

**Texas Automobile Insurance Plan Association Governing Committee**  
**Meeting Agenda**  
**Friday, November 22, 2024 – 9:00 A.M.**  
**Austin Marriott South, 4415 S I-35 Frontage Rd, Austin, TX 78744**

Join Zoom Meeting

<https://us02web.zoom.us/j/88663261401?pwd=L0FKTVp5Vmww3SjNTQXBJcXVkc2U1UT09>

Meeting ID: 886 6326 1401

Passcode: 143174

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• +1 301 715 8592 US (Washington DC)

• +1 305 224 1968 US

• +1 309 205 3325 US

• +1 312 626 6799 US (Chicago)

• +1 360 209 5623 US

• +1 386 347 5053 US

• +1 507 473 4847 US

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**Texas Automobile Insurance Plan Association Governing Committee**  
**Meeting Agenda**  
**Friday, November 22, 2024 -9:00 A.M.**  
**Austin Marriott South, 4415 S I-35 Frontage Rd, Austin, TX 78744**

*Interested parties can attend the meeting in person or join via Zoom. TAIPA allows public comments on agenda items.*

- 1. Call to Order**
- 2. Introductions**
- 3. Reading of the Anti-Trust Statement**
- 4. Conflict of Interest Policy/Disclosures**
- 5. Review and Approval of the Minutes of the August 16, 2024, Meeting (Exhibit 1) \***
- 6. Chair's Report**
  - A. Discussion about In-Person Meetings in the future
  - B. Operation Subcommittee Chair
  - C. Subcommittee Membership
- 7. Manager's Report**
  - A. Application Count Update as of October 2024 (Exhibit 2)
  - B. Financial Update as of September 2024 (Exhibit 3)
  - C. Line of Credit Renewal (valid until September 2025) (Exhibit 4)
  - D. Issues with Quota Reports
    - 2nd & 3rd Quarter Quota Reports
    - 4th Quarter Report
  - E. Plan of Operation Document Change and Clean-up
  - F. Association of Fire & Casualty Companies in Texas (AFACT) (Exhibit 5) \*
  - G. TAIPA Data for Rate Filing Update
  - H. 2024 Review of 3rd Party Relationships & TAIPA Recommendations (Exhibit 6)
    - I. Actuary \*
    - II. Auditors \*

III. Systems \*

IV. Legal \*

I. 2025 Budget (Exhibit 7) \*

J. 2025 Meeting Dates and Locations (Exhibit 8)

**8. Strategic Planning Subcommittee Report**

A. Update from November 8, 2024 Meeting (Exhibit 9A) \*

B. Enterprise Risk Management Plan (Exhibit 9B) \*

**9. Operations Subcommittee Report**

A. Over/Under Report (Exhibit 10)

B. Update from August 16, 2024 Meeting

**10. Report of Counsel**

A. TAIPA Rates \*

B. Governing Committee Meeting on Rates \*

C. Legislative Update

**11. Next Meeting:** April 11, 2025, at ICT Location (5508 W US Hwy 290 Service Rd, Austin, TX 78735)

**12. Personnel Matters**

**13. Adjournment**

*The Governing Committee may act on any business identified in this notice. Portions of the meeting may be conducted as a closed session, if permitted under Chapter 551, Government Code. Items marked with an asterisk (\*) indicate issues on which the Manager believes the Governing Committee will act.\**

# Exhibit 1

**Texas Automobile Insurance Plan Association**  
**Governing Committee**  
**Meeting Agenda**  
**Friday, August 16, 2024 – 9:00 A.M.**  
**Austin Marriott South Hotel, 4415 S I-35 Frontage Rd, Austin, TX 78744**  
**& Via Zoom Meeting**

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Conflict of Interest Disclosures
5. Audit/Finance Committee Report
  - A. Report on 2023 Audit (Exhibit 1) \*
6. Review and Approval of the Minutes of the April 5, 2024, Meeting (Exhibit 2) \*
7. Chair's Report
  - A. Subcommittee Membership
8. Manager's Report
  - A. Application Count Update as of July 2024 (Exhibit 3)
  - B. Financial Update as of June 2024 (Exhibit 4)\*
  - C. Line of Credit Renewal\*
  - D. 2025 Meeting Dates (Exhibit 5)\*
  - E. Discussion of Meeting Places (Exhibit 6)\*
  - F. Update on List of Active Producers on TAIPA's Website
  - G. Complaint from producer on having to mail in hard copy applications and not using electronic payments. (Exhibit 7)\*
  - H. Reminder Governing Committee Members Open Meetings Act training every 2 years.
  - I. Reminder that all Governing Committee members must sign the Conflict of Interest Policy annually (Exhibit 8)
9. Operations Subcommittee Report
  - A. Over/Under Report (Exhibit 9)
  - B. What to do about TAIPA Rates in the future Project
10. Report of Counsel
  - A. Legislative Update
  - B. Rates
11. Next Meeting—November 22, 2024
12. Personnel Matters
13. 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.*

**1. Call to Order**

Chair Matthew Snyder called the meeting to order at 9:15am. Chair Snyder thanked everyone for joining the Governing Committee meeting. He then passed the meeting over to Mimi Leece to explain the technology that would be used for the meeting.

**2. Introductions/Roll Call**

Chair Matthew Snyder asked Stacy Dutton to call roll for the meeting.

Attendees:

Matthew Snyder (Farmers)

David Weber (Hochheim)

John Lusardi (Allstate)

Betsy Blair (Public)

Becky Jackson (Public)

Keith Weschler (USAA)

Brian Ferguson (State Farm)

Doug Queenin (Liberty Mutual)

Michael Burke (Travelers)

Adam Hall (AFACT)

Carmelita Hogan (Public)

Mary Carol Awalt (Public)

Laura Hausman (Public)

Ramon Montalvo (Producer)

Adam Payton (Producer)

Kit Morris (Producer)

Mike Jones (Legal Counsel)

Ron Wiest (21<sup>st</sup> Century)

Tyler Mosely (Atchley & Assoc)

Stacy Dutton (TAIPA)

Mimi Leece (TAIPA)

Ruth Wise (TAIPA)

Amanda Reynolds (TAIPA)

Carol Berthold (GEICO)

Melissa Herman (TDI)

Jessica O'Connor (TDI)

Kim Donovan (OPIC)

**3. Reading of the Anti-Trust Statement**

Chair Matthew Snyder asked Stacy Dutton to read the TAIPA 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. Conflict of Interest Policy/Disclosures**

Chair Matthew Snyder asked Counsel Mike Jones to go over the conflict of interest disclosures.

**5. Audit/Finance Committee Report – (Exhibit 1)**

Chair Snyder introduced Tyler Mosely of Atchley and Associates to go over the 2023 TAIPA financial audit. Chair Snyder thanked Tyler Mosely, Jennifer James, and their team for their continued work with TAIPA.

Chair Snyder then turned the floor over to Tyler Mosely to go over Exhibit 1 – Report on 2023 Audit:

Mr. Mosely stated that:

- The audit began and was completed earlier than normal and the process was very smooth and efficient;
- Audit adjustments for 2023 that were significant to the financial statements were adjustments related to the lease obligations;
- There were no internal control findings or recommendations or significant adjustments;
- Mr. Mosely noted stated the only significant changes to the financial statements were increases in prepaid expenses related to the benefits plan and a decrease in the right of use asset in liability. The decrease in the right of use asset in liability refers back to a lease adjustment and will increase anytime a lease is renewed or extended.

Mr. Mosely briefly went over the statement of functional expenses, the statement of cash flows, and the budget versus actual expenses.

Discussion:

Chair Matthew Snyder asked the committee if there were any questions or comments about the 2023 Audit Report. There were none.

The Chair requested a motion to accept the 2023 Audit Report. David Weber made a motion; John Lusardi seconded the motion. The motion carried unanimously with no abstentions.

**6. Review and Approval of the Minutes of the April 5, 2024 Meeting(Exhibit 2) \***

Chair Matthew Snyder turned the meeting over to Betsy Blair to go over the April 5, 2024, Governing Committee Meeting minutes.

Ms. Blair asked the committee if there were any changes or concerns regarding the meeting minutes.

- Mike Jones requested a change on page 12 (Report of Counsel)
  - He requested to change the meeting minutes to state “Mr. Jones updated everyone on the rate filing that was made on March 12, 2024, and the Commissioner’s hearing scheduled for April 16, 2024.”

Chair Matthew Snyder requested a motion to approve the minutes including the edit requested by Mike Jones. John Lusardi made a motion to approve the minutes with the requested edit; Ramon Montalvo seconded the motion. The motion passed. David Weber abstained from voting noting that he was not at the April 5<sup>th</sup> meeting.

**7. Chair’s Report**

Chair Matthew Snyder then went over the Chair’s report.

Open Position on Strategic Planning Committee

- Chair Snyder reminded company members that one Company Member from the Governing Committee is still needed to fill an open position on the Strategic Planning Committee.
- Company Members interested in this position were encouraged to contact either Chair Snyder or Stacy Dutton.

Consideration of an Annual In-Person Meeting

- Members were asked to consider the possibility of designating one meeting per year as an "In-Person" meeting, with Zoom still available as an option.
- It was noted that while some members prefer attending one meeting in person each year to connect with others face-to-face, if members choose to attend different meetings, this expectation may not be met.

- Designating one of the three annual meetings as an "In-Person" meeting would set clear expectations for physical attendance.
- Historically, company members were required to attend the annual meeting in person, particularly to vote, a requirement that was in place before the COVID-19 pandemic.
- In the event of a tie vote for At-Large candidates, having company members physically present could facilitate a tie-breaking vote.
- The August meeting was traditionally a "Call-in" meeting before Zoom was widely used, with at least one Governing Committee member required to be physically present.

#### Conclusion

No discussion was held on this topic during the meeting as it was not on the agenda. Members were simply asked to consider whether this is something worth pursuing in the future.

### **8. Manager's Report**

Chair Matthew Snyder asked Stacy Dutton to go over the Manager's Report.

#### A. Application Overview (Exhibit 3):

- July 2024: TAIPA assigned 188 applications, compared to 115 in July 2023. This marks an increase of seventy-three applications, a 63.48% rise compared to July 2023.
- Year-to-Date (YTD) Comparison: By the end of July 2024, TAIPA had assigned 1,221 applications. This is an increase of 252 applications (26.01%) over the 969 applications assigned by the end of July 2023.
- Annualization Projection: If the current trend continues, TAIPA could reach 2,093 applications by the end of 2024, which would be 295 more than the total received in 2023.

#### Expectations and Projections:

- The increase in applications is expected to continue at least through September 2024.
- The increase in TAIPA rates, effective October 1, 2024, may cause the number of applications to decrease to some extent.

#### Referral Sources

- TAIPA continues to receive applicants referred by TDI.
- Some referrals also come from captive agents who have no other options for their clients. Key Insight from a Large Producing Agent: One of TAIPA's larger producing agents, responsible for about 20% of current applications, reported that they typically attempt to place clients with two insurance companies before turning to TAIPA. However, these clients are usually declined by these companies and are therefore sent to TAIPA.

#### Questions and Concerns

The floor was open for any questions or concerns. The committee members had none.

#### B. Financial Update as of June 2024 (Exhibit 5)

##### Overview of Financial Status

#### Operating Budget:

- As of June 2024, 41.52% of the Operating Budget has been expended.
- This is 8.48% under the expected 50% expenditure at this point in the year.

#### Over-Budget Line Item:

- The only line item over budget as of June 2024 is the Audit Expense.



- This overage is due to the completion of the annual audit. Most of the related expenses have already been paid for the year.
- One more invoice for the audit and some additional expenses for completing the Form 990 are expected, but staff expects to end the year on budget.

#### Potential Over-Budget Concern

##### Subcommittee Expenses:

- The budget anticipated two Operations Subcommittee meetings in 2024.
- If another meeting is held, this expense may exceed the budget.
- Any decisions regarding this potential overage will be addressed at the November meeting.

#### Budget Projections and Considerations

##### General Budget Projections:

- A question was raised regarding why the overall budget is expected to end on budget at year-end despite being currently under budget.
- TAIPA tries to spend its budget conservatively - only purchasing what is necessary.

#### Specific Budget Considerations:

##### Benefits:

- There generally is a non-cash, unbudgeted pension expense that often pushes this category over budget.

##### Supplies & Equipment:

- Many expenses, such as restocking supplies, ordering new computer equipment, and paying for expiring warranties typically occur later in the year.

##### Legal & Actuary Expenses:

- Legal and actuary expenses to date covered the 2024 TAIPA rate increases.
- The actuary's total bill for 2024 rates is \$26,700, which is \$17,300 under the anticipated cost.
- Legal expenses for 2024 TAIPA rates total \$19,530, coming in under budget by \$19,270.
- Combined, this results in \$36,570 savings compared to the expected expenditure.
- Both the actuary and attorney will continue working on 2025 rates, which could affect the final budget.
- Past budgets typically included only one rate filing per year, usually without a hearing. Depending on the 2025 rate data availability and analysis needs, the budget could end substantially under for 2024.

##### Postage & Shipping:

- Initially expected to be under budget, but the July increase of 7.8% may bring this expense closer to budget.

##### Telephone Expense:

- Currently expected to remain under budget.

#### Budget Adjustment:

##### 2024 Budget Adjustment:

- A \$3,150 adjustment was made to the 2024 budget as approved in the April meeting.
- This adjustment covered the costs for updating the website to help insureds find certified insurance agents on TAIPA's website, increasing the "Consultants Other" line by \$3,150.

Questions and Concerns:

The floor was open for any questions or concerns regarding the financial update. The committee had no questions or concerns regarding the financial update.

## C. Overview of Line of Credit

Current Line of Credit:

- TAIPA maintains a \$300,000 line of credit with Frost Bank as a contingency, though it has never been utilized.

Renewal Date:

- The line of credit is due for renewal on September 13, 2024.

Renewal Fees:

- The expected annual renewal fees are between \$300-\$350, with no additional fees unless the credit is drawn upon.

## Requirement for Governing Committee Approval

Approval Process:

- Frost Bank requires that the Governing Committee approve the renewal of the line of credit.
- This item must be placed on the Governing Committee Agenda for a vote on whether to renew the line of credit.

Chair Snyder requested a motion to be made to accept the renewal of the line of credit. Adam Payton made a motion to accept the line of credit renewal; this motion was seconded by Ramon Montalvo. The motion was carried unanimously with no abstentions.

## D. 2025 Meeting Dates (Exhibit 6)

Ms. Dutton announced that the new 2025 proposed Governing Committee meeting dates:

April 11, 2025  
August 1, 2025  
November 21, 2025

Chair Snyder requested a motion to accept these meeting dates. John Lusardi made a motion to accept the proposed meeting dates. The motion was seconded by David Weber. The motion was carried unanimously with no opposition and no abstentions.

## E. Discussion of Meeting places (Exhibit 6)

Overview of Meeting Location Discussion:

Purpose:

- The committee discussed potential locations for the 2025 Governing Committee meetings, referencing Exhibit 6 for cost comparisons.

Updated Costs:

- It was noted that the costs for guest rooms at the AC Hotel Austin have been updated to \$230 per night, adjusting the overall cost savings from \$4,327.32 to \$4,045.33 when compared to other options.

## Recent Experience with ICT Office

ICT Facilities:

- The recent Operations Subcommittee Meeting was held at the ICT Office due to the insufficient capacity of TAIPA's building conference room.
- The ICT facilities were found to be effective, and the cost comparison between holding meetings at major hotels versus the ICT office shows significant savings.

#### Cost Comparison (Exhibit 6)

##### Austin Marriott South Hotel:

- One cost example is holding the meeting at the Austin Marriott South Hotel.

##### ICT Office with Nearby Hotels:

- The other two examples show the cost of holding the meeting at the ICT office while using hotels closer to the ICT office.

#### Key Cost Differences

##### Food and Beverage:

- Current cost at the hotel: \$1,560
- Cost at ICT with catering: \$829.50
- Savings: \$730.50

##### Audio Visual:

- Current cost at the hotel: \$3,497.83
- Anticipated cost at ICT: \$400
- Savings: \$3,097.83

##### Guest Room Costs:

- The guest room costs do not vary significantly unless the AC Hotel Austin Hill Country is used, where the rate is \$230 per night (versus \$160 to \$170 per night at other hotels).
- Aloft Hotel guest rooms are priced at \$190 for the April 11, 2024 meeting date due to other events.

#### Decision Points

##### Convenience vs. Cost Savings:

- The committee needs to decide whether the cost savings of \$4,045.33 per meeting outweighs the convenience of holding the meeting at the same location as the guest accommodations.

##### ICT Meeting Option:

- If choosing the ICT office:
  - Guests could stay at Aloft, Marriott South Hotel, or Southpark Hotel, with a slightly longer commute from Austin Marriott or Southpark Hotel.
  - Uber rides could be provided for guests from the hotel to the ICT building and back.
    - Distance and commute times:
      - Aloft Hotel to ICT: 2.7 miles, 6-9 minutes
      - Marriott South Hotel to ICT: 7.2 miles, 11-19 minutes

#### Next Steps

- Committee Decision:
  - The committee must decide whether to hold the meetings at a hotel where guests are staying, or to opt for the ICT office and arrange transportation.

#### Discussion:

- There was discussion regarding the audio-visual setup at the ICT building being excellent for those who joined the TAIPA Subcommittee meeting via zoom compared to the technical issues TAIPA had experienced using the hotels sourced AV teams.
- Several committee members commented on the convenience of the ICT building to local hotels, catering, and parking.

- There was discussion regarding the cost of rideshare options for the committee members versus the convenience of holding the meetings at the different hotel listed.

Chair Snyder requested a motion to approve the 2025 TAIPA Governing Committee meetings being held at the ICT building. Adam Payton made the motion to accept. The motion was seconded by John Lusardi. The motion was carried unanimously with no abstentions.

#### F. Update on List of Active Producers on TAIPA's Website

In the April meeting, the Board approved spending \$3,150 to update the TAIPA website, allowing insureds to locate TAIPA-certified agents in their area.

##### Update:

- The TAIPA website has been successfully updated. Insureds can now search for certified insurance agents by either zip code or city.

##### Staff Response:

- It is currently unknown how many applicants utilize the website before calling.
- The update is helpful as staff can guide applicants through the search process.
- The Agent Search option is accessible from any page on the website.
- The update is user-friendly, making it easy for staff to assist applicants with the process.

#### G. Complaint from Producer on Mail Time of Applications and Antiquated Payment Option

##### Complaint:

- A certified producer expressed concerns about TAIPA's reliance on U.S. Mail and checks for processing applications, suggesting the need for electronic applications and payments.
- The producer highlighted issues with delays in mail delivery and lost applications.

##### Reasons for Request:

- Mail Issues: Inconsistent and unreliable mail times.
- Efficiency: Electronic submissions would be faster and align with industry standards.
- Industry Practices: Most insurance agents already submit non-TAIPA applications electronically as many companies require this.

##### Staff Agreement:

- Staff concurred with the producer's concerns, noting the potential benefits of moving to electronic processes.

##### Additional Considerations:

- Electronic submissions could streamline processes for insurance companies, reducing the need for scanning and mitigating issues with missing pages.
- The topic was discussed at the Officers' Meeting, where the question was raised about why TAIPA has not yet automated the process.

##### Reasons for Current Practices:

- Lack of Formal Requests: This is the first formal request for electronic processes.
- Historical Resistance: Previous reluctance from some agents and logistical challenges in smaller towns.
- Low Application Volume: Historically, the low volume of applications did not justify the cost of automation.
- Cost Considerations: Potential high costs for system changes relative to the number of applications.

##### Current Application Volume:

- Applications have generally decreased, with a slight increase in recent years. The projected application volume for 2024 is estimated to remain under 3,000.

- The potential increase in volume may not justify the investment in electronic processing systems.

Cost to Companies:

- Uncertainty regarding whether companies would be willing to invest in TAIPA's systems given the current low volume of applications.
- It is suggested to investigate costs to allow the Governing Committee to make an informed decision.

Staff Brainstorming:

- TAIPA staff considered various aspects of how an electronic process might work and contacted AIPSO for input.
- AIPSO noted that TAIPA's plan would differ from systems implemented in other states, requiring a unique project plan, timeline, and development cost.

Convenience Fee Concerns:

- Consideration of who would bear the cost of credit card/convenience fees: producers, companies, or applicants.
- Legal issues around charging convenience fees in Texas, with potential changes expected in the 2025 legislative session.

Next Steps:

- Staff await the Governing Committee's interest before proceeding with a meeting with AIPSO to develop a proposal for electronic applications and payments.

Discussion:

There was discussion regarding whether insurance companies currently charge convenience fees for insurance premium payments. Several committee members stated that their insurance companies do not charge convenience fees for premium payments.

Chair Snyder requested a motion to assign TAIPA's move to electronic payments to the Operation Subcommittee for further study. Becky Jackson made a motion to accept. Kit Morris seconded the motion. The motion carried unanimously with no abstentions.

#### H. Governing Committee Open Meetings Act Training

Ms. Dutton reminded the Governing Committee members that all members must take the Open Meetings Act training every two years. TAIPA staff will reach out to all members for their certificate of completion by the end of 2024.

#### I. Governing Committee Members Conflict of Interest Policy (Exhibit 8)

Ms. Dutton reminded the Governing Committee members that all members must review and sign the TAIPA Conflict of Interest Policy every year. TAIPA staff will reach out to all members for their signed form.

### 9. Operation Subcommittee Report

Chair Snyder handed the meeting over to David Weber for the Operation Subcommittee Report.

#### A. Over/Under Report (Exhibit 8)

- Key Point: There is nothing significant to report on the Over/Under Report.

#### B. Future TAIPA Rates Project

- The Operation Subcommittee was tasked with reviewing and developing a new method to calculate TAIPA rates for the future at the March 6, 2024, Special Meeting of the TAIPA Governing Committee.
- Meeting Date: The subcommittee met on June 26, 2024.
- Purpose: This was an informational meeting to provide background on how TAIPA and insurance companies develop their rates and get approval from TDI.

Key Presentations:

- Mike Jones (TAIPA's Attorney): Discussed TAIPA's rate filing history, current process, and the statutes that dictate TAIPA's procedures.
- J'ne Byckovski (TDI): Explained the process that insurance companies follow to change their rates.
- David Bolduc (OPIC): Discussed OPIC's role in rate filings for both TAIPA and insurance companies and offered ideas for potential comparisons TAIPA's actuary could use.
- Matt Stephenson (TAIPA's Actuary): Shared his experience working on TAIPA's rate indications, noting both the helpfulness of those involved and some unexpected issues with TAIPA data availability.

Public Comment:

- Birney Birnbaum: Provided additional insights on where to find more TAIPA data and suggested comparisons to consider.

Next Steps:

- Follow-Up: The Operation Subcommittee agreed to meet immediately after the Governing Committee meeting to discuss how to proceed further.

## 10. Report of Counsel

Chair Snyder turned the meeting over to legal counsel Mike Jones to go over the Report of Counsel.

### A. Legislative Update

- The Texas Legislature meets every two years. The next legislative session begins in January 2025.
- There have been interim charges with the Senate committee, Senate Business and Commerce committee, and the House Insurance committee to address the rising cost in insurance.
- The effect on TAIPA's population is driven by what is happening in the voluntary insurance market.

### B. Approval of TAIPA's 2024 Rate Filing

- TAIPA's 2024 rate filing was approved and had an effective date of October 1, 2024. The commissioner approved a 15% increase for Private Passenger and 12.7% increase for Commercial coverage.

### 2025 Rate Filing Plan

- TAIPA can file the 2025 rates on March 13, 2025, which is a year and a day after the 2024 filing.

#### Rate Indications Timeline:

- Rate indications are not expected until after the November 22, 2024, meeting due to several factors:
  - An issue was discovered with TAIPA's data during the 2024 rate filing. Specifically, data from the Stat Agencies did not include LAD/CLAD data, which is critical since most of TAIPA's business runs through these channels.

- TAIPA is working with TDI staff and its actuary to determine the necessary data and how to obtain it effectively.

November 2024 Meeting Plan:

- TAIPA aims to present preliminary rate indications at the November 2024 meeting.
- Discussions will include whether the rate indications are expected to exceed 5% and the anticipated date for filing the new rates.

Data Review:

- Upon identifying the data issue, TAIPA reviewed the available Page 14 reports used for Assessments and Quota, focusing on LAD/CLAD carriers.
- The reports indicate premiums and losses but exclude company expenses. Initial observations suggest that a rate increase of more than 5% may be necessary to cover all claims and business expenses.
- However, the actual data needed for the actuary to develop indications is not yet available. This preliminary insight is shared for awareness.

Operations Subcommittee Discussion (June 2024):

- A topic of discussion was the rate trend date—whether to use total limits or basic limits.
- TAIPA's actuary acknowledged using total limits in a conservative manner but is exploring better data sources for the next rate hearing.

Discussion on Rate Trend Data Availability

Timeline for Trend Data:

- There was a discussion on the availability of rate trend data for developing 2025 rates.
- TICO trend data is typically delayed by two to three quarters.
- Benchmark reports, another source of trend data, are released in the third quarter of the year for the previous year.

### 11. Next TAIPA Governing Committee Meeting

Chair Snyder announced that the next TAIPA Governing Committee Meeting be held on November 22, 2024.


### 12. Personnel Matters

Chair Snyder noted that there were no personnel matters to discuss.

### 13. Adjournment

Chair Snyder requested a motion to adjourn the meeting. John Lusardi made a motion. Ramon Montalvo seconded the motion. The motion to adjourn carried unanimously.

Chair Snyder announced the time of adjournment as 10:32am.

  
11/08/24

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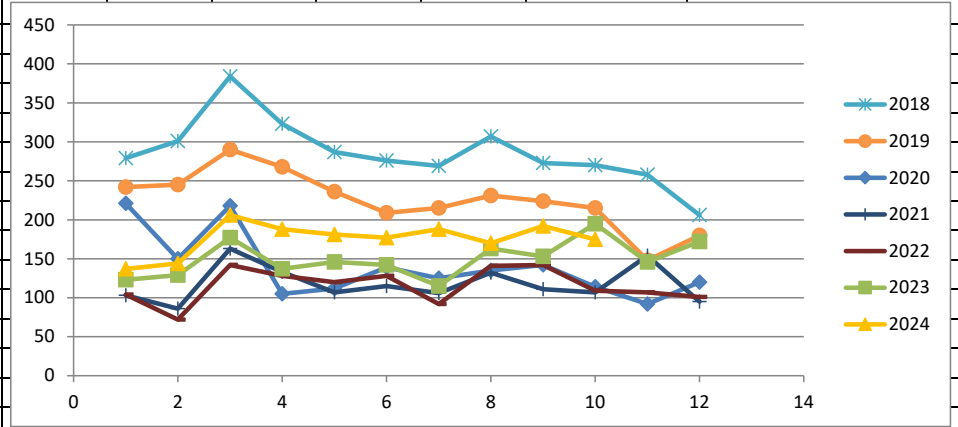
# Exhibit 2



| <b>Monthly Total (October 2024)</b>   |                          |                    |
|---|--------------------------|--------------------|
|   | <b>Private Passenger</b> | <b>Commercial</b>  |
| <b>EASi Applications</b>  | 208                      | 34                 |
| <b>Paper Applications</b>   | 0                        | 0                  |
| <b>Total Applications Received</b>  | <b>141</b>               | <b>34</b>          |
| <b>Applications Assigned</b>  | 140                      | 33                 |
| <b>Apps Returned for Correction</b>   | 1                        | 0                  |
| <b>Applications Deficient</b>   | 18                       | 5                  |
| <b>Applications with SR-22s</b>   | 11                       | 0                  |
| <b>Total Applications Received in October 2023:</b>                           |                          | <b>195</b>         |
| <b>Total Applications Received in October 2024:</b>                           |                          | <b>175</b>         |
| <b>Year to Date Total (as of October 2024)</b>                                |                          |                    |
|   | <b>Private Passenger</b> | <b>Commercial</b>  |
| <b>EASi Applications</b>  | 1601                     | 233                |
| <b>Paper Applications</b>   | 0                        | 0                  |
| <b>Total Applications Received</b>  | <b>1531</b>              | <b>227</b>         |
| <b>Applications Assigned</b>  | 1486                     | 220                |
| <b>Apps Returned for Correction</b>   | 44                       | 5                  |
| <b>Applications Deficient</b>   | 56                       | 18                 |
| <b>Applications with SR-22s</b>   | 34                       | 0                  |
| <b>Total Applications Received YTD (as of October 2023):</b>                  |                          | <b>1,480</b>       |
| <b>Total Applications Received YTD (as of October 2024):</b>                  |                          | <b>1,758</b>       |
| <b>YTD Percent Change from October 2023 to October 2024:</b>                  |                          | <b>18.78%</b>      |
| <b>Application Assignment History*</b>  |                          |                    |
| <b>2000:</b> 44,945   | <b>2008:</b> 12,896      | <b>2016:</b> 3,089 |
| <b>2001:</b> 53,477   | <b>2009:</b> 10,299      | <b>2017:</b> 3,508 |
| <b>2002:</b> 66,153   | <b>2010:</b> 8,725       | <b>2018:</b> 3,338 |
| <b>2003:</b> 74,506   | <b>2011:</b> 7,364       | <b>2019:</b> 2,606 |
| <b>2004:</b> 47,434   | <b>2012:</b> 5,898       | <b>2020:</b> 1,673 |
| <b>2005:</b> 31,517   | <b>2013:</b> 4,708       | <b>2021:</b> 1,381 |
| <b>2006:</b> 23,634   | <b>2014:</b> 3,628       | <b>2022:</b> 1,352 |
| <b>2007:</b> 16,780   | <b>2015:</b> 3,217       | <b>2023:</b> 1,758 |
| *Application Assignment History based on applications assigned, not received. |                          |                    |

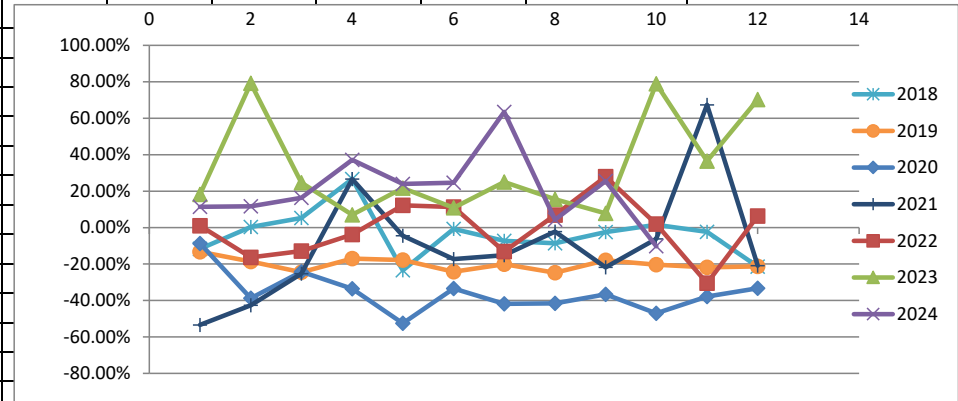
### Trend of Applications Received from 2016 to 2024

|                  | 2018         | 2019         | 2020         | 2021         | 2022         | 2023        | 2024        |
|------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| <b>January</b>   | 279          | 242          | 221          | 103          | 104          | 123         | 137         |
| <b>February</b>  | 301          | 245          | 150          | 86           | 72           | 129         | 144         |
| <b>March</b>     | 384          | 290          | 218          | 163          | 142          | 177         | 206         |
| <b>April</b>     | 323          | 268          | 105          | 133          | 128          | 137         | 188         |
| <b>May</b>       | 287          | 236          | 112          | 107          | 120          | 146         | 181         |
| <b>June</b>      | 276          | 209          | 139          | 115          | 128          | 142         | 177         |
| <b>July</b>      | 269          | 215          | 125          | 106          | 92           | 115         | 188         |
| <b>August</b>    | 307          | 231          | 135          | 132          | 141          | 163         | 170         |
| <b>September</b> | 273          | 224          | 142          | 111          | 142          | 153         | 192         |
| <b>October</b>   | 270          | 215          | 114          | 107          | 109          | 195         | 175         |
| <b>November</b>  | 258          | 148          | 92           | 154          | 107          | 146         |             |
| <b>December</b>  | 206          | 180          | 120          | 95           | 101          | 172         |             |
| <b>Total</b>     | <b>3,433</b> | <b>2,703</b> | <b>1,673</b> | <b>1,412</b> | <b>1,386</b> | <b>1798</b> | <b>1758</b> |



### Percent Change in Applications Received from 2016 to 2024

|                  | 2018          | 2019           | 2020           | 2021           | 2022         | 2023          | 2024          |
|------------------|---------------|----------------|----------------|----------------|--------------|---------------|---------------|
| <b>January</b>   | -11.71%       | -13.26%        | -8.68%         | -53.39%        | 0.97%        | 18.27%        | 11.38%        |
| <b>February</b>  | 0.33%         | -18.60%        | -38.78%        | -42.67%        | -16.28%      | 79.17%        | 11.63%        |
| <b>March</b>     | 5.21%         | -24.48%        | -24.20%        | -25.23%        | -12.88%      | 24.65%        | 16.38%        |
| <b>April</b>     | 26.67%        | -17.03%        | -33.59%        | 26.67%         | -3.76%       | 7.03%         | 37.23%        |
| <b>May</b>       | -23.47%       | -17.77%        | -52.54%        | -4.46%         | 12.15%       | 21.67%        | 23.97%        |
| <b>June</b>      | -0.72%        | -24.28%        | -33.49%        | -17.27%        | 11.30%       | 10.94%        | 24.65%        |
| <b>July</b>      | -7.24%        | -20.07%        | -41.86%        | -15.20%        | -13.21%      | 25.00%        | 63.48%        |
| <b>August</b>    | -8.63%        | -24.76%        | -41.56%        | -2.22%         | 6.82%        | 15.60%        | 4.29%         |
| <b>September</b> | -2.50%        | -17.95%        | -36.61%        | -21.83%        | 27.93%       | 7.75%         | 25.49%        |
| <b>October</b>   | 1.50%         | -20.37%        | -46.98%        | -6.14%         | 1.87%        | 78.90%        | -10.26%       |
| <b>November</b>  | -2.27%        | -21.82%        | -37.84%        | 67.39%         | -30.52%      | 36.45%        |               |
| <b>December</b>  | -21.37%       | -21.26%        | -33.33%        | -20.83%        | 6.32%        | 70.30%        |               |
| <b>Total YTD</b> | <b>-4.29%</b> | <b>-20.01%</b> | <b>-35.79%</b> | <b>-37.11%</b> | <b>3.65%</b> | <b>32.98%</b> | <b>20.82%</b> |



**Assigned Applications per Month**

Percent Change  
from Prev year

|                  | <b>2024</b> |            |              |
|------------------|-------------|------------|--------------|
|                  | <b>PP</b>   | <b>AO</b>  | <b>Total</b> |
| <b>January</b>   | 110         | 24         | 134          |
|                  | 82%         | 18%        |              |
| <b>February</b>  | 123         | 16         | 139          |
|                  | 88%         | 12%        |              |
| <b>March</b>     | 179         | 19         | 198          |
|                  | 90%         | 10%        |              |
| <b>April</b>     | 161         | 21         | 182          |
|                  | 88%         | 12%        |              |
| <b>May</b>       | 153         | 23         | 176          |
|                  | 87%         | 13%        |              |
| <b>June</b>      | 152         | 22         | 174          |
|                  | 87%         | 13%        |              |
| <b>July</b>      | 165         | 17         | 182          |
|                  | 91%         | 9%         |              |
| <b>August</b>    | 146         | 15         | 161          |
|                  | 91%         | 9%         |              |
| <b>September</b> | 157         | 30         | 187          |
|                  | 84%         | 16%        |              |
| <b>October</b>   | 140         | 33         | 173          |
|                  | 81%         | 19%        |              |
| <b>November</b>  |             |            |              |
| <b>December</b>  |             |            |              |
| <b>Total</b>     | <b>1486</b> | <b>220</b> | <b>1706</b>  |
|                  | <b>87%</b>  | <b>13%</b> |              |

11.67%

8.59%

14.45%

35.82%

23.94%

23.40%

62.50%

0.00%

24.67%

-8.95%

|                  | <b>2023</b> |            |              |
|------------------|-------------|------------|--------------|
|                  | <b>PP</b>   | <b>AO</b>  | <b>Total</b> |
| <b>January</b>   | 99          | 21         | 120          |
|                  | 83%         | 18%        |              |
| <b>February</b>  | 111         | 17         | 128          |
|                  | 87%         | 13%        |              |
| <b>March</b>     | 143         | 30         | 173          |
|                  | 83%         | 17%        |              |
| <b>April</b>     | 120         | 14         | 134          |
|                  | 90%         | 10%        |              |
| <b>May</b>       | 120         | 22         | 142          |
|                  | 85%         | 15%        |              |
| <b>June</b>      | 117         | 24         | 141          |
|                  | 83%         | 17%        |              |
| <b>July</b>      | 97          | 15         | 112          |
|                  | 87%         | 13%        |              |
| <b>August</b>    | 140         | 21         | 161          |
|                  | 87%         | 13%        |              |
| <b>September</b> | 131         | 19         | 150          |
|                  | 87%         | 13%        |              |
| <b>October</b>   | 169         | 21         | 190          |
|                  | 89%         | 11%        |              |
| <b>November</b>  | 134         | 11         | 145          |
|                  | 92%         | 8%         |              |
| <b>December</b>  | 144         | 18         | 162          |
|                  | 89%         | 11%        |              |
| <b>Total</b>     | <b>1525</b> | <b>233</b> | <b>1758</b>  |
|                  | <b>87%</b>  | <b>13%</b> |              |

# Exhibit 3

# *Texas Auto Ins. Plan Assoc.*

## Statement of Financial Position

As Of September 30, 2024

Unaudited

### ASSETS

|   |            |
|---|------------|
| Current Assets                          |            |
| Cash and cash equivalents               | \$ 750,662 |
| Accounts receivable                     | 1,482      |
| Prepaid expenses                        | 22,658     |
| Total current assets                    | 774,803    |
| Security Deposits                       | 5,379      |
| Prepaid Pension Benefit Costs           | 126,924    |
| Property and Equipment                  |            |
| Furniture and equipment                 | 26,653     |
| Computer equipment                      | 32,928     |
| Leasehold improvements                  | 2,222      |
| Computer software                       | 25,000     |
|   | 86,803     |
| Less accumulated depreciation           | 72,095     |
|   | 14,708     |
| Other Assets                            |            |
| Operating lease right of use asset, net | 210,745    |
| Total assets                            | 1,132,559  |

### LIABILITIES AND NET ASSETS

|                                  |              |
|----------------------------------|--------------|
| Current Liabilities              |              |
| Accounts payable                 | 28,371       |
| Accrued vacation                 | 44,848       |
| Accrued payroll liabilities      | 6,918        |
| Deferred revenue                 | 248,826      |
| Short Term Lease Liability       | 51,413       |
| Total current liabilities        | 380,377      |
| Other Liabilities                |              |
| Long Term Lease Liability        | 201,196      |
| Total other liabilities          | 201,196      |
| Net (Deficiency) Assets          |              |
| Without donor restrictions       | 550,985      |
| Total net assets                 | 550,985      |
| Total liabilities and net assets | \$ 1,132,559 |

***TAIPA***  
**Statement of Activities**  
For the period ended September 30, 2024  
Unaudited

Changes in unrestricted net assets

|   | <b>Current<br/>YTD</b> |
|---|------------------------|
| <b>Revenues</b>   |                        |
| Member assessments                                      | \$ 742,437             |
| Interest income   | 16,916                 |
| Assessment penalties                                    | 6,267                  |
| Total revenues  | 765,620                |
| <b>Expenses</b>   |                        |
| Salaries and related expenses                           | 428,406                |
| Occupancy expenses                                      | 64,501                 |
| Professional Services                                   | 152,715                |
| Depreciation & amortization                             | 2,843                  |
| Postage and delivery                                    | 16,675                 |
| Office supplies and expense                             | 10,813                 |
| Governing committee                                     | 16,111                 |
| Computer supplies & expenses                            | 6,024                  |
| Subcommittee meetings                                   | 2,399                  |
| Staff education & seminars                              | 1,237                  |
| Miscellaneous   | 3,361                  |
| Staff expense   | 1,157                  |
| Dues and subscriptions                                  | 547                    |
| Total operating expenses                                | 706,788                |
| <b>Other revenues (expenses)</b>                        |                        |
| Total other revenue (expenses)                          | -                      |
| <i>Increase (decrease) in unrestricted net assets</i>   | 58,833                 |
| <i>Net assets (deficiency) at beginning of year</i>     | 492,153                |
| <i>Net assets (deficiency) as of September 30, 2024</i> | \$ 550,985             |

**TAIPA**  
**ACTUAL VS. BUDGET**  
 For the period ended September 30, 2024

| <u>REVENUE</u>                  | Actual         | 2024<br>Year To Date<br>Budget | Variance      | 2024<br>Annual<br>Budget | % Used        | Reason for Variance   |
|---------------------------------|----------------|--------------------------------|---------------|--------------------------|---------------|---|
| Assessments & Penalties         | 748,704        | 745,770                        | 2,934         | 994,360                  | 75.30%        | <b>80.00%</b>   |
| Other Revenue                   | 16,916         | 0                              | 16,916        | 0                        | 0.00%         | <b>70.00%</b>   |
| <b>TOTAL</b>                    | <b>765,620</b> | <b>745,770</b>                 | <b>19,850</b> | <b>994,360</b>           | <b>77.00%</b> |   |
| <br><u>EXPENDITURES</u>         |                |                                |               |                          |               |   |
| Salaries                        | 280,855        | 302,700                        | 21,845        | 403,600                  | 69.59%        | <b>Within range</b>   |
| Emp. Benefits & Other Ins. Exp. | 147,551        | 179,325                        | 31,774        | 239,100                  | 61.71%        | <b>TAIPA moved from Humana to United Health Care medical costs are lower than expected. Expect to end under budget.</b>   |
| Office Equipment Expense        | 10,813         | 14,325                         | 3,512         | 19,100                   | 56.61%        | <b>TAIPA has purchases some Office Supplies &amp; Equip. We expect to end on budget.</b>  |
| Printing & Stationary Exp.      | 0              | 3,225                          | 3,225         | 4,300                    | 0.00%         | <b>We have not purchased envelopes. We expect to end on budget.</b>   |
| Computer Expenses               | 6,024          | 11,100                         | 5,076         | 14,800                   | 40.71%        | <b>We have not yet purchased all of the recommended computer supplies that Vintage suggested. We expect to end on budget.</b>   |
| Postage & Shipping Exp.         | 16,675         | 16,350                         | -325          | 21,800                   | 76.49%        | <b>Within range</b>   |
| Telephone Expense               | 4,713          | 5,475                          | 762           | 7,300                    | 64.56%        | <b>TAIPA's telephones are now all using VOIP, through the internet. We expect to end under budget because we are not moving to fiber.</b>   |
| Rent Expense                    | 59,307         | 59,400                         | 93            | 79,200                   | 74.88%        | <b>Within range</b>   |
| Moving Expense                  | 0              | 0                              | 0             | 0                        | 0.00%         | <b>Within range</b>   |
| Taxes                           | 480            | 900                            | 420           | 1,200                    | 40.03%        | <b>We have not paid all of TAIPA's taxes. We expect to end on budget.</b>   |
| Other Office Expenses           | 3,361          | 6,375                          | 3,014         | 8,500                    | 39.54%        | <b>TAIPA has not had very many assessment write-offs, we have not restocked kitchen &amp; first aid supplies &amp; service awards happen later in the year. We expect to end on budget.</b> |

**TAIPA**  
**ACTUAL VS. BUDGET**  
For the period ended September 30, 2024

|  | Actual         | 2024<br>Year To Date<br>Budget | Variance       | 2024<br>Annual<br>Budget | % Used        | Reason for Variance  |
|--|----------------|--------------------------------|----------------|--------------------------|---------------|--|
| Governing Committee                        | 16,111         | 29,550                         | 13,439         | 39,400                   | 40.89%        | <b>TAIPA has had only 2 Governing Board Meetings. Expect to end on budget.</b>   |
| Subcommittee Meetings                      | 2,399          | 2,250                          | -149           | 3,000                    | 79.97%        | <b>Within range</b>  |
| Producer Review Panel                      | 0              | 0                              | 0              | 0                        | 0.00%         | <b>Within range</b>  |
| Employee Meetings, Seminars & Staff Travel | 1,237          | 20,100                         | 18,863         | 26,800                   | 4.61%         | <b>Employees have not attended courses/seminars. We expect to end under budget.</b>  |
| Legal Expenses                             | 42,315         | 63,495                         | 21,180         | 84,660                   | 49.98%        | <b>We are currently under budget &amp; have completed the rate filing/hearing for 2024. We have started work obtaining data for the 2025 rate filing. We expect to end under budget.</b>                       |
| Audit Expense                              | 19,535         | 19,800                         | 265            | 26,400                   | 74.00%        | <b>Within range</b>  |
| Dues, Subscriptions & Publications         | 547            | 600                            | 53             | 800                      | 68.39%        | <b>We expect to end under budget.</b>  |
| TAIPA Tradition, Visitor Meals & Gifts     | 1,157          | 2,625                          | 1,468          | 3,500                    | 33.05%        | <b>Events for Governing Committee Members/Employees/Visitors happen randomly throughout the year. We expect to end on budget.</b>  |
| System Consultants                         | 52,352         | 54,150                         | 1,798          | 72,200                   | 72.51%        | <b>Within range</b>  |
| Consultants - Other                        | 10,313         | 28,174                         | 17,861         | 37,565                   | 27.45%        | <b>We are currently under budget, but TAIPA has plans to update the penalty run procedure, move TAIPA's Excel Company Master List to Sage. This will happen later in the year. We expect to end on budget.</b> |
| Actuary                                    | 28,200         | 33,000                         | 4,800          | 44,000                   | 64.09%        | <b>We are currently under budget, TAIPA has completed the rate filing/hearing. We will have started working on the 2025 rate filing. We expect to end on under budget.</b>                                     |
| Other                                      | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| <b>SUBTOTAL</b>                            | <b>703,944</b> | <b>852,919</b>                 | <b>148,974</b> | <b>1,137,225</b>         | <b>61.90%</b> |  |



**TAIPA**  
**ACTUAL VS. BUDGET**  
For the period ended September 30, 2024

|  | Actual         | 2024<br>Year To Date<br>Budget | Variance       | 2024<br>Annual<br>Budget | % Used        | Reason for Variance  |
|--|----------------|--------------------------------|----------------|--------------------------|---------------|--|
| Depreciation                               | 2,843          | 2,700                          | -143           | 3,600                    | 78.98%        | Within range   |
| Amortization                               | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| Gain (Loss) on Disposition of Fixed Assets | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| <b>SUBTOTAL</b>                            | <b>2,843</b>   | <b>2,700</b>                   | <b>-143</b>    | <b>3,600</b>             | <b>78.98%</b> |  |
| <b>TOTAL OPERATING EXPENSE</b>             | <b>706,788</b> | <b>855,619</b>                 | <b>148,831</b> | <b>1,140,825</b>         | <b>61.95%</b> | We are currently under budget by 13.05%. We expect to end under budget at the end of the year. |
| <b>NET FROM OPERATIONS</b>                 | <b>58,833</b>  | <b>-109,849</b>                | <b>168,681</b> | <b>-146,465</b>          |               |  |
| Non-Operating Pension Costs                | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| <b>NET</b>                                 | <b>58,833</b>  | <b>-109,849</b>                | <b>168,681</b> | <b>-146,465</b>          |               |  |
| <b><u>CAPITAL BUDGET</u></b>               |                |                                |                |                          |               |  |
| Software Development in Progress           | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| Office Furniture & Equipment               | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| Computer Equipment                         | 8,773          | 7,650                          | -1,123         | 10,200                   | 86.01%        |  |
| Computer Software                          | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| Leasehold Improvements                     | 0              | 0                              | 0              | 0                        | 0.00%         |  |
| <b>TOTAL</b>                               | <b>8,773</b>   | <b>7,650</b>                   | <b>-1,123</b>  | <b>10,200</b>            | <b>86.01%</b> |  |

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

# Exhibit 4



## ASSOCIATION RESOLUTION

|  |                                |                               |                        |                                  |                           |                       |                 |
|--|--------------------------------|-------------------------------|------------------------|----------------------------------|---------------------------|-----------------------|-----------------|
| <b>Principal</b><br>\$300,000.00   | <b>Loan Date</b><br>08-28-2024 | <b>Maturity</b><br>08-27-2025 | <b>Loan No</b><br>9002 | <b>Call / Coll</b><br>500 / 0010 | <b>Account</b><br>4441432 | <b>Officer</b><br>835 | <b>Initials</b> |
| References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations. |                                |                               |                        |                                  |                           |                       |                 |

**Association:** TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION  
805 LAS CIMAS PKWY BUILDING III STE 210  
AUSTIN, TX 78746

**Lender:** FROST BANK  
DOWNTOWN AUSTIN FINANCIAL CENTER  
P.O. BOX 1600  
SAN ANTONIO, TX 78296

**I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:**

**THE ASSOCIATION'S EXISTENCE.** The complete and correct name of the Association is TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION ("Association"). The Association is an organization which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Texas. The Association is duly authorized to transact business in all other states in which the Association is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Association is doing business. Specifically, the Association is, and at all times shall be, duly qualified as a foreign association in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Association has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Association maintains an office at 805 LAS CIMAS PKWY BUILDING III STE 210, AUSTIN, TX 78746. Unless the Association has designated otherwise in writing, the principal office is the office at which the Association keeps its books and records. The Association will notify Lender prior to any change in the location of the Association's state of organization or any change in the Association's name. The Association shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Association and the Association's business activities.

**RESOLUTIONS ADOPTED.** At a meeting of the officers of the Association, duly called and held on August 28, 2024, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

**OFFICERS.** The following named persons are officers of TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION:

| NAMES               | TITLES                       | AUTHORIZED | ACTUAL SIGNATURES |
|---------------------|------------------------------|------------|-------------------|
| STACY DUTTON        | Association Manager          | Y          | X                 |
| MARY MARGARET LEECE | Operations/Financial Manager | Y          | X                 |

**ACTIONS AUTHORIZED.** Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Association. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Association:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Association and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Association's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Association's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Association or in which the Association now or hereafter may have an interest, including without limitation all of the Association's real property and all of the Association's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Association to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Association or in which the Association may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Association's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSOCIATION RESOLUTION  
(Continued)

**ASSUMED BUSINESS NAMES.** The Association has filed or recorded all documents or filings required by law relating to all assumed business names used by the Association. Excluding the name of the Association, the following is a complete list of all assumed business names under which the Association does business: **None.**

**NOTICES TO LENDER.** The Association will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Association's name; (B) change in the Association's assumed business name(s); (C) change in the structure of the Association; (D) change in the authorized signer(s); (E) change in the Association's principal office address; (F) change in the Association's state of organization; (G) conversion of the Association to a new or different type of business entity; or (H) change in any other aspect of the Association that directly or indirectly relates to any agreements between the Association and Lender. No change in the Association's name or state of organization will take effect until after Lender has received notice.

**CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS.** The officers named above are duly elected, appointed, or employed by or for the Association, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Association, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to Lender and receipt acknowledged by Lender in writing at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Association's agreements or commitments in effect at the time notice is given.

**IN TESTIMONY WHEREOF,** I have hereunto set my hand and attest that the signatures set opposite the names listed above are their genuine signatures.

I have read all the provisions of this Resolution, and I personally and on behalf of the Association certify that all statements and representations made in this Resolution are true and correct. This Association Resolution is dated August 28, 2024.

CERTIFIED TO AND ATTESTED BY:

x Bethy Blake 9/13/24  
SECRETARY OF TEXAS AUTOMOBILE INSURANCE  
PLAN ASSOCIATION

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Association's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Association.

# Exhibit 5

Current Plan Language Section 36 A. 1. a.Sec. 36. ADMINISTRATION**A. Governing Committee Composition**

The Association is administered by a Manager and a Governing Committee consisting of fifteen members.

1. Eight members shall represent the interests of insurers. To be eligible to act as a representative of insurers, a person must be a full-time employee of an authorized insurer. Representatives of the insurers shall be elected by the members of the Association as follows:

a. One insurer member shall be selected by each of the following trade associations:

American Property Casualty  
Insurance Association (APCIA)

Association of Fire & Casualty  
Companies in Texas (AFACT)

National Association of Mutual  
Insurance Companies (NAMIC)

b. Five insurer members shall be elected to represent the membership at large. At least one of the five insured members must be a Texas domestic insurance company that writes only in the State of Texas and is not an affiliate or a subsidiary of an insurance company or holding company system writing automobile insurance outside of Texas. In the event a Texas domestic insurance company is not elected at the annual meeting, then the insurer receiving the

next highest votes shall be elected to represent the membership at large.

Insurer members of the Governing Committee shall be selected to represent the trade associations as prescribed under Section 36.B. The five member insurers to serve at-large shall be elected by ballot of the members of the Association at the annual meeting.

Sec. 36. ADMINISTRATION

**A. Governing Committee Composition**

The Association is administered by a Manager and a Governing Committee consisting of fifteen members.

1. Eight members shall represent the interests of insurers. To be eligible to act as a representative of insurers, a person must be a full-time employee of an authorized insurer. Representatives of the insurers shall be elected by the members of the Association as follows:

a. One insurer member shall be selected by each of the following trade associations:

American Property Casualty  
Insurance Association (APCIA)

~~Association of Fire & Casualty  
Companies in Texas (AFACT)~~

Insurance Council of Texas (ICT)

National Association of Mutual  
Insurance Companies (NAMIC)

b. Five insurer members shall be elected to represent the membership at large. At least one of the five insurer members must be a Texas domestic insurance company that writes only in the State of Texas and is not an affiliate or a subsidiary of an insurance company or holding company system writing automobile insurance outside of Texas. In the event a Texas domestic insurance company is not elected at the annual meeting, then the insurer receiving the next highest votes shall be elected to represent the membership at large.

Insurer members of the Governing Committee shall be selected to represent the trade associations as prescribed under Section 36.B. The five member insurers to serve at-large shall be elected by ballot of the members of the Association at the annual meeting.

Propose Plan Language Section 36 A. 1. a.

Sec. 36. ADMINISTRATION

**A. Governing Committee Composition**

The Association is administered by a Manager and a Governing Committee consisting of fifteen members.

1. Eight members shall represent the interests of insurers. To be eligible to act as a representative of insurers, a person must be a full-time employee of an authorized insurer. Representatives of the insurers shall be elected by the members of the Association as follows:
  - a. One insurer member shall be selected by each of the following trade associations:

American Property Casualty Insurance Association (APCIA)

National Association of Mutual Insurance Companies (NAMIC)
  - b. Six insurer members shall be elected to represent the membership at large. At least one of these ~~five~~ ~~six~~ <sup>se</sup> insurer members must be a Texas domestic insurance company that writes only in the State of Texas and is not an affiliate or a subsidiary of an insurance company or holding company system writing automobile insurance outside of Texas. In the event a Texas domestic insurance company is not elected at the annual meeting, then the insurer receiving the next highest votes shall be elected to represent the membership at large.

Insurer members of the Governing Committee shall be selected to represent the trade associations as prescribed under Section 36.B.



The **five**six member insurers to serve at-large shall be elected by ballot of the members of the Association at the annual meeting.

# Exhibit 6

**TAIPA – 2024-2025  
3rd Party Relationships**

| Category | Name of Organization | Services Provided  | 2024 Rate and Expected Expenses   | 2025 Rate and Expected Expenses  | Change   |
|----------|----------------------|--|---|--|--|
| Actuary  | Burkhalter Group     | Actuary services related to TAIPA's private passenger & Commercial Rates | <ul style="list-style-type: none"> <li>• \$9000 for continuing with current rate making process.</li> </ul> <p>After the August Governing Committee Meeting, TAIPA asked The Burkhalter Group to determine what TAIPA rates should actually be and not to cap it at 5% unless that was called for. We understood that this may be more than the \$9,000 they quoted.</p> <p>They charged us the \$9000 that they had quoted us to prepared the rate filing.</p> | <ul style="list-style-type: none"> <li>• \$12,000 for the rate making process.</li> <li>• \$23,000 for the anticipated cost of the rate hearing.</li> <li>• \$35,000 total budget</li> </ul> | <ul style="list-style-type: none"> <li>• Increase of \$3000 for rate making process</li> <li>• Decrease of \$12,000 in expected cost of rate hearing for 2025</li> <li>• \$300-400 per hour - up to \$35,000 for 2025 rates and hearing.</li> <li>• Last RFP 2023</li> </ul> |

|  |  |  |   |  |  |
|--|--|--|---|--|--|
|  |  |  | <p>They charged us \$15,900 for the rate hearing vs the \$35,000 they quoted.</p> <p>In 2024 – paid \$300 per hour.</p> <p>Matt has continued to work with TDI, TAIPA, Legal and our LAD/CLAD carriers to come up with TAIPA data that we can use for the rate filing in 2025. He recently created the spreadsheet for the LAD/CLADs to use for the TDI Data Call.</p> <p>To date we have paid an additional \$3300 for this extra work.</p> <p>We anticipate one additional invoice.</p> |  |  |
|--|--|--|---|--|--|

|                          |  |   |  |   |  |
|--------------------------|--|---|--|---|--|
| <p>Auditor</p>           | <p><b>Atchley &amp; Associates</b></p> | <p>Financial Audit and completion of TAIPA's form 990 and now consulting for accounting</p>   | <ul style="list-style-type: none"> <li>• \$425 per hour for Sr. Auditor (Tyler)</li> <li>• \$22,650 budgeted because we expect to use less accounting assistance than previous years.</li> </ul> | <ul style="list-style-type: none"> <li>• \$450 per hour for Sr. Auditor (Tyler)<br/>\$4500.00 for 10 hours of his time</li> <li>• 2024 Financial Statement Audit - \$15,000 to \$16,000</li> <li>• 2024 990 - \$3,250</li> <li>• \$24,000 budgeted</li> </ul> | <ul style="list-style-type: none"> <li>• \$25 per hour increase for Sr. Auditor (Tyler)</li> <li>• \$1350 increase in budget because of increase in cost of 990 form preparation and Sr Auditor fees.</li> <li>• New agreement every year.</li> <li>• In place after 2006 audit</li> </ul> |
| <p>System Consultant</p> | <p>AIPSO</p>                           | <ul style="list-style-type: none"> <li>• Data Services provides quota calculations for TAIPA's member companies.</li> <li>• Programing - Provides APS changes requested by TAIPA</li> <li>• EASi Maintenance</li> </ul> | <ul style="list-style-type: none"> <li>• Data Services \$107/hr. – Expect 198 hours for total of \$21,186.</li> <li>• Programing - \$132/hr.</li> <li>• EASi Maintenance</li> </ul>              | <ul style="list-style-type: none"> <li>• Data Services \$112/hr. – Expect 198 hours for total of \$22,176.</li> <li>• Programing - \$137/hr.</li> <li>• EASi Maintenance</li> </ul>   | <ul style="list-style-type: none"> <li>• Data Services \$5/hr. increase Expect 198 hours for total of \$22,176.<br/><i>*Note that last year there was a \$3 decrease in hourly rate.</i></li> <li>• Programing – \$5/hr. in 2025</li> <li>• EASi Maintenance Name Change to</li> </ul>     |

|  |  |   |  |   |  |
|--|--|---|--|---|--|
|  |  | <p>\$7,900 per year, and</p> <ul style="list-style-type: none"> <li>EASi Enhancements \$7,900 per year</li> </ul> | <p>\$8,300 per year</p> <ul style="list-style-type: none"> <li>EASi Enhancements \$7,900 per year</li> <li>Total \$37,386</li> </ul> | <p>Computer Infrastructure \$8,300 per year</p> <ul style="list-style-type: none"> <li>EASi Enhancements \$7,900 per year</li> <li>Total \$38,376+</li> </ul> | <p>Computer Infrastructure – No Change in cost</p> <ul style="list-style-type: none"> <li>EASi Enhancements- No Change</li> <li>Anticipate additional expense of \$11,648.00 per year for account reconciliation services if/when we move to electronic payments as we anticipate AIPSO collecting the funds and then sending them to the companies that application is assigned to. This is based on TAIPA’s current number of applications.</li> <li>There may be some programing fees if we move to making electronic payments available for</li> </ul> |
|--|--|---|--|---|--|

|       |              |  |   |   |   |
|-------|--------------|--|---|---|---|
|       |              |  |   |   | <p>commercial applications.</p> <ul style="list-style-type: none"> <li>• Send updated cost sheet every year. Agreement signed 2015</li> <li>• In place prior to 2007</li> </ul>   |
| Legal | Thompson Coe | Legal services for all business matters except HR & Benefits | <ul style="list-style-type: none"> <li>• \$350 per hour</li> <li>• \$60,270 budgeted plus</li> <li>• \$20,000 for a rate hearing</li> </ul> | <ul style="list-style-type: none"> <li>• \$365per hour</li> <li>• \$62,853 budgeted plus</li> <li>• \$20,856 for a rate hearing</li> <li>• \$83,709.1 budgeted</li> </ul> | <ul style="list-style-type: none"> <li>• Increase from \$350 - \$365 this is a 4.28% increase from 2024 to 2025</li> <li>• Last change was from \$340 to \$350 in 2023,</li> <li>• No change in 2024,</li> <li>• \$62,853 budgeted plus \$20,856 for rate hearing.</li> <li>• New agreement will be provided</li> <li>• In place prior to 2007 Last RFP 2009</li> </ul> |

# Exhibit 7





## 2025 TAIPA Budget Considerations:

### Major Assumptions Used For Developing 2025 Budget

**\*Note that any items in the budget category that are new for 2025 are noted in blue below at the end of the explanation.**

The biggest change to TAIPA's budget for 2025 is budgeting for e-pay and e-applications. We budgeted \$27,220 which includes \$7,000 for the convenience fee (paid by TAIPA), \$12,000 for AIPSO Accounting Dept to receive and distribute the deposit/premiums to the insurance companies for applications submitted through e-pay, and \$8,220 for 60 hours of programming to take the Kansas Plan and make it fit Texas requirements. The \$27,220 is divided into GL 50900 for the convenience fee of \$7,000 and GL 65500 for AIPSO Accounting and programming. The \$27,220 increase is offset by some of the savings in other areas as the total difference in the 2025 budget is a \$20,040 increase over 2024. **The costs associated with e-pay and e-applications are new this year.**

-The application volume will depend on what happens in the Open Market. Currently it appears that application volume will go down about 9% based on the decrease of applications that we received after the October 1, 2024 rate increase. We would expect application volume to decrease again if we increase the rates again in 2025. The increase or decrease will depend on the rate change compared to the open market and if the open market tightens their underwriting guidelines. We anticipate 2024 ending with around 2000 applications. If applications continue to go down 9%, we would expect applications to be around 1800 at the end of 2025. We are already staffed at the minimum limit and expect no changes in staffing until applications reach 500 per month.

-Include salaries and benefits for four employees (all current staff--Stacy, Mimi, Ruth, and Amanda). Salaries include a merit-based salary increase budget of 5% for staff increases plus an additional 1% hold-back for pay adjustments for 2025 to address compensation and economic gaps as needed as well as the amount needed to pay the temp agency fee in case of turnover. (Salary budget is up 6.01% or +\$24,300)

-TAIPA's pension investments did well in 2024. We expect to have a surplus of \$18,338. TAIPA's minimum contribution for 2025 is \$82,612. We budgeted the minimum because if we add the surplus and the minimum, it equals \$100,950 which is more than the \$100,000 our plan administrator requested us to make each year. We increased the medical by 15% in May per our agent's recommendation. Per our agent, we expect dental to go up 8.1%, vision 3.1%. and LTD 10%. We expect the cost for administration for the 401(K) plan & noncontributory plan through Voya to stay the same. Expect slight change in 401(K) contributions to go up with change in pay. Our commercial insurance agent expects a large increase because of all the losses in the market so we have increased the premiums by 25% when they renew. This includes workers' compensation, business owner/umbrella and EPLI. We reduced our 2025 benefit budget by \$16,100. This is mostly due to the fact that we were able to get into a United Healthcare Plan instead of having to go with an "affordable care act" plan when Humana left the market in May, and we also saved \$7,300 on the pension contribution. (Benefit budget is down 6.73% or -\$16,100)

-Printing - We budgeted \$1,200 less for printing because we use fewer envelopes. We try to send things out electronically if possible. (Printing is down 27.91%, -\$1,200)

-Office Equipment Expense is up due to an increase in cost of office supplies and our supplies being low. We leased a new copier in 2024 as well but the cost for the copier will be slightly less than what we were paying for our previous copier. **Office equipment expense includes a new copier** but the increase in budget is due to office supplies 15.76% or \$2,600. (Office Equipment is up 15.76% or \$2,600)

-Computer Supplies budget remained the same for 2025.

-Telephone and Internet costs are down because we have decided not to budget for fiber for 2025. (Telephone & Internet is down 5.48% or -\$400)

-Rent is up due to increases per the lease agreement. We left the operating expenses the same as they were in 2024. (Rent expense is up 3.66% or +\$2,900.)

-Postage and Delivery increased due to increased cost of postage, and an increase for PO Boxes; (Postage & Delivery is up 5.5 % or +\$1,200)

-Moving expenses is reduced to 0 since there is no move scheduled.

- Property taxes - are expected to remain the same.

-Governing Committee Meeting Expenses are down because we will be holding the meetings at the ICT location instead of a hotel. The cost of the food and the associated fees and taxes reduced the cost by \$4,000. (Governing Committee Meetings are down 10.15% or -\$4,000.)

-TAIPA Subcommittee Meetings are up because we expect to have additional subcommittee meetings in 2025. It includes attendance fees for 1 Nominating Committee meeting, 3 Operation Subcommittee Meetings, 1 Strategic Planning Subcommittee meeting and Audit/Finance Committee meeting regarding budget and possibly 3 RFP Committee Meetings (TAIPA Sub Committee Meeting is up 76.67% or +\$2,300.)

-Other office expenses are up \$7,000 due to the e-pay convenience fee that will be paid by TAIPA. (Other office expense is up 58.33% or + \$7,000). **As indicated above, E-pay convenience fees are new this year.**

-No Producer Review Panel meetings

-Budget includes \$5,000 for each employee to pursue education.

-Legal is up Budgeted 4.28% increase in legal expenses for Thompson Coe, it does include rate hearing expense and \$3,500 for HR attorney to review TAIPA's handbook (Legal expense is up 8.55% or +\$7,240)

-Dues and subscriptions is up because we added a Ring doorbell for security purposes and the HR membership went up. (Dues and subscriptions is up 25% or +\$200) **Ring doorbell was new in 2024 but not in budget, so it is new to budget.**

-System Consultants -The biggest change in System Consultants is the \$12,000 accounting fee for e-pay and the \$8,200 budgeted for programing the e-pay and application system. The IT provider Vintage is going up \$900 per year (System consultants is up 27.29% or +\$19,700) **As indicated above, E-pay and E-Applications are new this year.**

-Consultants Other - We plan to work with our consultant to streamline our assessment /penalty procedure as well as our mail out procedures to eliminate our reliance on an excel spreadsheet and allow us to use our Sage Software for additional security (loss of information) and utilize one system instead of multiple data bases - effectively eliminating our "Master List of company addresses" maintained in excel and utilizing the CRM system that TAIPA already owns. We plan to do this in the last 2 months of 2024. Assuming that this is completed in 2024, we will reduce the need for our consultant for 2025. **TAIPA website enhancement for producer search ability was added and paid for in 2024 but it was new and not listed on the 2024 budget.** (Consultants Other is down -14.36% or -5,400).

-Actuary - Our actuary completed TAIPA's rate filing process and rate hearing process for the first time in 2024 as well as working with TAIPA staff, Legal, TDI and our LAD/CLADs to improve the TAIPA Data. From this experience he learned that he will need additional hours on the TAIPA data for that rate filing but anticipates less time for the rate hearing process if applicable. (Actuary is down 20.45% or -\$9,000)

-Computer equipment was decreased this year as we purchased new laptops and replaced all equipment that was 5 years old in 2024. (Computer Equipment is down 75.49% or -\$7,700)

-Depreciation expense is up due to purchasing new laptops for staff due to the laptops being 5 years old and replacing the Meraki access point equipment that was also over 5 years old. Because these items were over \$1,000, they need to be depreciated. (Depreciation is up 52.78% or +1900)

-Employee Meetings, Seminars & Staff Travel is up because it includes a trip for 2 to AIPSO for an e-pay and e-applications meeting/Residual Market forum. (Employee Meetings, Seminars & Staff Travel is up 8.96% or +\$2,400)

-Audit Expense is up due to the Sr. Auditor rate increase and the increase in the cost of preparing the 990 form. (Audit is up 4.55% or +\$1,200.)

### TAIPA's 2025 Annual Budget vs. 2024 Budget

| Budget Category                 | 2024 Budget | 2025 Requested Budget | Amount of ↑↓ in 2025 Budget vs. 2024 Budget | % Change | Explanation of Difference*   |
|---------------------------------|-------------|-----------------------|---|----------|--|
| Salaries                        | \$ 403,600  | \$ 427,900            | \$ 24,300                                   | 6.01%    | Increased budget by 6% as we have done since 2023. This includes merit-based salary increase budget of 5.0% for staff increases plus an additional 1% hold-back for pay adjustments for 2025 to address compensation and economic gaps as needed as well as the amount needed to pay a temp agency fee in case of turnover.  |
| Emp. Benefits & Other Ins. Exp. | \$ 239,100  | \$ 223,000            | \$(16,100)                                  | -6.73%   | TAIPA's pension investments did well in 2024. We expect to have a surplus of \$18,338. TAIPA's minimum contribution for 2025 is \$ 82,612. We budgeted the minimum because if we add the surplus and the minimum, it equals \$100,950 which is more than the \$100,000 our plan administrator requested us to make each year. We increased the medical by 15% in May per our agents recommendation. Per our agent, we expect dental to go up 8.1%, vision 3.1% and LTD 10%. We expect the cost for administration for the 401(K) plan & Noncontributory plan through Voya to stay the same. Expect slight increase in 401(K) contributions due to salary changes. Our commercial insurance agent expects a large increase because of all the losses in the market so we increased the premiums by 25% when they renew. This includes workers compensation, business owner/umbrella and EPLI. We reduced our 2025 benefit budget by \$16,100. |
| Printing                        | \$ 4,300    | \$ 3,100              | \$ (1,200)                                  | -27.91%  | We started sending things electronically if possible which has consistently reduced our need for envelopes.  |
| Computer Supplies & Exp         | \$ 14,800   | \$ 14,800             | \$ -  | 0.00%    | Within Range - No Change - Vintage has indicated that we don't have a need for anything new in 2025.   |

| Budget Category                             | 2024 Budget | 2025 Requested Budget | Amount of ↑↓ in 2025 Budget vs. 2024 Budget | % Change | Explanation of Difference*   |
|---|-------------|-----------------------|---|----------|--|
| Postage & Delivery                          | \$ 21,800   | \$ 23,000             | \$ 1,200                                    | 5.50%    | Increase due to increases in cost of TAIPA's PO Boxes as well as the increase in postage expected in 2025.   |
| Telephone & Internet                        | \$ 7,300    | \$ 6,900              | \$ (400)                                    | -5.48%   | Decrease due to TAIPA no longer considering moving to fiber.   |
| Rent  | \$ 79,200   | \$ 82,100             | \$ 2,900                                    | 3.66%    | Increase in rent per lease and left operating expense the same.  |
| Moving Expenses                             | \$ -        | \$ -                  | \$ -  | 0.00%    | No move is scheduled.  |
| Property Taxes                              | \$ 1,200    | \$ 1,200              | \$ -  | 0.00%    | Within range - No Change -We expect the taxes to remain the same.  |
| Governing Committee                         | \$ 39,400   | \$ 35,400             | \$ (4,000)                                  | -10.15%  | The cost for holding the Governing Committee Meetings is down because we will be holding the meetings at the ICT location instead of the hotel. The cost of the food and the associated fees and taxes reduced the cost by \$4000. |
| TAIPA Subcommittee                          | \$ 3,000    | \$ 5,300              | \$ 2,300                                    | 76.67%   | Includes attendance fees for 1 Nominating Committee meeting, 3 Operation Subcommittee Meetings, 1 Strategic Planning Subcommittee meeting and Audit/Finance Committee meeting regarding budget and possibly RFP Com.               |
| Producer Review Panel                       | \$ -        | \$ -                  | \$ -  | 0.00%    | Within range - No Change - we don't anticipate holding a producer review subcommittee meeting.   |
| Employee Meetings, Seminars, & Staff Travel | \$ 26,800   | \$ 29,200             | \$ 2,400                                    | 8.96%    | Added trip for 2 to AIPSO for e-pay meeting and Residual Market Forum.   |
| Legal Expenses                              | \$ 84,660   | \$ 91,900             | \$ 7,240                                    | 8.55%    | Budget includes a 4.28% increase for Mike Jones and includes \$20,856 for potential rate hearing for 2025. It also includes \$3,500 for our HR attorney to review our handbook.  |
| Audit                                       | \$ 26,400   | \$ 27,600             | \$ 1,200                                    | 4.55%    | Within range - Increase due to Sr. Auditor billing rate increase and increase in form 990 prep. The cost of audit remained the same.   |

| Budget Category       | 2024 Budget         | 2025 Requested Budget | Amount of ↑↓ in 2025 Budget vs. 2024 Budget | % Change     | Explanation of Difference*   |
|-----------------------|---------------------|-----------------------|---|--------------|--|
| Dues, Subscrip, Pub.  | \$ 800              | \$ 1,000              | \$ 200                                      | 25.00%       | We added a Ring doorbell for security purposes and the HR membership went up.  |
| Other Office Expenses | \$ 12,000           | \$ 19,000             | \$ 7,000                                    | 58.33%       | \$7,000 increase is for e-pay convenience fee that will be paid by TAIPA. This is new this year.   |
| System Consultants    | \$ 72,200           | \$ 91,900             | \$ 19,700                                   | 27.29%       | -The biggest change in System Consultants is the \$12,000 accounting fee for e-pay and \$8,220 for possible programing fees for e-pay and applications. In addition the annual fee for our IT provider Vintage is going up \$900 per year.   |
| Consultants-Other     | \$ 37,600           | \$ 32,200             | \$ (5,400)                                  | -14.36%      | Assuming that the work to streamline our assessment/penalty procedure and moving our Master List of Company addresses from an excel spreadsheet into our Sage Software is completed in 2024, we do not anticipate any major projects for our consultant in 2025.   |
| Actuary               | \$ 44,000           | \$ 35,000             | \$ (9,000)                                  | -20.45%      | Our actuary completed TAIPA's rate filing process and rate hearing process for the first time in 2024 as well as working with TAIPA staff, Legal, TDI and our LAD/CLADs to improve the TAIPA Data. From this experience he learned that he will need additional hours on the TAIPA data for that rate filing but anticipates less time for the rate hearing process if applicable. |
| <b>SUBTOTAL</b>       | <b>\$ 1,137,260</b> | <b>\$ 1,170,000</b>   | <b>\$ 32,740</b>                            | <b>2.88%</b> |  |
| Depreciation          | \$ 3,600            | \$ 5,500              | \$ 1,900                                    | 52.78%       | Increase is due to depreciating the new laptops purchased in 2024 as well as the Meraki access point equipment.  |
| Amortization          | \$ -                | \$ -                  | \$ -  | 0.00%        | Within range.  |
| <b>Total</b>          | <b>\$ 1,140,860</b> | <b>\$ 1,175,500</b>   | <b>\$ 34,640</b>                            | <b>3.04%</b> |  |



| Budget Category  | 2024 Budget         | 2025 Requested Budget               | Amount of ↑↓ in 2025 Budget vs. 2024 Budget | % Change       | Explanation of Difference*  |
|--|---------------------|-------------------------------------|---|----------------|---|
| 15000--Software Development in Progress  | \$ -                | \$ -                                | \$ -  | 0.00%          | Within range.   |
| 15100--Office Furniture & Equipment  | \$ -                | \$ -                                | \$ -  | 0.00%          | Within range.   |
| 15200--Computer Equipment  | \$ 10,200           | \$ 2,500                            | \$ (7,700)                                  | -75.49%        | New laptops were purchased in 2024 for all staff. We budgeted \$2,500 for computer equipment that may be needed in 2025.  |
| 15300--Computer Software   | \$ -                | \$ -                                | \$ -  | 0.00%          | Within range.   |
| 15500--Leasehold Improvements  | \$ -                | \$ -                                | \$ -  | 0.00%          | No Move or leasehold improvements scheduled.  |
| <b>CAPITAL BUDGET TOTAL</b>  | <b>\$ 10,200</b>    | <b>\$ 2,500</b>                     | <b>\$ (7,700)</b>                           | <b>-75.49%</b> |   |
| <b>GRAND TOTAL</b>   | <b>\$ 1,151,060</b> | <b>\$ 1,178,000</b>                 | <b>\$ 26,940</b>                            | <b>2.34%</b>   | Within range. Total 2025 budget is 2.34% higher than the 2024 budget. Most of the change is due to budgeting for e-pay and application procedures as requested by some TAIPA producers. Some of the cost of this and other increases is offset by the reduction in other expenses for 2025. |
| *NOTE: Items that are considered "within range" are within \$5,000 and 5% of last year's expenses. |                     |                                     |   |                |   |
| *Note  | \$ 1,147,910        | Approved Budget as of November 2023 |   |                |   |
| added \$3150 to Consultants Other for website  | \$ 3,150            |                                     |   |                |   |

| Budget Category | 2024 Budget  | 2025 Requested Budget                    | Amount of ↑↓ in 2025 Budget vs. 2024 Budget | % Change | Explanation of Difference* |
|-----------------|--------------|--|---|----------|----------------------------|
|                 | \$ 1,151,060 | Approved budget as of April 2024 meeting |   |          |                            |

# Exhibit 8

**TAIPA 2025 Governing Committee Meeting Dates**

Friday, April 11th, 2025

Friday, August 1st, 2025

Friday, November 21st, 2025

**Location of Meetings**

Insurance Council of Texas Meeting Room

5508 W US Hwy 290 Service Rd

Austin, TX 78735

# Exhibit 9

## Strategic Planning Subcommittee Responsibilities

### Reviewing and making recommendations regarding TAIPA's:

1. Staffing levels
2. Office space
3. Long-term contracts, etc.
4. Any significant changes for the organization
5. TAIPA's Enterprise Risk Management Plan Annually

- 1. Staffing Levels** TAIPA plans to maintain the current staffing level that they have had since January 1, 2018, through 2025.

#### TAIPA Staff:

1 Association Manager

1 Manager of Operations/Financial Management

2 Administrative Assistants/Customer Service Specialists

4 Full-Time Staff Members

- The TAIPA staff considers this to be the minimum staffing level.
- Based on application timing tests completed in 2023, staff does not anticipate adding new members unless applications exceed 500 per month.

- 2. Office Space** In 2023, the Governing Committee approved TAIPA renewing their lease at 805 Las Cimas Parkway Suite 210 Austin, TX 78746

- TAIPA has been at this location since March 2018.
- The location allows for additional growth of up to two employees in the future.
- A diagram of the office space is attached.

**3. Long Term Contracts** TAIPA has four long-term contracts for their office space and office equipment:

| Service                        | Provider          | Term      | Start Date | End Date   | Total Cost   | Monthly Cost |
|--------------------------------|-------------------|-----------|------------|------------|--------------|--------------|
| Office Space                   | GLL Las Cimas LLC | 5 years   | 5/1/2023   | 7/31/2028  | \$395,315.37 | \$6,690.36   |
| Mail Machine and Letter Opener | Pitney Bowes Inc. | 48 months | 2/10/2023  | 2/10/2027  | \$21,896.16  | \$456.17     |
| Zulty Telephone System         | Zulty             | 36 months | 12/22/2023 | 12/22/2026 | \$11,772.00  | \$327.00     |
| Ricoh Copier                   | Ricoh USA, Inc.   | 60 months | 11/5/2020  | 11/5/2029  | \$19,718.40  | \$328.64     |

- TAIPA staff agreed to review the cost of ownership of office equipment versus leasing in the future and investigate potential equipment purchases at the end of the lease terms.

**4. Review of Significant Changes** The subcommittee reviewed analyses performed by TAIPA staff on the following:

**Assigned Applications**

- 2004: Applications began to decrease consistently every year.
- 2017: Applications increased by 418.
- 2023: Applications increased by 406.
- 2024: Projected to end with 1,986 applications, which would be 228 more than the 1,758 applications assigned in 2023.
  - This projection is based on a decrease of 8.95% in applications in October, following a rate increase of 15% for private passenger and 12.7% for other than private passenger vehicles.

**Application Breakdown** The application breakdown between 2023 and 2024 remains consistent:

- 87% Private Passenger
- 13% Other than Private Passenger

**Premium Analysis**

|                        | <b>2022 Private Passenger</b> | <b>2023 Private Passenger</b> | <b>Difference 2022 to 2023</b> | <b>2022 Other than Private Passenger</b> | <b>2023 Other than Private Passenger</b> | <b>Difference 2022 to 2023</b> |
|------------------------|-------------------------------|-------------------------------|--------------------------------|--|--|--------------------------------|
| <b>TAIPA Assigned</b>  | \$1,037,251.00                | \$1,606,346.00                | \$569,095.00                   | \$1,184,984.00                           | \$1,441,468.00                           | \$256,484.00                   |
| <b>Reported to TDI</b> | \$928,016.00                  | \$1,319,669.00                | \$391,653.00                   | \$1,752,425.00                           | \$1,820,858.00                           | \$68,433.00                    |
| <b>Difference</b>      | \$109,235.00                  | \$286,677.00                  |                                | (\$567,441.00)                           | (\$379,390.00)                           |                                |

- Private Passenger - Companies received less than TAIPA Assigned
- Other than Private Passenger - Companies received more than TAIPA Assigned



## Where TAIPA Falls on TDI's Help Insure

Comparison of Companies' Rates for Minimum Limits for a Single Male in Travis County Insuring a Car:

### Poor Credit

|                                      | 10/3/2023<br>Per Year | 9/16/2024<br>Per Year | 10/1/2024 Per Year<br>(with TAIPA's 15%<br>increase) | Change from<br>10/3/2023 to<br>10/1/2024 | Percent<br>Change |
|--------------------------------------|-----------------------|-----------------------|--|--|-------------------|
| <b>Lowest rate</b>                   | \$481.00              | \$662.00              | \$662.00   | \$181.00                                 | 37.63%            |
| <b>TAIPA rate<br/>(18th on list)</b> | \$927.00              | \$927.00              | \$1,066.05   | \$139.05                                 | 15.00%            |
| <b>Highest rate</b>                  | \$954.00              | \$4,986.00            | \$4,986.00   | \$4,032.00                               | 422.64%           |

### Speeding

|                                      | 10/3/2023<br>Per Year | 9/16/2024<br>Per Year | 10/1/2024 Per Year<br>(with TAIPA's 15%<br>increase) | Change from<br>10/3/2023 to<br>10/1/2024 | Percent<br>Change |
|--------------------------------------|-----------------------|-----------------------|--|--|-------------------|
| <b>Lowest rate</b>                   | \$319.00              | \$566.00              | \$566.00   | \$247.00                                 | 77.43%            |
| <b>TAIPA rate<br/>(18th on list)</b> | \$1,066.00            | \$1,066.00            | \$1,225.90   | \$159.90                                 | 15.00%            |
| <b>Highest rate</b>                  | \$1,724.00            | \$4,080.00            | \$4,080.00   | \$2,356.00                               | 136.66%           |

### Accident

|                                      | 10/3/2023<br>Per Year | 9/16/2024<br>Per Year | 10/1/2024 Per Year<br>(with TAIPA's 15%<br>increase) | Change from<br>10/3/2023 to<br>10/1/2024 | Percent<br>Change |
|--------------------------------------|-----------------------|-----------------------|--|--|-------------------|
| <b>Lowest rate</b>                   | \$433.00              | \$754.00              | \$754.00   | \$321.00                                 | 74.13%            |
| <b>TAIPA rate<br/>(18th on list)</b> | \$1,113.00            | \$1,113.00            | \$1,279.95   | \$166.95                                 | 15.00%            |
| <b>Highest rate</b>                  | \$2,251.00            | \$5,372.00            | \$5,372.00   | \$3,121.00                               | 138.65%           |

## Accident and Poor Credit

|  | 10/3/2023<br>Per Year | 9/16/2024<br>Per Year | TAIPA<br>Placement on<br>Help Insure | 10/1/2024 Per<br>Year (with<br>TAIPA's 15%<br>increase) | Change from<br>10/3/2023 to<br>10/1/2024 | Percent<br>Change |
|--|-----------------------|-----------------------|--------------------------------------|---|--|-------------------|
| <b>Lowest<br/>rate</b>                   | \$647.00              | \$855.00              |                                      | \$855.00  | \$208.00                                 | 32.15%            |
| <b>TAIPA<br/>rate (18th<br/>on list)</b> | \$1,113.00            | \$1,113.00            | 6th/11th                             | \$1,279.95  | \$166.95                                 | 15.00%            |
| <b>Highest<br/>rate</b>                  | \$2,825.00            | \$6,561.00            |                                      | \$6,561.00  | \$3,736.00                               | 132.25%           |

### Significant Changes from 2023 to 2024 Analysis

|                         | 2023             | 2024               |
|-------------------------|------------------|--------------------|
| <b>Lowest Premiums</b>  | \$319 to \$647   | \$566 to \$855     |
| <b>Highest Premiums</b> | \$954 to \$2,825 | \$4,080 to \$6,561 |

- TAIPA's rates, following the 15% rate increase, are listed among the top 20 lowest rates in each category.

### 5. TAIPA's Enterprise Risk Management Plan

TAIPA's Enterprise Risk Management Plan is attached in the next exhibit.



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**ENTERPRISE RISK & EMERGENCY MANAGEMENT PLAN**

Version 2.3

### 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,<br/>Association<br/>Manager</i> |                   | <i>TAIPA<br/>Governing<br/>Committee</i>   | <i>04/01/2016</i>                     | <i>Initial Risk Management Plan</i>  |
| 2.0       | <i>Stacy Dutton<br/>Association<br/>Manager</i>    | <i>08/09/2021</i> | <i>Governing<br/>Committee</i>   | <i>08/20/2021</i>                     | <i>Created formal plan that<br/>incorporates Emergency<br/>Management Plan as well</i>   |
| 2.1       | <i>Stacy Dutton<br/>Association<br/>Manager</i>    | <i>8/19/2022</i>  | <i>Strategic<br/>Planning<br/>Subcommittee</i>   | <i>8/19/2022</i>                      | <i>Updated contacts and risks<br/>and added additional risk<br/>regarding TAIPA application<br/>volume increasing<br/>substantially.</i>   |
| 2.2       | <i>Stacy Dutton<br/>Association<br/>Manager</i>    |                   | <i>Strategic<br/>Planning<br/>Subcommittee<br/>AND TAIPA<br/>Governing<br/>Committee</i> | <i>10/23/2023<br/><br/>11/17/2023</i> | <i>Updated contacts and risks-<br/>Completed phone training so<br/>all employees can use TAIPA<br/>phone system from their<br/>home and cell phone, added<br/>staffing risks and what we are<br/>doing to train</i>                          |
| 2.3       | <i>Stacy Dutton<br/>Association<br/>Manager</i>    | <i>10/8/2024</i>  |  |                                       | <i>Updated contacts and risks-<br/>added staffing risks with<br/>regard to retirement and<br/>Governing Committee<br/>Member knowledge Base,<br/>and added additional risk<br/>considerations with regard to<br/>applications increasing</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.

#### 2.3.1 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

#### 2.3.2 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.

#### 2.3.3 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)  | <b>MEDIUM</b>  | <b>LOW-MEDIUM</b>  |  |                     |   |  |
| (Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage) | <p><b>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.</b></p> | <p><b>SINCE EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW</b></p> <p><b>IMPACT BECOMES HIGHER WHEN EMPLOYEES DO NOT HAVE ELECTRICITY OR INTERNET</b></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,<br/>-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 ARE NOW ABLE TO ACCESS OUR PHONES FROM HOME/CELL.</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 &amp; HAD NO NOTICE, BOTH STACY &amp; MIMI CAN ACCESS THE CLOUD FROM THEIR HOME COMPUTERS. DEPENDING ON THE LENGTH OF TIME THAT WE WERE NOT ABLE TO</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>PHONE TRAINING IS COMPLETED - ALL EMPLOYEES CAN USE TAIPA PHONE SYSTEM FROM HOME/CELL.</p> <p>WE ARE CURRENTLY LOOKING AT ELECTRONIC APPLICATIONS AND PAYMENTS WHICH COULD RESOLVE THE MAIL ISSUES IN THE FUTURE.</p> | <p>STACY DUTTON (CELL) 512-779-8283<br/>MIMI LEECE (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT:<br/>BUILDING OWNER: REDUS PROPERTIES, INC.<br/>PROPERTY MANAGEMENT CO.: HPI REAL ESTATE MANAGEMENT INC.<br/>JESSICA RESENDEZ-PROPERTY MANAGER <a href="mailto:JRESENDEZ@HPITX.COM">JRESENDEZ@HPITX.COM</a><br/>SHANE ELLIS, SENIOR BUILDING TECHNICIAN <a href="mailto:ELLIS@HPITX.COM">ELLIS@HPITX.COM</a><br/>MADDISON SHANNON, ASSISTANT PROPERTY MANAGER <a href="mailto:MSHANNON@HPITX.COM">MSHANNON@HPITX.COM</a><br/>MAIN: (737) 270-9570<br/>ADDRESS: 807 LAS CIMAS PARKWAY SUITE 120, AUSTIN, TEXAS 78746</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>TAIPA GOVERNING COMMITTEE CHAIR<br/>MATTHEW SNYDER<br/><b>512-533-8224</b><br/><b>512-217-4746 CELL</b></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> |

|  |  |  |   |               |               |               |
|--|--|--|---|---------------|---------------|---------------|
|  |  |  | ACCESS THE BUILDING WE COULD SET STAFF UP AS WELL.  |               |               |               |
|  | <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 DURING SNOVID IN 2021.</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> | SAME AS ABOVE | SAME AS ABOVE | SAME AS ABOVE |

| 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    |                         |                     |        |   |



|  |   |  |  |  |   |   |
|--|---|--|--|--|---|---|
| <p>(Due to bad weather, tornado, flood, fire, or damage to building, electricity/Water Outage)</p> | <p>This hasn't happened and our building was back up and running before employees were able to get there after SNOVID</p> | <p>Since employees can and have experience working from home the Impact is LOW</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 REMEDIATED QUICKLY</p> <p>IN ADDITION,<br/>-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>-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 WORKED OUT THE KINKS IN NEW PHONE SYSTEM RELATED TO OUR FIRE WALL.</p> <p>ALL EMPLOYEES HAVE BEEN TRAINED ON HOW TO UTILIZE VOIP TECHNOLOGY AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS AT</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>PHONE TRAINING IS COMPLETE - ALL EMPLOYEE S CAN USE TAIPA PHONE SYSTEM FROM HOME.</p> | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT:<br/>BUILDING OWNER:<br/>REDUS PROPERTIES, INC.<br/>PROPERTY MANAGEMENT CO.: HPI REAL ESTATE MANAGEMENT INC.<br/>JESSICA RESENDEZ-PROPERTY MANAGER<br/><a href="mailto:JRESENDEZ@HPITX.COM">JRESENDEZ@HPITX.COM</a><br/>SHANE ELLIS, SENIOR BUILDING TECHNICIAN<br/><a href="mailto:ELLIS@HPITX.COM">ELLIS@HPITX.COM</a><br/>MADDISON SHANNON, ASSISTANT PROPERTY MANAGER<br/><a href="mailto:MSHANNON@HPITX.COM">MSHANNON@HPITX.COM</a><br/>MAIN: (737) 270-9570<br/>ADDRESS: 807 LAS CIMAS PARKWAY SUITE 120, AUSTIN, TEXAS 78746</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>TAIPA GOVERNING COMMITTEE CHAIR<br/>MATTHEW SNYDER<br/><b>512-533-8224</b><br/><b>512-217-4746 CELL</b></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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|  |   |  |   | HOME.         |               |   |
|  | <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</p> <p>REGUS 855-400-3575 - RENTS OFFICE SPACE HOURLY, DAILY, MONTHLY, ETC.</p> <p>TARGET OFFICE 888-753-1777- RENT OFFICE SPACE PER PERSON MONTHLY</p> |

| 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) | <b>MEDIUM</b>  | <b>LOW-MEDIUM</b>  |   |   |   |   |
| (Pandemic, Government Regulations)   | <b>UNTIL 2020, THIS HAD NOT HAPPENED BUT WITH COVID, WE HAD TO FIND A WAY FOR ALL EMPLOYEES TO WORK FROM HOME.</b> | <p><b>NOW EMPLOYEES CAN AND HAVE EXPERIENCE WORKING FROM HOME THE IMPACT IS LOW</b></p> <p><b>IMPACT BECOMES HIGHER IF EMPLOYEES</b></p> | <p>WE HAD EMPLOYEES WORK FROM VARIOUS LOCATIONS DURING COVID AND EVERYONE WAS ABLE TO WORK</p> <p>IF THERE WERE A PROBLEM WITH AN EMPLOYEES INTERNET OR</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</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>PHONE TRAINING IS</p> | <p>STACY DUTTON (CELL) 512-779-8283</p> <p>MIMI LEECE (CELL) 512-468-6927</p> <p>LAS CIMAS BUILDING MANAGEMENT: BUILDING OWNER: REDUS PROPERTIES, INC. PROPERTY MANAGEMENT CO.: HPI REAL ESTATE MANAGEMENT INC.</p> |

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|  |  | <p><b>DO NOT HAVE ELECTRICITY OR INTERNET</b></p> | <p>ELECTRICITY, WE WOULD EXPECT OUTAGES TO BE REMEDIED QUICKLY</p> <p>DUE TO THE 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</p> | <p>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 WORKED OUT THE KINKS IN NEW PHONE SYSTEM RELATED TO OUR FIRE WALL.</p> <p>ALL EMPLOYEES HAVE BEEN TRAINED ON HOW TO UTILIZE VOIP TECHNOLOGY AT HOME SO EMPLOYEES CAN MAKE/RECEIVE TAIPA CALLS AT HOME.</p> | <p>COMPLETED - ALL EMPLOYEES CAN USE TAIPA PHONE SYSTEM FROM HOME.</p> | <p>JESSICA RESENDEZ-PROPERTY MANAGER<br/> <a href="mailto:JRESENDEZ@HPITX.COM">JRESENDEZ@HPITX.COM</a><br/>         SHANE ELLIS, SENIOR BUILDING TECHNICIAN<br/> <a href="mailto:ELLIS@HPITX.COM">ELLIS@HPITX.COM</a><br/>         MADDISON SHANNON, ASSISTANT PROPERTY MANAGER<br/> <a href="mailto:MSHANNON@HPITX.COM">MSHANNON@HPITX.COM</a><br/>         MAIN: (737) 270-9570<br/>         ADDRESS: 807 LAS CIMAS PARKWAY SUITE 120, AUSTIN, TEXAS 78746</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>TAIPA GOVERNING COMMITTEE CHAIR<br/>         MATTHEW SNYDER<br/> <b>512-533-8224</b><br/> <b>512-217-4746 CELL</b></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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| 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<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>CURRENT TAIPA GOVERNING COMMITTEE CHAIR</p>   |
|                                       | <p>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.</p> | <p>WE NOW HAVE QUITE A BIT OF EXPERIENCE WITH CONFERENCE CALLS AND ZOOM MEETINGS.</p> | <p>POSTING REQUIREMENTS ARE 7 DAYS FOR REGULAR MEETINGS AND 2 HOURS FOR EMERGENCY MEETING</p>   |                     |        | <p>CONTACTS WHO WOULD NEED TO KNOW:<br/>-TAIPA GOVERNING COMMITTEE<br/>-SECRETARY OF STATE – OPEN MEETINGS ACT POSTING:<br/><a href="https://www.sos.state.tx.us/open/index.shtml">HTTPS://WWW.SOS.STATE.TX.US/OPEN/INDEX.SHTML</a><br/>LOGIN THROUGH:<br/><a href="https://texreg.sos.state.tx.us/tac/liaison_centers.startup">HTTPS://TEXREG.SOS.STATE.TX.US/TAC/LIAISON_CENTERS.STARTUP</a></p> |

| 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 ) | <p><b>OVER THE YEARS, TAIPA'S APPLICATIONS HAVE INCREASED AND DECREASED. THE LARGEST INCREASE TOOK PLACE IN</b></p> | <p><b>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</b></p> | <p>STAFFING FOR INCREASE IN APPLICATIONS: CURRENT STAFF CAN HANDLE A SUBSTANTIAL INCREASE IN APPLICATIONS.</p> <p>CURRENT STAFF</p> | <p>TAIPA STAFF WILL CONDUCTED A TIME MOTION STUDY TO DETERMINE THE AVERAGE TIME IT TAKES</p> | <p>IN AN EFFORT TO SPEED THIS PROCESS UP, TAIPA STAFF WILL WORK WITH THE STRATEGIC PLANNING SUBCOMMITTEE</p> | <p>STACY DUTTON (CELL)<br/>512-779-8283<br/>MIMI LEECE (CELL)<br/>512-468-6927</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> |

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| <p>1992 WHEN APPLICATIONS INCREASED BY 311,666 APPLICATIONS. CURRENTLY APPLICATIONS ARE UP A BIT SINCE HITTING THEIR LOWEST LEVEL IN 2022. WE EXPECT 2000+ APPLICATIONS BY THE END OF 2024 UNLESS SOMETHING SUBSTANTIALLY CHANGES IN THE MARKET.</p> | <p>BECAUSE OUR CURRENT STAFF COULD HANDLE AN INCREASE OF AT LEAST 2.5 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 INSURED/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 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>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> <ol style="list-style-type: none"> <li>1. WALKING PRODUCERS THROUGH THE APPLICATION PROCESS ON THE PHONE. UNFORTUNATELY, THIS OFTEN TAKES ABOUT 30 MINUTES TO DO.</li> <li>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.</li> <li>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</li> </ol> | <p>CURRENT STAFF TO PROCESS APPLICATION. FROM THE STUDY, WE KNOW THAT CURRENT STAFF CAN HANDLE UP TO 500 APPLICATIONS PER MONTH</p> <ol style="list-style-type: none"> <li>2. CONTINUE TO WORK ON PUTTING THE TRAINING INFORMATION IN A TRAINING LIBRARY SO THAT PRODUCERS CAN SEARCH FOR DOCUMENTS.</li> <li>3. WORK ON CREATING A TRAINING VIDEO TO WALK A PRODUCER THROUGH THE APPLICATION PROCESS.</li> <li>4. PURSUE WORKING WITH IIAT TO COME UP WITH A LIST OF PRODUCER'S THAT TAIPA COULD SEND OCCASIONAL EMAILS ABOUT TAIPA</li> <li>5. CREATE DOCUMENTS EXPLAINING WHAT TAIPA DOES AND HOW TAIPA CAN ASSIST PRODUCERS WITH PLACING CLIENTS WHEN THERE ARE NO OPEN MARKET OPTIONS.</li> <li>6. PREPARE AN "ORIENTATION PROGRAM" FOR PRODUCERS THAT COULD BE DELIVERED TO A GROUP IN PERSON. THIS COULD</li> </ol> | <p>E 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>COMPLETED A TIME STUDY AND LOOKED AT DIFFERENT WAYS TO ADJUST STAFFING AND WORK SOLUTIONS BASED ON THIS.</p> | <p>TAIPA GOVERNING COMMITTEE CHAIR MATTHEW SNYDER<br/>512-533-8224<br/>512-217-4746 CELL</p> <p>-TAIPA CUSTOMER SERVICE<br/>512-444-4441</p> <p>-PRODUCERS USING TAIPA'S EMAIL LIST AS WELL AS OTHER EMAIL LISTS TAIPA CAN OBTAIN THROUGH ORGANIZATIONS SUCH AS IIAT.</p> |
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|  |  |   | <p>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 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> | <p>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> |  |  |
| <p>(Due to TAIPA's rates not being sufficient)</p> | <p><b>LOW</b></p> <p><b>STAFFING ISSUE - BASED ON THE FACT THAT TAIPA'S RATES ARE COMPETITIVE ENOUGH TO SHOW UP IN</b></p> | <p><b>LOW TO MEDIUM</b></p> <p><b>CURRENT STAFF CAN HANDLE UP TO 6000 APPLICATIONS PER YEAR AND WE ARE ONLY EXPECTED TO BE JUST OVER 2044 AT THE END OF 2024.</b></p> | <p>TAIPA HAS STARTED TO MONITOR WHERE WE FALL ON HELP INSURE.</p>   | <p>WE WILL CONTINUE TO MONITOR WHERE TAIPA FALLS WITH REGARD TO HELP INSURE AND REPORT RESULTS TO STRATEGIC PLANNING</p>   | <p>TAIPA STAFF WILL CONTINUE TO MONITOR CURRENT ACTION PLANS</p> | <p>STACY DUTTON (CELL)<br/>512-779-8283<br/>MIMI LEECE (CELL)<br/>512-468-6927</p> <p>ACTUARY – MATT STEPHENSON<br/><b>(601) 942-1581 - CELL</b></p> |

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|  | <p><b>THE TOP 20 OF LOWEST PREMIUMS ON HELP INSURE. TAIPA'S RATES HAVE BEEN IN THE TOP 40 FOR A COUPLE OF YEARS AND THE INCREASE IN VOLUME HAVEN'T BEEN SUBSTANTIAL. IN ADDITION TAIPA ONLY HAS MINIMUM LIMITS AVAILABLE AND TAIPA IS STILL PRETTY MUCH NOT A KNOWN ENTITY FOR PRODUCERS OR INSUREDS</b></p> <p><b>TECHNICALLY THIS IS NOT A TAIPA RISK BUT IS A RIS FOR OUR COMPANY MEMBERS</b></p> <p><b>AFFECT ON LAD/CLAD CARRIERS – IF THE RISK OF INSURING TAIPA APPLICANTS GOES UP TO A POINT THAT PREMIUMS DON'T COVER COSTS, THE PRICE TO THE COMPANIES TO BUY OUT WILL GO UP SUBSTANTIALLY AND COULD GET TO A POINT THAT THEY LEAVE THE MARKET. IF THAT WOULD HAPPEN, THERE WOULD BE SOME CONCERN BECAUSE 99% OF TAIPA MEMBER COMPANIES WHO DEVELOP QUOTA, USE THESE CARRIERS AND WE DON'T BELIEVE THAT</b></p> | <p><b>THIS COULD BE A CONCERN FOR MOST OF TAIPA'S MEMBER COMPANIES.</b></p> <p><b>WRITING TAIPA POLICIES IS A KNOWN RESPONSIBILITY OF EACH COMPANY. IF THE LAD/CLAD CARRIERS LEAVE THE MARKET, THE COMPANIES WOULD NEED TO FIND A WAY TO WRITE THESE POLICIES.</b></p> | <p>TAIPA LEARNED THAT THE DATA THAT OUR ACTUARY RECEIVED FROM TDI DID NOT INCLUDE DATA FROM OUR LAD/CLAD CARRIERS AND OUR ACTUARY, TDI, LEGAL, AND TAIPA STAFF ARE WORKING ON A PLAN TO OBTAIN THIS DATA FOR OUR 2025 RATES. TDI IS ALSO WORKING WITH THE LAD/CLAD CARRIERS TO ENSURE THE INFORMATION IS CAPTURED IN FUTURE DATA USED TO CALCULATE TAIPA RATES.</p> <p>CURRENTLY, COMPANIES ONLY HAVE TO GIVE COMPANIES A FAIRLY SHORT NOTICE OF LEAVING THE MARKET PER THEIR CONTRACT. WE DON'T BELIEVE THAT THIS WOULD BE ENOUGH TIME FOR A COMPANY TO IMPLEMENT THE CHANGES TO THEIR SYSTEMS, STAFF UP, ETC.</p> <p>THE FACT THAT TEXAS IS THE 8<sup>TH</sup> LARGEST AUTO MARKET IN THE WORLD MAKES US ASSUME THE CARRIERS LARGER AFFILIATE COMPANIES DON'T LEAVE THE MARKET, THE COMPANIES MAY BE ABLE TO NEGOTIATE SOMETHING WITH THEM.</p> <p>GIVEN THAT THE MEMBER COMPANIES NEGOTIATE WITH THE CARRIERS TO WRITE THEIR POLICIES – WE</p> | <p>SUBCOMMITTEE FOR REVIEW.</p> <p>PLAN IS IN PLACE TO GATHER TAIPA DATA FOR 2025 RATES AND IN THE FUTURE.</p> |  | <p>LEGAL – MIKE JONES -512-703-5055</p> <p>TDI – J'NE BYCKOVSKI 512-676-6694</p> <p>CONTACTS WHO WOULD NEED TO KNOW:</p> <p>TAIPA GOVERNING COMMITTEE CHAIR MATTHEW SNYDER 512-533-8224 512-217-4746 CELL</p> |
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|  | <b>MOST OF THESE COMPANIES ARE PREPARED TO WRITE TAIPA POLICIES ANY LONGER.</b> |  | ASSUME THIS IS A KNOWN RISK. |  |  |  |
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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 AFFECT ALL TAIPA OPERATIONS.          | VINTAGE HAS TWO LOCATIONS. ONE IN AUSTIN, THE OTHER IN CHICAGO. EACH LOCATION PROVIDES BACKUP OF THE DATA. | IF IT HAPPENED AND CHICAGO CRASHED AS WELL, TAIPA WOULD HAVE TO RELY ON VITANGE'S ABILITY TO GET BACK UP. | HAVING OUR SERVERS AT VINTAGE<br><br>PROVIDES BETTER SECURITY FOR OUR SYSTEMS, BECAUSE THEY HAVE TWO LOCATIONS WHERE EACH RECORDS THE BACKUP DATA FOR ALL OF THEIR CLIENTS.<br><br>THIS IS THEIR MAIN BUSINESS, AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES.<br><br>IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY. | WE COULD PERFORM SOME DUTIES MANUALLY AND KEEP TRACK ON SPREADSHEETS UNTIL THE SYSTEM IS BACK UP. |        | STACY DUTTON<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927<br><br>VINTAGE IT<br>512-481-1117<br><a href="mailto:HELPDESK@VINTAGEITS.COM">HELPDESK@VINTAGEITS.COM</a><br><a href="mailto:SBLUE@VINTAGEITS.COM">SBLUE@VINTAGEITS.COM</a> |
|  | 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<br><br>VINTAGE IS BACKING UP OUR 365 DATA DAILY (ON A 15 DAY RETENTION PERIOD THAT ALLOWS US TO RESTORE YOUR MAILBOX AND SHAREPOINT/ONEDRIVE DATA TO AN EXACT DATE WITHIN 15 DAYS).  |   |        |  |

| 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   |                         |                     |        |   |



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|---|---|---|--|---|---|
| <p>This would include our voicemail, TAIPA greetings, and routing of calls. If this OCCURRED, the phone would GO DIRECTLY TO VOICEMAIL.</p> | <p>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 DIALING.</p> | <p>IF IT HAPPENED AND DENVER CRASHED AS WELL, TAIPA WOULD HAVE TO RELY ON ZULTYS' ABILITY TO GET BACK UP.</p> | <p>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.</p> <p>THIS IS THEIR MAIN BUSINESS, AND THEY PROVIDE THE SAME SERVICE FOR OTHER ENTITIES.</p> <p>IN ADDITION, WE EXPECT THAT THEY KEEP THE SERVERS UP TO DATE AND FUNCTIONING PROPERLY.</p> | <p>WE COULD ANSWER MOST THROUGH THE CELL PHONE APP OR WILL GO TO VOICEMAIL UNTIL THE SYSTEM IS BACK UP.</p> | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>MATTHEW MONROE,<br/>ACCOUNT MANAGER AT TC TECH SYSTEMS<br/>525 ROUND ROCK WEST DR., STE. A100,<br/>ROUND ROCK, TX 78681<br/>MAIN: (512) 451-6101  <br/>MOBILE: (512) 334-7813<br/><a href="mailto:MATTHEW.MONROE@TCTECHSYSTEMS.COM">MATTHEW.MONROE@TCTECHSYSTEMS.COM</a></p> |
|   | <p>USING CLOUD MANAGED BY VENDOR. IF BOSTON LOCATION CRASHED, THE IMPACT ON TAIPA WOULD BE SEEMLESS. THEY HAVE ONLY HAD A LESS THAN 2 MINUTE DOWN TIME WORLD WIDE IN SEVERAL YEARS.</p>   | <p>WE EXPECT THAT IT WOULD BE UP SHORTLY BY USING A DIFFERENT SERVER</p>                                      | <p>TAIPA HAS A DAILY BACKUP</p>  |   |   |

| 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 HAVE SPECTRUM.<br><br>WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY. THIS WAS OUR EXPERIENCE WHEN IT OCCURRED PREVIOUSLY | IF THE PROBLEM LASTS LONGER THAN A COUPLE OF HOURS, WE WILL POST SOMETHING ON OUR WEBSITE TO LET THE PUBLIC KNOW IF AN EMPLOYEE HAS ACCESS TO THE INTERNET.<br><br>IN ADDITION, TAIPA HAS BEEN ABLE TO UTILIZE THE BUILDINGS INTERNET TO ACCESS TAIPA'S CLOUD ENVIRONMENT WHEN 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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927<br><br>ACCOUNT<br>NUMBER: 8260163000015473<br>WEBSITE:<br>SPECTRUMBUSINESS.NET<br>PHONE: 1-888-812-2591 |
| THIS WOULD AFFECT 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   |  | CURRENT 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.<br><br>WP ENGINES IS AN INDEPENDENT COMPANY THAT MANAGES SERVERS FOR OTHER ENTITIES AS | 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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927<br><br>TAIPA.org Website Hosting (WP Engine)<br><a href="https://my.wpengine.com/">https://my.wpengine.com/</a> |

|  |   |  |  |  |  |  |
|--|---|--|--|--|--|--|
|  | WELL SO THERE IS PRESSURE TO KEEP ALL WEBSITES UP AND OPERATING |  |  |  |  |  |
|--|---|--|--|--|--|--|

| SPECIFIC RISK EVENT:   | RISK OVERALL ASSESSMENT  |  | CURRENT RISK MANAGEMENT  | CONTROL IMPROVEMENT | STATUS | RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS   |
|--|--|--|--|---------------------|--------|---|
|  | PROBABILITY  | IMPACT                                       |  |                     |        |   |
| AIPSO System crashes   | LOW  | HIGH   |  |                     |        |   |
| <p><b>THIS INCLUDES EASI 2.0 AND THE APS SYSTEM</b></p> <p><b>APS SYSTEM IS OUR CUSTOMER SERVICE DATA BASE FOR COMPANIES &amp; PRODUCERS.</b></p> <p><b>EASI 2.0 IS THE SYSTEM THAT WE USE TO ENTER APPLICATIONS</b></p> <p><b>EASI ADMIN 2.0 IS THE SYSTEM THAT WE USE TO MONITOR APPLICATION PROCESSES</b></p> <p><b>ALL THE ABOVE SYSTEMS HAVE THE GREATEST IMPACT ON TAIPA'S ABILITY TO SERVICE INSUREDS, PRDUCERS, &amp; COMPANIES.</b></p> <p><b>WITHOUT THE USE OF THE LISTED ABOVE ALL PROCESS WOULD HAVE TO BE DONE MANUALLY.</b></p> | AIPSO IS THE SYSTEM PROVIDER FOR MOST STATES AS WELL SO THERE IS PRESSURE TO KEEP ALL SYSTEMS UP AND OPERATING | WE EXPECT THAT THIS WOULD BE FIXED PROMPTLY. | AIPSO MAINTAINS TAIPA'S INFORMATION AND HAS DATA SECURITY PLANS IN PLACE AS WELL AS INSURANCE TO COVER ANY SECURITY BREECHES |                     |        | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>AIPSO<br/>888-424-0026 OR 401-429-1567</p> |
|  |  |  | AIPSO HAS SENT INFORMATION ABOUT THEIR DATA SECURITY   |                     |        |   |

| SPECIFIC RISK EVENT:           | RISK OVERALL ASSESSMENT  |  | CURRENT RISK MANAGEMENT  | CONTROL IMPROVEMENT  | STATUS | RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS   |
|--------------------------------|--|--|--|--|--------|---|
|                                | PROBABILITY  | IMPACT   |  |  |        |   |
| Servers are hacked/data breach | LOW  | MEDIUM to HIGH   |  |  |        |   |
|                                | OUR SERVERS AND INFORMAITON IS BEING MANAGED BY AN OFF-SITE VENDORS WHOSE BUSINESS IT IS TO KEEP THIS FROM | TAIPA DOES HAVE PRODUCER'S SOCIAL SECURITY NUMBERS OR EINS IN OUR SYSTEM. THIS SYSTEM IS MANAGED BY AIPSO. THE | OUR SERVERS ARE AT VINTAGE. THESE WOULD INCLUDE SOCIAL SECURITY OR EINS FOR PEOPLE IN OUR ACCOUNTING SYSTEM. | WE FEEL THAT WE HAVE VENDORS TO MANAGE THE SYSTEMS THAT WE USE PROVIDES BETTER SECURITY SINCE THEY PROVIDE THIS SERVICE FOR MULTIPLE |        | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>VINTAGE IT</p> |

|  |               |  |  |   |  |   |
|--|---------------|--|--|---|--|---|
|  | TAKING PLACE. | INFORMATION THAT WE DO HAVE ON INSUREDS IS VERY LIMITED BUT IT DOES INCLUDE THEIR DRIVERS' LICENSE NUMBER & DATE OF BIRTH. |  | CUSTOMERS. WE FEEL COMFORTABLE THAT THEY ARE MANAGING OUR SERVERS AND SYSTEMS PROPERLY AND THEY HAVE CONTROLS IN PLACE. |  | 512-481-1117<br>HELPDESK@VINTAGEITS.COM |
|  |               |  | AIPSO MANAGES THE SYSTEM THAT HOLDS OUR PRODUCER'S SOCIAL SECURITY NUMBERS AND EINS AS WELL AS OUR INSURED'S DRIVERS LICENSES. | WE HAVE RECEIVED 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  |  |  |        |  |
| <b>ADP MANAGES OUR PAYROLL SYSTEMS WHICH CONTAINS OUR EMPLOYEE'S PERSONAL INFORMATION.</b> | ADP IS A LARGE PROVIDER OF PAYROLL PROCESSING AND AS SUCH HAS A LOT OF RESOURCES GOING TO PROTECTING THIS DATA | IF DATA IS BREACHED, 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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927 |
|  |  |   | WE COULD MANNUALLY PROCESS PAYROLL AND THEN ENTER THE INFORMATION INTO THE SYSTEM WHEN IT COMES UP.<br>WE ALSO COULD GO BACK TO USING OUR ACCOUNTING SYSTEM TO PROCESS PAYROLL | GET CONFIRMATION ON ADP'S ENTERPRISE RISK MANAGEMENT SYSTEM ANNUALLY |        |  |

## 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 DOWNTIME WITH THE TELEPHONES AS WE DID EXPERIENCE THIS WHEN WE CHANGED VENDORS PREVIOUSLY. |                     |        | STACY DUTTON<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>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 INDUSTRY TO | THERE ARE NO OTHER ORGANIZATIONS THAT PROVIDE THIS TYPE OF SERVICE IN THE MARKET. WE ATTEMPTED TO CREATE OUR OWN SYSTEM USING SOFTWARE DEVELOPMENT ORGANIZATION AND THEY WERE UNABLE TO PRODUCE | 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 PROVIDING |                     |        | STACY DUTTON<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927 |

|  |   |                  |          |  |  |  |
|--|---|------------------|----------|--|--|--|
|  | CONTINUE TO WORK WITH TAIPA. WE HAVE SEEN THIS DONE IN THE PAST. WE HAVE IMPROVED OUR RELATIONSHIP WITH AIPSO OVER THE YEARS. | ANYTHING USABLE. | SERVICE. |  |  |  |
|--|---|------------------|----------|--|--|--|

| 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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>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 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 WE OWN THE SOFTWARE AND WE HAVE A FIRE WALL. |                     |        | MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927<br><br>TEXAS AUTO INSURANCE PLAN<br>ACCOUNT: A00032479<br><a href="http://www.customers.sagenorthamerica.com">www.customers.sagenorthamerica.com</a><br>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<br>512-531-7258<br>(CELL)<br>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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>ADP CUSTOMER SERVICE<br># 1-877-603-7079<br>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 OF A 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 | IF SOMETHING IN THE MARKET CHANGED AND APPLICATIONS WOULD BE INCREASED, TAIPA WOULD NEED TO STAFF UP AND MAY NEED TO EITHER USE OUR CREDIT LINE AND/OR HAVE AN ADDITIONAL ASSESSMENT. IF SOMEONE | TAIPA DOES NOT HAVE A DEBIT CARD FOR ANY OF OUR ACCOUNTS.<br><br>CREDIT CARDS ARE ONLY GIVEN TO STACY DUTTON, ASSOCIATION MANAGER AND MIMI LEECE, MANAGER OF OPERATIONS/ FINANCIAL MANAGEMENT.<br><br>FRONT OFFICE PERSONNEL ARE TRAINED TO ENTER ALL INCOMING AND OUTGOING PAYMENTS.<br><br>MIMI IS THE FIRST LEVEL OF MANAGEMENT TO REVIEW AND | MANAGER OF OPERATIONS/FINANCIAL MANAGEMENT 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 | IN 2023 STACY AND MIMI WORKED WITH OUR SAGE CONSULTANTS TO FIX SOME LONG-TERM ISSUES WITH OUR ACCOUNTING SYSTEM. | STACY DUTTON<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927 |

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|--|--|---|--|---|---|--|
|  | <p>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 TO WHAT TAIPA CAN/SHOULD DO WITH REGARD TO ANY ISSUES THAT DEPEND ON TAIPA'S FINANCIAL POSITION.</p> | <p>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>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 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></p> | <p>GREATER DIVISION OF LABOR AND GO BACK TO MANAGING TAIPA IN THE WAY THAT IT WAS MANAGED PRIOR TO MARCH OF 2019.</p> | <p>IN DOING SO, WE LEARNED A NUMBER OF WAYS THAT WE CAN DO THINGS DIFFERENTLY AND IMPROVE THE RESULTS</p> |  |
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|--|--|--|---|--|--|--|
|  |  |  | <p>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 1<sup>ST</sup> OF THE CURRENT YEAR. THE ASSESSMENTS COME IN BY CHECK AND ARE 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</p> |  |  |  |
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|  |  |  | <p>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 THE PREVIOUS YEAR AND 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</p> |  |  |  |
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|  |  |  | <p>APPROVED BUDGET AND THEN ONLY ASSESS THE COMPANIES FOR THE DIFFERENCE.</p> <p>APPROVE BUDGET – EXCESS CASH = ASSESSMENTS)</p> <p>REVENUE:<br/>         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 &amp; 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</p> |  |  |  |
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|  |  |  | <p>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 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> |  |  |  |
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|  |  |  | <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 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 JAIME..., JEANETTE... 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:<br/>         -STANDARD ENTRIES INCLUDE: REVENUE, ACCRUALS FOR ITEMS PAID IN PREVIOUS MONTH, DEPRECIATION, AMORTIZATION,<br/>         -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</p> |  |  |  |
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|  |  |  | <p>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"> <li>• INPUT DATA IS ACCURATE, COMPLETE, AUTHORIZED, AND CORRECT.</li> <li>• DATA IS PROCESSED AS INTENDED IN AN ACCEPTABLE TIME PERIOD.</li> <li>• DATA STORED IS ACCURATE AND COMPLETE.</li> <li>• OUTPUTS ARE ACCURATE AND COMPLETE.</li> <li>• A RECORDS ARE MAINTAINED TO TRACK THE PROCESS OF DATA FROM INPUT TO STORAGE AND TO THE EVENTUAL OUTPUT.</li> </ul> <p>ONLY THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER HAVE THE ABILITY TO OVERRIDE ANY MANUAL AND/AUTOMATED PROCESS.</p> <p>THE MANAGER OF OPERATIONS/FINANCIAL MANAGER AND THE ASSOCIATION MANAGER REVIEW AND CORRECT ENTRIES.</p> |  |  |  |
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| 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 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.<br><br>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. SINCE THEN, THE PLAN ADMINIS TRATOR LARRY HELLER, ASKED THAT WE TRY TO KEEP OUR PAYMENT AROUND \$100,000 TO KEEP IT IN GOOD SHAPE. | STACY DUTTON<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927<br><br>LARRY HELLER<br>(201) 741-7449<br>PPIO<br><br>GARY STOVER<br>(515) 452-4279<br>PRINCIPAL<br>FINANCIAL |
| SPECIFIC RISK EVENT:           | RISK OVERALL ASSESSMENT   |   | CURRENT RISK MANAGEMENT   | CONTROL IMPROVEMENT   | STATUS  | RESPONSIBLE TAIPA EMPLOYEE / VENDOR CONTACT/ COMMENTS   |
| RUNNING OUT OF MONEY           | PROBABILITY   | IMPACT  |   |   |   |   |
|                                | 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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927  |

| 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. |                     |        | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> |

### 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  |  |   |        |   |
|  | THIS HAPPENED IN 2019. WE LOST ONE LONG TERM EMPLOYEE AND ONE EMPLOYEE WHO HAD BEEN HERE A YEAR. | IT DEPENDS ON WHICH EMPLOYEES WOULD LEAVE BUT REGARDLESS IT IS DIFFICULT TO HAVE 2 EMPLOYEES PERFORMING ALL OF THE DUTIES | WE CONTINUE TO CROSSTRAIN EMPLOYEES. DUE TO THE FACT THAT WE HAVE HAD TURNOVER, THIS IS AN ONGOING PROCESS. THERE ARE CURRENTLY A NUMBER OF DUTIES THAT ONLY ONE EMPLOYEE IS CURRENTLY TRAINED ON INCLUDING – CALCULATING ASSESSMENTS, CREATING AND SENDING TAIPA'S RATES TO TDI FOR HELP INSURE, ADDING TAIPA'S RATES TO THE RULES AND RATING | 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>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>AMANDA REYNOLDS<br/>737-256-2888</p> <p>RUTH WISE<br/>512-531-7263</p> |



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|  |  |  | MANUAL,<br>COMPLETING<br>TAIPA'S BANK<br>RECONCILIATION,<br>AND COMPLETING<br>PAYROLL. |  |  |  |
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| PERSONNEL<br>CHANGES<br>SPECIFIC<br>RISK EVENT:                                     | RISK OVERALL ASSESSMENT   |        | CURRENT RISK<br>MANAGEMENT   | CONTROL<br>IMPROVEMENT  | STATUS   | RESPONSIBLE TAIPA<br>EMPLOYEE / VENDOR<br>CONTACT/<br>COMMENTS  |
|---|---|--------|--|---|--|---|
|   | PROBABILITY   | IMPACT |  |   |  |   |
| Death of an Employee,<br>Employee Leaving without<br>notice, Employee<br>Retirement | MEDIUM<br>HIGH  | HIGH   |  |   |  |   |
|   | <p>This has happened at TAIPA – 2016 – Employee Death<br/>2019 – Employee left with no notice</p> <p>We have two employees approaching retirement age in next 3 to 5 years.</p> <p>Currently, Stacy Dutton is planning on retiring at the end of December 2026 so we will need to prepare for this.</p> |        | 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 THE CALENDAR AS WELL | <p>ADDED SOPS AND TRAININGS ON VARIOUS PROJECTS. ALL STAFF HAS PARTICIPATED IN LEARNING ABOUT QUOTA, OVER/UNDER REPORTS,</p> <p>OPEN DISCUSSIONS ABOUT EMPLOYEES NOT BEING HERE AND HOW PREPARED WE ARE.</p> | <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> <p>MIMI LEECE<br/>512-531-7258<br/>(CELL)<br/>512-468-6927</p> <p>AMANDA REYNOLDS<br/>737-256-2888</p> <p>RUTH WISE<br/>512-531-7263</p> |

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|  | <p>STACY HAS SOME CONCERNS ABOUT TAIPA'S ATTORNEY RETIRING IN THE SAME GENERAL TIME FRAME. ALTHOUGH MIKE JONES IS NOT AN EMPLOYEE OF TAIPA, STACY INDICATED THAT HAVING AN ATTORNEY WHO WAS FAMILIAR WITH TAIPA WAS HELPFUL TO HER WHEN SHE TOOK OVER AS THE ASSOCIATION MANAGER. IN ADDITION, THERE HAVE BEEN SOME STAFFING CHANGES THAT HAVE TAKEN PLACE AT THOMPSON COE SO TAIPA MAY WANT TO RESEARCH WHO WOULD BE AVAILABLE TO REPRESENT TAIPA ON LEGAL MATTERS THAT MIKE JONES DOES NOT HANDLE SUCH AS LOBBYING, ETC.</p> | <p>IT DEPENDS ON WHICH EMPLOYEES WOULD PASS BUT REGARDLESS IT IS DIFFICULT WITH SUCH A SMALL STAFF</p> | <p>WE WOULD NEED TO RETRIEVE TAIPA PROPERTY LEFT AT EMPLOYEES HOME</p> | <p>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 ALL OF THE ITEMS THAT EACH EMPLOYEE HAS AT HOME</p> <p>STACY HAS BEEN OUT OF THE OFFICE ON A COUPLE OF DIFFERENT OCCASSIONS FOR A MONTH OR SO WHERE SHE WORKED FROM A DIFFERENT LOCATION. STAFF DID WELL AND THERE WERE NO PROBLEMS WITH HER NOT BEING IN THE OFFICE. SHE EXPECTS THE SAME WHEN SHE RETIRES AND IS WORKING WITH STAFF TO MAKE SURE THAT SOMEONE CAN STEP IN ON ANY ONE OF HER TASKS</p> <p>THE GOVERNING COMMITTEE MAY WANT TO CONSIDER PUTTING TOGETHER A PLAN FOR FILLING THE POSITION IN THE FUTURE.</p> <p>STACY SUGGESTS THAT TAIPA MAY WANT TO DO AN RFP FOR LEGAL IN 2025 TO ENSURE THAT THERE WILL BE CONTINUITY GOING FORWARD</p> | <p>PRESENT THESE UPDATES TO THE GOVERNING COMMITTEE AT THE NOVEMBER 2024 MEETING AND MOVE FORWARD ON THEIR DIRECTIVES.</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   |  |                     |   |  |
| LOSS OF TWO OR MORE GOVERNING COMMITTEE MEMBERS AT THE SAME TIME | HIGH  | HIGH   |  |                     |   |  |
|  | <p>THIS HAS HAPPENED ON MORE THAN ONE OCCASION. PROBABLY THE MOST SIGNIFICANT TIME WAS WHEN THERE WERE 3 GOVERNING COMMITTEE MEMBERS WHO LEFT AT THE END OF THE YEAR. IN ADDITION, THEY WERE ALL OFFICERS SERVING AS CHAIR, VICE CHAIR AND 2<sup>ND</sup> VICE CHAIR SO THE INDIVIDUAL SERVING AS SECRETARY WAS THE ONLY ONGOING OFFICER AND MOVED FROM SECRETARY TO CHAIR.</p> | <p>THE IMPACT WHEN WE LOST THE 3 OFFICERS AT THE SAME TIME WAS LESSENED BY THE FACT THAT THE SECRETARY WHO BECAME CHAIR HAD EXPERIENCE WITH OTHER TAIPA LIKE ORGANIZATIONS AND WAS COMFORTABLE WITH BEING A CHAIR.</p> | <p>WHEN THE 3 OFFICERS LEFT, THE NEW CHAIR FORMALIZED PROCESSES AND WORKED TO GET MORE GOVERNING COMMITTEE MEMBERS INVOLVED BY HAVING THEM SERVE ON THE SUBCOMMITTEES. HE STARTED THE PROCESS OF ONLY HAVING GOVERNING COMMITTEE MEMBERS SIT ON THE SUBCOMMITTEES.</p> <p>CURRENTLY TAIPA GIVES THE CURRENT CHAIR THE BACKGROUND ON THIS AND ASKS IF THEY WANT TO IMPLEMENT THE SAME PROCESS OR NOT. SO FAR, MOST OF THE CHAIRS HAVE CONTINUED THIS PROCESS.</p> <p>CONTINUE TO ENCOURAGE AS MANY GOVERNING COMMITTEE MEMBERS AS POSSIBLE TO SERVE ON SUBCOMMITTEES SO THAT THE BENCH STRENGTH WILL BE IMPROVED.</p> |                     | <p>CURRENT EFFORTS ARE NOT WORKING GREAT.</p> <p>IT SEEMS THAT INSURANCE COMPANIES ARE EXTREMELY BUSY RIGHT NOW AND EMPLOYEES ARE STRETCHED THIN.</p> | <p>TAIPA GOVERNING COMMITTEE CHAIR MATTHEW SNYDER<br/>512-533-8224<br/>512-217-4746 CELL</p> <p>ALL GOVERNING COMMITTEE MEMBERS</p> <p>STACY DUTTON<br/>512.531.7271<br/>(CELL)<br/>512-779-8283</p> |

**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<br>512.531.7271<br>(CELL)<br>512-779-8283<br><br>MIMI LEECE<br>512-531-7258<br>(CELL)<br>512-468-6927 |
| EMPLOYEE INFO – HR FILE, ADP, PRINCIPAL, PRUDENTIAL, UNITED HEALTHCARE, SUN LIFE<br><br>INSUREDS – APPLICATIONS & AIPSO<br><br>PRODUCERS – AIPSO<br><br>COMPANIES – AIPSO AND SAGE<br><br>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:

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

### 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.
- 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.

|  |  |
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| Employees will be warned to evacuate the building using the following systems.   | <b>Fire Alarm</b><br><b>Building Management</b><br><b>TAIPA Management</b> |
| Employees should assemble at   | Typically employees will use the stairs to evacuate the building.          |
| 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<br>Building Management   |
| Designated tornado shelters  |  |
| Familiarize yourself with these terms to help identify a tornado hazard:   | <ul style="list-style-type: none"> <li>• Tornado Watch: Tornadoes are possible. Remain alert for approaching storms. Stay tuned to Weather Radio, radio, or internet news for information.</li> <li>• Tornado Warning: A tornado has been sighted or indicated by weather radar. If you are under a tornado warning, seek shelter immediately!</li> </ul>  |
| If you are not in the TAIPA office   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• If you are in a vehicle, get out immediately and go to the lowest floor of a sturdy, nearby building or storm shelter.</li> <li>• If no shelter is available, lie flat in a nearby ditch or depression and cover your head with your hands.</li> </ul> |

#### 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"> <li>• Lock door if it is safe to do so.</li> <li>• Call 911 if it is safe to do so.</li> <li>• Stay away from windows.</li> </ul> |
| 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<br>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 |
|-----------------------------|--|

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

**FIRE EMERGENCY PLAN**

|                            |  |
|----------------------------|--|
| <b>Fire Safety</b>         | <ul style="list-style-type: none"> <li>• Know where the emergency exits and fire alarm pull stations are in your building.</li> <li>• Know at least two ways out of your building or off of your floor.</li> <li>• Know where the stairs are.</li> <li>• When you hear the fire alarm, evacuate! Do not assume it is a drill or false alarm</li> </ul>   |
| <b>If fire is reported</b> | <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"> <li>• Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III, Austin, TX 78746</li> <li>• Nature of Fire</li> <li>• Fire Location – Building and Floor</li> <li>• Name of person reporting the fire</li> <li>• Telephone number for return call</li> </ul> <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> |
| <b>Team Leader</b>         | <b>Stacy Dutton/Mimi Leece</b>   |

**BOMB THREAT EMERGENCY PLAN**

|   |   |
|---|---|
| <b>DO NOT EVACUATE UNLESS TO DO SO BY EMERGENCY PERSONNEL</b> |   |
| <b>If you receive a bomb threat</b>                           | <ul style="list-style-type: none"> <li>• Do Not assume it is a hoax.</li> <li>• 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"> <li>○ When is the bomb going to explode?</li> <li>○ Where is it?</li> <li>○ What does it look like?</li> <li>○ What will cause it to explode?</li> <li>○ Why did you place the bomb?</li> </ul> </li> <li>• If you have caller ID, write down the phone number that is displayed. Remember:             <ul style="list-style-type: none"> <li>○ Woman's or man's voice?</li> <li>○ Approximate age?</li> <li>○ Accent?</li> <li>○ Tone of voice?</li> </ul> </li> </ul> |

|                           |  |
|---------------------------|--|
|                           | <ul style="list-style-type: none"> <li>○ Background noise?</li> <li>• Call 911 Ask for immediate assistance and provide the following information:             <ul style="list-style-type: none"> <li>○ Business Name and address – TAIPA, 805 Las Cimas, Las Cimas III Austin, TX 78746</li> <li>○ Nature and extent of the emergency</li> <li>○ Your name and a number to reach you</li> <li>○ Follow the instructions of emergency personnel</li> </ul> </li> </ul> |
| <p><b>Team Leader</b></p> | <p><b>Stacy Dutton/Mimi Leece</b></p>  |



**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: \_\_\_\_\_

| CONTACT OR VENDOR                                | CONTACT INFORMATION                |   |
|--|------------------------------------|---|
| TAIPA Governing Committee                        | TAIPA Governing Committee Chairman | TAIPA Governing Committee Chair<br>Matthew Snyder<br>512-533-8224<br>512-217-4746 cell  |
| <b>Companies that come on-site:</b>              |                                    |   |
|  | Mail Courier                       | Courier Depot: 512-459-7472<br><a href="mailto:robert@courierdepot.com">robert@courierdepot.com</a><br>customer Number: 1812<br>Post Office (Northcross location): <a href="tel:8002758777">(800) 275-8777</a><br>Fed ex (customer service): 1 (800) 463-3339<br>UPS (customer service): 1 (800) 742-5877   |
|  | Shred company –                    | Balcones Shred (512) 744-4999<br>Account Number:sda0103662  |
|  | Las Cimas Management Company       | Las Cimas building management:<br>Building Owner: REDUS Properties, Inc.<br>Property Management Co.: HPI Real Estate Management Inc.<br>Jessica Resendez- Property Manager<br><a href="mailto:JResendez@hpitx.com">JResendez@hpitx.com</a><br>Shane Ellis, Senior Building Technician <a href="mailto:ellis@HPItx.com">ellis@HPItx.com</a><br>Maddison Shannon, Assistant Property Manager<br><a href="mailto:mshannon@hpitx.com">mshannon@hpitx.com</a><br>Main: <a href="tel:7372709570">(737)270-9570</a><br>Address: 807 Las Cimas Parkway Suite 120, Austin, Texas 78746 |
| <b>Companies that provide services to TAIPA:</b> |                                    |   |
|  | Telephone provider                 | Telephone Connection –<br>Matthew Monroe,<br>Account Manager at TC Tech Systems<br>525 Round Rock West Dr., Ste. A100,<br>Round Rock, TX 78681<br>Main: (512) 451-6101  <br>Mobile: (512) 334-7813<br><a href="mailto:matthew.monroe@tctechsystems.com">matthew.monroe@tctechsystems.com</a>  |
|  | Internet Provider                  | Spectrum<br>Telephone Number: 1-888-812-2591<br>Account Number:8260163000015473   |
|  | Sage/Accpac                        | JAMIE SCHMULSON (TECH SUPPORT MANAGER):<br>(713) 520-8022 X 102<br>ACCPAC Customer service # SAGE   |

|                            |                        |  |
|----------------------------|------------------------|--|
|                            |                        | CUSTOMER SERVICE 1-866-996-7243<br>SAGE Acct # 4000628103  |
|                            | Payroll Provider       | ADP Customer service # 1-877-603-7079<br>Acct # RNAYQ  |
|                            | Secretary of State     | Phone: (512)463-5555   |
|                            | Website Provider       | WP Engines<br>login: nmorgan<br>password: TexasTAIPA123!!<br>(LOWERCASE "EXAS")  |
|                            | AIPSO                  | Quota Support (quota related information & documentation)<br>TaipaQuotaSupport <a href="mailto:TaipaQuotaSupport@aipso.com">TaipaQuotaSupport@aipso.com</a><br>Company Updates:<br>Leite, Karen <a href="mailto:Karen.Leite@aipso.com">Karen.Leite@aipso.com</a><br>Allison Fikri <a href="mailto:Allison.Fikri@aipso.com">Allison.Fikri@aipso.com</a><br>APS Rewrite (Issues with APS-Batch, EASi entries, etc.)<br>APS Rewrite Support <a href="mailto:APSRewriteSupport@aipso.com">APSRewriteSupport@aipso.com</a><br>Automation Support (RSV Tokens & Passwords)<br><a href="mailto:Automation.Support@aipso.com">Automation.Support@aipso.com</a><br>COMPUTER OPERATIONS (EXPORT & RELATED ISSUES)<br>COMPUTER OPERATIONS<br><a href="mailto:ComputerOperations@aipso.com">ComputerOperations@aipso.com</a> |
|                            | Frost Bank             | Frost Bank Contact- Ryan Bennett(VP)-<br><a href="mailto:ryan.bennett@frostbank.com">ryan.bennett@frostbank.com</a><br>(512) 473-4308  |
| <b>Potential vendors -</b> | Temporary Office Space | Regus 855-400-3575 – Rents office space hourly, daily, monthly, etc.<br>Target Office 888-753-1777- Rent Office Space per person Monthly   |

# Exhibit 10

TAIPA PP Over/Under Report

Exhibit 10

11/06/2024

COMPANY

Year End 2020

Year End 2021

Year End 2022

Year End 2023

1st QTR 2024

2nd QTR 2024

|   | OVER              | UNDR   | OVER              | UNDR    | OVER | UNDR   | OVER        | UNDR    | OVER        | UNDR    | OVER | UNDR    |
|---|-------------------|--------|-------------------|---------|------|--------|-------------|---------|-------------|---------|------|---------|
| 21ST CENTURY CENTENNIAL INS CO (SC)       |                   | 82,479 |                   | 173,295 |      | 94,829 |             | 284,547 |             | 223,007 |      | 165,352 |
| ACUITY A MUT INS CO                       |                   |        |                   |         |      |        |             | 1       |             | 3       |      | 5       |
| AFFIRMATIVE INS CO (co is in liquidation) |                   | 2,831  | Went into storage |         |      |        |             |         |             |         |      |         |
| AMER FAMILY MUT INS CO SI                 |                   | 12     |                   | 12      |      | 0      | Entered LAD |         |             |         |      |         |
| AXA INS CO                                |                   | 21     |                   | 50      |      | 59     |             | 59      |             | 59      |      | 59      |
| BERKLEY INS CO                            | Became grouped    |        |                   |         |      |        |             |         |             |         |      |         |
| BRANCH INS EXCH                           |                   |        |                   |         |      | 56     | Entered LAD |         |             |         |      |         |
| CLEARCOVER INS CO                         |                   |        | Entered LAD       |         |      |        |             |         |             |         |      |         |
| DIRECT GEN INS CO                         | Became grouped    |        |                   |         |      |        |             |         |             |         |      |         |
| FREESTONE INS CO                          | Went into storage |        |                   |         |      |        |             |         |             |         |      |         |
| GOVERNMENT EMPLOYEES INS CO               |                   | 28,150 |                   | 58,246  |      | 73,402 | 3           |         | Entered LAD |         |      |         |
| GREENWICH INS CO                          |                   |        | New to quota      | 1       |      | 21     |             | 86      |             | 126     |      | 170     |

TAIPA PP Over/Under Report

Exhibit 10

11/06/2024

COMPANY

Year End 2020

Year End 2021

Year End 2022

Year End 2023

1st QTR 2024

2nd QTR 2024

|  | OVER              | UNDR    | OVER         | UNDR    | OVER         | UNDR         | OVER        | UNDR    | OVER           | UNDR    | OVER    | UNDR    |
|--|-------------------|---------|--------------|---------|--------------|--------------|-------------|---------|----------------|---------|---------|---------|
| HALLMARK COUNTY MUT INS CO                                     | 440,269           |         | 440,169      |         | 440,105      |              | 439,975     |         | 439,940        |         | 439,908 |         |
| HOUSTON GENERAL INS EXCH (co is in liquidation)                | New to quota      | 190     |              | 235     |              | 249          |             | 249     |                | 249     |         | 249     |
| INTEGON NATIONAL INS CO  |                   | 185,414 |              | 207,690 |              | 271,688      |             | 155,542 |                | 216,910 |         | 274,358 |
| MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO)              | Went into Storage |         |              |         |              |              |             |         |                |         |         |         |
| METROPOLITAN GEN INS CO (this co has zero basic quotaresearch) |                   |         |              |         |              |              |             | 24      |                | 24      |         | 24      |
| NATIONAL UNITY INS CO  |                   |         |              |         |              |              | Entered LAD |         |                |         |         |         |
| NOBLR RECIPROCAL EXCHANGE                                      |                   |         |              |         | Entered LAD  |              |             |         |                |         |         |         |
| SPINNAKER INS CO   |                   |         |              |         | Co is in LAD | 5            |             |         |                |         |         |         |
| STATE FARM MUT AUTO INS CO                                     |                   | 104,343 | Entered LAD  |         | 15           | Co is in LAD |             |         |                |         |         |         |
| TEXAS FARM BUREAU CAS INS CO                                   |                   | 36,078  | Entered LAD  |         |              |              |             |         |                |         |         |         |
| TREXIS ONE INS CORP (prev co ALFA SPECIALTY INS CORP)          |                   | 663     |              | 613     | 377          |              | 569         |         | 438            |         | 309     |         |
| UNITED SEC HEALTH & CAS INS CO/UNITED SECURITY INS CO          |                   |         |              |         |              | 3            |             | 39      | Became grouped |         |         |         |
| VAULT RECIPROCAL EXCHANGE                                      |                   |         | New to quota | 17      |              | 155          |             |         | Entered LAD    |         |         |         |

**TAIPA PP Over/Under Report**

Exhibit 10

**11/06/2024**

| COMPANY  | Year End 2020 |         | Year End 2021 |         | Year End 2022 |         | Year End 2023 |         | 1st QTR 2024  |         | 2nd QTR 2024 |         |
|--|---------------|---------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|--------------|---------|
|  | OVER          | UNDR    | OVER          | UNDR    | OVER          | UNDR    | OVER          | UNDR    | OVER          | UNDR    | OVER         | UNDR    |
| WINDHAVEN NATIONAL INS. CO (10348 ATX PREMIER INS CO) Co is in receivership as of 03/05/2020 |               | 88      |               | 10      |               | 3       |               |         | CO zeroed out |         |              |         |
| <b>TOTALS</b>  | 440,269       | 440,269 | 440,169       | 440,169 | 440,497       | 440,476 | 440,547       | 440,547 | 440,378       | 440,378 | 440,217      | 440,217 |

*Out of balance 21. Sent email to AIPSO See State Farm +15 & Amer Family Mut 0, Spinnaker 5*

|                         |           |           |         |           |                 |                 |
|-------------------------|-----------|-----------|---------|-----------|-----------------|-----------------|
| <b>PREMIUMS WRITTEN</b> | 1,262,528 | 1,000,446 | 928,016 | 1,319,669 | 1st qtr 509,088 | 2nd qtr 516,625 |
|-------------------------|-----------|-----------|---------|-----------|-----------------|-----------------|

# TAIPA OTPP Over/Under Report

Exhibit 10

11/06/2024

COMPANY

Year End 2020

Year End 2021

Year End 2022

Year End 2023

1st QTR 2024

2nd QTR 2024

|   | OVER   | UNDR      | OVER      | UNDR | OVER                   | UNDR | OVER              | UNDR | OVER              | UNDR | OVER      | UNDR |
|---|--|-----------|-----------|------|------------------------|------|-------------------|------|-------------------|------|-----------|------|
| ACCIDENT INS CO                                     | Entered CLAD   |           |           |      |                        |      |                   |      |                   |      |           |      |
| AMER CONTRACTORS INS RISK RET. GRP                  | Started writing again<br>16,743 out of storage in 2020 |           | 19,797    |      | 21,815                 |      | 21,815            |      | 22,918            |      | 24,676    |      |
| AMER COUNTRY INS CO                                 |  | 1,535     | 1,535     |      | Company has zeroed out |      |                   |      |                   |      |           |      |
| BRITISH AMERICAN INS CO                             | 822  |           | 611       |      | 264                    |      | 264               |      | 367               |      | 530       |      |
| CIMARRON INS CO INC                                 |  |           |           |      |                        |      |                   |      |                   |      |           |      |
| CLEAR SPRING PROP & CAS CO                          |  |           |           |      |                        |      | 9                 |      | 253               |      |           |      |
| GATEWAY INS CO                                      |  | 2,739     |           |      |                        |      |                   |      |                   |      |           |      |
| GENERALI US BRANCH                                  |  |           |           |      | 1                      |      | 1                 |      | 1                 |      | 1         |      |
| GOVERNMENT EMPLOYEES INS CO                         | 478,955  |           | 463,695   |      | 451,023                |      | 439,170           |      | 436,989           |      | 433,511   |      |
| GREYHAWK INS CO                                     |  |           |           |      |                        |      |                   |      | New to quota<br>9 |      | 22        |      |
| HOUSING ENTERPRISE INS CO INC                       |  | 12        | 12        |      | 12                     |      | Went into storage |      |                   |      |           |      |
| HOUSTON GENERAL INS EXCHANGE (co is in liquidation) |  |           | 372       |      | 372                    |      | 372               |      | 372               |      | 372       |      |
| INTEGON NATIONAL INS CO                             |  | 1,775,103 | 1,874,186 |      | 1,829,273              |      | 1,815,421         |      | 1,810,811         |      | 1,804,612 |      |
| INTREPID INS CO                                     | Became grouped   |           |           |      |                        |      |                   |      |                   |      |           |      |
| LUMBERMENS CAS INS CO                               |  |           |           |      |                        |      |                   |      |                   |      |           |      |



TAIPA OTPP Over/Under Report

Exhibit 10

11/06/2024

COMPANY

Year End 2020

Year End 2021

Year End 2022

Year End 2023

1st QTR 2024

2nd QTR 2024

|  | OVER           | UNDR    | OVER         | UNDR | OVER                   | UNDR | OVER    | UNDR | OVER           | UNDR | OVER    | UNDR |
|--|----------------|---------|--------------|------|------------------------|------|---------|------|----------------|------|---------|------|
| MIDCONTINENT CAS CO  | 743,230        |         | 742,224      |      | 740,792                |      | 739,272 |      | 738,926        |      | 738,374 |      |
| MIDVALE IND CO   |                |         |              |      |                        |      |         | 85   |                |      |         | 402  |
| MGT INS CO   |                |         |              |      |                        |      |         |      | New to quota   | 1    |         | 3    |
| MOTORISTS COMM MUT INS CO (co has zeroed outprev Amer Hardware Mut Ins Co) | 27,086         |         | 27,086       |      | Company has zeroed out |      |         |      |                |      |         |      |
| MS TRANSVERSE INS CO   |                |         |              |      |                        |      |         |      | New to quota   | 4    |         |      |
| NEXT INS US CO/Restricted Withdrew from the market 11/03/23                |                |         |              | 49   |                        | 566  |         |      |                | 127  |         | 329  |
| NORTH POINTE INS CO  |                |         |              |      |                        |      |         |      | Became grouped |      | 90      |      |
| NUTMEG INS CO  |                |         |              |      |                        |      |         | 203  |                | 207  |         |      |
| OKLAHOMA SURETY CO   | 676,507        |         | 675,699      |      | 674,694                |      | 673,510 |      | 673,296        |      | 672,956 |      |
| PREFERRED PROFESSIONAL INS CO  |                |         |              |      |                        |      |         |      |                | 226  |         |      |
| RIVERPORT INS CO   | Became grouped |         |              |      |                        |      |         |      |                |      |         |      |
| SAMSUNG FIRE & MARINE INS CO   |                |         |              |      |                        | 2    |         | 4    |                | 6    |         | 9    |
| STARNET  |                |         | Entered CLAD |      |                        |      |         |      |                |      |         |      |
| STATE FARM MUT AUTO INS CO   |                | 104,930 | Entered CLAD |      |                        |      |         |      |                |      |         |      |
| TEXAS FARM BUREAU CAS INS CO (prev Southern Farm Bur)                      |                | 29,114  | Entered CLAD |      |                        |      |         |      |                |      |         |      |

**TAIPA OTPP Over/Under Report**

Exhibit 10

**11/06/2024**

| COMPANY                 | Year End 2020    |                  | Year End 2021    |                  | Year End 2022    |                  | Year End 2023    |                  | 1st QTR 2024     |                  | 2nd QTR 2024     |                  |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                         | OVER             | UNDR             | OVER             | UNDR             | OVER             | UNDR             | OVER             | UNDR             | OVER             | UNDR             | OVER             | UNDR             |
| TEXAS HOSPITAL INS EXCH |                  | 13,086           |                  | 13,280           |                  | 13,498           |                  | 13,694           |                  | 13,735           |                  | 13,801           |
| TIG INS CO              |                  | 81               |                  | 84               |                  | 84               |                  | 84               |                  | 84               |                  | 84               |
| TRISURA INS CO          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| WATFORD INS CO          |                  |                  |                  |                  |                  | 1,150            |                  |                  |                  |                  |                  |                  |
| <b>TOTALS</b>           | <b>1,926,600</b> | <b>1,926,600</b> | <b>1,909,315</b> | <b>1,909,315</b> | <b>1,866,773</b> | <b>1,866,773</b> | <b>1,851,952</b> | <b>1,851,952</b> | <b>1,849,211</b> | <b>1,849,211</b> | <b>1,844,841</b> | <b>1,844,841</b> |

|                          |                  |                  |                  |                  |                        |                        |
|--------------------------|------------------|------------------|------------------|------------------|------------------------|------------------------|
| <b>PREMIUMS CREDITED</b> | <b>1,737,041</b> | <b>1,695,128</b> | <b>1,750,543</b> | <b>1,820,858</b> | <b>509,088 1st qtr</b> | <b>516,625 2nd qtr</b> |
|--------------------------|------------------|------------------|------------------|------------------|------------------------|------------------------|