

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA)
TWENTY-SEVENTH ANNUAL REPORT
FOR THE PERIOD
JANUARY 1, 2020 THROUGH DECEMBER 31, 2020
AND
MINUTES OF ANNUAL MEETING
AUSTIN, TEXAS
MARCH 26, 2021

The Twenty-seventh Annual Meeting of the Members of the Texas Automobile Insurance Plan Association was held via phone conference, beginning at 8:45 am, Friday, March 26, 2021.

The meeting was called to order by Governing Committee Chair, Corise Morrison. Chair Morrison requested that the Anti-Trust Statement be read. The Association Manager, Stacy Dutton, read the statement. Ms. Dutton stated that a quorum was present.

Ms. Dutton reported on the selection of trade association representatives as prescribed in Section 36.A.1.a of the TAIPA Plan of Operation. The trade association representatives selected were:

- American Property Casualty Insurance Association (APCIA) – The Travelers Insurance Company
- National Association of Mutual Insurance Companies (NAMIC) – Hochheim Prairie Insurance
- Association of Fire & Casualty Companies of Texas (AFACT) – Texas Farm Bureau

Ms. Dutton reported the results of the Non-Affiliated insurers' ballot as prescribed in Section 36.A.1.b. The Non-Affiliated member elected was Allstate Insurance Company.

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

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

Ms. Morrison asked if there were any member company representatives on the phone who had not completed a proxy or ballot and sent it to the Association manager. No one responded. Ms. Morrison stated that for all companies who sent in their ballots, and by participating in this call, we assume you are confirming your ballot. She asked if anyone disagreed. No one responded.

Ms. Morrison stated that based on the ballots that we have and the companies confirmation of those ballots by participating in this call, the following companies:

Farmers Insurance

Safeco/Liberty Mutual

State Farm Mutual Automobile Ins. Co.

United Services Automobile Association (USAA)

are elected for a term of one year or until their successor is elected.

Ms. Morrison indicated that both the Association Manager's and Chair's reports were sent out with the agenda as exhibits and will become part of the record.

Ms. Morrison asked for a motion to adjourn. David Weber made the motion. Matt Snyder seconded the motion and the motion carried.

Ms. Morrison then stated that concludes our annual meeting and the meeting was adjourned at 8:54 am.

Annual Meeting Attendees:

Company Members:

Company Members:

Corise Morrison, USAA
David Weber, Hochheim Prairie
Bill Brooks, Texas Farm Bureau
Anh Vo, State Farm
Stephen Hylka, Liberty Mutual
Michael Hass, Liberty Mutual
Matt Snyder, Farmers
Ryan Shapiro, Travelers
Mike Schalk, Allstate
Carol Berthold, GEICO
John Lusardi, Integon
Doug Beck, 21st Century
Sean Cahill, Amica

Public Members:

Leslie Hurley, Public Member
Becky Jackson, Public Member
David Nardecchia, Public Member
Laura Hausman, Public Member

Producer Members:

Pete Hamel, Producer Member
Adam Payton, Producer Member
Ramon Montalvo, Producer Member

Counsel:

Michael Jones, Thompson Coe, Cousins & Irons

TAIPA Staff:

Stacy Dutton, Association Manager
Mimi Leece, Manager Operations/Financial Management
Mishayla Twyman, Customer Service/Administrative Support Specialist
Ruth Wise, Customer Service/Administrative Support Specialist

Other Attendees:

John Mooney, TDI

The following member companies were represented:

21st Century Advantage Insurance Company
21st Century Casualty Company
21st Century Centennial Insurance Company
21st Century Insurance Company
21st Century North America Insurance Company
21st Century Premier Insurance Company
Allstate County Mutual Insurance Company
Allstate Fire and Casualty Insurance Company
Allstate Indemnity Company
Allstate Insurance Company
Allstate Northbrook Indemnity Company
Allstate Property and Casualty Insurance Company
Allstate Texas Lloyd's
Allstate Vehicle and Property Insurance Company
America First Insurance Company
America First Lloyd's Insurance Company
American Agriculture Insurance Company
American Economy Insurance Company
American Equity Specialty Insurance Company
American Federation Insurance Company
American Fire and Casualty Company
American Guarantee & Liability Insurance Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
American Zurich Insurance Company
AmGuard Insurance Company
Amica Mutual Insurance Company
Amica Property and Casualty Insurance Company
Auto Club Casualty Company
Auto Club County Mutual Insurance Company
Auto Club Indemnity Company
Automobile Insurance Company of Hartford, Connecticut
Berkshire Hathaway Direct Insurance Company
Berkshire Hathaway Homestate Insurance Company
Berkshire Hathaway Specialty Insurance Company
Bristol West Specialty Insurance Company
Catastrophe Reinsurance Company
Central States Indemnity Co. of Omaha
Century-National Insurance Company
Charter Oak Fire Insurance Company

Colonial American Casualty & Surety Company
Colorado Casualty Insurance Company
Columbia Insurance Company
Direct General Insurance Company
Discover Property & Casualty Insurance Company
Donegal Mutual
EastGuard Insurance Company
Empire Fire and Marine Insurance Company
Employers Insurance Company of Wausau
Encompass Home and Auto Insurance Company
Encompass Indemnity Company
Encompass Independent Insurance Company
Encompass Insurance Company of America
Encompass Property and Casualty Company
Esurance Insurance Company
Esurance Insurance Company of New Jersey
Esurance Property and Casualty Insurance Company
Farm Bureau County Mutual Insurance Company of Texas
Farmers Insurance Exchange
Farmers Texas County Mutual Insurance Company
Farmington Casualty Company
Fidelity & Deposit Company of Maryland
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Finial Reinsurance Company
Fire Insurance Exchange
First Liberty Insurance Corporation, The
First National Insurance Company of America
Foremost County Mutual Insurance Company
Foremost Insurance Company Grand Rapids, Michigan
Foremost Lloyds of Texas
Foremost Property and Casualty Insurance Company
Foremost Signature Insurance Company
Garrison Property and Casualty Insurance Company
GEICO Advantage Insurance Company
GEICO Casualty Company
GEICO Choice Insurance Company
GEICO County Mutual Insurance Company
GEICO General Insurance Company
GEICO Indemnity Company
GEICO Secure Insurance Company
General Insurance Company of America
General Reinsurance Corporation
General Star National Insurance Company
Genesis Insurance Company
GoAuto Insurance Company
Government Employees Insurance Company
Hochheim Prairie Casualty Insurance Company

Imperial Fire and Casualty Insurance Company
Insurance Company of the South
Integon Indemnity Corporation
Integon National Insurance Company
Interinsurance Exchange of the Automobile Club
Ironshore Indemnity Inc.
Liberty County Mutual Insurance Company
Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Mutual Fire Insurance Company
Liberty Mutual Insurance Company
LM General Insurance Company
LM Insurance Corporation
LM Property and Casualty Insurance Company
Lyndon Southern Insurance Company
MIC General Insurance Corporation
Mid-Century Insurance Company
Mid-Century Insurance Company of Texas
Mountain States Indemnity Company
Mountain Valley Indemnity Company
National Farmers Union Property and Casualty Company
National General Assurance Company
National General Insurance Company
National General Insurance Online, Inc.
National Indemnity Company
National Insurance Association
National Liability & Fire Insurance Company
Netherlands Insurance Company, The
New South Insurance Company
Norguard Insurance Company
Northland Casualty Company
Northland Insurance Company
Ohio Casualty Insurance Company
Ohio Security Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Phoenix Insurance Company
Radnor Specialty Insurance Company
Redwood Fire and Casualty Insurance Company
Rock Ridge Insurance Company
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Lloyds Insurance Company
Select Insurance Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
St. Paul Protective Insurance Company
Standard Fire Insurance Company
State Auto Property & Casualty Insurance Company
State Automobile Mutual Insurance Company
State Farm County Mutual Insurance Company of Texas
State Farm Fire and Casualty Company
State Farm General Insurance Company
State Farm Lloyds
State Farm Mutual Automobile Insurance Company
Texas Farm Bureau Casualty Insurance Company
Texas Farm Bureau Mutual Insurance Company
Texas Farm Bureau Underwriters
Texas Farmers Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Insurance Company
Toggle Insurance Company
Transverse Insurance Company
TRAVCO Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
Travelers Casualty Company
Travelers Casualty Company of Connecticut
Travelers Casualty Insurance Company of America
Travelers Commercial Casualty Company
Travelers Commercial Insurance Company
Travelers Constitution State Insurance Company
Travelers Home and Marine Insurance Company
Travelers Indemnity Company
Travelers Indemnity Company of America
Travelers Indemnity Company of Connecticut
Travelers Lloyds Insurance Company, The
Travelers Lloyds of Texas Insurance Company
TRAVELERS PERSONAL INSURANCE COMPANY
Travelers Personal Security Insurance Company
Travelers Property Casualty Company of America
Travelers Property Casualty Insurance Company
Truck Insurance Exchange
U.S. Underwriters Insurance Company
United Services Automobile Association
United States Fidelity and Guaranty Company
United States Liability Insurance Company
Universal Underwriters Insurance Company
Universal Underwriters of Texas Insurance Company
USAA Casualty Insurance Company
USAA County Mutual Insurance Company
USAA General Indemnity Company

Wausau Business Insurance Company
Wausau Underwriters Insurance Company
Wellfleet New York Insurance Company
West American Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company of Illinois



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ASSOCIATION MANAGER'S REPORT

Texas Automobile Insurance Plan Association (TAIPA) Annual Meeting – March 26, 2021

The following are the number of applications TAIPA assigned in 2020, 2019, 2018, and 2017:

| | | |
|------|-------|--|
| 2020 | 1629 | (1365 private passenger apps and 264 commercial) |
| 2019 | 2606 | |
| 2018 | 3,338 | |
| 2017 | 3,508 | |

The number of applications assigned in 2020 was 977 less than assigned in 2019, a 37.49% decrease.

The TAIPA budget for 2021 is \$912,400 which is \$66,900 more than the budget of \$845,500. This is a 7.91% increase.

The TAIPA assessment to the insurance companies for 2021 is \$850,000 which is \$90,000 more than our 2020 assessment of \$760,000. This is an 11.84% increase.

A rate change to TAIPA rates for commercial rates were approved in 2020 to be effective March 1, 2021.

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

- Plus 5.0 percent for bodily injury liability,
- Plus 5.0 percent for property damage liability,
- Plus 0.0 percent for personal injury protection,
- Plus 0.0 percent for uninsured/underinsured motorist bodily injury liability
- Plus 0.0 percent for uninsured/underinsured motorist property damage liability

TAIPA implemented a COVID 19 2020 Relief program which required forming an additional subcommittee and holding an additional meeting of the Governing Committee.

TAIPA operated with 4 full time employees in 2020 with 2 of the employees being new to TAIPA. The fact that the employees were new required the Manager of Operations/Financial Management to spend a considerable amount of her time training new employees while she was still trying to transition from her previous position as a Customer Service and Administrative Support Level II position. TAIPA employees started working entirely from home just ahead of the Governor's mandate. This required even more of the Manager of Operations/Financial Management time for training, finding new ways to train in addition to having to take on some of the customer service correspondence. I would like to thank Mishayla Twyman and Ruth Wise for figuring out new ways to work in 2020. I would be remiss if I did not thank Mimi Leece for all of her efforts to train staff, ensure that they had what they needed to perform the customer service duties and staying with me through another very difficult year.

I would again like to thank you all for the support and encouragement that I received from the TAIPA Governing Committee, the TAIPA officers, and the TAIPA sub-committees as well as TAIPA counsel this year. I especially want to thank Corise Morrison for her guidance, care and concern for the TAIPA employees. Obviously, each company and employee struggled through a lot of new territory related to how to operate with COVID in 2020, but I always felt that Corise kept an eye out for TAIPA in 2020. I also want to thank Mike Jones, TAIPA's attorney and TDI for assisting us with pushing through the COVID 19 2020 Relief program and TAIPA's commercial rates in a very challenging year.

Through the combined efforts of all of the TAIPA staff, TAIPA continued to provide excellent service to TAIPA applicants, producers, vendors, regulators and members of the TAIPA Governing Committee in 2020.

**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA)
CHAIR'S REPORT MARCH 26, 2021 TAIPA ANNUAL MEETING**

I'm Corise Morrison with USAA, and I am an At-Large Member. I had the privilege to serve as the Chair of the TAIPA Governing Committee in 2020.

In 2020, the TAIPA Governing Committee like most organizations, had to determine how to operate and best to serve our insureds, member companies, producers, as well as TAIPA employees. The Governing Committee determined that TAIPA should come up with a plan to assist TAIPA insureds in response to the Texas Governor's Stay Home Orders. The Governing Committee created a COVID 19 2020 TAIPA Relief Program which required companies that write private passenger policies through TAIPA to give TAIPA insureds a 15% credit or refund for any policies in effect in April and May of 2020. This program was successfully implemented as a direct result of the TAIPA Governing Committee, the COVID 19 2020 TAIPA Relief Subcommittee, TAIPA staff, TAIPA Counsel and TDI all working together to develop the program, get it approved and implemented.

I'd like to offer thanks to all of the other members of the Governing Committee, Becky Jackson, Stephen Hylka, Anh Vo, and David Weber who all served as officers over the past year, as well as Bill Brooks, Mike Schalk, Ryan Shapiro, Matthew Snyder, Carmelita Hogan, Mary Carol Awalt, Laura Hausman, Leslie Hurley, Pete Hamel, Adam Payton, Ramon Montalvo, and David Nardecchia.

I want to recognize and thank the TAIPA staff, Stacy Dutton, Mimi Leece, Mishayla Twyman and Ruth Wise for continuing to rebuild the TAIPA team in 2020 and implementing a plan to work from home during the COVID pandemic and still meet the needs of the insureds, producers, and insurance companies that rely on TAIPA services.

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

It has been a pleasure serving as chair this past year.