

Texas Automobile Insurance Plan Association Governing Committee Meeting

Agenda & Exhibits for Friday, August 19th, 2022 – 9:00am

Held at Austin Southpark Hotel & Via Zoom

Topic: TAIPA Governing Committee Meeting Friday, August 19th, 2022

Time: Aug 19, 2022 09:00 AM Central Time (US and Canada)

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Texas Automobile Insurance Plan Association Governing Committee Meeting Agenda
Friday, August 19, 2022 – 9:00 A.M.
Austin Southpark Hotel 4140 Governor’s Row, Austin, TX 78744
Dress: Business Casual

Interested parties can attend the meeting in person or by joining the zoom meeting. TAIPA allows public comment about TAIPA related matters listed on the agenda.

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Audit/Finance Committee Report
 - A. Report on 2021 Audit (Exhibit 1)*
5. Review and Approval of the Minutes of the March 25, 2022 Meeting (Exhibit 2)*
6. Chair’s Report
 - A. Leslie Hurley leaving the Governing Committee
 - B. Mike Schalk leaving the Governing Committee
 - C. John Lusardi joining the Governing Committee
 - D. Presentation of Flag to Corise Morrison
 - E. Note that TAIPA delivered Pete Hamel’s flag to him.
 - F. Subcommittee Membership
 - G. Future TAIPA Governing Committee Meetings*
7. Manager’s Report
 - A. Application Count Update as of July 2022 (Exhibit 3)
 - B. Financial Update as of June 2022 (Exhibit 4)*
 - C. Line of Credit Renewal*
 - D. 2023 Meeting Dates (Exhibit 5)*
8. Strategic Planning Subcommittee Report
 - A. TAIPA’s current staffing level and Application volume
 - B. TAIPA Office Space Lease
 - C. Enterprise Risk Management Update* (Exhibit 6)
9. Operations Subcommittee Report
 - A. Over/Under Report (Exhibit 7)
 - B. Update on Recommendation for Plan of Operation Change on what companies leaving the market must do.
 - C. Update on Review of the TAIPA Policies by Staff and Counsel
 - D. Update on the discussion of what to do if LAD carriers leave Texas Market
 - E. Update on Peer to Peer language in TAIPA policy.

10. Report of Counsel
 - A. TAIPA Rates *
12. Next Meeting—November 18, 2022
13. Personnel Matters
14. Adjournment

The Governing Committee may take action on any matter of business identified in this notice. Portions of the meeting will be conducted as a closed meeting, if permitted under Chapter 551, Government Code.

*Indicates item on which the Manager believes the Governing Committee will take action.

Exhibit 1



Audit Committee
Texas Automobile Insurance Plan Association
Austin, Texas

We are pleased to present this report related to our audit of financial statements of Texas Automobile Insurance Plan Association (the Organization) as of and for the year ended December 31, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 4, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated May 24, 2022 regarding the planned scope and timing of our audit and identified significant risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. The Organization did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of:

- Defined benefit plan which is based on information provided by the plan's actuaries.
- Allocation of functional expenses based on time and effort.

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit other than those that are clearly trivial.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or the subject of correspondence with management

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Organization, including the representation letter provided to us by management, is included in an attached letter.

This report is intended solely for the information and use of the Audit Committee, Governing Committee, and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Texas Automobile Insurance Plan Association.

Achley & Associates, LLP

Austin, Texas
July 13, 2022

Stacy Dutton
Association Manager
sdutton@taipa.org

805 Las Cimas Parkway, Las Cimas III, Ste. 210, Austin, TX 78746
P.O. BOX 162890 • AUSTIN, TX 78716-2890
TEL. 512/531-7271 • FAX 512/444-4562
<http://www.taipa.org>

July 13, 2022

Atchley & Associates, LLP
1005 La Posada Drive
Austin, Texas 78752

This representation letter is provided in connection with your audits of the financial statements of Texas Automobile Insurance Plan Association (the Organization) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and the supplementary comparison of revenues and expense versus budget. We confirm that we are responsible for the fair presentation in financial statements of financial position, results of activities, and cash flows in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 4, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. With respect to assisting with posting closing entries and drafting the financial statements, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
7. We have no knowledge of any uncorrected misstatements in the financial statements.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. The following have been properly recorded and/or disclosed in the financial statements:

- a. Lines of credit or similar arrangements.
- b. All leases and material amounts of rental obligations under long-term leases.
- c. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
- d. Concentrations of credit risk.
- e. Allocations of functional expenses based on reasonable basis.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, regulators, or others.
15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
16. We are not aware of any pending or threatened litigation and claims that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP and we have not consulted legal counsel concerning litigation or claims.
17. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
18. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize, and report financial data.

19. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Organization has no significant amounts of idle property and equipment.
 - b. The Organization has no plans or intentions to discontinue operations or to discontinue any significant services.
 - c. Provision has been made to reduce all assets that have permanently declined in value to their realizable values.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
21. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. For pension obligations, postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through December 31, 2021.
22. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - d. Agreements to repurchase assets previously sold.
 - e. Security agreements in effect under the Uniform Commercial code.
 - f. Other liens or encumbrances on assets and all other pledges of assets.
 - g. Uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2021, and/or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2021.
 - h. Liabilities that are subordinated to any other actual or possible liabilities of the Organization.
 - i. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.
 - j. Reclassifications between net asset classes
23. The Organization has satisfactory title to all owned assets.
24. We have complied with all aspects of contractual agreements, grants, and donor restrictions that would have a material effect on financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and Uniform Guidance, because we have not received, expended,

or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

25. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(6) not-for-profit association, and we have complied with the IRS regulations regarding this exemption.
26. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will 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 the auditor's report thereon.
27. We are responsible for determining that significant events or transactions that have occurred since the statement of financial position date and through the date of this letter have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of financial position date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that, as of the date of this letter, the financial statements were complete in a form and format that complied with U.S. GAAP, and all approvals necessary for issuance of the financial statements had been obtained.
28. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Texas Automobile Insurance Plan Association



Stacy Dutton, Association Manager

Sincerely,

Stacy C. Dutton
Association Manager

TEXAS AUTOMOBILE INSURANCE
PLAN ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

Governing Committee
Texas Automobile Insurance Plan Association

Opinion

We have audited the accompanying financial statements of the Texas Automobile Insurance Plan Association (TAIPA) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TAIPA as of December 31, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TAIPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TAIPA's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TAIPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TAIPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Atehley + Associates, LLP

Austin, Texas

July 13, 2022

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	\$ 404,047	\$ 316,395
Accounts receivable	7,148	818
Prepaid expenses	118,720	20,117
Security deposits	5,379	5,379
Total current assets	535,294	342,709
Property and Equipment		
Furniture and equipment	26,653	26,653
Computer equipment	15,105	13,275
Leasehold improvements	2,222	2,222
Computer software and program development costs	25,000	25,000
	68,980	67,150
Less accumulated depreciation	(64,791)	(60,901)
	4,189	6,249
Total assets	\$ 539,483	\$ 348,958
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 11,587	\$ 14,431
Accrued leave	40,319	35,835
Accrued payroll liabilities	18,271	11,432
Deferred revenue	236	-
Other accrued liabilities	3,422	3,218
Total current liabilities	73,835	64,916
Other Liabilities		
Accrued pension benefit costs	-	135,148
Deferred lease benefit	4,273	6,355
Total other liabilities	4,273	141,503
Net Assets (Deficiency)		
Without donor restrictions	1,177,463	1,068,648
Accumulated effect of pension adjustment	(716,088)	(926,109)
Total net assets (deficiency)	461,375	142,539
Total liabilities and net assets (deficiency)	\$ 539,483	\$ 348,958

The accompanying notes are an integral part of these financial statements.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Member assessments	\$ 849,300	\$ 757,100
Assessment penalties	11,749	6,799
Interest income	502	862
Total revenues	<u>861,551</u>	<u>764,761</u>
Expenses		
Program services	481,307	482,775
Management and general	271,429	267,858
Total expenses	<u>752,736</u>	<u>750,633</u>
Other revenues (expenses)		
Pension minimum liability adjustment	210,021	161,556
Total other revenues (expenses)	<u>210,021</u>	<u>161,556</u>
Net change in net assets without donor restrictions	318,836	175,684
Net assets (deficiency) at beginning of year	<u>142,539</u>	<u>(33,145)</u>
Net assets (deficiency) at end of year	<u>\$ 461,375</u>	<u>\$ 142,539</u>

The accompanying notes are an integral part of these financial statements.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Expenses			
Salaries and related expenses	\$ 250,813	\$ 225,330	\$ 476,143
Professional services	139,027	3,436	142,463
Occupancy expenses	67,784	7,465	75,249
Postage and delivery	9,425	9,055	18,480
Office supplies and expense	8,180	2,727	10,907
Governing committee	-	8,022	8,022
Computer supplies and expense	4,319	1,439	5,758
Miscellaneous	-	5,736	5,736
Depreciation and amortization	833	3,057	3,890
Staff education and seminars	926	308	1,234
Staff expense	-	2,771	2,771
Operating committee	-	1,500	1,500
Dues, subscriptions and publications	-	583	583
	<u>\$ 481,307</u>	<u>\$ 271,429</u>	<u>\$ 752,736</u>

The accompanying notes are an integral part of these financial statements.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program services	Management and general	Total
Expenses			
Salaries and related expenses	\$ 251,305	\$ 224,742	\$ 476,047
Professional services	135,451	2,897	138,348
Occupancy expenses	65,189	7,171	72,360
Postage and delivery	8,354	8,027	16,381
Office supplies and expense	10,691	3,563	14,254
Governing committee	-	9,750	9,750
Computer supplies and expense	4,247	1,416	5,663
Miscellaneous	-	4,752	4,752
Depreciation and amortization	5,000	2,286	7,286
Staff education and seminars	2,538	846	3,384
Staff expense	-	1,639	1,639
Operating committee	-	250	250
Dues, subscriptions and publications	-	519	519
Total expenses	<u>\$ 482,775</u>	<u>\$ 267,858</u>	<u>\$ 750,633</u>

The accompanying notes are an integral part of these financial statements.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 318,836	\$ 175,684
Adjustments to reconcile change in net assets to net cash flows		
Depreciation and amortization	3,890	7,286
Change in operating assets and liabilities		
Accounts receivable	(6,330)	(818)
Prepaid expenses	(98,603)	(3,466)
Accounts payable	(2,844)	2,735
Accrued leave	4,484	7,797
Accrued payroll liabilities	6,839	3,606
Deferred revenue	236	-
Other accrued liabilities	204	(985)
Accrued pension benefit costs	(135,148)	(126,270)
Deferred lease benefit	(2,082)	(1,003)
	89,482	64,566
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,830)	-
	(1,830)	-
Net change in cash and cash equivalents	87,652	64,566
Cash and cash equivalents - beginning of year	316,395	251,829
Cash and cash equivalents - end of year	\$ 404,047	\$ 316,395

The accompanying notes are an integral part of these financial statements.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Texas Automobile Insurance Plan (the Plan) was formed in January 1952 for the purposes of (1) making automobile liability insurance (both bodily injury and property damage) available to drivers in Texas who cannot obtain such insurance in the voluntary market, and (2) establishing a procedure for the equitable distribution of these risks among all automobile insurance companies admitted to do business in Texas.

During 1993, the Texas Legislature established the Texas Automobile Insurance Plan Association (TAIPA). TAIPA provides a means by which insurance may be assigned to an authorized insurer and essentially provides the same function as the Plan. The TAIPA Plan of Operation became effective as of January 1, 1995, at which time the Plan was abolished.

Financial Statement Presentation

TAIPA's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, TAIPA is required to report information regarding their financial position and activities, as applicable, according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the absence or existence of donor-imposed restrictions.

Net Assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied.

Net Assets with donor restrictions - Net assets that are subject to donor-imposed restriction either for use during a specific time period or for a particular purpose.

Net Assets Released From Restrictions

When a restriction is fulfilled or when a time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

TAIPA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

TAIPA reports property and equipment at historical cost if purchased, or at fair value if donated, less accumulated depreciation. Property and equipment purchased in excess of \$1,000 are capitalized. Repairs and maintenance costs are expensed as incurred while betterments and improvements are capitalized. Provision for depreciation is recognized using primarily the straight-line method over the estimated useful lives of the depreciable assets which is generally five to ten years. Upon the sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statement of activities.

Revenue Recognition

Member assessments and the related penalties are recognized as revenues as they are earned.

Concentrations of Credit Risk

TAIPA maintains its cash with high credit quality financial institutions which are members of the Federal Deposit Insurance Corporation. Occasionally, balances on deposit exceed federally insured limits; however, management believes there is no significant uninsured risk related to these deposits. At December 31, 2021, TAIPA had \$99,693 in uninsured cash balances.

Income Taxes

TAIPA is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(6). Accordingly, no provision for federal income taxes has been provided in these financial statements.

TAIPA has adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740, *Accounting for Uncertainty in Income Tax*. The benefits of tax positions are recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the positions will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. As of December 31, 2021 and 2020, TAIPA has not recognized liabilities for uncertain tax positions or associated interest and penalties.

TAIPA's federal exempt organization returns for the years ended December 31, 2018, and after are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Expenses

The costs of administering TAIPA and other activities have been summarized on a functional basis in the statements of activities. Such allocations are determined by management on an equitable basis. Occupancy expenses and depreciation and amortization are allocated based on square footage. All other expenses are allocated based on time and effort.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The management of TAIPA has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to be issued.

NOTE B - EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

TAIPA is a member of the Insurance Company Supported Organization (ICSO) 401(k) Savings Plan. After one year of employment, all full-time employees are eligible to become plan participants. Employees may contribute up to 16% of their annual compensation to the plan. The employer matches employee contributions at the rate of \$.75 per \$1.00 of employee contributions up to a maximum of 6% of annual compensation. Payments to the plan were \$13,582 and \$9,987 for 2021 and 2020, respectively.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE B - EMPLOYEE BENEFIT PLANS - Continued

Defined Benefit Plan

TAIPA is a member of The Pension Plan for Insurance Organizations (the Pension). The Pension is a multiple-employer defined benefit plan. The trustee of the Pension is the Principal Trust Company, a member of the Principal Financial Group. The Pension's employer identification number is 27-0131295 and Plan Number 001. An employee is eligible to become a member at the beginning of the first twelve-month period during which 1,000 hours of service have been completed with 100% vesting after (a) five or more years of service or (b) four years of service and 1,000 hours. TAIPA's funding policy is to make monthly contributions in conformance with minimum funding requirements. For the year ending December 31, 2021, TAIPA funded more than the minimum funding requirements.

TAIPA has adopted the recognition provisions of ASC 715. As required by ASC 715, TAIPA recognizes a liability for the underfunded status of its defined benefit pension plan and adjusts the ending balance of net assets without donor restrictions for the transition obligation, prior service cost, and net loss that have not been recognized as components of net periodic pension cost. The following tables set forth the status of the defined benefit pension plan and amounts per ASC 715 at December 31, 2021 and 2020.

Components that have been recognized as changes to net assets without donor restrictions arising from the Pension but not yet reclassified as components of net periodic benefit costs for the years ended December 31:

	2021	2020
Service cost	\$ 42,223	\$ 36,812
Interest cost	115,818	144,754
Expected return on MRVA	(200,618)	(206,879)
Amortization of net prior service cost	5,736	5,736
Amortization of net actuarial loss (gain)	93,137	109,267
Net periodic benefit cost	\$ 56,296	\$ 89,690

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE B - EMPLOYEE BENEFIT PLANS - Continued

The status of the Pension for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 4,684,310	\$ 4,522,779
Service cost	42,223	36,812
Interest cost	115,818	144,754
Actuarial loss (gain)	(26,241)	260,020
Benefits paid	<u>(285,410)</u>	<u>(280,055)</u>
Benefit obligation at end of year	<u>4,530,700</u>	<u>4,684,310</u>
Change in pension plan assets		
Fair value of pension plan assets at beginning of year	4,549,162	4,261,361
Actual return on pension plan assets	285,525	513,452
Employer contributions	88,913	54,404
Benefits paid	<u>(285,410)</u>	<u>(280,055)</u>
Fair value of pension plan assets at end of year	<u>4,638,190</u>	<u>4,549,162</u>
Funded status at end of year	<u>\$ 107,490</u>	<u>\$ (135,148)</u>

Amounts recognized in the statements of financial position as of December 31:

Accrued (prepaid) pension benefit costs	<u>\$ (107,490)</u>	<u>\$ 135,148</u>
---	---------------------	-------------------

Amounts recognized as changes in net assets without donor restrictions arising from a defined benefit plan as of December 31:

Accumulated net loss (gain)	<u>\$ 716,088</u>	<u>\$ 926,109</u>
-----------------------------	-------------------	-------------------

Other changes in pension plan assets and benefit obligations recognized as changes in net assets without donor restrictions not yet included in net periodic benefit cost for the years ended December 31:

Net gain (loss)	\$ (93,137)	\$ (109,267)
Net prior service credit (cost)	(5,736)	(5,736)
New actuarial losses	<u>(111,148)</u>	<u>(46,553)</u>
	<u>\$ (210,021)</u>	<u>\$ (161,556)</u>

The estimated net loss for the defined benefit pension plan that will be amortized into net periodic benefit cost over the next fiscal year is \$49,924.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE B - EMPLOYEE BENEFIT PLANS - Continued

The accumulated benefit obligation for the Pension was \$4,437,411 and \$4,578,253 as of December 31, 2021 and 2020, respectively.

Employer contributions expected to be paid during the year ending December 31, 2021, is \$0.

Weighted average assumptions used to develop benefit obligations were:

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	3.25%
Rate of compensation increases	3.00%	3.00%

Weighted average assumptions used to develop net periodic pension benefit costs were:

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	3.25%
Expected return on pension plan assets	4.50%	5.00%
Rate of compensation increases	3.00%	3.00%

TAIPA's target investment allocation is 60% debt securities and 40% equity securities and its asset diversifications were as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Equity securities	37.00%	36.90%
Debt securities	57.00%	58.20%
Real estate	5.20%	4.40%
Cash	0.80%	0.50%
	<u>100.0%</u>	<u>100.0%</u>

The following represents the estimated future benefit payments to be paid by the Pension:

<u>Fiscal Years Ending</u>	
December 31, 2022	\$ 275,671
December 31, 2023	275,915
December 31, 2024	272,187
December 31, 2025	266,542
December 31, 2026	271,494
December 31, 2027-2031	<u>1,416,266</u>
Total	<u>\$ 2,778,075</u>

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE C - COMPENSATED ABSENCES

Employees of TAIPA are entitled to paid sick days and personal days off, depending on their length of service. Effective January 1, 2007, employees are eligible to receive monetary reimbursement for a maximum of 37 1/2 hours of unused All Purpose Leave from the prior year. The compensation will be paid prior to January 31. The employees who have remaining All Purpose Leave available as of December 31 are able to carry up to 350 hours over to the following year. Any amount in excess of 350 hours will be forfeited each January 1. Accrued leave in the amount of \$40,319 and \$35,835 has been recorded in the accompanying statements of financial position as of December 31, 2021 and 2020, respectively.

NOTE D - LEASE COMMITMENTS

TAIPA leases office space and certain equipment under noncancelable operating leases. The lease for office space terminates on April 30, 2023, while the leases for equipment expire through 2021. Minimum future obligations from leases in effect at December 31, 2020, are as follows:

Due in Years Ending	
December 31, 2022	\$ 42,960
December 31, 2023	14,380
December 31, 2024	-
	\$ 57,340

Lease expenses for operating leases were \$63,721 and \$63,094 for the years ended December 31, 2021 and 2020, respectively.

NOTE E - DEFERRED LEASE BENEFIT

TAIPA's office lease agreement contains provisions for future rent increases, rent free periods, or periods in which rent payments are reduced. Per FASB ASC 840, the total amount of rental payments due over the lease term is charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited to "deferred lease benefit", and is included in the accompanying statements of financial position.

NOTE F - LINE OF CREDIT

TAIPA renewed a bank line of credit totaling \$300,000 on September 23, 2019. Interest, calculated at the bank's prime rate, is payable monthly. At December 31, 2021, there was no outstanding balance on the line, and there were no borrowings on the line of credit during the years ended December 31, 2021 and 2020. The line of credit matures on October 12, 2022.

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE G - LIQUIDITY AND AVAILABILITY

The following represents TAIPA's financial assets at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 404,047	\$ 316,395
Accounts receivable	7,148	818
Total financial assets available to use	<u>\$ 411,195</u>	<u>\$ 317,213</u>

In addition to financial assets available to meet general expenditures over the next 12 months, TAIPA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. TAIPA regularly monitors liquidity required to meet its operating needs and other contractual commitments. TAIPA's goal is to maintain financial assets to meet approximately one year of operating expenses. This is achieved by determining: 1. TAIPA's budget for the upcoming year, 2. what if any amount of carryover cash can be applied to the budget, and 3. the proper membership fees and assessments to cover that budget. As part of TAIPA's liquidity plan, excess cash is moved to TAIPA's savings account to maximize the interest income. TAIPA also maintains a \$300,000 line of credit to meet any unexpected cash flow needs.

SUPPLEMENTAL
INFORMATION

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
SUPPLEMENTAL INFORMATION
COMPARISON OF REVENUES AND EXPENSES VERSUS BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues			
Member assessments	\$ 849,300	\$ 850,000	\$ (700)
Interest income	502	-	502
Assessment penalties	11,749	-	11,749
Total Revenues	<u>861,551</u>	<u>850,000</u>	<u>11,551</u>
Operating Expenses			
Salaries	320,241	330,700	10,459
Employee benefits and other insurance	155,902	216,900	60,998
Rent	63,721	67,100	3,379
Telephone/internet access	10,925	11,300	375
Property taxes	603	1,100	497
Professional services			
Legal	59,010	52,900	(6,110)
Audit	20,396	25,500	5,104
Systems consultants	54,016	53,300	(716)
Consultants - other	9,041	19,300	10,259
Actuary	-	8,500	8,500
Depreciation and amortization	3,890	8,200	4,310
Postage and delivery	18,480	23,000	4,520
Office equipment and supplies	9,960	12,100	2,140
Printing and stationary	947	4,100	3,153
Governing committee	8,022	27,300	19,278
Computer supplies and expenses	5,758	8,300	2,542
Operating subcommittee	1,500	4,500	3,000
Employee meetings, seminars and travel	1,234	25,500	24,266
Staff expense and other	8,507	9,900	1,393
Dues, subscriptions, and publications	583	600	17
Total Operating Expenses	<u>752,736</u>	<u>910,100</u>	<u>157,364</u>
Other Revenues (Expenses)			
Pension minimum liability adjustment	210,021	-	210,021
Total Other Revenues (Expenses)	<u>210,021</u>	<u>-</u>	<u>210,021</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 318,836</u>	<u>\$ (60,100)</u>	<u>\$ 378,936</u>

Exhibit 2

**Texas Automobile Insurance Plan Association Governing Committee Meeting
Agenda for Friday, March 25, 2022 – 9:00 A.M.
Zoom Call**

Given the continuing concerns related to COVID-19 virus, TAIPA will be making both the Annual Meeting and Regular TAIPA Governing Committee Meeting on March 25, 2022 a Zoom Meeting Only.

Join Zoom Meeting

<https://us02web.zoom.us/j/83263379769?pwd=WHJsR20vRGdGZHVqTlY1dGZWblozQT09>

Meeting ID: 832 6337 9769

Passcode: 683041

One tap mobile

+13462487799,,83263379769#,,, *683041# US (Houston)

+16699006833,,83263379769#,,, *683041# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

Meeting ID: 832 6337 9769

Passcode: 683041

Find your local number: <https://us02web.zoom.us/j/83263379769?pwd=WHJsR20vRGdGZHVqTlY1dGZWblozQT09>

For anyone who would like to participate in person, the Governing Committee location will be 807 Las Cimas Parkway, Austin, TX 78746 (Building Management Conference Room). For anyone who wishes to attend in person, please contact TAIPA at 512-444-4441 to let us know. Note that we will follow appropriate COVID protocol.

**Texas Automobile Insurance Plan Association Governing Committee Meeting
Meeting Agenda
Friday, March 25, 2022 – 9:00 A.M.**

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Conflict of Interest Disclosures
5. Election of Officers*
6. Review and Approval of the Minutes of the November 19, 2021 Meeting (Exhibit 1)*
7. Chair's Report
 1. Thank you to Corise Morrison for serving as chair the past two years.
 2. Welcome Mike Voigt from Texas Farm Bureau
 3. Welcome Carol Berthold as Operation Subcommittee Chair
 4. Thank you Doug Beck for service to TAIPA on Operation Subcommittee
 5. Welcome Sean Walsh to Operating Subcommittee
 6. Discussion about holding the August meeting in person.
8. Manager's Report
 - A. Application Count Update
 - a. For Yearend 2021(Exhibit 2)
 - b. As of February, 2022 (Exhibit 3)
 - B. Financial Update - For Yearend 2021 (Exhibit 4)
 - C. Revised Conflict of Interest Policy (Exhibit 5)
 - D. Administrative Rules (Exhibit 6)
 - E. Started work with commercial real estate for our lease for next year.
 - F. Reminder Governing Committee Members must take the Open Meetings Act training every 2 years.
9. Audit/Finance Committee Report
 - A. Audit Engagement Letter (Exhibit 7)*
10. Operations Subcommittee Report
 - A. Over/Under Report (Exhibit 8)
 - B. Update
11. Report of Counsel
 - A. Discussion of Rate Process for 2022
12. Next Meeting – August 19, 2022
13. Personnel Matters
 - A. Manager's Review*
14. Adjournment

The Governing Committee may take action on any matter of business identified in this notice. Portions of the meeting will be conducted as a closed meeting, if permitted under Chapter 551, Government Code

*Indicates item on which the Manager believes the Governing Committee will take action.

Attendees:

TAIPA Governing Committee Members

Michael Hass
Mike Voigt
Corise Morrison
Matthew Snyder
Anh Vo
David Weber
Leslie Hurley
Carmelita Hogan
David Nardecchia
Mary Carol Awalt
Laura Hausman
Becky Jackson
Adam Payton
Ramon Montalvo
Kit Morris

Other Company Members

Carol Berthold
John Lusardi
Doug Beck
Sean Cahill
Sean Walsh
Todd Feltman

Legal Counsel

Mike Jones

TAIPA Staff

Stacy Dutton
Mimi Leece
Ruth Wise

TDI

John Mooney

OPIC

Kim Donovan

1. Call to Order

Chair Morrison called the meeting to order at 9:00 AM.

Mimi Leece explained how the Zoom meeting would work.

2. Introductions

Stacy Dutton called roll.

3. Reading of the Anti-Trust Statement

Stacy Dutton read the Anti-Trust Statement:

“The creation and operation of the Texas Automobile Insurance Plan Association is set forth in Chapter 2151 of the Texas Insurance Code. The Association is a non-profit corporate body composed of all authorized insurers. The organization was created to provide a means by which insurance may be assigned to an authorized insurer for a person required by the Texas Motor Vehicle Safety-Responsibility Act to show proof of financial responsibility for the future. Members of the Association and of its Governing Committee, when involved in meetings or other activities of the Association, are bound to limit their discussions and actions to matters relating to the business of the Association, and shall not discuss or pursue the business interest of individual insurers or others.”

4. Conflict of Interest Disclosures

The meeting was turned over to Mike Jones to go over the conflict of interest information and ask if anyone has anything that they should disclose.

5. Election of Officers

The meeting was turned over to Carmelita Hogan to go over the Nominating Subcommittee report. Ms. Hogan presented the proposed 2022 Officers for the TAIPA Governing Committee. The nominees were as follows:

Chair:	Becky Jackson – Public Member Representative
1 st Vice Chair:	Matt Snyder – Farmers – At Large Representative
2 nd Vice Chair:	Anh Vo – State Farm, At-Large Representative
Secretary:	David Weber – Hocheim Prairie, NAMIC

Chair Morrison asked for a motion to close the nominations of the Nominating Committee. Matthew Snyder made the motion. The motion was seconded by Sean Walsh. The motion carried unanimously. Ms. Morrison then asked for a motion to accept and elect those nominated. Sean Walsh made the motion and Mike Hass seconded the motion. The motion passed unanimously.

Corise Morrison turned the meeting over to the newly elected chair for 2022, Becky Jackson.

6. Review and Approval of the Minutes of the November 19, 2021 Meeting. (Exhibit 1)

Chair Jackson turned the meeting over to Matthew Snyder to go over the November 19, 2021 meeting minutes. There were no changes needed and Chair Jackson asked for a motion to approve the minutes that were presented. Ramon Montavlo made the motion and Laura Hausman seconded the motion. The motion passed unanimously.

7. Chair’s Report

1. Corise Morrison was thanked for chairing the Governing Committee for the past two years. In recognition of Ms. Morrison’s service, TAIPA will present a Texas state flag that was flown over the capitol.
2. Mike Voigt, from Texas Farm Bureau, was welcomed to the Governing Committee as the AFACT representative for 2022.

3. Carol Berthold was welcomed as the chair of the Operation Subcommittee.
4. It was announced that Doug Beck will leave the Operations Subcommittee after many years of service.
5. Sean Walsh was welcomed as Doug Beck's replacement.
6. The August 19, 2022 meeting was discussed as a reminder that the meeting will be held in-person for the first time since the pandemic.

8. Manager's Report

Chair Jackson turned the meeting over to Stacy Dutton for the Manager's Report.

A. Application Count Update as of December 31, 2021

Ms. Dutton gave an update on the application counts. She gave an update on the applications as of December 31, 2021 (Exhibit 2) and the February 2022 application counts (Exhibit 3). Ms. Dutton stated that:

In 2021 TAIPA assigned 1,381 applications compared to 1,673 applications received in 2020. In February, 2022 TAIPA received 72 applications compared to 86 applications received in February of 2021. Year to Date through February 2022 TAIPA received 176 applications compared to 189 applications received YTD through February 2021. This is 13 less applications or a 6.87% decrease.

B. Financial Update as of December 31, 2021 (Exhibit 4).

Ms. Dutton discussed the line items that were over budget at the end of September and the reasons for them being over budget. Ms. Dutton indicated that

- a. Employee Benefits & Other Insurance Expenses were over budget due to a pension liability adjustment.
- b. Taxes appear to be over budget, but this is due to the fact that both 2020 and 2021 taxes were both paid in 2021.
- c. Legal Expenses - It was noted that legal expenses were under budget because \$8,250.00 was transferred from Governing Committee Expenses to Legal.

All other budget categories ended under budget. No comments or questions.

C. Revised Conflict of Interest Policy (Exhibit 5)

Ms. Dutton reviewed the revised Conflict of Interest Policy that was previously approved at the November 19, 2021 meeting. She reminded the Governing Committee members that they are all required to read over the policy and send in the certification page. She asked that they return the certification page to TAIPA's staff by April 15, 2022.

D. Administrative Rules (Exhibit 6)

The administrative rules were distributed. It is TAIPA's policy to distribute these at the first Governing Committee meeting of the year as a reminder to all members. There were no questions or concerns regarding this.

E. Work with Commercial Real Estate Agent for Lease Renewal in 2023

Mrs. Dutton noted that the lease that TAIPA currently has is set to end February 28, 2023. She also noted that while we would like to stay in the current location, she has been speaking with a commercial real estate agent to discuss TAIPA's options. Currently TAIPA is paying \$30 per square foot for the office. The commercial real estate agent predicted that TAIPA would have to pay between \$38 and \$41 per square foot. Mrs. Dutton has been in contact with the current building's management regarding a renewal but since the office building is in the process of being sold they were not able to give her any information just yet.

F. Open Meetings Act Training

Mrs. Dutton gave a reminder to the Governing Board members that they must complete the online Open Meetings Act training once every two years and where they can go to find that training.

Chair Jackson turned the meeting over to Matthew Snyder for the Audit/Finance Committee Report.

9. Audit/Finance Committee Report

Mr. Snyder went over the Audit Engagement Letter from Atchley and Associates (Exhibit 7). He noted that it is the same letter that Atchley provides each year stipulating their responsibilities, TAIPA's responsibilities and what they will do and provide in the financial audit. The estimated cost for the audit is between \$14,500 and \$15,500. Mr. Snyder asked for a motion to approve the financial audit to be performed by Atchley and Associates. The motion was made by David Weber and seconded by Corise Morrison. The motion carried unanimously.

Chair Jackson turned the meeting over to Carol Berthold for the Operation Subcommittee Report.

10. Operations Subcommittee Report

Ms. Berthold stated that the Operations Subcommittee had met twice since the last Governing Board meeting.

A. Over/Under Report (Exhibit 8)

Ms. Berthold noted that there was nothing of significance to report regarding the Over/Under Report. There were no questions or further discussion on this topic.

B. Updates on Ongoing Topics

Ms. Berthold discussed that during the Operations Subcommittee meetings there was time spent educating subcommittee members on what LAD/CLADs are, their function and importance, and why TAIPA needs to have a plan in place if the LAD/CLAD carriers leave the market. Carol continued on to say that the subcommittee was tasked with coming up with a proposal for a solution and that four proposals were presented and discussed. Two proposals are currently still on the table and being worked on. John Mooney from TDI asked for clarification regarding the two remaining proposals and clarification on whether or not these will be presented to the Governing Board.

Carol also reviewed the updates surrounding the ongoing topic of what companies must do if they leave the market. There are three options for companies leaving the market with an underage. There is still work to be done on this topic and discussions will continue at the next Operations Subcommittee meeting.

Ms. Berthold notes that Mike Jones completed his review of TAIPAs commercial policy. It was noted that one situation with regard to minors was not in the TAIPA policy. Mr. Jones is working with TDI to find out if and how this situation applies to TAIPA's policies. Mr. Jones will give another update on this topic at the next meeting.

Carol explained that Mr. Jones is working on a mandatory endorsement form for the TAIPA policies to exclude Peer-to-Peer car sharing programs. Once the endorsement is completed and approved by the Operations Subcommittee it will be present to the Governing Board for approval.

Chair Jackson turned the meeting over to Mike Jones for the Report of Counsel

11. Report of Counsel

A. TAIPA Rates

Mr. Jones discussed the fact that TAIPA has not been able to get rate information from TDI for a rate filing, therefore TAIPA will not do a rate filing for 2022. He stated that he hopes to have that information and be able to prepare for a rate filing to be discussed at the March 2023 Governing Board meeting. Mr. Jones has been working with TAIPA's actuary and he does not think it is pertinent to do a rate filing with the information that we have since only one rating filing can be done in a twelve month period. John Mooney asked for clarification on whether the data is from commercial rate data or private passenger. Mike Jones said it was from private passenger. Sean Walsh questioned whether the actuary included covid months. Mike stated that he thought he did use that information but he would double check. Kim Donovan from OPIC shared that OPIC has been rejecting any rate filing that ignore the covid era data and should be accounted for in rate filings. John Lusardi asked when more trend data would be available and asked Mike Jones to send him that information. There were no other questions or comments.

Mike Jones turned the meeting over to Chair Jackson.

12. Next Meeting-August 19,2022

Chair Jackson reiterated that the next meeting will be held on Friday, August 19, 2022 in Austin, TX at the Southpark Hotel. She also noted that attendants will be able to join the meeting virtually if they chose.

13. Personnel Matters

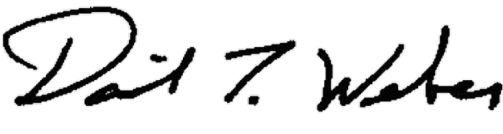
Chair Jackson announced that a closed meeting will be held pursuant to Texas Government Code Sec. 551.074 relating to personnel matters. All Governing Board members were to call a conference number that was sent to them previously. The closed meeting was regarding the Plan Manager's self-evaluation.

The closed sessions ended at 10:06 AM and the meeting returned to open session.

A motion was needed to have Becky Jackson and Corise Morrison meet with the Association Manager and go over her performance review. The motion was made by Matthew Snyder and seconded by Leslie Hurley. The motion carried unanimously.

14. Adjournment

Chair Jackson stated that if there was nothing else to discuss, we would need a motion to adjourn the meeting. The motion to adjourn was made by Ramon Montalvo and seconded by Matthew Snyder. The motion carried unanimously. The meeting was adjourned at 10:08 AM.

X 

David Weber
Secretary



Former Governing Committee Member Pete Hamel July 2022 with TAIPA award.

PETE HAMEL JULY 18, 2022

DEAR T.A.I.P.A.;
THANK YOU SO MUCH FOR
YOUR CREATIVE SERVICE
AWARD!
THE HIGHLIGHT OF MY
INSURANCE CAREER WAS
MEETING SO MANY INSURANCE
AND PUBLIC MEMBERS WHO
WERE SO DEDICATED TO THE
PLAN & ITS PURPOSE. (OVER)

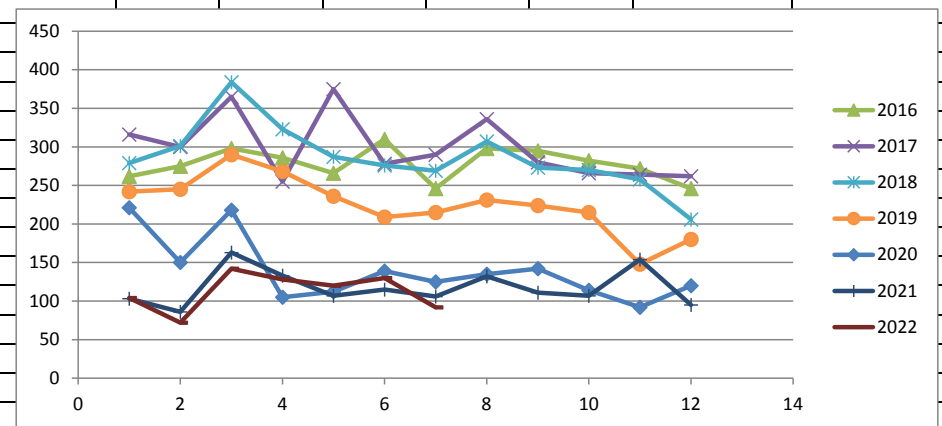
THANKS SO MUCH FOR THE
OPPORTUNITY TO EXPERIENCE
THE COMPANY OF WONDERFUL
PEOPLE, WHO ARE ALL
A CREDIT TO THE
COMPANIES & THE PUBLIC
ALL OF YOU ARE GREAT!
BEST REGARDS,
[Signature]

Exhibit 3

Monthly Total (July 2022)		
	Private Passenger	Commercial
EASi Applications	73	19
Paper Applications	0	0
Total Applications Received	73	19
Applications Assigned	72	19
Apps Returned for Correction	1	0
Applications Deficient	4	0
Applications with SR-22s	0	0
Total Applications Received in July 2021:	106	106
Total Applications Received in July 2022:	92	92
Year to Date Total (as of July 2022)		
	Private Passenger	Commercial
EASi Applications	788	163
Paper Applications	0	0
Total Applications Received	637	149
Applications Assigned	622	148
Apps Returned for Correction	14	1
Applications Deficient	42	3
Applications with SR-22s	46	0
Total Applications Received YTD (as of July 2021):	813	813
Total Applications Received YTD (as of July 2022):	786	786
YTD Percent Change from July 2021 to July 2022:	-3.32%	-3.32%
Application Assignment History*		
1997: 95,461	2005: 31,517	2014: 3,628
1998: 55,041	2006: 23,634	2015: 3,217
1999: 47,108	2007: 16,780	2016: 3,089
2000: 44,945	2008: 12,896	2017: 3,508
2001: 53,477	2009: 10,299	2018: 3,338
2002: 66,153	2010: 8,725	2019: 2,606
2003: 74,506	2011: 7,364	2020: 1,673
2004: 47,434	2013: 4,708	2021: 1,381
*Application Assignment History based on applications assigned, not received.		

Trend of Applications Received from 2016 to 2022

	2016	2017	2018	2019	2020	2021	2022
January	262	316	279	242	221	103	104
February	275	300	301	245	150	86	72
March	298	365	384	290	218	163	142
April	286	255	323	268	105	133	128
May	266	375	287	236	112	107	120
June	310	278	276	209	139	115	130
July	246	290	269	215	125	106	92
August	298	336	307	231	135	132	
September	295	280	273	224	142	111	
October	282	266	270	215	114	107	
November	272	264	258	148	92	154	
December	246	262	206	180	120	95	
Total	3,336	3,587	3,433	2,703	1,673	1,412	788



Estimate of Applications to be Received in 2021:

Percent Change in Applications Received from 2016 to 2022

	2016	2017	2018	2019	2020	2021	2022
January	-8.71%	20.61%	-11.71%	-13.26%	-8.68%	-53.39%	0.97%
February	-24.66%	9.09%	0.33%	-18.60%	-38.78%	-42.67%	-16.28%
March	-21.37%	22.48%	5.21%	-24.48%	-24.20%	-25.23%	-12.88%
April	-7.74%	-10.84%	26.67%	-17.03%	-33.59%	26.67%	-3.76%
May	-2.92%	40.98%	-23.47%	-17.77%	-52.54%	-4.46%	12.15%
June	9.15%	-10.32%	-0.72%	-24.28%	-33.49%	-17.27%	11.30%
July	-0.81%	17.89%	-7.24%	-20.07%	-41.86%	-15.20%	-13.21%
August	4.20%	12.75%	-8.63%	-24.76%	-41.56%	-2.22%	
September	8.86%	-5.08%	-2.50%	-17.95%	-36.61%	-21.83%	
October	-10.48%	-5.67%	1.50%	-20.37%	-46.98%	-6.14%	
November	2.26%	-2.94%	-2.27%	-21.82%	-37.84%	67.39%	
December	9.33%	6.50%	-21.37%	-21.26%	-33.33%	-20.83%	
Total YTD	-4.96%	7.52%	-4.29%	-20.01%	-35.79%	-9.60%	

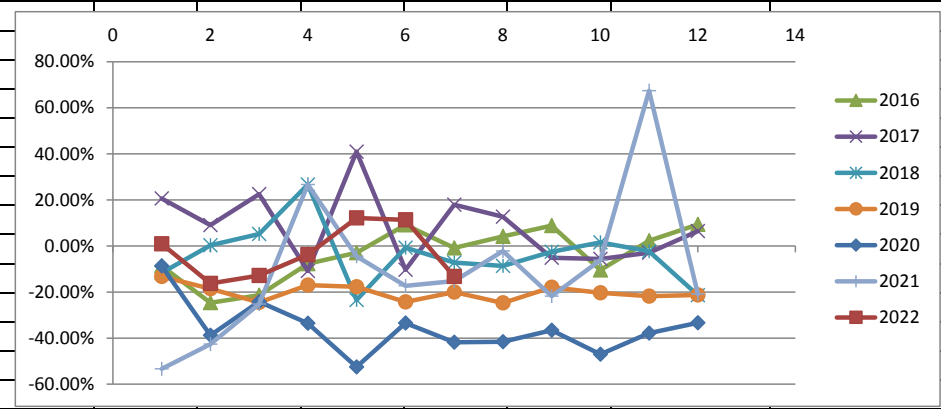


Exhibit 4

Texas Auto Ins. Plan Assoc.
ACTUAL VS. BUDGET
For the period ended June 30, 2022

<u>REVENUE</u>	Actual	2022 Year To Date Budget	Variance	2022 Annual Budget	% Used	Reason for Variance
Assessments & Penalties	376,324	371,500	4,824	743,000	50.65%	55.00%
Other Revenue	746	0	746	0	0.00%	45.00%
TOTAL	377,071	371,500	5,571	743,000	50.75%	
 <u>EXPENDITURES</u>						
Salaries	157,986	181,350	23,364	362,700	43.56%	We have not moved anyone to a customer service level 2 position.
Emp. Benefits & Other Ins. Exp.	47,147	63,275	16,128	126,550	37.26%	TAIPA's Med/Dent/Vis renewals came in lower than expected as we were able to continue with our medical plan instead of moving to a Affordable Healthcare Plan. In addition we moved our life insurance to Sun Life and saved additional premium.
Office Equipment Expense	4,302	6,300	1,998	12,600	34.14%	TAIPA has not purchases Office Supplies & Equip. We expect to end on budget.
Printing & Stationary Exp.	0	2,150	2,150	4,300	0.00%	We have not purchased envelopes. We expect to end on budget.
Computer Expenses	2,996	6,050	3,054	12,100	24.76%	We have not yet purchased all of the recommended computer supplies that Vintage suggested. We expect to end on budget.
Postage & Shipping Exp.	8,251	12,450	4,199	24,900	33.14%	TAIPA carried over pre-paid postage from 2021. Between the carryover and the fact that we are trying to minimize what we send out hard copy and send electronically if possible, we plan to end the year underbudget.

Texas Auto Ins. Plan Assoc.**ACTUAL VS. BUDGET**

For the period ended June 30, 2022

	Actual	2022 Year To Date Budget	Variance	2022 Annual Budget	% Used	Reason for Variance
Telephone Expense	3,754	6,100	2,346	12,200	30.77%	Telephone expenses are lower now that all of TAIPA's phone numbers have been ported over to 1 account. We expect to end under budget.
Rent Expense	33,331	33,900	569	67,800	49.16%	Within range.
Moving Expense	0	0	0	0	0.00%	
Taxes	25	550	525	1,100	2.30%	Have not paid all of TAIPA's taxes. We expect to end on budget.
Other Office Expenses	2,936	3,950	1,014	7,900	37.17%	TAIPA has not had very many assessment write-offs, and service awards happen more towards the end of the year.
Governing Committee	2,552	11,200	8,648	22,400	11.39%	TAIPA Governing Board Meetings have been held by teleconference, thus travel expenses have been reduced. Expect to end under budget, because only 1 in person meeting is scheduled.
Subcommittee Meetings	2,000	2,250	250	4,500	44.44%	TAIPA did not have an Ops-Sub Committee meeting prior to the August 2022 Gov. Board Meeting. We expect to end on budget.
Producer Review Panel	0	0	0	0	0.00%	
Employee Meetings, Seminars & Staff Travel	1,857	12,950	11,093	25,900	7.17%	To date employees haven't enrolled in courses and the manager has only attended one off site symposium. We expect to end on budget.
Legal Expenses	17,544	27,800	10,256	55,600	31.55%	To date TAIPA has had only 1 Governing Board Meeting and as of yet TAIPA has not had a Rate Filing in 2022. We expect to end on budget.

Texas Auto Ins. Plan Assoc.**ACTUAL VS. BUDGET**

For the period ended June 30, 2022

	Actual	2022 Year To Date Budget	Variance	2022 Annual Budget	% Used	Reason for Variance
Audit Expense	15,181	12,850	-2,330	25,700	59.07%	Most of the Audit expenses have been paid. We anticipate additional expenses for completing 990 form. We expect to end on budget.
Dues, Subscriptions & Publications	225	300	75	600	37.50%	Some of the expected dues will be paid later in the year. We expect to end on budget.
TAIPA Tradition, Visitor Meals & Gifts	1,442	1,450	8	2,900	49.74%	Within range.
System Consultants	25,038	26,850	1,812	53,700	46.63%	Within range.
Consultants - Other	7,512	17,400	9,888	34,800	21.59%	TAIPA has not utilized our accounting system consultants as we had expected. We anticipate ending on budget.
Actuary	0	4,250	4,250	8,500	0.00%	
Other	0	0	0	0	0.00%	
SUBTOTAL	334,081	433,375	99,294	866,750	38.54%	
Depreciation	913	1,650	737	3,300	27.67%	
Amortization	0	200	200	400	0.00%	
Gain (Loss) on Disposition of Fixed Assets	0	0	0	0	0.00%	
SUBTOTAL	913	1,850	937	3,700	24.68%	
TOTAL OPERATING EXPENSE	334,994	435,225	100,231	870,450	38.49%	We are currently under budget by 11.51%. We'd expect to be at 50% of budget at the end of this period.
NET FROM OPERATIONS	42,077	-63,725	105,802	-127,450		
Non-Operating Pension Costs	0	0	0	0	0.00%	

Texas Auto Ins. Plan Assoc.**ACTUAL VS. BUDGET**

For the period ended June 30, 2022

	Actual	2022 Year To Date Budget	Variance	2022 Annual Budget	% Used	Reason for Variance
NET	42,077	-63,725	105,802	-127,450		
<u>CAPITAL BUDGET</u>						
Software Development in Progress	0	0	0	0	0.00%	
Office Furniture & Equipment	0	0	0	0	0.00%	
Computer Equipment	0	1,400	1,400	2,800	0.00%	
Computer Software	0	0	0	0	0.00%	
Leasehold Improvements	0	0	0	0	0.00%	
TOTAL	0	1,400	1,400	2,800	0.00%	

NOTE: Items that are considered "within range" are within 5% or \$5,000 of the expected year-to-date budget.

Texas Auto Ins. Plan Assoc.

Statement of Activities

For the period ended June 30, 2022

Unaudited

Changes in unrestricted net assets

	Current YTD
Revenues	
Member assessments	\$ 371,856
Interest income	746
Assessment penalties	4,468
Total revenues	377,071
Expenses	
Salaries and related expenses	205,134
Occupancy expenses	37,110
Professional Services	65,275
Depreciation & amortization	913
Postage and delivery	8,251
Office supplies and expense	4,302
Governing committee	2,552
Computer supplies & expenses	2,996
Subcommittee meetings	2,000
Staff education & seminars	1,857
Miscellaneous	2,936
Staff expense	1,442
Dues and subscriptions	225
Total operating expenses	334,994
Other revenues (expenses)	
Total other revenue (expenses)	-
<i>Increase (decrease) in unrestricted net assets</i>	42,077
<i>Net assets (deficiency) at beginning of year</i>	469,323
<i>Net assets (deficiency) as of June 30, 2022</i>	\$ 511,400

Texas Auto Ins. Plan Assoc.**Statement of Financial Position**

As Of June 30, 2022

Unaudited

ASSETS

Current Assets		
Cash and cash equivalents	\$	750,530
Accounts receivable		67,028
Prepaid expenses		16,812
Total current assets		<u>834,370</u>
Security Deposits		5,379
Prepaid Pension Benefit Costs		107,490
Property and Equipment		
Furniture and equipment		26,653
Computer equipment		15,105
Leasehold improvements		2,222
Computer software		25,000
		<u>68,980</u>
Less accumulated depreciation		<u>65,704</u>
		<u>3,276</u>
 Total assets		 <u><u>950,516</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable		10,833
Accrued vacation		40,319
Accrued payroll liabilities		11,954
Deferred revenue		371,736
Total current liabilities		<u>434,843</u>
Other Liabilities		
Deferred lease benefit		4,273
Total other liabilities		<u>4,273</u>
Net (Deficiency) Assets		
Without donor restrictions		<u>511,400</u>
 Total net assets		 <u>511,400</u>
 Total liabilities and net assets	\$	 <u><u>950,516</u></u>

Exhibit 5

Proposed 2023 TAIPA Governing Committee Meeting Dates

Friday, March 24th, 2023

Friday, August 18th, 2023

Friday, November 17th, 2023

Exhibit 6

TAIPA

ENTERPRISE RISK & EMERGENCY MANAGEMENT PLAN

Version 2.1

Draft

TAIPA Enterprise Risk and Emergency Management Plan

VERSION HISTORY

This Risk Management Plan was developed by TAIPA Staff under the direction of the Strategic Planning Subcommittee and approved by the Texas Automobile Insurance Plan Association's (TAIPA's) Governing Committee.

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0	<i>James Langford, Association Manager</i>		<i>TAIPA Governing Committee</i>	<i>04/01/2016</i>	<i>Initial Risk Management Plan</i>
2.0	<i>Stacy Dutton Association Manager</i>	<i>08/09/2021</i>	<i>Governing Committee</i>	<i>08/20/2021</i>	<i>Created formal plan that incorporates Emergency Management Plan as well</i>
2.1	<i>Stacy Dutton Association Manager</i>	<i>8/19/2022</i>	<i>Strategic Planning Subcommittee</i>		<i>Updated contacts and risks and added additional risk regarding TAIPA application volume increasing substantially.</i>

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1 INTRODUCTION

This risk management plan was developed by Texas Automobile Insurance Plan Association (TAIPA) staff under the direction of the TAIPA's Governing Committee. The purpose of this plan is to define potential risks, develop a plan to mitigate those risks and provide guidance for the management and staff of TAIPA to recover from the effects of any incident that disrupts the operations of business functions of TAIPA.

1.1 PURPOSE OF THE RISK MANAGEMENT PLAN

A risk is an event or condition that, if it occurs, could have a positive or negative effect on an organization's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring, and reporting risks. This Risk Management Plan defines how risks associated with TAIPA's Business Operations will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored as well as practices for recording and prioritizing risks. The Risk Management Plan is created by TAIPA staff and is monitored and updated annually. The intended audience of this document is TAIPA management and the TAIPA Governing Committee.

2 RISK MANAGEMENT PROCEDURE

2.1 PROCESS

TAIPA staff will ensure that risks are actively identified, analyzed, and managed. Risks will be identified as early as possible so as to minimize their impact. The steps for accomplishing this are outlined in the following sections. The Association Manager will serve as the Risk Manager for this plan.

2.2 RISK IDENTIFICATION

Risk identification will involve TAIPA staff and appropriate stakeholders, and will include an evaluation of environmental factors.

2.3 RISK ANALYSIS

All risks identified will be assessed to identify the range of possible outcomes. The degree and severity of the risk will be used to determine which risks are the top risks to pursue and respond to and which risks can be ignored.

2.31 QUALITATIVE RISK ANALYSIS

The probability and impact of occurrence for each identified risk will be assessed by the TAIPA staff, with input from the TAIPA Governing Committee using the following approach:

Probability

- HIGH – Greater than 70% probability of occurrence
- MEDIUM – Between 30% and 70% probability of occurrence
- LOW – Below 30% probability of occurrence

Impact

- HIGH – Risk that has the potential to greatly impact TAIPA's operations and/or performance
- MEDIUM – Risk that has the potential to slightly impact TAIPA's operations and/or performance
- LOW – Risk that has relatively little impact on TAIPA's operations and/or performance

2.32 RISK RESPONSE PLANNING

Each risk will be reviewed by TAIPA staff to determine if it can be

- **Avoided** – eliminate the threat by eliminating the cause
- **Mitigated** – Identify ways to reduce the probability or the impact of the risk

For each risk TAIPA staff will identify ways to prevent the risk from occurring, reduce its impact or probability of occurring, and develop a course of action so that if the risk does materialize in order to minimize its impact.

2.33 RISK MONITORING, CONTROLLING, AND REPORTING

The level of risk will be tracked, monitored and reported upon annually.

3 CURRENT RISKS & ANALYSIS

TAIPA looked at the following items/issues when creating our enterprise risk management plan.

GENERAL RISKS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA offices unavailable (one week or less)	MEDIUM	LOW-MEDIUM				
(Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage)	UNTIL 2021 THIS HAD NOT HAPPENED BUT WITH SNOVID, WE HAD ISSUES WITH IMPASSABLE ROADS AS WELL AS ISSUES WITH WATER AND ELECTRICITY AT THE TAIPA OFFICE. THE ELECTRICITY AND WATER ISSUES WERE SPORADIC AND WE WERE REQUIRED TO BOIL WATER FOR A FEW DAYS AFTER WE WENT BACK TO THE OFFICE.	<p>SINCE EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW</p> <p>IMPACT BECOMES HIGHER WHEN EMPLOYEES DO NOT HAVE ELECTRICITY OR INTERNET</p>	<p>BECAUSE THE OFFICE IS IN A GOOD LOCATION, THE RISK OF HAVING THIS OCCUR IS REDUCED. IN ADDITION, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY</p> <p>IN ADDITION, -DUE TO COVID PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS.</p> <p>SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY 2021 AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTUR</p> <p>-DUE TO SNOVID – THE ONLY ISSUE WAS THAT WE WERE UNABLE TO OBTAIN TAIPA MAIL DUE THE STREETS NOT BEING PASSABLE.</p> <p>IF THERE WAS A SITUATION WHERE WE COULD NOT USE THE TAIPA BUILDING & HAD NO NOTICE, BOTH STACY & MIMI CAN ACCESS THE</p>	<p>DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME.</p> <p>WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME.</p> <p>THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE.</p> <p>IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO ASSIST</p>	<p>ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE.</p> <p>ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.</p>	<p>STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT: ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512 814 3430 ADELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>-TAIPA GOVERNING COMMITTEE CHAIR BECKY JACKSON 512-694-4456</p> <p>-MAIL COURIERS – COURIER DEPOT - 512-892-1876</p> <p>-BALCONES SHRED – 512-744-4999</p> <p>-TELEPHONE CONNECTION – 512-451-6101</p> <p>VINTAGE IT – 512-481-1117</p>

TAIPA Enterprise Risk and Emergency Management Plan

			<p>CLOUD FROM THEIR HOME COMPUTERS. DEPENDING ON THE LENGTH OF TIME THAT WE WERE NOT ABLE TO ACCESS THE BUILDING WE COULD SET STAFF UP AS WELL.</p>	<p>COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p> <p>WE HAVE WORKED OUT THE KINKS IN NEW PHONE SYSTEM RELATED TO OUR FIRE WALL. WE ARE NOW WORKING TO TRAIN ALL EMPLOYEES ON HOW TO UTILIZE VOIP TECHNOLOGY AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS AT HOME.</p>		
	<p>AUSTIN DOESN'T TYPICALLY HAVE SEVERE WEATHER FOR LONG PERIODS OF TIME.</p> <p>SNOVID -ONE 5 DAY OCCURRENCE HAPPENED IN 2021 WHERE PREVIOUSLY WE HAVE EXPERIENCED ONLY 1-2 DAYS OF SEVERE WEATHER RELATED CLOSURES IN LAST 14 YEARS</p> <p>AUSTIN DOESN'T HAVE HISTORY OF LONG TERM ISSUES WITH WATER OR ELECTRICITY</p> <p>TAIPA'S OFFICE BUILDING AND EVERY EMPLOYEE HAD SOME WATER AND/OR ELECTRICITY ISSUES</p>	<p>EMPLOYEES WERE ABLE TO DO MOST WORK FROM HOME, HOWEVER WITHOUT MAIL DELIVERY, WE WERE NOT ABLE TO PROCESS MAIL.</p>	<p>HAVE FLOOD AND EARTHQUAKE INSURANCE</p> <p>TEXAS GOVERNMENT IS REVIEWING AND ADDRESSING LONG TERM ISSUES WITH ELECTRICITY/TEXAS GRID</p> <p>IT MAY ALSO HELP THAT TESLA'S BATTERY COMPANY IS MOVING TO TEXAS</p>	<p>SAME AS ABOVE</p>	<p>SAME AS ABOVE</p>	<p>SAME AS ABOVE</p>

TAIPA Enterprise Risk and Emergency Management Plan

DURING SNOVID IN 2021.					
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA offices unavailable (More than one week)	LOW	LOW				
(Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage)	This hasn't happened and our building was back up and running before employees were able to get there after SNOVID	Since employees can and have experience working from home the Impact is LOW	<p>BECAUSE THE OFFICE IS IN A GOOD LOCATION, THE RISK OF HAVING THIS OCCUR IS REDUCED. IN ADDITION, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY</p> <p>IN ADDITION, -DUE TO COVID PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS.</p> <p>SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTUR</p> <p>-DUE TO SNOVID – THE ONLY ISSUE WAS THAT WE WERE UNABLE TO OBTAIN TAIPA MAIL DUE THE STREETS NOT BEING PASSABLE.</p>	<p>DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME.</p> <p>WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME.</p> <p>THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE.</p> <p>IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO ASSIST COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p> <p>WE HAVE</p>	<p>ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE.</p> <p>ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.</p>	<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT: ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512 814 3430 ADELIEN.FRESCH@CUSHWAKE.COM</p> <p>807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>-TAIPA GOVERNING COMMITTEE CHAIR BECKY JACKSON 512-694-4456</p> <p>-MAIL COURIERS – COURIER DEPOT - 512-892-1876</p> <p>-BALCONES SHRED – 512-744-4999</p> <p>-TELEPHONE CONNECTION – 512-451-6101</p> <p>VINTAGE IT – 512-481-1117</p>

TAIPA Enterprise Risk and Emergency Management Plan

				<p>WORKED OUT THE KINKS IN NEW PHONE SYSTEM RELATED TO OUR FIRE WALL. WE ARE NOW WORKING TO TRAIN ALL EMPLOYEES ON HOW TO UTILIZE VOIP TECHNOLOGY AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS AT HOME.</p>		
	<p>AUSTIN DOESN'T TYPICALLY HAVE SEVERE WEATHER FOR LONG PERIODS OF TIME</p> <p>AUSTIN DOESN'T HAVE HISTORY OF LONG TERM ISSUES WITH WATER OR ELECTRICITY</p>	<p>EMPLOYEES NOW HAVE A LOT OF EXPERIENCE WORKING AT HOME.</p>	<p>HAVE FLOOD AND EARTHQUAKE INSURANCE</p> <p>TEXAS GOVERNMENT IS REVIEWING AND ADDRESSING LONG TERM ISSUES WITH ELECTRICITY/TEXAS GRID</p> <p>IT MAY ALSO HELP THAT TESLA'S BATTERY COMPANY IS MOVING TO TEXAS</p>	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE
						<p>POSSIBLE CONTACTS FOR OFFICE SPACE REGUS 855-400-3575 - RENTS OFFICE SPACE HOURLY, DAILY, MONTHLY, ETC. TARGET OFFICE 888-753-1777- RENT OFFICE SPACE PER PERSON MONTHLY</p>

TAIPA Enterprise Risk and Emergency Management Plan

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Employees are not able to come to work due to personal or organizational risks and/or governmental restrictions)	MEDIUM	LOW-MEDIUM				
(Pandemic, Government Regulations)	UNTIL 2020, THIS HAD NOT HAPPENED BUT WITH COVID, WE HAD TO FIND A WAY FOR ALL EMPLOYEES TO WORK FROM HOME.	NOW EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW IMPACT BECOMES HIGHER IF EMPLOYEES DO NOT HAVE ELECTRICITY OR INTERNET	WE HAD EMPLOYEES WORK FROM VARIOUS LOCATIONS DURING COVID AND EVERYONE WAS ABLE TO WORK IF THERE WERE A PROBLEM WITH AN EMPLOYEES INTERNET OR ELECTRICITY, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY DUE TO THE PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS. SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTURE	DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME. WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME. THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE. IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO	ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE. ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.	STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927 LAS CIMAS BUILDING MANAGEMENT: ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512 814 3430 ADELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 1200 AUSTIN, TX 78746 USA CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE CHAIR BECKY JACKSON 512-694-4456 -MAIL COURIERS – COURIER DEPOT - 512-892-1876 -BALCONES SHRED – 512-744-4999 -TELEPHONE CONNECTION – 512-451-6101 VINTAGE IT – 512-481-1117

TAIPA Enterprise Risk and Emergency Management Plan

				<p>ASSIST COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p> <p>WE HAVE WORKED OUT THE KINKS IN NEW PHONE SYSTEM RELATED TO OUR FIRE WALL. WE ARE NOW WORKING TO TRAIN ALL EMPLOYEES ON HOW TO UTILIZE VOIP TECHNOLOGY AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS AT HOME.</p>	
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Emergency governing committee meeting	MEDIUM	MEDIUM				
			<p>ABILITY TO MEET VIA TELECONFERENCE OR ZOOM WITH AT LEAST ONE GOVERNING COMMITTEE MEMBER PRESENT AT THE MEETING.</p> <p>*NOTE THAT THIS WAS WAIVED BY ORDER OF THE GOVERNOR WHEN COVID INITIALLY HIT.</p>			<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>CURRENT TAIPA GOVERNING COMMITTEE CHAIR</p>

TAIPA Enterprise Risk and Emergency Management Plan

	WE ADDED A MEETING FOR THE COVID RELIEF PROGRAM IN 2020. HOWEVER, THIS WAS NOT AN EMERGENCY MEETING. THEREFORE, WE WERE ABLE TO MEET THE OPEN MEETINGS REGULAR POSTING REQUIREMENTS.	WE NOW HAVE QUITE A BIT OF EXPERIENCE WITH CONFERENCE CALLS AND ZOOM MEETINGS.	POSTING REQUIREMENTS ARE 7 DAYS FOR REGULAR MEETINGS AND 2 HOURS FOR EMERGENCY MEETING			CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE -SECRETARY OF STATE – OPEN MEETINGS ACT POSTING: HTTPS://WWW.SOS.STATE.TX.US/OPEN/INDEX.SHTML LOGIN THROUGH: HTTPS://TEXREG.SOS.STATE.TX.US/TAC/LIAISON_CENTERS.STARTUP
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA volume increasing substantially in a short period of time	LOW	LOW-MEDIUM				
(Due to a change in the open market conditions – such as underwriting guidelines tightening)	OVER THE YEARS, TAIPA'S APPLICATIONS HAVE INCREASED AND DECREASED. THE LARGEST INCREASE TOOK PLACE IN 1992 WHEN APPLICATIONS INCREASED BY 311,666 APPLICATIONS. CURRENTLY APPLICATIONS ARE AT THEIR LOWEST LEVEL AS WE EXPECT 1300 APPLICATIONS BY THE END OF 2022 UNLESS SOMETHING SUBSTANTIALLY CHANGES IN THE MARKET.	<p>STAFFING: DEPENDING ON THE LEVEL OF THE INCREASE IN APPLICATIONS AND THE RATE THAT THE APPLICATIONS START COMING IN, THE RISK COULD BE LOW TO HIGH. IT COULD BE LOW BECAUSE OUR CURRENT STAFF COULD HANDLE AN INCREASE OF AT LEAST 4 TIMES THE APPLICATIONS THAT WE CURRENTLY HAVE COMING IN. THIS WOULD REQUIRE THEM TO REDUCE SOME OF THE ADDITIONAL DUTIES THAT THEY HAVE TAKEN ON AND WOULD ALSO DEPEND ON HOW MANY QUESTIONS THEY RECEIVED FROM INSUREDS/PRODUCERS AND COMPANIES PER DAY.</p> <p>IF APPLICATIONS INCREASED AT A RATE HIGHER THAN WHAT CURRENT STAFF COULD HANDLE, THE THREAT WOULD MOVE TO</p>	<p>STAFFING FOR INCREASE IN APPLICATIONS: CURRENT STAFF CAN HANDLE A SUBSTANTIAL INCREASE IN APPLICATIONS.</p> <p>CURRENT STAFF CAN TRAIN NEW EMPLOYEES IN THE BASIC APPLICATION PROCESSING.</p> <p>PRODUCER TRAINING: STAFF CURRENTLY USES A NUMBER OF DIFFERENT PROCESSES TO TRAIN PRODUCERS. THIS IS DEPENDENT UPON THE DEGREE OF TRAINING THE PRODUCER NEEDS AND INCLUDES</p> <p>1. WALKING PRODUCERS THROUGH THE APPLICATION</p>	<p>TAIPA STAFF WILL</p> <ol style="list-style-type: none"> 1. CONDUCT A TIME MOTION STUDY TO DETERMINE THE AVERAGE TIME IT TAKES CURRENT STAFF TO PROCESS APPLICATIONS. THIS WILL GIVE US A BETTER IDEA OF EXACTLY HOW MANY APPLICATIONS CURRENT STAFF CAN HANDLE. 2. CONTINUE TO WORK ON PUTTING THE TRAINING INFORMATION IN A TRAINING LIBRARY SO THAT PRODUCERS CAN SEARCH FOR DOCUMENTS. 3. WORK ON 	<p>IN AN EFFORT TO SPEED THIS PROCESS UP, TAIPA STAFF WILL WORK WITH THE STRATEGIC PLANNING SUBCOMMITTEE TO REVIEW AND APPROVE THE IDEAS TAIPA HAS COME UP WITH AND THEN MOVE FORWARD WITH THE IDEAS THAT THEY BELIEVE WILL BE MOST HELPFUL.</p>	<p>STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927</p> <p>CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE CHAIR BECKY JACKSON (512) 694-4456 -TAIPA CUSTOMER SERVICE 512-444-4441 -PRODUCERS USING TAIPA'S EMAIL LIST AS WELL AS OTHER EMAIL LISTS TAIPA CAN OBTAIN THROUGH ORGANIZATIONS SUCH AS IIAT.</p>

TAIPA Enterprise Risk and Emergency Management Plan

		<p>MEDIUM OR HIGH.</p> <p>THIS WOULD BE MITIGATED TO SOME DEGREE BECAUSE OUR CURRENT STAFF COULD TRAIN NEW STAFF ON THE BASICS OF PROCESSING APPLICATIONS.</p> <p>OFFICE SPACE - WE CURRENTLY HAVE LIMITED SPACE (2 CUBICLES) AVAILABLE IN THE OFFICE FOR ADDITIONAL STAFF.</p> <p>IF 2 ADDITIONAL STAFF WAS NOT ENOUGH, WE COULD HAVE EMPLOYEES WHO WERE WELL TRAINED WORK FROM HOME BY HAVING THEM PICK UP THEIR WORK FROM THE OFFICE OR HAVING IT DELIVERED TO THEIR HOME.</p>	<p>PROCESS ON THE PHONE. UNFORTUNATELY, THIS OFTEN TAKES ABOUT 30 MINUTES TO DO.</p> <p>2. RUTH CREATED A DOCUMENT THAT WALKS PRODUCERS THROUGH THE APPLICATION PROCESS AND THIS DOCUMENT INCLUDES LINKS TO A NUMBER OF DEFINITIONS WHICH ASSISTS THE PRODUCER IN FILLING OUT THE APPLICATION ON THEIR OWN.</p> <p>3. TAIPA HAS A NUMBER OF TRAINING DOCUMENTS INCLUDING: TRAINING DOCUMENTS FOR TRAINING REQUIRED TO TRAIN PRODUCERS IN ALL OF THE "PROBLEM AREAS". STAFF HAS USED THESE DOCUMENTS IN THE INDEPTH TRAINING GIVEN TO PRODUCERS TO AVOID TURNING THEM OVER TO THE PRODUCER REVIEW PANEL.</p> <p>4. SINCE TAIPA NOW REQUIRES THE PRODUCERS TO USE THE EASI SYSTEM</p>	<p>CREATING A TRAINING VIDEO TO WALK A PRODUCER THROUGH THE APPLICATION PROCESS.</p> <p>4. PURSUE WORKING WITH IIAT TO COME UP WITH A LIST OF PRODUCER'S THAT TAIPA COULD SEND OCCASIONAL EMAILS ABOUT TAIPA</p> <p>5. CREATE DOCUMENTS EXPLAINING WHAT TAIPA DOES AND HOW TAIPA CAN ASSIST PRODUCERS WITH PLACING CLIENTS WHEN THERE ARE NO OPEN MARKET OPTIONS.</p> <p>6. PREPARE AN "ORIENTATION PROGRAM" FOR PRODUCERS THAT COULD BE DELIVERED TO A GROUP IN PERSON. THIS COULD BE VIDEOED AND BE AVAILABLE THROUGH A LINK ON THE TAIPA WEBSITE. IN ADDITION IT COULD BE ADAPTED TO BEING DELIVERED AT VARIOUS INSURANCE AGENT MEETINGS, ETC.</p>		
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>TO COMPLETE APPLICATIONS , THE SYSTEM ITSELF WALKS PRODUCERS THROUGH THE PROCESS TO A LIMITED DEGREE IN THAT THEY CANNOT MOVE ON WITHOUT FILLING IN THE REQUIRED INFORMATION IN THE APPLICATION. IT HAS A LIMITED AMOUNT OF HELP THROUGH "DROP DOWNS" ETC.</p> <p>HOW PRODUCERS LEARN ABOUT TAIPA – IT IS OUR UNDERSTANDING THAT PRODUCERS RECEIVE SOME</p> <ol style="list-style-type: none"> 1. TRAINING DURING LICENSING. <p>IN ADDITION, THEY CAN RECEIVE ADDITIONAL TRAINING BY REQUESTING IT DIRECTLY FROM TAIPA</p>			
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IT/TELEPHONE RISKS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Any of TAIPA's Servers hosted by Vintage crashes	LOW	HIGH				
This would EFFECT ALL TAIPA OPERATIONS.	VINTAGE HAS TWO LOCATIONS. ONE IN AUSTIN, THE OTHER IN CHICAGO. EACH LOCATION PROVIDES	IF IT HAPPENED AND CHICAGO CRASHED AS WELL, TAIPA WOULD HAVE TO RELY ON	HAVING OUR SERVERS AT VINTAGE PROVIDES BETTER SECURITY FOR OUR SYSTEMS, BECAUSE THEY	WE COULD PERFORM SOME DUTIES MANUALLY AND KEEP TRACK ON SPREADSHEETS UNTIL THE SYSTEM IS BACK UP.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

TAIPA Enterprise Risk and Emergency Management Plan

	BACKUP OF THE DATA.	VITANGE'S ABILITY TO GET BACK UP.	HAVE TWO LOCATIONS WHERE EACH RECORDS THE BACKUP DATA FOR ALL OF THEIR CLIENTS. THIS IS THEIR MAIN BUSINESS, AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES. IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY.			VINTAGE IT 512-481-1117 HELPDESK@VINTAGEITS.COM
	USING CLOUD MANAGED BY VENDOR. IF AUSTIN LOCATION CRASHED, THE IMPACT ON TAIPA WOULD BE SEEMLESS.	WE EXPECT THAT IT WOULD BE UP SHORTLY BY USING A DIFFERENT SERVER	TAIPA HAS A DAILY BACKUP			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA's Voicemail Server crashes	LOW	HIGH				
This would include our voicemail, TAIPA greetings, and routing of calls. If this OCCURRED, the phone would GO DIRECTLY TO VOICEMAIL.	ZULTYS HAS TWO LOCATIONS. ONE IN BOSTON, THE OTHER IN DENVER. EACH LOCATION PROVIDES BACKUP OF THE DATA. THEY ALSO DO A SYTEM CHECK THAT INCLUDES MOVEING THE DATA EVERY 24 HOURS. ZULTYS HAS SEVERAL TRUNKS THAT HAVE THE ABILITY FOR REDUNDANCY	IF IT HAPPENED AND DENVER CRASHED AS WELL, TAIPA WOULD HAVE TO RELY ON ZULTYS' ABILITY TO GET BACK UP.	HAVING OUR SERVERS AT ZULTYS PROVIDES BETTER PHONE/VOIP SERVICE FOR OUR CUSTOMERS, BECAUSE THEY HAVE TWO LOCATIONS WHERE EACH RECORDS THE BACKUP DATA AND FUNCTIONALITY FOR ALL OF THEIR CLIENTS. THIS IS THEIR MAIN BUSINESS,	WE COULD ANSWER MOST THROUGH THE CELL PHONE APP OR WILL GO TO VOICEMAIL UNTIL THE SYSTEM IS BACK UP.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 MATTHEW MONROE, ACCOUNT MANAGER AT TC TECH SYSTEMS 525 ROUND ROCK WEST DR., STE. A100, ROUND ROCK, TX 78681 MAIN: (512) 451-6101 MOBILE: (512) 334-7813 MATTHEW.MONROE@TCTECHSYSTEMS.COM

TAIPA Enterprise Risk and Emergency Management Plan

	DIALING.		AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES. IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY.			
	USING CLOUD MANAGED BY VENDOR. IF BOSTON LOCATION CRASHED, THE IMPACT ON TAIPA WOULD BE SEEMLESS. THEY HAVE ONLY HAD A LESS THAN 2 MINUNT DOWN TIME WORLD WIDE IN SEVERAL YEARS.	WE EXPECT THAT IT WOULD BE UP SHORTLY BY USING A DIFFERENT SERVER	TAIPA HAS A DAILY BACKUP			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Spectrum Internet	MEDIUM	LOW to MEDIUM				
	WE HAVE EXPERIENCED THIS ONCE ALREADY	LOW IN THAT EMPLOYEES CAN WORK FROM HOME IF THEY HAVE INTERNET. MEDIUM IF THE PROBLEM IS CITYWIDE AND SPECTRUM IS THE SERVICE PROVIDER FOR EMPLOYEES WHO WORK FROM HOME. NOT ALL EMPLOYEES WHO WORK FROM HOME	IF THE PROBLEM LASTS LONGER THAN A COUPLE OF HOURS, WE WOULD POST SOMETHING ON OUR WEBSITE TO LET THE PUBLIC KNOW IF AN EMPLOYEE HAS ACCESS TO THE INTERNET. IN ADDITION, TAIPA HAS BEEN ABLE TO UTILIZE THE BUILDINGS INTERNET TO ACCESS TAIPA'S CLOUD ENVIRONMENT WNEN SPECTRUM HAD AN OUTAGE	WE DON'T BELIEVE THAT THE OUTAGE WOULD BE LONG BECAUSE SPECTRUM WOULD BE WORKING TO FIX IT FOR US AND ANY OF THEIR OTHER CLIENTS AFFECTED.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 ACCOUNT NUMBER: 8260163000015473 WEBSITE: SPECTRUMBUSINESS.NET PHONE: 1-888-812-2591

TAIPA Enterprise Risk and Emergency Management Plan

		HAVE SPECTRUM. WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY. THIS WAS OUR EXPERIENCE WHEN IT OCCURRED PREVIOUSLY				
THIS WOULD EFFECT ALL TAIPA OPERATIONS.			TAIPA HAS THE ABILITY TO WORK FROM HOME IF THE OUTAGE PERSISTS.	TAIPA HAS THE ABILITY TO WORK FROM HOME IF THE OUTAGE PERSISTS.		

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Website through WP Engines crashes	LOW	MEDIUM				
	WE HAVE NOT EXPERIENCED ANY PROBLEMS WITH OUR WEBSITE TO DATE. WP ENGINES IS AN INDEPENDENT COMPANY THAT MANAGES SERVERS FOR OTHER ENTITIES AS WELL SO THERE IS PRESSURE TO KEEP ALL WEBSITES UP AND OPERATING	WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY.		WE DON'T BELIEVE THAT THE OUTAGE WOULD BE LONG BECAUSE WP ENGINES WOULD BE WORKING TO FIX IT FOR US AND ANY OF THEIR OTHER CLIENTS AFFECTED.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 TAIPA.org Website Hosting (WP Engine) https://my.wpengine.com/

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
AIPSO System crashes	LOW	HIGH				
THIS INCLUDES EASI 2.0 AND THE APS SYSTEM APS SYSTEM IS OUR CUSTOMER SERVICE DATA BASE FOR COMPANIES & PRODUCERS.	AIPSO IS THE SYSTEM PROVIDER FOR MOST STATES AS WELL SO THERE IS PRESSURE TO	WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY.	AIPSO MAINTAINS TAIPA'S INFORMATION AND HAS DATA SECURITY PLANS IN PLACE AS WELL AS			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE

TAIPA Enterprise Risk and Emergency Management Plan

<p>EASI 2.0 IS THE SYSTEM THAT WE USE TO ENTER APPLICATIONS</p> <p>EASI ADMIN 2.0 IS THE SYSTEM THAT WE USE TO MONITOR APPLICATION PROCESSES</p> <p>ALL THE ABOVE SYSTEMS HAVE THE GREATEST IMPACT ON TAIPA'S ABILITY TO SERVICE INSUREDS, PRODUCERS, & COMPANIES.</p> <p>WITHOUT THE USE OF THE LISTED ABOVE ALL PROCESS WOULD HAVE TO BE DONE MANUALLY.</p>	<p>KEEP ALL SYSTEMS UP AND OPERATING</p>		<p>INSURANCE TO COVER ANY SECURITY BREECHES</p>			<p>512-531-7258 (CELL) 512-468-6927</p> <p>AIPSO 888-424-0026 OR 401-429-1567</p>
			<p>AIPSO HAS SENT INFORMATION ABOUT THEIR DATA SECURITY</p>			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
<p>Servers are hacked/data breach</p>	<p>LOW</p>	<p>MEDIUM to HIGH</p>				
	<p>OUR SERVERS AND INFORMATON IS BEING MANAGED BY AN OFF-SITE VENDORS WHOSE BUSINESS IT IS TO KEEP THIS FROM TAKING PLACE.</p>	<p>TAIPA DOES HAVE PRODUCER'S SOCIAL SECURITY NUMBERS OR EINS IN OUR SYSTEM. THIS SYSTEM IS MANAGED BY AIPSO. THE INFORMATION THAT WE DO HAVE ON INSUREDS IS VERY LIMITED BUT IT DOES INCLUE THEIR DRIVERS LICENSE NUMBER & DATE OF BIRTH.</p>	<p>OUR SERVERS ARE AT VINTAGE. THESE WOULD INCLUE SOCIAL SECURITY OR EINS FOR PEOPLE IN OUR ACCOUNTING SYSTEM.</p>	<p>WE FEEL THAT WE HAVE VENDORS TO MANAGE THE SYSTEMS THAT WE USE PROVIDES BETTER SECURITY SINCE THEY PROVIDE THIS SERVICE FOR MULTIPLE CUSTOMERS. WE FEEL COMFORTABLE THAT THEY ARE MANAGING OUR SERVERS AND SYSTEMS PROPERLY AND THE THEY HAVE CONTROLS IN PLACE.</p>		<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>VINTAGE IT 512-481-1117 HELPDESK@VINTAGEITS.COM</p>
			<p>AIPSO MANAGES THE SYSTEM THAT HOLDS OUR PRODUCER'S SOCIAL SECURITY NUMBERS AND</p>	<p>WE HAVE RECEIVED CONFIRMATION FROM: VINTAGE AIPSO ADP</p>		

TAIPA Enterprise Risk and Emergency Management Plan

			EINS AS WELL AS OUR INSURED'S DRIVERS LICENSES.	ABOUT SYSTEM SECURITY.		
			ADP MANAGES OUR PAYROLL SYSTEMS WHICH CONTAINS OUR EMPLOYEE'S PERSONAL INFORMATION.			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
ADP Payroll System goes down/data breach	LOW	HIGH				
ADP MANAGES OUR PAYROLL SYSTEMS WHICH CONTAINS OUR EMPLOYEE'S PERSONAL INFORMATION.	ADP IS A LARGE PROVIDER OF PAYROLL PROCESSING AND AS SUCH HAS A LOT OF RESOURCES GOING TO PROTECTING THIS DATA	IF DATA IS BREECHEED, THIS NEGATIVELY AFFECTS OUR EMPLOYEES.	BECAUSE ADP IS A LARGE PAYROLL PROVIDER, WE FEEL CONFIDENT THAT THEY ARE PROTECTING THE DATA THAT THEY COLLECT.	ADP HAS SENT US INFORMATION ON THEIR DATA SECURITY.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927
			WE COULD MANNUALLY PROCESS PAYROLL AND THEN ENTER THE INFORMATION INTO THE SYSTEM WHEN IT COMES UP. WE ALSO COULD GO BACK TO USING OUR ACCOUNTING SYSTEM TO PROCESS PAYROLL	GET CONFIRMATION ON ADP'S ENTERPRISE RISK MANAGEMENT SYSTEM ANNUALLY		

TAIPA Enterprise Risk and Emergency Management Plan

LOSS OF VENDORS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – SPECTRUM BUSINESS	LOW	LOW				
	THERE IS NO INDICATION THAT SPECTRUM BUSINESS IS GETTING OUT OF THIS BUSINESS.	THERE ARE A NUMBER OF OTHER PROVIDERS IN THE MARKET	WE BELIEVE THAT THERE COULD BE SOME DOWN TIME WITH THE TELEPHONES AS WE DID EXPERIENCE THIS WHEN WE CHANGED VENDORS PREVIOUSLY.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – Vintage IT	LOW	LOW				
	THERE IS NO INDICATION THAT VITNTAGE IT IS GETTING OUT OF THIS BUSINESS.	THERE ARE A NUMBER OF OTHER PROVIDERS IN THE MARKET. THERE COULD BE SOME DOWNTIME IF WE HAD TO MAKE A CHANGE RAPIDLY AND COSTS MAY BE HIGHER.	WE ARE CURRENTLY HAPPY WITH OUR IT PROVIDER AND HAVE FOUND THEM TO BE THE BEST VENDOR THAT WE HAVE HAD SINCE 2007.	WE HAVE EXPERIENCE LOOKING FOR AND FINDING IT PROVIDERS SO WE COULD DO THIS FAIRLY FAST IF WE EVER NEEDED TO.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – AIPSO	LOW	HIGH				
	THERE IS NO INDICATION THAT AIPSO IS GETTING OUT OF THIS BUSINESS. IF THEY DID WANT TO STOP DOING BUSINESS WITH TAIPA, THERE WOULD BE SOME	THERE ARE NO OTHER ORGANIZATIONS THAT PROVIDE THIS TYPE OF SERVICE IN THE MARKET. WE ATTEMPTED TO CREATE OUR OWN SYSTEM USING A SOFTWARE DEVELOPMENT	WE HAVE IMPROVED OUR RELATIONSHIP WITH AIPSO STARTING IN 2010 AND CONTINUE TO DO SO. AIPSO NOW WORKS WITH TAIPA EMPLOYEES TO IMPROVE THEIR SERVICE TO TAIPA AS ISSUES			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

TAIPA Enterprise Risk and Emergency Management Plan

	PRESSURE APPLIED TO AIPSO BY THE INDUSTRY TO CONTINUE TO WORK WITH TAIPA. WE HAVE SEEN THIS DONE IN THE PAST. WE HAVE IMPROVED OUR RELATIONSHIP WITH AIPSO OVER THE YEARS.	ORGANIZATION AND THEY WERE UNABLE TO PRODUCE ANYTHING USABLE.	ARISE OR AS THEY DEVELOP NEW WAYS OF PROVIDING SERVICE.			
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – FROST BANK	VERY LOW	LOW				
	TAIPA IS VERY COMFORTABLE WITH OUR RELATIONSHIP WITH FROST BANK AND IT APPEARTS THAT FROST BANK IS COMFORTABLE WITH TAIPA AS WELL. THE BANK SEEMS TO UNDERSTAND OUR BUSINESS AND HAS WORKED TO PROVIDE US WITH A \$300,000 LINE OF CREDIT.	THERE ARE MANY OTHER BANKS AND WE ARE COMFORTABLE THAT THEY COULD BECOME COMFORTABLE WITH HOW TAIPA OPERATES AND PROVIDE THE SAME SERVICES THAT FROST CURRENTLY DOES.	WE WORK WELL WITH FROST BANK AND CONTINUE TO FOSTER A GOOD WORKING RELATIONSHIP WITH THEM.	BOTH MIMI LEECE AND STACY DUTTON WORKED ON CHANGING OUR BANK IN THE PAST SO WE HAVE DIRECT EXPERIENCE MAKING THIS CHANGE IF WE NEEDED TO.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – SAGE/ACCPAC	LOW	LOW				
SAGE/ACCPAC is our accounting software	TAIPA HAS USED THE ACCPAC SYSTEM FOR A VERY LONG TIME AND WE ARE	THERE ARE MANY OTHER PROVIDERS IN THE MARKET.	IF IT HAPPENED THAT THE SOFTWARE WAS NO LONGER SUPPORTED,			MIMI LEECE 512-531-7258 (CELL) 512-468-6927 TEXAS AUTO INSURANCE PLAN ACCOUNT: A00032479

TAIPA Enterprise Risk and Emergency Management Plan

	COMFORTABLE WITH IT.		WE COULD CONTINUE TO USE BECAUSE WE OWN THE SOFTWARE AND WE HAVE A FIRE WALL.			www.customers.sagenorthamerica.com 866-996-7243

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – TELEPHONE CONNECTION	LOW	LOW				
Telephone Connection manages TAIPA's phones and has for several years.	TELEPHONE CONNECTION DOES NOT APPEAR TO BE LEAVING THE MARKET	THERE ARE OTHER PROVIDERS IN THE MARKET INCLUDING VINTAGE IT NOW	IF IT HAPPENED WE COULD EASILY FIND ANOTHER PROVIDER			MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – ADP	LOW	LOW				
ADP is our software that we use for payroll and tax filing	ADP DOES NOT APPEAR TO BE LEAVING THE MARKET	THERE ARE MANY OTHER PROVIDERS IN THE MARKET.	IF IT HAPPENED WE COULD EASILY FIND ANOTHER PROVIDER OR GO BACK TO USING ACCPAC. WE OWN THE ACCPAC SYSTEM. STACY DUTTON HAS EXPERIENCE WITH CHANGING PROVIDERS FOR PAYROLL.	SINCE WE HAVE A COUPLE OF SOLUTIONS, WE ARE NOT CURRENTLY LOOKING FOR ANOTHER SOLUTION		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 ADP CUSTOMER SERVICE # 1-877-603-7079 ACCT # RNAYQ

FINANCIAL ISSUES

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Business risks relevant to financial reporting including fraud	LOW	HIGH				
	THE GOVERNING COMMITTEE IS MADE UP OF A	IF SOMETHING IN THE MARKET CHANGED	TAIPA DOES NOT HAVE A DEBIT CARD FOR ANY OF OUR ACCOUNTS.	MANAGER OF OPERATIONS/FI NANCIAL MANAGEMENT		STACY DUTTON 512.531.7271 (CELL) 512-779-8283

TAIPA Enterprise Risk and Emergency Management Plan

	<p>NUMBER OF COMPANY MEMBERS WHO KNOW AND SEE WHAT IS HAPPENING IN THE INSURANCE MARKET. WHENEVER THEY SEE AN ISSUE THAT COULD AFFECT TAIPA, IT IS GENERALLY DISCUSSED IN GOVERNING COMMITTEE MEETING AND/OR WITH TAIPA'S LEGAL COUNSEL AND/OR MANAGEMENT. THIS ALLOWS TAIPA MANAGEMENT TO MAKE PREPARATIONS FOR VARIOUS POSSIBLE SITUATIONS SUCH AS INCREASE OR DECREASED APPLICATIONS.</p> <p>FRAUD HAS NOT BEEN AN ISSUE SINCE 2005-2006. WE HAVE IMPLEMENTED MULTIPLE CHECKS TO ENSURE THAT EMPLOYEES DON'T USE THE COMPANY CREDIT CARDS FOR PERSONAL USE AND WE ENSURE THAT WE UNDERSTAND THE REASON FOR ALL PAYMENTS MADE TO OUR VENDORS</p> <p>IF FALSE INFORMATION WERE REPORTED, IT WOULD LIKELY LEAD THE STAFF AND THE GOVERNING COMMITTEE TO</p>	<p>AND APPLICATIONS WOULD BE INCREASED, TAIPA WOULD NEED TO STAFF UP AND MAY NEED TO EITHER USE OUR LINE OF CREDIT AND/OR HAVE AN ADDITIONAL ASSESSMENT. IF SOMEONE EMBEZZLED FUNDS, WE WOULD MOST LIKELY NOT BE ABLE TO MEET OUR FINANCIAL OBLIGATIONS AND WOULD NEED TO GET ADDITIONAL FUNDS THROUGH AN ASSESSMENT TO THE COMPANIES.</p>	<p>CREDIT CARDS ARE ONLY GIVEN TO STACY DUTTON, ASSOCIATION MANAGER AND MIMI LEECE, MANAGER OF OPERATIONS/ FINANCIAL MANAGEMENT.</p> <p>FRONT OFFICE PERSONNEL ARE IN THE PROCESS OF BEING TRAINED TO ENTER ALL INCOMING AND OUTGOING PAYMENTS.</p> <p>MIMI IS THE FIRST LEVEL OF MANAGEMENT TO REVIEW AND APPROVE THE PAYMENTS IN AND OUT OF OUR ACCOUNTS. STACY SIGNS OFF ON ALL OF THE CHECKS, POSTS ALL JOURNAL ENTRIES SO ALL PAYMENTS IN AND OUT ARE ULTIMATELY SEEN AND APPROVED BY HER. IN ADDITION, STACY AND MIMI REVIEW THE GL TRANSACTION LISTING TO VERIFY THAT ALL PAYMENTS/CREDITS ARE MADE IN THE PROPER GL.</p> <p>MIMI OVERSEES THE ACCOUNTING INFORMATION. SHE RECORDS JOURNAL ENTRIES AND PREPARES INTERNAL FINANCIALS. THEY ENSURE THAT ALL IMPORTANT INFORMATION IS PROCESSED AND COMMUNICATED ACCORDINGLY. INFORMATION IS REVIEWED AT SEVERAL LEVELS, INCLUDING BY THE ASSOCIATION MANAGER AND THE GOVERNING COMMITTEE.</p> <p>ANY CONTROL BREAKDOWNS WOULD BE READILY APPARENT. BECAUSE TAIPA IS SO SMALL AND STAFF GENERALLY KNOWS THE NORMAL INVOICES WE NEED TO PAY EACH MONTH SO TYPICALLY, ANY ISSUES WOULD BE CAUGHT WITHIN THE SAME MONTH. ON THE OUTSIDE, IT WOULD BE CAUGHT WHEN THE VENDOR CONTACTS US TO FIND OUT ABOUT PAYMENT OR AND INSURANCE COMPANY CONTACTS US WITH QUESTIONS ABOUT HOW THEIR PAYMENTS WERE APPLIED.</p> <p>MIMI LEECE HAS AN UNDERSTANDING OF THE POTENTIAL CONTROL DEFICIENCIES, AND TRIES TO IMPLEMENT CONTROLS TO MITIGATE ACTIVITIES RELEVANT TO THE AUDIT, AND HOW THE ENTITY INITIATES REMEDIAL</p>	<p>CONTINUES TO WORK WITH STAFF AND TAIPA MANAGEMENT INTENDS TO ADD THE FRONT OFFICE STAFF TO THE MANAGEMENT OF TAIPA'S FINANCIAL RESPONSIBILITIES SO THAT WE CAN HAVE A GREATER DIVISION OF LABOR AND GO BACK TO MANAGING TAIPA IN THE WAY THAT IT WAS MANAGED PRIOR TO MARCH OF 2019.</p>	<p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p>
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TAIPA Enterprise Risk and Emergency Management Plan

	<p>MAKE POOR DECISIONS WITH REGARD TO WHAT TAIPA CAN/SHOULD DO WITH REGARD TO ANY ISSUES THAT DEPEND ON TAIPA'S FINANCIAL POSITION.</p>		<p>ACTIONS TO DEFICIENCIES IN ITS CONTROLS;</p> <p>THE CLASSES OF TRANSACTIONS THAT ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS INCLUDE ALL FUNDS COMING IN AND OUT OF TAIPA ARE SIGNIFICANT GIVEN THAT WE ARE A SMALL OPERATION AND TRY TO OPERATE ON A BUDGET THAT IS FAIR TO OUR MEMBER COMPANIES SINCE THEY ARE ULTIMATELY RESPONSIBLE FOR PAYING FOR TAIPA. MIMI IS RESPONSIBLE TO ENSURE <u>ALL</u> TRANSACTIONS ARE ACCURATE – I.E. PAID IN FULL, RECORDED IN THE CORRECT GL, RECORDED IN THE CORRECT REPORTING PERIOD, AND TO VERIFY THAT EACH TRANSACTION RECORDED ACTUALLY TOOK PLACE. MIMI IS ALSO RESPONSIBLE TO ENSURE THAT ALL ASSETS AND LIABILITIES ARE UPDATED AND REPORTED AND ENSURE THAT ALL OF THE BALANCES EXIST. STACY IS RESPONSIBLE TO OVERSEE THIS AND BE A FINAL INTERNAL CHECK. IN ADDITION, TAIPA SENDS ITS MONTHLY FINANCIALS TO TYLER MOSLEY AT ATCHLEY AND ASSOCIATES TO REVIEW.</p> <p>THE PROCEDURES, WITHIN BOTH IT AND MANUAL SYSTEMS, BY WHICH THOSE TRANSACTIONS ARE INITIATED, RECORDED, PROCESSED, CORRECTED AS NECESSARY, TRANSFERRED TO THE GENERAL LEDGER AND REPORTED IN THE FINANCIAL STATEMENTS;</p> <p>- MANAGER OF OPERATIONS/ FINANCIAL MANAGEMENT IS RESPONSIBLE FOR CREATING THE ASSESSMENTS FOR EACH OF THE MEMBERS OF THE ASSOCIATION BASED ON THE ASSESSMENT APPROVED BY THE GOVERNING COMMITTEE FOR THE UPCOMING YEAR AND EACH COMPANY'S SHARE OF THE TEXAS AUTO LIABILITY MARKET. THE ASSESSMENTS ARE SENT OUT AT THE END OF THE PREVIOUS YEAR AND PAYABLE ON OR BEFORE FEBRUARY 1ST OF THE CURRENT YEAR. THE ASSESSMENTS COME IN BY CHECK AND ARE</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>ENTERED AND DEPOSITED OR BY EFTS TO TAIPA'S OPERATIONS ACCOUNT.</p> <p>VENDORS SEND TAIPA INVOICES BY MAIL OR EMAIL, ACH TRANSFERS, OR BY CREDIT CARD. THE MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT IS RESPONSIBLE FOR VERIFYING THAT THE PAYMENT SHOULD BE MADE, PULLING THE DOCUMENTATION, AND RECORDING THE PAYMENT, OR CUTTING A CHECK.</p> <p>THE CUSTOMER SERVICE/ ADMINISTRATIVE SUPPORT SPECIALISTS ARE IN THE PROCESS OF BEING TRAINED ON HOW TO RECORD OR CHECK THESE ENTRIES. THE ASSOCIATION MANAGER IS RESPONSIBLE FOR FINAL APPROVAL, POSTING, AND SIGNING ANY CHECKS.</p> <p>-WHOEVER IS CREATING AN ENTRY IN THE ACCOUNTING SYSTEM IS RESPONSIBLE FOR: ENSURING THAT THE ENTRY IS DOCUMENTED IN THE SYSTEM USING A STANDARD FORMAT, ATTACHING THE SUPPORTING DOCUMENTATION (INVOICE OR ACH TRANSFER) AND USES THE INFORMATION FROM THE SUPPORTING DOCUMENTATION TO MAKE THE ENTRY. THE ENTRY IS THEN REVIEWED FOR ERRORS. IF AN ERROR IS MADE PRIOR TO POSTING, IT IS RETURNED TO THE PERSON WHO CREATED IT FOR CORRECTION. IF IT IS FOUND AFTER POSTING, GENERALLY A JOURNAL ENTRY IS MADE TO CORRECT THE ERROR.</p> <p>TAIPA IS A NON-PROFIT CORPORATION WITH 501(C) (6) DESIGNATION.</p> <p>THE 501(C)6 DESIGNATION INCLUDES MEMBERSHIP-BASED ORGANIZATIONS OR CLUBS THAT PROMOTE THE BUSINESS INTERESTS OF THEIR MEMBERS, SUCH AS TRADE ASSOCIATIONS AND SPORTS LEAGUES.</p> <p>TAIPA USES ACCRUAL BASIS OF ACCOUNTING.</p> <p>TAIPA USES ACCOUNTING ESTIMATES</p> <p>BUDGET:</p> <p>TAIPA ESTIMATES THE UPCOMING BUDGET BASED ON</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>THE PREVIOUS YEAR AND MAKING ADJUSTMENTS ON EXPECTED CHANGES, EXPENSES, AND/OR REVENUE.</p> <p>ASSESSMENTS: TAIPA THEN ESTIMATES THE AMOUNT OF CASH IT WILL HAVE AT THE END OF THE YEAR</p> <p>AMOUNT OF MONEY IT WILL NEED TO PAY BILLS UNTIL THE ASSESSMENT INCOME ARRIVES IN THE TAIPA OFFICE.</p> <p>IF THE ESTIMATE OF CASH AT THE END OF THE YEAR IS MORE THAN TAIPA MANAGEMENT ESTIMATES IT WILL NEED FOR THE FIRST COUPLE OF MONTHS OF THE YEAR, IT WILL APPLY THAT "EXCESS CASH" TO THE APPROVED BUDGET AND THEN ONLY ASSESS THE COMPANIES FOR THE DIFFERENCE.</p> <p>APPROVE BUDGET – EXCESS CASH = ASSESSMENTS)</p> <p>REVENUE: TAIPA SIMPLY DIVIDES THE ASSESSMENTS BY 12 AND RECOGNIZES 1/12 OF THE ASSESSMENT EACH MONTH.</p> <p>REGULATORY FACTOR FROM PLAN OF OPERATIONS – NO EXPENDITURE IN EXCESS OF AN APPROVED BUDGETED AMOUNT OR WHICH HAS NOT BEEN INCLUDED IN THE BUDGET MAY BE MADE WITHOUT GOVERNING COMMITTEE APPROVAL.</p> <p>THEREFORE, IF WE ANTICIPATE AN AREA COMING IN OVER BUDGET, TAIPA MANAGEMENT DISCUSSES THE CONCERNS WITH THE VENDORS INVOLVED, AND THE CHAIR IF APPLICABLE. THE ITEM IS THEN DISCUSSED WHEN</p> <p>TAIPA MANAGEMENT GOES OVER THE FINANCIALS AT THE GOVERNING COMMITTEE MEETING. TO DATE, THERE HAS NEVER BEEN A SITUATION WHERE TAIPA HAD TO REQUEST ADDITIONAL FUNDS OR DRAW FROM ITS LINE OF CREDIT.</p> <p>TAIPA'S FRAMEWORKS AND REQUIREMENTS FOLLOW U.S. GAAP.</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>MANAGEMENT & PERSONNEL PREPARE FINANCIAL STATEMENTS KEEP UP-TO-DATE WITH NEW, RELEVANT ACCOUNTING AND DISCLOSURE REQUIREMENTS THROUGH OUR AUDITORS. TAIPA GOES THROUGH A FINANCIAL AUDIT EVERY YEAR TO ENSURE THAT OUR ACCOUNTING INFORMATION IS UP TO DATE AND ACCURATE.</p> <p>TAIPA UTILIZES SAGE SOFTWARE FOR FINANCIAL STATEMENTS. TAIPA HAS A SOP FOR ACCOUNTING PROCEDURES. THIS MANUAL IS UTILIZED ALONG WITH THE SAGE ACCOUNTING SOFTWARE TO ENTER DATA AND DOCUMENT TAIPA'S FINANCIAL STATEMENTS. THE ASSOCIATION MANAGER AND THE MANAGER OF OPERATIONS/FINANCIAL MANAGER REVIEW THE FINANCIAL STATEMENTS BEFORE SENDING THEM TO OUR AUDITORS (ATCHLEY AND ASSOCIATES) FOR REVIEW. THEY ARE THEN PRESENTED TO THE GOVERNING BOARD FOR FINAL APPROVAL.</p> <p>MANAGEMENT RELIES ON SAGE SOFTWARE FOR REPORTING FOR FINANCIAL STATEMENTS. REPORTS ARE GENERATED FROM THE GENERAL LEDGER AND SUB LEDGER. THESE REPORTS ARE REVIEWED BY THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER. TAIPA USED JOURNAL ENTRIES TO CORRECT ANY ERRORS TO THE SUB-LEDGER AND THE GENERAL LEDGER. THESE CORRECTIONS ARE DISCUSSED WITH TAIPA'S AUDITORS (ATCHLEY AND ASSOCIATES) AND THE ACCOUNTING TEAM TO ENSURE ACCURATE ACCOUNTING REPORTING.</p> <p>-PRIOR TO RELEASING FINANCIAL STATEMENTS, THEY ARE REVIEWED BY BOTH THE MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT AND THE ASSOCIATION MANAGER. IN ADDITION, TAIPA ALSO SENDS OUR FINANCIALS TO TYLER</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>MOSLEY OF ATCHLEY AND ASSOCIATES TO REVIEW FOR ANY ERRORS.</p> <p>TAIPA STAFF HAS WORKED WITH THE GOVERNING COMMITTEE TO PROVIDE INFORMATION IN AN EASY TO UNDERSTAND FORMAT THAT INDICATES THE REASON FOR ANY VARIANCE THAT IS MORE THAN 5% MORE OR 5% LESS THAN EXPECTED AT THE TIME OF REPORTING AND THE REASON FOR THIS. IN ADDITION, THE STANDARD FINANCIALS ARE PREPARED AND DISTRIBUTED TO THE GOVERNING COMMITTEE AT EACH MEETING. THE ASSOCIATION MANAGER SPECIFICALLY GOES OVER WHERE TAIPA STANDS FINANCIALLY IN THE MEETING.</p> <p>MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT WORKS VERY CLOSELY WITH ATCHLEY AND ASSOCIATES ON HOW TAIPA RECORDS SHOULD BE DOCUMENTED AND PRESENTS ITS FINANCIALS.</p> <p>TAIPA USES VERY FEW ESTIMATES IN ITS ACCOUNTING PROCESS.</p> <p>THE SOURCES OF THE INFORMATION USED IN THE ENTITY'S MONITORING ACTIVITIES, AND THE BASIS UPON WHICH MANAGEMENT CONSIDERS THE INFORMATION TO BE SUFFICIENTLY RELIABLE INCLUDE THE GENERAL LEDGER TRANSACTION LISTING. MIMI UTILIZED THIS REPORT FROM SAGE TO DETERMINE BUDGETED LINE ITEMS. THE TRIAL BALANCE LISTS EVERY GENERAL LEDGER ACCOUNT AND ITS BALANCE, MAKING ADJUSTMENTS EASIER TO CHECK AND ERRORS EASIER TO LOCATE.</p> <p>WITH REGARD TO JOURNAL ENTRIES AND OTHER ADJUSTMENTS. MIMI DETERMINES WHEN JOURNAL ENTRIES ARE NEEDED AND CREATES THE JOURNAL ENTRY AND ATTACHES ALL SUPPORTING DOCUMENTATION. IF NON-STANDARD -MIMI WILL GET ASSISTANCE FROM</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>JAIME..., TAWNEY... AND/OR TYLER MOSLEY. THE ASSOCIATION MANAGER REVIEWS THE JOURNAL ENTRY AND POSTS THEM.</p> <p>THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER HAVE PHYSICAL CONTROL AND ACCESS TO POSTED JOURNALS.</p> <p>THE TYPES OF JOURNAL ENTRIES AND OTHER ADJUSTMENTS ARE: -STANDARD ENTRIES INCLUDE: REVENUE..., ACCRUALS FOR ITEMS PAID IN PREVIOUS MONTH, DEPRECIATION, AMORTIZATION, -NON-ROUTINE ARE GENERALLY CORRECTIONS OF AN ITEM THAT WAS POSTED INCORRECTLY (I.E. POSTED TO WRONG GL)</p> <p>BECAUSE TAIPA HAS SEPARATION OF DUTIES AS DEFINED BY OUR ACCOUNTING MANUAL, MANUAL AND AUTOMATED PROCESSES ARE OF LOW RISK.</p> <p>MANUAL CONTROLS ARE IN PLACE, THESE ENTRY INPUT ARE PROCESSED IN SAGE (TAIPA'S AUTOMATED ACCOUNTING SOFTWARE). ALL INVOICES FOR BOTH ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE MUST HAVE CORRELATING DOCUMENTATION BEFORE IT IS ENTERED INTO SAGE.</p> <p>THIS ENSURES THAT:</p> <ul style="list-style-type: none"> • INPUT DATA IS ACCURATE, COMPLETE, AUTHORIZED, AND CORRECT. • DATA IS PROCESSED AS INTENDED IN AN ACCEPTABLE TIME PERIOD. • DATA STORED IS ACCURATE AND COMPLETE. • OUTPUTS ARE ACCURATE AND COMPLETE. • A RECORDS ARE MAINTAINED TO TRACK THE PROCESS OF DATA FROM INPUT TO STORAGE AND TO THE EVENTUAL OUTPUT. 			
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TAIPA Enterprise Risk and Emergency Management Plan

			ONLY THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER HAVE THE ABILITY TO OVERRIDE ANY MANUAL AND/AUTOMATED PROCESS. THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER REVIEW AND CORRECT ENTRIES.			
SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT	PROBABILITY IMPACT	CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
DEFINED BENEFIT (PENSION) RISK	MEDIUM	MEDIUM				
	WHENEVER THE MARKET DOESN'T DO WELL, THERE IS A RISK THAT THE PLAN WILL NOT DO WELL AND TAIPA WILL HAVE TO PAY ADDITIONAL FUNDS. THIS IS CONSIDERED MEDIUM AS OUR PLAN IS WELL FUNDED BUT WE HAVE YEARS WHERE THE COSTS GO UP SUBSTANTIAL Y	SINCE WE ARE NOT A PUBLIC COMPANY, OUR FINANCIALS ARE NOT AS IMPORTANT AS IT IS FOR PUBLIC COMPANIES. THAT SAID, HAVING TO THROW EXTRA DOLLARS IN THE PLAN IS NOT APPRECIATED BY THE COMPANY MEMMBERS WHO FUND THE PLAN	OUR PLAN ADMINISTRATORS MONITOR THE PLAN AND THEY HAVE A SET OF CRITERIA THAT THEY MEASURE AGAINST. THIS OBVIOUSLY DOESN'T ALWAYS WORK OUT IF THE MARKET IS VOLITILE. IN ADDITION, WE LIMITED THE PLAN TO CURRENT EMPLOYEES AT THE END OF 2019. THEREFORE WE ONLY HAVE TWO EMPLOYEES IN THE PLAN WHO CONTINUE TO ACCRUE BENEFITS. THAT SAID, WE STILL HAVE A NUMBER OF TERMINATED/RETIRED EMPLOYEES WHO ARE DRAWING FROM THE PLAN OR WILL DRAW FROM THE PLAN IN THE FUTURE.	AT THIS POINT WE ARE WAITING TO SEE HOW THE PLAN DOES IN A YEAR THAT ISN'T AS VOLITILE DUE TO COVID, ETC. WHEN THE OUTSIDE CONSULTANTS REVIEWED OUR PLAN, THEY INDICATED THAT THEY THOUGHT THAT OUR COSTS WOULD GO DOWN IN THE FUTURE BECAUSE OF HOW WELL FUNDED THE PLAN IS.	2022 WAS THE FIRST YEAR THAT TAIPA DID NOT NEED TO MAKE ADDITIO NAL PAYME NTS TO THE TAIPA PENSIO N PLAN.	STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 LARRY HELLER (201) 741-7449 PPIO GARY STOVER (515) 452-4279 PRINCIPAL FINANCIAL
SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
RUNNING OUT OF MONEY	LOW	HIGH				
	IT HAS NOT BEEN AN ISSUE TO DATE AND IF IT BECAME A PROBLEM, WE HAVE THE \$300,000 LINE OF CREDIT AVAILABLE.	IF WE RAN OUT OF MONEY, WE COULD ALSO SEND OUT AN ASSESSMENT TO ALL OF THE MEMBER COMPANIES TO COVER IT, BUT IT WOULD TAKE ABOUT 30 DAYS TO COLLECT.	WE TYPICALLY HAVE ABOUT 3 MONTHS SUPPLY OF FUNDS AT HAND DURING THE YEAR AND WE HAVE A \$300,000 LINE OF CREDIT.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

TAIPA Enterprise Risk and Emergency Management Plan

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LINE OF CREDIT NOT BEING RENEWED	LOW	MEDIUM				
	IT HAS NOT BEEN AN ISSUE TO DATE.	IF OUR LINE OF CREDIT WAS NOT RENEWED, WE WOULD FIRST TRY ANOTHER BANK AND IF THIS DID NOT WORK, WE COULD ALSO SEND OUT AN ASSESSMENT TO ALL OF THE MEMBER COMPANIES, BUT IT WOULD TAKE ABOUT 30 DAYS TO COLLECT.	WE FEEL CONFIDENT THAT WE COULD GET ANOTHER BANK TO GIVE US A LINE OF CREDIT OR WE COULD ALSO MAKE AN EMERGENCY ASSESSMENT.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

PERSONNEL CHANGES

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF TWO OR MORE EMPLOYEES AT THE SAME TIME	MEDIUM	HIGH				

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	<p>THIS HAPPENED IN 2019. WE LOST ONE LONG TERM EMPLOYEE AND ONE EMPLOYEE WHO HAD BEEN HERE A YEAR</p>	<p>IT DEPENDS ON WHICH EMPLOYEES WOULD LEAVE BUT REGARDLESS IT IS DIFFICULT TO HAVE 2 EMPLOYEES PERFORMING ALL OF THE DUTIES</p>	<p>WE CONTINUE TO CROSSTRAIN THE EMPLOYEES. DUE TO THE FACT THAT WE HAVE HAD THIS TURNOVER, THIS IS AN ONGOING PROCESS.</p> <p>THERE ARE CURRENTLY A NUMBER OF DUTIES THAT ONLY ONE EMPLOYEE IS CURRENTLY TRAINED ON INCLUDING – CALCULATING ASSESSMENTS, PREPARING RATE INFORMATION FOT TAIPA'S ACTUARY, CREATING AND SENDING TRAIPA'S RATES TO TDI FOR HELP INSURE, ADDING TAIPA'S RATES TO THE RULES AND RATING MANUAL, COMPLETING TAIPA'S BANK RECONCILIATION COMPLETING PAYROLL,</p>	<p>STAFF IS CURRENTLY WORKING ON DEVELOPING A SYSTEM THAT WILL INCLUDE ALL OF OUR SOPS IN ONE PLACE AND TO MAKE THAT AN ACCESSABLE AND MANAGABLE SYSTEM THAT INCORPORATES THE CALENDAR AS WELL</p>	<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>AMANDA REYNOLDS 737-256-2888</p> <p>RUTH WISE 512-531-7263</p>
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PERSONNEL CHANGES SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Death of an Employee	MEDIUM	HIGH				
			<p>WE CONTINUE TO CROSSTRAIN THE EMPLOYEES. DUE TO THE FACT THAT WE HAVE HAD THIS TURNOVER, THIS IS AN ONGOING PROCESS.</p>	<p>STAFF IS CURRENTLY WORKING ON DEVELOPING A SYSTEM THAT WILL INCLUDE ALL OF OUR SOPS IN ONE PLACE AND TO MAKE THAT AN ACCESSABLE AND MANAGABLE SYSTEM THAT INCORPORATES THE CALENDAR AS WELL</p>		<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>AMANDA REYNOLDS 737-256-2888</p> <p>RUTH WISE 512-531-7263</p>

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	THIS HAPPENED IN 2016	IT DEPENDS ON WHICH EMPLOYEES WOULD PASS BUT REGARDLESS IT IS DIFFICULT WITH SUCH A SMALL STAFF	WE WOULD NEED TO RETRIEVE TAIPA PROPERTY LEFT AT EMPLOYEES HOME	WE HAVE PURCHASED SMALL LOCKABLE FILE DRAWERS FOR EMPLOYEES TO KEEP ALL TAIPA INFORMATION TOGETHER IN ONE LOCATION. IT SHOULD BE CLEARLY IDENTIFIABLE AND INCLUDE THE LIST OF ALL OF THE ITEMS THAT EACH EMPLOYEE HAS AT HOME		
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DATA BREACH

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
PERSONAL IDENTIFIABLE INFORMATION BEING LEAKED	LOW	HIGH				
TAIPA HAS AN EXCEL SPREADSHEET THAT LISTS THE PERSONAL IDENTIFIABLE INFORMATION THAT TAIPA HAS & WHERE IT IS AND WHO IT EFFECTS. TITLED "TAIPA ENTERPRISE RISK MANAGEMENT SPREADSHEET 2-2021"			EMPLOYEE INFORMATION IS KEPT LOCKED IN A LOCKED OFFICE. IT IS CONTAINED IN ADP'S SYSTEM. INSUREDS & PRODUCERS CONFIDENTIAL INFORMATION IS KEPT WITHIN THE AIPSO SYSTEM			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927
EMPLOYEE INFO – HR FILE, ADP, PRINCIPAL, PRUDENTIAL, HUMANA, SUN LIFE, INSUREDS – APPLICATIONS & AIPSO PRODUCERS – AIPSO COMPANIES – AIPSO AND SAGE PRODUCER/PUBLIC MEMBERS OF GOV COM – SAGE & AP FILES						

4 EMERGENCY MANAGEMENT

4.1 POLICY AND ORGANIZATIONAL STATEMENTS

The purpose of this plan is to provide guidance for the management and staff of Texas Automobile Insurance Plan Association (TAIPA) to recover from the effects of a catastrophic incident that disrupts the operations of business functions and results in great damage or loss.

4.2 PURPOSE/SCOPE

This plan is developed and maintained in support of the following objectives

- Safety & Security of people, property, and information
- Meet or exceed Customer Requirements
- Perpetuate a positive organization image

Although this plan provides guidance for disaster recovery efforts, it is not a substitute for sound judgment.

4.3 USAGE

The contents of this plan will be used by team members for preparatory actions to minimize the effects of catastrophic incidents and to manage a smooth and orderly recovery from the effects of a disaster event.

4.4 DISTRIBUTION

Each team member will receive 2 copies of the plan. One to be kept in the workplace and one to be kept at home. In addition, we will have one copy on the shared drive

It is important to read through this information now. If you are ever confronted with this situation, you will want to know what you need to do to keep yourself and your colleagues safe. You may not remember that you have this information near you, but you may remember and recall what you are reading now.

4.5 DEFINITIONS OF EMERGENCY

Any accidental, natural, environmental, incited or planned event which threatens to or does disrupt normal operations or services and which is expected to continue for sufficient time to affect significantly, or to cause failure of the organization's ability to provide normal business services for more than 48 hours.

Examples are:

Accidental	Fire, Errors and Omissions
Natural	Flood, Winter Storm, Electrical Storm, Hurricane, Tornado
Environmental	Aircraft crash, Explosion, Contamination, Power
Incited	Arson, Sabotage, Vandalism, Computer related fraud
Planned	Activity that prevents normal business activity

4.6 RESPONSE, RECOVERY, AND RESTORATION

Response, Recovery, and Restoration will be based on the expected length of outage and affected operations rather than the type of incident.

- Level I An interruption of more than 24 hours but less than 5 days.
 Level II An interruption of 5 to 7 days
 Level III An interruption of more than 7 days

4.7 NOTIFICATION

- Members of the team make an initial assessment of the damage and/or impact and report it to the Association Manager.
- If a Level II or III incident is indicated, the Governing Committee will be notified.

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- The Association Manager or designee will advise the Governing Committee members know the status of the disaster.
- If the office is not available, employees will be notified when and where to report to work.

4.8 EVACUATION PLAN

Evacuation may be required if there is a fire or hazard in the building.

Employees will be warned to evacuate the building using the following systems.	Fire Alarm Building Management TAIPA Management Typically employees will use the stairs to evacuate the building.
Employees should assemble at	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	

**SHELTER-IN-PLACE
SEVERE WEATHER/TORNADO SHELTERING PLAN**

Shelter-In-Place	
Team Leader	Stacy Dutton/Mimi Leece
Employees will be directed to go to	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	
Person monitoring weather sources for updated emergency instructions and broadcasts if issued by weather service.	Stacy Dutton/Mimi Leece Building Management
Designated tornado shelters	
Familiarize yourself with these terms to help identify a tornado hazard:	<ul style="list-style-type: none"> • Tornado Watch: Tornadoes are possible. Remain alert for approaching storms. Stay tuned to Weather Radio, radio, or internet news for information. • Tornado Warning: A tornado has been sighted or indicated by weather radar. If you are under a tornado warning, seek shelter immediately!
If you are not in the TAIPA office	<ul style="list-style-type: none"> • Go to a pre-designated shelter area such as a safe room, basement, storm cellar, or the lowest building level. If there is no basement, go to the center of an interior room on the lowest level (closet, interior hallway) away from corners, windows, doors, and outside walls. Put as many walls as possible between you and the outside. Get under a sturdy table and use your arms to protect your head and neck. Do not open windows. • If you are in a vehicle, get out immediately and go to the lowest floor of a sturdy, nearby building or storm shelter. • If no shelter is available, lie flat in a nearby ditch or depression and cover your head with your hands.

FOR OTHER THREATS OR HAZARDS

Shelter-In-Place	
Team Leader	Stacy Dutton/Mimi Leece
Determine whether it is safer to shelter-in-place or evacuate.	<ul style="list-style-type: none"> • Lock door if it is safe to do so. • Call 911 if is safe to do so. • Stay away from windows.
Employees will be directed	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	
Person monitoring news sources and building management	Stacy Dutton/Mimi Leece

TAIPA Enterprise Risk and Emergency Management Plan

directives	Building Management
Typically will be sent to Interior spaces	

MEDICAL EMERGENCY PLAN

If medical emergency occurs	Dial 911 and request an ambulance. Provide the Following information: <ul style="list-style-type: none"> • Number and location of victims • Nature of injury/illness • Hazard involved • Nearest entrance (emergency access point) • Follow instructions of emergency personnel
Team Leader	Stacy Dutton/Mimi Leece
Location of First Aid Kit	Breakroom
Procedures	<ul style="list-style-type: none"> • Do not move the victim unless the location is unsafe. • Control access to the scene • Take universal precautions to prevent contact with body fluids and exposure to blood-borne pathogens. • Meet the ambulance at the nearest entrance or emergency access point and direct them to victims

FIRE EMERGENCY PLAN

Fire Safety	<ul style="list-style-type: none"> • Know where the emergency exits and fire alarm pull stations are in your building. • Know at least two ways out of your building or off of your floor. • Know where the stairs are. • When you hear the fire alarm, evacuate! Do not assume it is a drill or false alarm
If fire is reported	<p>Pull the fire alarm (if available and not already activated.)</p> <p>Immediately evacuate the building.</p> <p>Check your evacuation route for smoke. If unsafe, take an alternate route.</p> <p>Dial 911 and let the Fire Department know. Provide the following information:</p> <ul style="list-style-type: none"> • Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III Austin, TX 78746 • Nature of Fire • Fire Location – Building and Floor • Name of person reporting the fire • Telephone number for return call <p>Unless told otherwise by building announcements or emergency officials, go to your predetermined assembly location.</p> <p>Do not re-enter the building until emergency officials declare it safe.</p>
Team Leader	Stacy Dutton/Mimi Leece

BOMB THREAT EMERGENCY PLAN

DO NOT EVACUATE UNLESS TO DO SO BY EMERGENCY PERSONNEL	
If you receive a bomb threat	<ul style="list-style-type: none"> • Do Not assume it is a hoax. • Remain calm; try to get someone's attention to listen in on the call; and obtain as much information as possible from the caller: <ul style="list-style-type: none"> ○ When is the bomb going to explode?

TAIPA Enterprise Risk and Emergency Management Plan

	<ul style="list-style-type: none"> ○ Where is it? ○ What does it look like? ○ What will cause it to explode? ○ Why did you place the bomb? • If you have caller ID, write down the phone number that is displayed. Remember: <ul style="list-style-type: none"> ○ Woman's or man's voice? ○ Approximate age? ○ Accent? ○ Tone of voice? ○ Background noise? • Call 911 Ask for immediate assistance and provide the following information: <ul style="list-style-type: none"> ○ Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III Austin, TX 78746 ○ Nature and extent of the emergency ○ Your name and a number to reach you ○ Follow the instructions of emergency personnel
Team Leader	Stacy Dutton/Mimi Leece

5 RISK MANAGEMENT PLAN APPROVAL

The undersigned acknowledge they have reviewed the **Risk Management Plan** for TAIPA. Changes to this Risk Management Plan will be coordinated with and approved by the undersigned or their designated representatives.

Signature: _____ Date: _____

Print Name: Stacy Dutton

Title: Association Manager

Role: _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

TAIPA Enterprise Risk and Emergency Management Plan

CONTACT OR VENDOR	CONTACT INFORMATION	
TAIPA GOVERNING COMMITTEE	TAIPA GOVERNING COMMITTEE CHAIRMAN	BECKY JACKSON 512-694-4456
TAIPA GOVERNING COMMITTEE	TAIPA GOVERNING COMMITTEE	SEE ATTACHED LIST
COMPANIES THAT COME ON-SITE	MAIL COURIERS	COURIER DEPOT: 512-459-7472 ROBERT@COURIERDEPOT.COM CUSTOMER NUMBER: 1812 POST OFFICE (NORTHCROSS LOCATION): (800) 275-8777 FED EX (CUSTOMER SERVICE): 1 (800) 463-3339 UPS (CUSTOMER SERVICE): 1 (800) 742-5877
	SHRED COMPANY –	BALCONES SHRED (512) 744-4999 ACCOUNT NUMBER:SDA0103662
	LAS CIMAS MANAGEMENT COMPANY	LAS CIMAS BUILDING MANAGEMENT: ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512 814 3430 ADELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA
COMPANIES THAT PROVIDE SERVICES TO TAIPA	TELEPHONE PROVIDER –	TELEPHONE CONNECTION – MATTHEW MONROE, ACCOUNT MANAGER AT TC TECH SYSTEMS 525 ROUND ROCK WEST DR., STE. A100, ROUND ROCK, TX 78681 MAIN: (512) 451-6101 MOBILE: (512) 334-7813 MATTHEW.MONROE@TCTECHSYSTEMS.COM
	IT PROVIDER	VINTAGE IT - 512-481-1117
	INTERNET PROVIDER	SPECTRUM TELEPHONE NUMBER: 1-888-812-2591 ACCOUNT NUMBER:8260163000015473
	SAGE/ACCPAC	JAMIE SCHMULSON (TECH SUPPORT MANAGER): (713) 520-8022 X 102 ACCPAC CUSTOMER SERVICE # SAGE CUSTOMER SERVICE 1-866-996-7243 SAGE ACCT # 4000628103
	PAYROLL PROVIDER	ADP CUSTOMER SERVICE # 1-877-603-7079 ACCT # RNAYQ
	SECRETARY OF STATE	(512)463-5555
	WEBSITE PROVIDER	WP ENGINES LOGIN: NMORGAN PASSWORD: TEXASTAIPA123!! (LOWERCASE "EXAS")
	AIPSO	QUOTA SUPPORT (QUOTA RELATED INFORMATION & DOCUMENTATION) TAIPAQUOTASUPPORT TAIPAQUOTASUPPORT@AIPSO.COM COMPANY UPDATES: LEITE, KAREN KAREN.LEITE@AIPSO.COM ALLISON FIKRI ALLISON.FIKRI@AIPSO.COM APS REWRITE (ISSUES WITH APS-BATCH, EASI ENTRIES, ETC.) APS REWRITE SUPPORT APSREWRITESUPPORT@AIPSO.COM AUTOMATION SUPPORT (RSV TOKENS & PASSWORDS) AUTOMATION.SUPPORT@AIPSO.COM COMPUTER OPERATIONS (EXPORT & RELATED ISSUES) COMPUTER OPERATIONS ComputerOperations@aipso.com

TAIPA Enterprise Risk and Emergency Management Plan

	FROST BANK	FROST BANK CONTACT- RYAN BENNETT(VP)- RYAN.BENNETT@FROSTBANK.COM (512) 473-4308
POTENTIAL VENDORS	TEMPORARY OFFICE SPACE	REGUS 855-400-3575 – RENTS OFFICE SPACE HOURLY, DAILY, MONTHLY, ETC. TARGET OFFICE 888-753-1777- RENT OFFICE SPACE PER PERSON MONTHLY

TAIPA

ENTERPRISE RISK & EMERGENCY MANAGEMENT PLAN

Version 2.01

08/09/2021

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TAIPA

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TAIPA Enterprise Risk and Emergency Management Plan

VERSION HISTORY

This Risk Management Plan was developed by TAIPA Staff under the direction of the Strategic Planning Subcommittee and approved by the Texas Automobile Insurance Plan Association's (TAIPA's) Governing Committee.

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0	<i>James Langford, Association Manager</i>		<i>TAIPA Governing Committee</i>	04/01/2016	<i>Initial Risk Management Plan</i>
2.0	<i>Stacy Dutton Association Manager</i>	08/09/2021	<i>Governing Committee</i>	mm/dd/yyyy 8/20/2021	<i>Created formal plan that incorporates Emergency Management Plan as well</i>
2.1	<i>Stacy Dutton Association Manager</i>	8/19/2022	<i>Strategic Planning Subcommittee</i>		<i>Updated contacts and risks and added additional risk regarding TAIPA application volume increasing substantially.</i>

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TAIPA Enterprise Risk and Emergency Management Plan

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1 INTRODUCTION

This risk management plan was developed by Texas Automobile Insurance Plan Association (TAIPA) staff under the direction of the TAIPA's Governing Committee. The purpose of this plan is to define potential risks, develop a plan to mitigate those risks and provide guidance for the management and staff of TAIPA to recover from the effects of any incident that disrupts the operations of business functions of TAIPA.

1.1 PURPOSE OF THE RISK MANAGEMENT PLAN

A risk is an event or condition that, if it occurs, could have a positive or negative effect on an organization's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring, and reporting risks. This Risk Management Plan defines how risks associated with TAIPA's Business Operations will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored as well as practices for recording and prioritizing risks. The Risk Management Plan is created by TAIPA staff and is monitored and updated annually. The intended audience of this document is TAIPA management and the TAIPA Governing Committee.

2 RISK MANAGEMENT PROCEDURE

2.1 PROCESS

TAIPA staff will ensure that risks are actively identified, analyzed, and managed. Risks will be identified as early as possible so as to minimize their impact. The steps for accomplishing this are outlined in the following sections. The Association Manager will serve as the Risk Manager for this plan.

2.2 RISK IDENTIFICATION

Risk identification will involve TAIPA staff and appropriate stakeholders, and will include an evaluation of environmental factors.

2.3 RISK ANALYSIS

All risks identified will be assessed to identify the range of possible outcomes. The degree and severity of the risk will be used to determine which risks are the top risks to pursue and respond to and which risks can be ignored.

2.3.42.31 QUALITATIVE RISK ANALYSIS

The probability and impact of occurrence for each identified risk will be assessed by the TAIPA staff, with input from the TAIPA Governing Committee using the following approach:

Probability

- HIGH – Greater than 70% probability of occurrence
- MEDIUM – Between 30% and 70% probability of occurrence
- LOW – Below 30% probability of occurrence

Impact

- HIGH – Risk that has the potential to greatly impact TAIPA's operations and/or performance
- MEDIUM – Risk that has the potential to slightly impact TAIPA's operations and/or performance
- LOW – Risk that has relatively little impact on TAIPA's operations and/or performance

2.42.32 RISK RESPONSE PLANNING

Each risk will be reviewed by TAIPA staff to determine if it can be

- **Avoided** – eliminate the threat by eliminating the cause
- **Mitigated** – Identify ways to reduce the probability or the impact of the risk

For each risk TAIPA staff will identify ways to prevent the risk from occurring, reduce its impact or probability of occurring, and develop a course of action so that if the risk does materialize in order to minimize its impact.

2.52.33 RISK MONITORING, CONTROLLING, AND REPORTING

The level of risk will be tracked, monitored and reported upon annually.

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TAIPA Enterprise Risk and Emergency Management Plan

3 CURRENT RISKS & ANALYSIS

TAIPA looked at the following items/issues when creating our enterprise risk management plan.

GENERAL RISKS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA offices unavailable (one week or less)	MEDIUM	LOW-MEDIUM				
(Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage)	UNTIL 2021 THIS HAD NOT HAPPENED BUT WITH SNOVID, WE HAD ISSUES WITH IMPASSABLE ROADS AS WELL AS ISSUES WITH WATER AND ELECTRICITY AT THE TAIPA OFFICE. THE ELECTRICITY AND WATER ISSUES WERE SPORADIC AND WE WERE REQUIRED TO BOIL WATER FOR A FEW DAYS AFTER WE WENT BACK TO THE OFFICE.	<p>SINCE EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW</p> <p>IMPACT BECOMES HIGHER WHEN EMPLOYEES DO NOT HAVE ELECTRICITY OR INTERNET</p>	<p>BECAUSE THE OFFICE IS IN A GOOD LOCATION, THE RISK OF HAVING THIS OCCUR IS REDUCED. IN ADDITION, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY</p> <p>IN ADDITION, -DUE TO COVID PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS.</p> <p>SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY 2021 AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTUR</p> <p>-DUE TO SNOVID – THE ONLY ISSUE WAS THAT WE WERE UNABLE TO OBTAIN TAIPA MAIL DUE THE STREETS NOT BEING PASSABLE.</p> <p>IF THERE WAS A SITUATION WHERE WE COULD NOT USE THE TAIPA BUILDING & HAD NO NOTICE, BOTH STACY & MIMI CAN ACCESS THE</p>	<p>DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME.</p> <p>WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME.</p> <p>THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE.</p> <p>IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO ASSIST COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p>	<p>ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE.</p> <p>ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.</p>	<p>STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT: ADAM.BENOIT-CPM,RPA,LEED, APO+M ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512-814-3430 ADAM.BENOIT@CUSHWAKE.COM ADELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>-TAIPA GOVERNING COMMITTEE CHAIR CORISE MORRISON JACKSON 240-943-4446 512-694-4456</p> <p>-MAIL COURIERS – COURIER DEPOT - 512-892-1876</p> <p>-BALCONES SHRED – 512-744-4999</p> <p>-TELEPHONE CONNECTION – 512-451-6101</p> <p>VINTAGE IT – 512-481-1117</p>

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TAIPA Enterprise Risk and Emergency Management Plan

			<p>CLOUD FROM THEIR HOME COMPUTERS. DEPENDING ON THE LENGTH OF TIME THAT WE WERE NOT ABLE TO ACCESS THE BUILDING WE COULD SET STAFF UP AS WELL.</p>	<p>WE ARE CURRENTLY WORKING HAVE WORKED OUT THE KINKS IN NEW PHONE SYSTEM THAT HAVE RELATED TO DO WITH OUR FIRE WALL. ONCE THESE ISSUES ARE RESOLVED, WE WILL GET TRAINING WE ARE NOW WORKING TO TRAIN ALL EMPLOYEES ON HOW TO UTILIZE VOIP TECHNOLOGY SO EMPLOYEES CAN MAKE/RECEIVE AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS FROM EMPLOYEES HOMES CALLS AT HOME.</p>		
	<p>AUSTIN DOESN'T TYPICALLY HAVE SEVERE WEATHER FOR LONG PERIODS OF TIME.</p> <p>SNOVID -ONE 5 DAY OCCURRENCE HAPPENED IN 2021 WHERE PREVIOUSLY WE HAVE EXPERIENCED ONLY 1-2 DAYS OF SEVERE WEATHER RELATED CLOSURES IN LAST 14 YEARS</p> <p>AUSTIN DOESN'T HAVE HISTORY OF LONG TERM ISSUES WITH WATER OR ELECTRICITY</p> <p>TAIPA'S OFFICE BUILDING AND EVERY EMPLOYEE HAD SOME</p>	<p>EMPLOYEES WERE ABLE TO DO MOST WORK FROM HOME, HOWEVER WITHOUT MAIL DELIVERY, WE WERE NOT ABLE TO PROCESS MAIL.</p>	<p>HAVE FLOOD AND EARTHQUAKE INSURANCE</p> <p>TEXAS GOVERNMENT IS REVIEWING AND ADDRESSING LONG TERM ISSUES WITH ELECTRICITY/TEXAS GRID</p> <p>IT MAY ALSO HELP THAT TESLA'S BATTERY COMPANY IS MOVING TO TEXAS</p>	<p>SAME AS ABOVE</p>	<p>SAME AS ABOVE</p>	<p>SAME AS ABOVE</p>

TAIPA Enterprise Risk and Emergency Management Plan

WATER AND/OR ELECTRICITY ISSUES DURING SNOVID IN 2021.					
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA offices unavailable (More than one week)	LOW	LOW				
(Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage)	This hasn't happened and our building was back up and running before employees were able to get there after SNOVID	Since employees can and have experience working from home the Impact is LOW	<p>BECAUSE THE OFFICE IS IN A GOOD LOCATION, THE RISK OF HAVING THIS OCCUR IS REDUCED. IN ADDITION, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY</p> <p>IN ADDITION, -DUE TO COVID PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS.</p> <p>SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTUR</p> <p>-DUE TO SNOVID – THE ONLY ISSUE WAS THAT WE WERE UNABLE TO OBTAIN TAIPA MAIL DUE THE STREETS NOT BEING PASSABLE.</p>	<p>DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME.</p> <p>WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME.</p> <p>THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE.</p> <p>IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO ASSIST COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p>	<p>ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE.</p> <p>ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.</p>	<p>STACY DUTTOY 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT: ADAM.BENOIT-CPM; RPA, LEED, APO+M ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512-814-3430 ADAM.BENOIT@CUSHWAKE.COM ADELIEN.FRESCH@CUSHWAKE.COM</p> <p>807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>-TAIPA GOVERNING COMMITTEE CHAIR CORISE MORRISSON BECKY JACKSON 512-694-4456 210-913-4446</p> <p>-MAIL COURIERS – COURIER DEPOT - 512-892-1876</p> <p>-BALCONES SHRED – 512-744-4999</p> <p>-TELEPHONE CONNECTION – 512-451-6101</p>

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TAIPA Enterprise Risk and Emergency Management Plan

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						POSSIBLE CON FOR OFFICE SPACE REGUS 855-400-3575 - RENTS OFFICE SPACE HOURLY, DAILY, MONTHLY, ETC. TARGET OFFICE 888-753-1777- RENT OFFICE SPACE PER PERSON MONTHLY

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TAIPA Enterprise Risk and Emergency Management Plan

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Employees are not able to come to work due to personal or organizational risks and/or governmental restrictions)	MEDIUM	LOW-MEDIUM				
(Pandemic, Government Regulations)	UNTIL 2020, THIS HAD NOT HAPPENED BUT WITH COVID, WE HAD TO FIND A WAY FOR ALL EMPLOYEES TO WORK FROM HOME.	NOW EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW IMPACT BECOMES HIGHER IF EMPLOYEES DO NOT HAVE ELECTRICITY OR INTERNET	WE HAD EMPLOYEES WORK FROM VARIOUS LOCATIONS DURING COVID AND EVERYONE WAS ABLE TO WORK IF THERE WERE A PROBLEM WITH AN EMPLOYEES INTERNET OR ELECTRICITY, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY DUE TO THE THE PANDEMIC IN 2020 STAFF NOW HAS EXTENSIVE EXPERIENCE WORKING FROM HOME AND WAS ABLE TO DO SO FOR SEVERAL MONTHS. SINCE OUR PHONE SYSTEM WAS NO LONGER SUPPORTED, TAIPA MOVED TO VOIP PHONES IN FEBRUARY AND WE WILL BE ABLE TO ACCESS OUR PHONES FROM HOME IN THE NEAR FUTURE	DUE TO COVID, EMPLOYEES STARTED WORKING FROM HOME SO NOW ALL WORK CAN BE COMPLETED FROM HOME. WE WOULD JUST NEED TO HAVE OUR COURIER BRING THE MAIL TO AN EMPLOYEES HOME. THE BIGGEST ISSUE FACING TAIPA STAFF NOW IS GETTING OUR MAIL WHEN THE STREETS ARE NOT PASSABLE, COURIERS AREN'T RUNNING, AND OR POST OFFICE IS NOT RUNNING. CURRENTLY THERE IS NOTHING TAIPA STAFF CAN DO TO OBTAIN THE MAIL IN THAT CASE. IN A CASE WHERE MAIL IS NOT DELIVERED, TAIPA STAFF MONITORS THE MAIL AND MAKE EFFORTS TO	ONLY OPEN ISSUE IS PHONE TRAINING FOR HOME USE. ONLY ONGOING ISSUE IS MAIL WHEN COURIER SERVICE ISN'T RUNNING OR POST OFFICE ISN'T RUNNING DUE TO WEATHER ISSUES.	STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927 LAS CIMAS BUILDING MANAGEMENT: ADAM.BENOIT.CPM.RPA.LEED.APO+M ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512-814-3430 ADAM.BENOIT@CUSHWAKE.COM ELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE CHAIR GORISE MORRISSON-BECKY JACKSON 512-694-4456 240-913-4446 -MAIL COURIERS – COURIER DEPOT - 512-892-1876 -BALCONES SHRED – 512-744-4999 -TELEPHONE CONNECTION – 512-451-6101 VINTAGE IT – 512-481-1117

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TAIPA Enterprise Risk and Emergency Management Plan

				<p>ASSIST COMPANIES IN RECEIVING APPLICATIONS AS TIMELY AS POSSIBLE ONCE MAIL IS DELIVERED.</p> <p>WE ARE CURRENTLY WORKING HAVE WORKED OUT THE KINKS IN NEW PHONE SYSTEM THAT HAVE RELATED TO DO WITH OUR FIRE WALL. ONCE THESE ISSUES ARE RESOLVED, WE WILL GET TRAINING WE ARE NOW WORKING TO TRAIN ALL EMPLOYEES ON HOW TO UTILIZE VOIP TECHNOLOGY SO EMPLOYEES CAN MAKE/RECEIVE AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS FROM EMPLOYEES HOMESCALLS AT HOME.</p>		
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Emergency governing committee meeting	MEDIUM	MEDIUM	<p>ABILITY TO MEET VIA TELECONFERENCE OR ZOOM <u>WITH AT LEAST ONE GOVERNING COMMITTEE MEMBER PRESENT AT THE MEETING.</u></p> <p><u>*NOTE THAT THIS WAS WAIVED BY ORDER OF THE GOVERNOR WHEN</u></p>			<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>CURRENT TAIPA GOVERNING COMMITTEE CHAIR</p>

TAIPA Enterprise Risk and Emergency Management Plan

			COVID INITIALLY HIT.			
	WE ADDED A MEETING FOR THE COVID RELIEF PROGRAM IN 2020. HOWEVER, THIS WAS NOT AN EMERGENCY MEETING. THEREFORE, WE WERE ABLE TO MEET THE OPEN MEETINGS REGULAR POSTING REQUIREMENTS.	WE NOW HAVE QUITE A BIT OF EXPERIENCE WITH CONFERENCE CALLS AND ZOOM MEETINGS.	POSTING REQUIREMENTS ARE 7 DAYS FOR REGULAR MEETINGS AND 2 HOURS FOR EMERGENCY MEETING			CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE -SECRETARY OF STATE – OPEN MEETINGS ACT POSTING: HTTPS://WWW.SOS.STATE.TX.US/OPEN/INDEX.SHTML LOGIN THROUGH: HTTPS://TEXREG.SOS.STATE.TX.US/TAC/LIAISON CENTER\$.STARTUP

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA volume increasing substantially in a short period of time	LOW	LOW-MEDIUM				
(Due to a change in the open market conditions – such as underwriting guidelines tightening)	OVER THE YEARS, TAIPA'S APPLICATIONS HAVE INCREASED AND DECREASED. THE LARGEST INCREASE TOOK PLACE IN 1992 WHEN APPLICATIONS INCREASED BY 311,666 APPLICATIONS. CURRENTLY APPLICATIONS ARE AT THEIR LOWEST LEVEL AS WE EXPECT 1300 APPLICATIONS BY THE END OF 2022 UNLESS SOMETHING SUBSTANTIALLY CHANGES IN THE MARKET.	STAFFING: DEPENDING ON THE LEVEL OF THE INCREASE IN APPLICATIONS AND THE RATE THAT THE APPLICATIONS START COMING IN, THE RISK COULD BE LOW TO HIGH. IT COULD BE LOW BECAUSE OUR CURRENT STAFF COULD HANDLE AN INCREASE OF AT LEAST 4 TIMES THE APPLICATIONS THAT WE CURRENTLY HAVE COMING IN. THIS WOULD REQUIRE THEM TO REDUCE SOME OF THE ADDITIONAL DUTIES THAT THEY HAVE TAKEN ON AND WOULD ALSO DEPEND ON HOW MANY QUESTIONS THEY RECEIVED FROM INSUREDS/PRODUCERS AND COMPANIES PER DAY. IF APPLICATIONS INCREASED AT A RATE HIGHER THAN WHAT	STAFFING FOR INCREASE IN APPLICATIONS: CURRENT STAFF CAN HANDLE A SUBSTANTIAL INCREASE IN APPLICATIONS. CURRENT STAFF CAN TRAIN NEW EMPLOYEES IN THE BASIC APPLICATION PROCESSING. PRODUCER TRAINING: STAFF CURRENTLY USES A NUMBER OF DIFFERENT PROCESSES TO TRAIN PRODUCERS. THIS IS DEPENDENT UPON THE DEGREE OF TRAINING THE PRODUCER NEEDS AND INCLUDES	1. CONDUCT A TIME MOTION STUDY TO DETERMINE THE AVERAGE TIME IT TAKES CURRENT STAFF TO PROCESS APPLICATIONS. THIS WILL GIVE US A BETTER IDEA OF EXACTLY HOW MANY APPLICATIONS CURRENT STAFF CAN HANDLE. 2. CONTINUE TO WORK ON PUTTING THE TRAINING INFORMATION IN A TRAINING LIBRARY SO THAT PRODUCERS CAN SEARCH	IN AN EFFORT TO SPEED THIS PROCESS UP, TAIPA STAFF WILL WORK WITH THE STRATEGIC PLANNING SUBCOMMITTEE TO REVIEW AND APPROVE THE IDEAS TAIPA HAS COME UP WITH AND THEN MOVE FORWARD WITH THE IDEAS THAT THEY BELIEVE WILL BE MOST HELPFUL.	STACY DUTTON (CELL) 512-779-8283 MIMI LEECE (CELL) 512-468-6927 CONTACTS WHO WOULD NEED TO KNOW: -TAIPA GOVERNING COMMITTEE CHAIR BECKY JACKSON (512) 694-4456 -TAIPA CUSTOMER SERVICE 512-444-4441 -PRODUCERS USING TAIPA'S EMAIL LIST AS WELL AS OTHER EMAIL LISTS TAIPA CAN OBTAIN THROUGH ORGANIZATIONS SUCH AS IAAT.

TAIPA Enterprise Risk and Emergency Management Plan

		<p><u>CURRENT STAFF COULD HANDLE THE THREAT WOULD MOVE TO MEDIUM OR HIGH.</u></p> <p><u>THIS WOULD BE MITIGATED TO SOME DEGREE BECAUSE OUR CURRENT STAFF COULD TRAIN NEW STAFF ON THE BASICS OF PROCESSING APPLICATIONS.</u></p> <p><u>OFFICE SPACE - WE CURRENTLY HAVE LIMITED SPACE (2 CUBICLES) AVAILABLE IN THE OFFICE FOR ADDITIONAL STAFF.</u></p> <p><u>IF 2 ADDITIONAL STAFF WAS NOT ENOUGH, WE COULD HAVE EMPLOYEES WHO WERE WELL TRAINED WORK FROM HOME BY HAVING THEM PICK UP THEIR WORKD FROM THE OFFICE OR HAVING IT DELIVERED TO THEIR HOME.</u></p>	<p><u>1. WALKING PRODUCERS THROUGH THE APPLICATION PROCESS ON THE PHONE. UNFORTUNATELY, THIS OFTEN TAKES ABOUT 30 MINUTES TO DO.</u></p> <p><u>2. RUTH CREATED A DOCUMENT THAT WALKS PRODUCERS THROUGH THE APPLICATION PROCESS AND THIS DOCUMENT INCLUDES LINKS TO A NUMBER OF DEFINITIONS WHICH ASSISTS THE PRODUCER IN FILLING OUT THE APPLICATION ON THEIR OWN.</u></p> <p><u>3. TAIPA HAS A NUMBER OF TRAINING DOCUMENTS INCLUDING: TRAINING DOCUMENTS FOR TRAINING REQUIRED TO TRAIN PRODUCERS IN ALL OF THE "PROBLEM AREAS". STAFF HAS USED THESE DOCUMENTS IN THE INDEPTH TRAINING GIVEN TO PRODUCERS TO AVOID TURNING THEM OVER TO THE PRODUCER REVIEW PANEL.</u></p> <p><u>4. SINCE TAIPA NOW REQUIRES</u></p>	<p><u>FOR DOCUMENTS.</u></p> <p><u>3. WORK ON CREATING A TRAINING VIDEO TO WALK A PRODUCER THROUGH THE APPLICATION PROCESS.</u></p> <p><u>4. PURSUE WORKING WITH IIAF TO COME UP WITH A LIST OF PRODUCER'S THAT TAIPA COULD SEND OCCASIONAL EMAILS ABOUT TAIPA</u></p> <p><u>5. CREATE DOCUMENTS EXPLAINING WHAT TAIPA DOES AND HOW TAIPA CAN ASSIST PRODUCERS WITH PLACING CLIENTS WHEN THERE ARE NO OPEN MARKET OPTIONS.</u></p> <p><u>6. PREPARE AN "ORIENTATION PROGRAM" FOR PRODUCERS THAT COULD BE DELIVERED TO A GROUP IN PERSON. THIS COULD BE VIDEOED AND BE AVAILABLE THROUGH A LINK ON THE TAIPA WEBSITE. IN ADDITION IT COULD BE ADAPTED TO BEING DELIVERED AT VARIOUS INSURANCE AGENT MEETINGS, ETC.</u></p>		
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>THE PRODUCERS TO USE THE EASI SYSTEM TO COMPLETE APPLICATIONS. THE SYSTEM ITSELF WALKS PRODUCERS THROUGH THE PROCESS TO A LIMITED DEGREE IN THAT THEY CANNOT MOVE ON WITHOUT FILLING IN THE REQUIRED INFORMATION IN THE APPLICATION. IT HAS A LIMITED AMOUNT OF HELP THROUGH "DROP DOWNS" ETC.</p> <p>HOW PRODUCERS LEARN ABOUT TAIPA – IT IS OUR UNDERSTANDING THAT PRODUCERS RECEIVE SOME</p> <p>1. TRAINING DURING LICENSING.</p> <p>IN ADDITION, THEY CAN RECEIVE ADDITIONAL TRAINING BY REQUESTING IT DIRECTLY FROM TAIPA</p>			
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IT/TELEPHONE RISKS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Any of TAIPA's Servers hosted by Vintage crashes This would EFFECT ALL TAIPA OPERATIONS.	LOW	HIGH	HAVING OUR SERVERS AT VINTAGE	WE COULD PERFORM SOME DUTIES MANUALLY AND KEEP TRACK ON SPREADSHEETS		STACY DUTTON 512.531.7271 (CELL) 512-779-8283

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TAIPA Enterprise Risk and Emergency Management Plan

	CHICAGO. EACH LOCATION PROVIDES BACKUP OF THE DATA.	TAIPA WOULD HAVE TO RELY ON VITANGE'S ABILITY TO GET BACK UP.	PROVIDES BETTER SECURITY FOR OUR SYSTEMS, BECAUSE THEY HAVE TWO LOCATIONS WHERE EACH RECORDS THE BACKUP DATA FOR ALL OF THEIR CLIENTS. THIS IS THEIR MAIN BUSINESS, AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES. IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY.	UNTIL THE SYSTEM IS BACK UP.		MIMI LEECE 512-531-7258 (CELL) 512-468-6927 VINTAGE IT 512-481-1117 HELPDESK@VINTAGEITS.COM
	USING CLOUD MANAGED BY VENDOR. IF AUSTIN LOCATION CRASHED, THE IMPACT ON TAIPA WOULD BE SEEMLESS.	WE EXPECT THAT IT WOULD BE UP SHORTLY BY USING A DIFFERENT SERVER	TAIPA HAS A DAILY BACKUP			

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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
TAIPA's Voicemail Server crashes	LOW	HIGH				
This would include our voicemail, TAIPA Greetingsgreet things, and routing of calls. If this OCCURRED, the phone would GO DIRECTLY TO VOICEMAIL.	ZULTYS HAS TWO LOCATIONS. ONE IN BOSTON, THE OTHER IN DENVER. EACH LOCATION PROVIDES BACKUP OF THE DATA. THEY ALSO DO A SYTEM CHECK THAT INCLUDES MOVEING THE DATA EVERY 24 HOURS. ZULTYS	IF IT HAPPENED AND DENVER CRASHED AS WELL, TAIPA WOULD HAVE TO RELY ON ZULTYS' ABILITY TO GET BACK UP.	HAVING OUR SERVERS AT ZULTYS PROVIDES BETTER PHONE/VOIP SERVICE FOR OUR CUSTOMERS, BECAUSE THEY HAVE TWO LOCATIONS WHERE EACH RECORDS THE BACKUP DATA AND FUNCTIONALITY	WE COULD ANSWER MOST THROUGH THE CELL PHONE APP OR WILL GO TO VOICEMAIL UNTIL THE SYSTEM IS BACK UP.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 MATTHEW MONROE, ACCOUNT MANAGER AT TC TECH SYSTEMS 525 ROUND ROCK WEST DR., STE. A100, ROUND ROCK, TX 78681 MAIN: (512) 451-6101 MOBILE: (512) 334-7813

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TAIPA Enterprise Risk and Emergency Management Plan

	HAS SEVERAL TRUNKS THAT HAVE THE ABILITY FOR REDUNDANCY DIALING.		FOR ALL OF THEIR CLIENTS. THIS IS THEIR MAIN BUSINESS, AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES. IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY.			MATTHEW.MONROE@TCTECHSYSTEMS.COM
	USING CLOUD MANAGED BY VENDOR. IF BOSTON LOCATION CRASHED, THE IMPACT ON TAIPA WOULD BE SEEMLESS. THEY HAVE ONLY HAD A LESS THAN 2 MINUNT DOWN TIME WORLD WIDE IN SEVERAL YEARS.	WE EXPECT THAT IT WOULD BE UP SHORTLY BY USING A DIFFERENT SERVER	TAIPA HAS A DAILY BACKUP			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Spectrum Internet	MEDIUM	LOW to MEDIUM				
	WE HAVE EXPERIENCED THIS ONCE ALREADY	LOW IN THAT EMPLOYEES CAN WORK FROM HOME IF THEY HAVE INTERNET. MEDIUM IF THE PROBLEM IS CITYWIDE AND SPECTRUM IS THE SERVICE PROVIDER FOR EMPLOYEES WHO WORK	IF THE PROBLEM LASTS LONGER THAN A COUPLE OF HOURS, WE WOULD POST SOMETHING ON OUR WEBSITE TO LET THE PUBLIC KNOW IF AN EMPLOYEE HAS ACCESS TO THE INTERNET. IN ADDITION, TAIPA HAS BEEN ABLE TO UTILIZE THE BUILDINGS INTERNET TO ACCESS TAIPA'S	WE DON'T BELIEVE THAT THE OUTAGE WOULD BE LONG BECAUSE SPECTRUM WOULD BE WORKING TO FIX IT FOR US AND ANY OF THEIR OTHER CLIENTS AFFECTED.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 ACCOUNT NUMBER: 8260163000015473 WEBSITE: SPECTRUMBUSINESS.NET PHONE: 1-888-812-2591

TAIPA Enterprise Risk and Emergency Management Plan

		FROM HOME. NOT ALL EMPLOYEES WHO WORK FROM HOME HAVE SPECTRUM. WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY. THIS WAS OUR EXPERIENCE WHEN IT OCCURRED PREVIOUSLY	CLOUD ENVIRONMENT WHEN SPECTRUM HAD AN OUTAGE			
THIS WOULD EFFECT ALL TAIPA OPERATIONS.			TAIPA HAS THE ABILITY TO WORK FROM HOME IF THE OUTAGE PERSISTS.	TAIPA HAS THE ABILITY TO WORK FROM HOME IF THE OUTAGE PERSISTS.		

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Website through WP Engines crashes	LOW	MEDIUM				
	WE HAVE NOT EXPERIENCED ANY PROBLEMS WITH OUR WEBSITE TO DATE. WP ENGINES IS AN INDEPENDENT COMPANY THAT MANAGES SERVERS FOR OTHER ENTITIES AS WELL SO THERE IS PRESSURE TO KEEP ALL WEBSITES UP AND OPERATING	WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY.		WE DON'T BELIEVE THAT THE OUTAGE WOULD BE LONG BECAUSE WP ENGINES WOULD BE WORKING TO FIX IT FOR US AND ANY OF THEIR OTHER CLIENTS AFFECTED.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 TAIPA.org Website Hosting (WP Engine) https://my.wpengine.com/

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
AIPSO System crashes	LOW	HIGH				
THIS INCLUDES EASI 2.0 AND THE APS SYSTEM	AIPSO IS THE SYSTEM	WE EXPECT THAT THIS	AIPSO MAINTAINS TAIPA'S			STACY DUTTON 512.531.7271

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TAIPA Enterprise Risk and Emergency Management Plan

<p>APS SYSTEM IS OUR CUSTOMER SERVICE DATA BASE FOR COMPANIES & PRODUCERS.</p> <p>EASI 2.0 IS THE SYSTEM THAT WE USE TO ENTER APPLICATIONS</p> <p>EASI ADMIN 2.0 IS THE SYSTEM THAT WE USE TO MONITOR APPLICATION PROCESSES</p> <p>ALL THE ABOVE SYSTEMS HAVE THE GREATEST IMPACT ON TAIPA'S ABILITY TO SERVICE INSUREDS, PRDUCERS, & COMPANIES.</p> <p>WITHOUT THE USE OF THE LISTED ABOVE ALL PROCESS WOULD HAVE TO BE DONE MANUALLY.</p>	<p>PROVIDER FOR MOST STATES AS WELL SO THERE IS PRESSURE TO KEEP ALL SYSTEMS UP AND OPERATING</p>	<p>WOULD BE FIXED PROMPTLY.</p>	<p>INFORMATION AND HAS DATA SECURITY PLANS IN PLACE AS WELL AS INSURANCE TO COVER ANY SECURITY BREECHES</p>			<p>(CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>AIPSO 888-424-0026 OR 401-429-1567</p>
			<p>AIPSO HAS SENT INFORMATION ABOUT THEIR DATA SECURITY</p>			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Servers are hacked/data breach	LOW	MEDIUM to HIGH				<p>← Formatted Table</p>
	<p>OUR SERVERS AND INFORMAITON IS BEING MANAGED BY AN OFF-SITE VENDORS WHOSE BUSINESS IT IS TO KEEP THIS FROM TAKING PLACE.</p>	<p>TAIPA DOES HAVE PRODUCER'S SOCIAL SECURITY NUMBERS OR EINS IN OUR SYSTEM. THIS SYSTEM IS MANAGED BY AIPSO. THE INFORMATION THAT WE DO HAVE ON INSUREDS IS VERY LIMITED BUT IT DOES INCLUDE THEIR DRIVERS LICENSE NUMBER & DATE OF BIRTH.</p>	<p>OUR SERVERS ARE AT VINTAGE. THESE WOULD INCLUDE SOCIAL SECURITY OR EINS FOR PEOPLE IN OUR ACCOUNTING SYSTEM.</p>	<p>WE FEEL THAT WE HAVE VENDORS TO MANAGE THE SYSTEMS THAT WE USE PROVIDES BETTER SECURITY SINCE THEY PROVIDE THIS SERVICE FOR MULTIPLE CUSTOMERS. WE FEEL COMFORTABLE THAT THEY THEY ARE MANAGING OUR SERVERS AND SYSTEMS PROPERLY AND THE THEY HAVE CONTROLS IN PLACE.</p>		<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p>VINTAGE.IT 512-481-1117 HELPDESK@VINTAGEITS.COM</p>
			<p>AIPSO MANAGES THE SYSTEM</p>	<p>WE HAVE RECEIVED</p>		<p>← Formatted Table</p>

TAIPA Enterprise Risk and Emergency Management Plan

			THAT HOLDS OUR PRODUCER'S SOCIAL SECURITY NUMBERS AND EINS AS WELL AS OUR INSURED'S DRIVERS LICENSES.	CONFIRMATION FROM: VINTAGE AIPSO ADP ABOUT SYSTEM SECURITY.		
			ADP MANAGES OUR PAYROLL SYSTEMS WHICH CONTAINS OUR EMPLOYEE'S PERSONAL INFORMATION.			

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
ADP Payroll System goes down/data breach	LOW	HIGH				
ADP MANAGES OUR PAYROLL SYSTEMS WHICH CONTAINS OUR EMPLOYEE'S PERSONAL INFORMATION.	ADP IS A LARGE PROVIDER OF PAYROLL PROCESSING AND AS SUCH HAS A LOT OF RESOURCES GOING TO PROTECTING THIS DATA	IF DATA IS BREECHED, THIS NEGATIVELY AFFECTS OUR EMPLOYEES.	BECAUSE ADP IS A LARGE PAYROLL PROVIDER, WE FEEL CONFIDENT THAT THEY ARE PROTECTING THE DATA THAT THEY COLLECT.	ADP HAS SENT US INFORMATION ON THEIR DATA SECURITY.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927
			WE COULD MANUALLY PROCESS PAYROLL AND THEN ENTER THE INFORMATION INTO THE SYSTEM WHEN IT COMES UP. WE ALSO COULD GO BACK TO USING OUR ACCOUNTING SYSTEM TO PROCESS PAYROLL	GET CONFIRMATION ON ADP'S ENTERPRISE RISK MANAGEMENT SYSTEM ANNUALLY		

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TAIPA Enterprise Risk and Emergency Management Plan

LOSS OF VENDORS

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – SPECTRUM BUSINESS	LOW	LOW				
	THERE IS NO INDICATION THAT SPECTRUM BUSINESS IS GETTING OUT OF THIS BUSINESS.	THERE ARE A NUMBER OF OTHER PROVIDERS IN THE MARKET	WE BELIEVE THAT THERE COULD BE SOME DOWN TIME WITH THE TELEPHONES AS WE DID EXPERIENCE THIS WHEN WE CHANGED VENDORS PREVIOUSLY.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – Vintage IT	LOW	LOW				
	THERE IS NO INDICATION THAT VINTAGE IT IS GETTING OUT OF THIS BUSINESS.	THERE ARE A NUMBER OF OTHER PROVIDERS IN THE MARKET. THERE COULD BE SOME DOWNTIME IF WE HAD TO MAKE A CHANGE RAPIDLY AND COSTS MAY BE HIGHER.	WE ARE CURRENTLY VERY HAPPY WITH OUR IT PROVIDER AND HAVE FOUND THEM TO BE THE BEST VENDOR THAT WE HAVE HAD SINCE 2007.	WE HAVE EXPERIENCE LOOKING FOR AND FINDING IT PROVIDERS SO WE COULD DO THIS FAIRLY FAST IF WE EVER NEEDED TO.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – AIPSO	LOW	HIGH				
	THERE IS NO INDICATION THAT AIPSO IS GETTING OUT OF THIS BUSINESS. IF THEY DID WANT TO STOP DOING BUSINESS WITH TAIPA, THERE WOULD BE SOME PRESSURE APPLIED TO AIPSO BY THE	THERE ARE NO OTHER ORGANIZATIONS THAT PROVIDE THIS TYPE OF SERVICE IN THE MARKET. WE ATTEMPTED TO CREATE OUR OWN SYSTEM USING A SOFTWARE DEVELOPMENT ORGANIZATION AND THEY WERE UNABLE TO	WE HAVE IMPROVED OUR RELATIONSHIP WITH AIPSO STARTING IN 2010 AND CONTINUE TO DO SO. AIPSO NOW WORKS WITH TAIPA EMPLOYEES TO IMPROVE THEIR SERVICE TO TAIPA AS ISSUES ARISE OR AS THEY DEVELOP NEW WAYS OF			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

TAIPA Enterprise Risk and Emergency Management Plan

	INDUSTRY TO CONTINUE TO WORK WITH TAIPA. WE HAVE SEEN THIS DONE IN THE PAST. WE HAVE IMPROVED OUR RELATIONSHIP WITH AIPSO OVER THE YEARS.	PRODUCE ANYTHING USABLE.	PROVIDING SERVICE.			
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – FROST BANK	VERY LOW	LOW				
	TAIPA IS VERY COMFORTABLE WITH OUR RELATIONSHIP WITH FROST BANK AND IT APPEARTS THAT FROST BANK IS COMFORTABLE WITH TAIPA AS WELL. THE BANK SEEMS TO UNDERSTAND OUR BUSINESS AND HAS WORKED TO PROVIDE US WITH A \$300,000 LINE OF CREDIT.	THERE ARE MANY OTHER BANKS AND WE ARE COMFORTABLE THAT THEY COULD BECOME COMFORTABLE WITH HOW TAIPA OPERATES AND PROVIDE THE SAME SERVICES THAT FROST CURRENTLY DOES.	WE WORK WELL WITH FROST BANK AND CONTINUE TO FOSTER A GOOD WORKING RELATIONSHIP WITH THEM.	BOTH MIMI LEECE AND STACY DUTTON WORKED ON CHANGING OUR BANK IN THE PAST SO WE HAVE DIRECT EXPERIENCE MAKING THIS CHANGE IF WE NEEDED TO.		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – SAGE/ACCPAC	LOW	LOW				
SAGE/ACCPAC is our accounting software	TAIPA HAS USED THE ACCPAC SYSTEM FOR A VERY LONG TIME AND WE ARE COMFORTABLE WITH IT.	THERE ARE MANY OTHER PROVIDERS IN THE MARKET.	IF IT HAPPENED THAT THE SOFTWARE WAS NO LONGER SUPPORTED, WE COULD CONTINUE TO USE BECAUSE			MIMI LEECE 512-531-7258 (CELL) 512-468-6927 TEXAS AUTO INSURANCE PLAN ACCOUNT: A00032479 www.customers.sagenorthamerica.com 866-996-7243

TAIPA Enterprise Risk and Emergency Management Plan

			WE OWN THE SOFTWARE AND WE HAVE A FIRE WALL.			
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SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – TELEPHONE CONNECTION Telephone Connection manages TAIPA's phones and has for several years.	LOW	LOW				
	TELEPHONE CONNECTION DOES NOT APPEAR TO BE LEAVING THE MARKET	THERE ARE OTHER PROVIDERS IN THE MARKET INCLUDING VINTAGE IT NOW	IF IT HAPPENED WE COULD EASILY FIND ANOTHER PROVIDER			MIMI LEECE 512-531-7258 (CELL) 512-468-6927

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF VENDOR – ADP ADP is our software that we use for payroll and tax filing	LOW	LOW				
	ADP DOES NOT APPEAR TO BE LEAVING THE MARKET	THERE ARE MANY OTHER PROVIDERS IN THE MARKET.	IF IT HAPPENED WE COULD EASILY FIND ANOTHER PROVIDER OR GO BACK TO USING ACCPAC. WE OWN THE ACCPAC SYSTEM. STACY DUTTON HAS EXPERIENCE WITH CHANGING PROVIDERS FOR PAYROLL.	SINCE WE HAVE A COUPLE OF SOLUTIONS, WE ARE NOT CURRENTLY LOOKING FOR ANOTHER SOLUTION		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 ADP CUSTOMER SERVICE # 1-877-603-7079 ACCT # RNAYQ

FINANCIAL ISSUES

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Business risks relevant to financial reporting including fraud	LOW	HIGH				
	THE GOVERNING COMMITTEE IS MADE UP OF A NUMBER OF COMPANY MEMBERS WHO	IF SOMETHING IN THE MARKET CHANGED AND APPLICATIONS WOULD BE	TAIPA DOES NOT HAVE A DEBIT CARD FOR ANY OF OUR ACCOUNTS. CREDIT CARDS ARE ONLY GIVEN TO STACY DUTTON, ASSOCIATION MANAGER AND	MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT CONTINUES TO WORK WITH STAFF AND		STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE

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TAIPA Enterprise Risk and Emergency Management Plan

	<p>KNOW AND SEE WHAT IS HAPPENING IN THE INSURANCE MARKET. WHENEVER THEY SEE AN ISSUE THAT COULD AFFECT TAIPA, IT IS GENERALLY DISCUSSED IN GOVERNING COMMITTEE MEETING AND/OR WITH TAIPA'S LEGAL COUNSEL AND/OR MANAGEMENT. THIS ALLOWS TAIPA MANAGEMENT TO MAKE PREPARATIONS FOR VARIOUS POSSIBLE SITUATIONS SUCH AS INCREASE OR DECREASED APPLICATIONS.</p> <p>FRAUD HAS NOT BEEN AN ISSUE SINCE 2005-2006. WE HAVE IMPLEMENTED MULTIPLE CHECKS TO ENSURE THAT EMPLOYEES DON'T USE THE COMPANY CREDIT CARDS FOR PERSONAL USE AND WE ENSURE THAT WE UNDERSTAND THE REASON FOR ALL PAYMENTS MADE TO OUR VENDORS</p> <p>IF FALSE INFORMATION WERE REPORTED, IT WOULD LIKELY LEAD THE STAFF AND THE GOVERNING COMMITTEE TO MAKE POOR DECISIONS WITH REGARD</p>	<p>INCREASED, TAIPA WOULD NEED TO STAFF UP AND MAY NEED TO EITHER USE OUR LINE OF CREDIT AND/OR HAVE AN ADDITIONAL ASSESSMENT. IF SOMEONE EMBEZZLED FUNDS, WE WOULD MOST LIKELY NOT BE ABLE TO MEET OUR FINANCIAL OBLIGATIONS AND WOULD NEED TO GET ADDITIONAL FUNDS THROUGH AN ASSESSMENT TO THE COMPANIES.</p>	<p>MIMI LEECE, MANAGER OF OPERATIONS/ FINANCIAL MANAGEMENT.</p> <p>FRONT OFFICE PERSONNEL ARE IN THE PROCESS OF BEING TRAINED TO ENTER ALL INCOMING AND OUTGOING PAYMENTS.</p> <p>MIMI IS THE FIRST LEVEL OF MANAGEMENT TO REVIEW AND APPROVE THE PAYMENTS IN AND OUT OF OUR ACCOUNTS. STACY SIGNS OFF ON ALL OF THE CHECKSTHE CHECKS, POSTS ALL JOURNAL ENTRIES SO ALL PAYMENTS IN AND OUT ARE ULTIMATELY SEEN AND APPROVED BY HER. IN ADDITION, STACY AND MIMI REVIEW THE GL TRANSACTION LISTING TO VERIFY THAT ALL PAYMENTS/CREDITS ARE MADE IN THE PROPER GL.</p> <p>MIMI OVERSEES THE ACCOUNTING INFORMATION. SHE RECORDS JOURNAL ENTRIES AND PREPARES INTERNAL FINANCIALS. THEY ENSURE THAT ALL IMPORTANT INFORMATION IS PROCESSED AND COMMUNICATED ACCORDINGLY. INFORMATION IS REVIEWED AT SEVERAL LEVELS, INCLUDING BY THE ASSOCIATION MANAGER AND THE GOVERNING COMMITTEE.</p> <p>ANY CONTROL BREAKDOWNS WOULD BE READILY APPARENT. BECAUSE TAIPA IS SO SMALL AND STAFF GENERALLY KNOWS THE NORMAL INVOICES WE NEED TO PAY EACH MONTH SO TYPICALLY, ANY ISSUES WOULD BE CAUGHT WITHIN THE SAME MONTH. ON THE OUTSIDE, IT WOULD BE CAUGHT WHEN THE VENDOR CONTACTS US TO FIND OUT ABOUT PAYMENT OR AND INSURANCE COMPANY CONTACTS US WITH QUESTIONS ABOUT HOW THEIR PAYMENTS WERE APPLIED.</p> <p>MIMI LEECE HAS AN UNDERSTANDING OF THE POTENTIAL CONTROL DEFICIENCIES, AND TRIES TO IMPLEMENT CONTROLS TO MITIGATE ACTIVITIES RELEVANT TO THE AUDIT, AND HOW THE ENTITY INITIATES REMEDIAL ACTIONS TO DEFICIENCIES IN ITS CONTROLS;</p>	<p><u>TAIPA MANAGEMENT INTENDS TO ADD THE FRONT OFFICE STAFF TO THE MANAGEMENT OF TAIPA'S FINANCIAL RESPONSIBILITIES SO THAT WE CAN HAVE A GREATER DIVISION OF LABOR AND GO BACK TO MANAGING TAIPA IN THE WAY THAT IT WAS MANAGED PRIOR TO MARCH OF 2019.</u></p>		<p>512-531-7258 (CELL) 512-468-6927</p>
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TAIPA Enterprise Risk and Emergency Management Plan

	<p>TO WHAT TAIPA CAN/SHOULD DO WITH REGARD TO ANY ISSUES THAT DEPEND ON TAIPA'S FINANCIAL POSITION.</p>		<p>THE CLASSES OF TRANSACTIONS THAT ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS INCLUDE ALL FUNDS COMING IN AND OUT OF TAIPA ARE SIGNIFICANT GIVEN THAT WE ARE A SMALL OPERATION AND TRY TO OPERATE ON A BUDGET THAT IS FAIR TO OUR MEMBER COMPANIES SINCE THEY ARE ULTIMATELY RESPONSIBLE FOR PAYING FOR TAIPA. MIMI IS RESPONSIBLE TO ENSURE ALL TRANSACTIONS ARE ACCURATE – I.E. PAID IN FULL, RECORDED IN THE CORRECT GL, RECORDED IN THE CORRECT REPORTING PERIOD, AND TO VERIFY THAT EACH TRANSACTION RECORDED ACTUALLY TOOK PLACE. MIMI IS ALSO RESPONSIBLE TO ENSURE THAT ALL ASSETS AND LIABILITIES ARE UPDATED AND REPORTED AND ENSURE THAT ALL OF THE BALANCES EXIST. STACY IS RESPONSIBLE TO OVERSEE THIS AND BE A FINAL INTERNAL CHECK. IN ADDITION, TAIPA SENDS ITS MONTHLY FINANCIALS TO TYLER MOSLEY AT ATCHLEY AND ASSOCIATES TO REVIEW.</p> <p>THE PROCEDURES, WITHIN BOTH IT AND MANUAL SYSTEMS, BY WHICH THOSE TRANSACTIONS ARE INITIATED, RECORDED, PROCESSED, CORRECTED AS NECESSARY, TRANSFERRED TO THE GENERAL LEDGER AND REPORTED IN THE FINANCIAL STATEMENTS;</p> <p>- MANAGER OF OPERATIONS/ FINANCIAL MANAGEMENT IS RESPONSIBLE FOR CREATING THE ASSESSMENTS FOR EACH OF THE MEMBERS OF THE ASSOCIATION BASED ON THE ASSESSMENT APPROVED BY THE GOVERNING COMMITTEE FOR THE UPCOMING YEAR AND EACH COMPANY'S SHARE OF THE TEXAS AUTO LIABILITY MARKET. THE ASSESSMENTS ARE SENT OUT AT THE END OF THE PREVIOUS YEAR AND PAYABLE ON OR BEFORE FEBRUARY 1ST OF THE CURRENT YEAR. THE ASSESSMENTS COME IN BY CHECK AND ARE ENTERED AND DEPOSITED OR</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

		<p>BY EFTS TO TAIPA'S OPERATIONS ACCOUNT.</p> <p>VENDORS SEND TAIPA INVOICES BY MAIL OR EMAIL, ACH TRANSFERS, OR BY CREDIT CARD. THE MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT IS RESPONSIBLE FOR VERIFYING THAT THE PAYMENT SHOULD BE MADE, PULLING THE DOCUMENTATION, AND RECORDING THE PAYMENT, OR CUTTING A CHECK.</p> <p>THE CUSTOMER SERVICE/ ADMINISTRATIVE SUPPORT SPECIALISTS ARE IN THE PROCESS OF BEING TRAINED ON HOW TO RECORD OR CHECK THESE ENTRIES. THE ASSOCIATION MANAGER IS RESPONSIBLE FOR FINAL APPROVAL, POSTING, AND SIGNING ANY CHECKS.</p> <p>-WHOEVER IS CREATING AN ENTRY IN THE ACCOUNTING SYSTEM IS RESPONSIBLE FOR: ENSURING THAT THE ENTRY IS DOCUMENTED IN THE SYSTEM USING A STANDARD FORMAT, ATTACHING THE SUPPORTING DOCUMENTATION (INVOICE OR ACH TRANSFER) AND USES THE INFORMATION FROM THE SUPPORTING DOCUMENTATION TO MAKE THE ENTRY. THE ENTRY IS THEN REVIEWED FOR ERRORS. IF AN ERROR IS MADE PRIOR TO POSTING, IT IS RETURNED TO THE PERSON WHO CREATED IT FOR CORRECTION. IF IT IS FOUND AFTER POSTING, GENERALLY A JOURNAL ENTRY IS MADE TO CORRECT THE ERROR.</p> <p>TAIPA IS A NON-PROFIT CORPORATION WITH 501(C) (6) DESIGNATION.</p> <p>THE 501(C)(6) DESIGNATION INCLUDES MEMBERSHIP-BASED ORGANIZATIONS OR CLUBS THAT PROMOTE THE BUSINESS INTERESTS OF THEIR MEMBERS, SUCH AS TRADE ASSOCIATIONS AND SPORTS LEAGUES.</p> <p>TAIPA USES ACCRUAL BASIS OF ACCOUNTING.</p> <p>TAIPA USES ACCOUNTING ESTIMATES BUDGET:</p> <p>TAIPA ESTIMATES THE UPCOMING BUDGET BASED ON THE PREVIOUS YEAR AND</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>MAKING ADJUSTMENTS ON EXPECTED CHANGES, EXPENSES, AND/OR REVENUE.</p> <p>ASSESSMENTS:</p> <p>TAIPA THEN ESTIMATES THE AMOUNT OF CASH IT WILL HAVE AT THE END OF THE YEAR</p> <p>AMOUNT OF MONEY IT WILL NEED TO PAY BILLS UNTIL THE ASSESSMENT INCOME ARRIVES IN THE TAIPA OFFICE.</p> <p>IF THE ESTIMATE OF CASH AT THE END OF THE YEAR IS MORE THAN TAIPA MANAGEMENT ESTIMATES IT WILL NEED FOR THE FIRST COUPLE OF MONTHS OF THE YEAR, IT WILL APPLY THAT "EXCESS CASH" TO THE APPROVED BUDGET AND THEN ONLY ASSESS THE COMPANIES FOR THE DIFFERENCE.</p> <p>APPROVE BUDGET – EXCESS CASH = ASSESSMENTS)</p> <p>REVENUE:</p> <p>TAIPA SIMPLY DIVIDES THE ASSESSMENTS BY 12 AND RECOGNIZES 1/12 OF THE ASSESSMENT EACH MONTH.</p> <p>REGULATORY FACTOR FROM PLAN OF OPERATIONS – NO EXPENDITURE IN EXCESS OF AN APPROVED BUDGETED AMOUNT OR WHICH HAS NOT BEEN INCLUDED IN THE BUDGET MAY BE MADE WITHOUT GOVERNING COMMITTEE APPROVAL.</p> <p>THEREFORE, IF WE ANTICIPATE AN AREA COMING IN OVER BUDGET, TAIPA MANAGEMENT DISCUSSES THE CONCERNS WITH THE VENDORS INVOLVED, AND THE CHAIR IF APPLICABLE. THE ITEM IS THEN DISCUSSED WHEN</p> <p>TAIPA MANAGEMENT GOES OVER THE FINANCIALS AT THE GOVERNING COMMITTEE MEETING. TO DATE, THERE HAS NEVER BEEN A SITUATION WHERE TAIPA HAD TO REQUEST ADDITIONAL FUNDS OR DRAW FROM ITS LINE OF CREDIT.</p> <p>TAIPA'S FRAMEWORKS AND REQUIREMENTS FOLLOW U.S. GAAP.</p> <p>MANAGEMENT & PERSONNEL PREPARE FINANCIAL</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>STATEMENTS KEEP UP-TO-DATE WITH NEW, RELEVANT ACCOUNTING AND DISCLOSURE REQUIREMENTS THROUGH OUR AUDITORS. TAIPA GOES THROUGH A FINANCIAL AUDIT EVERY YEAR TO ENSURE THAT OUR ACCOUNTING INFORMATION IS UP TO DATE AND ACCURATE.</p> <p>TAIPA UTILIZES SAGE SOFTWARE FOR FINANCIAL STATEMENTS. TAIPA HAS A SOP FOR ACCOUNTING PROCEDURES. THIS MANUAL IS UTILIZED ALONG WITH THE SAGE ACCOUNTING SOFTWARE TO ENTER DATA AND DOCUMENT TAIPA'S FINANCIAL STATEMENTS. THE ASSOCIATION MANAGER AND THE MANAGER OF OPERATIONS/FINANCIAL MANAGER REVIEW THE FINANCIAL STATEMENTS BEFORE SENDING THEM TO OUR AUDITORS (ATCHLEY AND ASSOCIATES) FOR REVIEW. THEY ARE THEN PRESENTED TO THE GOVERNING BOARD FOR FINAL APPROVAL.</p> <p>MANAGEMENT RELIES ON SAGE SOFTWARE FOR REPORTING FOR FINANCIAL STATEMENTS. REPORTS ARE GENERATED FROM THE GENERAL LEDGER AND SUB LEDGER. THESE REPORTS ARE REVIEWED BY THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER. TAIPA USED JOURNAL ENTRIES TO CORRECT ANY ERRORS TO THE SUB-LEDGER AND THE GENERAL LEDGER. THESE CORRECTIONS ARE DISCUSSED WITH TAIPA'S AUDITORS (ATCHLEY AND ASSOCIATES) AND THE ACCOUNTING TEAM TO ENSURE ACCURATE ACCOUNTING REPORTING.</p> <p>-PRIOR TO RELEASING FINANCIAL STATEMENTS, THEY ARE REVIEWED BY BOTH THE MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT AND THE ASSOCIATION MANAGER. IN ADDITION, TAIPA ALSO SENDS OUR FINANCIALS TO TYLER</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			<p>MOSLEY OF ATCHLEY AND ASSOCIATES TO REVIEW FOR ANY ERRORS.</p> <p>TAIPA STAFF HAS WORKED WITH THE GOVERNING COMMITTEE TO PROVIDE INFORMATION IN AN EASY TO UNDERSTAND FORMAT THAT INDICATES THE REASON FOR ANY VARIANCE THAT IS MORE THAN 5% MORE OR 5% LESS THAN EXPECTED AT THE TIME OF REPORTING AND THE REASON FOR THIS. IN ADDITION, THE STANDARD FINANCIALS ARE PREPARED AND DISTRIBUTED TO THE GOVERNING COMMITTEE AT EACH MEETING. THE ASSOCIATION MANAGER SPECIFICALLY GOES OVER WHERE TAIPA STANDS FINANCIALLY IN THE MEETING.</p> <p>MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT WORKS VERY CLOSELY WITH ATCHLEY AND ASSOCIATES ON HOW TAIPA RECORDS SHOULD BE DOCUMENTED AND PRESENTS ITS FINANCIALS.</p> <p>TAIPA USES VERY FEW ESTIMATES IN ITS ACCOUNTING PROCESS.</p> <p>THE SOURCES OF THE INFORMATION USED IN THE ENTITY'S MONITORING ACTIVITIES, AND THE BASIS UPON WHICH MANAGEMENT CONSIDERS THE INFORMATION TO BE SUFFICIENTLY RELIABLE INCLUDE THE GENERAL LEDGER TRANSACTION LISTING. MIMI UTILIZED THIS REPORT FROM SAGE TO DETERMINE BUDGETED LINE ITEMS. THE TRIAL BALANCE LISTS EVERY GENERAL LEDGER ACCOUNT AND ITS BALANCE, MAKING ADJUSTMENTS EASIER TO CHECK AND ERRORS EASIER TO LOCATE.</p> <p>WITH REGARD TO JOURNAL ENTRIES AND OTHER ADJUSTMENTS. MIMI DETERMINES WHEN JOURNAL ENTRIES ARE NEEDED AND CREATES THE JOURNAL ENTRY AND ATTACHES ALL SUPPORTING DOCUMENTATION. IF NON-STANDARD -MIMI WILL GET ASSISTANCE FROM</p>			
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TAIPA Enterprise Risk and Emergency Management Plan

			THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER REVIEW AND CORRECT ENTRIES.			
SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT	PROBABILITY IMPACT	CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
DEFINED BENEFIT (PENSION) RISK	MEDIUM	MEDIUM				
	WHENEVER THE MARKET DOESN'T DO WELL, THERE IS A RISK THAT THE PLAN WILL NOT DO WELL AND TAIPA WILL HAVE TO PAY ADDITIONAL FUNDS. THIS IS CONSIDERED MEDIUM AS OUR PLAN IS WELL FUNDED BUT WE HAVE YEARS WHERE THE COSTS GO UP SUBSTANTIALLY	SINCE WE ARE NOT A PUBLIC COMPANY, OUR FINANCIALS ARE NOT AS IMPORTANT AS IT IS FOR PUBLIC COMPANIES. THAT SAID, HAVING TO THROW EXTRA DOLLARS IN THE PLAN IS NOT APPRECIATED BY THE COMPANY MEMMBERS WHO FUND THE PLAN	OUR PLAN ADMINISTRATORS MONITOR THE PLAN AND THEY HAVE A SET OF CRITERIA THAT THEY MEASURE AGAINST. THIS OBVIOUSLY DOESN'T ALWAYS WORK OUT IF THE MARKET IS VOLITILE. IN ADDITION, WE LIMITED THE PLAN TO CURRENT EMPLOYEES AT THE END OF 2019. THEREFORE WE ONLY HAVE TWO EMPLOYEES IN THE PLAN WHO CONTINUE TO ACCRUE BENEFITS. THAT SAID, WE STILL HAVE A NUMBER OF TERMINATED/RETIRED EMPLOYEES WHO ARE DRAWING FROM THE PLAN OR WILL DRAW FROM THE PLAN IN THE FUTURE.	AT THIS POINT WE ARE WAITING TO SEE HOW THE PLAN DOES IN A YEAR THAT ISN'T AS VOLITILE DUE TO COVID, ETC. WHEN THE OUTSIDE CONSULTANTS REVIEWED OUR PLAN, THEY INDICATED THAT THEY THOUGHT THAT OUR COSTS WOULD GO DOWN IN THE FUTURE BECAUSE OF HOW WELL FUNDED THE PLAN IS.	2022 WAS THE FIRST YEAR THAT TAIPA DID NOT NEED TO MAKE ADDITIONAL PAYMENTS TO THE TAIPA PENSION PLAN.	STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927 LARRY HELLER (201) 741-7449 PPIO GARY STOVER (515) 452-4279 PRINCIPAL FINANCIAL
SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
RUNNING OUT OF MONEY	LOW	HIGH				
	IT HAS NOT BEEN AN ISSUE TO DATE AND IF IT BECAME A PROBLEM, WE HAVE THE \$300,000 LINE OF CREDIT AVAILABLE.	IF WE RAN OUT OF MONEY, WE COULD ALSO SEND OUT AN ASSESSMENT TO ALL OF THE MEMBER COMPANIES TO COVER IT, BUT IT WOULD TAKE ABOUT 30 DAYS TO COLLECT.	WE TYPICALLY HAVE ABOUT 3 MONTHS SUPPLY OF FUNDS AT HAND DURING THE YEAR AND WE HAVE A \$300,000 LINE OF CREDIT.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

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TAIPA Enterprise Risk and Emergency Management Plan

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LINE OF CREDIT NOT BEING RENEWED	LOW	MEDIUM				
	IT HAS NOT BEEN AN ISSUE TO DATE.	IF OUR LINE OF CREDIT WAS NOT RENEWED, WE WOULD FIRST TRY ANOTHER BANK AND IF THIS DID NOT WORK, WE COULD ALSO SEND OUT AN ASSESSMENT TO ALL OF THE MEMBER COMPANIES, BUT IT WOULD TAKE ABOUT 30 DAYS TO COLLECT.	WE FEEL CONFIDENT THAT WE COULD GET ANOTHER BANK TO GIVE US A LINE OF CREDIT OR WE COULD ALSO MAKE AN EMERGENCY ASSESSMENT.			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927

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PERSONNEL CHANGES

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
LOSS OF TWO OR MORE EMPLOYEES AT THE SAME TIME	MEDIUM	HIGH				

TAIPA Plan **Enterprise** **Risk** **and** **Emergency** **Management**

	<p>THIS HAPPENED IN 2019. WE LOST ONE LONG TERM EMPLOYEE AND ONE EMPLOYEE WHO HAD BEEN HERE A YEAR</p>	<p>IT DEPENDS ON WHICH EMPLOYEES WOULD LEAVE BUT REGARDLESS IT IS <u>DIFFICULT</u> TO HAVE 2 EMPLOYEES PERFORMING ALL OF THE DUTIES</p>	<p>WE CONTINUE TO CROSSTRAIN THE EMPLOYEES. DUE TO THE FACT THAT WE HAVE HAD THIS TURNOVER, THIS IS AN ONGOING PROCESS.</p> <p><u>THERE ARE CURRENTLY A NUMBER OF DUTIES THAT ONLY ONE EMPLOYEE IS CURRENTLY TRAINED ON INCLUDING – CALCULATING ASSESSMENTS, PREPARING RATE INFORMATION FOR TAIPA'S ACTUARY, CREATING AND SENDING TAIPA'S RATES TO TDI FOR HELP INSURE, ADDING TAIPA'S RATES TO THE RULES AND RATING MANUAL, COMPLETING TAIPA'S BANK RECONCILIATION COMPLETING PAYROLL.</u></p>	<p>STAFF IS CURRENTLY WORKING ON DEVELOPING A SYSTEM THAT WILL INCLUDE ALL OF OUR SOPS IN ONE PLACE AND TO MAKE THAT AN ACCESSABLE AND MANAGABLE SYSTEM THAT INCORPORATES THE CALENDAR AS WELL</p>	<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p><u>MISHAYLA TWAYMAN</u> <u>512-531-7265</u> <u>AMANDA REYNOLDS</u> <u>737-256-2888</u></p> <p>RUTH WISE 512-531-7263</p>
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PERSONNEL CHANGES

SPECIFIC PERSONNEL CHANGES SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
Death of an Employee	MEDIUM	HIGH	WE CONTINUE TO CROSSTRAIN THE EMPLOYEES. DUE TO THE FACT THAT WE HAVE HAD THIS TURNOVER, THIS IS AN ONGOING PROCESS.	STAFF IS CURRENTLY WORKING ON DEVELOPING A SYSTEM THAT WILL INCLUDE ALL OF OUR SOPS IN ONE PLACE AND TO MAKE THAT AN ACCESSABLE AND MANAGABLE SYSTEM THAT INCORPORATES		<p>STACY DUTTON 512.531.7271 (CELL) 512-779-8283</p> <p>MIMI LEECE 512-531-7258 (CELL) 512-468-6927</p> <p><u>MISHAYLA TWAYMAN</u> <u>512-531-7265</u> <u>AMANDA REYNOLDS</u></p>

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TAIPA Enterprise Risk and Emergency Management Plan

				THE CALENDAR AS WELL		737-256-2888 RUTH WISE 512-531-7263
	THIS HAPPENED IN 2016	IT DEPENDS ON WHICH EMPLOYEES WOULD PASS BUT REGARDLESS IT IS DIFFICULT IS DIFFICULT WITH SUCH A SMALL STAFF	WE WOULD NEED TO RETRIEVE TAIPA PROPERTY LEFT AT EMPLOYEES HOME	WE NEED TO COME UP WITH A PLAN WHERE HAVE PURCHASED SMALL LOCKABLE FILE DRAWERS FOR EMPLOYEES TO KEEP ALL TAIPA INFORMATION TOGETHER IN ONE LOCATION TO MAKE IT EASIER FOR FAMILY MEMBERS - IT SHOULD BE CLEARLY IDENTIFIABLE AND INCLUDE THE LIST OF ALL OF THE ITEMS THAT EACH EMPLOYEE HAS AT HOME		

DATA BREACH

SPECIFIC RISK EVENT:	RISK OVERALL ASSESSMENT		CURRENT RISK MANAGEMENT	CONTROL IMPROVEMENT	STATUS	RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS
	PROBABILITY	IMPACT				
PERSONAL IDENTIFIABLE INFORMATION BEING LEAKED	LOW	HIGH				
TAIPA HAS AN EXCELLENCESpreadsheet THAT LISTS THE PERSONAL IDENTIFIABLE INFORMATION THAT TAIPA HAS & WHERE IT IS AND WHO IT EFFECTS. TITLED "TAIPA ENTERPRISE RISK MANAGEMENT SPREADSHEET 2-2021"			EMPLOYEE INFORMATION IS KEPT LOCKED IN A LOCKED OFFICE. IT IS CONTAINED IN ADP'S SYSTEM. INSUREDS & PRODUCERS CONFIDENTIAL INFORMATION IS KEPT WITHIN THE AIPSO SYSTEM			STACY DUTTON 512.531.7271 (CELL) 512-779-8283 MIMI LEECE 512-531-7258 (CELL) 512-468-6927
EMPLOYEE INFO – HR FILE, ADP, PRINCIPAL, PRUDENTIAL, HUMANA, SUN LIFE, INSUREDS – APPLICATIONS & AIPSO PRODUCERS – AIPSO						

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TAIPA Enterprise Risk and Emergency Management Plan

COMPANIES – AIPSO AND SAGE						
PRODUCER/PUBLIC MEMBERS OF GOV COM – SAGE & AP FILES						

4 EMERGENCY MANAGEMENT

4.1 POLICY AND ORGANIZATIONAL STATEMENTS

The purpose of this plan is to provide guidance for the management and staff of Texas Automobile Insurance Plan Association (TAIPA) to recover from the effects of a catastrophic incident that disrupts the operations of business functions and results in great damage or loss.

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4.2 PURPOSE/SCOPE

This plan is developed and maintained in support of the following objectives

- Safety & Security of people, property, and information
- Meet or exceed Customer Requirements
- Perpetuate a positive organization image

Although this plan provides guidance for disaster recovery efforts, it is not a substitute for sound judgment.

4.3 USAGE

The contents of this plan will be used by team members for preparatory actions to minimize the effects of catastrophic incidents and to manage a smooth and orderly recovery from the effects of a disaster event.

4.4 DISTRIBUTION

Each team member will receive 2 copies of the plan. One to be kept in the workplace and one to be kept at home. In addition, we will have one copy on the shared drive

It is important to read through this information now. If you are ever confronted with this situation, you will want to know what you need to do to keep yourself and your colleagues safe. You may not remember that you have this information near you, but you may remember and recall what you are reading now.

4.5 DEFINITIONS OF EMERGENCY

Any accidental, natural, environmental, incited or planned event which threatens to or does disrupt normal operations or services and which is expected to continue for sufficient time to affect significantly, or to cause failure of the organization's ability to provide normal business services for more than 48 hours.

Examples are:

Accidental	Fire, Errors and Omissions
Natural	Flood, Winter Storm, Electrical Storm, Hurricane, Tornado
Environmental	Aircraft crash, Explosion, Contamination, Power
Incited	Arson, Sabotage, Vandalism, Computer related fraud
Planned	Activity that prevents normal business activity

4.6 RESPONSE, RECOVERY, AND RESTORATION

Response, Recovery, and Restoration will be based on the expected length of outage and affected operations rather than the type of incident.

Level I An interruption of more than 24 hours but less than 5 days.
 Level II An interruption of 5 to 7 days
 Level III An interruption of more than 7 days

TAIPA Enterprise Risk and Emergency Management Plan

4.7 NOTIFICATION

- Members of the team make an initial assessment of the damage and/or impact and report it to the Association Manager.
- If a Level II or III incident is indicated, the Governing Committee will be notified.
- The Association Manager or designee will advise the Governing Committee members know the status of the disaster.
- If the office is not available, employees will be notified when and where to report to work.

4.8 EVACUATION PLAN

Evacuation may be required if there is a fire or hazard in the building.

Employees will be warned to evacuate the building using the following systems.	Fire Alarm Building Management TAIPA Management Typically employees will use the stairs to evacuate the building.
Employees should assemble at	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	

SHELTER-IN-PLACE SEVERE WEATHER/TORNADO SHELTERING PLAN

Shelter-In-Place	
Team Leader	Stacy Dutton/Mimi Leece
Employees will be directed to go to	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	
Person monitoring weather sources for updated emergency instructions and broadcasts if issued by weather service.	Stacy Dutton/Mimi Leece Building Management
Designated tornado shelters	
Familiarize yourself with these terms to help identify a tornado hazard:	<ul style="list-style-type: none"> • Tornado Watch: Tornadoes are possible. Remain alert for approaching storms. Stay tuned to Weather Radio, radio, or internet news for information. • Tornado Warning: A tornado has been sighted or indicated by weather radar. If you are under a tornado warning, seek shelter immediately!
If you are not in the TAIPA office	<ul style="list-style-type: none"> • Go to a pre-designated shelter area such as a safe room, basement, storm cellar, or the LOWestlowest building level. If there is no basement, go to the center of an interior room on the LOWestLowest level (closet, interior hallway) away from corners, windows, doors, and outside walls. Put as many walls as possible between you and the outside. Get under a sturdy table and use your arms to protect your head and neck. Do not open windows. • If you are in a vehicle, get out immediately and go to the LOWestlowest floor of a sturdy, nearby building or storm shelter. • If no shelter is available, lie flat in a nearby ditch or depression and cover your head with your hands.

FOR OTHER THREATS OR HAZARDS

Shelter-In-Place	
Team Leader	Stacy Dutton/Mimi Leece
Determine whether it is safer to shelter-in-place or evacuate.	<ul style="list-style-type: none"> • Lock door if it is safe to do so. • Call 911 if it is safe to do so. • Stay away from windows.

TAIPA Enterprise Risk and Emergency Management Plan

Employees will be directed	
TAIPA Management will verify that all employees and visitors to the TAIPA office are accounted for and determine if anyone is injured.	
Person monitoring news sources and building management directives	Stacy Dutton/Mimi Leece Building Management
Typically will be sent to Interior spaces	

MEDICAL EMERGENCY PLAN

If medical emergency occurs	Dial 911 and request an ambulance. Provide the Following information: <ul style="list-style-type: none"> • Number and location of victims • Nature of injury/illness • Hazard involved • Nearest entrance (emergency access point) • Follow instructions of emergency personnel
Team Leader	Stacy Dutton/Mimi Leece
Location of First Aid Kit	Breakroom
Procedures	<ul style="list-style-type: none"> • Do not move the victim unless the location is unsafe. • Control access to the scene • Take universal precautions to prevent contact with body fluids and exposure to blood-borne pathogens. • Meet the ambulance at the nearest entrance or emergency access point and direct them to victims

FIRE EMERGENCY PLAN

Fire Safety	<ul style="list-style-type: none"> • Know where the emergency exits and fire alarm pull stations are in your building. • Know at least two ways out of your building or off of your floor. • Know where the stairs are. • When you hear the fire alarm, evacuate! Do not assume it is a drill or false alarm
If fire is reported	<p>Pull the fire alarm (if available and not already activated.)</p> <p>Immediately evacuate the building.</p> <p>Check your evacuation route for smoke. If unsafe, take an alternate route.</p> <p>Dial 911 and let the Fire Department know. Provide the following information:</p> <ul style="list-style-type: none"> • Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III Austin, TX 78746 • Nature of Fire • Fire Location – Building and Floor • Name of person reporting the fire • Telephone number for return call <p>Unless told otherwise by building announcements or emergency officials, go to your predetermined assembly location.</p> <p>Do not re-enter the building until emergency officials declare it safe.</p>
Team Leader	Stacy Dutton/Mimi Leece

BOMB THREAT EMERGENCY PLAN

DO NOT EVACUATE UNLESS TO DO SO BY EMERGENCY PERSONNEL	
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TAIPA Enterprise Risk and Emergency Management Plan

<p>If you receive a bomb threat</p>	<ul style="list-style-type: none"> • Do Not assume it is a hoax. • Remain calm; try to get someone's attention to listen in on the call; and obtain as much information as possible from the caller: <ul style="list-style-type: none"> ○ When is the bomb going to explode? ○ Where is it? ○ What does it look like? ○ What will cause it to explode? ○ Why did you place the bomb? • If you have caller ID, write down the phone number that is displayed. Remember: <ul style="list-style-type: none"> ○ Woman's or man's voice? ○ Approximate age? ○ Accent? ○ Tone of voice? ○ Background noise? • Call 911 Ask for immediate assistance and provide the following information: <ul style="list-style-type: none"> ○ Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III Austin, TX 78746 ○ Nature and extent of the emergency ○ Your name and a number to reach you ○ Follow the instructions of emergency personnel
<p>Team Leader</p>	<p>Stacy Dutton/Mimi Leece</p>

TAIPA Enterprise Risk and Emergency Management Plan

5 RISK MANAGEMENT PLAN APPROVAL

The undersigned acknowledge they have reviewed the **Risk Management Plan** for TAIPA. Changes to this Risk Management Plan will be coordinated with and approved by the undersigned or their designated representatives.

Signature: _____ Date: _____
Print Name: Stacy Dutton
Title: Association Manager
Role: _____

Signature: _____ Date: _____
Print Name: _____
Title: _____
Role: _____

Signature: _____ Date: _____
Print Name: _____
Title: _____
Role: _____

Signature: _____ Date: _____
Print Name: _____
Title: _____
Role: _____

TAIPA Enterprise Risk and Emergency Management Plan

TAIPA Enterprise Risk and Emergency Management Plan

TYPE OF CONTACT CONTACT OR VENDOR	CONTACT OR VENDOR CONTACT INFORMATION	CONTACT INFORMATION
TAIPA GOVERNING COMMITTEE	TAIPA GOVERNING COMMITTEE CHAIRMAN	CORISE MORRISON 240-943-4446 BECKY JACKSON 512-694-4456
TAIPA GOVERNING COMMITTEE	TAIPA GOVERNING COMMITTEE	SEE ATTACHED LIST
COMPANIES THAT COME ON-SITE	MAIL COURIERS	COURIER DEPOT: 512-459-7472 ROBERT@COURIERDEPOT.COM CUSTOMER NUMBER: 1812 POST OFFICE (NORTHCROSS LOCATION): (800) 275-8777 FED EX (CUSTOMER SERVICE): 1 (800) 463-3339 UPS (CUSTOMER SERVICE): 1 (800) 742-5877
	SHRED COMPANY -	BALCONES SHRED (512) 744-4999 ACCOUNT NUMBER:SDA0103662
	LAS CIMAS MANAGEMENT COMPANY	LAS CIMAS BUILDING MANAGEMENT: ADAM.BENOIT, GPM, RPA, LEED, APO+M ADELIEN.FRESCH ASSOCIATE DIRECTOR ASSET SERVICES MAIN: 512 814 3430 ADAM.BENOIT@CUSHWAKE.COM ADELIEN.FRESCH@CUSHWAKE.COM 807 LAS CIMAS PARKWAY, SUITE 120 AUSTIN, TX 78746 USA
COMPANIES THAT PROVIDE SERVICES TO TAIPA	TELEPHONE PROVIDER -	TELEPHONE CONNECTION - MATTHEW MONROE, ACCOUNT MANAGER AT TC TECH SYSTEMS 525 ROUND ROCK WEST DR., STE. A100, ROUND ROCK, TX 78681 MAIN: (512) 451-6101 MOBILE: (512) 334-7813 MATTHEW.MONROE@TCTECHSYSTEMS.COM
	IT PROVIDER	VINTAGE IT - 512-481-1117
	INTERNET PROVIDER	SPECTRUM TELEPHONE NUMBER: 1-888-812-2591 ACCOUNT NUMBER:8260163000015473
	SAGE/ACCPAC	JAMIE SCHMULSON (TECH SUPPORT MANAGER): (713) 520-8022 X 102 ACCPAC CUSTOMER SERVICE # SAGE CUSTOMER SERVICE 1-866-996-7243 SAGE ACCT # 4000628103
	PAYROLL PROVIDER	ADP CUSTOMER SERVICE # 1-877-603-7079 ACCT # RNAYQ
	SECRETARY OF STATE	(512)463-5555
	WEBSITE PROVIDER	WP ENGINES LOGIN: NMORGAN PASSWORD: TEXASTAIPA123!! (LOWERCASE "EXAS")

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TAIPA Enterprise Risk and Emergency Management Plan

	AIPSO	<p>QUOTA SUPPORT (QUOTA RELATED INFORMATION & DOCUMENTATION) TAIPAQUOTASUPPORT TAIPAQUOTASUPPORT@AIPSO.COM COMPANY UPDATES: LEITE, KAREN KAREN.LEITE@AIPSO.COM ALLISON FIKRI ALLISON.FIKRI@AIPSO.COM APS REWRITE (ISSUES WITH APS-BATCH, EASI ENTRIES, ETC.) APS REWRITE SUPPORT APSREWRITESUPPORT@AIPSO.COM AUTOMATION SUPPORT (RSV TOKENS & PASSWORDS) AUTOMATION.SUPPORT@AIPSO.COM COMPUTER OPERATIONS (EXPORT & RELATED ISSUES) COMPUTER OPERATIONS ComputerOperations@aipso.com</p>
	FROST BANK	<p>FROST BANK CONTACT- RYAN BENNETT(VP)-RYAN.BENNETT@FROSTBANK.COM (512) 473-4308 (512) 473-4308 JENNIFER MARTINEZ-(ADMIN. OFFICER)-JENNIFER.MARTINEZ@FROSTBANK.COM (512) 473-4512</p>
POTENTIAL VENDORS	TEMPORARY OFFICE SPACE	<p>REGUS 855-400-3575 – RENTS OFFICE SPACE HOURLY, DAILY, MONTHLY, ETC. TARGET OFFICE 888-753-1777- RENT OFFICE SPACE PER PERSON MONTHLY</p>

Exhibit 7

TAIPA PP Over/Under Report

COMPANY

Year End 2017

Year End 2018

Year End 2019

Year End 2020

1st QTR 2021

2nd QTR 2021

3rd QTR 2021

4th QTR 2021

1st QTR 2022

PRIVATE PASSENGER	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
21ST CENTURY CENTENNIAL INS CO (SC)		315,137		266,162		269,040		82,479		91,068		132,949		125,710		123,879		172,068
ACE AMERICA	236,537		Entered LAD															
AFFIRMATIVE INS CO (co is in liquidation)		2,831		2,831		2,831		2,831		2,831		2,831		2,831		2,831		
ALLSTATE INS CO	Entered LAD																	
AMER FAMILY MUT INS CO SI			New to quota	6		12		12		12		12		12		12		12
AMER MERCURY INS CO		7,174		4,047	Entered LAD													
ASSURANCEAMERICA INS CO	Entered LAD																	
AXA INS CO					New to quota	3		21		30		38		45		50		56
BERKLEY INS CO							Became grouped											
CLEARCOVER INS CO											New to quota	40		114		240	Entered LAD	
CRESTBROOK INS CO	Became grouped																	
DIRECT GEN INS CO							Became grouped											
FALCON INS CO	Entered LAD																	
FIRST CHICAGO INS CO								New to quota	5			21		50		102		232
FREESTONE INS CO		443		443		443	Went into storage											
GENERAL CAS CO OF WISCONSIN	Entered LAD																	

TAIPA PP Over/Under Report

COMPANY

Year End 2017

Year End 2018

Year End 2019

Year End 2020

1st QTR 2021

2nd QTR 2021

3rd QTR 2021

4th QTR 2021

1st QTR 2022

PRIVATE PASSENGER	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	
GENERAL SECURITY NATL INS CO											New to quota	1		4		12	Entered LAD		
GOVERNMENT EMPLOYEES INS CO		96,915		63,079		55,194		28,150		50,508		84,073		86,940		54,716		62,415	
GREENWICH INS CO															New to quota	1		5	
HALLMARK COUNTY MUT INS CO	441,819		440,802		440,404		440,269		440,243		440,215		440,192		440,174		440,146		
HOMEOWNERS OF AMER INS CO		4,639		4,639	Went into storage														
HOUSTON GENERAL INS EXCH (this is a new company that has generated this quota)					New to quota	26	New to quota	190		224		236		236		235		235	
ICM INS CO		13	Went into storage																
IMPERIAL FIRE & CAS	Became grouped																		
INTEGON NATIONAL INS CO		322,579		201,462		249,885		185,414		136,542		12,644		169,516		202,329		204,395	
MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO)	330,040		330,038		330,038	Went into Storage													
MIDVALE IND CO			New to quota	1															
NOBLR RECIPROCAL EXCHANGE									Entered LAD-TAIPA Error	19	Entered LAD								
OLD AMER COUNTY MUT FIRE INS		Entered LAD																	
PHARMACISTS MUT INS CO	Entered LAD																		
RIVERPORT INS CO			New to quota	51	Entered LAD														
STARR INDEMNITY & LIABILITY CO		955	Went into storage																
STATE FARM MUT AUTO INS CO		193,430		170,618		147,124		104,343		111,872		144,856	Entered LAD						

COMPANY Year End 2017 Year End 2018 Year End 2019 Year End 2020 1st QTR 2021 2nd QTR 2021 3rd QTR 2021 4th QTR 2021 1st QTR 2022

PRIVATE PASSENGER	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
SUSSEX INS CO (prior Companion Pro & Cas Ins Co) Effective 12/31/2017, Sussex Ins Co merged into CLARENDON NATIONAL INS CO		324	CO / Inactive Merged															
TEXAS FARM BUREAU CAS INS CO		63,251		57,078		44,783		36,078		46,399		61,984		54,151		55,134		
TREXIS ONE INS CORP (prev co ALFA SPECIALTY INS CORP)		352		138		659		663		725		518		566		613		679
UNIVERSAL NORTH AMERICA		89	Went into storage															
VAULT RECIPROCAL EXCHANGE										New to quota	2		7		10		49	
WINDHAVEN NATIONAL INS. CO (10348 ATX PREMIER INS CO) Co is in receivership as of 03/05/2020		264		285		442		88		8		10		10		10	Company has zeroed out, sent email to AIPSO.	
TOTALS	1,008,396	1,008,396	770,840	770,840	770,442	770,442	440,269	440,269	440,243	440,243	440,215	440,215	440,192	440,192	440,174	440,174	440,146	440,146
PREMIUMS WRITTEN	2,424,419		2,346,137		1,785,296		1,262,528		288,482 1st qtr		258,829 2nd qtr		230,021 3rd qtr		4th qtr 223,114		1st qtr 328,771	

TAIPA OTPP Over/Under Report

COMPANY	Year End 2017		Year End 2018		Year End 2019		Year End 2020		1st QTR 2021		2nd QTR 2021		3rd QTR 2021		4th QTR 2021		1st QTR 2022		
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	
ACCIDENT INS CO		132		154		243	Entered CLAD												
ALASKA NATL	Entered CLAD																		
AMALGAMATED CAS INS CO	New to quota	531	Entered CLAD																
AMER BANKERS INS CO OF FLORIDA	Became ungrouped co has no Vol Premium (co w/ quota moved to Diamond StateCo is in a CLAD)																		
AMER CONTRACTORS INS RISK RET. GRP		16,743	Went into storage				Started writing again- 16,743 out of storage in 2020			746		1,569		2,230		3,054		20,297	
AMER COUNTRY INS CO						767		1,535		1,535		1,535		1,535		1,535		1,535	Company has zeroed out, sent email to AIPSO.
AMER MERCURY INS CO		13,859		12,787	Entered CLAD														
AMER NATIONAL PROP & CAS CO	Entered CLAD																		
AMER NATL COUNTY MUT INS CO	Became grouped																		
AMER ROAD INS CO	Entered CLAD																		
AMERICAN BUILDERS INS CO (prev Association Ins Co)	Entered CLAD																		
BERKLEY CAS CO																		461	
BRITISH AMERICAN INS CO	3,696		1,489		1,067		822		770		712		666		609		1,346		
GATEWAY INS CO								2,739		2,739		2,739		2,739		2,739		Entered CLAD	
GLOBAL LIBERTY INS CO OF NY	Entered CLAD																		
GOVERNMENT EMPLOYEES INS CO	25,871		24,233		485,639		478,955		475,198		471,048		467,719		463,568		939,458		

TAIPA OTPP Over/Under Report

COMPANY

Year End 2017

Year End 2018

Year End 2019

Year End 2020

1st QTR 2021

2nd QTR 2021

3rd QTR 2021

4th QTR 2021

1st QTR 2022

	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
GRAMERCY INS CO	Went into storage																	
HARLEYSVILLE INS CO	Became grouped Nationwide in a CLAD																	
HISCOX INS CO INC	Entered CLAD																	
HOUSING ENTERPRISE INS CO INC	Entered CLAD 1st QTR 2017 *Cancelled CLAD 4th QTR 2017			6		12		12		12		12		12		12		24
HOUSTON GENERAL INS EXCHANGE								New to quota	92		193		274		375		373	
INTEGON NATIONAL INS CO		1,695,119		1,715,041		1,764,552		1,775,103		1,769,494		1,747,976		1,866,750		1,888,040		3,783,814
INTREPID INS CO					New to quota	1	Became grouped											
KNIGHTBROOK INS CO																	New to quota	9
MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO & Penn General)	414,900		414,900		Went into storage													
MID-CONTINENT CAS CO	746,849		746,030		744,560		743,230		742,983		742,709		742,490		742,216		1,485,096	
MOTORISTS COMM MUT INS CO (prev Amer Hardware Mut Ins Co)	27,288		27,086		27,086		27,086		27,086		27,086		27,086		27,086		54,172	
NATIONAL BUILDERS INS CO	Became grouped																	
NEXT INS US CO								New to quota	12		25		36		49		177	
NORTH AMER SPECIALTY INS CO	Entered CLAD																	
OKLAHOMA SURETY CO	681,118		679,207		677,660		676,507		676,308		676,088		675,912		675,692		1,351,954	
PREFERRED PROFESSIONAL INS CO	Entered CLAD																	
QUALITAS INS CO	Entered CLAD																	

TAIPA OTPP Over/Under Report

COMPANY

Year End 2017

Year End 2018

Year End 2019

Year End 2020

1st QTR 2021

2nd QTR 2021

3rd QTR 2021

4th QTR 2021

1st QTR 2022

	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
RIVERPORT INS CO		83		83	their adj zeroed them out	0	Became grouped											
RURAL TRUST INS CO	Entered CLAD																	
SENECA INS CO	Entered CLAD																	
STARNET									Entered CLAD									
STATE FARM MUT AUTO INS CO		129,892		123,853		127,745		104,930		103,743		119,313	Entered CLAD					
TEXAS FARM BUREAU CAS INS CO (prev Southern Farm Bur)		29,894		28,473		29,789		29,114		30,756		31,011		26,984	Entered CLAD			
TEXAS HOSPITAL INS EXCH		12,178		12,469		12,824		13,086		13,134		13,187		13,229		13,282		26,421
TIG INS CO			New to quota	79		79		81		82		82		83		84		165
TNUS INS CO	Became grouped																	
TRISTATE INS CO OF MN	Became grouped																	
ULLICO CAS CO		1,291	Went into storage															
WATFORD INS CO																	New to quota	285
WESTPORT INS CORP											New to quota	1		1		1	Became grouped	
TOTALS	1,899,722	1,899,722	1,892,945	1,892,945	1,936,012	1,936,012	1,926,600	1,926,600	1,922,345	1,922,345	1,917,643	1,917,643	1,913,873	1,913,873	1,909,171	1,909,171	3,832,026	3,832,026

PREMIUMS CREDITED	1,942,623	1,679,205	1,953,284	1,737,041	413,926 1st qtr	458,499 2nd qtr	366,756 3rd qtr	457,324 4th qtr	427,337 1st qtr
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