

QUARTERLY STATEMENT

OF THE

Texas FAIR Plan Association

of **Austin**

in the state of **Texas**

TO THE

Insurance Department

OF THE

STATE OF

Texas

FOR THE QUARTER ENDED

September 30, 2014

PROPERTY AND CASUALTY

2014



11543201420100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2014
OF THE CONDITION AND AFFAIRS OF THE

Texas FAIR Plan Association

NAIC Group Code 4766, NAIC Company Code 11543, Employer's ID Number 43-1982873
Organized under the Laws of Texas, State of Domicile or Port of Entry Texas
Country of Domicile US
Incorporated/Organized December 31, 2002, Commenced Business December 31, 2002
Statutory Home Office 5700 S. Mopac, Bldg A, Austin, TX US 78749
Main Administrative Office 5700 S. Mopac, Bldg A, Austin, TX US 78749
Mail Address PO Box 99080, Austin, TX US 78709-9080
Primary Location of Books and Records 5700 S. Mopac, Bldg A, Austin, TX US 78749
Internet Website Address http://www.texasfairplan.org/
Statutory Statement Contact Allen David Fulkerson, 512-899-4988, afulkerson@twia.org

OFFICERS

Chairman

John Miletti

Table with 2 columns: Name, Title. Rows: 1. Ron Wayne Lawson, Vice Chairman; 2. Georgia Rutherford Neblett, Secretary/Treasurer; 3. John William Polak, General Manager

Vice Presidents of TFPA

Table with 4 columns: Name, Title, Name, Title. Rows: Lou Frank Cusano, VP Underwriting, David Patrick Durden, VP Legal; James Colin Murphy, VP Actuary, David Scott Williams, VP Claims

TFPA Governing Committee

Table with 4 columns: Name, Title, Name, Title. Rows: Wendy Mueller #, Ron Wayne Lawson, John Miletti, Alphonso Delaney; Georgia Rutherford Neblett, Timothy Lawrence McCarthy, Alicia Corise Morrison, Cecil O. Joiner; Phillip Dendy, Edward James Sherlock

State of Texas

County of Travis ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Signature lines for John William Polak (General Manager), Peter Harold Gise (Chief Financial Officer), and an empty line for Title.

Subscribed and sworn to before me this day of , 2014

- a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 85,700,763), cash equivalents (\$ 0), and short-term investments (\$ 0)	85,700,763		85,700,763	65,101,014
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	85,700,763		85,700,763	65,101,014
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	4,200		4,200	11,520
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	101,066	62,014	39,052	60,017
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	17,405,476		17,405,476	15,771,970
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	536,272	536,272		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	103,747,777	598,286	103,149,491	80,944,521
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	103,747,777	598,286	103,149,491	80,944,521

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Surcharge Receivable	390,752	390,752		
2502. Due from agents	110,280	110,280		
2503. Prepaid Expenses	35,240	35,240		
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	536,272	536,272		

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 11,105,836)	19,070,826	21,833,930
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	5,183,071	4,045,359
4. Commissions payable, contingent commissions and other similar charges	1,141,444	987,113
5. Other expenses (excluding taxes, licenses and fees)	989,235	573,798
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	32,893	954,712
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 33,743,925 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	37,390,092	43,332,325
10. Advance premium	1,906,785	1,390,049
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	32,713,001	18,241,258
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	141,348	449,988
16. Provision for reinsurance (including \$ 0 certified)	638,237	696,363
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	632,258	729,047
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	554,957	1,132,318
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	100,394,147	94,366,260
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	100,394,147	94,366,260
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	2,755,344	(13,421,739)
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	2,755,344	(13,421,739)
38. Totals (Page 2, Line 28, Col. 3)	103,149,491	80,944,521

DETAILS OF WRITE-IN LINES		
2501. Due to policy holders	479,283	391,881
2502. Escheat Checks	75,674	740,437
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	554,957	1,132,318
2901.		
2902.	NONE	
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.	NONE	
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 104,381,110)	95,874,508	82,286,837	112,736,937
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 44,999,036)	30,550,201	27,990,673	37,393,966
1.4 Net (written \$ 59,382,074)	65,324,307	54,296,164	75,342,971
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 29,346,610):			
2.1 Direct	21,410,186	23,510,566	29,907,923
2.2 Assumed			
2.3 Ceded			
2.4 Net	21,410,186	23,510,566	29,907,923
3. Loss adjustment expenses incurred	9,354,909	6,819,766	9,529,908
4. Other underwriting expenses incurred	18,454,297	16,998,640	22,610,180
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	49,219,392	47,328,972	62,048,011
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	16,104,915	6,967,192	13,294,960
INVESTMENT INCOME			
9. Net investment income earned	(59,094)	(119,869)	(149,789)
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	(59,094)	(119,869)	(149,789)
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)	(737,055)	(748,909)	(1,056,371)
13. Finance and service charges not included in premiums	307,567	305,766	403,850
14. Aggregate write-ins for miscellaneous income	467,682		737,393
15. Total other income (Lines 12 through 14)	38,194	(443,143)	84,872
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	16,084,015	6,404,180	13,230,043
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	16,084,015	6,404,180	13,230,043
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	16,084,015	6,404,180	13,230,043
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	(13,421,741)	(25,722,095)	(25,722,095)
22. Net income (from Line 20)	16,084,015	6,404,180	13,230,043
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	34,946	(5,524)	(411,370)
28. Change in provision for reinsurance	58,126	(437,813)	(518,319)
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	16,177,087	5,960,843	12,300,354
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	2,755,346	(19,761,252)	(13,421,741)

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 05 from overflow page		
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401.	Sales tax refund and other income	467,682	737,393
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	467,682	737,393
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	72,787,204	65,227,042	84,396,201
2. Net investment income	(51,639)	(119,869)	(149,789)
3. Miscellaneous income	108,394	(439,004)	34,789
4. Total (Lines 1 to 3)	72,843,959	64,668,169	84,281,201
5. Benefit and loss related payments	24,173,289	22,449,359	29,206,139
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	27,119,784	23,852,691	31,738,521
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	51,293,073	46,302,050	60,944,660
11. Net cash from operations (Line 4 minus Line 10)	21,550,886	18,366,119	23,336,541
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(951,137)	320,588	75,655
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(951,137)	320,588	75,655
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	20,599,749	18,686,707	23,412,196
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	65,101,014	41,688,818	41,688,818
19.2 End of period (Line 18 plus Line 19.1)	85,700,763	60,375,525	65,101,014

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Texas FAIR Plan Association (the "Association") have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance.

The state of Texas requires insurance companies domiciled in the state of Texas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioner's ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Texas Insurance Department.

Reconciliations of net income and policyholder's surplus between the amounts reported in the accompanying financial statements (Texas basis) and NAIC statutory accounting practices follow:

Net Income	2014	2013
Net Income as reported	\$16,084,015	\$13,230,043
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
NAIC statutory accounting practices basis	<u>\$16,084,015</u>	<u>\$13,230,043</u>

Policyholder's surplus	September 30, 2014	December 31, 2013
Policyholder's surplus as reported	\$2,755,346	(\$13,421,741)
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
NAIC statutory accounting practices basis	<u>\$2,755,346</u>	<u>(\$13,421,741)</u>

B. Uses of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Significant estimates included in the accompanying financial statements are the reserve for losses, loss adjustment expenses, and premiums ceded.

C. Accounting Policies

Direct and ceded premiums are earned over the terms of the related policies or reinsurance contracts, respectively. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for both direct and ceded business. The Association has a minimum policy premium of \$100.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at historical cost, which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.
- 2) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles

There were no changes in accounting principles.

B. Correction of Errors- There were no corrections due to errors.

3. Business Combinations and Goodwill – Not Applicable

4. Discontinued Operations – Not Applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments

Short-term investments are stated at historical cost, which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.
6. Joint Ventures, Partnerships and Limited Liability Companies – Not Applicable
7. Investment Income
 - A. Accrued Investment Income

The Association does not admit investment income due and accrued if amounts are over 90 days past due.
 - B. Amounts Non admitted – None
8. Derivative Instruments – Not Applicable
9. Income Taxes

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

 - A. Components of Net Deferred Tax Assets – Not Applicable
 - B. Unrecognized Deferred Tax Liabilities – Not Applicable
 - C. Current Tax and Change in Deferred Tax – Not Applicable
 - D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate – Not Applicable
 - E. Operating Loss and Tax Credit Carry-forward and Protective Tax Deposits – Not Applicable
 - F. Consolidated Federal Income Tax Return – Not Applicable
10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties
 - A. Nature of Relationship

On October 10, 2002, the Texas Commissioner of Insurance enacted Article 21.49A of the Texas Insurance Code implementing the creation of the Texas FAIR Plan Association. The commissioner then instructed the Texas Windstorm Insurance Association (“TWIA”) to manage the Association. The Association entered into a service contract with TWIA in which the Association is to reimburse TWIA for all expenditures, professional fees, and consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by TWIA on behalf of the Association. There was no significant activity during 2014.
 - B. Detail of Transactions Greater than ½% of Admitted Assets – Not Applicable
 - C. Changes in Terms of Intercompany Arrangements – Not Applicable
 - D. Amounts Due from Related Parties- Not Applicable
 - E. Guarantees or Contingencies for Related Parties - Not Applicable
 - F. Management, Service Contracts, Cost Sharing Arrangements – See Nature of Relationship above
 - G. Nature of Relationships that Could Affect Operations – Not Applicable
 - H. Amount Deducted for Investment in Upstream Company - Not Applicable
 - I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets – Not Applicable
 - J. Write-down for Impairments of Investments in Affiliates – Not Applicable
 - K. Foreign Insurance Subsidiary Valued Using CARVM – Not Applicable
 - L. Downstream Holding Company Valued Using Look-through Method – Not Applicable
11. Debt – Not Applicable
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans – Not Applicable
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations – Not Applicable
14. Contingencies
 - A. Contingent Commitments – Not Applicable
 - B. Guaranty Fund and Other Assessments – Not Applicable
 - C. Gain Contingencies – Not Applicable
 - D. Extra Contractual Obligation and Bad Faith Losses – None
 - E. Other Contingencies None

The Association is subject to various investigations, claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Management believes that any liability that may ultimately result from the resolution of these matters in excess of the amounts provided will not have a material adverse effect on the financial position of the Association. These matters are subject to various uncertainties, and some of these matters may be resolved unfavorably to the Association.
15. Leases – Not Applicable
16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not Applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not Applicable

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not Applicable
19. Direct Premium Written/Produced by Managing Federal Agents/Third Party Administrators – Not Applicable

20. Fair Value Measurement

The Association has no assets or liabilities that are measured and reported at fair value in the statutory financial statements. Short-term investments are recorded at cost which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.

21. Other Items

- A. Extraordinary Items – Not Applicable
- B. Troubled Debt Restructuring for Debtors – Not Applicable
- C. Other Disclosures – Not Applicable
- D. Uncollectible Premiums Receivable
The Association routinely assesses the collectability of premiums receivable due from policyholders and agents. Based upon the Association's experience, the potential for any additional loss is not believed to be material to the Association's financial position and no additional provision for uncollectible amounts has been recorded.
- E. Business Interruption Insurance Recoveries – Not Applicable
- F. State Transferable Tax Credits – Not Applicable
- G. Subprime Mortgage Related Exposure – Not Applicable

22. Subsequent Events

The Association has evaluated subsequent events occurring after September 30, 2014, the date of the most recent balance sheet date, through November 7, 2014, the date the quarterly statement was issued. The Association does not believe any subsequent events have occurred that would require further disclosure or adjustment to the statutory financial statements

23. Reinsurance

- A. Unsecured Reinsurance Recoverables – The Association has no unsecured reinsurance recoverables which exceed 3% of the Association's surplus with the following reinsurers as of September 30, 2014.
- B. Reinsurance Recoverables in Dispute
The Association does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholder's surplus from an individual reinsurer or exceed 10% of policy holder's surplus in aggregate.
- C. Reinsurance Assumed and Ceded and Protected Cells
The following table summarizes ceded unearned premiums and the related commission equity at the end of the current year.

	Assumed Unearned Premiums	Assumed Commission Equity	Ceded Unearned Premiums	Ceded Commission Equity	Net Unearned Premiums	Assumed Less Ceded Commission Equity
Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Others	\$ -	\$ -	\$33,743,925	\$978,574	(\$33,743,925)	(\$978,574)
Total	\$ -	\$ -	\$33,743,925	\$978,574	(\$33,743,925)	(\$978,574)

Direct unearned premium reserves at the end of the quarter \$71,134,017.

The amount of return commission that would have been due the reinsurers if they or the Association had cancelled the Association's excess of loss reinsurance agreement would have been approximately \$3,374,393 for the quarter ended September 30, 2014.

- D. Uncollectible Reinsurance – Not Applicable
- E. Commutation of Ceded Reinsurance – Not Applicable
- F. Retroactive Reinsurance – Not Applicable
- G. Reinsurance Accounted for as a Deposit – Not Applicable
- H. Run-off Agreements – Not Applicable
- I. Certified Reinsurance Downgraded or Status Subject to Revocation – Not Applicable

24. Retrospectively Rated Contracts and Contacts Subject to Redetermination – Not Applicable

NOTES TO FINANCIAL STATEMENTS

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expense (LAE) attributable to insured events of prior years decreased by approximately \$6 million during three quarters ending of September 30, 2014 and decreased by approximately \$7 million during the 2013 calendar year. Increases and decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims.

	2014	2013
Beginning Balance	\$25,879,288	\$25,293,361
Less: reinsurance recoverables	-	-
Net beginning balance	\$25,879,288	\$25,293,361
Net incurred related to:		
Current loss year	\$36,680,400	\$46,836,085
Prior loss years	(\$5,915,303)	(\$7,398,254)
Net losses and loss adjustment expense incurred	\$30,765,097	\$39,437,831
Net paid related to:		
Current loss year	(\$23,319,600)	(\$29,551,591)
Prior loss years	(\$9,070,888)	(\$9,300,312)
Net paid losses and loss adjustment expense	(\$32,390,488)	(\$38,851,904)
Net ending balance	\$24,253,897	\$25,879,288
Plus: reinsurance recoverables	-	-
Ending balance	\$24,253,897	\$25,879,288

The Company attempts to consider all significant facts and circumstances known at the time loss reserves are established. Due to the inherently uncertain process involving loss and loss adjustment expense reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. Therefore, actual paid damages in the future may yield a material different favorable or unfavorable amount than currently reserved. While the Company believes that the estimated for loss and loss adjustment expense reserves are adequate as of September 30, 2014, there can be no assurance that the estimates and the extended period of time that it can take to settle claims may change the results of operations.

The Company does not issue and retrospective rated policies, as such, the net incurred increase or decrease related to prior years did not result in any direct accrual of additional premiums.

26. Intercompany Pooling Arrangements – Not Applicable

27. Structured Settlements – Not Applicable

28. Health Care Receivables – Not Applicable

29. Participating Policies – Not Applicable

30. Premium Deficiency Reserves

The Association evaluated the need to record a premium deficiency reserve as of the end of the current year. No such reserve was required. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.

31. High Deductibles – Not Applicable

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses – Not Applicable

33. Asbestos / Environmental Reserves – Not Applicable

34. Subscriber Savings Account – Not Applicable

35. Multiple Peril Crop – Not Applicable

36. Financial Guaranty Insurance – Not Applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....		

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2012 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2012 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 10/03/2014 _____

6.4 By what department or departments?
 Texas Department of Insurance.

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

GENERAL INTERROGATORIES

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes [] No []

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

GENERAL INTERROGATORIES

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [] No [X]

18.2 If no, list exceptions:

TFPA does not file with the Securities Valuation Office.

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] N/A []
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	L	104,381,110	95,616,243	24,173,289	22,494,311	19,070,826	22,193,352
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 1		104,381,110	95,616,243	24,173,289	22,494,311	19,070,826	22,193,352

DETAILS OF WRITE-INS		1	2	3	4	5	6	7
58001.		X X X						
58002.		X X X						
58003.		X X X						
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:
 (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
 (a) Insert the number of L responses except for Canada and Other Alien.

NONE Schedule Y - Part 1

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
4766		11543	43-1982873				Texas FAIR Plan Association	TEX	CON	UNAFFILIATED	SERVICE CONTRACT			
4766		30040	74-6189303				Texas Windstorm Insurance Association	TEX	CON	UNAFFILIATED	SERVICE CONTRACT			

12

Asterik	Explanation
	<h1>NONE</h1>

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	4,492,697	4,735,967	105.4	72.0
2. Allied lines	24,537,074	4,256,757	17.3	25.0
3. Farmowners multiple peril				
4. Homeowners multiple peril	66,844,737	12,417,462	18.6	26.7
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	95,874,508	21,410,186	22.3	28.6

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	1,490,073	4,512,631	4,943,899
2. Allied lines	8,894,050	26,890,329	23,126,140
3. Farmowners multiple peril			
4. Homeowners multiple peril	24,093,330	72,978,150	67,546,204
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	34,477,453	104,381,110	95,616,243

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + prior	1,952	3,586	5,538	718	156	874	367	8	1,452	1,827	(867)	(1,970)	(2,837)
2. 2012	1,705	1,353	3,058	1,469	388	1,857	3,025	635	750	4,410	2,789	420	3,209
3. Subtotals 2012 + prior	3,657	4,939	8,596	2,187	544	2,731	3,392	643	2,202	6,237	1,922	(1,550)	372
4. 2013	2,644	14,640	17,284	3,802	2,537	6,339	2,006	1,052	1,598	4,656	3,164	(9,453)	(6,289)
5. Subtotals 2013 + prior	6,301	19,579	25,880	5,989	3,081	9,070	5,398	1,695	3,800	10,893	5,086	(11,003)	(5,917)
6. 2014	X X X	X X X	X X X	X X X	23,320	23,320	X X X	3,139	10,221	13,360	X X X	X X X	X X X
7. Totals	6,301	19,579	25,880	5,989	26,401	32,390	5,398	4,834	14,021	24,253	5,086	(11,003)	(5,917)

8. Prior Year-End Surplus As

Regards Policyholders (13,422)

Col. 11, Line 7
As % of Col. 1,
Line 7

Col. 12, Line 7
As % of Col. 2,
Line 7

Col. 13, Line 7
As % of Col. 3,
Line 7

1. 80.717 2. -56.198 3. -22.863

Col. 13, Line 7
Line 8

4. 44.084

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

- Question 1: TFPA does not file this statement.

- Question 2: TFPA does not provide medical liability.

- Question 3: TFPA does not provide Medicare.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

- NONE Schedule A, B, BA and D Verification**
- NONE Schedule D - Part 1B**
- NONE Schedule DA - Part 1 and Verification**
- NONE Schedule DB - Part A and B Verification**
- NONE Schedule DB - Part C - Section 1**
- NONE Schedule DB - Part C - Section 2**
- NONE Schedule DB - Verification**
- NONE Schedule E Verification**
- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**
- NONE Schedule D - Part 3**
- NONE Schedule D - Part 4**
- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

NONE Schedule E - Part 2

NONE Trusteed Surplus Statement

NONE Medicare Part D

Designate the type of health care providers reported on this page.



1154320144500030

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. US Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CAN								
58. Aggregate Other Alien OT								
59. Totals								

NONE

DETAILS OF WRITE-INS								
58001.								
58002.								
58003.								
58998. Summary of remaining write-ins for Line 58 from overflow page								
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)								

NONE



11543201450500103

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2014

NAIC Group Code 4766

NAIC Company Code 11543

Company Name Texas FAIR Plan Association

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$	\$	\$

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ _____

2.32 Amount estimated using reasonable assumptions: \$ _____

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ _____