

**QUARTERLY STATEMENT**

**OF THE**

**Texas FAIR Plan Association**

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**of** **Austin**

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**in the state of** **Texas**

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**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**Texas**

**FOR THE QUARTER ENDED**

**March 31, 2022**

**PROPERTY AND CASUALTY**

**2022**



11543202220100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2022
OF THE CONDITION AND AFFAIRS OF THE

Texas FAIR Plan Association

NAIC Group Code 4766, NAIC Company Code 11543, Employer's ID Number 43-1982873, Organized under the Laws of Texas, State of Domicile or Port of Entry TX, Main Administrative Office 5700 S. Mopac, Bldg A, Austin, TX US 78749, Mail Address PO Box 99080, Primary Location of Books and Records 5700 S. Mopac, Bldg A, Internet Website Address https://www.texasfairplan.org, Statutory Statement Contact Allen David Fulkerson

OFFICERS

Mark Solomon

Table with 2 columns: Name, Title. Officers listed include John William Polak (General Manager), Wendy Mueller (Vice Chairman), David Nardecchia (Secretary/Treasurer), and Stuart Keith Harbour (Chief Financial Officer).

Vice Presidents of TFFA

Table with 4 columns: Name, Title, Name, Title. Lists various Vice Presidents such as David Patrick Durden (VP Legal), Camron Malik (VP IT), Jennifer Taylor Armstrong (VP Communications & Legislative Affairs), and David Scott Williams (VP Claims).

TFFA Governing Committee

Table with 4 columns: Name, Title, Name, Title. Lists members of the governing committee including Wendy Mueller, Debbie King, John Milette, Georgia Rutherford Neblett, Timothy Lawrence McCarthy, Corise Morrison, Edward James Sherlock, Frank Baumann, Jr, and Mark Solomon, David Nardecchia, Walter Riggs.

State of Texas

County of Travis

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated...

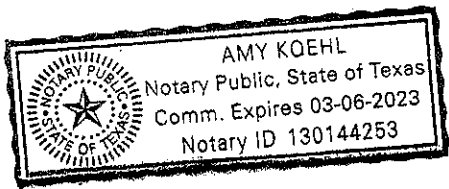
Signature of John William Polak, General Manager

Signature of Stuart Keith Harbour, Chief Financial Officer

Subscribed and sworn to before me this 1st day of May, 2022

Signature of Amy Koehl

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



## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 33,286,026), cash equivalents (\$ 15,351,587), and short-term investments (\$ 0)	48,637,613		48,637,613	49,113,960
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	48,637,613		48,637,613	49,113,960
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,158		1,158	78
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,514,397	73,211	1,441,186	1,353,801
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	4,875,256		4,875,256	4,914,793
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,593,414		1,593,414	1,715,758
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	945,161	945,161		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	57,566,999	1,018,372	56,548,627	57,098,390
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	57,566,999	1,018,372	56,548,627	57,098,390

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	851,184	851,184		
2502. Due from Agents	86,989	86,989		
2503. Surcharge Receivable	6,988	6,988		
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	945,161	945,161		

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 3,726,623)	9,793,851	9,673,791
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	3,105,037	3,258,101
4. Commissions payable, contingent commissions and other similar charges	711,818	535,128
5. Other expenses (excluding taxes, licenses and fees)	1,083,986	1,137,461
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	46,000	181,602
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 6,843,396 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	29,829,393	23,661,595
10. Advance premium	1,984,115	1,352,053
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,911,659	12,859,407
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	9,449	14,508
16. Provision for reinsurance (including \$ 0 certified)	463,000	484,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,478,329	1,158,937
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	858,456	826,634
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	55,275,093	55,143,217
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	55,275,093	55,143,217
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	1,273,534	1,955,173
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	1,273,534	1,955,173
38. Totals (Page 2, Line 28, Col. 3)	56,548,627	57,098,390

DETAILS OF WRITE-IN LINES		
2501. Escheat liability	759,804	761,461
2502. Due to policyholders	98,652	65,173
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	858,456	826,634
2901.		
2902.	<b>NONE</b>	
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.	<b>NONE</b>	
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 17,847,842)	18,523,440	19,469,157	77,565,541
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 0)	6,843,396	7,232,269	28,151,329
1.4 Net (written \$ 17,847,842)	11,680,044	12,236,888	49,414,212
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 6,538,895):			
2.1 Direct	4,987,038	10,633,370	24,613,265
2.2 Assumed			
2.3 Ceded	40,434	(70,360)	(185,718)
2.4 Net	4,946,604	10,703,730	24,798,983
3. Loss adjustment expenses incurred	1,727,807	2,537,048	9,270,758
4. Other underwriting expenses incurred	5,031,809	4,908,011	19,141,982
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	11,706,220	18,148,789	53,211,723
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(26,176)	(5,911,901)	(3,797,511)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	(20,966)	(48,741)	(161,574)
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	(20,966)	(48,741)	(161,574)
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 71,277)	(71,277)	(94,713)	(356,623)
13. Finance and service charges not included in premiums	117,798	18,775	349,551
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	46,521	(75,938)	(7,072)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(621)	(6,036,580)	(3,966,157)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(621)	(6,036,580)	(3,966,157)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(621)	(6,036,580)	(3,966,157)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	1,955,173	6,005,654	6,005,654
22. Net income (from Line 20)	(621)	(6,036,580)	(3,966,157)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(702,018)	(675,433)	66,676
28. Change in provision for reinsurance	21,000	70,000	(151,000)
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(681,639)	(6,642,013)	(4,050,481)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,273,534	(636,359)	1,955,173

DETAILS OF WRITE-IN LINES			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 05 from overflow page	<b>NONE</b>		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page	<b>NONE</b>		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page	<b>NONE</b>		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	11,503,859	12,105,947	47,610,765
2. Net investment income	(22,546)	(49,311)	(179,401)
3. Miscellaneous income	46,521	(76,301)	(7,433)
4. Total (Lines 1 to 3)	11,527,834	11,980,335	47,423,931
5. Benefit and loss related payments	4,704,201	10,389,514	27,056,186
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	7,356,131	7,916,851	28,976,492
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	12,060,332	18,306,365	56,032,678
11. Net cash from operations (Line 4 minus Line 10)	(532,498)	(6,326,030)	(8,608,747)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	56,150	16,734	5,539
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	56,150	16,734	5,539
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(476,348)	(6,309,296)	(8,603,208)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	49,113,961	57,717,169	57,717,169
19.2 End of period (Line 18 plus Line 19.1)	48,637,613	51,407,873	49,113,961

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Texas FAIR Plan Association (The "Association") have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance ("TDI"). TDI prescribed statutory accounting practices include state laws, regulations and general administrative rules applicable to all insurance companies domiciled in the State of Texas and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual ("NAIC SAP") subject to any deviations prescribed or permitted by TDI.

Reconciliations of net income and policyholders' surplus between the amounts reported in the accompanying financial statements (TX basis) and NAIC SAP follow:

Net Income	SSAP #	F/S Page	F/S Line #	March 31, 2022	December 31, 2021
1. Company state basis (P 4, Line 20, Columns 1&3)	XXX	XXX	XXX	(\$621)	(\$3,966,157)
2. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
3. State Permitted Practices that is an increase / (decrease) from NAIC SAP				-	-
4. NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	(\$621)	(\$3,966,157)

Surplus	SSAP #	F/S Page	F/S Line #	March 31, 2022	December 31, 2021
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$1,273,534	\$1,955,173
6. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
7. State Permitted Practices that is an increase / (decrease) from NAIC SAP				-	-
8. NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$1,273,534	\$1,955,173

#### B. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

#### C. Accounting Policies

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

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable. Net investment income consists primarily of interest income recognized on an accrual basis and is reduced by investment related expenses.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost, which approximates market value.
- 2-9. Investment and mortgage loan related, Not applicable
10. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, plus an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. The Association has a written capitalization policy. The predefined capitalization policy thresholds have not changed from the prior year.
13. Not applicable as the Association does not write medical insurance with prescription drug coverage.

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## NOTES TO FINANCIAL STATEMENTS

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D. Going Concern

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Association's ability to continue as a going concern.

**Note 2 – Accounting Changes and Correction of Errors**

A. Material Changes in Accounting Principles

Not applicable

B. Correction of Errors

Not applicable

**Note 3 – Business Combinations and Goodwill**

Not applicable

**Note 4 – Discontinued Operations**

Not applicable

**Note 5 – Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed and Structured Securities

None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None

F. Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

G. Reverse Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

H. Repurchase Agreements Transactions Accounted for as a Sale

None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Real Estate

None

K. Low-Income Housing Tax Credits (LIHTC)

None



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## NOTES TO FINANCIAL STATEMENTS

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L. Restricted Assets

1. The Association holds no restricted assets.
2. Detail of Assets Pledged as Collateral not Captured in Other Categories  
None
3. Detail of Other Restricted Assets  
None
4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements  
None

M. Working Capital Finance Investments

None

N. Offsetting and Netting of Assets and Liabilities

None

O. 5GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

None

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

Not applicable

**Note 7 – Investment Income**

A. Accrued Investment Income

No change

B. Amounts Nonadmitted

Not applicable

**Note 8 – Derivative Instruments**

Not applicable

**Note 9 – Income Taxes**

No change

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

A. Nature of Relationships

No change

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

None

C. Transactions with related parties who are not reported on Schedule Y

None

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## NOTES TO FINANCIAL STATEMENTS

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- D. Amounts Due to or from Related Parties  
No change
- E. Management, Service Contracts, Cost Sharing Arrangements  
No change
- F. Guarantees or Undertakings for Related Parties  
None
- G. Nature of Relationships that Could Affect Operations  
None
- H. Amount Deducted for Investment in Upstream Company  
Not applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets  
Not applicable
- J. Write-downs for Impairment of Investments in Affiliates  
Not applicable
- K. Foreign Insurance Subsidiary Valued Using CARVM  
Not applicable
- L. Downstream Holding Company Valued Using Look-Through Method  
Not applicable
- M. All SCA Investments  
Not applicable
- N. Investment in Insurance SCAs  
Not applicable
- O. SCA or SSAP No. 48 Entity Loss Tracking  
Not applicable

### **Note 11 – Debt**

- A. Debt  
No change
- B. FHLB (Federal Home Loan Bank) Agreements  
Not applicable

### **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan  
Not Applicable
- B. Description of Investment Policies  
Not Applicable

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## NOTES TO FINANCIAL STATEMENTS

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- C. Fair Value Measurements of Plan Assets at Reporting Date  
Not Applicable
- D. Rate of Return Assumptions  
Not Applicable
- E. Defined Contribution Plans  
Not Applicable
- F. Multiemployer Plans  
Not applicable
- G. Consolidated/Holding Company Plans  
Not applicable
- H. Postemployment Benefits and Compensated Absences  
No change
- I. Impact of Medicare Modernization Act on Postretirement Benefits  
Not applicable

### **Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No change

### **Note 14 – Liabilities, Contingencies and Assessments**

- A. Contingent Commitments  
No change
- B. Assessments  
No change
- C. Gain Contingencies  
Not applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits  
No change
- E. Product Warranties  
Not applicable
- F. Joint and Several Liabilities  
Not applicable
- G. Other Contingencies  
No change

### **Note 15 – Leases**

- A. Lessee Leasing Arrangements  
Not applicable
- B. Lessor Leasing Arrangements  
Not applicable

## NOTES TO FINANCIAL STATEMENTS

### Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk

Not applicable

### Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

### Note 18 – Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

Not applicable

### Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

### Note 20 – Fair Value Measurements

#### A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

Not applicable

#### B. Other Fair Value Disclosures

Not applicable

#### C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1- Quoted Prices in Active Markets for Identical Assets and Liabilities.

Level 2 - Significant Other Observable Inputs: This category is for items measured at fair value on a recurring basis often determined by independent pricing services using observable inputs. The Association has no assets or liabilities measured at fair value in this category.

Level 3 - Significant Unobservable Inputs: The Association has no assets or liabilities measured at fair value in this category.

Cash, cash equivalents and short-term investments are the only financial instruments held by the Association and the carrying value and fair value are the same.

<u>Type or Class of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Not Practicable (Carrying Value)</u>
Cash, cash equivalents and short-term investments	\$ 33,286,026	\$ 33,286,026	\$ 33,286,026	\$ -	\$ -	\$ -	\$ -
Exempt Money Market Mutual Funds – as Identified by SVO	\$ 15,351,587	\$ 15,351,587	\$ -	\$ -	\$ -	\$ 15,351,587	\$ -
Total Cash, Cash Equivalents and Short-Term Investments	\$ 48,637,613	\$ 48,637,613	\$ 33,286,026	\$ -	\$ -	\$ 15,351,587	\$ -

#### D. Items for which Not Practicable to Estimate Fair Values

Not applicable

#### E. Instruments Measured at Net Asset Value (NAV)

The Association has elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

### Note 21 – Other Items

#### A. Unusual or Infrequent Items

Not applicable

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## NOTES TO FINANCIAL STATEMENTS

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- B. Troubled Debt Restructuring for Debtors  
Not applicable
- C. Other Disclosures  
None
- D. Business Interruption Insurance Recoveries  
Not applicable
- E. State Transferable and Non-transferable Tax Credits  
Not applicable
- F. Subprime Mortgage Related Risk Exposure  
Not applicable
- G. Insurance Linked Securities (ILS) Contracts  
Not applicable
- H. The Amount that Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy  
Not applicable

### **Note 22 – Events Subsequent**

The Association has evaluated subsequent events through May 13, 2022, the date of issuance of these statutory financial statements. There were no events occurring subsequent to the end of the period that merited recognition or disclosure in these statements.

### **Note 23 - Reinsurance**

- A. Unsecured Reinsurance Recoverables  
No changes
- B. Reinsurance Recoverables in Dispute  
No changes
- C. Reinsurance Assumed and Ceded  
No changes
- D. Uncollectible Reinsurance  
None
- E. Commutation of Ceded Reinsurance  
Not applicable
- F. Retroactive Reinsurance  
Not applicable
- G. Reinsurance Accounted for as a Deposit  
Not applicable
- H. Run-off Agreements  
Not applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation  
Not applicable

## NOTES TO FINANCIAL STATEMENTS

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

K. Reinsurance Credit on Contracts Covering Health Business

Not applicable

### **Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not applicable

### **Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses**

A.

Current year changes in estimates of the costs of prior accident year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current calendar year expense and are referred to as favorable development or prior year reserve redundancies. Current calendar year losses and LAE reflected on the Statement of Income of \$6,674,411 are lower by \$1,325,681 due to favorable development of prior year estimates as of March 31, 2022. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. Due to the inherently uncertain process involving loss and loss adjustment expense reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. The Appointed Actuary for the Association has opined that the loss and LAE reserves as of March 31, 2022 make a reasonable provision for Texas FAIR Plan Association.

Rollforward of unpaid losses and loss adjustment expenses	March 31, 2022	December 31, 2021
Balance as of January 1,	17,228,749	\$ 23,019,972
Less: Reinsurance Recoverable	4,296,857	7,562,066
Net Balance at January 1,	12,931,892	15,457,906
Incurred, net of reinsurance, related to:		
Current accident year	8,000,092	36,432,297
Prior accident years	(1,325,681)	(2,362,556)
Net Incurred	6,674,411	34,069,741
Paid, net of reinsurance, related to:		
Current accident year	(3,580,786)	(28,028,879)
Prior accident years	(3,126,629)	(8,566,876)
Net Paid Losses	(6,707,415)	(36,595,755)
Net Balance at end of period,	12,898,888	12,931,892
Plus: Reinsurance Recoverable	3,690,333	4,296,857
Balance at end of period,	\$16,589,221	\$ 17,228,749

B. Significant Changes in Reserving Methodology

Not applicable

### **Note 26 – Intercompany Pooling Arrangements**

Not applicable

### **Note 27 – Structured Settlements**

Not applicable

### **Note 28 – Health Care Receivables**

Not applicable

### **Note 29 – Participating Policies**

Not applicable

### **Note 30 – Premium Deficiency Reserves**

No changes

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## NOTES TO FINANCIAL STATEMENTS

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**Note 31 – High Deductibles**

Not applicable

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not applicable

**Note 33 – Asbestos and Environmental Reserves**

Not applicable

**Note 34 – Subscriber Savings Accounts**

Not applicable

**Note 35 – Multiple Peril Crop Insurance**

Not applicable

**Note 36 – Financial Guaranty Insurance**

A. and B. Not applicable

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

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

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

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

2.2 If yes, date of change: \_\_\_\_\_

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

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

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

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

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [ X ]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2017

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. \_\_\_\_\_ 12/31/2017

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). \_\_\_\_\_ 02/12/2019

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

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

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

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

7.2 If yes, give full information  
 .....  
 .....  
 .....



## GENERAL INTERROGATORIES

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

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

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules, and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code. Yes [ X ] No [ ]

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

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

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

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

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

### FINANCIAL

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

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

### INVESTMENT

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

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

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

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

## GENERAL INTERROGATORIES

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

14.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, Including individuals that have the authority to make investments decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["..that have access to the investment accounts";"..handle securities"]

1 Name of Firm or Individual	2 Affiliation
John Polak	I
Stuart Harbour	I

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [ ] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [ ] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

.....  
 .....  
 .....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [ ] No [X]

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:  
 .....  
 .....  
 .....

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

4.2 If yes, complete the following schedule:

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

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

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

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

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

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

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity Yes [ ] No [X]

**NONE**    **Schedule F**

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date	
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	L	17,847,842	18,607,927	5,066,729	10,080,660	11,491,516	15,729,923
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	X X X		17,847,842	18,607,927	5,066,729	10,080,660	11,491,516	15,729,923

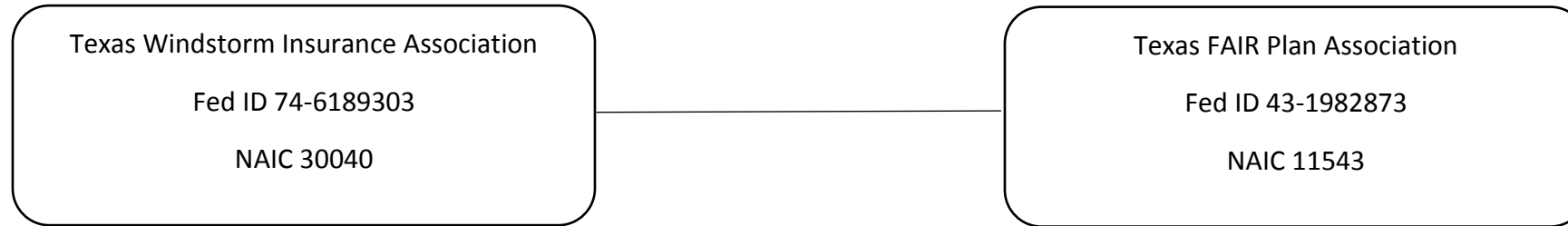
DETAILS OF WRITE-INS							
58001.		X X X					
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

NONE

- (a) Active Status Counts
- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1
  - E - Eligible - Reporting entities eligible or approved to write surplus lines in the state \_\_\_\_\_
  - D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile \_\_\_\_\_
  - R - Registered - Non-domiciled RRGs \_\_\_\_\_
  - Q - Qualified - Qualified or accredited reinsurer \_\_\_\_\_
  - N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI) 56

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART







## PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire	740,416	782,984	105.749	106.593
2.1 Allied lines	6,296,890	985,865	15.656	16.826
2.2 Multiple peril crop				
2.3 Federal flood				
2.4 Private crop				
2.5 Private flood				
3. Farmowners multiple peril				
4. Homeowners multiple peril	11,486,134	3,218,189	28.018	71.320
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13.1 Comprehensive (hospital and medical) individual				
13.2 Comprehensive (hospital and medical) group				
14. Credit accident and health				
15.1 Vision only				
15.2 Dental only				
15.3 Disability income				
15.4 Medicare supplement				
15.5 Medicaid Title XIX				
15.6 Medicaid Title XVIII				
15.7 Long-term care				
15.8 Federal employees health benefits plan				
15.9 Other health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1 Private passenger auto no-fault (personal injury protection)				
19.2 Commercial auto no-fault (personal injury protection)				
19.3 Other private passenger auto liability				
19.4 Other commercial auto liability				
21.1 Private passenger auto physical damage				
21.2 Commercial auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	18,523,440	4,987,038	26.923	54.616

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

## PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	704,532	704,532	783,175
2.1 Allied lines	6,271,378	6,271,378	6,503,322
2.2 Multiple peril crop			
2.3 Federal flood			
2.4 Private crop			
2.5 Private flood			
3. Farmowners multiple peril	10,871,932	10,871,932	11,321,430
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13.1 Comprehensive (hospital and medical) individual			
13.2 Comprehensive (hospital and medical) group			
14. Credit accident and health			
15.1 Vision only			
15.2 Dental only			
15.3 Disability income			
15.4 Medicare supplement			
15.5 Medicaid Title XIX			
15.6 Medicaid Title XVIII			
15.7 Long-term care			
15.8 Federal employees health benefits plan			
15.9 Other health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1 Private passenger auto no-fault (personal injury protection)			
19.2 Commercial auto no-fault (personal injury protection)			
19.3 Other private passenger auto liability			
19.4 Other commercial auto liability			
21.1 Private passenger auto physical damage			
21.2 Commercial auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	17,847,842	17,847,842	18,607,927

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

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2022 Loss and LAE Payments on Claims Reported as of Prior Year-End	2022 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2022 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2019 + prior	1,495	749	2,244	219	7	226	1,078		577	1,655	(198)	(165)	(363)
2. 2020	1,109	1,174	2,283	212	87	299	1,050	22	745	1,817	153	(320)	(167)
3. Subtotals 2020 + prior	2,604	1,923	4,527	431	94	525	2,128	22	1,322	3,472	(45)	(485)	(530)
4. 2021	1,886	6,519	8,405	1,033	1,563	2,596	1,068	273	3,667	5,008	215	(1,016)	(801)
5. Subtotals 2021 + prior	4,490	8,442	12,932	1,464	1,657	3,121	3,196	295	4,989	8,480	170	(1,501)	(1,331)
6. 2022	X X X	X X X	X X X	X X X	3,586	3,586	X X X	1,531	2,888	4,419	X X X	X X X	X X X
7. Totals	4,490	8,442	12,932	1,464	5,243	6,707	3,196	1,826	7,877	12,899	170	(1,501)	(1,331)

8. Prior Year-End Surplus As Regards Policyholders

1,955

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. <u>3.786</u>	2. <u>-17.780</u>	3. <u>-10.292</u>
		Col. 13, Line 7
		Line 8
		4. <u>-68.082</u>

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

### AUGUST FILING

5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	N/A
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**Explanation:**

- Question 1: TFPA does not file this statement  
.....  
.....
- Question 2: TFPA does not provide Medical Liability  
.....  
.....
- Question 3: TFPA does not provide Medicare Coverage  
.....  
.....
- Question 4: TFPA does not provide D&O Coverage  
.....  
.....

**Bar Code:**



**OVERFLOW PAGE FOR WRITE-INS**

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

## SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	15,351,361	17,349,221
2. Cost of cash equivalents acquired	226	
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		1,997,860
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	15,351,587	15,351,361
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	15,351,587	15,351,361

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



**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1  Depository	2  Code	3  Rate of Interest	4  Amount of Interest Received During Current Quarter	5  Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9  *
					6  First Month	7  Second Month	8  Third Month	
Open Depositories								
Bank of America, N.A. Austin, TX	0				6,643,507	6,091,729	4,754,734	
Citibank, N.A. Dallas, TX	0				208,326	208,306	208,286	
Citibank, N.A. - IMMA Dallas, TX	0	0.010	227		9,220,096	9,220,166	9,220,245	
JP Morgan Chase Bank, N.A. San Antonio, TX	0				12,157,969	14,540,431	19,102,761	
0199998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X X X
0199999 Total - Open Depositories	X X X	X X X	227		28,229,898	30,060,632	33,286,026	X X X
Suspended Depositories								
0299998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X X X
0299999 Total Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash on Deposit	X X X	X X X	227		28,229,898	30,060,632	33,286,026	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X				X X X
0599999 Total	X X X	X X X	227		28,229,898	30,060,632	33,286,026	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
4812C2-23-9	JP Morgan US Treasury Plus Money Market Fund - Capital Shares 4110		03/30/2022	0.204	X X X	15,351,587	1,158	227
8209999999 Exempt Money Market Mutual Funds – as Identified by SVO						15,351,587	1,158	227
8609999999 Total Cash Equivalents						15,351,587	1,158	227