

**Texas Automobile Insurance Plan Association Governing Committee Meeting
Friday, March 24, 2023 – 9:00 A.M.**

Zoom Call

Topic: TAIPA Annual Meeting & Governing Committee Meeting - Friday, March 24th, 2023
Time: Mar 24, 2023 08:45 AM Central Time (US and Canada)

Join Zoom Meeting

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TAIPA will be holding the TAIPA Annual Governing Committee Meeting as a Zoom Meeting.

- If you are interested in attending via zoom, please contact Amanda Reynolds at areynolds@taipa.org so we can add you to our attendance list.
- If you plan to attend in person at 807 Las Cimas Parkway, Building Conference Room, Austin, TX 78746, please let Mimi Leece at mleece@taipa.org know so that we can make arrangements.

ANNUAL MEETING AGENDA
Texas Automobile Insurance Plan Association
March 24, 2023 - 8:45 AM

TAIPA will be holding the TAIPA Annual Governing Committee Meeting as a Zoom Meeting.

1. Call to Order
2. Reading of the Anti-Trust Statement
3. Determination of Quorum
4. Governing Committee Member Positions: Trade Association
5. Governing Committee Member Positions: Election of Four or Five At-Large Insurers
6. Manager's Report (Exhibit 1)
7. Chairman's Report (Exhibit 2)
8. Adjournment

Exhibit 1

ASSOCIATION MANAGER'S REPORT

Texas Automobile Insurance Plan Association (TAIPA) Annual Meeting – March 24, 2023

The following are the number of applications TAIPA assigned in 2022, 2021, 2020, and 2019:

2022	1,352 (1087 private passenger apps and 265 commercial)
2021	1,381
2020	1,629
2019	2,606

The number of applications assigned in 2022 was 29 less than assigned in 2021, which is a 2.1% decrease.

The TAIPA budget for 2023 is \$1,043,700.00 which is \$170,450 more than the 2022 budget of \$873,250. This is a 19.52% increase.

The TAIPA assessment to the insurance companies for 2023 is \$858,600 which is \$115,600 more than our 2022 assessment of \$743,000. This is 15.56% increase.

The TAIPA Governing Committee voted to request a 5% rate increase for both TAIPA's Private Passenger and Other than Private Passenger rates at the November 18, 2022 Governing Committee Meeting. The Governing Committee asked that TAIPA's legal counsel to submit the increase rate request to TDI. As was agreed to previously, TAIPA legal counsel also requested to eliminate the \$1 fee that is added "for the first auto dealer's plate for an individual or husband and wife and for each designated person" as part of this rate filing. The request was submitted to TDI on January 3, 2023 and approved to go into effect on June 1, 2023.

In 2022 TAIPA staff worked with:

- Strategic Planning Subcommittee to
 - continue to review the risk of TAIPA volume increasing – specifically what TAIPA staff could do to assist insurance agents with training should there be a change in the market. TAIPA's Enterprise Risk Management Plan was updated and staff continues to work on ideas and projects that could assist producers.
 - Review TAIPA's current staffing,

- Review and evaluate possible office space locations for the TAIPA office. TAIPA staff is very grateful that the Governing Committee voted to renew TAIPA's current lease at 805 Las Cimas Parkway.
- Operation Subcommittee in
 - assisting the new chairs with information and research on the various issues being reviewed by the subcommittee,
 - continued research and review possible solutions on
 - What companies leaving the Texas Market should do to meet the obligation to TAIPA.
 - What TAIPA should do if our LAD/CLAD providers opted to leave the Texas market,
 - Reviewing the language in TAIPA policies to ensure they are where they need to be and that they address such issues as peer to peer sharing, and language regarding minors.
- Audit and Finance Subcommittee and TAIPA's auditors to complete a successful audit of our 2021 financials and propose a 2023 budget.
- Providing training to the producers and their staff to avoid future errors in the applications they submit and thus avoiding the need for the Producer Review Subcommittee to meet.

TAIPA operated with 4 full time employees in 2022 and had no turnover in 2022. The Manager of Operations/Financial Management continued to spend time training new employees while she continued to manage TAIPA's financials. I want to sincerely thank Mimi Leece for all of her efforts to train staff, and ensure that they had what they needed to perform the customer service duties as well as take on some of the accounts payable and receivable duties. Although it was another year of intense training, we made tremendous progress in 2022 with staff now being much more self-sufficient. This would not have been possible without Ruth Wise continuing to assist Mimi in training Amanda. I would like to thank Amanda for taking on some of the previous accounting duties for me and both Ruth and Amanda working together to ensure that they are both trained on the various duties of their positions.

I would again like to thank the Governing Committee, the TAIPA officers, and the TAIPA subcommittees as well as TAIPA counsel this year for all the support and encouragement that I received over the year. I especially want to thank Becky Jackson for her guidance, as well as her care and concern for the TAIPA employees.

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 2022.

Exhibit 2

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA) CHAIR'S REPORT MARCH 24, 2023 TAIPA ANNUAL MEETING

I'm Becky Jackson, and I am a Public Member. I had the privilege to serve as the Chair of the TAIPA Governing Committee in 2022.

In 2022, the TAIPA Governing Committee continued to work through the various issues that came along with regard to COVID. We held our Annual Meeting and our November meeting via Zoom, but we did manage to hold our August meeting as an In-Person meeting as well as a Zoom meeting. The Governing Committee and its subcommittees continued to work on and study various projects.

The Strategic Planning Committee continued to work on:

- TAIPA's Revised Enterprise Risk Management Plan – specifically on how TAIPA could assist insurance agents on getting up to speed on submitting TAIPA applications if there was a change in the market.
- Toward the end of the year, the subcommittee recommended and the Governing Committee approved:
 - TAIPA's current staffing level
 - TAIPA's current salary structure
 - Signing a new 5 year lease at TAIPA's current location

The Operation Sub Committee had a challenging year both with the chair of the subcommittee turning over 3 times and the complexity of some of the issues that they were studying. David Weber came in as the 3rd chair of the committee. The subcommittee ultimately

1. Recommended a Plan of Operation change regarding what companies leaving the market must do if they leave the Texas Market. The Governing Committee approved the change in the November meeting and we are currently waiting for TDI's approval on the requested change to TAIPA's Plan of Operation.
2. Recommended that the next time that TAIPA makes changes to its policy, that we include language with regard to the family code requirement regarding minors being examined under oath and the need to have a parent/guardian present. Since the TAIPA policies are approved by the commissioner pursuant to TAIPA's Plan of Operation, there is no need to change the policy language immediately as the minor examination should be done in adherence to the family code law regardless of what the policy states. This was approved by the Governing Committee and the language will be added to the next proposed policy language. This completed the subcommittee's review of the TAIPA policies.

3. Recommended that the TAIPA policy did not need to be changed to include Peer-to-Peer language since there is language in the policy that addresses this. The Governing Committee agreed with this recommendation.
4. Studied various proposals in depth on what to do if the LADs leave the market. The subcommittee ultimately agreed to take the matter back to the Governing Committee to ask for clarification on what the Governing Committee was looking for on this. It was ultimately decided by the Governing Committee to table this issue because it is not an imminent threat in Texas.

The Governing Committee

1. Implemented the new policies that were approved in 2021 including:
 - a. Governing Committee members taking the Open Meetings Act training every two years.
 - b. The Revised Vendor Selection Process for TAIPA's 3rd Party relationships
 - c. The Revised Conflict of Interest Policy that Governing Committee Members and TAIPA Staff must sign each year.
2. Approved a 5% increase of TAIPA rates across the board for both Private Passenger and Commercial rates.
 - a. TAIPA's legal counsel has prepared and sent the rate filing to TDI.
 - b. Included in this rate filing is the proposal to delete the \$1 fee that is added for the first motor vehicle or dealer's plate for an individual, husband and wife with each designated person. As you may recall this change was approved by the Governing Committee in 2021 but the change had to be made in conjunction with a rate filing.

In 2022 we said goodbye to several long standing Governing Committee Members including Leslie Hurley, Mike Schalk, and Corise Morrison who retired from USAA in November. On a brighter note, we welcomed John Lusardi, Mike Voigt, and moved David Nardecchia from the Alternate Public Member to Public Member.

I'd like to offer thanks to all of the members of the Governing Committee. Thank you to Anh Vo, Matthew Snyder and David Weber, and Corise Morrison for serving in officer roles over the past year. I'd also like to thank Mike Voigt, John Lusardi, Ryan Shapiro, Carmelita Hogan, Mary Carol Awalt, Laura Hausman, Adam Payton, Ramon Montalvo, David Nardecchia, Mike Hass, Keith Wechsler, and Kit Morris for their service on the TAIPA Governing Committee in 2022.

I would be remiss if I didn't thank Doug Beck, Carol Berthold, and Sean Walsh for their leadership and work on the Operation Subcommittee in 2022.

I want to recognize and thank the TAIPA staff, Stacy Dutton, Mimi Leece, Ruth Wise and Amanda Reynolds for continuing to build the TAIPA team in 2022 and continue to 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.