

**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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**TAIPA Governing Committee Members**

Becky Jackson

Corise Morrison

Matthew Snyder

Anh Vo

David Weber

John Lusardi

Ramon Montalvo

Kit Morris

Mike Voigt

Carmelita Hogan

Mary Carol Awalt

Laura Hausman

David Nardecchia

Adam Payton

**OPIC**

Talia Bright

**Atchley & Associates**

Tyler Mosley

Jennifer James

**TAIPA Staff**

Stacy Dutton

Mimi Leece

Amanda Reynolds

Ruth Wise

**Attorney**

Mike Jones

**TDI**

John Mooney

**1. Call to Order**

Chair Becky Jackson called the meeting to order at 9:00am.

Ruth Wise 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.

TAIPA 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. Audit/Finance Committee Report -  
Report on 2020 Audit (Exhibit 1)\***

Chair Jackson introduced Tyler Mosley from Atchley and Associates to go over the 2021 audit.

**A. Report on 2021 Audit (Exhibit 1, Page 1-7)**

Tyler Mosely went over the audit letter. One thing he pointed out is there are new auditing standards that came out this year, which changed the composition of the audit letter and the audit opinion which Jennifer James later goes over. Mr. Mosely stated there were no new accounting policies made last year. Mr. Mosely made note that there were minimal adjustments and nothing significant to report. There were a couple small reconciling errors, but nothing that would impact the financial statements. Mr. Mosely stated the audit went very smoothly.

**B. Report on Financial Opinion and Position (Exhibit 1, Page 10-26)**

- Ms. James explained they provided an unmodified opinion, which means Atchley believes that financial statements are presented fairly which is the highest level of opinion that they can give.
- Ms. James also went over the changes in the Financial Statement portion of the letters. This portion explains assets, liabilities, equity.
- Ms. James moved on to explain TAIPA's statements of financial opinion. She stated that cash flow increased from 2020 to 2021 by \$88,000 due to membership assessments. Ms. James explained that there was an increase in prepaid expenses which relates to the benefit plan. She noted there was a decrease in the accrued pension benefits cost liability from 2020 to 2021.
- Statement of Activities (Exhibit 1, Page 12) which explains revenues, expenses, and changes in net assets. Ms. James went over the increase in total revenue from the prior year due to membership assessments. She also explained TAIPA's expenses remained basically the same.
- Statement of Functional Expenses (Exhibit 1, Page 14) which is a breakdown of natural expenses. Ms. James stated that there were no changes from the year prior in expense activity.
- Statement of Cash Flows (Exhibit 1, Page 15) which provides more information of the increase in cash flow.
- Ms. James went over Note B which is the defined contribution and defined benefit plan and shows the characteristics and activity from this.

- Supplemental Information (Exhibit 1, Page 25) Ms. James stated this sections which show budgets versus actual amounts and variance.
- Ms. James also stated that the audit went very smoothly because Stacy Dutton and Mimi Leece were very communicative.

Mr. Mosely asked if there were any questions or comments regarding the audit report. There were no questions or comments stated.

Chair Jackson asked for a motion to accept the 2021 audit. David Weber made a motion, the motion was seconded by Ramon Montalvo. The motion carried.

## **5. Review and Approval of the Minutes of the March 25, 2022 Meeting (Exhibit 2) -**

Chair Jackson asked David Weber to go over the March 25<sup>th</sup>, 2022 meeting minutes.

Mr. Weber explained that in this meeting there was an election of officers during this meeting, an update on TAIPA's finances was also given, and a review of the Conflict of Interest Policy was reviewed. Mr. Weber also stated reports were given in this meeting from the audit and finance committee as well as the Ops Subcommittee. Mike Jones gave some background on the rate review during this meeting.

Mr. Weber asked the committee if anyone had any changes or concerns to the March 25<sup>th</sup>, 2022 Governing Committee Minutes. No changes or concerns were stated.

Chair Jackson requested a motion. A motion to approve the minutes was made by Ramon Montalvo. This motion was seconded by John Lusardi. The motion passed unanimously.

## **6. Chair's Report -**

Chair Jackson went over the Chair's report regarding the governing committee.

- Chair Jackson stated that Ms. Hurley has resigned her public member position on the TAIPA Governing Committee due to Ms. Hurley accepting a position with an insurance company. TAIPA will miss Ms. Hurley and her unique perspective she brought to TAIPA as a longtime previous TDI employee. TAIPA will deliver a plaque to Ms. Hurley as a token of appreciation for her service from 2018 to 2022.
- Chair Jackson also noted that Mike Schalk resigned from his position with Allstate thus leaving his position as the Unaffiliated Member of the TAIPA Governing Committee. TAIPA will be sending Mr. Schalk this plaque as a token of our appreciation for his service from 2018 to 2022.
- Chair Jackson announced that Allstate elected to have John Lusardi represent Allstate as the Unaffiliated Member of the TAIPA Governing Committee. She noted that most know Mr. Lusardi from his attendance at our Governing Committee Meetings and the committee and TAIPA are pleased to welcome him as a member of the Governing Committee.
- TAIPA requested to have a flag flown over the Texas State Capital for Corise Morrison after her two years of service as the Governing Committee Chair. She will be presented with the framed Texas Flag for her professional leadership over the past two years and appreciation for her service. Ms. Morrison thanked everyone for the beautiful flag.
- Chair Jackson stated that Stacy Dutton and Mimi Leece were able to deliver Pete Hamel's flag to him recently (photo and his thank you card included in Exhibit 2). Mr. Hamel served more than 30 years on the TAIPA Governing Committee.
- Subcommittee Membership Policy – Chair Jackson announced to everyone that she has decided to go back to policy of utilizing only Governing Committee members for positions on the TAIPA subcommittees. She explained the reason behind this decision is because she believes that it does keep more of the Governing Committee Members better informed as a group about the various issues affecting TAIPA. She noted that since TAIPA's March meeting, TAIPA has lost two of the members of our 15 member Governing Committee. Both of these members were on the Governing Committee for 4 years so this was a substantial knowledge loss for the Governing Committee. Chair

Jackson encouraged non-governing committee members to continue to attend both our Governing Committee Meeting and subcommittee meetings when they are discussing issues of concern to them or their organization.

- Since the decision to return to this policy, Chair Jackson and TAIPA has asked David Weber to chair the Operations Subcommittee going forward. Chair Jackson then thanked Carol Berthold for chairing the Operation Subcommittee for the last several years.

### **Future TAIPA Governing Committee Meetings**

Chair Jackson thanked all the Governing Committee members and attendees who were able to attend the meeting in person. She stated that because we are continuing to experience various phases of COVID, she wanted to touch base with the Governing Committee about the 2023 meetings.

The Chair noted that in order to comply with the current meeting regulations for TAIPA that the committee will need to have at least one Governing Committee member physically present at the meeting.

She also noted that she and Matt Snyder are both local, so that should not be an issue with TAIPA's current Governing Committee. She then said that TAIPA also has to make sure that members of the public can attend in person. Ms. Jackson announced that the November 2022 meeting will be held via zoom with at least one Governing Committee member being present. The meeting will be held at the TAIPA office complex in the Building Management Conference Room.

Ms. Jackson then opened the floor to members for a discussion, with the below questions in mind:

- Should we continue to plan one meeting per year as an in person meeting?
- Where are the companies at with regard to travel bans, etc?

### **Discussion:**

- John Lusardi stated that he is favor of one in-person meeting. If we had one in person meeting a year, he believes that people would try harder to attend in person.
- Carmelita Hogan would vote for in person meetings again, they allow a lot of focus with attendees. David Weber stated that he has enjoyed the in-person meetings and dinners for governing committee members. He made the point that the meeting was intended to be an in-person meeting but a third of the board is missing, so if TAIPA was to make the meetings in person only it may increase attendance. He questioned if we should continue with meetings with the zoom option or move to in-person fully.
- Mr. Weber added that Mr. Lusardi and others are on other organizations boards, it may be hard for them to travel. Mr. Weber stated that others may want to attend and having the online option for those unable to travel is a great benefit. He also made the point that TAIPA will be moving possibly next year.
- Corise Morrison made the point that everyone's companies are open to travel, however companies budgets may not work. Regarding TAIPA's budget, we would need to consider that as well. Ms. Morrison said that while she and many prefer in person meetings, however we have to think of the budget and scheduling conflicts that would affect the meeting to have a quorum.
- Mike Voigt stated that he would prefer in person meetings but agrees with allowing for in-person and also the zoom option.
- Mary Carol Awalt also stated that she would prefer in person meetings (at least one per year).
- Matt Snyder made the point that traveling at this time with airlines have proven difficult so having the zoom option is great and needed. He also stated that in-person meetings are his preference as he is local.

Chair Jackson then asked if anyone would like to make a motion. David Nardecchia made a motion for all three meetings in 2023 to be in person with zoom option. Matt Snyder seconded this motion. The motion passed unanimously.

## 7. Manager's Report -

Chair Jackson turned over the meeting to Stacy Dutton for the manager's report.

### A. Application Count Update as of July 2022 (Exhibit 3)

- Through July, TAIPA is tracking fairly close to 2021 but still down 27 applications or 3.32 % down from where we were at the end of July 2020.
- Applications have been down each month except for the month of June when counts were up by 8 applications.
- By just annualizing the applications, TAIPA expects to end the year at 1347 applications at the end of 2022. This would put 2022 volume at TAIPA's lowest volume ever.

Ms. Dutton asked the committee if anyone had anything to discuss on the application counts. No one voiced any questions or concerns.

### B. Financial Update as of June 2022 (Exhibit 4)

- At the end of June, TAIPA expected to have used 50% of the budget.
- TAIPA ended June at 38.49% of budget so TAIPA is 11.51% under budget.
- The only line item that is currently over-budget is Audit Expense and that is due to the fact that the audit has already taken place and TAIPA has paid most of the expenses for the audit.

Ms. Dutton stated that currently, TAIPA expects to end on budget in all of the categories except TAIPA expects to end under budget in employee benefits, postage expense, telephone expenses, governing committee meetings, and education.

### Producer Review Panel Meeting in 2022 –

Stacy Dutton then explained that TAIPA currently has a situation with one producer that TAIPA staff feels needs to be reviewed by the Producer Review Panel. She explained that a Producer Review Panel Meeting was not budgeted for 2022 because in the past staff has been able to work through all producer related issues by offering additional training.

Since the TAIPA Plan of Operation states that: "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". Ms. Dutton requested the Governing Committee's approval for \$4000 of the Education Budget to be moved to the Producer Review Panel Budget since the Education budget will end under budget.

Chair Jackson then asked for a motion to approve moving \$4000 from Education Budget to the Producer Review Meeting General Ledger to allow staff to hold a Producer Review Panel Meeting this year.

A motion to approve was made by David Weber, then seconded by Ramon Montalvo. The motion passed unanimously.

### C. Line of Credit Renewal

Stacy Dutton explained that TAIPA retains a \$300,000 line of credit with Frost Bank, and although it has never drawn on, TAIPA carries it as a contingency. Ms. Dutton stated that the line of credit is up for renewal on September 11<sup>th</sup>, 2022. The annual renewal fees are expected to be about \$330.00, but there are no other fees unless TAIPA draws against it. Frost Bank requires that TAIPA staff receive approval from the Governing Committee by placing the Line of Credit Renewal on the Governing Committee Agenda and having the Governing Committee vote on whether they want to renew the line of credit or not.

Ms. Dutton then asked the Governing Committee if there were any questions or concerns regarding TAIPA's line of credit. No questions or concerns were stated. Chair Jackson asked for a motion to renew the line of credit and authorize Stacy Dutton and Mimi Leece as the approved signers.

A motion to approve was made by Corise Morrison and seconded by John Lusardi. The motion passed with all in favor.

**D. 2023 Meeting Dates (Exhibit 5) -**

Stacy Dutton went over the proposed 2023 Meeting dates in Exhibit 5. She noted that all three of these meetings will be in person with a zoom option available.

Proposed Dates:

- Friday, March 24, 2023
- Friday, August 18, 2023
- Friday, November 17, 2023

Ms. Dutton asked the committee if anyone had any questions or concerns regarding the proposed dates. No questions or concerns were stated.

Ms. Jackson requested a motion to accept the 2023 meeting dates. Ramon Montalvo made a motion to approve, the motion was seconded by David Nardecchia. The motion passed.

**8. Strategic Planning Subcommittee Report –**

Chair Jackson turned the meeting to Mary Carol Awalt to go over the report of the Strategic Planning Subcommittee meeting.

**A. TAIPA's current staffing:**

Mary Carol Awalt explained that the current staffing level has not changed since 2017 when the Management Transition Subcommittee and the HR/Compensation Consultant came up with the current staffing and compensation model. TAIPA staff remains at 4 employees including Association Manager, Manager of Operations/Financial Management, 2 Customer Service & Administrative Support Specialist - Level I.

She noted that TAIPA is using the HR/Compensation Consultant that TAIPA used to create the current staffing structure to review where TAIPA is with regard to staffing, compensation grades, etc. At this point, Ms. Dutton and the Strategic Planning Subcommittee feel that the staffing level is appropriate even with the reduction in applications since there is a set number of tasks/duties must be completed regardless of application volume. TAIPA is currently using this time to train staff on higher level duties, writing Standard Operating Procedures, the scanning project, etc. Ms. Awalt stated that TAIPA hopes to have a report from the HR/Compensation Consultant by the November 2022 meeting.

**B. Current Space and Lease Options for March 2023:**

Mary Carol Awalt discussed that TAIPA's current office lease runs out the end of February 2023.

TAIPA currently leases an A property in the Westlake area. The lease is for

- 1438 sq. ft. at 805 Las Cimas Parkway, Austin, TX 78746
- Currently \$30.19 per sq. ft. and \$17.15 per sq. ft. triple-net (NNN – property's operating expenses)

TAIPA has received an offer from the current location to extend the lease an additional 5 years.

- The current offer is to renew the lease at
  - 2 months free rent
  - \$36 per sq. ft.
  - \$16.19 sq. ft. for triple-net (NNN – property's operating expenses)

Ms. Awalt explained that TAIPA is utilizing the same commercial real estate agent they used 5 years ago. He indicated that:

- Generally, organizations TAIPA's size would start looking in September or October time frame.

- The market is softening somewhat as you see a lot of empty space in buildings after COVID with so many working from home. However, this is not reflected in the market rate yet because most companies that have leases are still paying their rent even though they may not be using their space and may have totally moved out of their space.

Ms. Awalt stated that TAIPA is also looking for space where ICT and TICO may be relocating to. She went on to say that TAIPA recently learned that Thompson Coe is relocating to space close to TAIPA's location so TAIPA is going to reach out to them to see what the costs would be at their new location as well. Ms. Awalt explained that the hope is that TAIPA can utilize the conference room from their neighbor if there is no shared conference room available in the building.

Ms. Awalt noted that the Strategic Planning Subcommittee will continue to work with staff on their office lease and will report on this again at the November meeting.

### **C. Enterprise Risk Management Plan (Exhibit 6):**

Mary Carol Awalt explained that the Strategic Planning Subcommittee is tasked with reviewing TAIPA's Enterprise Risk Management Plan each year. The updated Enterprise Risk Management Plan as well as a copy of the marked up version of the ERM showing all of the changes were shown in Exhibit 6. She explained:

- A. TAIPA staff reviewed the Enterprise Risk Management Plan and submitted a revised plan with the list of changes that they made.
  - a. Most of the changes were updates in dates and contacts.
  - b. The two changes that staff made to the plan involve
    1. TAIPA's new telephone system in that they have worked through the issues that they were having with the fire wall and are now working to train employees on how to use the VOIP system from their homes.
    2. TAIPA was able to purchase the small lockable file cabinets for employees' home use in an effort to keep all TAIPA equipment and documents safe and confidential.
  
- B. The Strategic Planning Subcommittee brought up the issue that TAIPA applications have gone up and down over the years and sometimes the volume has increased substantially and quickly. They asked TAIPA staff to add a possible increase of volume to the list of threats. The subcommittee suggested that this may be a good time for TAIPA to consider and prepare for an increase in volume by:
  - a) Developing a plan to let insurance agents know and/or remind them about TAIPA and what we do. The plan should include:
    1. Finding out how agents currently find out about TAIPA now and develop additional means of ensuring that the vast number of agents know about TAIPA and are prepared to send applications for their clients who cannot get automobile liability coverage in the open market.
    2. Reviewing what TAIPA currently does to assist agents with training including and developing ways of assisting producers with the application process so that they can submit applications correctly the first time. Ideally this will be developing online assistance through training documents or videos so that the agents could access the training any time and minimize the amount of time that customer service employees are spending walking agents through the process one on one since we would anticipate that they will be working with an increased volume.
    3. Partnering with different agent organizations such as IIAT to make presentations or have a booth at their conferences to remind agents that TAIPA is an option for their high risk clients.

Ms. Awalt stated the Strategic Planning subcommittee would like to get input from the Governing Committee and other interested parties about the proposed ERM – especially with

regard to ideas on risk of TAIPA application volume increasing and how TAIPA can prepare for this ahead of time.

No questions or concerns were presented regarding the ERM and preparing for additional volume.

Chair Jackson asked the committee for a motion to accept the Revised Enterprise Risk Management Plan outlined in Exhibit 6. A motion was made by Corise Morrison, Adam Payton seconded the motion. The motion carried.

Mary Carol Awalt then noted the strategic planning subcommittee anticipates having an additional meeting prior to the November Governing Committee and to work with staff on

1. Reviewing the Recommendations from the HR/Compensation Consultant
2. TAIPA's lease agreement for March 1, 2023.
3. Updates to the ERM with regard to preparing for additional volume

#### **Discussion:**

- John Lusardi asked when the HR review would be conducted. Ms. Dutton stated that he will be reaching out in the next few weeks regarding the salary review and the hope is to have the review done prior to the November 2022 Governing Committee Meeting.
- Mr. Lusardi also asked if the board thought a 5 year office lease would be a good idea with more companies and AIPSO plans to work from home.
- Mary Carol Awalt asked if there was a statutory requirement for TAIPA to have an office space due to mail and walk-in traffic.
- Mike Jones (counsel) stated that Stacy Dutton and staff process a lot of mail so having a dedicated space is needed.
- John Lusardi has stated that other associations similar to TAIPA have gone to paperless application submitting where applications and payments are submitted online.
- David Nardecchia asked if there was a statute regarding check payments for applications, Mike Jones stated he does not believe so but he would look into it further.
- Matt Snyder made the point that longer lease terms generally are much less expensive than short term leases and that TAIPA should consider this in the search for office space.
- Laura Hausman stated her company had to move in the midst of the pandemic, she feels like staff needs to have a space for morale and communication. She believes that TAIPA should have an office space of their own.
- Carmelita Hogan seconded Ms. Hausman's statement that a space is needed and to be grounded as an association.
- Corise Morrison stated that an application and payment portal is something to look into in the future and in regards to the office lease situation.
- John Lusardi stated that he wants to make sure Ms. Dutton and staff have guidance for this move and the parameters needed from the Governing Committee. Ms. Dutton stated that the Strategic Planning Subcommittee will be assisting in the decision making for the move and future lease. Ms. Dutton confirmed that she will be presenting options at the November Board Meeting and if a decision needed to be made prior, an emergency board meeting will be called.
- Chair Jackson asked if anyone else had any further questions or concerns, no further questions or comments were mentioned so the meeting moved on to the next agenda item.

#### **9. Operations Subcommittee Report**

Chair Jackson then turned the meeting over to David Weber to go over the Operations Subcommittee report.

##### **A. Over/Under Report (Exhibit 13)**

Mr. Weber noted that there is something of significance to report on the over/under report this time. He pointed out that two companies had their under positions dropped from the report. The companies were highlighted on the over/under report in exhibit 13.



- Windhaven had an under position of 10 on the Private Passenger report last time it was run and this should have carried over to this report as well.
- American Country Insurance Company had an under position of 1535 on the Other Than Private Passenger report last time it was run. This amount should have carried forward and appear on this report.

Mr. Weber stated that Mimi Leece has contacted AIPSO about this and they indicated that they will make the correction and these companies under position will appear on the report in September 2022.

The Operation Subcommittee has not met since February of this year. Mr. Weber stated that although he had not attended some of the last few meetings, he is still working to get a firm understanding on each of the issues that the Operations Subcommittee is tasked with reviewing including:

- Recommendation for what to do when companies leave the market.
- Update on Review of the TAIPA Policies by Counsel -
- Update on the discussion of what to do if LAD carriers leave Texas Market
- Update on the Peer to Peer language for TAIPA Policies

Mr. Weber stated he anticipated an Operation Subcommittee meeting prior to the November 2022 Governing Committee and working to resolve or at least move forward on a number of the above issues.

## 10. Report of Counsel

Chair Jackson then turned the meeting over to Mike Jones to give a Report of Counsel.

### a. TAIPA Rates\*

#### TAIPA Ratemaking History

The TDI has a long-standing practice of requiring that the complement of the ratemaking data's credibility be applied to one year of the projected loss trend. For example, if the rate change indication based on the ratemaking data is determined to be 90% credible, then 10% weight is given to the annual loss trend and 90% weight to the indicated rate change based on the data.

For many years, TAIPA calculated its rates by applying the complement of credibility to its annual loss trend for each coverage. When the volume of TAIPA loss data dropped dramatically, the credibility of its ratemaking data dropped to 0%. TAIPA's rate change indications were then based 100% on the annual loss trend.

For the last several years, the TDI has been accepting the all-industry linear, paid pure premium trend measured over the latest 3 years as a reliable estimate of TAIPA's indicated private passenger rate change for each coverage.

For the commercial auto coverages, the TDI has accepted the annual change in ISO's loss cost filings as the best indication of TAIPA's commercial auto rate change.

#### Texas All-Industry Annual Loss Trends

The latest available all-industry Texas loss data are as of the end of 2021. The 3-year linear, paid pure premium trends are as follows:

<u>Coverage:</u>	<u>Annual Trend:</u>
BI Liability	+0.9%
PD Liability	-10.4%
PIP	-8.5%
UM-BI	+8.9%
UM-PD	+0.6%

### **Trend Observations**

Claim frequencies have increased since we last analyzed the trend data 6 months ago. Despite the recent increases, claim frequencies are still lower than they were pre-COVID. Claim severities as of the end of 2021 are higher than they were 6 months ago.

Despite these recent increases, the paid pure premium trends measured over the latest 3 years are not materially different than they were 6 months. The current loss trends do not make a strong case for increasing TAIPA's current private passenger rates.

### **Possible Rate Changes**

If TAIPA were to submit a rate filing consistent with the latest paid pure premium annual trends, the overall rate change would be as follows:

<b><u>Coverage:</u></b>	<b><u>Rate Change:</u></b>
BI Liability	+0.9%
PD-Liability	-10.4%
BI/PD Combined	-3.8%
PIP	-8.5%
UM-BI	+8.9%
UM-PD	+0.6%
All Coverages	-3.6%

If TAIPA were to submit a rate filing that relied solely on the positive trends and proposed a 0% rate change if the loss trend was negative, the overall rate change would be as follows:

<b><u>Coverage</u></b>	<b><u>Rate Change</u></b>
BI-Liability	+0.9%
PD-Liability	0.0%
BI/PD Combined	+0.5%
PIP	0.0%
UM-BI	+8.9%
UM-PD	+0.6%
All Coverages	+0.6%

The TDI may not approve the 0% rate changes if the loss trends are negative.

### **Commercial Auto Rates**

Mike Jones stated the latest ISO loss cost filing was effective July 2021. TAIPA could use that ISO filing to justify about an overall 1.5% rate increase for commercial autos. A commercial auto rate filing would prevent TAIPA from changing its private passenger rates for 12 months after the effective date of the commercial rate changes.

1. TAIPA's last rate filing was a commercial auto only filing made September 14, 2020.

- a) a. Overall rate change was +4.8%
- b) b. Rate change effective date was March 1, 2021;

2. TAIPA's prior rate filing was September 11, 2019.

- a) a. Overall rate change was +4.9% for private passenger and +4.9% for commercial auto;
- b) b. Rate change effective date was March 1, 2020;
- c) c. The indicated rate changes and proposed and adopted changes for private passenger by coverage:

<u>Private Passenger</u>	<u>Proposed/Adopted</u>	<u>3 Year Linear Trend Indications</u>
Bodily Injury Liability	+5.0%	+9.8%
Property Damage Liability	+4.9%	+5.7%
Personal Injury Protection	+4.0%	+4.0%
Uninsured Motorists - BI	+4.3%	+12.0%
<u>Uninsured Motorists – PD</u>	<u>+1.7%</u>	+2.1%

Overall Average +4.9%

3. TAIPA’s rate filing before that was September 10, 2018.

- a) a. Overall rate change was +4.9% for private passenger and +4.9% for commercial auto;
- b) b. Rate change effective date was March 1, 2019;
- c) c. The indicated rate changes and proposed and adopted changes for private passenger by coverage:

<u>Private Passenger</u>	<u>Proposed/Adopted</u>	<u>3 Year Linear Trend Indications</u>
Bodily Injury Liability	+5.0%	+9.7%
Property Damage Liability	+4.8%	+7.6%
Personal Injury Protection	+2.4%	+3.8%
Uninsured Motorists - BI	+4.5%	+13.8%
<u>Uninsured Motorists – PD</u>	<u>+4.5%</u>	+6.6%

Overall Average +4.8%

*\*See last pages for additional data on Texas Personal Auto changes.\**

Chair Jackson requested a motion if the Governing Committee wants to make a rate filing now. John Lusardi made a motion to take no action at this time and to have the committee review additional trends at the next meeting in November 2022. Ramon Montalvo seconded this motion. The motion passed.

**11. Next Meeting—November 18, 2022**

Chair Jackson announced that TAIPA’s next Governing Committee Meeting will be held on November 18th, 2022.

**12. Personnel Matters**

Chair Jackson stated that there were no personnel matters to be discussed.

**13. Adjournment**

Chair Jackson announced the end of the agenda items and thanked everyone for their time. She then requested a motion to adjourn the meeting.

Corise Morrison made a motion to adjourn, Matt Snyder seconded the motion. The motion to adjourn carried at 10:33am.