession planning.
Information Technology Services	<ul style="list-style-type: none"> • Network Operations (including Monitoring, Tools) • Help Desk • Change Management • Hardware Management • IT Vendor Management • Cloud Management • Disaster Recovery Planning (IT) • Microsoft 365 Management 	Moderate	Moderate	Moderate	↔		X	X	X	X	X	<p>Risk is moderate as TFPA has a 90% virtualized production environment with a new Storage Area Network (SAN) in a DataBank Tier III facility. Additionally, hardware is 100% in support.</p> <p>The Association will be migrating to the cloud in 2025 and will need to consider third party vendor risk and obtain SOC reports.</p>

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category					Risk Trend ¹	
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud		IT
Database and Application Administration	<ul style="list-style-type: none"> • Database Administration • Application Management • Systems Administration • Report Administration • Software Licensing and Usage • Telephone Systems 	High	Moderate	Moderate	↔		X		X	X	X	<p>Risk is moderate with a stable trend as management implemented Project Elevate across the association in April 2022 and is working to resolve preliminary issues. Risk is expected to increase in 2025 as the Association transitions from a proven, on-premises application/database development environment that has been stable for 11 years to a new development environment in the cloud, where all the controls will have to be reimplemented from scratch. Once converted to the cloud, stability will be in transition for a short period of time.</p> <p>Additionally, telephone systems are currently in need of an update.</p>

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary

Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Legal & Compliance	<ul style="list-style-type: none"> • Complaint Process (Administrative Code) • Contracts Management Process (New or Renewal) • Conflict Disclosures / Ethics Process • 3rd Party (Vendor, Policy Holder) Fraud Reporting Process • Records Retention Process • Public Information / Open Records • E-discovery • Association Policy Management • Filings (Policy Forms & Endorsements, TDI, non-financial statement) • Sanctions Checking Process-FCPA/OFAC Compliance • Vendor Management Process (Including Due Diligence) • Legislative Changes • Claims and Non-Claims Litigation 	High	Moderate	Moderate	↔			X	X			<p>Risk is stable as meeting legal and compliance demands is not over burdensome. However, the department is in a period of transition due to an executive position vacancy.</p> <p>New Senate Bill 2232 authorizes the Association to establish standards that agents must comply with to offer or sell a TFPA policy. The Association will solicit feedback from TFPA's Agent Advisory Group and other key agent stakeholders to develop these standards and performance requirements.</p>

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary

Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Financial Close and Reporting	<ul style="list-style-type: none"> • Period End Closing Process • Expense Allocation • Statutory Financial Statement Preparation • GASB Compliance • TDI / Statutory Data Calls • General Ledger Recording and Maintenance • Account Reconciliations • Fixed Assets • Escheatment/Unclaimed Property • Debt Arrangements • Revenue Recognition 	Moderate	Moderate	Moderate	↔	X		X	X	X	X	Though changes have occurred with accounting staff, key accounting personnel remain in place and stable. There have been no significant changes in accounting standards. The department is adequately staffed to perform required controls.
Accounts Payable and Expense Processing	<ul style="list-style-type: none"> • Vendor Management (Set-up & Payments) • Accounts Payable Processing (Invoice Routing and Approval) • Check Disbursements • Expense Coding • Employee Expense Reimbursement • Company Credit Card Processing • One Time Payments via Company Credit Cards 	Moderate	Moderate	Moderate	↔	X	X		X	X	X	Vendor management software has been implemented to centralize controls over contract monitoring. The Association is currently in the process of moving all software systems onto third party vendor servers.

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary													
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹	
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT		
Application Development	<ul style="list-style-type: none"> • System Development Life Cycle • Project Management Office / Life Cycle 	Moderate	Moderate	Moderate	↔		X		X			X	Risk is stable as management implemented Project Elevate across the association in April 2022. Additionally, the Association will migrate to the cloud in 2025.

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Accounts Receivable	<ul style="list-style-type: none"> • Billing • Collections and Deposits • Customer Account Maintenance • Past Due A/R, Non-admitted and write-offs • Refunds • System Reconciliation 	Moderate	Moderate	Moderate	↑	X	X		X	X	X	Transition from Payconnexion (Chase Bank) to new Chase Bank system has been implemented. These platform changes keep the risk trending high as personnel adapt to new systems and as the volume of payment plans increase.
Environmental, Social, and Corporate Governance	<ul style="list-style-type: none"> • Sustainability • Diversity and Inclusivity • Climate-conscious Decision Making • Management Structure • Employee Relations • Fair Compensation • Charitable Contributions 	Low	Low	Low	↓		X		X			Issues currently dominating discussions with insurers and reinsurers: -Environmental: climate -Social: building trust -Governance: policy setting

¹ Risk trend includes both internal and external factors.

Risk Assessment Results – cont.

2023 Risk Assessment Summary												
Risk Area	Process Activities	Inherent Risk Rating			Current Risk Trend ¹	Risk Category						Risk Trend ¹
		2021	2022	2023		Financial Stability	Operations	Legal & Compliance	Reputational	Fraud	IT	
Cash Management	<ul style="list-style-type: none"> • Banking General • Lockbox • Credit Cards • Wire Transfers • Void Stop Payments • Positive Pay • Cash Forecasting • Bank Account Reconciliation • Cash and Cash Equivalent Investments Management • Funding Stack Execution 	Low	Low	Low	↔	X	X	X	X	X	X	Risk is stable due to TDI requirements on banking & investments for the Association.
Premium Taxes	<ul style="list-style-type: none"> • Premium Taxes • Premium Tax Preparation and Compliance 	Low	Low	Low	↔	X		X				No changes in system applications, processes, regulations or personnel. The overall risk environment remains stable.

¹ Risk trend includes both internal and external factors.

Audit Plan 2024-2026

- The proposed **audit plan has been** developed using results of the Risk Assessment and considered:
 - Risk trend
 - Results of past audits
 - Changes in the control environment
 - New software applications
 - Other qualitative factors



Proposed Three Year Audit Plan



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	Nov. 2022	High	x			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	

(1) Process area is also addressed in Model Audit Rule testing, and therefore, audit frequency has been modified.

Discussion



7. Underwriting Operational Review Update

MEMORANDUM

DATE: November 22nd, 2023
 TO: David Durden, General Manager
 FROM: Michael Ledwik, Vice President, Underwriting
 RE: Update on Underwriting Operational Results

Third Quarter 2023 Results

TFPA Underwriting Metrics	Monthly Summary			Quarterly Summary			YTD		
	Jul-23	Aug-23	Sep-23	Q1 2023	Q2 2023	Q3 2023	2023	2023 Goal	▲
Transaction Issuance	99.12%	99.66%	99.28%	99.58%	99.62%	99.35%	99.52%	90%	9.52
Internal Underwriting QA	99.25%	97.96%	97.58%	98.61%	98.31%	98.26%	98.39%	95%	3.39
Phone Service Level	86.80%	88.59%	91%	76%	82.49%	88.80%	82.43%	80%	2.43

I. Overview:

- 99.35% 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
- 88.80% of calls were answered under 20 seconds

II. Agency Compliance Audits:

A standard sample of agencies (20) were selected for review in the third quarter of 2023 to verify compliance with the Texas FAIR Plan Association (TFPA) declination of coverage requirement and TFPA Producer Requirements and Performance Standards. Eighty percent (80%) of agents have responded. The statistics below are results of the analysis of documents that have been provided to date.

- i. Proof of declination was received for ninety-one percent (91%) of the policies selected.
- ii. Signed applications were provided for eighty-six percent (86%) of the policies selected.
- iii. Signed eligibility requirement statements were provided for seventy-eight percent (78%) of the policies selected.



- b. All agents selected have an active property and casualty insurance license and the required direct standard market appointments.
- c. Staff is following up for outstanding proof of declinations, outstanding signed applications, and outstanding signed eligibility statements for the agents who have not fully responded.
- d. Follow-up audits continue to be conducted on agents who have been previously audited when that audit was deemed non-compliant.

8. Claims

8A. Claims Operations

TFPA Claims Operations 2023

TFPA Claims - 2023 Results (through Q3)					
Key Cycle Times (In days)	Industry Average, TX	TFPA	TFPA Plan	Variance to Plan	% Variance to Plan
FNOL to Inspect Property	6.0	3.2	<3	0.2	7%
Inspect Property to Receipt by TFPA	4.0	2.0	<8	-6.0	-75%
Total Cycle Time FNOL to Payment - Daily	N/A	9.6	<12	-2.4	-15%
Total Cycle Time FNOL to Payment - Cat	N/A	8.8	<12	-3.2	-20%
TDI Complaint Ratio					
2022	0.18% - 6 complaints from 3,322 new claims				
2023	0.13% - 5 complaints from 3,911 new claims				

Year	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Actual Volume	302	314	260	236	354	270	220	253	329	712	367	479	479	454	530	313	288	289
Actuarial Projected	667	667	306	302	434	565	658	194	194	304	185	185	604	604	281	276	392	510
Staffing Plan	315	315	315	315	315	315	315	315	315	288	288	288	288	288	288	288	288	288
Open Inventory	780	790	734	682	691	595	614	634	679	1,012	883	982	1,030	992	1,065	994	935	925

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	3,911

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
2019	232	-	84	-	157	-	727	-	4,949	-	6,506	-
2020	114	-50.9%	95	13.1%	111	-29.3%	627	-13.8%	3,620	-26.9%	4,994	-23.2%
2021	133	16.7%	69	-27.4%	79	-28.8%	4,046	545.3%	3,204	-11.5%	9,180	83.8%
2022	96	-27.8%	68	-1.4%	62	-21.5%	714	-82.4%	1,905	-40.5%	3,146	-65.7%
2023	61	-36.5%	35	-48.5%	44	-29.0%	458	-35.9%	2,834	48.8%	3,678	16.9%

Incurred Amounts by Peril

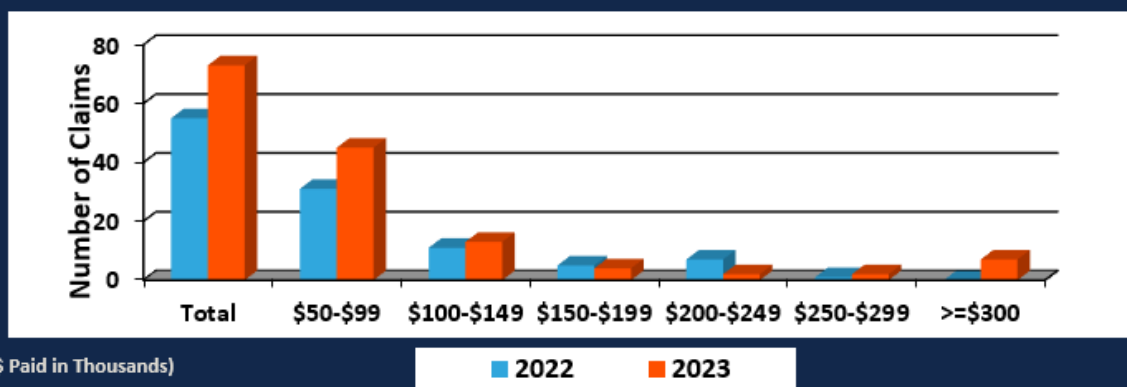
Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ
2019	\$9,749,964	-	\$584,045	-	\$398,281	-	\$551,611	-	\$20,730,908	-	\$32,607,005	-
2020	\$5,757,901	-40.9%	\$874,398	49.7%	\$206,387	-48.2%	\$477,463	-13.4%	\$15,386,978	-25.8%	\$25,652,200	-21.3%
2021	\$8,565,245	48.8%	\$181,857	-79.2%	\$132,140	-36.0%	\$3,689,180	672.7%	\$11,950,242	-22.3%	\$25,780,845	0.5%
2022	\$6,938,883	-19.0%	\$214,401	17.9%	\$178,707	35.2%	\$695,647	-81.1%	\$10,212,778	-14.5%	\$18,636,631	-27.7%
2023	\$3,025,871	-56.4%	\$92,763	-56.7%	\$26,565	-85.1%	\$472,867	-32.0%	\$21,659,463	112.1%	\$25,732,676	38.1%

Incurred Claim Severity by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ
2019	\$42,026	-	\$6,953	-	\$2,537	-	\$759	-	\$4,189	-	\$5,012	-
2020	\$50,508	20.2%	\$9,204	32.4%	\$1,859	-26.7%	\$762	0.4%	\$4,251	1.5%	\$5,137	2.5%
2021	\$64,400	27.5%	\$2,636	-71.4%	\$1,673	-10.0%	\$912	19.7%	\$3,730	-12.3%	\$2,808	-45.3%
2022	\$72,280	12.2%	\$3,153	19.6%	\$2,882	72.3%	\$974	6.9%	\$5,361	43.7%	\$5,924	110.9%
2023	\$49,604	-31.4%	\$2,650	-15.9%	\$604	-79.1%	\$1,032	6.0%	\$7,643	42.6%	\$6,996	18.1%

*Case incurred amounts exclude loss adjustment expenses and IBNR reserves

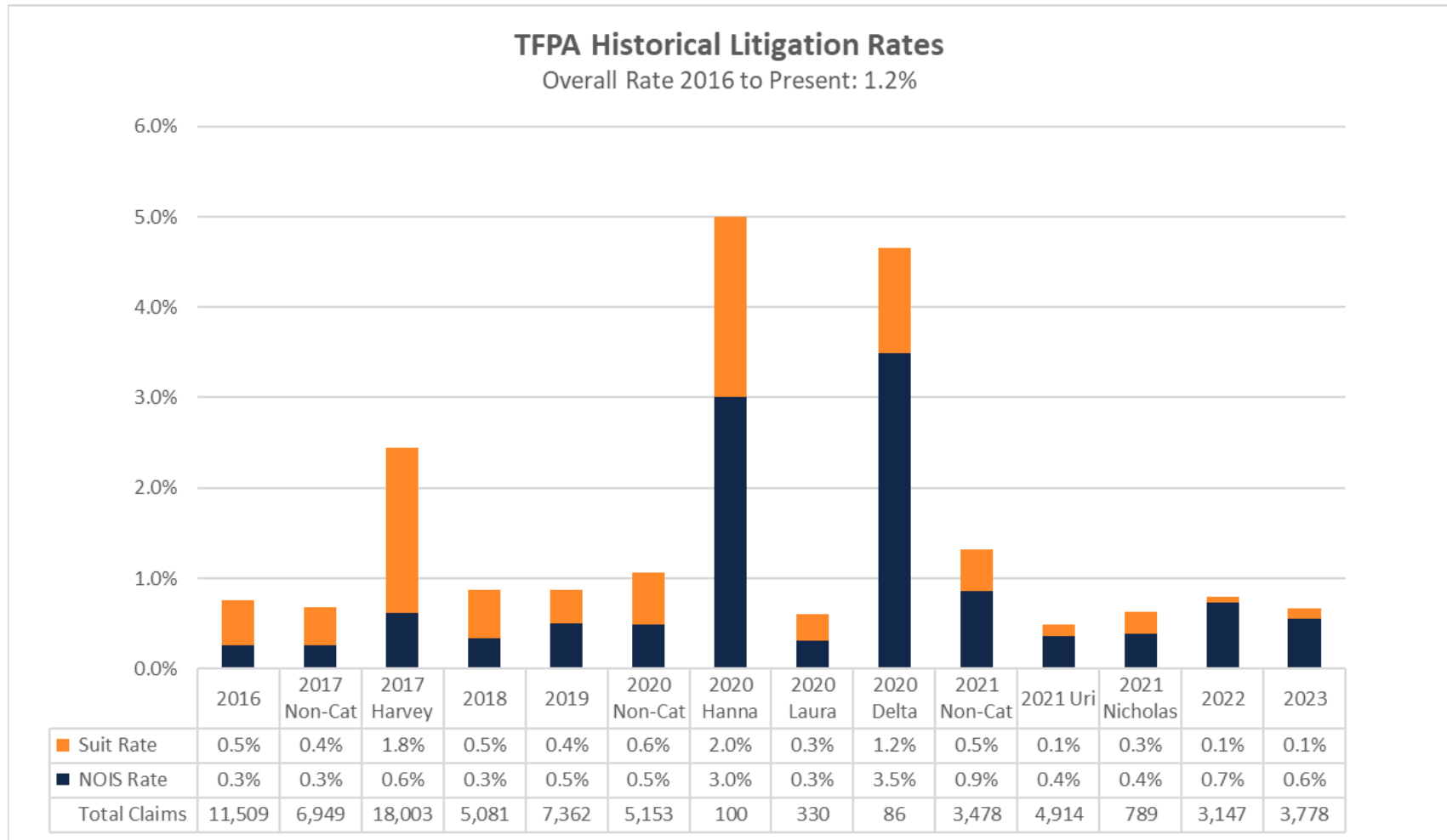
TFPA - Large Loss Based On Paid Indemnity



Date	Total	\$50-\$99	\$100-\$149	\$150-\$199	\$200-\$249	\$250-\$299	>=\$300
2022 (complete year)	55	31	11	5	7	1	0
Liability	0	0	0	0	0	0	0
2023 (year-to-date)	72	44	13	4	2	2	7
Liability	1	1	0	0	0	0	0
Variance	18	14	2	-1	-5	1	7

8B. Claims Litigation

TFPA Litigation Summary



*Notice of Intent to Sue



TFPA Litigation Tracking Activity

Litigation Quarter Summary Third Quarter 2023

3rd Quarter 2023	Summary of TFPA Claims in Suit					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
	July	2	0	0	0	0
August	1	0	0	0	2	0
September	3	0	0	0	1	0
	6	0	0	0	3	1

3rd Quarter 2023	Summary of TFPA Claims with LORs					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
	July	6	0	0	0	3
August	3	0	0	0	6	0
September	5	1	0	0	2	1
	14	1	0	0	11	2



TFPA Claims Litigation September 2023

Sep-23	TFPA Claims in Suit						
		Beginning Inventory	New	Closed	Ending Inventory		
					1st Party	3rd Party	TOTAL
	Wind/Hail	30	3	0	33	0	33
	Other Perils	9	0	(1)	8	0	8
	Bodily Injury	4	0	0	0	4	4
	Property Damage	0	0	0	0	0	0
	TOTAL	43	3	(1)	41	4	45

Sep-23	TFPA Claims with LORs							
		Beginning Inventory	New	Closed	Converted to Suit	Ending Inventory		
						1st Party	3rd Party	TOTAL
	Wind/Hail	54	4	(2)	(2)	54	0	54
	Other Perils	14	1	0	0	15	0	15
	Bodily Injury	2	1	(1)	0	0	2	2
	Property Damage	0	0	0	0	0	0	0
	TOTAL	70	6	(3)	(2)	69	2	71

Sep-23	TFPA Claims with Suits/LORs: Detail of Ending Inventory											
	Category	Active Unsettled Claims					Settled & Funded (Awaiting closing documents and final invoices)					GRAND TOTAL
		Suits		LORs			Suits		LORs			
		1st	3rd	1st	3rd	Total	1st	3rd	1st	3rd	Total	
	TOTAL	41	4	69	2	116	0	0	0	0	0	116



TFPA Active Claims with Suits/LORs: Breakdown by Plaintiff Firm	
Firm	Total
Dick Law Firm	36
Manuel Solis, P.C.	19
Chad T. Wilson Law Firm	10
Palker Law Firm	8
Zar Law Firm	4
Baker Law	3
Arguello Law Firm	3
Omar Ochoa Law Firm	2
Crowell & Kucera	2
Law Offices of Willie McAllen	2
Galindo Law	2
Furlow Law Firm	1
McMillan Law Firm	1
Buzbee Law Firm	1
Remaining 22 firms	22
TOTAL	116

Sep-23



Sep-23	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	2	0	2
	Ft. Bend	11	0	11
	Galveston	0	1	1
	Harris	86	3	89
	Hidalgo	6	0	6
	Johnson	0	1	1
	Maverick	1	0	1
	Nueces	0	1	1
San Jacinto	1	0	1	
TOTAL	110	6	116	

9. TFPA Operations

9A. IT System Enhancements



MEMORANDUM

DATE: November 22, 2023
TO: David Durden, General Manager
FROM: Camron Malik, CIO / VP IT
RE: TFPA Information Technology status

The Cloud program continues with prep work involving technical and system architecture discussions with Guidewire and Zensar (System Integrator). The technical upgrade (moving code to the latest cloud version and updating interfaces) is underway and is on schedule to be complete by the end of the month. In the meantime meetings with the System Integrator have begun, to identify the design changes and impacts of the work. The program is still expected to start at the beginning of January 2024.

As far as budget is concerned, IT is \$1.3M under budget projections for the year.

Overall systems continue in production support mode with a monthly cadence of releases and the Infrastructure and Operations team continues to support the organization with excellent quality. All technology efforts are moving according to plan.

9B. Communications and Legislative Update

MEMORANDUM

DATE: November 22, 2023
TO: David Durden, General Manager
FROM: Sarah Edstrom, Senior Manager, Strategic Communications
RE: Communications Operational Highlights

Mission, Vision, and Values:

In support of achieving the Association's mission and reflecting our values, we:

- Held monthly town hall meetings with leadership to foster open communication and address employee queries.
- Developed and provided updated branded templates for the ELT's review.
- Produced change management and communications plans supporting Enterprise projects such as the Legislative Implementation Program and Automatic Adjustment to Limits project.

Operational Updates:

We continued communication with stakeholders about TFPA's operational activities via our website and email updates to the agent community.

MEMORANDUM

DATE: November 22, 2023

TO: David Durden, General Manager

FROM: Anna Stafford, Senior Manager, Legislative & External Affairs

RE: Legislative & External Affairs Operational Highlights

Legislative & Regulatory Affairs

- a) Legislative Implementation: Staff have launched a Legislative Implementation Program for the 88th Session (LIP 88) to put into effect the new laws impacting Association operations. Following is the status of House Bill 998, the TFPA-related legislation passed in the 88th Regular Session of the Texas Legislature:
- i) The bill will require the Texas FAIR Plan Association to offer property owners’ association insurance to homeowners’ and condominium owners’ associations in specific areas designated by the Insurance Commissioner within 10 miles of TWIA’s coverage area.
 - ii) The Association issued a Request for Proposals (RFP) on September 27 for a third-party vendor to potentially manage processes for policies offered under this requirement. We received two proposals by the October 18 RFP deadline, which our internal RFP evaluation committee reviewed and scored. Neither proposal provided the fit we were seeking so we are preparing to reissue the RFP. The targeted RFP reissuance date is December 4, with a deadline of January 5 to receive proposals from interested vendors. The provisional award date for the second RFP is January 26, although we could have an award in place sooner.

Timeline for Reissuance of Request for Proposals Related to House Bill 998

December 4, 2023	Reissuance of RFP
December 11, 2023	Submission of written questions by Respondents
December 18, 2023	Responses to written questions posted to TWIA/TFPA webpages
January 5, 2023	Final deadline for submission of proposals
January 8-19, 2024	Evaluation committee review and recommendations
January 22-26, 2024	ELT review
January 26, 2024	Provisional award announcement

- iii) Staff is also developing processes to manually issue policies required under the bill.
- iv) As TDI continues working on rules defining the geographic area to be covered by this law, we will evaluate the most effective method to administer these policies.

- b) Legislative Meetings: Association staff held three meetings with legislative offices during Q3 2023, primarily to provide background information to new staff on Association issues.
 - i) In October, TWIA staff met with staff for Rep. Dennis Paul (Harris County), the author of HB 998, to discuss the status of our efforts to implement this legislation.
- c) Stakeholder Inquiries: From July 1 through September 30, 2023, we received and responded to two standing legislative inquiries on TFPA litigation.
- d) 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.

13. Future Meetings

February 19, 2024 – Moody Gardens Hotel
Galveston

May 6, 2024 – Hyatt Regency
Austin

August 5, 2024 – Tremont House
Galveston