



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

August 5, 2024
Tremont House
2300 Ships Mechanic Row
Galveston, TX 77550
3:00 pm

Interested parties may attend in person or listen to the meeting live by going to www.texasfairplan.org.
Go to "About Us/Governing Committee" and click on the webinar link.

***Indicates item on which 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 – *Wendy Mueller* *5 minutes*
 - B. Reminder of Anti-Trust Statement – *Wendy Mueller/Counsel*
 - C. Meeting Format Information – *Kristina Donley*

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

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

4. Financial *20 minutes*
 - A. Report of the Secretary/Treasurer – *E. Jay Sherlock* – **Action/Vote Likely***
 1. Income Statement
 2. Management Discussion and Analysis
 - B. Financial Statement Review – *Stuart Harbour*
 - C. Selection of Auditors/Accountants for 2024 – *Stuart Harbour* – **Action/Vote Likely***

5. Actuarial – *Jim Murphy* *15 minutes*
 - A. Policy Count/Exposures
 - B. Reserve Adequacy
 - C. Rate Filing Update
 - D. TFPA Assessment Discussion – **Action/Vote Likely***
 - E. 2024 Hurricane Season Funding

6. Internal Audit Status & Update – *Dan Graves* – *Weaver* *5 minutes*

- | | |
|--|-------------------|
| 7. Underwriting Operational Review Update – <i>Michael Ledwik</i> | <i>5 minutes</i> |
| 8. Claims and Litigation | <i>15 minutes</i> |
| A. Claims Operations – <i>Dave Williams</i> | |
| B. Claims Litigation – <i>Jessica Crass</i> | |
| 9. TFPA Operations | <i>20 minutes</i> |
| A. IT Systems Update – <i>Camron Malik</i> | |
| B. Communications and Legislative Affairs Update – <i>David Durden</i> | |
| 10. Closed Session (Governing Committee Only) | <i>10 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. Future Meetings – <i>David Durden</i> | <i>5 minutes</i> |
| • December 9, 2024 – Omni Hotel – Corpus Christi, TX | |
| • February 24, 2025 – Moody Gardens Hotel – Galveston, TX | |
| 13. Committees – <i>Wendy Mueller</i> | <i>5 minutes</i> |
| 14. Election of Officer – <i>Wendy Mueller</i> | <i>5 minutes</i> |
| 15. Adjourn | |

1. Anti-Trust Statement



TEXAS FAIR PLAN
ASSOCIATION

Anti-Trust Statement

The creation and operation of the Fair Access to Insurance Requirements (FAIR) Plan Association is authorized under Article 21.49A (now Chapter 2211) of the Texas Insurance Code. The Governing Committee is authorized to administer the FAIR Plan.

When involved in meetings or other activities of the FAIR Plan, Governing Committee members and insurer and agent participants are bound to limit their discussions and actions to matters relating solely to the business of the FAIR Plan and shall not discuss or pursue the business interests of individual insurers, agents, or others. There should be no discussions of or agreements to act that serve to restrain competition. This prohibition includes the exchange of information concerning individual company rates, coverage, market practices, claim settlement practices and other competitive aspects of individual company operations. Each member is obligated to speak up immediately for the purpose of preventing any discussion of any of the foregoing subjects. Counsel is asked to help us be mindful of these restraints and to alert us when our discussion goes into any of the prohibited subject areas.

2. Approve the Minutes from Prior Governing Committee Meetings

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



Hyatt Regency Hotel
208 Barton Springs Road
Austin, TX

May 6, 2024

The Following Governing Committee Members were Present, Representing:

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

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

- | | |
|---|------------------------|
| 1. David Durden, General Manager | TFPA |
| 2. Stuart Harbour, Chief Financial Officer | TFPA |
| 3. Jessica Crass, VP Legal and Compliance | TFPA |
| 4. Camron Malik, Chief Information Officer | TFPA |
| 5. Michelle Friesenhahn, VP People and
Business Operations | TFPA |
| 6. Jim Murphy, Chief Actuary | TFPA |
| 7. Michael Ledwik, VP Underwriting | TFPA |
| 8. Amy Koehl, Senior Project Administrator | TFPA |
| 9. Kristina Donley, Manager,
Training, QA and Agency Audit | TFPA |
| 10. David Harkin, Director of Claims | TFPA |
| 11. Mike Perkins, Association Counsel | Perkins Law Group PLLC |

The Following In Person Attendees Were Present:

- | | |
|--------------------|--------------------------|
| 1. Clark Thomson | Calhoun, Thomson + Matza |
| 2. Scott Weiss | Calhoun, Thomson + Matza |
| 3. Allen Cashin | Gallagher Re |
| 4. Alicia Gerte | Gallagher Re |
| 5. Hunter Hamilton | Gallagher Re |
| 6. Jade Nguyen | Gallagher Re |
| 7. Joey Walker | Gallagher Re |
| 8. Alex Donkervoet | Guy Carpenter |

9. Drew Beglau	TDI
10. Andrew Hurt	TDI
11. David Muckerheide	TDI
12. Anna Stafford	TFPA
13. Dan Graves	Weaver
14. Brett Nabors	Weaver
15. Bruce Zaret	Weaver

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

1. Jeff Berg	11. Clarisse Lilley
2. Katelyn Boehm	12. Ruth Muturi
3. Shirley Bowler	13. Jessica O'Connor
4. J'ne Byckovski	14. Dan Paschal
5. Angie Cervantes	15. Rhonda Scott
6. Lou Cusano	16. Rachel Shann
7. Jason Drouilhet	17. Jocelyn Strong
8. Allen Fulkerson	18. Aaron Taylor
9. Elizabeth Howland	19. David Weber
10. Taylor Kerr	20. Shelia Wilson

1. Call to Order: Committee Chair Wendy Mueller called the meeting to order at 3:01 p.m. Governing Committee members were provided with a copy of the anti-trust statement and reminded of the prohibitions in the statement by counsel. 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 February 19, 2024 meeting. Mr. Solomon seconded the motion. The motion passed unanimously.
16. TFPA Operational Dashboard: Mr. Durden reported that the enterprise projects are on track for the quarter. Currently, the employee headcount stands at 254.
4. Financial:
 - A. Report of the Secretary/Treasurer: Mr. Sherlock reviewed the Treasurer's Report. Mr. Solomon moved to accept the report. Ms. Neblett seconded the motion. The motion passed unanimously.
 - B. Financial Statement Review by Staff: Direct written premiums for the first quarter of 2024 were \$41.0 million, an increase of \$10.2 million above the budgeted amount for the year. Direct earned premiums were \$30.0 million, an increase of \$18.5 million over the budgeted amount.

The TFPA 2023-2024 reinsurance program was placed through broker Arthur J. Gallagher and incepted on July 1, 2023. The program provided coverage of \$325

million in excess of a \$40 million initial retention and included a “second event” cover that reduced the net retention to \$10 million. Reinstatement premium protection was also purchased to cover the cost of reinstating the first \$120 million of reinsurance limit. Ceded premiums are earned on a pro-rata basis over the term of the reinsurance coverage.

Year to date total direct losses and LAE incurred totaled \$11.8 million, which was below the budgeted amount by \$2.3 million.

Year to date operating expense of \$4.1 million was under budget by \$.1 million. Net operating expenses shown above and on the statutory income statement exclude claims related expenses which are recorded in losses and loss adjustment expense. Expenses under budget include personnel expenses (\$263,000) and other expenses including rental, travel and postage (\$58,000). Notable expense items over budget include professional & consulting services (\$148,000) and software and hardware (\$54,000).

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

- C. Investment Plan Review: Mr. Harbour reported that annually, the TFPA Governing Committee reviews the adequacy and implementation of the Association’s investment plan as reflected in the Statement of Investment Objectives and Guidelines.

The primary focus of the investment plan is asset preservation and liquidity, along with compliance with the Texas Insurance Code and Plan of Operation of the Association.

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

Ms. Neblett moved the Governing Committee of the Texas FAIR Plan Association acknowledges its review of the adequacy and implementation of the investment plan of the Association and accepts staff’s recommendation to make no changes to the investment plan at this time. Mr. Bridges seconded the motion. The motion passed unanimously.

- D. Financial Audit by Calhoun, Thomson + Matza: Mr. Thomson reviewed the financial audit conducted by his firm. Mr. Miletto moved to approve the audit. Ms. Neblett seconded the motion. The motion passed unanimously.

5. Actuarial:

- A. Policy Count/Exposures: Mr. Murphy reported that policy counts are up, particularly over the last month. Growth is concentrated in the homeowner’s book of business

and it is more widely distributed. The dwelling/fire book of business is growing on the coast.

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

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

As of March 31, 2024, TFPA carried \$18.0 million in total gross loss and loss adjustment expense reserves with just over \$400,000 of the total gross loss and expense reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

In the opinion of the chief actuary, the Association's net reserves met the requirements of the insurance laws of Texas, were consistent with reserves computed in accordance with accepted actuarial standards and principles and made a reasonable provision for all combined unpaid loss and loss expense obligations of the Association under the terms of its contracts and agreements.

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

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

- D. 2024 Funding; Reinsurance: TFPA staff is working with Gallagher Re, the Association's reinsurance broker, to begin preparations for the July 1 renewal of the TFPA reinsurance program for the 2024 hurricane season. Mr. Cashin reported 2023 was a hard reinsurance market but it softened a bit in 2024. Ms. Neblett asked what was budgeted for reinsurance for 2024. Mr. Harbor reported it was at \$65 million. She followed up by asking how the assessment is triggered and how the Association access it if needed. Mr. Durden said under the current structure, assessments would be used to fund the retention. Mr. Milette asked how the cost of reinsurance is factored into the rate filing. Mr. Murphy said when a rate filing is made, a provision for the cost of reinsurance is included.

Ms. Neblett asked if the committee goes with option one, what can be purchased for \$68 million. Mr. Cashin said his team would try to get in at the lower end of the range. It is a good chance they could meet the budget for option one.

Ms. Neblett moved to go with option one, subject to Gallagher being able to acquire the reinsurance for no more than \$68 million. If they can't purchase the coverage for

\$68 million, they will come back to the TFPA Governing Committee for additional guidance. Mr. Miletti seconded the motion. The motion passed unanimously.

6. Internal Audit:

- A. Internal Audit Status Update: Current and planned internal audit activities include legal and compliance, application and database administration, application development, accounts payable and expense processing, accounts receivable, actuarial, underwriting, legislative and external affairs, financial close and reporting and catastrophe plan. Upcoming audits include customer experience, strategic communications, executive management, operational planning and reporting and cash management.
- B. IT Audit Update: This item was covered in closed session.

7. Underwriting Operational Review Update: For the first quarter of 2024, 99.67% of transactions were issued within ten 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.

A standard sample of agencies (20) were selected for review in the first quarter of 2024 to verify compliance with the Texas FAIR Plan Association (TFPA) declination of coverage requirement and TFPA producer requirements and performance standards. Of those agents, 95% have responded. Proof of declination was received for 95% of the policies selected. Signed applications were provided for 94% of the policies selected. Signed eligibility requirement statements were provided for 94% of the policies selected. All agents selected have an active property and casualty insurance license and the required direct standard market appointments. This quarter's audit has been completed/closed. The Association suspended the one agent who failed to respond.

8. Claims:

- A. Claims Operations: First notice of loss to property inspection averaged 2.6 days. Total cycle time of first notice of loss to payment (daily) was 8.1 days. Total cycle time of first notice of loss to payment (Cat) was 7.8 days. In 2024, two TDI complaints were received from 1,217 new claims.
- B. Litigation Summary: For the first quarter of 2024, five first-party suits were received and seven were closed. For TFPA claims with letters of representation, thirty-one first-party and six third party were received and fifteen first-party and five third-party were closed for the quarter.

9. TFPA Operations:

- A. IT Systems Enhancements: The cloud program is in the construction phase with development and testing underway. Upon completing inception, it was discovered some work was underestimated and there was a lack of expert resources in the enterprise data warehouse and portals space. Both of which were addressed by the system integrator and Guidewire. The system integrator and TFPA continue to work

well together and the project teams are focused on achieving the goals of the program.

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

- B. Communications and Legislative Affairs Update: Lieutenant Governor Dan Patrick issued interim charges on topics for senate committees to study before the 2025 legislative session. Among the issues to be studied by the Senate Business & Commerce Committee are addressing the rising cost of insurance.
- C. HB998 Property Owners Association Coverage: Ms. Crass reported the Texas Legislature passed House Bill 998 in the 88th legislative session, directing TFPA to begin offering coverage to certain property owners associations in areas to be designated by the Texas Commissioner of Insurance.

TFPA staff has begun working with the selected vendor, Arden Insurance Services. Arden will provide all policy-related services for the product, while TFPA will perform all claims-related activities in-house. Per the new law, TFPA will be prepared to begin offering the product beginning September 1, 2024, supported by communications and a change management plan.

- 10. Closed Session: The meeting went into closed session at 4:46 pm. The meeting opened at 5:16 pm.
- 11. Consideration of Issues Related to Matters Deliberated in Closed Session that May Require Action, If Any, of the Governing Committee: There were no items to consider.
- 12. Future Meetings: The next meetings are scheduled to take place on the following dates in the following locations:
 - August 5, 2024 – Tremont House – Galveston
 - December 9, 2024 – Omni Hotel – Corpus Christi
- 13. Committees: There was nothing to report.
- 14. Adjourn: There being no further business the meeting adjourned at 5:17 pm.

Prepared by: Amy Koehl
Senior Project Administrator

Approved by: Wendy Mueller
TFPA Chair

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

4801 Southwest Parkway
Building 1, Suite 200
Austin, TX



June 20, 2024

The Following Governing Committee Members were Present, Representing:

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

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

- | | |
|--|------------------------|
| 1. David Durden, General Manager | TFPA |
| 2. Jessica Crass, VP Legal and Compliance | TFPA |
| 3. Stuart Harbour, Chief Financial Officer | TFPA |
| 4. Jim Murphy, Chief Actuary | TFPA |
| 5. Amy Koehl, Senior Project Administrator | TFPA |
| 6. Kristina Donley, Training, QA and Agency
Audit Manager | TFPA |
| 7. Al Fulkerson, Comptroller | TFPA |
| 8. Mike Perkins, Association Counsel | Perkins Law Group PLLC |

The Following Guests Were Present:

- | | |
|----------------------|--------------|
| 1. Allen Cashin | Gallagher Re |
| 2. Alicia Gerte | Gallagher Re |
| 3. Hunter Hamilton | Gallagher Re |
| 4. Joey Walker | Gallagher Re |
| 5. Marianne Baker | TDI |
| 6. David Muckerheide | TDI |

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

- | | |
|-------------------|----------------------|
| 1. Drew Beglau | 8. Jessica O'Connor |
| 2. Sarah Edstrom | 9. Elisabeth Ret |
| 3. Jesus Guerrero | 10. Hilary Sayre |
| 4. Jordan He | 11. Kenisha Schuster |
| 5. Andrew Hurt | 12. Anna Stafford |
| 6. Shelina Jamani | 13. Matt Stillwell |
| 7. Susan Nold | 14. Cindy Watkins |

1. Call to Order: Chair Wendy Mueller called the meeting to order at 10:00 am. 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. 2024 Funding; Reinsurance: Mr. Durden recapped that at the May 6, 2024 TFPA Governing Committee meeting, members directed staff to purchase reinsurance for the 2024 hurricane season for \$518 million in catastrophe reinsurance in excess of a \$40 million retention with \$30 million in second event coverage to reduce the retention to \$10 million for a second event. The direction included reinstatement premium protection (RPP) coverage for a portion of the main catastrophe coverage. The budget for the total reinsurance program was approved at \$68 million. The Governing Committee instructed staff to come back for additional direction if the expected cost exceeded this amount.

Gallagher Re has determined that TFPA will be unable to purchase the coverage as directed within the provided budget. Staff, in conjunction with Gallagher Re have identified three options for consideration by the Governing Committee. Those options are purchasing the reinsurance program as initially directed, purchasing the reinsurance program without the second event coverage or eliminating both second event and Reinsurance Premium Protection (RPP) coverage.

Mr. McCarthy asked what has been happening with growth in the book of business. Is it continuing to grow? Mr. Durden said the Association is seeing continued growth and is expecting it to grow further. Ms. Neblett asked about the Association's ability to assess. Mr. Durden said the FAIR Plan has the option to assess companies but that would need the approval of the Commissioner of the Texas Department of Insurance. Mr. Baumann asked if an assessment is levied to the member companies, could they pass that on to their policyholders. Mr. McCarthy said they could and it would be recouped over a three-year period. Mr. Durden added that this has been a higher-than-normal year for claims.

Mr. Cashin said the order the FAIR Plan authorized from the May Governing Committee meeting wasn't available in the market. They had not seen the exposures for April when

the May meeting occurred. Mr. Cashin said the retention of \$40 million is an issue for some insurers.

Mr. Milette asked if the Association has the money to purchase the proposed coverage. Mr. Harbour said the cash balances haven't declined.

Mr. Milette moved that the TFPA Governing Committee authorize staff to proceed with option one; purchase the reinsurance program as initially directed within the pricing parameters provided by staff. Ms. Neblett seconded the motion. The motion passed unanimously.

The committee will be notified when the cover is placed.

3. Adjourn: There being no further business, the meeting adjourned at 10:46 am.

Prepared by: Amy Koehl
Senior Project Administrator

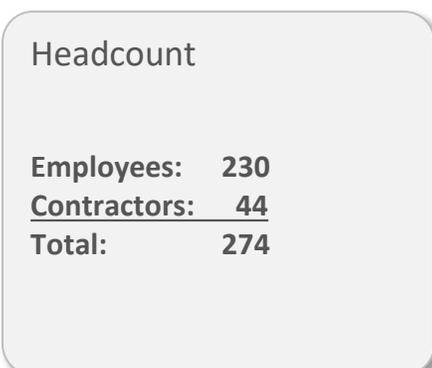
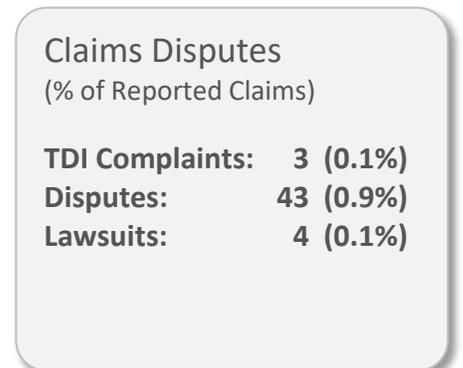
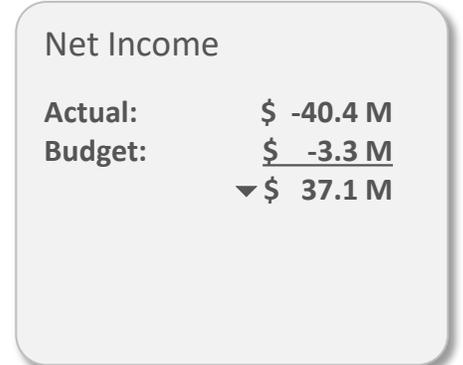
Approved by: Wendy Mueller
TFPA Chair

3. TFPA Operational Dashboard



Operational Dashboard

Reporting as of June 30, 2024



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



Enterprise Projects

Status Update as of June 30, 2024



Enterprise Projects	Initiative Type	2023				2024				2025			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
● Legislative Implementation Program (LIP88)	Mandatory		■	■	■	■	■	■	■				
<i>LIP88 - SB 2232 - Agent Requirements/Standards</i>	Mandatory		■	■	■	■	■	■	■				
<i>LIP88 - HB1900 - Cancel Notices (from 30 to 60 days)</i>	Mandatory		■	■	■	■	■	■	■				
<i>LIP88 - HB 998 - TFPA Property Owners Assoc (Condos)</i>	Mandatory		■	■	■	■	■	■	■				
● Association Surcharge for GW9 - Ph 1 Technical	Mandatory	■	■	■	■	■	■	■	■				
● Association Surcharge for GW9 - Ph 2 Business	Mandatory	■	■	■	■	■	■	■	■				
● Conversational AI - Chatbot for Claims (Ph 1-3)	Discretionary Planned		■	■	■	■	■	■	■				
● Guidewire Cloud Migration (PC9)	Discretionary Planned			■	■	■	■	■	■	■	■		
● Audit Tracking (Legal & Compliance)	High Priority				■	■	■	■	■				
● Contingent Surcharge 2024 (Planning)	Mandatory					■	■	■	■				

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

Statutory Income Statement – Treasurer’s Report (In 000s)



	For the six months ended June 30,			
	2024	2023		
1			1	
2			2	
3			3	
4	Premiums Written:		4	
5	Direct	\$ 106,198	\$ 53,603	5
6	Ceded	0	0	6
7	Net	106,198	53,603	7
8			8	
9	Premiums Earned:		9	
10	Direct	\$ 66,711	\$ 40,836	10
11	Ceded	(22,759)	(16,125)	11
12	Net	43,952	24,710	12
13			13	
14	Deductions:		14	
15	Direct Losses and LAE Incurred	62,751	31,212	15
16	Direct Losses and LAE Incurred - Harvey	0	0	16
17	Direct Losses and LAE Incurred - Ike & Dolly	0	0	17
18	Ceded Losses and LAE Incurred - Harvey	480	0	18
19	Operating Expenses	8,484	6,241	19
20	Commission Expense	12,060	5,868	20
21	Ceding commissions / brokerage	0	0	21
22	Premium / Maintenance Tax	1,848	980	22
23	Total Deductions	85,623	44,301	23
24				24
25	Net Underwriting Gain or (Loss)	(41,671)	(19,590)	25
26				26
27	Other Income or (Expense):			27
28	Gross Investment Income	1,161	514	28
29	Line of Credit Fees	(46)	(45)	29
30	Interest Expense on Line of Credit Advance	0	0	30
31	Member Assessment Income	0	0	31
32	Premium Charge offs/Write offs	(243)	(154)	32
33	Billing Fees	381	256	33
34	Miscellaneous Income (Expense)	0	1	34
35	Total Other Income or (Expense)	1,254	572	35
36				36
37	Net Income (Loss)	\$ (40,417)	\$ (19,018)	37
38				38
39	Surplus (Deficit) Account:			39
40	Beginning Surplus (Deficit)	\$ (17,655)	\$ 1,183	40
41	Net Income (Loss)	(40,417)	(19,018)	41
42	Change in Provision for Reinsurance	0	1,000	42
43	Change in nonadmitted assets	375	(2,533)	43
44	Other	0	0	44
45	Ending Surplus (Deficit)	\$ (57,697)	\$ (19,369)	45
46				46

4A2. Management Discussion and Analysis

Texas FAIR Plan Association

Management’s Discussion and Analysis of Financial Results

For the Six Months Ended June 30, 2024

Written and Earned Premiums

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 106.2 M	\$ 75.7 M	\$ 30.5 M	40.4%
Direct Earned Premiums	\$ 66.7 M	\$ 61.1 M	\$ 5.7 M	9.3%
Policies In-Force	91,841	76,435	15,406	20.2%

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Written Premiums	\$ 106.2 M	\$ 53.6 M	\$ 52.6 M	98.1%
Direct Earned Premiums	\$ 66.7 M	\$ 40.8 M	\$ 25.9 M	63.4%
Policies In-Force	91,841	66,033	25,808	39.1%

Reinsurance Costs

- The TFPA 2024-2025 reinsurance program was placed through our broker Arthur J. Gallagher and will be effective in early July 2024. The program provides coverage of \$518 million in excess of a \$40 million initial retention and includes a “second event” cover that reduces the net retention to \$10 million. Reinstatement premium protection was also purchased to cover 90.3% of the cost to reinstate the first \$210 million of reinsurance limit. Ceded premiums are earned on a pro-rata basis over the term of the reinsurance coverage.

Texas FAIR Plan Association

Management's Discussion and Analysis of Financial Results

For the Six Months Ended June 30, 2024

(cont'd)

Loss and Loss Adjustment Expense Incurred

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 52.4 M	\$ 19.4 M	\$ 33.0 M	170.3%
Direct LAE Incurred	\$ 10.4 M	\$ 4.7 M	\$ 5.6 M	119.6%
Total Direct Losses & LAE	\$ 62.8 M	\$ 24.1 M	\$ 38.7 M	160.4%
Loss & LAE Ratio	94.1%	39.5%		54.6%

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Direct Losses Incurred	\$ 52.4 M	\$ 25.2 M	\$ 27.2 M	108.3%
Direct LAE Incurred	\$ 10.4 M	\$ 6.1 M	\$ 4.3 M	71.1%
Total Direct Losses & LAE	\$ 62.8 M	\$ 31.2 M	\$ 31.5 M	101.0%
Loss & LAE Ratio	94.1%	76.4%		17.6%

Operating Expenses

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 8.5 M	\$ 8.7 M	(\$.3 M)	(2.9%)
Operating Expense Ratio	12.7%	14.3%		(1.6%)

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Operating Expenses	\$ 8.5 M	\$ 6.2 M	\$ 2.2 M	35.9%
Operating Expense Ratio	12.7%	15.3%		(2.6%)

- Net operating expenses shown above and on the statutory income statement exclude claims related expenses which are recorded in losses and loss adjustment expense. Operating Expenses as of June 30, 2024 were \$252,000 below the planned amount. Expenses under budget include Personnel Expenses (under by \$384,000) and Other Expenses including rental, travel, and postage of (\$102,000). Notable expense items over budget include Professional & Consulting Services (over by \$160,000) and Hardware & Software Expenses (\$74,000).

Texas FAIR Plan Association

Management's Discussion and Analysis of Financial Results

For the Six Months Ended June 30, 2024

(cont'd)

Commission Expense and Premium Taxes

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 12.1 M	\$ 8.3 M	\$ 3.7 M	44.9%
Premium Taxes	\$ 1.8 M	\$ 1.4 M	\$ 0.5 M	33.4%

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Commission Expense	\$ 12.1 M	\$ 5.9 M	\$ 6.2 M	105.5%
Premium Taxes	\$ 1.8 M	\$ 1.0 M	\$ 0.9 M	88.5%

Other Income (Expense)

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 1.2 M	\$ 0.7 M	\$ 0.4 M	62.4%

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Gross Investment Income	\$ 1.2 M	\$ 0.5 M	\$ 0.6 M	125.7%

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

Net Income (Loss)

Actual vs Budget	Jun-2024 YTD Actual	Jun-2024 YTD Budget	Variance Inc (Dec)	Variance % Inc (Dec)
Net Income (Loss)	(\$ 40.4 M)	(\$ 3.3 M)	(\$ 37.1 M)	1,123.5%

Current Yr vs Prior Yr Actuals	Jun-2024 YTD Actual	Jun-2023 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Net Income	(\$ 40.4 M)	(\$ 19.0 M)	(\$ 21.4 M)	112.5%

Texas FAIR Plan Association
Management’s Discussion and Analysis of Financial Results
For the Six Months Ended June 30, 2024
(cont’d)

Surplus (Deficit)

Current Period vs. Prior Year End Actual	Jun-2024 YTD Actual	Dec-23 YTD Actual	Variance Inc (Dec)	Variance % Inc (Dec)
Surplus (Deficit)	(\$ 57.7 M)	(\$ 17.7 M)	(\$ 40.0 M)	226.8%

- The Association’s beginning 2024 deficit of \$17.7 million increased to \$57.7 million as of June 30, 2024, due primarily to the year-to-date net loss of \$40.4 million.

4B. Financial Statement Review



TEXAS FAIR PLAN
ASSOCIATION

Quarterly
Financial
Statements
and Schedules

June 2024

Statutory Income Statement (In 000s)



		For the period Jun-2024 Year to Date			
		Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023
1					
2					
3					
4	Premiums Written:				
5	Direct	\$ 106,198	\$ 75,662	\$ 30,536	\$ 53,603
6	Ceded	0	0	0	0
7	Net	106,198	75,662	30,536	53,603
8					
9	Premiums Earned:				
10	Direct	\$ 66,711	\$ 61,060	\$ 5,651	\$ 40,836
11	Ceded	(22,759)	(22,585)	(174)	(16,125)
12	Net	43,952	38,476	5,476	24,710
13					
14	Deductions:				
15	Direct Losses and LAE Incurred	62,751	24,100	38,651	31,212
16	Direct Losses and LAE Incurred - Harvey	0	0	0	0
17	Direct Losses and LAE Incurred - Ike & Dolly	0	0	0	0
18	Ceded Losses and LAE Incurred - Harvey	480	0	480	0
19	Operating Expenses	8,484	8,736	(252)	6,241
20	Commission Expense	12,060	8,323	3,737	5,868
21	Ceding commissions / brokerage	0	0	0	0
22	Premium / Maintenance Tax	1,848	1,385	463	980
23	Total Deductions	85,623	42,543	43,080	44,301
24					
25	Net Underwriting Gain or (Loss)	(41,671)	(4,067)	(37,603)	(19,590)
26					
27	Other Income or (Expense):				
28	Gross Investment Income	1,161	715	446	514
29	Line of Credit Fees	(46)	(46)	0	(45)
30	Interest Expense on Line of Credit Advance	0	0	0	0
31	Member Assessment Income	0	0	0	0
32	Premium Charge offs/Write offs	(243)	(227)	(16)	(154)
33	Billing Fees	381	322	59	256
34	Miscellaneous Income (Expense)	0	0	0	1
35	Total Other Income or (Expense)	1,254	764	490	572
36					
37	Net Income (Loss)	(40,417)	(3,303)	(37,113)	(19,018)

Surplus (Deficit) and Key Operating Ratios (In 000s)



	For the period Jun-2024 Year to Date				
	Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023	
1				1	
2				2	
3				3	
4	Surplus (Deficit) Account:				
5	Beginning Surplus (Deficit)	(17,655)	(17,655)	0	1,183
6	Net Income (Loss)	(40,417)	(3,303)	(37,113)	(19,018)
7	Change in Provision for Reinsurance	0	1,000	(1,000)	1,000
8	Change in nonadmitted assets	375	(4,090)	4,465	(2,533)
9	Other	0	0	0	0
10	Ending Surplus (Deficit)	<u>\$ (57,697)</u>	<u>\$ (24,049)</u>	<u>\$ (33,648)</u>	<u>\$ (19,369)</u>
11					
12	Key Operating Ratios:				
13	Direct:				
14	Loss & LAE Ratio:				
15	Non Hurricane	94.1%	39.5%	54.6%	76.4%
16	Hurricane Harvey	0.0%	0.0%	0.0%	0.0%
17	Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
18	Loss & LAE Ratio	<u>94.1%</u>	<u>39.5%</u>	<u>54.6%</u>	<u>76.4%</u>
19	UW Expense Ratio:				
20	Acquisition	13.1%	12.8%	0.3%	12.8%
21	Non Acquisition	12.7%	14.3%	(1.6%)	15.3%
22	UW Expense Ratio	<u>25.8%</u>	<u>27.1%</u>	<u>(1.3%)</u>	<u>28.1%</u>
23					
24	Combined Ratio	<u>119.9%</u>	<u>66.6%</u>	<u>53.3%</u>	<u>104.5%</u>
25					
26	Net:				
27	Loss & LAE Ratio:				
28	Non Hurricane	142.8%	62.6%	80.1%	126.3%
29	Hurricane Harvey	1.1%	0.0%	1.1%	0.0%
30	Hurricanes Ike & Dolly	0.0%	0.0%	0.0%	0.0%
31	Loss & LAE Ratio	<u>143.9%</u>	<u>62.6%</u>	<u>81.2%</u>	<u>126.3%</u>
32	UW Expense Ratio:				
33	Acquisition	16.2%	16.3%	(0.2%)	16.4%
34	Non Acquisition	19.3%	22.7%	(3.4%)	25.3%
35	UW Expense Ratio	<u>35.5%</u>	<u>39.0%</u>	<u>(3.6%)</u>	<u>41.6%</u>
36					
37	Combined Ratio	<u>179.3%</u>	<u>101.7%</u>	<u>77.7%</u>	<u>167.9%</u>
38					
39	Note: Beginning budgeted surplus adjusted to actual for comparative purposes.				

Statutory Expense Statement (In 000s)



	For the six months ended June 30,			
Description	Actuals - 2024	Budget - 2024	Variance - 2024	Actuals - 2023
Personnel Expenses				
Salaries & Wages - Permanent	\$ 3,726	\$ 4,009	\$ (284)	\$ 3,530
Contractor & Temporary Help	889	618	271	492
Payroll Taxes	278	302	(24)	273
Employee Benefits	1,072	1,178	(106)	1,127
Recruiting, Training & Other	63	113	(50)	16
Subtotal	6,028	6,220	(193)	5,438
Professional & Consulting Services				
Legal	95	56	39	64
Accounting & Auditing	78	84	(6)	80
Information Technology	1,002	1,570	(568)	60
Actuarial Services	18	24	(6)	24
Surveys & Inspections	742	297	445	308
Disaster Recovery Services	0	4	(4)	4
Other Services (1)	958	793	164	786
Subtotal	2,893	2,829	64	1,326
Hardware/Software Purchases & Licensing	865	847	18	731
Rental & Maintenance - Office/Equipment	270	279	(9)	243
Travel Expenses	58	84	(26)	66
Postage, Telephone and Express	243	278	(35)	187
Capital Management Expenses	46	46	0	45
Other Operating Expenses	306	348	(42)	159
Total Operating Expenses	\$ 10,708	\$ 10,931	\$ (223)	\$ 8,195
Capitalization of Fixed Assets	0	0	0	0
Allocation To ULAE	(2,178)	(2,150)	(29)	(1,909)
Allocation To Investing & Other Expense	(46)	(46)	0	(45)
Net Operating Expense - UW Operations	\$ 8,484	\$ 8,736	\$ (252)	\$ 6,241

(1) Summary Details for Other Services:

<u>VENDOR</u>	<u>Amount</u>	<u>Department</u>
Clear Point Claims LLC	\$ 282	Underwriting
Insurance Services Office, Inc.	228	Underwriting
Xactware Solutions Inc	82	Claims
LYNX Services LLC	63	Claims
Marshall & Swift/Boeckh	58	Underwriting
EagleView Technologies Inc	54	Claims
*Other Outside Services below \$50K	192	Various Departments
Total Other Services	\$ 958	

Statutory Balance Sheet (In 000s)



	Jun-2024	Dec-2023	
1			1
2	Admitted Assets		2
3	65,072	52,887	3
4	23,607	11,644	4
5	0	0	5
6	0	51	6
7	224	138	
8	<u><u>\$ 88,902</u></u>	<u><u>\$ 64,720</u></u>	8
9			9
10	Liabilities, Surplus and other funds		10
11	Liabilities:		11
12	35,423	16,605	12
13	6,379	3,859	13
14	99,543	37,298	14
15	0	21,033	15
16	0	0	16
17	0	0	17
18	0	0	18
19	5,253	3,579	19
20	<u><u>146,599</u></u>	<u><u>82,375</u></u>	20
21			21
22	Surplus and others funds		22
23	(57,697)	(17,655)	23
24	<u><u>\$ 88,902</u></u>	<u><u>\$ 64,720</u></u>	24
25			25

Statement of Cash Flows (In 000s)



	For the period Jun-2024 Year to Date			
	Actuals - 2024	Budget - 2024	Variance - 2024	
1				1
2				2
3				3
4	Cash flows from operating activities:			4
5	\$ 74,903	\$ 52,894	\$ 22,009	5
6	(44,362)	(21,632)	(22,730)	6
7	(18,991)	(21,867)	2,876	7
8	0	0	0	8
9	(415)	95	(509)	9
10	<u>11,136</u>	<u>9,490</u>	<u>1,645</u>	10
11	Cash flows from nonoperating activities:			11
12	<u>0</u>	<u>0</u>	<u>0</u>	12
13	<u>0</u>	<u>0</u>	<u>0</u>	13
14	Cash flows from investing activities:			14
15	0	0	0	15
16	1,095	715	380	16
17	<u>1,095</u>	<u>715</u>	<u>380</u>	17
18	Cash flows from financing activities:			18
19	0	0	0	19
20	0	0	0	20
21	(46)	(46)	0	21
22	<u>(46)</u>	<u>(46)</u>	<u>0</u>	22
23				23
24	12,185	10,159	2,026	24
25	<u>52,887</u>	<u>52,887</u>	<u>0</u>	25
26	<u>\$ 65,072</u>	<u>\$ 63,046</u>	<u>\$ 2,026</u>	26
27				27
28	Note: Beginning budgeted Cash and Short-term investments adjusted to actual for comparative purposes.			28

Cash and Short-Term Investments (In 000s)



1	Bank	Non Interest Bearing	Interest Bearing	Total Amount of Deposits	Average Daily Balance for the Quarter	Investment Income during the Quarter	Annual Average Yield	Total Deposit % of TFPA's Portfolio	N.A. Bank Credit Rating Superior or Strong	N.A. Tier 1 Capital Ratio	N.A. Regulatory Capital	Are funds in excess of the N.A. Regulatory Capital? > .2% of N.A. Reg Capital	1	
2								< 40%		> 10%	> \$25B		2	
3	Balances as of 06/30/2024:												3	
4	Bank of America	\$ 4,942	0	\$ 4,942	0	0	0.0%	8%	Superior	13.5%	\$189	No	4	
5	Citibank	208	0	208	0	0	0.0%	0%	Superior	14.2%	\$151	No	5	
6	JPMorgan Chase	0	11,983	11,983	13,702	123	3.6%	18%	Superior	16.0%	\$268	No	6	
7	Citibank IMMA	0	110	110	110	0	1.7%	0%	N/A	N/A	N/A	N/A	7	
8	JP Morgan U.S. Treasury Plus Money Market Fund (1)	0	16,430	16,430	13,191	170	5.2%	25%	N/A	N/A	N/A	N/A	8	
9	JP Morgan Goldman Sachs (1)	0	16,650	16,650	12,777	164	5.1%	26%	N/A	N/A	N/A	N/A	9	
10	Fidelity Treasury (1)	0	14,748	14,748	14,683	191	5.2%	23%	N/A	N/A	N/A	N/A	10	
11													11	
12	Total of all financial institutions	\$ 5,151	\$ 59,921	\$ 65,072	\$ 54,463	\$ 650	4.8%	100%					12	
13													13	
14	Balances as of 03/31/2024:												14	
15	Bank of America	\$ 3,957	0	\$ 3,957	0	0	0.0%	6%	Superior	13.5%	\$188	No	15	
16	Citibank	208	0	208	0	0	0.0%	0%	Superior	14.1%	\$149	No	16	
17	JPMorgan Chase	0	21,694	21,694	\$14,878	98	2.6%	35%	Superior	17.4%	\$262	No	17	
18	Citibank IMMA	0	110	110	110	0	1.7%	0%	N/A	N/A	N/A	N/A	18	
19	JP Morgan U.S. Treasury Plus Money Market Fund (1)	0	11,280	11,280	11,233	145	5.2%	18%	N/A	N/A	N/A	N/A	19	
20	JP Morgan Goldman Sachs (1)	0	10,510	10,510	10,466	135	5.2%	17%	N/A	N/A	N/A	N/A	20	
21	Fidelity Treasury (1)	0	14,570	14,570	10,137	133	5.2%	23%	N/A	N/A	N/A	N/A	21	
22													22	
23	Total of all financial institutions	\$ 4,165	\$ 58,164	\$ 62,329	\$ 46,823	\$ 511	4.4%	100%					23	
24													24	
25	(1) The Fund invests in U.S. treasury bills, notes, bonds and other obligations issued or guaranteed by the U.S. Treasury.													25
26	Bank credit rating, Tier 1 Capital Ratios, and Regulatory Capital were reviewed with the latest financial information available as of March 31, 2024. Rates, ratios and regulatory capital are comparable and consistent with year end National Association (N.A.) results.													26

Historical Data (In 000s)



2003 - 2024											
(\$ with 000's omitted)											
YEAR	GROSS					NET					SURPLUS OR (DEFICIT) END OF PERIOD
	LIABILITY IN FORCE END OF PERIOD	POLICY COUNT	RATE CHANGES	WRITTEN PREMIUMS	LOSS & LAE INCURRED	EARNED PREMIUMS	LOSS & LAE INCURRED	UNDERWRITING EXPENSES INCURRED	UNDERWRITING GAIN (LOSS)	MEMBER ASSESSMENTS	
2003	\$ 18,272,542	100,223		\$ 82,004	\$ 19,580	\$ 31,287	\$ 19,580	\$ 26,618	\$ (14,911)		\$ (15,948)
2004	22,904,408	134,350		100,666	37,184	85,238	37,184	28,470	19,584		(1,821)
2005	14,165,560	88,512		60,969	31,262	77,389	31,262	18,588	27,539		31,563
2006	13,321,087	81,129		59,873	22,545	45,867	22,545	17,304	6,017		40,063
2007	15,556,965	91,847	3.9%	73,058	24,578	52,955	24,578	19,362	9,015		52,081
2008	14,060,852	84,438		64,488	239,886	48,364	82,774	18,797	(53,208)		209
2009	11,706,721	72,989	10.7%	60,255	32,961	28,136	6,659	18,811	2,666		(9,753)
2010	14,246,999	85,984	5.0%	73,924	86,187	40,905	34,601	17,019	(10,715)		(17,449)
2011	15,979,040	96,710		83,066	78,009	47,063	53,009	15,897	(21,843)		(33,860)
2012	17,966,799	108,637	14.6%	102,383	28,453	56,880	28,453	20,346	8,081		(25,722)
2013	20,594,317	124,222	16.7% (a)	122,683	39,438	75,343	39,438	22,610	13,295		(13,422)
2014	21,944,280	131,376		133,206	45,070	89,405	45,070	24,058	20,277		5,978
2015	22,154,205	132,734		132,879	68,593	90,952	68,593	24,675	(2,316)		4,977
2016	19,883,769	121,413	8.0% (b)	122,486	78,008	84,401	78,008	26,419	(20,026)		(15,203)
2017	18,029,369	110,989	5.0% (c)	112,316	128,666	76,837	84,864	29,739	(37,766)		(54,941)
2018	15,223,344	95,637	8.1% (d)	95,882	26,733	69,239	26,733	29,527	12,979	54,941	15,088
2019	12,299,224	80,923		85,327	38,241	59,625	38,241	25,310	(3,926)		12,133
2020	12,618,291	73,713	9.6% (e)	79,477	36,620	53,092	36,620	22,398	(5,926)		6,006
2021	11,471,201	66,512	9.2% (f)	75,648	34,070	49,414	34,070	19,050	(3,705)		2,105
2022	11,301,744	61,452	7.3% (g)	76,881	27,146	45,620	27,146	19,033	(559)		1,451
2023	16,275,783	72,626	9.8% (h)	113,460	47,339	53,316	49,839	23,917	(20,439)		(17,655)
2024	23,478,223	91,841		106,198	62,751	43,952	63,231	22,392	(41,671)		(57,697)
TOTAL				\$ 2,017,128	\$ 1,233,320	\$ 1,305,281	\$ 932,499	\$ 490,339	\$ (117,557)	\$ 54,941	

34 (a) Effective July 1, 2013
 35 (b) Effective April 1, 2016
 36 (c) Effective June 1, 2017
 37 (d) Effective October 1, 2018 and November 1, 2018 for new business and renewal business, respectively.
 38 (e) Effective August 1, 2020
 39 (f) Effective August 1, 2021
 40 (g) Effective August 1, 2022
 41 (h) Effective August 1, 2023
 42 *2024 data through 06/30/2024

MEMORANDUM

DATE: July 19, 2024
 TO: David Durden, General Manager
 FROM: Jim Murphy, Chief Actuary
 RE: Comparison of Loss Adjustment Expenses to Losses

At the May 6 meeting of the TFPA Governing Committee, Georgia Neblett asked about the relative difference between incurred loss and loss adjustment expenses (LAE) during the first quarter of 2024 as compared to the first quarter of 2023, as shown in the Management Discussion and Analysis section. I have summarized the relevant amounts below, as of both the first and second quarters:

	YTD Actual Amounts as of			
	Mar 24	Mar 23	Jun 24	Jun 23
Direct Losses Incurred	\$ 8.9 M	\$ 13.6 M	\$ 52.4 M	\$ 25.2 M
Direct LAE Incurred	\$ 3.0 M	\$ 3.3 M	\$ 10.4 M	\$ 6.1 M
Incurred LAE as % Loss	33.5%	24.3%	19.8%	24.1%

These amounts are consistent with TFPA financial statements and include all payments and changes in case and IBNR (incurred but not reported) reserve balances for losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE) that took place through the first and second quarters of each of these two years.

Staff believes that a more appropriate metric for comparing loss adjustment expenses to losses across different time periods is to look at paid ALAE as a percentage of paid loss, excluding both changes in reserves and paid ULAE. Further discussion on the elimination of reserves and ULAE, along with additional information by age of claim, have been provided below.

	YTD Actual Amounts as of			
	Mar 24	Mar 23	Jun 24	Jun 23
Direct Losses Paid	\$ 8.2 M	\$ 12.0 M	\$ 36.7 M	\$ 22.2 M
Direct ALAE Paid	\$ 1.3 M	\$ 1.7 M	\$ 4.9 M	\$ 3.5 M
Paid ALAE as % Loss	16.2%	14.3%	13.3%	15.6%

Based on a paid ALAE-to-paid loss metric, claims adjustment costs through June are slightly lower in 2024 than in 2023.

Paid ALAE vs. Incurred LAE

ALAE is by definition allocable to specific claims and is directly related to the cost for adjusters and other experts involved in the adjustment of a particular claim. Actual payments made for ALAE compared to loss payments should be the most accurate measure of claims handling efficiency from an expense perspective.

Unlike ALAE, ULAE is generally associated with the salaries and other expenses related to permanent claims staff. Outside of a major catastrophe requiring a significant increase in personnel, paid ULAE should be relatively fixed and not directly tied to the adjustment of individual claims. Therefore, its inclusion in metrics may overstate or understate actual adjustment expenses based on the total volume of claims during the measurement period.

Case reserves are estimates of future payments tied to specific claims and are continuously revised upwards and downwards as more information about the claim becomes available. Because of this volatility, including case reserves in the comparison can skew results.

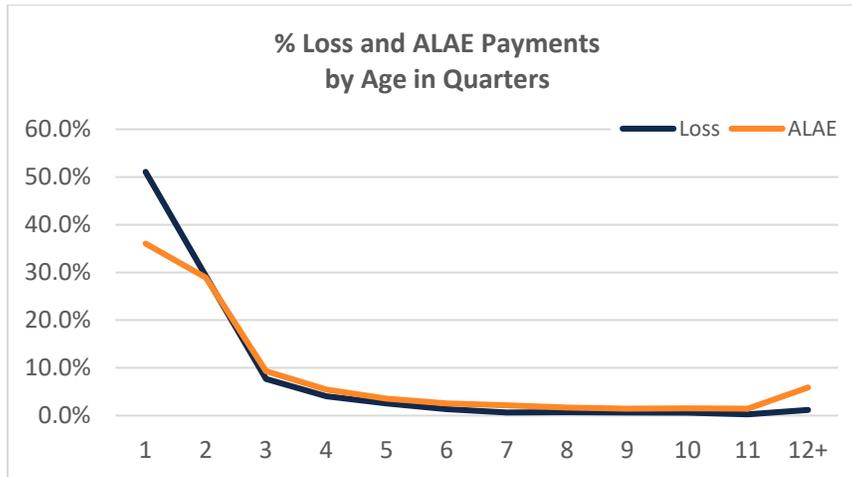
IBNR reserves – reserves for claims that are incurred but not reported – are estimated on a combined loss and LAE basis and then allocated separately to loss and LAE. Any difference between the allocation percentage and actual amounts can also skew results.

The following table shows the impact of removing paid ULAE and reserves from the four quarters under review:

	YTD Actual Amounts as of			
	Mar 24	Mar 23	Jun 24	Jun 23
Direct Losses Incurred	\$ 8.9 M	\$ 13.6 M	\$ 52.4 M	\$ 25.2 M
- Change in Loss Reserves	(\$ 0.6 M)	(\$ 1.6 M)	(\$ 15.7 M)	(\$ 2.9 M)
Direct Losses Paid	\$ 8.2 M	\$ 12.0 M	\$ 36.7 M	\$ 22.2 M
Direct LAE Incurred	\$ 3.0 M	\$ 3.3 M	\$ 10.4 M	\$ 6.1 M
- Direct Paid ULAE	(\$ 1.0 M)	(\$ 1.0 M)	(\$ 2.2 M)	(\$ 1.9 M)
- Change in ALAE Reserves	(\$ 0.6 M)	(\$ 0.6 M)	(\$ 3.3 M)	(\$ 0.7 M)
Direct ALAE Paid	\$ 1.3 M	\$ 1.7 M	\$ 4.9 M	\$ 3.5 M
Paid ALAE as % Loss	16.2%	14.3%	13.3%	15.6%

Differences Based on Age of Claims

Historically, losses are paid closer to the report date than ALAE, as shown on the following graph:



51% of all loss payments are made in the quarter in which the claim is reported, as compared to 36% for ALAE payments. For all other quarters, loss payments are close to or slightly less than ALAE payments.

For calendar period reporting, like financial statements, the relative amount of payments made on recent claims vs. older claims can make a noticeable difference in the paid ALAE ratios. The following table shows paid loss and ALAE amounts separately for claims in their first quarter vs. older claims for the four quarters under review:

		YTD Actual Amounts as of			
		Mar 24	Mar 23	Jun 24	Jun 23
First Quarter	Direct Losses Paid	\$ 4.4 M	\$ 9.0 M	\$ 25.3 M	\$ 12.8 M
	Direct ALAE Paid	\$ 0.5 M	\$ 0.9 M	\$ 2.8 M	\$ 1.4 M
Paid ALAE as % Loss		10.7%	10.3%	10.9%	11.0%
Following Quarters	Direct Losses Paid	\$ 3.8 M	\$ 2.9 M	\$ 11.4 M	\$ 9.2 M
	Direct ALAE Paid	\$ 0.9 M	\$ 0.7 M	\$ 2.1 M	\$ 1.9 M
Paid ALAE as % Loss		22.3%	25.0%	18.3%	20.6%

ALAE as a percentage of loss is reasonably consistent across all four quarters shown above. The most significant driver of differences in ALAE ratios between years is the timing of significant weather events. For example, the paid ALAE ratio for Q1 2024 is 16.2% overall compared to 14.3% for 2023 largely because only 51% of payments in Q1 2024 were made on recent claims, vs. 73% in 2023.

4C. Selection of Auditors/ Accountants for 2024



MEMORANDUM

DATE: July 10, 2024
TO: David Durden, General Manager
FROM: Stuart Harbour, Chief Financial Officer
RE: **Appointment of FAIR Plan Auditors/Accountants for 2024**

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. I have attached the engagement letter from CTM for use in connection with the audit of the association's 2024 statutory financial statements. Counsel has reviewed the letter and reports that it is the same as last year with no changes in terms except for a proposed fee increase from \$55,250 to \$58,100 for the statutory audit. Staff notes that the audit fees have been held constant for several years. Staff recommends to the Governing Committee that the engagement be approved, and the letter executed. Resolution language follows.

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.

Please let me know if you have any questions or would like to discuss this matter.

Thank you,

Stuart

Agreement to provide services

July 11, 2024

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
4801 Southwest Pkwy Building One, Suite 200
Austin, Texas 78735

Dear Ms. Mueller:

This agreement to provide services (the “Agreement”) is intended to describe the nature and scope of our services.

Statutory Audit

As agreed, Calhoun, Thomson + Matza, LLP (“CTM” or “we”) will audit the statutory statement of admitted assets, liabilities, surplus and other funds of Texas FAIR Plan Association (the “Association” or “you”) as of December 31, 2024 and the related statutory statements of income, changes in surplus and other funds, and cash flows for the year then ending, in accordance with auditing standards generally accepted in the United States of America. The financial records and financial statements are the responsibility of the Association’s management. In that regard, management is responsible for establishing and maintaining effective internal control over financial reporting, establishing and maintaining proper accounting records, selecting appropriate accounting principles, safeguarding the Association’s assets, designing and implementing programs and controls to prevent and detect fraud, complying with relevant laws and regulations, and making all financial records and related information available to us.

Also, the supplementary information accompanying the statutory financial statements, as listed below, which are presented to comply with the National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual and Texas state law, will be subjected to the auditing procedures applied in our audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditors’ report will provide an opinion on it in relation to the statutory financial statements as a whole.

- Summary Investment Schedule as of December 31, 2024.

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 2

- Supplemental Investment Risk Interrogatories as of December 31, 2024.
- Reinsurance Interrogatories as of December 31, 2024.

You acknowledge and understand your responsibility for the preparation of the supplementary information in accordance with the applicable criteria. You also agree to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. You also agree to present the supplementary information with the audited financial statements, or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and our report thereon.

Our responsibility is to express an opinion on the statutory financial statements based on our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statutory financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We are also responsible for communicating with those charged with governance what our responsibilities are under generally accepted auditing standards, an overview of the planned scope and timing of the audit, and significant findings from the audit. The term “those charged with governance” is defined as the person(s) with responsibility for overseeing the strategic direction of the Association and obligations related to the accountability of the Association, including overseeing the financial reporting process. For the Association, we agree that Governing/Audit Committee meets that definition.

At the conclusion of our audit, we will submit to you a report containing our opinion as to whether the statutory financial statements, taken as a whole, are fairly presented based on accounting principles prescribed or permitted by the Texas Department of Insurance. If, during the course of our work, it appears for any reason that we will not be in a position to render an unqualified opinion on the statutory financial statements, or that our report will require an explanatory paragraph, we will discuss this with you. It is possible that, because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

We will design our audit, in accordance with auditing standards generally accepted in the United States of America, to obtain reasonable assurance about whether the statutory financial statements are free of material misstatements, whether caused by error or fraud. Our work will be based primarily upon selected tests of evidence

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 3

supporting the amounts and disclosures in the statutory financial statements and, therefore, will not include a detailed check of all of the Association's transactions for the period. Accordingly, an audit performed in accordance with auditing standards generally accepted in the United States of America is not a guarantee of the accuracy of the statutory financial statements, and there is a risk that material errors or fraud may exist and not be detected by us. Also, an audit is not designed to detect errors or fraud that are immaterial to the statutory financial statements. However, we will promptly inform you of any material errors or any fraud, whether material or not, that come to our attention. We will also inform you of possible illegal acts that come to our attention. In addition, during the course of our audit, statutory financial statement misstatements may be identified, either through our audit procedures or through communication by the Association's employees to us, and we will bring these misstatements to your attention as proposed adjustments. Management is responsible for recording such adjustments in the statutory financial statements, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the Association's files; or otherwise concluding and confirming in a representation letter provided to us at the conclusion of our audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the statutory financial statements taken as a whole. At the conclusion of our audit we will communicate to those charged with governance all such uncorrected misstatements.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we are responsible for ensuring that you are aware of any significant deficiencies or material weaknesses that come to our attention during our engagement.

CTM is retaining the Association as a client in reliance on information obtained during the course of our continuing client reacceptance procedures. Clark Thomson has been assigned the role of engagement director and is responsible for directing the engagement and issuing the appropriate report on the Association's statutory financial statements.

Responsibility to Communicate with the Audit Committee

Although the objective of our audit of the statutory financial statements is not to report on the Association's internal control and we are not obligated to search for reportable conditions as part of our audit, we will communicate reportable conditions to you to the extent they come to our attention.

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 4

We will report to you, in writing, the following matters:

1. Audit adjustments detected during the audit that could, in our judgment, either individually or in aggregate have a significant effect on the Association's financial reports. Audit adjustments, whether or not recorded by the Association, are proposed corrections of the financial statements that may not have been detected except through the auditing procedures.
2. Uncorrected misstatements aggregated during the current engagement that were determined by management to be immaterial.
3. Any disagreements with management or other serious difficulties encountered during the audit.
4. Any other matter that is required to be communicated by generally accepted auditing standards.

We will also read the minutes of Audit Committee meetings for consistency with our understanding of the communications made to you and determine that you have received copies of all material written communications between ourselves and management.

E-mail Communication

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, the Association agrees that we shall have no liability for any loss or damage from the use of email, including any punitive, consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure of confidential information.

Ownership of Working Papers

The working papers prepared in conjunction with our audit are the property of our Firm, constitute confidential information, and will be retained by us in accordance with our Firm's policies and procedures. However, we may be required to make certain working papers available to State insurance regulators pursuant to authority given them by law

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 5

or regulation. Access to the requested working papers will be provided to the State insurance regulators pursuant to a request under Chapter 401 of the Texas Insurance Code.

Reproduction of Audit Report

If the Association plans any reproduction or publication of our report, or any portion of it, copies of masters' or printers' proofs of the entire document, or if there is no proof, a copy of the entire document in its final form, should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Audit Report and Statutory Financial Statements on Your Web Site

You agree that, if you plan to post an electronic version of the statutory financial statements and audit report on your Web site, you will ensure that there are no differences in content between the electronic version of the statutory financial statements and audit report on your Web site and the signed version of the statutory financial statements and audit report provided to management by CTM.

Review of Documents for Sale of Securities

The audited statutory financial statements and our report thereon should not be provided or otherwise made available to recipients of any document to be used in connection with the sale of securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Management Representations and Indemnification

As required by auditing standards generally accepted in the United States of America, we will request certain written representations from the Association's management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations.

Availability of Records and Personnel

The Association agrees that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 6

related parties), that all material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, the Association's personnel during the course of the engagement.

You also agree to ensure that any third party valuation reports and/or actuarial reports that the Association provides to us to support amounts or disclosures in the statutory financial statements a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by the Association's Personnel and Internet Access

We also ask that the Association's personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to the Association's employees and/or customers should be provided to us. In addition, we ask that the Association provides high-speed Internet access to our engagement team, if practicable, while working on the Association's premises. This assistance will serve to facilitate the progress of our work and minimize costs to the Association.

Other Services

We are always available to meet with you or other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Association. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend your committee meetings.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Association in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. In addition, if you hire one of our personnel, you agree to pay us a fee of 20% of that individual's base compensation at your Association 90 days from the first day of employment.

Provisions of the National Association of Insurance Commissioners' Model Audit Rule also require the Association's audit committee to pre-approve all permissible non-attest services. We agree not to perform any services without audit committee pre-approval and you agree to implement appropriate policies and procedures to ensure that the

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 7

audit committee pre-approves any services that we or other independent auditors are asked to perform.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises out of, relates to, or results from the performance or breach of this Agreement, excluding claims for non-monetary or equitable relief (collectively, the “Dispute”), either party may, upon written notice to the other party, request non-binding mediation. A recipient party of such notice may waive its option to resolve such Dispute by non-binding mediation by providing written notice to the party requesting mediation and then such parties hereto shall resolve such Dispute by binding arbitration as described below. Such mediation shall be assisted by a neutral mediator acceptable to both parties and shall require the commercially reasonable efforts of the parties to discuss with each other in good faith their respective positions and different interests to finally resolve such Dispute. If the parties are unable to agree on a mediator within twenty (20) days from delivery of the written notice, either party may invoke the mediation service of the American Arbitration Association (the “AAA”).

Each party may disclose any facts to the other party or to the mediator that it, in good faith, considers reasonably necessary to resolve the Dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties.

Unless waived, such mediation shall conclude after the parties have engaged in good faith settlement negotiations, but nonetheless are unable to resolve the Dispute through the mediation process. The attorneys’ fees and costs incurred by each party in such mediation shall be borne solely by such party, except that the fees and expenses of the mediator, if any, shall be borne equally by the parties.

Any Dispute not resolved first by mediation between the parties (or if the mediation process is waived as provided herein) shall be decided by binding arbitration. The arbitration proceeding shall take place in Austin, Texas, unless the parties agree in writing to a different locale. The arbitration shall be governed by the provisions of the laws of the state in which the arbitration is to take place (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of such state shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that the Arbitration Panel (as defined below) shall permit discovery that is consistent with the scope of discovery typically permitted by the Federal Rules of Civil Procedure and/or is otherwise customary in light of the complexity

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 8

of the Dispute and the amount in controversy. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below).

The arbitration shall be conducted before a panel of three persons, one selected by each party, and the third selected by the two party-selected arbitrators (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award, the Arbitration Panel shall issue in writing findings of fact and conclusions of law. The Arbitration Panel shall not have authority to grant an award that is not supported by substantial evidence or that is based on an error of law, and such absence of substantial evidence or such error of law may be reviewed on appeal to vacate an award based on the standard of review otherwise applicable in the Federal Appellate Court responsible for the jurisdiction in which the arbitration is venued, and without regard to any heightened standard of review otherwise applicable to an arbitration decision rendered by the AAA. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. No payment of any award or posting of any bond of any kind whatsoever is required to be made or posted until such Dispute is finally determined.

In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same Dispute would be barred by the applicable statute of limitations or repose. For the purposes of applying the statute of limitations or repose, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such Dispute.

Fees

Our charges to the Association for the audit services described above will be \$58,100 all-inclusive except for out-of-town travel to Governing Committee meetings (if attendance is requested).

Our hourly rates are as follows:

Partner	\$225
Senior Manager	\$175
Senior Associate	\$135
Audit Associate	\$115

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 9

This engagement includes only those services specifically described in this letter; any additional services not specified herein will be agreed to in a separate letter. Reasonable costs and time spent in legal matters or proceedings arising from our engagement (other than litigation to which we are a party), such as subpoenas, testimony, or consultation involving private litigation or arbitration, or government regulatory inquiries at your request or by subpoena, will be billed to the Association separately and the Association agrees to pay the same.

Bills will be rendered on a semi-monthly or other periodic basis, with payment terms of net due upon receipt. If payments are not received promptly, we reserve the right to stop work on the engagement.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all of our time expended, and to reimburse us for all of our out-of-pocket expenses and internal charges incurred, through the date of termination.

Miscellaneous

This Agreement is only intended to cover the services specified herein, although we look forward to many more years of pleasant association with the Association. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of this service. To the extent applicable, the Association hereby authorizes CTM to participate in this electronic confirmation process through the third party's Web site (e.g., by entering the Association's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that CTM shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision of this Agreement shall be deemed prohibited, invalid, or otherwise unenforceable for any reason under such applicable laws, regulations, or published interpretations, such provisions shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the other provisions of this Agreement.

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 10

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

Assignability

This Agreement is nonassignable.

Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with regard to the subject matter hereof and supersedes all other agreements relating to the subject matter hereof. There are no agreements, understandings, specific restrictions, warranties or representations relating to said subject matter between the parties other than those set forth herein or herein provided.

Amendment and Modification

This Agreement may only be amended or modified by the mutual written agreement of the parties.

Public Information

Notwithstanding any provision herein to the contrary, the parties hereby acknowledge and agree that TFPA is subject to the Texas Public Information Act, Tex. Gov't Code §552.001 et seq. ("Public Information Act") and Attorney General Opinions issued under that statute and must comply with the provisions of Texas law including the Public Information Act. Within three (3) days of receipt, CTM will refer to TFPA any third party requests, received directly by CTM, for information to which CTM has access as a result of or in the course of performing services under this Agreement.

Confidential Information and Subpoenas

CTM will not disclose to anyone, directly or indirectly, any work-papers, data, databases, materials, information or reports in any form that are designated as confidential or that are or could be construed as confidential or subject to restrictions on disclosure under applicable law ("Confidential Information") and received from TFPA or such Confidential Information to which CTM has access as a result of or in the course of performing services under this Agreement without the prior written consent of TFPA.

Ms. Wendy Mueller, Chair of the Governing/Audit Committee
Texas FAIR Plan Association
July 11, 2024
Page 11

This confidentiality provision does not apply to information required to be disclosed by law, legal process, and applicable professional standards or to information disclosed in connection with litigation relating to the Agreement or CTM's performance. Each party will protect the confidentiality of the Confidential Information in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind. Nothing in this Agreement shall prohibit or limit either party's use or disclosure of information (including, but not limited to, ideas, concepts, know-how, techniques, and methodologies) (i) previously known to it without obligation of confidence, (ii) independently developed by it, (iii) acquired by it from a third party which is not, to its knowledge, under an obligation of confidence with respect to such information, or (iv) which is or becomes publicly available through no breach of the Agreement. In the event either party receives a subpoena or other validly issued administrative or judicial process requesting Confidential Information, it shall provide prompt notice to the other of such receipt. The party receiving the subpoena shall thereafter be entitled to comply with such subpoena or other process to the extent permitted by law.

GAAP Basis Audit Report

If the Association needs an audit report prepared in accordance with accounting principles generally accepted in the United States of America for general distribution, we will prepare a separate engagement letter covering that service.

Very truly yours,



Acknowledged:

By _____
Ms. Wendy Mueller, Chair of the Governing/Audit Committee

Date _____

(Please sign and return to us one copy; retain the other copy for your files)

5. Actuarial
5A. Policy Count/Exposures

Texas FAIR Plan Association
Liability Report
As of 6/30/24
All Forms Combined



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage
Harris	40,905	52,902	11,997	29.33%	7,392,363,623	11,683,555,659	4,291,192,036	58.05%	37,972,198	67,099,405	29,127,208	76.71%
Galveston	4,487	5,714	1,227	27.35%	1,377,653,027	1,987,007,998	609,354,971	44.23%	1,466,068	2,187,640	721,572	49.22%
Fort bend	4,640	6,805	2,165	46.66%	1,000,212,174	1,916,003,087	915,790,913	91.56%	4,301,017	8,943,168	4,642,151	107.93%
Dallas	1,823	2,998	1,175	64.45%	337,279,183	824,090,773	486,811,590	144.33%	1,397,656	4,476,590	3,078,934	220.29%
Brazoria	2,039	3,144	1,105	54.19%	627,100,687	1,124,738,497	497,637,810	79.36%	729,848	1,422,859	693,011	94.95%
Tarrant	1,353	2,359	1,006	74.35%	242,509,680	658,231,179	415,721,499	171.42%	1,137,189	3,867,864	2,730,675	240.13%
El paso	1,401	2,561	1,160	82.80%	365,305,989	798,042,403	432,736,414	118.46%	713,634	1,954,062	1,240,428	173.82%
Jefferson	1,450	2,419	969	66.83%	404,682,567	770,033,714	365,351,147	90.28%	508,977	1,036,895	527,918	103.72%
Nueces	1,113	1,535	422	37.92%	249,133,340	402,391,796	153,258,456	61.52%	410,309	774,781	364,473	88.83%
Montgomery	731	1,307	576	78.80%	149,616,370	374,245,576	224,629,206	150.14%	556,530	1,594,549	1,038,019	186.52%
Bexar	509	809	300	58.94%	98,141,762	199,495,404	101,353,642	103.27%	337,218	793,832	456,614	135.41%
Cameron	461	590	129	27.98%	100,450,780	153,849,400	53,398,620	53.16%	154,227	238,759	84,532	54.81%
Calhoun	389	440	51	13.11%	101,909,965	121,189,380	19,279,415	18.92%	125,564	168,027	42,463	33.82%
Orange	399	701	302	75.69%	75,262,178	178,788,398	103,526,220	137.55%	456,160	1,303,084	846,924	185.66%
Chambers	314	470	156	49.68%	114,254,940	191,633,480	77,378,540	67.72%	138,715	251,822	113,107	81.54%
Matagorda	274	399	125	45.62%	71,399,185	120,189,920	48,790,735	68.34%	112,923	208,208	95,285	84.38%
Liberty	239	456	217	90.79%	31,648,632	74,919,016	43,270,384	136.72%	225,253	592,995	367,742	163.26%
Travis	216	392	176	81.48%	43,769,860	128,926,338	85,156,478	194.56%	115,664	415,541	299,878	259.27%
Aransas	179	222	43	24.02%	41,372,220	56,937,580	15,565,360	37.62%	56,269	81,524	25,254	44.88%
Hidalgo	176	230	54	30.68%	22,860,996	38,565,304	15,704,309	68.69%	141,679	244,648	102,970	72.68%
San patricio	166	270	104	62.65%	44,668,206	85,087,760	40,419,554	90.49%	61,073	125,416	64,344	105.36%
Collin	155	316	161	103.87%	36,033,740	149,071,190	113,037,450	313.70%	178,238	873,073	694,835	389.84%
Waller	147	198	51	34.69%	21,422,750	47,777,190	26,354,440	123.02%	99,353	230,028	130,675	131.53%
Denton	117	429	312	266.67%	37,926,166	225,224,196	187,298,030	493.85%	132,569	1,109,431	976,863	736.87%
Brazos	74	97	23	31.08%	12,693,010	21,326,640	8,633,630	68.02%	37,084	69,709	32,625	87.98%
Top 25 Counties	63,757	87,763	24,006	37.65%	12,999,671,031	22,331,321,878	9,331,650,847	71.78%	51,565,413	100,063,911	48,498,498	94.05%
All Other Counties	2,276	4,078	1,802	79.17%	452,669,938	1,146,901,042	694,231,104	153.36%	2,037,475	6,133,942	4,096,468	201.06%
Tier 1	10,998	15,359	4,361	39.65%	3,162,834,703	5,054,362,810	1,891,528,107	59.80%	3,811,307	6,569,672	2,758,365	72.37%
Tier 2	46,714	61,727	15,013	32.14%	8,580,845,913	14,026,465,348	5,445,619,434	63.46%	43,443,827	79,224,472	35,780,645	82.36%
All Other Counties	8,321	14,755	6,434	77.32%	1,708,660,353	4,397,394,763	2,688,734,410	157.36%	6,347,754	20,403,709	14,055,956	221.43%
Statewide Total	66,033	91,841	25,808	39.08%	13,452,340,969	23,478,222,920	10,025,881,952	74.53%	53,602,888	106,197,853	52,594,965	98.12%

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 6/30/24
HO-A Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage
Harris	14,691	22,098	7,407	50.42%	4,271,990,259	7,612,807,720	3,340,817,461	78.20%	22,807,911	45,208,467	22,400,556	98.21%
Galveston	3,291	4,263	972	29.54%	1,252,242,291	1,814,806,463	562,564,172	44.92%	1,202,216	1,832,430	630,214	52.42%
Fort bend	1,230	2,430	1,200	97.56%	433,957,655	1,084,992,470	651,034,815	150.02%	2,007,180	5,390,942	3,383,762	168.58%
Dallas	800	1,700	900	112.50%	220,729,100	648,735,360	428,006,260	193.91%	986,131	3,679,680	2,693,549	273.14%
Brazoria	1,556	2,465	909	58.42%	559,392,850	1,016,999,540	457,606,690	81.80%	621,472	1,229,213	607,741	97.79%
Tarrant	720	1,452	732	101.67%	174,340,970	540,046,329	365,705,359	209.76%	848,822	3,186,113	2,337,291	275.36%
El paso	1,193	2,269	1,076	90.19%	340,356,970	760,154,290	419,797,320	123.34%	642,435	1,816,759	1,174,324	182.79%
Jefferson	1,117	1,938	821	73.50%	372,659,312	719,478,240	346,818,928	93.07%	447,519	911,480	463,960	103.67%
Nueces	660	989	329	49.85%	204,584,230	342,500,740	137,916,510	67.41%	328,752	648,918	320,166	97.39%
Montgomery	409	823	414	101.22%	111,763,480	306,924,580	195,161,100	174.62%	419,478	1,302,566	883,088	210.52%
Bexar	310	528	218	70.32%	82,078,620	170,235,510	88,156,890	107.41%	277,798	667,157	389,358	140.16%
Cameron	293	409	116	39.59%	82,611,230	132,390,050	49,778,820	60.26%	116,921	185,613	68,692	58.75%
Calhoun	321	371	50	15.58%	95,907,430	115,391,790	19,484,360	20.32%	114,882	152,790	37,908	33.00%
Orange	246	512	266	108.13%	61,550,028	158,670,998	97,120,970	157.79%	375,685	1,158,898	783,213	208.48%
Chambers	267	415	148	55.43%	108,246,440	184,740,280	76,493,840	70.67%	125,990	230,789	104,798	83.18%
Matagorda	239	358	119	49.79%	68,213,510	116,222,070	48,008,560	70.38%	99,662	192,245	92,582	92.90%
Liberty	138	286	148	107.25%	23,608,784	59,879,808	36,271,024	153.63%	155,324	448,082	292,758	188.48%
Travis	112	244	132	117.86%	34,076,300	111,955,110	77,878,810	228.54%	86,863	341,487	254,624	293.13%
Aransas	146	184	38	26.03%	38,155,380	53,372,200	15,216,820	39.88%	51,532	74,422	22,889	44.42%
Hidalgo	58	77	19	32.76%	9,242,496	17,962,904	8,720,409	94.35%	64,661	113,163	48,502	75.01%
San patricio	136	228	92	67.65%	42,151,306	80,962,860	38,811,554	92.08%	58,555	117,175	58,620	100.11%
Collin	47	195	148	314.89%	19,273,840	128,796,630	109,522,790	568.25%	99,750	736,151	636,401	638.00%
Waller	91	122	31	34.07%	16,406,750	39,594,790	23,188,040	141.33%	72,129	165,942	93,813	130.06%
Denton	77	339	262	340.26%	32,548,766	206,287,156	173,738,390	533.78%	117,937	1,010,079	892,142	756.46%
Brazos	29	44	15	51.72%	9,565,440	16,340,220	6,774,780	70.83%	25,284	48,753	23,468	92.82%
Top 25 Counties	28,177	44,739	16,562	58.78%	8,665,653,438	16,440,248,108	7,774,594,670	89.72%	32,154,891	70,849,313	38,694,422	120.34%
All Other Counties	1,353	2,860	1,507	111.38%	363,587,430	1,014,446,080	650,858,650	179.01%	1,603,783	5,316,028	3,712,244	231.47%
Tier 1	8,118	11,735	3,617	44.56%	2,851,578,140	4,614,199,443	1,762,621,303	61.81%	3,208,763	5,639,735	2,430,971	75.76%
Tier 2	16,552	25,813	9,261	55.95%	4,844,540,782	9,048,120,201	4,203,579,418	86.77%	25,670,017	53,206,896	27,536,880	107.27%
All Other Counties	4,860	10,051	5,191	106.81%	1,333,121,946	3,792,374,545	2,459,252,599	184.47%	4,879,895	17,318,711	12,438,816	254.90%
Statewide Total	29,530	47,599	18,069	61.19%	9,029,240,868	17,454,694,188	8,425,453,321	93.31%	33,758,674	76,165,341	42,406,667	125.62%

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 6/30/24
TDP-1 Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage
Harris	23,411	27,670	4,259	18.19%	2,965,790,084	3,885,880,019	920,089,935	31.02%	14,590,841	21,079,438	6,488,597	44.47%
Galveston	711	940	229	32.21%	97,224,656	140,833,295	43,608,639	44.85%	201,778	280,682	78,904	39.10%
Fort bend	3,266	4,204	938	28.72%	558,188,599	821,536,137	263,347,538	47.18%	2,269,537	3,519,356	1,249,819	55.07%
Dallas	928	1,192	264	28.45%	111,935,243	168,665,773	56,730,530	50.68%	392,887	764,987	372,100	94.71%
Brazoria	433	629	196	45.27%	65,807,997	105,678,317	39,870,320	60.59%	103,692	188,331	84,639	81.62%
Tarrant	608	883	275	45.23%	67,580,710	116,326,530	48,745,820	72.13%	287,042	676,082	389,040	135.53%
El paso	203	286	83	40.89%	24,616,019	37,523,313	12,907,294	52.43%	69,852	135,678	65,827	94.24%
Jefferson	291	421	130	44.67%	29,986,375	46,686,434	16,700,059	55.69%	57,050	116,113	59,062	103.53%
Nueces	266	341	75	28.20%	28,061,590	41,644,216	13,582,626	48.40%	51,536	78,238	26,703	51.81%
Montgomery	285	440	155	54.39%	35,679,810	64,004,916	28,325,106	79.39%	132,448	283,841	151,393	114.30%
Bexar	153	228	75	49.02%	14,158,862	26,336,574	12,177,712	86.01%	47,533	109,190	61,657	129.71%
Cameron	77	80	3	3.90%	8,496,350	10,593,350	2,097,000	24.68%	20,157	31,475	11,317	56.15%
Calhoun	55	55	0	0.00%	5,282,295	5,041,350	(240,945)	(4.56%)	9,491	13,954	4,464	47.03%
Orange	143	175	32	22.38%	13,384,550	19,523,400	6,138,850	45.87%	78,358	141,683	63,324	80.81%
Chambers	41	48	7	17.07%	5,758,900	6,655,600	896,700	15.57%	12,194	20,311	8,117	66.57%
Matagorda	34	40	6	17.65%	3,172,475	3,954,650	782,175	24.66%	13,261	15,963	2,703	20.38%
Liberty	97	161	64	65.98%	7,937,848	14,709,208	6,771,360	85.30%	69,600	142,679	73,079	105.00%
Travis	50	78	28	56.00%	6,705,680	12,033,108	5,327,428	79.45%	21,543	55,517	33,974	157.71%
Aransas	21	23	2	9.52%	2,284,560	2,140,260	(144,300)	(6.32%)	2,245	2,331	86	3.83%
Hidalgo	108	143	35	32.41%	13,108,500	20,092,400	6,983,900	53.28%	73,830	127,602	53,771	72.83%
San patricio	30	40	10	33.33%	2,516,900	3,971,300	1,454,400	57.79%	2,518	7,715	5,197	206.45%
Collin	87	100	13	14.94%	15,815,500	18,526,400	2,710,900	17.14%	76,601	135,161	58,560	76.45%
Waller	49	70	21	42.86%	4,645,680	7,860,080	3,214,400	69.19%	26,111	62,965	36,854	141.14%
Denton	35	80	45	128.57%	4,999,400	18,385,040	13,385,640	267.74%	12,934	96,677	83,743	647.48%
Brazos	19	28	9	47.37%	1,986,250	3,626,700	1,640,450	82.59%	9,248	16,899	7,651	82.73%
Top 25 Counties	31,401	38,355	6,954	22.15%	4,095,124,833	5,602,228,370	1,507,103,537	36.80%	18,632,286	28,102,868	9,470,582	50.83%
All Other Counties	845	1,118	273	32.31%	84,775,708	126,803,802	42,028,094	49.58%	417,757	797,254	379,497	90.84%
Tier 1	1,991	2,656	665	33.40%	251,237,723	371,000,047	119,762,324	47.67%	479,383	764,162	284,779	59.41%
Tier 2	27,184	32,567	5,383	19.80%	3,572,512,331	4,782,194,587	1,209,682,256	33.86%	17,169,530	25,162,397	7,992,866	46.55%
All Other Counties	3,071	4,250	1,179	38.39%	356,150,487	575,837,538	219,687,051	61.68%	1,401,130	2,973,564	1,572,434	112.23%
Statewide Total	32,246	39,473	7,227	22.41%	4,179,900,541	5,729,032,172	1,549,131,631	37.06%	19,050,043	28,900,122	9,850,079	51.71%

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 6/30/24
HO-CONB Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage
Harris	1,839	2,132	293	15.93%	136,254,240	166,143,120	29,888,880	21.94%	487,585	718,446	230,861	47.35%
Galveston	210	229	19	9.05%	19,822,920	22,645,200	2,822,280	14.24%	39,045	46,924	7,879	20.18%
Fort bend	72	77	5	6.94%	6,120,000	6,942,480	822,480	13.44%	18,754	23,315	4,561	24.32%
Dallas	74	87	13	17.57%	4,085,040	5,813,160	1,728,120	42.30%	16,832	27,911	11,080	65.83%
Brazoria	8	8	0	0.00%	564,000	588,000	24,000	4.26%	1,523	1,697	174	11.42%
Tarrant	0	5	5	N/A	0	959,520	959,520	N/A	100	2,933	2,833	2833.00%
El paso	1	2	1	100.00%	117,600	218,400	100,800	85.71%	845	1,511	666	78.82%
Jefferson	9	24	15	166.67%	682,920	2,281,560	1,598,640	234.09%	1,481	5,322	3,841	259.34%
Nueces	164	178	14	8.54%	15,675,840	17,495,160	1,819,320	11.61%	28,326	45,387	17,061	60.23%
Montgomery	16	20	4	25.00%	1,135,680	1,667,280	531,600	46.81%	3,094	5,018	1,924	62.18%
Bexar	31	36	5	16.13%	1,644,120	2,457,720	813,600	49.49%	10,755	15,621	4,866	45.25%
Cameron	88	97	9	10.23%	9,182,400	10,710,000	1,527,600	16.64%	16,486	21,633	5,147	31.22%
Calhoun	5	5	0	0.00%	408,240	408,240	0	0.00%	270	290	20	7.41%
Orange	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Chambers	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Matagorda	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Liberty	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Travis	32	41	9	28.13%	2,348,040	3,681,960	1,333,920	56.81%	5,709	15,979	10,270	179.89%
Aransas	9	11	2	22.22%	787,920	1,269,120	481,200	61.07%	1,941	4,054	2,113	108.86%
Hidalgo	7	7	0	0.00%	456,000	456,000	0	0.00%	2,911	3,435	524	18.00%
San patricio	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Collin	13	14	1	7.69%	632,400	1,508,160	875,760	138.48%	1,138	1,209	71	6.24%
Waller	0	0	0	N/A	0	0	0	N/A	0	0	0	N/A
Denton	2	3	1	50.00%	300,000	360,000	60,000	20.00%	1,384	1,810	426	30.78%
Brazos	10	12	2	20.00%	892,320	1,080,720	188,400	21.11%	2,552	4,058	1,506	59.03%
Top 25 Counties	2,590	2,988	398	15.37%	201,109,680	246,685,800	45,576,120	22.66%	640,731	946,554	305,823	47.73%
All Other Counties	18	28	10	55.56%	1,651,560	2,500,560	849,000	51.41%	7,434	10,570	3,136	42.19%
Tier 1	493	553	60	12.17%	47,124,240	55,546,080	8,421,840	17.87%	89,072	125,307	36,235	40.68%
Tier 2	1,918	2,217	299	15.59%	142,830,240	173,685,600	30,855,360	21.60%	509,250	746,087	236,837	46.51%
All Other Counties	197	246	49	24.87%	12,806,760	19,954,680	7,147,920	55.81%	49,842	85,731	35,888	72.00%
Statewide Total	2,608	3,016	408	15.64%	202,761,240	249,186,360	46,425,120	22.90%	648,165	957,124	308,960	47.67%

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 6/30/24
HO-BT Policies



County	Policies In-Force		PIF Growth		Exposure In-Force		Exposure Growth		YTD Written Premium		Premium Growth	
	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage	06/30/23	06/30/24	Actual	Percentage
Harris	964	1,002	38	3.94%	18,329,040	18,724,800	395,760	2.16%	85,860	93,053	7,193	8.38%
Galveston	275	282	7	2.55%	8,363,160	8,723,040	359,880	4.30%	23,029	27,604	4,574	19.86%
Fort bend	72	94	22	30.56%	1,945,920	2,532,000	586,080	30.12%	5,545	9,555	4,010	72.30%
Dallas	21	19	(2)	(9.52%)	529,800	876,480	346,680	65.44%	1,806	4,011	2,205	122.09%
Brazoria	42	42	0	0.00%	1,335,840	1,472,640	136,800	10.24%	3,161	3,618	457	14.46%
Tarrant	25	19	(6)	(24.00%)	588,000	898,800	310,800	52.86%	1,225	2,736	1,511	123.38%
El paso	4	4	0	0.00%	215,400	146,400	(69,000)	(32.03%)	502	113	(389)	(77.49%)
Jefferson	33	36	3	9.09%	1,353,960	1,587,480	233,520	17.25%	2,927	3,981	1,054	36.02%
Nueces	23	27	4	17.39%	811,680	751,680	(60,000)	(7.39%)	1,695	2,238	543	32.01%
Montgomery	21	24	3	14.29%	1,037,400	1,648,800	611,400	58.94%	1,510	3,124	1,614	106.86%
Bexar	15	17	2	13.33%	260,160	465,600	205,440	78.97%	1,131	1,864	733	64.74%
Cameron	3	4	1	33.33%	160,800	156,000	(4,800)	(2.99%)	662	38	(624)	(94.26%)
Calhoun	8	9	1	12.50%	312,000	348,000	36,000	11.54%	921	992	71	7.71%
Orange	10	14	4	40.00%	327,600	594,000	266,400	81.32%	2,117	2,504	387	18.28%
Chambers	6	7	1	16.67%	249,600	237,600	(12,000)	(4.81%)	532	723	191	35.96%
Matagorda	1	1	0	0.00%	13,200	13,200	0	0.00%	0	0	0	N/A
Liberty	4	9	5	125.00%	102,000	330,000	228,000	223.53%	329	2,235	1,906	579.18%
Travis	22	29	7	31.82%	639,840	1,256,160	616,320	96.32%	1,549	2,558	1,009	65.14%
Aransas	3	4	1	33.33%	144,360	156,000	11,640	8.06%	551	717	166	30.13%
Hidalgo	3	3	0	0.00%	54,000	54,000	0	0.00%	277	449	172	62.09%
San patricio	0	2	2	N/A	0	153,600	153,600	N/A	0	526	526	N/A
Collin	8	7	(1)	(12.50%)	312,000	240,000	(72,000)	(23.08%)	749	552	(197)	(26.30%)
Waller	7	6	(1)	(14.29%)	370,320	322,320	(48,000)	(12.96%)	1,113	1,121	8	0.72%
Denton	3	7	4	133.33%	78,000	192,000	114,000	146.15%	314	865	551	175.48%
Brazos	16	13	(3)	(18.75%)	249,000	279,000	30,000	12.05%	0	0	0	N/A
Top 25 Counties	1,589	1,681	92	5.79%	37,783,080	42,159,600	4,376,520	11.58%	137,506	165,176	27,670	20.12%
All Other Counties	60	72	12	20.00%	2,655,240	3,150,600	495,360	18.66%	8,500	10,090	1,590	18.71%
Tier 1	396	415	19	4.80%	12,894,600	13,617,240	722,640	5.60%	34,089	40,468	6,380	18.71%
Tier 2	1,060	1,130	70	6.60%	20,962,560	22,464,960	1,502,400	7.17%	95,030	109,093	14,063	14.80%
All Other Counties	193	208	15	7.77%	6,581,160	9,228,000	2,646,840	40.22%	16,887	25,705	8,818	52.22%
Statewide Total	1,649	1,753	104	6.31%	40,438,320	45,310,200	4,871,880	12.05%	146,006	175,266	29,260	20.04%

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 6/30/24
All Forms Combined



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	52,902	50,832	48,663	46,903	45,575	44,712	43,925	43,441	43,008	42,598	42,263	41,662	40,905	11,997	29.3%	8,977	20.4%
Fort bend	6,805	6,501	6,187	5,900	5,695	5,547	5,404	5,281	5,151	5,036	4,956	4,843	4,640	2,165	46.7%	1,401	25.9%
Galveston	5,714	5,512	5,326	5,152	5,047	4,984	4,906	4,834	4,737	4,661	4,619	4,544	4,487	1,227	27.3%	808	16.5%
Dallas	2,998	2,818	2,580	2,339	2,181	2,082	1,999	1,936	1,899	1,868	1,850	1,827	1,823	1,175	64.5%	999	50.0%
Brazoria	3,144	2,964	2,788	2,655	2,560	2,480	2,375	2,315	2,246	2,200	2,156	2,092	2,039	1,105	54.2%	769	32.4%
Tarrant	2,359	2,133	1,966	1,779	1,614	1,540	1,483	1,454	1,402	1,364	1,375	1,365	1,353	1,006	74.4%	876	59.1%
Nueces	1,535	1,464	1,416	1,334	1,282	1,242	1,224	1,186	1,149	1,136	1,121	1,119	1,113	422	37.9%	311	25.4%
El paso	2,561	2,366	2,162	1,983	1,808	1,742	1,679	1,626	1,588	1,529	1,490	1,437	1,401	1,160	82.8%	882	52.5%
Jefferson	2,419	2,247	2,098	1,987	1,911	1,858	1,805	1,759	1,712	1,636	1,580	1,514	1,450	969	66.8%	614	34.0%
Montgomery	1,307	1,204	1,091	1,013	959	902	856	832	814	800	779	750	731	576	78.8%	451	52.7%
Bexar	809	735	686	653	609	599	578	565	555	537	517	512	509	300	58.9%	231	40.0%
Cameron	590	562	553	542	523	511	506	501	495	483	480	471	461	129	28.0%	84	16.6%
Calhoun	440	430	426	413	408	403	401	399	396	391	392	386	389	51	13.1%	39	9.7%
Orange	701	622	554	508	483	457	454	443	440	438	431	416	399	302	75.7%	247	54.4%
Chambers	470	450	423	407	392	376	367	353	346	341	332	323	314	156	49.7%	103	28.1%
Matagorda	399	372	355	335	326	320	318	308	298	288	288	279	274	125	45.6%	81	25.5%
Travis	392	359	327	298	280	270	252	243	228	224	219	220	216	176	81.5%	140	55.6%
Liberty	456	419	377	348	330	312	293	281	268	253	250	247	239	217	90.8%	163	55.6%
Hidalgo	230	224	220	205	198	186	180	182	180	180	183	179	176	54	30.7%	50	27.8%
Aransas	222	212	205	202	200	196	193	193	194	190	188	180	179	43	24.0%	29	15.0%
San patricio	270	259	238	224	213	207	200	196	191	186	183	175	166	104	62.7%	70	35.0%
Collin	316	285	248	229	208	188	176	172	165	163	162	158	155	161	103.9%	140	79.5%
Waller	198	185	173	169	166	157	155	155	148	150	145	144	147	51	34.7%	43	27.7%
Denton	429	362	276	238	202	178	151	144	136	133	131	125	117	312	266.7%	278	184.1%
Brazos	97	97	92	87	83	80	78	75	73	74	75	73	74	23	31.1%	19	24.4%
Top 25 Counties	87,763	83,614	79,430	75,903	73,253	71,529	69,958	68,874	67,819	66,859	66,165	65,041	63,757	24,006	37.7%	17,805	25.5%
All Other Counties	4,078	3,740	3,365	3,094	2,877	2,772	2,668	2,599	2,529	2,414	2,377	2,322	2,276	1,802	79.2%	1,410	52.8%
Tier 1	15,359	14,615	13,966	13,381	12,996	12,708	12,435	12,193	11,912	11,641	11,467	11,209	10,998	4,361	39.7%	2,924	23.5%
Tier 2	61,727	59,156	56,506	54,338	52,704	51,615	50,641	50,009	49,422	48,878	48,455	47,712	46,714	15,013	32.1%	11,086	21.9%
All Other Counties	14,755	13,583	12,323	11,278	10,430	9,978	9,550	9,271	9,014	8,754	8,620	8,442	8,321	6,434	77.3%	5,205	54.5%
Statewide Total	91,841	87,354	82,795	78,997	76,130	74,301	72,626	71,473	70,348	69,273	68,542	67,363	66,033	25,808	39.1%	19,215	26.5%

Texas FAIR Plan Association
Policy Growth Report
As of 6/30/24
HO-A Policies



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	22,098	20,739	19,388	18,333	17,484	16,885	16,432	16,121	15,827	15,620	15,435	15,120	14,691	7,407	50.4%	5,666	34.5%
Fort bend	2,430	2,185	2,007	1,828	1,728	1,656	1,585	1,525	1,465	1,418	1,369	1,315	1,230	1,200	97.6%	845	53.3%
Galveston	4,263	4,096	3,936	3,813	3,727	3,671	3,608	3,560	3,497	3,438	3,402	3,335	3,291	972	29.5%	655	18.2%
Dallas	1,700	1,554	1,373	1,214	1,087	1,018	952	902	864	828	819	804	800	900	112.5%	748	78.6%
Brazoria	2,465	2,313	2,163	2,057	1,990	1,922	1,829	1,775	1,721	1,685	1,647	1,598	1,556	909	58.4%	636	34.8%
Tarrant	1,452	1,294	1,161	1,043	924	870	831	803	770	735	732	728	720	732	101.7%	621	74.7%
Nueces	989	929	886	831	792	763	743	721	697	681	669	666	660	329	49.8%	246	33.1%
El paso	2,269	2,083	1,892	1,731	1,565	1,502	1,449	1,407	1,366	1,311	1,276	1,226	1,193	1,076	90.2%	820	56.6%
Jefferson	1,938	1,793	1,666	1,570	1,505	1,460	1,418	1,379	1,337	1,271	1,233	1,175	1,117	821	73.5%	520	36.7%
Montgomery	823	744	657	600	561	526	496	485	477	467	443	419	409	414	101.2%	327	65.9%
Bexar	528	479	446	417	390	377	366	357	344	332	321	315	310	218	70.3%	162	44.3%
Cameron	409	383	374	363	345	335	331	325	323	313	311	303	293	116	39.6%	78	23.6%
Calhoun	371	361	357	345	341	337	336	334	333	330	329	321	321	50	15.6%	35	10.4%
Orange	512	446	387	356	333	307	298	286	279	273	269	264	246	266	108.1%	214	71.8%
Chambers	415	398	372	358	343	330	320	306	301	296	286	277	267	148	55.4%	95	29.7%
Matagorda	358	333	316	298	289	283	278	271	263	252	253	246	239	119	49.8%	80	28.8%
Travis	244	215	189	171	164	157	144	135	123	119	116	117	112	132	117.9%	100	69.4%
Liberty	286	262	243	219	204	190	178	167	159	148	147	146	138	148	107.2%	108	60.7%
Hidalgo	77	77	70	65	63	60	59	63	60	59	63	58	58	19	32.8%	18	30.5%
Aransas	184	175	169	168	166	162	160	158	158	153	152	146	146	38	26.0%	24	15.0%
San patricio	228	215	196	182	172	169	163	160	157	154	152	143	136	92	67.6%	65	39.9%
Collin	195	165	132	114	96	77	67	66	59	54	52	48	47	148	314.9%	128	191.0%
Waller	122	112	104	101	96	96	99	97	92	92	89	86	91	31	34.1%	23	23.2%
Denton	339	282	216	181	149	130	108	100	93	91	89	82	77	262	340.3%	231	213.9%
Brazos	44	43	39	39	37	36	35	32	30	30	30	30	29	15	51.7%	9	25.7%
Top 25 Counties	44,739	41,676	38,739	36,397	34,551	33,319	32,285	31,535	30,795	30,150	29,684	28,968	28,177	16,562	58.8%	12,454	38.6%
All Other Counties	2,860	2,581	2,294	2,070	1,894	1,799	1,689	1,613	1,560	1,488	1,443	1,398	1,353	1,507	111.4%	1,171	69.3%
Tier 1	11,735	11,102	10,536	10,080	9,769	9,528	9,282	9,083	8,880	8,667	8,526	8,302	8,118	3,617	44.6%	2,453	26.4%
Tier 2	25,813	24,060	22,409	21,084	20,059	19,324	18,764	18,373	18,001	17,723	17,483	17,095	16,552	9,261	56.0%	7,049	37.6%
All Other Counties	10,051	9,095	8,088	7,303	6,617	6,266	5,928	5,692	5,474	5,248	5,118	4,969	4,860	5,191	106.8%	4,123	69.6%
Statewide Total	47,599	44,257	41,033	38,467	36,445	35,118	33,974	33,148	32,355	31,638	31,127	30,366	29,530	18,069	61.2%	13,625	40.1%

Texas FAIR Plan Association
Policy Growth Report
As of 6/30/24
TDP-1 Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	27,670	27,013	26,245	25,583	25,161	24,923	24,615	24,433	24,284	24,117	23,988	23,725	23,411	4,259	18.2%	3,055	12.4%
Fort bend	4,204	4,148	4,019	3,916	3,812	3,742	3,671	3,608	3,543	3,479	3,450	3,384	3,266	938	28.7%	533	14.5%
Galveston	940	914	888	857	836	833	813	783	758	746	741	726	711	229	32.2%	127	15.6%
Dallas	1,192	1,166	1,111	1,033	1,006	973	952	938	939	942	934	927	928	264	28.4%	240	25.2%
Brazoria	629	605	581	554	525	514	502	497	482	472	466	451	433	196	45.3%	127	25.3%
Tarrant	883	815	778	711	667	647	629	627	607	603	616	612	608	275	45.2%	254	40.4%
Nueces	341	339	336	322	310	304	305	293	275	274	272	267	266	75	28.2%	36	11.8%
El paso	286	277	265	248	238	235	225	214	217	213	210	207	203	83	40.9%	61	27.1%
Jefferson	421	399	379	364	358	348	340	336	332	323	306	300	291	130	44.7%	81	23.8%
Montgomery	440	419	395	370	355	336	321	313	307	300	301	296	285	155	54.4%	119	37.1%
Bexar	228	205	192	186	171	173	166	162	165	159	151	151	153	75	49.0%	62	37.3%
Cameron	80	79	80	80	78	77	78	79	78	76	77	77	77	3	3.9%	2	2.6%
Calhoun	55	55	55	54	53	52	51	51	49	47	49	54	55	0	0.0%	4	7.8%
Orange	175	164	157	142	140	139	144	143	145	151	149	141	143	32	22.4%	31	21.5%
Chambers	48	46	45	43	42	39	41	41	38	38	40	40	41	7	17.1%	7	17.1%
Matagorda	40	38	38	36	36	36	39	36	34	35	34	32	34	6	17.6%	1	2.6%
Travis	78	73	69	65	57	57	55	55	51	50	50	49	50	28	56.0%	23	41.8%
Liberty	161	149	128	123	121	119	112	111	106	102	99	97	97	64	66.0%	49	43.8%
Hidalgo	143	137	140	131	127	117	112	110	110	111	110	111	108	35	32.4%	31	27.7%
Aransas	23	23	23	21	21	21	22	23	24	24	23	22	21	2	9.5%	1	4.5%
San patricio	40	42	40	40	39	37	37	36	34	32	31	32	30	10	33.3%	3	8.1%
Collin	100	98	94	93	91	90	88	85	85	89	88	88	87	13	14.9%	12	13.6%
Waller	70	67	63	62	61	54	49	51	50	51	49	50	49	21	42.9%	21	42.9%
Denton	80	71	54	50	47	43	39	40	39	38	38	37	35	45	128.6%	41	105.1%
Brazos	28	29	27	22	19	19	19	19	19	20	19	19	19	9	47.4%	9	47.4%
Top 25 Counties	38,355	37,371	36,202	35,106	34,371	33,928	33,425	33,084	32,771	32,492	32,291	31,895	31,401	6,954	22.1%	4,930	14.7%
All Other Counties	1,118	1,065	982	936	901	887	891	902	885	844	853	846	845	273	32.3%	227	25.5%
Tier 1	2,656	2,575	2,500	2,404	2,331	2,293	2,269	2,227	2,156	2,100	2,073	2,033	1,991	665	33.4%	387	17.1%
Tier 2	32,567	31,810	30,873	30,079	29,531	29,208	28,820	28,568	28,345	28,121	27,959	27,624	27,184	5,383	19.8%	3,747	13.0%
All Other Counties	4,250	4,051	3,811	3,559	3,410	3,314	3,227	3,191	3,155	3,115	3,112	3,084	3,071	1,179	38.4%	1,023	31.7%
Statewide Total	39,473	38,436	37,184	36,042	35,272	34,815	34,316	33,986	33,656	33,336	33,144	32,741	32,246	7,227	22.4%	5,157	15.0%

Texas FAIR Plan Association
Policy Growth Report
As of 6/30/24
HO-CONB Policies



County	Policies In-Force at Prior 12 Months End													Annual Growth		YTD Growth	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	2,132	2,077	2,023	1,988	1,933	1,907	1,890	1,888	1,891	1,885	1,866	1,847	1,839	293	15.9%	242	12.8%
Fort bend	77	77	75	73	73	73	73	74	72	71	73	72	72	5	6.9%	4	5.5%
Galveston	229	224	221	214	215	214	218	217	213	211	213	213	210	19	9.0%	11	5.0%
Dallas	87	80	78	73	70	73	76	75	74	77	77	75	74	13	17.6%	11	14.5%
Brazoria	8	8	7	7	8	8	8	8	8	8	8	8	8	0	0.0%	0	0.0%
Tarrant	5	5	5	4	3	3	3	3	3	3	2	1	0	5	N/A	2	66.7%
Nueces	178	171	168	157	156	151	152	151	155	160	161	165	164	14	8.5%	26	17.1%
El paso	2	2	2	1	1	1	1	1	1	1	1	1	1	1	100.0%	1	100.0%
Jefferson	24	21	19	19	17	15	14	13	13	11	10	10	9	15	166.7%	10	71.4%
Montgomery	20	17	17	19	19	19	18	15	15	16	16	16	16	4	25.0%	2	11.1%
Bexar	36	35	34	35	34	34	32	32	32	32	32	32	31	5	16.1%	4	12.5%
Cameron	97	97	95	95	95	94	91	91	89	89	89	88	88	9	10.2%	6	6.6%
Calhoun	5	5	5	5	5	5	5	5	5	5	5	4	5	0	0.0%	0	0.0%
Orange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	41	41	41	35	32	32	28	29	30	30	30	32	32	9	28.1%	13	46.4%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	7	7	7	7	7	7	7	7	7	7	7	7	7	0	0.0%	0	0.0%
Aransas	11	10	10	10	10	10	8	8	8	9	9	9	9	2	22.2%	3	37.5%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	14	14	14	14	13	14	14	14	14	13	14	14	13	1	7.7%	0	0.0%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Denton	3	3	2	2	2	2	2	2	2	2	2	2	2	1	50.0%	1	50.0%
Brazos	12	12	13	13	14	12	11	11	11	11	12	10	10	2	20.0%	1	9.1%
Top 25 Counties	2,988	2,906	2,836	2,771	2,707	2,674	2,651	2,644	2,643	2,641	2,627	2,606	2,590	398	15.4%	337	12.7%
All Other Counties	28	23	20	18	17	18	19	19	19	16	17	17	18	10	55.6%	9	47.4%
Tier 1	553	537	526	508	507	498	497	494	492	493	495	497	493	60	12.2%	56	11.3%
Tier 2	2,217	2,162	2,105	2,068	2,013	1,987	1,970	1,969	1,970	1,963	1,946	1,926	1,918	299	15.6%	247	12.5%
All Other Counties	246	230	225	213	204	207	203	200	200	201	203	200	197	49	24.9%	43	21.2%
Statewide Total	3,016	2,929	2,856	2,789	2,724	2,692	2,670	2,663	2,662	2,657	2,644	2,623	2,608	408	15.6%	346	13.0%

Texas FAIR Plan Association
Policy Growth Report
As of 6/30/24
HO-BT Policies



County	<u>Policies In-Force at Prior 12 Months End</u>													<u>Annual Growth</u>		<u>YTD Growth</u>	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	1,002	1,003	1,007	999	997	997	988	999	1,006	976	974	970	964	38	3.9%	14	1.4%
Fort bend	94	91	86	83	82	76	75	74	71	68	64	72	72	22	30.6%	19	25.3%
Galveston	282	278	281	268	269	266	267	274	269	266	263	270	275	7	2.5%	15	5.6%
Dallas	19	18	18	19	18	18	19	21	22	21	20	21	21	(2)	(9.5%)	0	0.0%
Brazoria	42	38	37	37	37	36	36	35	35	35	35	35	42	0	0.0%	6	16.7%
Tarrant	19	19	22	21	20	20	20	21	22	23	25	24	25	(6)	(24.0%)	(1)	(5.0%)
Nueces	27	25	26	24	24	24	24	21	22	21	19	21	23	4	17.4%	3	12.5%
El paso	4	4	3	3	4	4	4	4	4	4	3	3	4	0	0.0%	0	0.0%
Jefferson	36	34	34	34	31	35	33	31	30	31	31	29	33	3	9.1%	3	9.1%
Montgomery	24	24	22	24	24	21	21	19	15	17	19	19	21	3	14.3%	3	14.3%
Bexar	17	16	14	15	14	15	14	14	14	14	13	14	15	2	13.3%	3	21.4%
Cameron	4	3	4	4	5	5	6	6	5	5	3	3	3	1	33.3%	(2)	(33.3%)
Calhoun	9	9	9	9	9	9	9	9	9	9	9	7	8	1	12.5%	0	0.0%
Orange	14	12	10	10	10	11	12	14	16	14	13	11	10	4	40.0%	2	16.7%
Chambers	7	6	6	6	7	7	6	6	7	7	6	6	6	1	16.7%	1	16.7%
Matagorda	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0.0%	0	0.0%
Travis	29	30	28	27	27	24	25	24	24	25	23	22	22	7	31.8%	4	16.0%
Liberty	9	8	6	6	5	3	3	3	3	3	4	4	4	5	125.0%	6	200.0%
Hidalgo	3	3	3	2	1	2	2	2	3	3	3	3	3	0	0.0%	1	50.0%
Aransas	4	4	3	3	3	3	3	4	4	4	4	3	3	1	33.3%	1	33.3%
San patricio	2	2	2	2	2	1	0	0	0	0	0	0	0	2	N/A	2	N/A
Collin	7	8	8	8	8	7	7	7	7	7	8	8	8	(1)	(12.5%)	0	0.0%
Waller	6	6	6	6	9	7	7	7	6	7	7	8	7	(1)	(14.3%)	(1)	(14.3%)
Denton	7	6	4	5	4	3	2	2	2	2	2	4	3	4	133.3%	5	250.0%
Brazos	13	13	13	13	13	13	13	13	13	13	14	14	16	(3)	(18.8%)	0	0.0%
Top 25 Counties	1,681	1,661	1,653	1,629	1,624	1,608	1,597	1,611	1,610	1,576	1,563	1,572	1,589	92	5.8%	84	5.3%
All Other Counties	72	71	69	70	65	68	69	65	65	66	64	61	60	12	20.0%	3	4.3%
Tier 1	415	401	404	389	389	389	387	389	384	381	373	377	396	19	4.8%	28	7.2%
Tier 2	1,130	1,124	1,119	1,107	1,101	1,096	1,087	1,099	1,106	1,071	1,067	1,067	1,060	70	6.6%	43	4.0%
All Other Counties	208	207	199	203	199	191	192	188	185	190	187	189	193	15	7.8%	16	8.3%
Statewide Total	1,753	1,732	1,722	1,699	1,689	1,676	1,666	1,676	1,675	1,642	1,627	1,633	1,649	104	6.3%	87	5.2%

Texas FAIR Plan Association
Exposure Growth Report
As of 6/30/24
All Forms Combined
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	11,684	10,969	10,249	9,677	9,230	8,921	8,645	8,437	8,245	8,074	7,916	7,693	7,392	4,291	58.0%	3,038	35.1%
Fort bend	1,916	1,768	1,630	1,516	1,435	1,377	1,315	1,264	1,210	1,167	1,132	1,073	1,000	916	91.6%	601	45.7%
Galveston	1,987	1,884	1,787	1,713	1,655	1,624	1,589	1,558	1,513	1,474	1,452	1,406	1,378	609	44.2%	398	25.0%
Dallas	824	747	651	566	500	460	423	399	380	362	352	340	337	487	144.3%	401	94.6%
Brazoria	1,125	1,047	970	914	870	835	785	756	727	705	683	656	627	498	79.4%	340	43.3%
Tarrant	658	570	495	427	364	328	310	296	275	260	255	250	243	416	171.4%	348	112.1%
Nueces	402	374	354	330	313	300	291	280	268	261	255	252	249	153	61.5%	111	38.1%
El paso	798	726	647	581	510	485	466	445	430	411	396	379	365	433	118.5%	332	71.3%
Jefferson	770	709	656	615	585	563	544	524	504	473	450	428	405	365	90.3%	226	41.7%
Montgomery	374	333	288	255	238	221	206	197	190	187	172	160	150	225	150.1%	168	81.5%
Bexar	199	177	161	146	136	131	127	123	117	111	104	101	98	101	103.3%	73	57.5%
Cameron	154	141	137	134	129	124	123	121	117	112	109	105	100	53	53.2%	31	24.8%
Calhoun	121	116	115	111	110	109	107	107	107	105	105	102	102	19	18.9%	14	12.7%
Orange	179	154	130	117	108	100	97	93	89	88	85	81	75	104	137.6%	82	84.7%
Chambers	192	184	172	164	155	146	140	134	131	128	123	119	114	77	67.7%	52	36.9%
Matagorda	120	110	104	96	93	91	89	85	82	78	78	74	71	49	68.3%	31	35.1%
Travis	129	109	97	84	78	72	65	60	53	52	49	47	44	85	194.6%	64	99.0%
Liberty	75	70	62	57	53	48	44	42	40	37	35	34	32	43	136.7%	31	72.2%
Hidalgo	39	37	36	32	30	28	28	28	26	25	25	24	23	16	68.7%	11	39.1%
Aransas	57	52	50	49	48	47	46	46	46	44	43	41	41	16	37.6%	11	23.0%
San patricio	85	80	71	65	60	58	56	56	53	52	51	48	45	40	90.5%	29	50.9%
Collin	149	128	105	88	78	65	55	54	47	43	41	38	36	113	313.7%	94	172.2%
Waller	48	40	34	32	30	28	29	28	26	25	23	22	21	26	123.0%	19	64.5%
Denton	225	182	132	107	87	73	59	53	49	48	47	42	38	187	493.8%	166	283.2%
Brazos	21	20	19	18	17	16	14	13	13	13	13	13	13	9	68.0%	7	48.0%
Top 25 Counties	22,331	20,728	19,152	17,893	16,913	16,253	15,654	15,200	14,739	14,333	13,994	13,528	13,000	9,332	71.8%	6,677	42.7%
All Other Counties	1,147	1,026	891	784	708	668	621	582	555	516	495	471	453	694	153.4%	525	84.5%
Tier 1	5,054	4,735	4,451	4,223	4,051	3,930	3,804	3,700	3,580	3,462	3,379	3,261	3,163	1,892	59.8%	1,251	32.9%
Tier 2	14,026	13,114	12,213	11,493	10,939	10,551	10,199	9,933	9,679	9,456	9,256	8,966	8,581	5,446	63.5%	3,827	37.5%
All Other Counties	4,397	3,905	3,379	2,962	2,630	2,440	2,273	2,148	2,034	1,931	1,854	1,772	1,709	2,689	157.4%	2,124	93.5%
Statewide Total	23,478	21,753	20,043	18,678	17,620	16,921	16,276	15,781	15,294	14,849	14,489	13,999	13,452	10,026	74.5%	7,202	44.3%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 6/30/24
HO-A Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	7,613	7,038	6,473	6,030	5,679	5,427	5,217	5,059	4,905	4,782	4,660	4,500	4,272	3,341	78.2%	2,396	45.9%
Fort bend	1,085	958	858	773	719	681	638	605	569	544	520	480	434	651	150.0%	447	70.0%
Galveston	1,815	1,719	1,627	1,561	1,507	1,476	1,446	1,420	1,380	1,343	1,324	1,279	1,252	563	44.9%	369	25.5%
Dallas	649	579	495	424	365	330	297	276	260	241	233	223	221	428	193.9%	352	118.4%
Brazoria	1,017	944	872	821	783	750	703	675	649	630	609	585	559	458	81.8%	314	44.7%
Tarrant	540	464	396	339	282	251	236	223	205	191	185	182	174	366	209.8%	304	128.9%
Nueces	343	315	297	276	261	250	241	232	222	216	210	208	205	138	67.4%	102	42.4%
El paso	760	689	612	549	480	455	438	418	403	385	370	353	340	420	123.3%	323	73.7%
Jefferson	719	661	611	573	543	522	504	485	465	435	415	394	373	347	93.1%	215	42.7%
Montgomery	307	269	228	198	184	171	159	153	146	144	131	119	112	195	174.6%	148	92.8%
Bexar	170	152	138	124	116	110	107	104	98	93	88	85	82	88	107.4%	63	58.8%
Cameron	132	121	117	114	109	105	104	102	98	94	91	87	83	50	60.3%	28	27.0%
Calhoun	115	110	109	105	104	103	102	101	101	100	99	96	96	19	20.3%	14	13.4%
Orange	159	137	114	102	94	85	82	78	74	72	69	67	62	97	157.8%	77	93.9%
Chambers	185	178	165	158	149	141	134	128	126	123	117	114	108	76	70.7%	51	38.0%
Matagorda	116	107	100	92	89	87	85	82	79	75	75	71	68	48	70.4%	31	36.4%
Travis	112	93	82	70	66	61	54	50	43	42	39	37	34	78	228.5%	58	108.4%
Liberty	60	56	50	45	41	37	34	32	31	28	27	26	24	36	153.6%	26	77.5%
Hidalgo	18	17	16	14	13	13	13	13	12	11	11	10	9	9	94.4%	5	37.9%
Aransas	53	48	46	45	45	44	43	43	43	40	39	37	38	15	39.9%	10	23.8%
San patricio	81	76	67	60	56	55	53	52	50	49	48	45	42	39	92.1%	28	53.1%
Collin	129	108	85	69	59	46	36	36	30	25	24	20	19	110	568.2%	92	253.8%
Waller	40	33	27	25	24	22	24	22	21	20	18	16	16	23	141.3%	16	66.0%
Denton	206	166	119	96	76	65	52	47	43	42	41	35	33	174	533.8%	154	296.9%
Brazos	16	15	14	14	13	13	11	10	9	10	10	10	10	7	70.8%	5	44.4%
Top 25 Counties	16,440	15,052	13,719	12,680	11,857	11,301	10,812	10,446	10,062	9,735	9,452	9,081	8,666	7,775	89.7%	5,629	52.1%
All Other Counties	1,014	901	779	679	607	569	523	483	458	426	405	382	364	651	179.0%	492	94.1%
Tier 1	4,614	4,313	4,043	3,836	3,676	3,562	3,442	3,348	3,240	3,132	3,054	2,943	2,852	1,763	61.8%	1,172	34.0%
Tier 2	9,048	8,303	7,599	7,040	6,613	6,304	6,038	5,842	5,646	5,488	5,335	5,128	4,845	4,204	86.8%	3,010	49.8%
All Other Counties	3,792	3,337	2,856	2,482	2,175	2,004	1,854	1,740	1,634	1,540	1,468	1,392	1,333	2,459	184.5%	1,939	104.6%
Statewide Total	17,455	15,953	14,498	13,359	12,463	11,870	11,334	10,929	10,520	10,161	9,857	9,463	9,029	8,425	93.3%	6,120	54.0%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 6/30/24
TDP-1 Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%	
Harris	3,886	3,751	3,602	3,477	3,385	3,331	3,267	3,216	3,178	3,131	3,097	3,038	2,966	920	31.0%	619	18.9%	
Fort bend	822	800	763	734	707	687	668	651	633	615	604	585	558	263	47.2%	153	22.9%	
Galveston	141	135	130	123	119	118	114	109	105	102	101	98	97	44	44.9%	26	23.1%	
Dallas	169	163	152	137	131	125	121	118	116	115	114	112	112	57	50.7%	47	38.9%	
Brazoria	106	101	96	91	85	82	80	79	76	73	72	69	66	40	60.6%	26	31.9%	
Tarrant	116	104	97	87	81	76	73	72	69	68	69	68	68	49	72.1%	43	58.8%	
Nueces	42	41	40	38	37	35	35	33	30	30	29	28	28	14	48.4%	6	17.7%	
El paso	38	37	34	32	31	30	28	26	27	26	26	25	25	13	52.4%	9	33.7%	
Jefferson	47	44	41	39	39	38	37	36	36	35	33	32	30	17	55.7%	10	27.1%	
Montgomery	64	61	57	53	51	47	44	42	42	40	39	38	36	28	79.4%	20	45.1%	
Bexar	26	22	20	19	18	18	17	17	17	16	14	14	14	12	86.0%	9	53.5%	
Cameron	11	10	10	10	9	9	9	9	9	9	9	9	8	2	24.7%	1	14.9%	
Calhoun	5	5	5	5	5	5	5	5	5	4	5	5	5	(0)	(4.6%)	0	1.4%	
Orange	20	17	16	14	14	14	14	14	14	14	15	15	14	13	6	45.9%	5	35.3%
Chambers	7	6	6	5	6	6	6	6	6	5	5	6	6	1	15.6%	1	13.7%	
Matagorda	4	4	4	4	4	4	4	4	3	3	3	3	3	1	24.7%	0	5.0%	
Travis	12	11	11	10	8	8	8	8	7	7	7	6	7	5	79.4%	4	53.6%	
Liberty	15	13	12	11	12	11	10	10	9	8	8	8	8	7	85.3%	5	52.0%	
Hidalgo	20	19	20	17	17	15	14	14	14	14	14	14	13	7	53.3%	6	41.4%	
Aransas	2	2	2	2	2	2	2	2	3	3	2	2	2	(0)	(6.3%)	(0)	(7.1%)	
San patricio	4	4	4	4	4	3	3	3	3	3	3	3	3	1	57.8%	0	13.7%	
Collin	19	18	17	17	17	17	17	16	16	17	16	16	16	3	17.1%	2	12.0%	
Waller	8	7	7	7	6	6	5	5	5	5	5	5	5	3	69.2%	3	62.7%	
Denton	18	16	13	11	10	8	6	7	6	6	6	6	5	13	267.7%	12	185.3%	
Brazos	4	4	3	2	2	2	2	2	2	2	2	2	2	2	82.6%	2	94.7%	
Top 25 Counties	5,602	5,396	5,160	4,949	4,798	4,698	4,592	4,504	4,428	4,352	4,297	4,205	4,095	1,507	36.8%	1,010	22.0%	
All Other Counties	127	119	108	101	97	95	94	94	92	87	86	85	85	42	49.6%	33	34.9%	
Tier 1	371	355	342	324	312	306	300	292	279	270	265	258	251	120	47.7%	71	23.8%	
Tier 2	4,782	4,620	4,429	4,271	4,150	4,074	3,989	3,920	3,862	3,797	3,753	3,672	3,573	1,210	33.9%	793	19.9%	
All Other Counties	576	540	497	455	432	413	397	387	380	371	365	360	356	220	61.7%	179	45.2%	
Statewide Total	5,729	5,515	5,268	5,050	4,894	4,793	4,686	4,598	4,520	4,438	4,383	4,290	4,180	1,549	37.1%	1,043	22.3%	

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 6/30/24
HO-CONB Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	166	162	156	152	147	145	143	142	143	142	140	137	136	30	21.9%	23	16.4%
Fort bend	7	7	7	7	7	7	7	6	6	6	6	6	6	1	13.4%	0	6.3%
Galveston	23	22	22	21	21	21	21	21	20	20	20	20	20	3	14.2%	1	6.3%
Dallas	6	5	5	4	4	4	4	5	4	4	4	4	4	2	42.3%	1	30.0%
Brazoria	1	1	0	0	1	1	1	1	1	1	1	1	1	0	4.3%	0	4.3%
Tarrant	1	1	1	1	1	1	1	1	1	1	1	1	0	1	N/A	0	48.2%
Nueces	17	17	16	15	15	15	15	15	15	15	15	16	16	2	11.6%	3	19.3%
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	0	85.7%	0	85.7%
Jefferson	2	2	2	2	2	1	1	1	1	1	1	1	1	2	234.1%	1	86.3%
Montgomery	2	1	1	1	1	1	1	1	1	1	1	1	1	1	46.8%	0	21.4%
Bexar	2	2	2	2	2	2	2	2	2	2	2	2	2	1	49.5%	0	24.0%
Cameron	11	11	11	10	10	10	10	10	9	9	9	10	9	2	16.6%	1	12.0%
Calhoun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	0.0%
Orange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Matagorda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Travis	4	4	4	3	3	3	2	2	2	2	2	2	2	1	56.8%	1	67.3%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	0.0%
Aransas	1	1	1	1	1	1	1	1	1	1	1	1	1	0	61.1%	1	77.3%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	2	2	2	2	1	2	2	2	1	1	1	1	1	1	138.5%	0	0.0%
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Denton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.0%	0	20.0%
Brazos	1	1	1	1	1	1	1	1	1	1	1	1	1	0	21.1%	0	13.5%
Top 25 Counties	247	239	232	224	218	215	212	210	210	208	207	204	201	46	22.7%	35	16.5%
All Other Counties	3	2	2	2	1	1	2	2	2	1	1	1	2	1	51.4%	1	31.3%
Tier 1	56	54	53	51	50	49	49	48	48	47	47	48	47	8	17.9%	7	14.3%
Tier 2	174	169	163	159	154	152	150	149	150	148	147	144	143	31	21.6%	24	16.0%
All Other Counties	20	18	18	16	15	15	15	15	14	14	14	14	13	7	55.8%	5	30.3%
Statewide Total	249	242	234	226	220	216	214	212	212	209	208	206	203	46	22.9%	36	16.6%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Exposure Growth Report
As of 6/30/24
HO-BT Policies
(000,000 Omitted)



County	Exposure In-Force at Prior 12 Months End (000,000 Omitted)													Annual Growth		YTD Growth	
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	19	19	18	19	19	19	19	19	20	19	19	19	18	0	2.2%	(0)	(1.6%)
Fort bend	3	2	2	2	2	2	2	2	2	2	2	2	2	1	30.1%	1	35.0%
Galveston	9	8	8	8	8	8	8	8	8	8	8	8	8	0	4.3%	0	5.7%
Dallas	1	1	1	1	1	1	1	1	1	1	1	1	1	0	65.4%	0	69.9%
Brazoria	1	1	1	1	1	1	1	1	1	1	1	1	1	0	10.2%	0	8.3%
Tarrant	1	1	1	1	1	1	1	1	1	1	1	1	1	0	52.9%	0	65.0%
Nueces	1	1	1	1	1	1	1	1	1	1	1	1	1	(0)	(7.4%)	0	0.2%
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(32.0%)	(0)	(31.1%)
Jefferson	2	1	1	1	1	2	1	1	1	1	1	1	1	0	17.2%	0	11.3%
Montgomery	2	2	2	2	2	1	1	1	1	1	1	1	1	1	58.9%	0	16.4%
Bexar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79.0%	0	74.9%
Cameron	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(3.0%)	(0)	(13.3%)
Calhoun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11.5%	0	0.0%
Orange	1	1	0	0	0	0	1	1	1	1	0	0	0	0	81.3%	0	15.7%
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(4.8%)	0	8.2%
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	1	96.3%	0	23.3%
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	223.5%	0	266.7%
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0	50.0%
Aransas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.1%	0	8.3%
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(23.1%)	(0)	(20.0%)
Waller	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(13.0%)	(0)	(11.5%)
Denton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	146.2%	0	220.0%
Brazos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12.0%	0	0.0%
Top 25 Counties	42	41	40	40	40	40	39	39	39	38	38	38	38	4	11.6%	3	7.5%
All Other Counties	3	3	3	3	3	3	3	3	3	3	3	3	3	0	18.7%	0	6.8%
Tier 1	14	13	12	12	13	1	5.6%	1	6.1%								
Tier 2	22	22	22	22	22	22	22	22	22	22	22	22	21	2	7.2%	1	3.1%
All Other Counties	9	9	8	9	9	8	8	7	7	7	7	6	7	3	40.2%	2	22.3%
Statewide Total	45	44	43	43	43	42	42	42	42	41	41	40	40	5	12.0%	3	7.5%

Exposure includes Dwelling, Contents, and Loss of Use coverages

Texas FAIR Plan Association
Premium Growth Report
As of 6/30/24
All Forms Combined
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	14,350.9	14,504.3	11,919.2	11,404.5	7,609.6	7,310.6	6,281.2	5,771.0	6,369.1	6,495.5	7,400.4	7,426.7	7,783.1	6,567.8	84.4%	8,069.6	128.5%
Fort bend	2,103.6	1,851.8	1,555.3	1,476.0	946.1	1,010.5	895.8	838.4	801.8	882.4	1,052.6	968.1	918.9	1,184.8	128.9%	1,207.8	134.8%
Galveston	470.5	446.4	374.5	422.4	246.9	227.1	224.4	224.8	256.4	241.9	323.2	252.8	291.4	179.1	61.5%	246.2	109.7%
Dallas	832.8	990.5	913.8	756.5	534.4	448.5	417.1	352.2	329.0	282.4	297.1	216.5	263.5	569.3	216.0%	415.7	99.7%
Brazoria	305.5	302.8	240.1	228.2	168.0	178.2	148.1	148.3	144.7	158.6	165.4	156.4	147.8	157.7	106.7%	157.4	106.3%
Tarrant	890.3	805.4	725.8	686.1	436.3	323.0	293.1	296.6	243.6	204.3	206.1	210.4	203.7	686.6	337.0%	597.2	203.8%
Nueces	179.9	142.3	136.9	137.6	93.2	84.9	85.1	89.1	79.0	91.8	80.7	102.4	89.7	90.2	100.6%	94.7	111.3%
El paso	422.0	416.0	365.9	373.5	197.7	178.9	171.8	141.3	154.8	161.8	180.1	143.8	154.3	267.7	173.4%	250.2	145.6%
Jefferson	280.4	227.5	159.7	168.2	107.1	94.0	89.2	94.8	124.9	130.6	139.1	112.2	133.3	147.2	110.4%	191.2	214.4%
Montgomery	374.6	369.0	309.7	205.9	171.3	164.0	104.4	96.9	113.9	164.5	147.1	126.9	135.2	239.4	177.1%	270.2	258.9%
Bexar	178.3	173.3	138.4	133.5	77.6	92.7	76.4	90.6	80.8	90.5	69.9	84.4	57.9	120.4	208.0%	101.9	133.4%
Cameron	65.5	40.3	35.9	44.4	26.9	25.7	21.5	24.8	31.8	19.8	23.3	24.6	30.2	35.3	117.1%	44.0	204.6%
Calhoun	36.2	32.0	32.4	23.0	22.7	21.6	20.6	13.1	21.3	17.9	28.9	32.0	24.8	11.4	46.0%	15.7	76.3%
Orange	358.3	330.3	232.1	147.9	149.3	85.1	89.2	90.0	72.3	83.6	103.5	129.7	127.6	230.7	180.9%	269.1	301.7%
Chambers	49.3	57.6	44.3	40.0	37.8	22.8	30.8	18.4	20.5	34.7	27.3	31.9	27.8	21.5	77.1%	18.6	60.3%
Matagorda	65.9	36.7	32.8	38.0	17.0	17.9	26.5	26.2	23.5	17.0	24.1	24.1	34.4	31.5	91.5%	39.4	148.6%
Travis	100.9	82.1	77.9	51.0	40.8	62.8	40.0	57.3	19.1	30.0	31.7	28.4	16.0	84.9	529.1%	60.9	152.1%
Liberty	121.9	136.9	104.5	69.5	90.2	69.9	39.3	51.9	72.2	60.8	38.8	55.3	60.7	61.2	100.9%	82.6	209.9%
Hidalgo	40.2	58.2	52.3	42.3	23.4	28.3	12.5	37.8	17.5	13.4	35.6	14.5	21.5	18.7	86.6%	27.7	221.9%
Aransas	18.7	14.0	16.4	8.0	15.0	9.3	4.1	4.5	13.0	12.4	17.5	10.2	7.8	10.9	139.2%	14.6	354.9%
San patricio	25.2	30.0	23.3	25.3	9.6	12.0	10.2	14.4	11.6	11.1	17.3	14.4	13.9	11.3	81.8%	15.0	148.1%
Collin	174.0	181.3	150.6	90.1	168.6	108.5	17.1	79.2	38.5	33.2	31.8	45.1	22.1	151.9	687.0%	156.8	914.7%
Waller	53.5	54.1	32.2	28.8	34.5	27.1	23.0	21.9	16.3	26.4	29.0	17.7	11.3	42.2	375.3%	30.5	133.0%
Denton	276.0	306.0	156.2	151.2	101.3	119.9	62.8	50.1	33.9	34.6	45.7	43.5	14.1	261.9	1862.4%	213.3	339.8%
Brazos	13.1	14.7	18.1	9.2	3.9	10.8	9.3	6.9	3.7	5.7	9.8	2.6	8.2	4.9	59.2%	3.8	40.5%
Top 25 Counties	21,787.7	21,603.4	17,848.2	16,761.1	11,329.3	10,734.2	9,193.5	8,640.6	9,093.1	9,305.0	10,525.9	10,274.4	10,599.3	11,188.5	105.6%	12,594.2	137.0%
All Other Counties	1,330.1	1,424.9	1,192.3	943.2	590.9	652.6	497.0	419.9	549.5	457.1	456.5	444.8	383.5	946.6	246.9%	833.1	167.6%
Tier 1	1,513.8	1,345.8	1,110.1	1,145.2	755.6	699.4	663.9	666.6	740.8	746.7	857.2	765.5	808.5	705.2	87.2%	849.9	128.0%
Tier 2	17,229.2	17,105.8	14,037.8	13,319.1	8,920.1	8,612.3	7,383.1	6,825.8	7,424.3	7,607.7	8,728.4	8,652.2	8,978.9	8,250.2	91.9%	9,846.1	133.4%
All Other Counties	4,374.9	4,576.8	3,892.5	3,240.0	2,244.5	2,075.1	1,643.6	1,568.2	1,477.4	1,407.7	1,396.7	1,301.4	1,195.2	3,179.6	266.0%	2,731.3	166.2%
Statewide Total	23,117.8	23,028.3	19,040.5	17,704.2	11,920.2	11,386.8	9,690.5	9,060.6	9,642.5	9,762.1	10,982.4	10,719.2	10,982.7	12,135.1	110.5%	13,427.3	138.6%

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

Texas FAIR Plan Association
Premium Growth Report
As of 6/30/24
HO-A Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	10,078	10,158	7,961	7,596	4,909	4,507	3,976	3,672	3,757	4,002	4,594	4,739	4,852	5,226	107.7%	6,102	153.5%
Fort bend	1,428	1,141	984	784	493	563	476	465	375	451	573	487	491	937	191.0%	952	200.1%
Galveston	402	386	305	356	194	189	184	187	219	209	275	215	243	159	65.5%	218	118.4%
Dallas	706	839	730	624	431	350	331	275	270	206	201	169	191	515	268.9%	375	113.3%
Brazoria	265	260	208	191	148	157	127	128	123	133	144	129	123	142	115.6%	139	109.3%
Tarrant	745	689	566	580	349	257	231	233	195	163	142	167	154	591	384.1%	514	222.9%
Nueces	148	127	111	115	74	74	68	72	67	76	63	81	68	80	118.6%	79	115.8%
El paso	401	390	336	351	179	160	150	134	144	152	166	134	140	262	187.5%	251	166.8%
Jefferson	245	200	139	150	96	81	80	87	108	105	124	98	116	129	111.4%	165	205.4%
Montgomery	323	313	247	170	127	123	74	67	89	139	116	95	111	212	190.5%	249	337.3%
Bexar	136	149	127	113	68	75	60	81	66	72	57	70	44	92	207.1%	77	128.7%
Cameron	51	32	27	34	21	20	19	17	22	15	21	18	22	29	130.9%	32	164.4%
Calhoun	33	28	31	22	21	18	19	13	19	16	26	29	21	12	57.4%	14	74.9%
Orange	316	300	196	137	132	79	78	76	63	68	78	115	105	211	201.2%	238	306.2%
Chambers	46	53	38	37	35	21	28	14	20	34	25	31	27	19	67.9%	18	63.3%
Matagorda	60	34	29	36	16	17	23	25	22	17	21	20	30	30	101.4%	37	157.4%
Travis	86	75	62	29	35	55	36	47	10	25	24	24	10	76	767.3%	49	136.2%
Liberty	98	90	92	55	67	46	30	40	64	55	26	48	54	44	82.7%	68	223.4%
Hidalgo	14	38	22	19	9	11	(1)	30	9	1	24	5	8	6	68.1%	15	(1504.2%)
Aransas	17	13	15	7	13	9	3	4	11	11	14	8	7	10	145.0%	14	416.6%
San patricio	23	27	23	24	8	11	8	13	9	9	13	12	12	11	97.9%	15	194.8%
Collin	150	164	139	77	107	101	6	70	40	25	26	34	16	133	808.0%	143	2217.7%
Waller	41	49	21	21	21	14	24	21	13	21	27	11	4	37	878.7%	18	74.6%
Denton	254	287	137	136	89	106	52	47	27	31	41	36	12	242	2058.7%	202	387.9%
Brazos	10	13	11	6	2	8	8	6	4	4	5	3	6	4	64.3%	1	17.4%
Top 25 Counties	16,076	15,852	12,558	11,669	7,644	7,050	6,091	5,827	5,743	6,041	6,826	6,778	6,866	9,209	134.1%	9,984	163.9%
All Other Counties	1,160	1,208	1,044	832	508	565	438	340	436	368	383	372	309	850	275.0%	722	165.0%
Tier 1	1,303	1,173	939	983	637	606	566	569	622	633	733	644	674	628	93.2%	737	130.2%
Tier 2	12,156	11,912	9,402	8,743	5,700	5,294	4,609	4,307	4,348	4,632	5,379	5,436	5,564	6,592	118.5%	7,547	163.7%
All Other Counties	3,777	3,976	3,261	2,776	1,814	1,716	1,354	1,290	1,210	1,144	1,098	1,070	937	2,840	303.0%	2,423	179.0%
Statewide Total	17,235	17,060	13,602	12,501	8,151	7,615	6,529	6,167	6,180	6,409	7,210	7,150	7,176	10,060	140.2%	10,706	164.0%

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

Texas FAIR Plan Association
Premium Growth Report
As of 6/30/24
TDP-1 Policies
(000 Omitted)



County	<u>Premium Written During Prior 12 Months (000 Omitted)</u>												<u>Annual Growth</u>		<u>YTD Growth</u>		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	4,104	4,210	3,817	3,659	2,595	2,694	2,208	2,007	2,484	2,380	2,673	2,565	2,815	1,289	45.8%	1,896	85.9%
Fort bend	672	707	565	685	448	442	417	368	417	429	475	476	423	248	58.7%	255	61.1%
Galveston	52	47	53	52	44	33	34	28	27	23	38	28	35	17	48.3%	19	55.3%
Dallas	118	150	173	126	105	93	84	72	56	73	94	46	71	47	65.2%	34	40.3%
Brazoria	39	42	31	36	19	21	21	19	21	25	22	27	24	15	62.8%	18	84.5%
Tarrant	145	116	156	106	87	66	62	64	48	41	61	36	50	95	192.1%	83	133.0%
Nueces	19	9	15	15	13	8	14	14	9	11	9	12	14	5	36.7%	5	32.4%
El paso	21	26	30	23	19	18	21	7	11	10	14	10	15	6	40.9%	(1)	(2.4%)
Jefferson	33	26	19	16	10	12	8	7	16	24	14	13	16	16	97.6%	24	296.8%
Montgomery	50	56	62	35	42	40	26	27	24	24	31	30	24	26	107.0%	23	89.3%
Bexar	35	21	12	19	7	15	14	10	14	18	12	11	8	27	345.8%	21	143.1%
Cameron	9	4	5	8	2	3	2	5	4	1	1	2	3	6	187.4%	7	361.1%
Calhoun	3	4	1	1	1	3	1	1	2	2	1	2	4	(1)	(14.0%)	2	165.8%
Orange	42	30	35	11	17	7	12	14	8	14	25	15	22	20	87.7%	30	260.9%
Chambers	3	4	6	3	3	2	3	4	1	0	2	1	0	3	1010.9%	0	16.4%
Matagorda	6	2	3	2	1	1	3	1	1	0	3	4	5	1	28.5%	3	85.8%
Travis	14	5	11	18	2	5	1	9	7	4	5	3	5	9	175.9%	13	1248.2%
Liberty	23	46	12	14	23	24	9	12	8	6	12	8	7	17	242.5%	14	159.1%
Hidalgo	27	19	29	21	14	17	13	7	9	13	12	9	13	13	97.7%	13	97.8%
Aransas	0	0	1	1	1	(1)	1	(0)	3	1	3	2	0	0	N/A	(1)	-100%
San patricio	2	3	0	1	1	0	2	2	3	2	4	2	2	(0)	(5%)	(0)	-11%
Collin	24	17	11	13	62	7	10	5	(2)	8	5	8	5	19	368%	14	136.8%
Waller	12	5	12	8	12	13	(1)	1	4	6	1	7	7	5	74.1%	13	(1946.9%)
Denton	22	18	18	14	12	13	11	3	7	4	4	7	2	19	909.2%	11	102%
Brazos	2	2	6	4	0	3	0	1	(1)	2	2	(1)	1	1	69.8%	2	418.3%
Top 25 Counties	5,477	5,570	5,084	4,890	3,542	3,540	2,978	2,688	3,180	3,121	3,526	3,324	3,572	1,904	53.3%	2,498	83.9%
All Other Counties	165	210	145	108	81	87	59	79	109	89	72	70	73	92	125.1%	106	179.3%
Tier 1	171	145	137	136	96	80	87	81	97	93	102	94	105	66	62.5%	84	96.3%
Tier 2	4,898	5,050	4,485	4,417	3,108	3,203	2,673	2,421	2,937	2,858	3,211	3,088	3,293	1,606	48.8%	2,225	83.2%
All Other Counties	572	585	607	446	419	344	277	265	255	259	284	211	248	324	131.0%	295	106.7%
Statewide Total	5,641	5,780	5,230	4,999	3,623	3,628	3,037	2,767	3,289	3,210	3,598	3,393	3,646	1,996	54.7%	2,604	85.7%

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

Texas FAIR Plan Association
Premium Growth Report
As of 6/30/24
HO-CONB Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	150	123	126	132	88	99	89	79	112	100	114	107	99	51	51.5%	61	69.1%
Fort bend	3	3	6	6	3	4	2	5	9	1	3	3	4	(1)	(29.1%)	1	23.0%
Galveston	10	9	11	9	6	1	5	6	7	7	6	7	7	2	33.7%	5	92.5%
Dallas	6	2	10	6	(2)	5	2	5	3	3	2	1	0	6	1253.0%	4	231.2%
Brazoria	0	0	1	0	0	0	0	0	0	0	0	0	0	0	7.8%	0	N/A
Tarrant	0	0	3	0	0	0	0	0	0	0	1	7	0	0	N/A	0	N/A
Nueces	13	7	10	7	6	2	2	2	3	4	8	9	8	5	58.6%	11	449.7%
El paso	0	0	1	0	0	1	0	0	0	0	0	0	0	0	N/A	0	N/A
Jefferson	2	1	0	1	1	0	0	0	1	1	0	1	0	1	542.2%	1	288.4%
Montgomery	2	0	1	0	1	1	4	0	1	0	0	1	0	2	N/A	(2)	(54.6%)
Bexar	7	3	0	1	3	2	2	0	0	0	1	2	6	1	21.0%	4	191.7%
Cameron	5	4	3	2	5	3	0	2	6	3	2	5	5	(0)	(1.9%)	5	75516.7%
Calhoun	0	0	0	0	0	0	0	0	0	0	1	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	2	4	3	3	3	2	1	2	1	1	1	1	(0)	(2.2%)	(2)	(70.4%)
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Hidalgo	0	1	1	2	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Aransas	1	1	0	0	1	1	0	1	(0)	0	0	0	0	1	127.4%	1	N/A
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	0	0	0	1	0	0	0	3	0	0	0	2	0	0	N/A	(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	1	1	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Brazos	1	0	1	(0)	1	1	0	0	1	(0)	1	0	1	0	12.5%	1	152.4%
Top 25 Counties	200	157	178	173	115	124	111	105	145	119	143	148	132	68	51.2%	89	80.8%
All Other Counties	4	4	1	2	1	(1)	0	0	4	(1)	(0)	1	0	4	878.0%	4	N/A
Tier 1	30	22	25	20	19	8	8	12	18	15	18	22	21	9	43.0%	22	267.1%
Tier 2	153	127	132	140	91	103	91	84	121	101	118	111	103	50	48.2%	62	67.8%
All Other Counties	20	11	22	14	6	12	11	9	11	2	7	17	8	12	151.4%	9	84.3%
Statewide Total	204	161	180	175	116	123	111	105	149	118	143	150	133	71	53.7%	93	84.4%

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

Texas FAIR Plan Association
Premium Growth Report
As of 6/30/24
HO-BT Policies
(000 Omitted)



County	Premium Written During Prior 12 Months (000 Omitted)												Annual Growth		YTD Growth		
	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	Actual	%	Actual	%
Harris	18	14	16	17	17	10	8	13	17	13	18	15	17	1	8.3%	10	118.6%
Fort bend	1	1	1	2	2	2	1	1	1	2	1	1	1	1	58.8%	1	61.6%
Galveston	7	5	5	5	3	3	2	3	3	3	4	3	6	1	10.4%	5	294.5%
Dallas	2	0	0	1	0	0	0	0	0	0	1	0	0	2	821.3%	2	95361.8%
Brazoria	0	1	1	1	0	0	0	0	1	1	0	0	0	0	184.6%	0	398.0%
Tarrant	1	0	1	0	0	0	0	0	0	0	2	0	0	0	112.8%	0	112.8%
Nueces	1	(0)	1	0	0	0	0	0	0	0	0	1	0	0	84.6%	0	108.0%
El paso	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	(0)	(100.0%)
Jefferson	1	1	1	1	(0)	1	0	1	0	1	1	1	1	1	104.2%	1	243.0%
Montgomery	0	0	0	1	2	0	0	2	0	1	0	0	0	0	N/A	(0)	(53.4%)
Bexar	0	1	0	0	0	1	0	0	0	0	0	0	0	0	191.0%	0	191.0%
Cameron	0	(0)	0	(0)	0	0	0	0	0	0	0	(0)	0	0	N/A	0	N/A
Calhoun	0	0	0	0	0	1	0	0	0	0	0	0	0	0	10.0%	(0)	(14.1%)
Orange	1	0	1	0	0	(0)	(0)	(1)	1	2	0	0	1	0	65.4%	1	(977.1%)
Chambers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150.1%	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	0	0	1	1	0	0	0	0	0	1	0	0	0	17.5%	(0)	(5.1%)
Liberty	1	1	0	1	0	0	0	0	0	0	0	0	0	0	139.2%	1	N/A
Hidalgo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Aransas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.6%	0	N/A
San patricio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	0	N/A
Collin	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(100.0%)	(0)	(100.0%)
Waller	0	0	0	(0)	1	0	0	0	0	0	0	0	0	0	64.1%	0	N/A
Denton	0	0	0	0	0	1	0	0	0	0	(0)	0	0	0	90.3%	0	N/A
Brazos	0	0	0	0	0	0	0	0	0	0	1	0	0	0	N/A	0	N/A
Top 25 Counties	35	24	28	29	29	20	13	21	24	24	31	24	28	7	26.2%	22	166.4%
All Other Counties	2	3	1	1	1	1	0	1	1	1	2	2	1	1	165.3%	1	271.0%
Tier 1	10	6	8	7	4	6	3	5	4	5	5	6	8	2	28.5%	7	280.6%
Tier 2	22	17	18	20	21	12	9	13	19	17	20	17	19	3	15.5%	12	134.0%
All Other Counties	6	5	3	4	5	3	2	4	1	3	7	4	2	3	142.7%	4	190.6%
Statewide Total	37	28	29	30	30	21	14	22	25	25	33	27	29	8	29.4%	23	169.9%

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

5B. Reserve Adequacy



MEMORANDUM

DATE: July 17, 2024

TO: David Durden
General Manager

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

RE: TFPA Reserve Adequacy as of June 30, 2024

TFPA actuarial staff has completed a review of Texas FAIR Plan Association loss and loss adjustment expense reserves as of June 30, 2024.

Based on this review, the indicated ultimate cost of Hurricane Harvey decreased slightly to \$82.2 million. In recognition of uncertainties regarding the outcomes of disputed claims, the selected ultimate gross loss & expense estimate remains at \$82.5 million.

As of June 30, 2024, TFPA carried \$35.9 million in total gross loss and loss adjustment expense reserves with just over \$400,000 of the total gross loss and expense reserves ceded to reinsurance companies rated A- or better by A.M. Best Company. Collectability risk has been reviewed and found to be immaterial relative to total gross reserve.

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

The complete actuarial analysis is available on request.

JM

5C. Rate Filing Update



MEMORANDUM

DATE: July 17, 2024
TO: David Durden, General Manager
FROM: Jim Murphy, Chief Actuary
RE: TFPA 2024 Rate Filing Update

Implementation of approved rates is on schedule for an August 1, 2024 effective date for all new and renewal policies.

TFPA actuarial staff will be updating its annual rate adequacy analysis and will present results to the Governing Committee at its December meeting. In addition to the standard analysis, staff will be preparing additional information requested by Governing Committee members, including:

- Rate indications capped at various levels, including uncapped;
- Retention information for TFPA policies;
- Scenarios modeling premium increases associated various rate increases; and
- Rate increases required to establish target surplus levels.

Staff is happy to provide any additional information the Governing Committee feels would be helpful in discussing rate adequacy at the December meeting.

JM

5D. TFPA Assessment Discussion



MEMORANDUM

DATE: July 19, 2024
TO: David Durden, General Manager
FROM: Jim Murphy, Chief Actuary
RE: TFPA Assessments

As of June 30, 2024, the Texas FAIR Plan Association has reported a reduction in surplus of \$40.0 million. The primary driver of the reduction is a net loss of \$40.4 million, in turn driven by \$62.8 million in direct losses and loss adjustment expenses.

The reduction in surplus combined with a starting surplus deficit of \$17.7 million and the still-developing losses associated with Hurricane Beryl make a compelling argument for one or more assessments of TFPA member companies, as detailed in Texas Insurance Code Section 2211.104 and Texas Administrative Code Rule §5.9923, which are both attached for reference.

JM

DATE: July 30, 2024
 TO: David Durden, General Manager
 FROM: Stuart Harbour, CFO
 RE: Texas FAIR Plan Assessment

As of June 30, 2024, the Texas Fair Plan Association (“TFPA”) reported a deficit of \$57.7 million primarily due to losses associated with higher than anticipated severe convective storms during the 2023 and 2024 spring storm seasons. In addition, Hurricane Beryl made landfall in early July 2024 with losses and LAE expected to exceed the \$40 million retention that exists in our current reinsurance agreements. A reconciliation of the change in the FAIR Plan surplus/(deficit) is provided below:

Rollforward of Surplus/ (Deficit) Account
As of June 30, 2024 (Pre Beryl)
 (\$'s in 000's)

Surplus (Deficit) Account:	
Beginning Surplus (Deficit) - January 1, 2023	\$ 1,183
Net Income (Loss) - Calendar year 2023	(19,028)
Change in Provision for Reinsurance	1,000
Change in nonadmitted Assets	(809)
Other	-
Ending Surplus (Deficit) - December 31, 2023	<u>\$ (17,655)</u>
Beginning Surplus (Deficit) - January 1, 2024	\$ (17,655)
Net Income (Loss) - January through June 2024	(40,417)
Change in Provision for Reinsurance	-
Change in nonadmitted Assets	375
Other	-
Ending Surplus (Deficit) - June 30, 2024	<u>\$ (57,697)</u>

While it is still early to estimate the ultimate gross losses and loss expenses from Hurricane Beryl, TFPA anticipates paying out the entire \$40 million retention and receiving reimbursements from its reinsurers for the amount of losses and prescribed loss adjustment expenses in excess of its \$40 million net retention.

FAIR Plan's enabling statute and plan of operations provide the association with the authority to assess member insurers to eliminate deficits at the Commissioner's direction. When an assessment is directed by the Commissioner, Staff send letters to Association member insurers indicating their share of the assessment which is based on percentages of participation calculated by Staff. Member insurers have 30 days from the date of the notice of the assessment to pay their portion of the assessment. The governing laws and rules permit member insurers to recoup the amount of the assessment by adding a premium surcharge to property insurance policies issued in Texas. The surcharge must be a uniform percentage of the premium and must be recouped over a three-year period beginning on the 90th day after the date of the assessment.

In light of the financial impact of the existing December 31, 2023, deficit and the losses that will be incurred from Hurricane Beryl, Association staff recommends that the Governing Committee consider seeking a member assessment at this time for the \$17,655,182 deficit that existed as of December 31, 2023 using the 2023 final participation percentages. Collection of the assessment for the 2023 deficit along with other cash balances is expected to allow TFPA to pay claims for the remainder of 2024 unless our policyholders are faced with another catastrophic event.

Once the ultimate losses for Hurricane Beryl can be more accurately estimated and the final deficit for 2024 is determined, an additional assessment for the ending 2024 deficit will be needed to return FAIR Plan to a positive financial position for the future.

In addition to its cash and invested assets, TFPA has maintained a committed line of credit of \$30 million with JP Morgan Chase for several years to provide for the payment of net losses and loss adjustment expenses from catastrophic events. This facility is available if cash resources are depleted more rapidly than expected and as provided in the credit agreement, the proceeds of any TFPA assessments will be used to repay any borrowings thereunder.

I have included a resolution for the Governing Committee's consideration should they agree to request an assessment:

Whereas, The Governing Committee of the Texas Fair Plan Association is authorized by the provisions of Chapter 2211 of the Texas Insurance Code and the Association's plan of operation to make assessments against its participating insurers, at the direction of the Commissioner of Insurance, as required to meet the Association's expenses and liabilities, to

provide necessary operating funds, and to eliminate deficits incurred in the operation of the Association.

Resolved, based on the reports and recommendations of Association staff, the Governing Committee hereby authorizes and instructs Association staff to seek the direction of the Commissioner to assess the participating member companies in accordance with their respective participation percentages to eliminate the deficit existing as of December 31, 2023 of \$17,655,182.

Please let me know if you have any questions or need additional information.

Stuart

TEXAS INSURANCE CODE
TITLE 10. PROPERTY AND CASUALTY INSURANCE
SUBTITLE G. POOLS, GROUPS, PLANS, AND SELF-INSURANCE
CHAPTER 2211. FAIR PLAN
SUBCHAPTER C. INSURER PARTICIPATION IN FAIR PLAN

Sec. 2211.104. ADDITIONAL ASSESSMENT IN EVENT OF DEFICIT; PREMIUM SURCHARGE AUTHORIZED. (a) If the association incurs a deficit, the association, at the commissioner's direction, shall:

(1) request the issuance of public securities as authorized by Subchapter E; or

(2) assess participating insurers in accordance with this section.

(b) As reimbursement for assessments paid under this section or service fees paid under Section 2211.209, each insurer may charge a premium surcharge on every property insurance policy insuring property in this state that the insurer issues, the effective date of which is within the three-year period beginning on the 90th day after the date of the assessment or the 90th day after the date the service fee under Section 2211.209 is paid, as applicable.

(c) The insurer shall compute the amount of the surcharge under Subsection (b) as a uniform percentage of the premium on each policy described by Subsection (b). The percentage must be equal to one-third of the ratio of the amount of the participating insurer's assessment or service fee payment to the amount of the insurer's direct earned premiums, as reported to the department in the insurer's financial statement for the calendar year preceding the year in which the assessment or service fee payment is made so that, over the three-year period, the aggregate of all surcharges by the insurer under this section is at least equal to the amount of the assessment or service fee payment.

(d) The amount of any assessment paid and surcharged under this section may be carried by the insurer as an admitted asset of the insurer for all purposes, including exhibition in annual statements under Section 862.001, until collected.

(e) The commissioner shall adopt rules and procedures as necessary to implement this section.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.066(a), eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.066(a), eff. September 1, 2007.

Texas Administrative Code

TITLE 28	INSURANCE
PART 1	TEXAS DEPARTMENT OF INSURANCE
CHAPTER 5	PROPERTY AND CASUALTY INSURANCE
SUBCHAPTER T	FAIR PLAN
DIVISION 1	PLAN OF OPERATION
RULE §5.9923	Assessments, Recoupments, Member Insolvency and Withdrawal

(a) Should a deficit occur in the Association, the Association shall assess member insurers to cover such deficit. The Association shall determine annually any deficit or surplus for each calendar year period that the Association is operational or has outstanding liabilities.

(b) In addition to the start-up assessment authority provided by §5.9922(c) of this subchapter (relating to Relationship with Member Insurers), the Governing Committee may at any time levy an interim assessment against member insurers to provide necessary operating funds.

(c) Each member insurer may recoup assessments levied against it under subsections (a), (b) and (d) of this section and §5.9922 of this subchapter by adding a premium surcharge on every property insurance policy issued or renewed for a three year period beginning ninety days after the date of the assessment by the Association. The amount of the surcharge shall be calculated on the basis of a uniform percentage of the premium on such policies equal to one-third of the ratio of the amount of an insurer's assessment to the amount of its direct earned premiums as reported on Statutory Page 14 in its annual financial statement to the department for the calendar year immediately preceding the year in which the assessment is made, such that over the period of three years the aggregate of all such surcharges by an insurer shall be equal to the amount of the assessment of such insurer. The minimum surcharges on a policy may be \$1; all surcharges may be rounded to the nearest dollar (50 cents and higher rounded up to next dollar and 49 cents or less rounded down). A surcharge is not subject to premium tax unless so determined by the Comptroller of Public Accounts.

(d) If any member insurer fails to pay the assessment for its proportionate part of any loss or expense because the member insurer is insolvent, and the Governing Committee determines that the assessment cannot be collected within a reasonable period of time, the unpaid assessment shall be paid by the remaining member insurers, each contributing in the manner provided by Insurance Code Article 21.49A, sec. 3 (e) (2), but without regard to the premium writings of the insolvent member insurer. The insolvent member insurer shall remain liable to the Association for the full amount of the assessment. If the insolvent member insurer later pays any or all of its assessment, the Association shall credit or reimburse the remaining members insurers in the same proportion as used in calculating each member insurer's contribution toward the unpaid assessment.

(e) No refund which would otherwise be paid under the plan of operation shall be paid to a member if it is no longer a member because it withdrew from writing residential property insurance in Texas, or to the liquidator, receiver, conservator, or statutory successor of a member insurer until the assessment of the member insurer has been paid in full. Any refund shall be first applied as a set-off against any assessment or other monies owed to the Association. Any balance remaining after the set-off shall be paid to the member insurer or its liquidator, receiver, conservator, or statutory successor of the member insurer.

(f) If a member ceases writing residential property insurance in Texas, it shall remain liable for any assessments that have already been made, and it shall be liable for any assessment that will be made covering the calendar year in which it had any direct earned premium for residential property insurance in Texas and/or any prior calendar years. Assessments will be based on the last year the company had written premiums. It shall not be liable for any assessments covering the calendar year next following the calendar year that it last had direct earned premium for residential property insurance in Texas.

(g) Each insurer shall remit to the Association payment in full of its assessed amount within 30 days of the receipt of notice of assessment. If an insurer fails to remit its assessed amount after the 40th day the Association shall report the failure to the Commissioner who shall immediately take action to suspend or revoke such insurer's certificate of authority to transact the business of insurance in the State of Texas until such time as the Association certifies to the Commissioner that such assessment has been paid in full. Suspension of an insurer's certificate of authority to transact business in the State of Texas shall not affect the right of the Association to proceed against such insurer in any court for any remedy provided by law or contract to the Association, including, the right to collect such insurer's assessment. In addition to any other remedy, the Governing Committee may offset assessments due from an insurer against any amounts in any account of such delinquent insurer. A member by mailing payment of its allocated amount of assessment, as provided herein, shall not waive any right it may have to contest the computation of its allocated amount of assessment. Such contest shall not, however, toll the time within which assessments shall be paid or the report to be made to the Commissioner or the action to be taken by the Commissioner upon receipt of such report.

5E. 2024 Hurricane Season Funding

MEMORANDUM

DATE: July 17, 2024
TO: David Durden, General Manager
FROM: Jim Murphy, Chief Actuary
RE: TFPA Funding for the 2024 Hurricane Season

TFPA, with the assistance of its broker, Gallagher Re, has successfully secured reinsurance coverage for the 2024 hurricane season as directed by the Governing Committee at its June 20, 2024 meeting, subject to the approved budget of \$73.6 million.

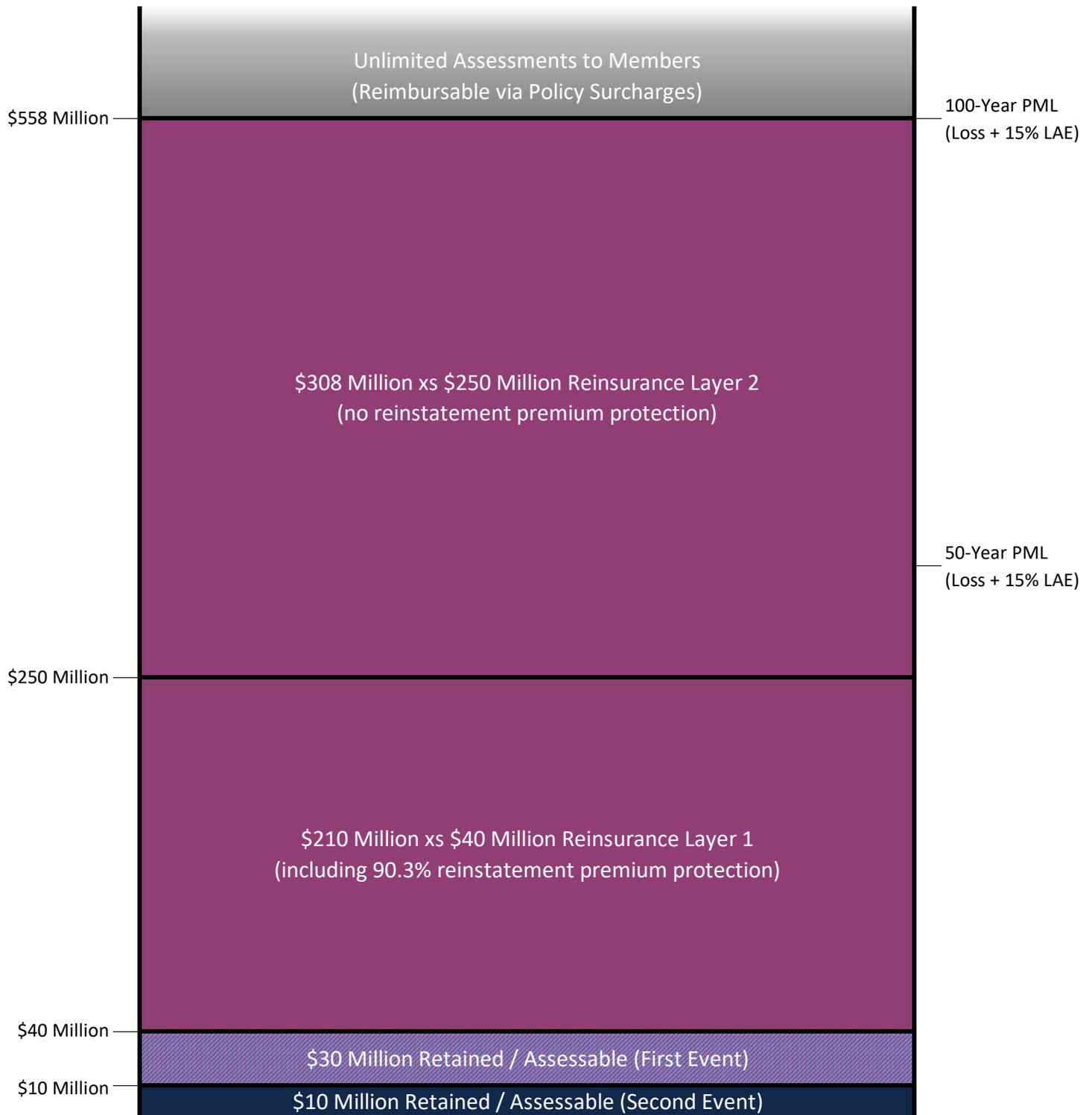
The 2024 reinsurance program became effective July 1, 2024 and provides protection up to \$558 million as follows:

- \$210 million xs \$40 million (including reinstatement premium protection for 90.3% of potential reinstatement costs)
- \$308 million xs \$250 million
- \$30 million of second event coverage, reducing the Association's retention from \$40 million to \$10 million for a second event

Gross deposit premiums for all reinsurance layers total \$73,597,096.

A funding chart showing total funding for the 2023 hurricane season is attached.

JM



Probable Maximum Loss estimates based on TFPA exposures as of 3/31/24, using average of RMS and Verisk near-term per occurrence estimates and include a 15% provision for LAE

6. Internal Audit Status & Update

MEMORANDUM

TO: The Governing Committee – Texas FAIR Plan Association
FROM: Dan Graves, Weaver - Internal Audit
DATE: August 5, 2024
SUBJECT: Status of Internal Audit Activities

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

➤ **Current Activities:**

Activity Description	Status
Legal and Compliance	Complete – issued
Legislative and External Affairs	Complete – issued
Financial Close and Reporting	Complete – issued
Emergency Planning – Catastrophe Plan	Complete – To be presented at the next Committee Training
Customer Experience	Fieldwork in progress
Executive Management, Operational Planning and Reporting	Planning in progress

➤ **Upcoming Audits and Activities:**

Activity Description	Timing
Strategic Communications	September 2024
Cash Management	October 2024
Risk Assessment Update	October 2024

➤ **ELT meetings:**

- Attended Executive Leadership Team and Operations meetings.

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

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

Key	
✓	Complete
x	Planned

7. Underwriting Operational Review Update

MEMORANDUM

DATE: July 17, 2024

TO: David Durden, General Manager

FROM: Michael Ledwik, Vice President, Underwriting

RE: Update on Underwriting Operational Results

Second Quarter 2024 Results

TFPA Underwriting Metrics	Monthly Summary			Quarterly Summary				YTD		
	Apr-24	May-24	Jun-24	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	2024 Goal	▲
Transaction Issuance	99.77%	99.56%	99.02%	99.67%	99.45%			99.56%	90%	9.56
Internal Underwriting QA	98.46%	97.79%	98.35%	97.84%	98.20%			98.02%	95%	3.02
Phone Service Level	88.40%	78.45%	76.93%	91.25%	81.26%			86.26%	80%	6.26

I. Overview:

- 99.45% 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
- 81.26% of calls were answered under 20 seconds

II. Agency Compliance Audits:

- There is no data to present/report currently. For the 2nd quarter audit, one of the larger TFPA agencies has been selected for audit with an expanded audit of data related to 200 policies. The audit is in progress and once the findings are compiled, the Association will provide an update.

8. Claims

8A. Claims Operations

TFPA Claims Operations 2024

TFPA Claims - 2024 Results (year-to-date)					
Key Cycle Times (In days)	Industry Average, TX	TFPA	TFPA Plan	Variance to Plan	% Variance to Plan
FNOL to Inspect Property	5.8	3.1	<3	0.1	3%
Inspect Property to Receipt by TFPA	3.5	2.0	<8	-6.0	-75%
Total Cycle Time FNOL to Payment - Daily	N/A	9.7	<12	-2.3	-14%
Total Cycle Time FNOL to Payment - Cat	N/A	11.0	<12	-1.0	-6%
TDI Complaint Ratio					
2023	0.13% - 6 complaints from 4,694 new claims				
2024	0.06% - 3 complaints from 4,731 new claims				

Year	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Actual Volume	479	454	530	313	288	289	295	264	224	464	318	435	534	2,049	931
Actuarial Projected	604	604	281	276	392	510	294	175	175	349	212	212	706	707	330
Staffing Plan	288	288	288	288	288	288	288	288	288	340	340	340	340	340	340
Open Inventory	1,030	992	1,065	994	935	925	887	843	772	892	820	996	1,019	2,176	1,698

Historical TFPA Claim Volume	
Year	Claims
2005	5,581
2006	3,067
2007	4,039
2008	27,777
2009	3,640
2010	3,200
2011	4,200
2012	5,886
2013	5,974
2014	5,498
2015	9,387
2016	11,509
2017	24,096
2018	5,720
2019	6,950
2020	2,931
2021	9,471
2022	3,322
2023	4,694
2024	4,731

TFPA - Claim Severity by Accident Year and Peril

Reported Claims by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ	Claims	% Δ
2020	114	-	95	-	111	-	627	-	3,621	-	4,995	-
2021	133	16.7%	70	-26.3%	81	-27.0%	4,047	545.5%	3,208	-11.4%	9,190	84.0%
2022	97	-27.1%	69	-1.4%	62	-23.5%	715	-82.3%	1,932	-39.8%	3,176	-65.4%
2023	83	-14.4%	59	-14.5%	54	-12.9%	574	-19.7%	3,544	83.4%	4,615	45.3%
2024	50	-	32	-	21	-	332	-	3,731	-	4,340	-

Paid Amounts by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ	Incurred	% Δ
2020	\$5,815,627	-	\$935,398	-	\$206,387	-	\$477,463	-	\$15,402,027	-	\$25,785,975	-
2021	\$8,567,270	47.3%	\$466,857	-50.1%	\$132,881	-35.6%	\$3,729,770	681.2%	\$12,036,172	-21.9%	\$26,236,561	1.7%
2022	\$7,027,199	-18.0%	\$604,401	29.5%	\$188,149	41.6%	\$695,647	-81.3%	\$10,562,093	-12.2%	\$19,474,879	-25.8%
2023	\$7,223,846	2.8%	\$708,209	17.2%	\$44,080	-76.6%	\$643,469	-7.5%	\$27,067,394	156.3%	\$36,293,302	86.4%
2024	\$3,688,215	-	\$19,376	-	\$26,885	-	\$232,530	-	\$27,621,161	-	\$32,450,529	-

Paid Claim Severity by Peril

Year	Fire		Liability		Theft		Water		Wind / Hail		All Perils	
	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ	Severity	% Δ
2020	\$51,014	-	\$9,846	-	\$1,859	-	\$762	-	\$4,254	-	\$5,162	-
2021	\$64,416	26.3%	\$6,669	-32.3%	\$1,641	-11.8%	\$922	21.0%	\$3,752	-11.8%	\$2,855	-44.7%
2022	\$72,445	12.5%	\$8,759	31.3%	\$3,035	85.0%	\$973	5.6%	\$5,467	45.7%	\$6,132	114.8%
2023	\$87,034	20.1%	\$12,004	37.0%	\$816	-73.1%	\$1,121	15.2%	\$7,638	39.7%	\$7,864	28.3%
2024	\$73,764	-	\$606	-	\$1,280	-	\$700	-	\$7,403	-	\$7,477	-

*Paid amounts exclude loss adjustment expenses and IBNR reserves

TFPA - Large Loss Based On Paid Indemnity



Date	Total	\$50-\$99	\$100-\$149	\$150-\$199	\$200-\$249	\$250-\$299	>=\$300
2023 (complete year)	92	52	16	10	2	2	10
Liability	2	1	1	0	0	0	0
2024 (year-to-date)	158	120	20	7	5	1	5
Liability	0	0	0	0	0	0	0
Variance	64	67	3	-3	3	-1	-5

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

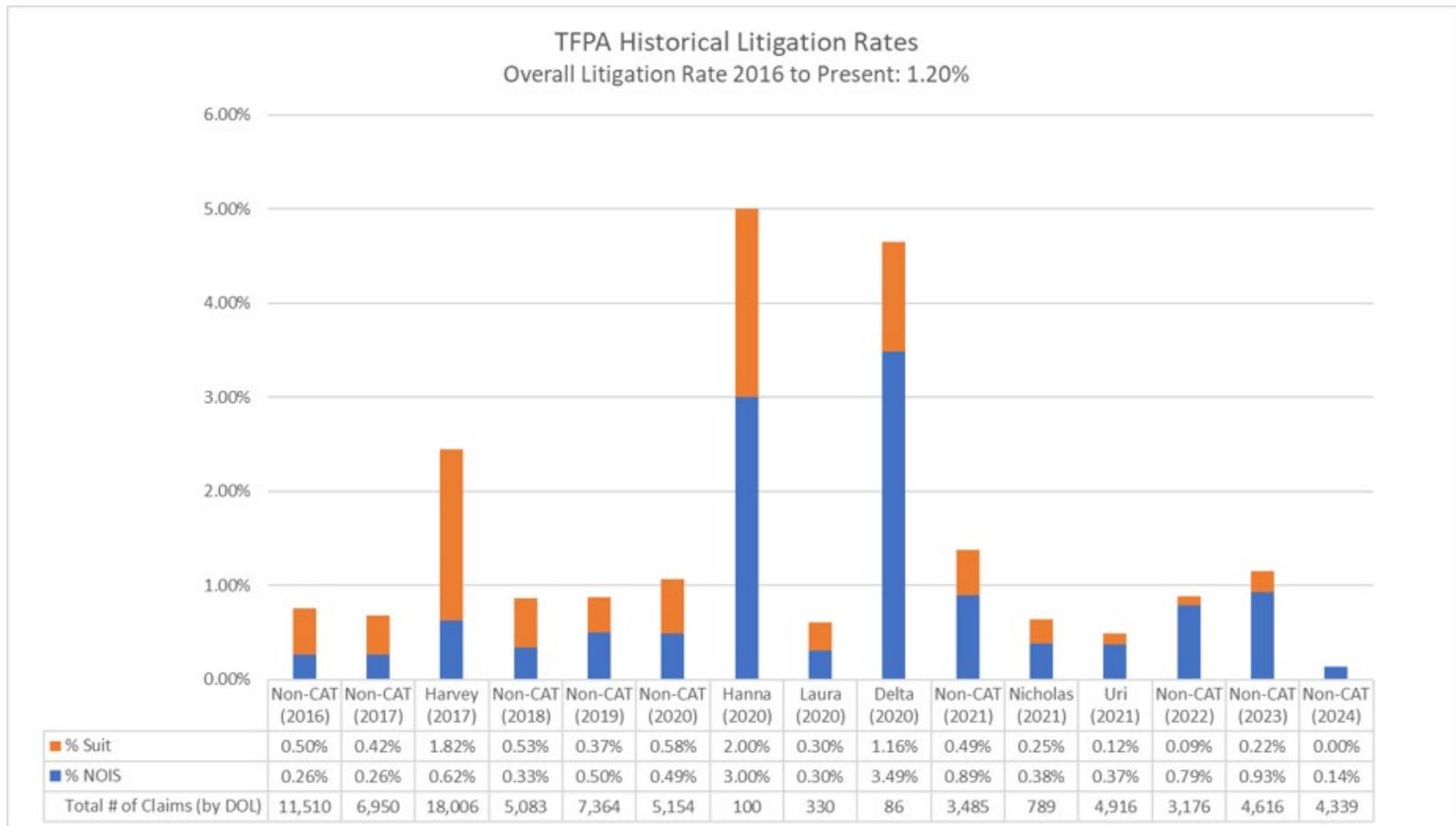
TFPA - 2024 Disputed Claims					
Dispute Frequency			Type of Dispute		
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Notice of Intent	Suits
1,217	10	0.82%	7	7	0

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

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

8B. Claims Litigation

TFPA Litigation Summary



*NOIS: Notice of Intent to Sue



TFPA Litigation Tracking Activity

Litigation Quarter Summary Second Quarter 2024

2 nd Quarter 2024	Summary of TFPA Claims in Suit					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
April	1	0	0	0	4	0
May	2	0	0	0	2	0
June	0	1	0	0	2	2
	3	1	0	0	8	2

2 nd Quarter 2024	Summary of TFPA Claims with LORs					
	New		Settled		Closed	
	1st Party	3rd Party	1st Party	3rd Party	1st Party	3rd Party
April	3	2	0	0	10	2
May	10	6	0	0	4	3
June	6	2	0	0	4	5
	19	10	0	0	18	10



TFPA Claims Litigation June 2024

Jun-24	TFPA Claims in Suit						
		Beginning Inventory	New	Closed	Ending Inventory		
					1st Party	3rd Party	TOTAL
	Wind/Hail	29	0	(2)	27	0	27
	Other Perils	6	0	0	6	0	6
	Bodily Injury	4	1	(2)	0	3	3
	Property Damage	0	0	0	0	0	0
	TOTAL	39	1	(4)	33	3	36

Jun-24	TFPA Claims with LORs							
		Beginning Inventory	New	Closed	Converted to Suit	Ending Inventory		
						1st Party	3rd Party	TOTAL
	Wind/Hail	56	5	(3)	0	58	0	58
	Other Perils	6	1	(1)	0	6	0	6
	Bodily Injury	7	2	(5)	0	0	4	4
	Property Damage	0	0	0	0	0	0	0
	TOTAL	69	8	(9)	0	64	4	68

Jun-24	TFPA Claims with Suits/LORs: Detail of Ending Inventory				
	Suits		LORs		Total
	1st	3rd	1st	3rd	
	33	3	64	4	104



Jun-24	TFPA Active Claims with Suits/LORs: County of Loss Location			
	County	1st Party	3rd Party	Total
	Atascosa	1	0	1
	Bexar	0	1	1
	Brazoria	1	0	1
	Dallas	1	0	1
	El Paso	6	0	6
	Ft. Bend	4	0	4
	Harris	77	3	80
	Hidalgo	4	1	5
	Johnson	0	1	1
	Montgomery	1	0	1
	Nueces	0	1	1
	San Jacinto	1	0	1
	Tarrant	0	1	1
TOTAL	96	8	104	

9. TFPA Operations

9A. IT Systems Update



MEMORANDUM

DATE: July 17, 2024
TO: David Durden, General Manager
FROM: Camron Malik, CIO / VP IT
RE: TFPA Information Technology status

The Cloud program is moving forward and is currently in “Green” status. The program comprises projects implementing Policy, Billing, Claims, Portals, Integration, Enterprise Data Warehouse and Infrastructure. All of which are doing well. The System Integrator and TWIA continue to work well together and the project teams are focused on achieving the goals of the program.

The chatbot project for Claims deployed the chat (web based) and SMS (text) bots. The voice bot will be deployed in the next few weeks, once associated support work in ClaimCenter is completed.

The IT budget is controlled and currently \$394K below projections.

Overall, systems are functioning well with monthly releases on schedule and the Infrastructure and Operations team continues to support the organization meeting quality goals.

9B. Communications and Legislative Affairs Update

MEMORANDUM

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

Legislative & Regulatory Affairs

a) Legislative Implementation:

Below is the status of House Bill 998, the TFPA legislation passed in the 88th Regular Session of the Texas Legislature:

- The Texas Department of Insurance (TDI) has proposed new and amended sections to TFPA's Plan of Operation (Texas Administrative Code) to implement this law. These changes include the process by which the Commissioner will designate areas in which the property owners' association coverage required by the law will be offered.
- Written public comments on the proposal must be received by July 29. TDI held a public hearing on the proposal on July 16, which Association staff attended.
- The Association continues to work with the third-party vendor selected to manage these policies on behalf of TFPA. Staff is developing processes for handling claims for these policies internally.

d) Stakeholder Inquiries: From April 1 through June 30, 2024, we received and responded to three standing legislative inquiries on TFPA litigation and an agency inquiry seeking information about the application process for the TFPA Governing Committee.

e) Operational Updates: We continue to provide regular email updates to the Governing Committee, the Texas Department of Insurance (TDI), legislative staff, and coastal elected officials and stakeholders about Association operational activities.

12. Future Meetings

December 9, 2024 – Omni Hotel

Corpus Christi, TX

February 24, 2025 – Moody Gardens Hotel

Galveston, TX