

Texas Automobile Insurance Plan Association Governing Committee
Friday, February 14th, 2025 at 10:00am
Via - Zoom or In Person at Building Conference Room:
807 Las Cimas Parkway, Austin, TX 78746

1. Call to Order

The meeting was called to order by Matthew Snyder at 10:01 AM.

2. Roll Call / Attendance

Attendees:

Governing committee:

Matthew Snyder (Chair)

David Weber

John Lusardi

Becky Jackson

Mary Carol Awalt

Brian Ferguson

John Lusardi

Ramon Montalvo

Michael Burke

Doug Queenin

Betsy Blair

Ron Wiest

Laura Hausman

Carmelita Hogan

Legal:

Michael Jones (Counsel)

TDI:

Melissa Herman

Dan Paschal

Jessica Barta

Katelyn Boehm

Doug Danzeiser

TAIPA:

Stacy Dutton

Mimi Leece

Ruth Wise

Amanda Reynolds

3. Reading of the Anti-Trust Statement

Stacy Dutton read the Anti-Trust Statement.

4. Conflict of Interest Policy Disclosures

Michael Jones went over the TAIPA Conflict of Interest Policy and disclosures.

5. Opening Remarks

Chair Matthew Snyder opened the meeting by explaining the purpose:

- TAIPA received notice in January 2025 that TDI's Audit Department would conduct a board review.
- TAIPA has not previously undergone such an audit, prompting the officers' meeting on January 13th, 2025.
- TDI agreed to provide firsthand insight regarding the audit project and proposed changes to the Plan of Operation.

6. Presentation by TDI Representatives

Dan Paschal, TDI

- Acknowledged that TDI could have provided this perspective sooner but appreciates the opportunity now.
- Emphasized TDI's role and responsibility under the Insurance Code to ensure well-run boards and committees.
- Stressed the uniqueness of TDI's structure: one Commissioner serving as both policy and executive head.
- Explained the legal and practical reasons why TDI has oversight over TAIPA and similar boards.
- The audit and Plan of Operation review are aimed at offering best practices, operational improvements, and benchmarking TAIPA against other organizations.
- Stated the audit process is standard practice and has been or will be applied to other boards.
- Clarified that the audit is not due to any concerns or negative findings about TAIPA.
- Reiterated that TDI intends to be collaborative and supportive throughout the process.

Jessica Barta, TDI

- Detailed the Plan of Operation revision process.
- TDI has completed similar updates with six other boards/committees in the past 18 months.
- Doug Danzeiser, an attorney with TDI, will assist TAIPA through this process.
- Proposed weekly standing meetings to keep the process on track.
- The goal is to consolidate all updates (including changes due to ICT and AFACT) into one submission for the Commissioner's approval, ideally by the April 11th, 2025, TAIPA board meeting.

Board Member Comments and Questions

Brian Ferguson-

- Asked about the timeline and level of engagement expected.
- Jessica Barta indicated the number of meetings depends on how aligned TAIPA is with TDI's proposed changes but anticipates only a few meetings.

Becky Jackson-

- Requested examples of suggestions made to other boards.
- Jessica Barta cited conflict of interest provisions and board member training requirements as common suggestions.
- Dan Paschal added that other boards sometimes had concentrated roles and missed statutory obligations like filing financial statements.

John Lusardi-

- Inquired about the April 11th, 2025, deadline and the volume of proposed changes.
- Jessica Barta clarified the deadline was based on TAIPA's schedule (officer elections and ICT/AFACT transitions).
- Jessica Barta noted the number of proposed changes is more than 10 but less than 25.

- Jessica indicated that she would send the proposed Plan of Operation changes shortly after this meeting.

8. Discussion on Audit Process

- Mary Margaret Leece asked about the expected time commitment for TAIPA staff.
- Dan Paschal explained the scope would reflect TAIPA's limited staffing and duties (no claims handling like other organizations). He emphasized that the audit should not be an imposition on staff.
- Timeline and scope discussions with TAIPA staff to be scheduled.

9. Concerns Raised by Governing Committee Members

- Expressed disappointment over the lack of early communication from TDI about the audit.
- Raised concerns about potential negative perception resulting from the internal audit report being shared with legislative bodies and other non-stakeholders.
- Suggested alternative methods of review that would avoid the stigma associated with an internal audit.
- Emphasized the need to protect TAIPA's reputation and to ensure legislators understand TAIPA's role and effectiveness.
- Proposed a cooperative approach and asked TDI to reconsider using the internal audit framework.

TDI's Response-

- Dan Paschal acknowledged the concerns and expressed willingness to explore alternative approaches to achieve the same goals.
- Stressed the value of the internal audit team's expertise but remained open to collaboration.
- Jessica Barta confirmed prior conversations with TAIPA staff and Governing Committee members as well as legal counsel Mike Jones about alternative solutions and expressed a commitment to ongoing dialogue.

10. Clarification on Plan of Operation Revisions

- David Weber asked if the proposed changes are suggestions or mandates.
- Jessica Barta clarified they are suggestions (except for statutory requirements like alternate member provisions).
- David Weber asked whether the updates could be phased or if they had to be completed by April 11, 2025.
- Jessica Barta suggested seeing how far apart the parties are after the initial meeting before deciding on timing.

- Dan Paschal confirmed there's flexibility, but TDI's guidance is to aim for a single comprehensive update to the TAIPA Plan of Operation.

11. Closed Session

- Motion made by David Weber to enter a closed session.
- Seconded by John Lusardi.
- Motion carried unanimously.
- Closed session began at 10:50 AM per Government Code Section 551.071 consultation with attorney.

12. Post-Closed Session Actions

- Motion by David Weber to direct counsel to negotiate with TDI on how to proceed with the information requested by TDI.
- Seconded by John Lusardi.
- Motion carried unanimously.
- No additional action items arose from the closed session.

13. Adjournment

- Motion to adjourn made by David Weber.
- Seconded by Becky Jackson.
- Motion carried unanimously.
- Meeting adjourned at 11:25 AM on February 14th, 2025.

Becky Bla — April 1, 2025