

**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.

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

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Conflict of Interest Disclosures
5. Election of Officers*
6. Review and Approval of the Minutes of the November 18, 2022 Meeting (Exhibit 1)*
7. Chair's Report
 - A. Update on Governing Committee Members
8. Manager's Report
 - A. Application Count Update
 - a. For Yearend 2022(Exhibit 2)
 - b. As of February, 2023 (Exhibit 3)
 - B. Financial Update -
 - a. Financials for Yearend 2022 (Exhibit 4)
 - b. Request to update 2023 Budget due to not moving office locations.
 - C. LAD Recertification Completed*
 - D. Administrative Rules (Exhibit 5)
 - E. Reminder Governing Committee Members must take the Open Meetings Act training every 2 years.
 - F. Reminder that all Governing Committee members must sign the Conflict of Interest Policy annually (Exhibit 6).
9. Audit/Finance Committee Report
 - A. Audit Engagement Letter (Exhibit 7)*
10. Operations Subcommittee Report
 - A. Over/Under Report (Exhibit 8)

- 11. Report of Counsel
 - A. Discussion of Rate Process for 2022/2023 (Exhibit 9)
 - B. Update on Plan of Operation Changes (Exhibit 10)
 - C. Legislative Update
 - D. Update on Actuary
- 12. Next Meeting – August 18, 2023

- 13. Personnel Matters – Closed Session
 - A. Manager’s Review*

- 14. 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.

Attendees:

TAIPA Staff

Stacy Dutton
Mimi Leece
Amanda Reynolds
Ruth Wise

Governing Committee Members

Becky Jackson
Matthew Snyder
David Weber
Michael Burke
Michael Hass
Mike Voigt
Brian Ferguson
Carmelita Hogan
David Nardecchia
Mary Carol Awalt
Laura Hausman
Adam Payton
John Lusardi
Keith Wechsler

TAIPA Counsel

Mike Jones

TDI

John Mooney
Katelyn Boehm

OPIC

Mariah Holm

Other Company Members

Ron Wiest
Brent McGill

1. Call to Order

Chair Jackson called the meeting to order at 9:00 AM.
Mimi Leece explained how the Zoom meeting would proceed.

2. Introductions

Chair Jackson turned the meeting over to Stacy Dutton to call roll.

3. Reading of the Anti-Trust Statement

Stacy Dutton read the 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 Disclosures

The meeting was turned over to Mike Jones to review TAIPA’s Conflict of Interest Policy and disclosures.

5. Election of Officers*

The meeting was turned over to Matthew Snyder for the Nominating Subcommittee report. The nominating committee members are Carmelita Hogan, Matthew Snyder, and Adam Payton. Mr. Snyder presented the proposed 2023 officers for the TAIPA Governing Committee. The nominees were as follows:

Chair-Becky Jackson
1st Vice Chair-Matthew Snyder
2nd Vice Chair-David Weber
Secretary- John Lusardi

Chair Jackson asked for a motion to accept the nominees presented by the Nominating Committee. David Nardecchia made the motion. Keith Weschler seconded the motion. John Lusardi abstained. The motion carried. No other nominations were made. Chair Jackson asked for a motion to close nominations. Mike Voigt made the motion. Adam Payton seconded the motion. John Lusardi abstained. The motion carried. There was no further discussion regarding the nominees. Chair Jackson asked for a motion to elect the presented nominees. David Nardecchia made the motion. Mike Voigt seconded the motion. John Lusardi abstained. The motion carried.

6. Review and Approval of the Minutes of the November 18, 2022 Meeting (Exhibit 1) *
Chair Jackson turned the meeting over to David Weber for the review of the meeting minutes from the November 18, 2022 Governing Committee meeting. Mr. Weber reviewed what was discussed during the meeting. There were no changes needed and Chair Jackson asked for a motion to approve the minutes that were presented. John Lusardi made the motion to approve. Matt Snyder seconded the motion. The motion carried unanimously.

7. Chair's Report

A. Update on Governing Committee Members

Chair Jackson started the Chair's report by thanking Anh Vo and Ryan Shapiro for their service to TAIPA. Ms. Jackson welcomed Michael Burke, Janet Dewey, and Brian Ferguson to the committee. She also noted that John Lusardi previously served as the non-affiliated representative but has now moved to an At-Large member.

Chair Jackson thanked John Mooney and Marianne Baker of TDI for helping with the change to TAIPA's Plan of Operations.

The meeting was turned over to Stacy Dutton for the Manager's Report.

8. Manager's Report

A. Application Count Update

Ms. Dutton gave an update on the application counts. She gave an update on the applications as of December 31, 2022 (Exhibit 2) and the February 2023 application counts (Exhibit 3). Ms. Dutton stated that: In 2022 TAIPA assigned 1,352 applications compared to 1,381 applications received in 2021. In February, 2023 TAIPA received 129 applications compared to 72 applications received in February of 2022. Year to Date through February 2023 TAIPA received 252 applications compared to 176 applications received YTD through February 2022. This is 57 more applications or a 43.18% increase.

B. Financial Update

Ms. Dutton explained that TAIPA used 87.29% of its 2022 budget. There were two categories that were over budget for the year. The expense for the actuary were over budget as expected as well as employee benefits and computer equipment. Mrs. Dutton reminded the committee that TAIPA was approved to stay in the current location. To make up for the difference it was requested that TAIPA move funds from lease hold improvements and moving expenses to rent budget. This would be \$3,500 from lease hold improvements and \$12,300 from moving expense and put it into the rent. Chair Jackson asked for a motion to approve the transfer of funds. David Weber made the motion to approve the budget transfer. Matt Snyder seconded the motion. The motion carried.

C. LAD Recertification Completed*

TAIPA asked Integon National Insurance Company and 21st Century Centennial to reapply for LAD/CLAD servicing carrier status in Texas. This is required every five

years. Ms. Dutton stated that both companies met all of the requirements and both companies had reapplied. There were no questions or comments. There was a motion to approve Integon National's LAD/CLAD status. David Weber made the motion. Keith Weschler seconded the motion. John Lusardi abstained. The motion carried. A motion was made to approve 21st Century Centennial's LAD status. David Weber made the motion and David Nardecchia seconded the motion. John Lusardi, Matt Snyder, and Ron Wiest abstained. The motion carried.

D. Administrative Rules (Exhibit 5)

The administrative rules were distributed. It is TAIPA's policy to distribute these at the first Governing Committee meeting of the year as a reminder to all members. There were no questions or concerns regarding this.

E. Reminder Governing Committee Members must take the Open Meetings Act training every 2 years.

Mrs. Dutton gave a reminder to the Governing Board members that they must complete the online Open Meetings Act training once every two years. Mrs. Dutton noted that Amanda Reynolds would be contacting anyone that needs to take the training again.

F. Reminder that all Governing Committee members must sign the Conflict of Interest Policy annually. (Exhibit 6).

Mrs. Dutton reminded the Governing Committee members that they are all required to sign TAIPA's Conflict of Interest agreement once every year. A copy of the conflict of interest was provided as Exhibit 6. There were not comments regarding this and that concluded the manager's report.

9. Audit/Finance Committee Report

Mr. Snyder went over the Audit Engagement Letter from Atchley and Associates (Exhibit 7). He noted that it is the same letter that Atchley provides each year stipulating their responsibilities, TAIPA's responsibilities and what they will do and provide in the financial audit. The estimated cost for the audit is between \$14,500 and \$15,500. Mr. Snyder asked for a motion to approve the financial audit to be performed by Atchley and Associates. The motion was made by Mike Voigt. John Lusardi seconded the motion. The motion carried.

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

10. Operations Subcommittee Report

A. Over/Under Report (Exhibit 8)

David Weber noted that the Over/Under Report was provided as Exhibit 8 and stated that other than providing the report, there was nothing of significance to report at the meeting.

The meeting was turned over to Mike Jones for the report of counsel.

11. Report of Counsel

A. Discussion of Rate Process for 2022/2023 (Exhibit 9)

Mr. Jones stated that the November 2022 meeting TAIPA approved to have a 5% rate increase for all coverages across the board in both commercial auto and private passenger. TAIPA's rate filing was made on January 3, 2023 to TDI. TDI approved the filing by Commissioner's order No. 2023-7832 which was issued on March 6, 2023. The rate change will be effective June 1, 2023. The filing also included a change to TAIPA's Rules and Rating Manual to remove a \$1 charge from the uninsured motorist coverages. He noted that no changes to class or territory relativities were made. There were no questions regarding this and there was no further discussion.

B. Update on Plan of Operation Changes (Exhibit 10)

Mr. Jones reminded everyone that on March 21, 2023 it was approved that TAIPA would eliminate the unaffiliated member on the Governing Committee and would instead increase the number of At-Large members to five. He also stated that now there is a provision in the Plan of Operations that states that companies can satisfy their obligations by entering into a LAD or CLAD. There were no questions regarding this and there was no further discussion.

C. Legislative Update

Mr. Jones gave an overview of the Texas legislative process and insurance bill that could affect TAIPA policies. He noted that there was nothing concrete to report about any particular bill, but he would be monitoring those and will give a report of the bills that passed at the August meeting. There was general discussion regarding proposed bills and when those would go into effect if passed.

D. Update on Actuary

Mr. Jones explained that TAIPA's current actuary is retiring so TAIPA is currently search for a new actuary. He noted that requests for proposals had been sent to nine firms with a due date for those proposals of mid-May so a recommendation could be made at the August meeting. Mrs. Dutton confirmed that one firm said that they would not be providing a proposal and they had not heard back from the others. John Lusardi asked about a timeline regarding when the new firm would be hired and when the next rate filing would be due. Mrs. Dutton explained that the only timeline that had been given to the firms was the mid-May proposal date and that there would be a Governing Committee meeting in November and that the rates would be due at that meeting. This concluded the report.

12. Next Meeting – August 18, 2023

Chair Jackson reiterated that the next meeting will be held August 18, 2023 and that this meeting will be held in-person in Austin, TX.

13. Personnel Matters – Closed Session

A. Manager's Review*

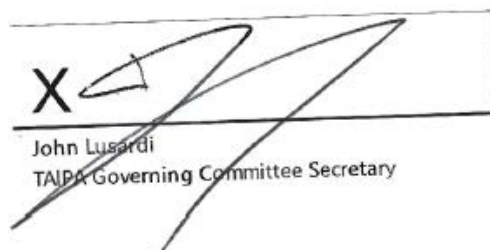
Chair Jackson announced that a closed meeting will be held pursuant to Texas Government Code Sec. 551.074 relating to personnel matters. All Governing Board members were stay on the zoom call while all other attendees were put into a waiting room on Zoom, TAIPA staff left the conference room, and the zoom recording was stopped. The closed meeting was regarding the Plan Manager's self-evaluation.

The closed sessions ended at 10:17 AM and the meeting returned to open session.

A motion was needed to have Becky Jackson meet with the Association Manager and go over her performance review. The motion was made by Matt Snyder and seconded by Mike Burke. The motion carried unanimously.

14. Adjournment

Chair Jackson stated that if there was nothing else to discuss, we would need a motion to adjourn the meeting. The motion to adjourn was made by John Lusardi and seconded by David Nardecchia. The motion carried unanimously. The meeting was adjourned at 10:18 AM.



X
John Lusardi
TAIPA Governing Committee Secretary