

Texas FAIR Plan Association Fact Book

Data & Information as of Q4 2025

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**For more information about the Texas FAIR Plan Association,
visit us at www.TexasFAIRPlan.org.**

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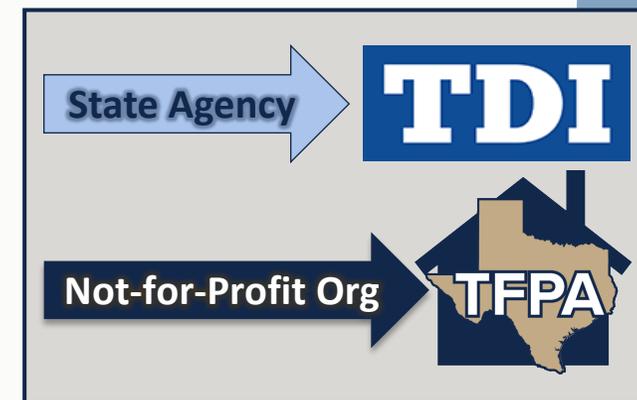
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What is TFPA?

- Administered by the Texas Windstorm Insurance Association (TWIA)
- Authorized by the Texas Legislature in 1995; activated by TDI in 2002
 - Response to Texas mold crisis
 - TFPA's governing statute is Texas Insurance Code, Chapter 2211
 - Regulated by the Texas Department of Insurance (TDI)
- Residual market insurance company for the state of Texas
 - Provides residential (statewide) and property owners' association insurance (designated area)
 - Does not compete with the private insurance market
 - Cannot provide wind/hail coverage in TWIA's coverage area
- Operates as a Not-for-Profit Insurance Company
 - Collects premiums, issues policies, pays claims
 - Does not receive Texas General Revenue Funds
 - Not a State Agency





TFPA Governance

- **Regulated by the Texas Department of Insurance (TDI)**

- TDI approves TFPA’s rates and forms, and oversees its administrative rules
- TFPA operates under statutory authority granted by the Texas Legislature

- **Eleven-member, Volunteer Governing Committee**

- Members are appointed by the Commissioner of Insurance
- Composed of 5 industry members, 4 public members who live in Texas, and 2 general property and casualty agent members
- Members serve two-year terms

Name	Member Representation
Ryan Bridges <i>Vice Chair</i>	Public Consumer
E. Jay Sherlock <i>Secretary/Treasurer</i>	Insurance Agent Representative
Frank Baumann Jr.	Public Consumer
Kacey Diede	Insurance Industry Representative
Pamela Hurley	Public Consumer
John Miletta	Insurance Industry Representative
Georgia Neblett	Public Consumer
Mark Solomon	Insurance Agent Representative
Vacant	Insurance Industry Representative
Vacant	Insurance Industry Representative
Vacant	Insurance Industry Representative

**Chair position is vacant*

TFPA Facts & Figures¹

- As of December 31, 2025, TFPA insures 127,835 properties.
- TFPA's total insured value is approximately \$40.4 billion (insured building and contents coverage).
- TFPA collected \$300.1 million in written premiums in 2025.
- Comparing operating costs as a % of premium:
TFPA: 6.3% | TX Private Market: 9.6%² | 37 Residual Market Plans: 33.9%³
- TFPA is the 10th largest residential allied lines writer in Texas⁴ and has the 8th most policies in force⁵ of the 37 residual market FAIR plans.

¹ Data as of 12/31/2025

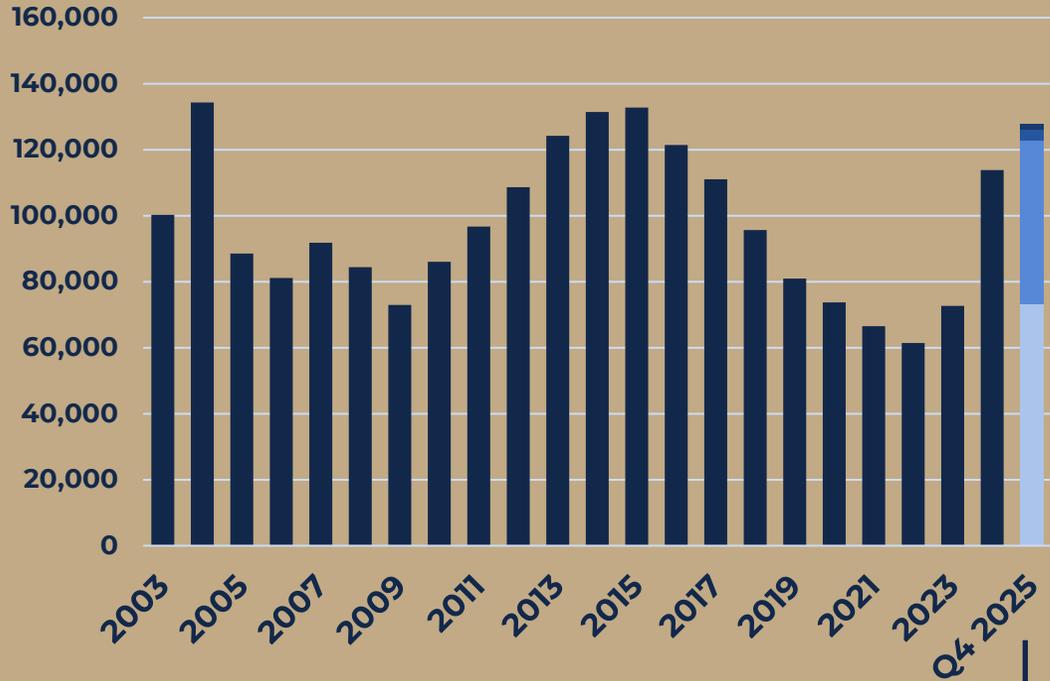
² From the State of Texas Insurance Expense Exhibits for Calendar Year 2024

³ Data for 37 US Property Insurance Plans as of 12/31/2024

⁴ Based on the TDI 2024 Property & Casualty Experience by Coverage & Carriers Report

⁵ Among the 37 US Property Insurance Plans

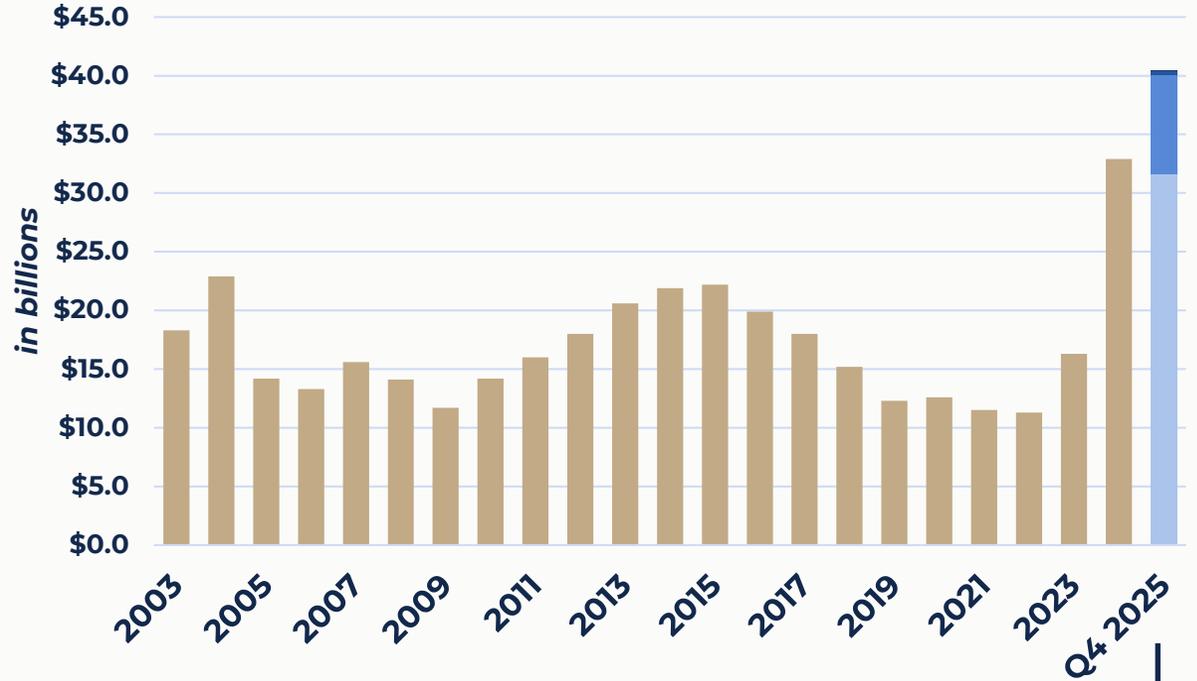
Policy Count



Q4 2025 Data:

Homeowners: 73,263	Condominium: 3,482
Dwelling: 49,498	Tenant: 1,592

Exposures



Q4 2025 Data:

Homeowners: \$31.6B	Condominium: \$307.7M
Dwelling: \$8.5B	Tenant: \$47.1M

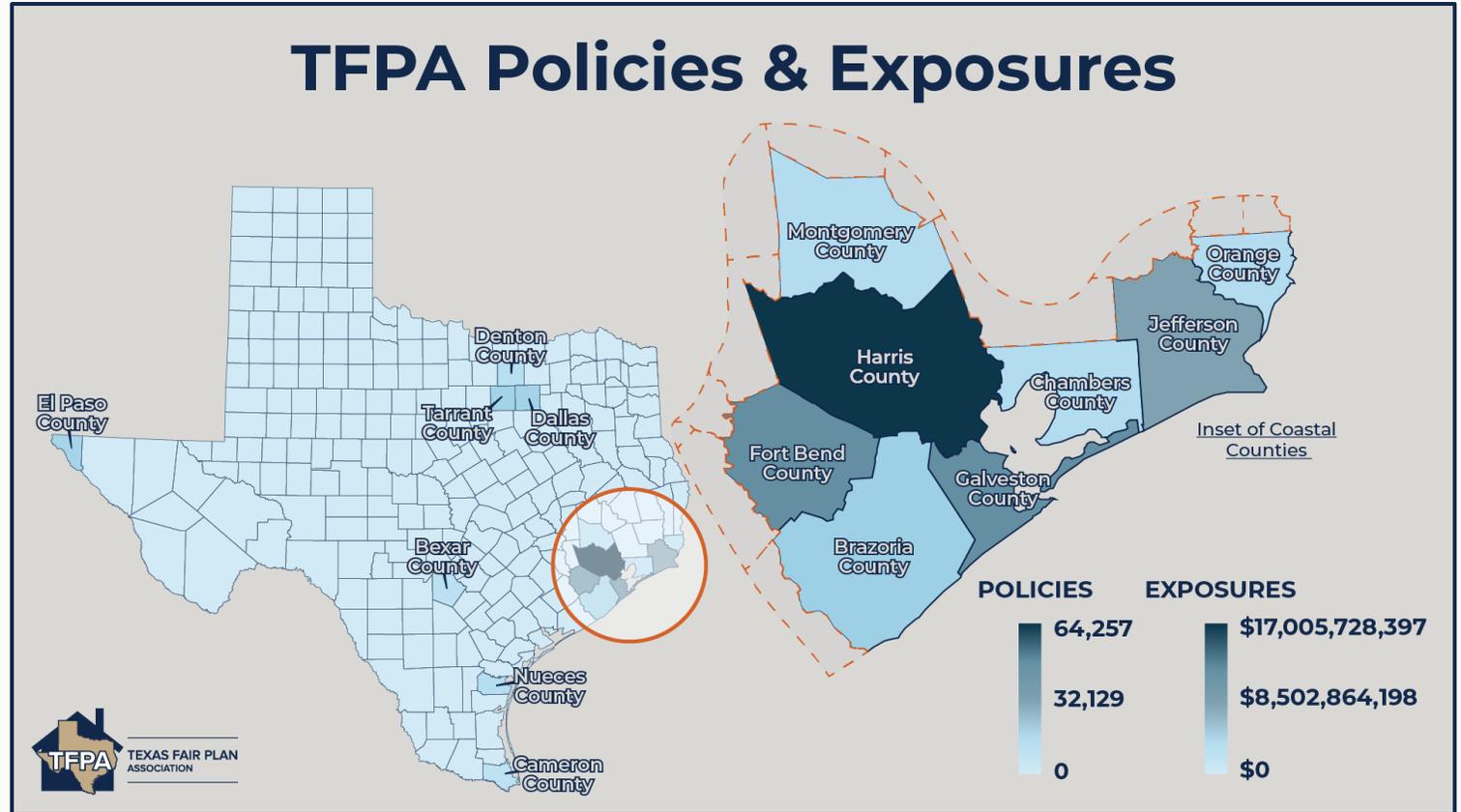
- FAIR Plan’s policy count began rising in 2023 after a period of decline. The Association projects that policy counts and exposures will level out in 2026.
- TFPA added nearly 41,000 policies in 2024 and more than 13,000 policies in 2025. TFPA’s exposures increased approximately 105% in 2024 and 23% in 2025.

Policy Count & Exposures By Year

Year	Policy Count	Exposures	Written Premiums
2015	132,734	\$22.2 B	\$132.9 M
2016	121,413	\$19.9 B	\$122.5 M
2017	110,989	\$18.0 B	\$112.3 M
2018	95,637	\$15.2 B	\$95.9 M
2019	80,923	\$12.3 B	\$85.3 M
2020	73,713	\$12.6 B	\$79.5 M
2021	66,512	\$11.5 B	\$75.6 M
2022	61,452	\$11.3 B	\$76.9 M
2023	72,626	\$16.3 B	\$113.5 M
2024	113,860	\$32.9 B	\$237.3 M
Q4 2025	127,835	\$40.4 B	\$300.1 M

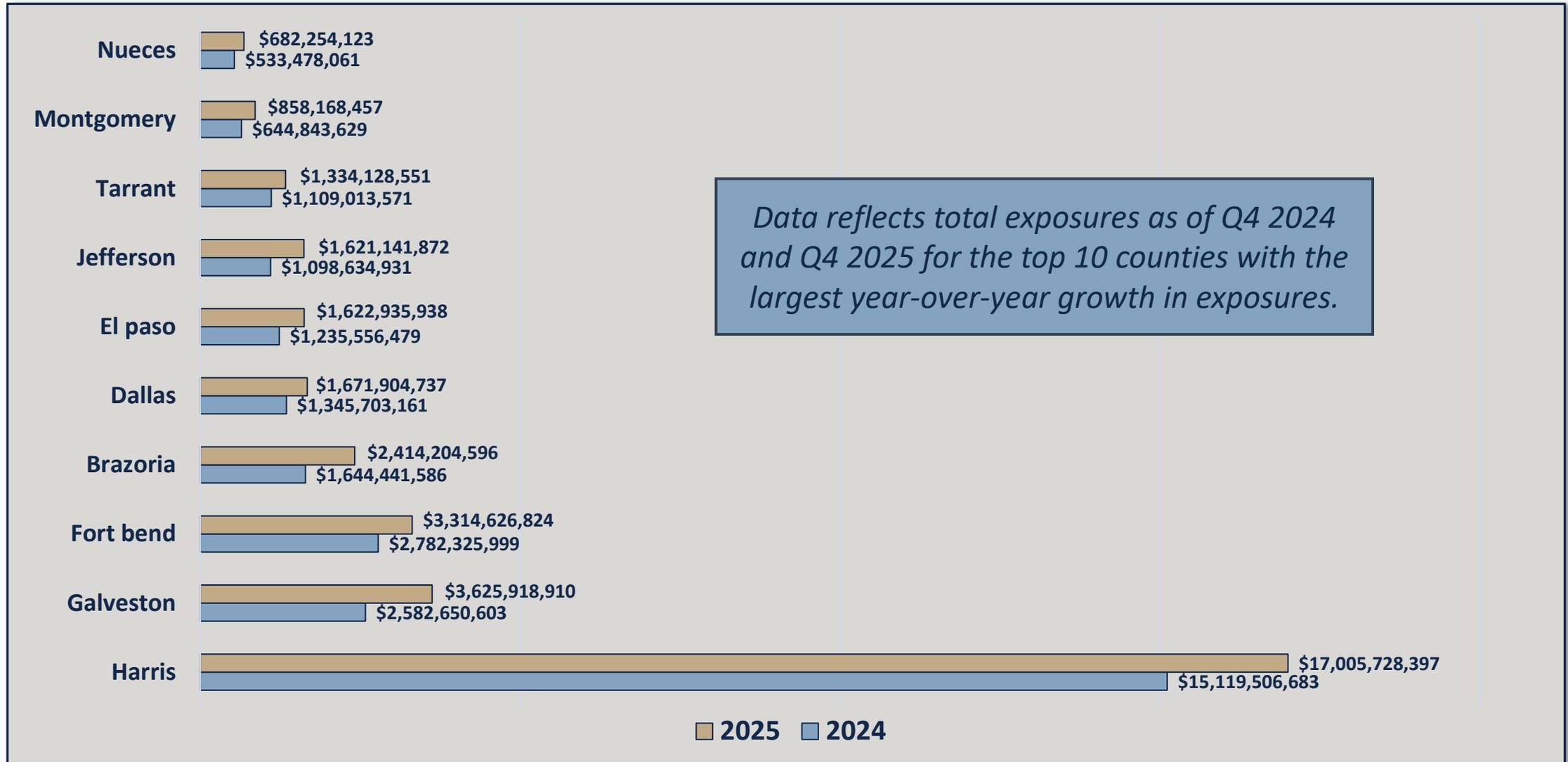
Policy & Exposure Distribution by County

County*	Policies	Exposures
Harris	64,257	\$17,005,728,397
Fort Bend	9,539	\$3,314,626,824
Galveston	8,406	\$3,625,918,910
Brazoria	5,343	\$2,414,204,596
Dallas	5,033	\$1,671,904,737
El Paso	4,436	\$1,622,935,938
Jefferson	4,270	\$1,621,141,872
Tarrant	4,102	\$1,334,128,551
Montgomery	2,689	\$858,168,457
Nueces	2,137	\$682,254,123
Bexar	1,419	\$464,290,966
Orange	1,309	\$392,415,537
Denton	972	\$534,656,455
Liberty	885	\$164,447,560
Chambers	801	\$396,267,496
Cameron	751	\$231,786,025
Travis	728	\$292,915,049
Matagorda	607	\$220,064,970
Collin	588	\$299,836,196
Calhoun	526	\$175,909,650
Total All Counties	127,835	\$40,419,647,607



*Data as of 12/31/2025 for top 20 counties listed; Total includes all Texas counties

Exposure Growth By County



Eligibility Requirements

- TFPA is authorized to issue policies throughout Texas
- Applicants must be **denied coverage by at least two insurers** licensed to write and actively writing residential property insurance in Texas
- Policyholders **must reapply** for voluntary market coverage **every two years**
- Properties **must be in good repair** with no hazardous conditions or major structural issues
- Applicants with a current homeowners or other property policy, a renewal offer, or a valid offer of comparable property insurance are **NOT ELIGIBLE** for TFPA insurance



TFPA Policies

TFPA provides limited property insurance coverage for the following policy types:

- Homeowners
- Dwelling
- Tenant
- Condominium Unit Owners
- Property Owners' Associations



Covered Perils



Policies cover damage caused by:

- Fire and lightning
- Sudden and accidental damage from smoke, windstorms, and hail
- Explosion
- Aircraft and vehicles
- Vandalism and malicious mischief
- Riot and civil commotion
- Theft (excluding Dwelling policies)

Dwelling & Personal Property Coverage

- **TFPA policies provide coverage on an actual cash value basis**
 - Replacement cost coverage is available by endorsement (excluding Dwelling policies)
 - Dwelling coverage is capped at \$1 million
- **Personal property coverage is typically 50% of the dwelling amount, with higher limits available for an additional premium**
 - Personal property coverage is capped at \$500,000 for condominium and tenant policies
- **Depending on policy type and selected endorsements, policies can include liability, medical payments, and loss of use coverage**

Actual Cash Value: The value of your property, based on the current cost to replace it minus depreciation.

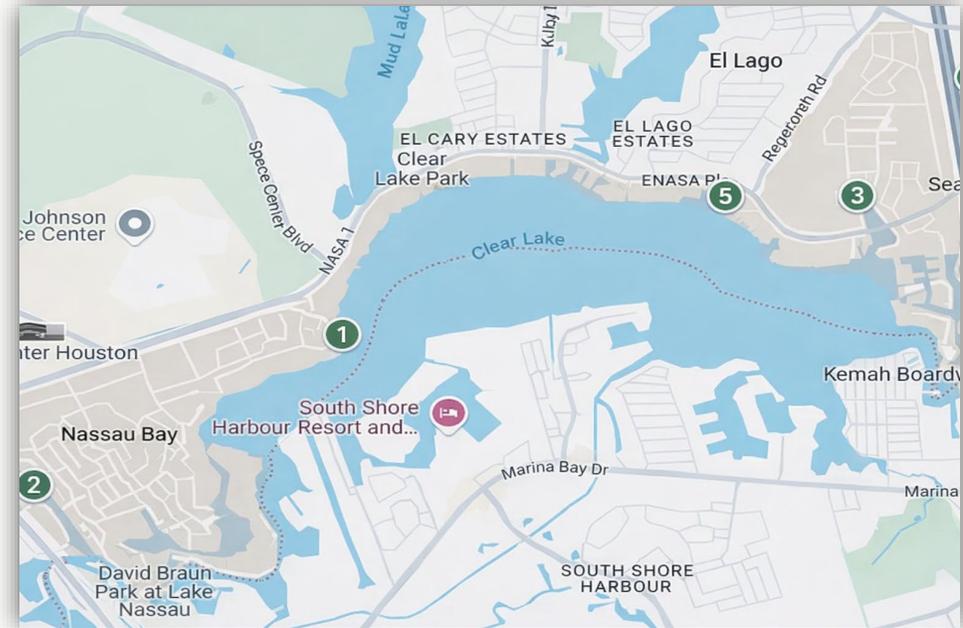
Replacement Cost Coverage: Insurance coverage that pays the dollar amount needed to replace the structure or damaged personal or business personal property without deducting for depreciation, but limited by the policy's maximum dollar amount.

Property Owners' Association Coverage



The Texas Legislature passed House Bill 998 in 2023, which expanded TFPA's role by requiring the Association to provide property owners' association coverage in designated underserved areas.

- **Property owners' association (POA) coverage is defined as "property and liability insurance covering:**
 - common areas and facilities of a homeowners' association; or
 - common elements of a condominium owners' association."
- **Coverage includes shared property and association liability exposure (not individual units).**
- **The maximum liability limit for property owners' association coverage is \$3,000,000 per building/structure.**
 - General liability coverage is subject to \$300,000 per occurrence with a \$500,000 aggregate limit.



Designated Coverage Area(s)

- Properties can petition TDI to designate areas as underserved for POA coverage.
- Currently, an area along the north shore of Clear Lake in Harris County is designated as underserved by TDI.
- TFPA has contracted with a third-party to provide underwriting services for this coverage.

How We Work with Insurance Agents

- **TFPA does not employ or contract with insurance agents**
 - Any TDI licensed insurance agent may register with TFPA to submit a policy application for coverage
- **Agents:**
 - Represent the policyholder in policy transactions
 - Handle policyholders' coverage questions and policy changes
- **Agent Commissions**
 - 12.5% commission on new business
 - 10% commission on renewal



**Premiums
and Surplus**

Reinsurance

**Member
Company
Assessments**

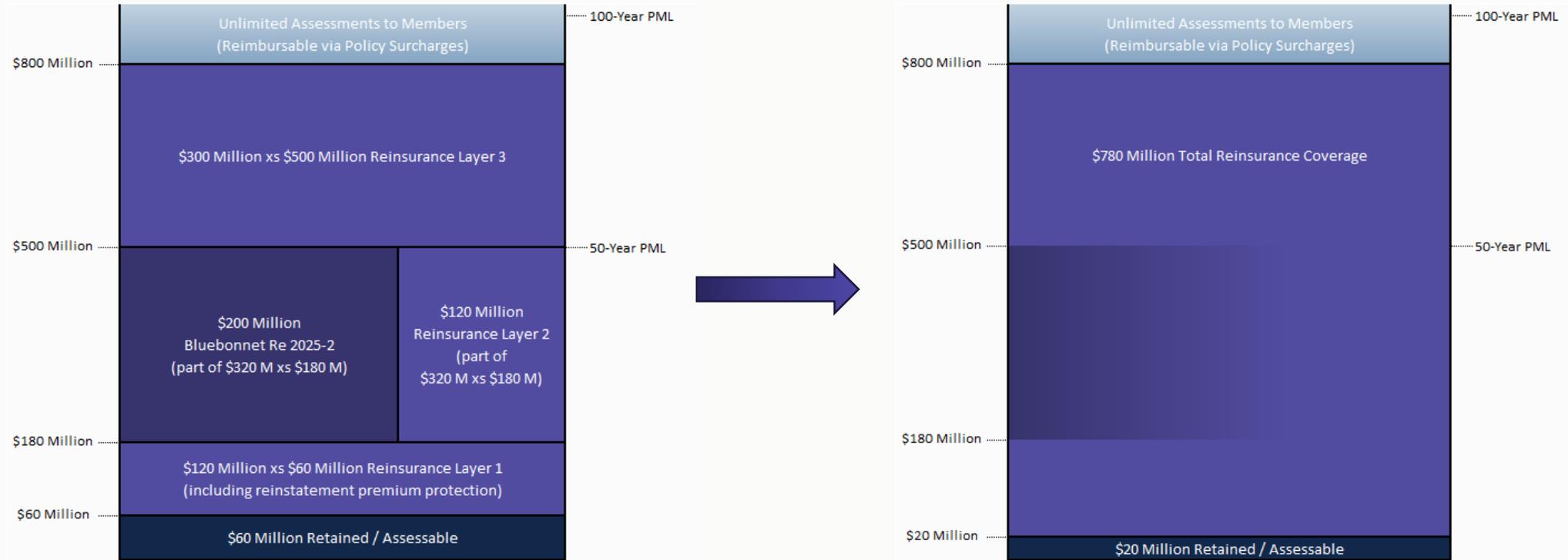
TFPA Funding Sources

TFPA's funding to pay losses and expenses comes from three sources:

- **Premium and Other Revenue:** Premiums collected in the normal course of business, both from the current year and from surplus
- **Reinsurance or Alternative Risk Financing:** Insurance coverage purchased by TFPA to provide an additional source of funding for catastrophic losses
 - The TFPA Governing Committee annually determines the amount of reinsurance to purchase
- **Member Company Assessments:** Any deficit remaining after premium and reinsurance is funded through potentially unlimited assessments to Texas private-market property insurers
 - Assessments are recoupable via policy surcharges statewide over 3 years

2025 Storm Season Funding

TFPA's 2025 reinsurance is effective from **July 1, 2025, to May 31, 2026**, and provides \$800 million in funding.



- **For an initial event**, the program includes \$740 million in total reinsurance coverage above a \$60 million retention
- Includes \$200 million in catastrophe bonds and \$540 million in traditional reinsurance

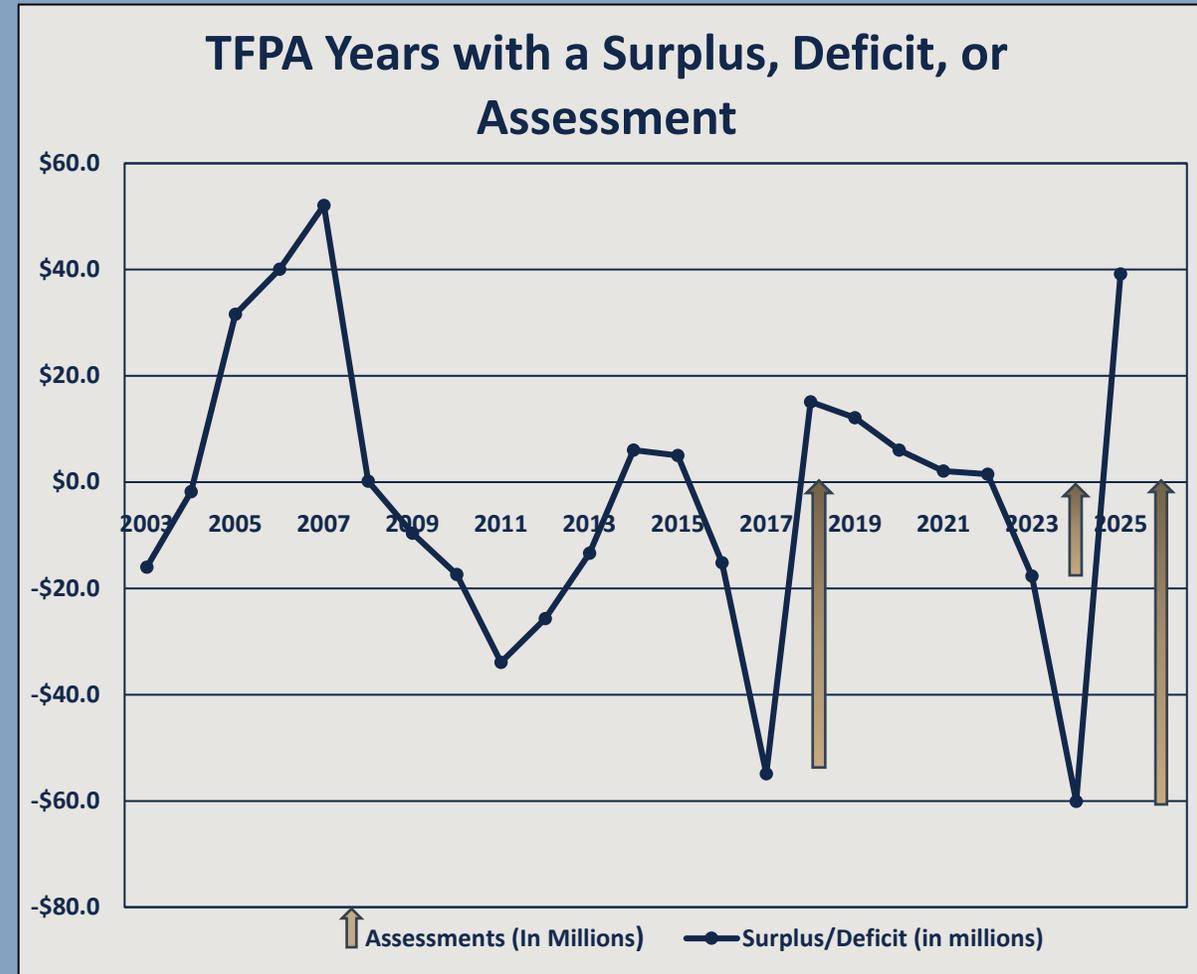
- **For a second event**, program includes \$780 million in total reinsurance coverage above a \$20 million retention
- Includes any unused catastrophe bonds and additional traditional reinsurance as necessary for the remainder

Member Company Assessments

- TFPA’s governing statute allows the Association, with Commissioner approval, to assess member companies to cover storm losses or to repay an operating deficit

Recent & Pending Assessments:

- 2018:** TFPA assessed member companies \$54.9 million due to losses from Hurricane Harvey
- 2024:** TFPA assessed member companies \$17.7 million to eliminate the 2023 deficit due to above normal spring storm activity
- 2025:** TFPA assessed \$60.1 million for the 2024 deficit due to Hurricane Beryl.



Depicts TFPA years with a surplus or deficit amount and recent assessments to eliminate deficits.

TFPA Rates

- TFPA rates must be set in an amount sufficient to carry all claims to maturity and to meet all expenses incurred in the writing and servicing of the business
- TFPA rates must be filed and approved by the Texas Department of Insurance
- The TFPA Governing Committee voted at their December 2024 meeting to submit a filing to TDI for the rate changes included in the table
- TDI approved the filings to go into effect beginning August 1, 2025

2025 Rate Changes

Region*	Homeowners	Dwelling Fire	Dwelling EC	Condo	Tenant ⁺
Central North: Greater Dallas / Fort Worth	25.0%	11.7%	25.0%	2.4%	-13.1%
Central North: Remainder	2.9%	11.7%	25.0%	-9.8%	-19.2%
Central South	14.9%	11.7%	25.0%	15.4%	-19.1%
North / Northwest	11.7%	11.7%	25.0%	-6.9%	-19.6%
Seacoast - Tier 1	-14.9%	11.7%	-25.0%	-5.4%	-20.9%
Seacoast - Tier 2	11.9%	11.7%	25.0%	9.2%	0.3%
Overall	10.8%	11.7%	24.7%	7.4%	-6.7%

**Territories are based on standard definitions from the former Texas Personal Lines Manual originally published by TDI*

⁺Tenant coverage includes contents only