

**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA)**  
**TWENTY-FIFTH REPORT**  
**FOR THE PERIOD**  
**JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**  
**AND**  
**MINUTES OF ANNUAL MEETING**  
**AUSTIN, TEXAS**  
**MARCH 22, 2019**

**TAIPA ANNUAL MEETING MINUTES  
MARCH 22, 2019 AT 8:30 AM  
OMNI AUSTIN HOTEL SOUTHPARK**

The Twenty-fifth Annual Meeting of the Members of the Texas Automobile Insurance Plan Association was held at the Austin Omni Hotel Southpark, beginning at 8:30 am, Friday, March 22, 2019.

The meeting was called to order by Governing Committee Chair, David Weber. Mr. Weber asked the Association Manager, Stacy Dutton, if a quorum was present. Stacy Dutton stated that a quorum was present. Mr. Weber requested that the Anti-Trust Statement be read. The Association Manager, Stacy Dutton, read the statement.

Mr. Weber asked the Association Manager to report on the selection of trade association representatives as prescribed in Section 36.B.1 of the TAIPA Plan of Operation. The Association Manager stated that the trade association representatives selected were:

- American Insurance Association (AIA) – The Travelers Insurance Company
- Property & Casualty Insurers Association of America (PCI) – Hochheim Prairie Insurance Company
- Association of Fire & Casualty Companies in Texas (AFACT) – Texas Farm Bureau Casualty Insurance Company

Mr. Weber asked the Association Manager to report on the results of the Non-Affiliated insurers' ballot. Ms. Dutton stated that the Non-Affiliated member elected was Allstate Insurance Company.

In keeping with Section 36.B.3, Mr. Weber announced the four companies that had requested to serve in one of the four at-large positions on the committee. Those companies were:

- Farmers Insurance Company
- Safeco/Liberty Mutual Insurance Company
- State Farm Mutual Insurance Company
- United Services Automobile Association (USAA)

Mr. Weber asked if there were any write-in candidates. Stacy Dutton indicated that there were not any write-in candidates. Mr. Weber stated that since there were only four candidates for four open positions that he would like to call for their election by acclamation. Upon motion made by Thomas Rolling, seconded by Todd Feltman, the slate of candidates was accepted as presented. Mr. Weber declared that the following companies will serve as at-large members on the 2019-2020 Governing Committee for a term of one year:

- Farmers Insurance Company
- Safeco/Liberty Mutual Insurance Company
- State Farm Mutual Insurance Company

- United Services Automobile Association (USAA)

Mr. Weber then asked the association manager to give the Manager's Report. The Association Manager gave her report.

Mr. Weber then gave his Chair's report.

Annual Meeting Attendees:

Company Members:

Bill Brooks, Texas Farm Bureau  
Todd Feltman, State Farm  
Stephen Hylka, Liberty Mutual/Safeco  
David Weber, Hochheim Prairie  
Corise Morrison, USAA  
Thomas Rolling, Farmers  
Matt Schneider, Farmers

Counsel:

Michael Jones, Thompson Coe, Cousins & Irons

TAIPA Staff:

Stacy Dutton, Association Manager  
Mimi Leece

Other Attendees:

Mary Carol Awalt, Public Member  
Pete Hamel, Producer Member  
Leslie Hurley, Public Member  
Adam Payton, Producer Member  
Ramon Montalvo, Producer Member  
John Mooney, TDI  
Kate Thompson, TDI  
Marilyn Rickman, Thompson Coe

The following member companies were represented:

### **Companies Represented by a Company Representative at TAIPA's March 22, 2019 Annual Meeting**

21st Century Advantage Insurance Company  
21st Century Assurance Company  
21st Century Casualty Company

21st Century Centennial Insurance Company  
21st Century Insurance Company  
21st Century Insurance Company Of The Southwest  
21st Century North America Insurance Company  
21st Century Preferred Insurance Company  
21st Century Premier Insurance Company  
America First Insurance Company  
America First Lloyd's Insurance Company  
American Economy Insurance Company  
American Fire And Casualty Company  
American States Insurance Company  
American States Insurance Company Of Texas  
American States Lloyds Insurance Company  
American States Preferred Insurance Company  
Bristol West Specialty Insurance Company  
Catastrophe Reinsurance Company  
Colorado Casualty Insurance Company  
Employers Insurance Company Of Wausau  
Farm Bureau County Mutual Insurance Company Of Texas  
Farmers Insurance Exchange  
Farmers Texas County Mutual Insurance Company  
Fire Insurance Exchange  
First Liberty Insurance Corporation, The  
First National Insurance Company Of America  
Foremost County Mutual Insurance Company  
Foremost Insurance Company Grand Rapids, Michigan  
Foremost Lloyds Of Texas  
Foremost Property And Casualty Insurance Company  
Foremost Signature Insurance Company  
Garrison Property And Casualty Insurance Company  
General Insurance Company Of America  
Hochheim Prairie Casualty Insurance Company  
Ironshore Indemnity Inc.  
Liberty County Mutual Insurance Company  
Liberty Insurance Corporation  
Liberty Insurance Underwriters Inc.  
Liberty Lloyds Of Texas Insurance Company  
Liberty Mutual Fire Insurance Company  
Liberty Mutual Insurance Company  
Lm General Insurance Company  
Lm Insurance Corporation  
LM Property And Casualty Insurance Company  
Mid-Century Insurance Company

Mid-Century Insurance Company Of Texas  
National Insurance Association  
Netherlands Insurance Company, The  
Ohio Casualty Insurance Company, The  
Ohio Security Insurance Company  
Peerless Indemnity Insurance Company  
Peerless Insurance Company  
Safeco Insurance Company Of America  
Safeco Insurance Company Of Illinois  
Safeco Insurance Company Of Indiana  
Safeco Lloyds Insurance Company  
State Farm County Mutual Insurance Company Of Texas  
State Farm Fire And Casualty Company  
State Farm General Insurance Company  
State Farm Lloyds  
State Farm Mutual Automobile Insurance Company  
Texas Farm Bureau Casualty Insurance Company  
Texas Farm Bureau Mutual Insurance Company  
Texas Farm Bureau Underwriters  
Texas Farmers Insurance Company  
Truck Insurance Exchange  
United Services Automobile Association  
Usaa Casualty Insurance Company  
Usaa County Mutual Insurance Company  
Usaa General Indemnity Company  
Wausau Business Insurance Company  
Wausau Underwriters Insurance Company  
West American Insurance Company

**Companies Represented by Proxy at TAIPA's March 22, 2019 Annual Meeting**

Acadia Insurance Company  
Admiral Indemnity Company  
Aegis Security Insurance Company  
Alamance Insurance Company  
All America Insurance Company  
Allied Insurance Company Of America  
Allied Property And Casualty Insurance Company  
Allied World Insurance Company  
Allied World National Assurance Company  
Allied World Specialty Insurance Company  
Allstate County Mutual Insurance Company

Allstate Fire And Casualty Insurance Company  
Allstate Indemnity Company  
Allstate Insurance Company  
Allstate Northbrook Indemnity Company  
Allstate Property And Casualty Insurance Company  
Allstate Texas Lloyd's  
Allstate Vehicle And Property Insurance Company  
Alterra America Insurance Company  
Amco Insurance Company  
American Agri-Business Insurance Company  
American Agricultural Insurance Company  
American Alternative Insurance Corporation  
American Business & Mercantile Insurance Mutual, Inc.  
American Equity Specialty Insurance Company  
American Mining Insurance Company  
American National County Mutual Insurance Company  
American National General Insurance Company  
American National Property And Casualty Company  
American Reliable Insurance Company  
American Sentinel Insurance Company  
Armed Forces Insurance Exchange  
Automobile Insurance Company Of Hartford, Connecticut, The  
Berkley Insurance Company  
Berkley National Insurance Company  
Berkley Regional Insurance Company  
Bitco General Insurance Corporation  
Bitco National Insurance Company  
Carolina Casualty Insurance Company  
Central Mutual Insurance Company  
Charter Oak Fire Insurance Company, The  
Cincinnati Casualty Company, The  
Cincinnati Indemnity Company, The  
Cincinnati Insurance Company, The  
City National Insurance Company  
Clearwater Select Insurance Company  
Clermont Insurance Company  
Colonial County Mutual Insurance Company  
Continental Western Insurance Company  
Crestbrook Insurance Company  
Crum & Forster Indemnity Company  
Depositors Insurance Company  
Diamond State Insurance Company  
Discover Property & Casualty Insurance Company

Economy Fire & Casualty Company  
Economy Preferred Insurance Company  
Economy Premier Assurance Company  
Emc Property & Casualty Company  
Emc Reinsurance Company  
Emcasco Insurance Company  
Employers Mutual Casualty Company  
Encompass Home And Auto Insurance Company  
Encompass Indemnity Company  
Encompass Independent Insurance Company  
Encompass Insurance Company Of America  
Encompass Property And Casualty Company  
Endurance American Insurance Company  
Essentia Insurance Company  
Esurance Insurance Company  
Esurance Insurance Company Of New Jersey  
Esurance Property And Casualty Insurance Company  
Farmington Casualty Company  
Farmland Mutual Insurance Company  
Federated Mutual Insurance Company  
Federated Reserve Insurance Company  
Federated Rural Electric Insurance Exchange  
Federated Service Insurance Company  
Fidelity And Guaranty Insurance Company  
Fidelity And Guaranty Insurance Underwriters, Inc.  
Firemen's Insurance Company Of Washington, D.C.  
First Financial Insurance Company  
Frankenmuth Mutual Insurance Company  
Freedom Specialty Insurance Company  
Great Divide Insurance Company  
Great West Casualty Company  
Harleysville Insurance Company  
Hdi Global Insurance Company  
Hudson Insurance Company  
Intrepid Insurance Company  
Key Risk Insurance Company  
Manufacturers Alliance Insurance Company  
Markel American Insurance Company  
Markel Global Reinsurance Company  
Markel Insurance Company  
Metropolitan Casualty Insurance Company  
Metropolitan Direct Property And Casualty Insurance Company  
Metropolitan General Insurance Company

Metropolitan Group Property And Casualty Insurance Company  
Metropolitan Lloyds Insurance Company Of Texas  
Metropolitan Property And Casualty Insurance Company  
Midwest Employers Casualty Company  
National American Insurance Company  
National Casualty Company  
National Specialty Insurance Company  
Nationwide Affinity Insurance Company Of America  
Nationwide Agribusiness Insurance Company  
Nationwide General Insurance Company  
Nationwide Insurance Company Of America  
Nationwide Lloyds  
Nationwide Mutual Fire Insurance Company  
Nationwide Mutual Insurance Company  
Nationwide Property And Casualty Insurance Company  
North River Insurance Company, The  
Northland Casualty Company  
Northland Insurance Company  
Odyssey Reinsurance Company  
Old Republic General Insurance Corporation  
Old Republic Insurance Company  
Old Republic Lloyds Of Texas  
Pacific Specialty Insurance Company  
Pacific Specialty Property And Casualty Company  
Penn-Star Insurance Company  
Pennsylvania Manufacturers' Association Insurance Company  
Pennsylvania Manufacturers Indemnity Company  
Pharmacists Mutual Insurance Company  
Phoenix Insurance Company, The  
Riverport Insurance Company  
Safeway Insurance Company  
Scottsdale Indemnity Company  
Select Insurance Company  
Selective Insurance Company Of America  
Selective Insurance Company Of The Southeast  
Seneca Insurance Company, Inc.  
Sompo America Fire & Marine Insurance Company  
Sompo America Insurance Company  
St. Paul Fire And Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company  
St. Paul Protective Insurance Company  
Standard Fire Insurance Company, The



Starnet Insurance Company  
State National Insurance Company, Inc.  
Tig Insurance Company  
Travco Insurance Company  
Travelers Casualty And Surety Company  
Travelers Casualty And Surety Company Of America  
Travelers Casualty Company Of Connecticut  
Travelers Casualty Company, The  
Travelers Casualty Insurance Company Of America  
Travelers Commercial Casualty Company  
Travelers Commercial Insurance Company  
Travelers Constitution State Insurance Company  
Travelers Home And Marine Insurance Company, The  
Travelers Indemnity Company Of America, The  
Travelers Indemnity Company Of Connecticut, The  
Travelers Indemnity Company, The  
Travelers Lloyds Insurance Company, The  
Travelers Lloyds Of Texas Insurance Company  
Travelers Personal Insurance Company  
Travelers Personal Security Insurance Company  
Travelers Property Casualty Company Of America  
Travelers Property Casualty Insurance Company  
Tri-State Insurance Company Of Minnesota  
Union Insurance Company  
Union Insurance Company Of Providence  
Union Standard Lloyds  
United States Fidelity And Guaranty Company  
United States Fire Insurance Company  
Vantapro Specialty Insurance Company  
Vault Reciprocal Exchange  
Victoria Fire & Casualty Company  
Zenith Insurance Company



Stacy Dutton  
Association Manager  
sdutton@taipa.org

805 LAS CIMAS PARKWAY, BUILDING III, STE. 105 • AUSTIN, TX 78746-6464  
P.O. BOX 162890 • AUSTIN, TX 78716-2890  
TEL. 512/531-7271 • FAX 512/444-4562  
<http://www.taipa.org>

## ASSOCIATION MANAGER’S REPORT

### Texas Automobile Insurance Plan Association (TAIPA) Annual Meeting – March 23, 2018

The following are the number of applications TAIPA assigned in 2018, 2017, 2016, and 2015:

2018	3,338 (2990 private passenger apps and 348 commercial)
2017	3,508
2016	3,089
2015	3,217

The number of applications assigned in 2018 was 170 less than assigned in 2017, a 4.85% decrease.

The TAIPA budget for 2019 is \$866,800 which is \$20,000 higher than our 2018 budget of \$846,800. This is a 2.36% increase.

The TAIPA assessment to the insurance companies for 2019 is \$800,000 which is \$25,000 less than our 2018 assessment of \$825,000. This is a 3.03% decrease.

A rate change to TAIPA rates for both private passenger and commercial rates were approved in 2018 to be effective March 1, 2019.

The commissioner ordered that TAIPA revise its rates to be charged for private passenger automobile insurance by coverage, territory, and class by:

- Plus 5.0 percent for bodily injury liability
- Plus 4.8 percent for property damage liability
- Plus 2.4 percent for personal injury protection
- Plus 4.5 percent for uninsured/underinsured motorist bodily injury liability
- Plus 4.5 percent for uninsured/underinsured motorist property damage liability

The commissioner ordered that TAIPA revise its rates to be charged for commercial automobile insurance policies by coverage, territory, and vehicle type by:

- Plus 4.3 percent for bodily injury liability,
- Plus 3.3 percent for property damage liability,

- Plus 3.5 percent for personal injury protection,
- No changes to commercial auto uninsured/underinsured motorist bodily injury liability, or uninsured/underinsured motorist property damage liability rates.

TAIPA moved to our new office space on March 17, 2018 which will result in reducing our office rent by 45% over the term of the lease. We also updated our Employee Handbook in November of 2018.

TAIPA operated with four (4) full time employees in 2018. As you may recall, we created a new organizational structure at the end of 2017 and implemented the plan on January 1, 2018. Two of the previous employees elected to take the retirement packages offered instead of applying for the newly created Customer Service Positions. We did experience some issues trying to fill the new position, but in April of 2018, we hired Ines Diaz into the position.

I would again like to thank you all for the support and encouragement that I received from the TAIPA Governing Committee, the TAIPA officers, and the TAIPA sub-committees as well as TAIPA counsel this year.

I want to thank TAIPA staff. As I mentioned earlier, Ines Diaz joined us in April and we are very pleased to have her on our team. I would especially like to thank Mimi Leece and Nicole Morgan for all of the extra effort they put forth in 2018. Mimi took on all of the non-exempt job duties while she trained new employees in the busiest time of the year. Nicole orchestrated our move, assisted in training the new employees, and ran everything while I was out of the office for an extended period of time when my second grandchild was born in January.

Through the combined efforts of all of the TAIPA staff, TAIPA continued to provide excellent service to TAIPA applicants, producers, vendors, regulators and members of the TAIPA Governing Committee in 2018.

**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA)  
CHAIR'S REPORT MARCH 22, 2019 TAIPA ANNUAL MEETING**

I'm David Weber and I represent Hochheim Prairie Insurance as the PCI representative on the TAIPA Governing Committee and I had the privilege to serve as the Chair of the TAIPA Governing Committee in 2018.

In 2018, the work that was started by the Manager Transition Subcommittee came to fruition in that TAIPA staffing changed from 5 full time employees to 4 full time employees and the office moved to a much smaller office.

As you may recall, we lost several of our officers last year due to retirement, (every one of them except myself) so I'd like to thank Corise Morrison, Vice Chair, Anise Mulkey, Second Vice Chair and Becky Jackson, Secretary for agreeing to serve as officers in 2018. I would like to thank Bill Brooks for agreeing to stay on to assist the officers as the Immediate Past Chair.

I'd like to offer thanks to all of the other members of the Governing Committee, Tom Rolling, Mike Schalk, Stephen Hylka, Todd Feltman, Carmelita Hogan, Mary Carol Awalt, Laura Hausman, Leslie Hurley, Alisha Darden, Pete Hamel, Adam Payton, and Ramon Montalvo. We decided to restructure the TAIPA Governing Committee Subcommittees to include only Governing Committee members and we requested that each Governing Committee member serve on at least one subcommittee in an effort to ensure that the loss of any one Governing Committee Member would not diminish the knowledge base of any of the subcommittees and ultimately the Governing Committee overall. Thank you each for agreeing to serve on one or more of the subcommittees and for your assistance in reworking the Administrative Rules to best meet the ongoing needs of TAIPA.

I want to recognize and thank the TAIPA staff, Stacy Dutton, Nicole Morgan, Mimi Leece, and Ines Diaz for working to complete the transition that was started in 2016 and 2017 and all of their contributions to TAIPA in 2018.

I would like to thank you all for your support and direction. And, thanks to TAIPA's legal counsel, Mike Jones for his contributions.

It has been a pleasure serving as chair for the past year.