



TFPA Agency Compliance Audit Resource

Texas FAIR Plan Association (TFPA) conducts agency audits to monitor agency compliance in accordance with Section 10 of the Texas FAIR Plan Producer Requirements & Performance Standards.

[TFPA-Producer-Requirements-and-Performance-Standards.pdf \(texasfairplan.org\).](#)

The TFPA Producer Requirements and Performance Standards comply with the Texas Administrative Code/Plan of Operation. ([Subchapter T, Division 1, Rule 5.9913](#) (d))

The Producer Requirements and Performance Standards require the following to be maintained by the agent: complete records and accounts of all transactions with policyholders, applicants and the Association, including the date and time of receipt of premiums, payments, endorsement requests and communications related to policies, binders, and claims. These records must be maintained for a period of five years and shall be open at all times to the inspection and copying by the Association.

Each policyholder file must include:

1. A signed copy of the Texas FAIR Plan Application.
2. A signed copy of the Texas FAIR Plan Eligibility Requirement Statement.
3. Documentation or agency log notes of prior coverage Information obtained by the agency.
4. Documentation or agency log notes of at least two standard market declinations (see [Texas FAIR Plan Association Coverage and Eligibility Requirements](#) for reference) obtained by the agency or applicant upon new business and every two years for the requalification of a policy that was subject to non-renewal due to expiring eligibility. A [Proof-of-Declination-of-Coverage-2021.pdf \(texasfairplan.org\)](#) form is available for your convenience.

You may view the source of these requirements in the Texas Insurance Code 2211-[INSURANCE CODE CHAPTER 2211. FAIR PLAN \(texas.gov\).](#)