

**Texas Automobile Insurance Plan Association Governing Committee Meeting
Agenda for Friday, March 25, 2022 – 9:00 A.M.
Zoom Call**

Given the continuing concerns related to COVID-19 virus, TAIPA will be making both the Annual Meeting and Regular TAIPA Governing Committee Meeting on March 25, 2022 a Zoom Meeting Only.

Join Zoom Meeting

<https://us02web.zoom.us/j/83263379769?pwd=WHJsR20vRGdGZHVqTlY1dGZWblozQT09>

Meeting ID: 832 6337 9769

Passcode: 683041

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For anyone who would like to participate in person, the Governing Committee location will be 807 Las Cimas Parkway, Austin, TX 78746 (Building Management Conference Room). For anyone who wishes to attend in person, please contact TAIPA at 512-444-4441 to let us know. Note that we will follow appropriate COVID protocol.

**Texas Automobile Insurance Plan Association Governing Committee Meeting
Meeting Agenda
Friday, March 25, 2022 – 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 19, 2021 Meeting (Exhibit 1)*
7. Chair's Report
 1. Thank you to Corise Morrison for serving as chair the past two years.
 2. Welcome Mike Voigt from Texas Farm Bureau
 3. Welcome Carol Berthold as Operation Subcommittee Chair
 4. Thank you Doug Beck for service to TAIPA on Operation Subcommittee
 5. Welcome Sean Walsh to Operating Subcommittee
 6. Discussion about holding the August meeting in person.
8. Manager's Report
 - A. Application Count Update
 - a. For Yearend 2021(Exhibit 2)
 - b. As of February, 2022 (Exhibit 3)
 - B. Financial Update - For Yearend 2021 (Exhibit 4)
 - C. Revised Conflict of Interest Policy (Exhibit 5)
 - D. Administrative Rules (Exhibit 6)
 - E. Started work with commercial real estate for our lease for next year.
 - F. Reminder Governing Committee Members must take the Open Meetings Act training every 2 years.
9. Audit/Finance Committee Report
 - A. Audit Engagement Letter (Exhibit 7)*
10. Operations Subcommittee Report
 - A. Over/Under Report (Exhibit 8)
 - B. Update
11. Report of Counsel
 - A. Discussion of Rate Process for 2022
12. Next Meeting – August 19, 2022
13. Personnel Matters
 - 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 Governing Committee Members

Michael Hass
Mike Voigt
Corise Morrison
Matthew Snyder
Anh Vo
David Weber
Leslie Hurley
Carmelita Hogan
David Nardecchia
Mary Carol Awalt
Laura Hausman
Becky Jackson
Adam Payton
Ramon Montalvo
Kit Morris

Other Company Members

Carol Berthold
John Lusardi
Doug Beck
Sean Cahill
Sean Walsh
Todd Feltman

Legal Counsel

Mike Jones

TAIPA Staff

Stacy Dutton
Mimi Leece
Ruth Wise

TDI

John Mooney

OPIC

Kim Donovan

1. Call to Order

Chair Morrison called the meeting to order at 9:00 AM.

Mimi Leece explained how the Zoom meeting would work.

2. Introductions

Stacy Dutton called 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 go over the conflict of interest information and ask if anyone has anything that they should disclose.

5. Election of Officers

The meeting was turned over to Carmelita Hogan to go over the Nominating Subcommittee report. Ms. Hogan presented the proposed 2022 Officers for the TAIPA Governing Committee. The nominees were as follows:

Chair:	Becky Jackson – Public Member Representative
1 st Vice Chair:	Matt Snyder – Farmers – At Large Representative
2 nd Vice Chair:	Anh Vo – State Farm, At-Large Representative
Secretary:	David Weber – Hocheim Prairie, NAMIC

Chair Morrison asked for a motion to close the nominations of the Nominating Committee. Matthew Snyder made the motion. The motion was seconded by Sean Walsh. The motion carried unanimously. Ms. Morrison then asked for a motion to accept and elect those nominated. Sean Walsh made the motion and Mike Hass seconded the motion. The motion passed unanimously.

Corise Morrison turned the meeting over to the newly elected chair for 2022, Becky Jackson.

6. Review and Approval of the Minutes of the November 19, 2021 Meeting. (Exhibit 1)

Chair Jackson turned the meeting over to Matthew Snyder to go over the November 19, 2021 meeting minutes. There were no changes needed and Chair Jackson asked for a motion to approve the minutes that were presented. Ramon Montavlo made the motion and Laura Hausman seconded the motion. The motion passed unanimously.

7. Chair’s Report

1. Corise Morrison was thanked for chairing the Governing Committee for the past two years. In recognition of Ms. Morrison’s service, TAIPA will present a Texas state flag that was flown over the capitol.
2. Mike Voigt, from Texas Farm Bureau, was welcomed to the Governing Committee as the AFACT representative for 2022.

3. Carol Berthold was welcomed as the chair of the Operation Subcommittee.
4. It was announced that Doug Beck will leave the Operations Subcommittee after many years of service.
5. Sean Walsh was welcomed as Doug Beck's replacement.
6. The August 19, 2022 meeting was discussed as a reminder that the meeting will be held in-person for the first time since the pandemic.

8. Manager's Report

Chair Jackson turned the meeting over to Stacy Dutton for the Manager's Report.

A. Application Count Update as of December 31, 2021

Ms. Dutton gave an update on the application counts. She gave an update on the applications as of December 31, 2021 (Exhibit 2) and the February 2022 application counts (Exhibit 3). Ms. Dutton stated that:

In 2021 TAIPA assigned 1,381 applications compared to 1,673 applications received in 2020.

In February, 2022 TAIPA received 72 applications compared to 86 applications received in February of 2021.

Year to Date through February 2022 TAIPA received 176 applications compared to 189 applications received YTD through February 2021. This is 13 less applications or a 6.87% decrease.

B. Financial Update as of December 31, 2021 (Exhibit 4).

Ms. Dutton discussed the line items that were over budget at the end of September and the reasons for them being over budget. Ms. Dutton indicated that

- a. Employee Benefits & Other Insurance Expenses were over budget due to a pension liability adjustment.
- b. Taxes appear to be over budget, but this is due to the fact that both 2020 and 2021 taxes were both paid in 2021.
- c. Legal Expenses - It was noted that legal expenses were under budget because \$8,250.00 was transferred from Governing Committee Expenses to Legal.

All other budget categories ended under budget. No comments or questions.

C. Revised Conflict of Interest Policy (Exhibit 5)

Ms. Dutton reviewed the revised Conflict of Interest Policy that was previously approved at the November 19, 2021 meeting. She reminded the Governing Committee members that they are all required to read over the policy and send in the certification page. She asked that they return the certification page to TAIPA's staff by April 15, 2022.

D. Administrative Rules (Exhibit 6)

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. Work with Commercial Real Estate Agent for Lease Renewal in 2023

Mrs. Dutton noted that the lease that TAIPA currently has is set to end February 28, 2023. She also noted that while we would like to stay in the current location, she has been speaking with a commercial real estate agent to discuss TAIPA's options. Currently TAIPA is paying \$30 per square foot for the office. The commercial real estate agent predicted that TAIPA would have to pay between \$38 and \$41 per square foot. Mrs. Dutton has been in contact with the current building's management regarding a renewal but since the office building is in the process of being sold they were not able to give her any information just yet.

F. Open Meetings Act Training

Mrs. Dutton gave a reminder to the Governing Board members that they must complete the online Open Meetings Act training once every two years and where they can go to find that training.

Chair Jackson turned the meeting over to Matthew Snyder for the Audit/Finance Committee 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 David Weber and seconded by Corise Morrison. The motion carried unanimously.

Chair Jackson turned the meeting over to Carol Berthold for the Operation Subcommittee Report.

10. Operations Subcommittee Report

Ms. Berthold stated that the Operations Subcommittee had met twice since the last Governing Board meeting.

A. Over/Under Report (Exhibit 8)

Ms. Berthold noted that there was nothing of significance to report regarding the Over/Under Report. There were no questions or further discussion on this topic.

B. Updates on Ongoing Topics

Ms. Berthold discussed that during the Operations Subcommittee meetings there was time spent educating subcommittee members on what LAD/CLADs are, their function and importance, and why TAIPA needs to have a plan in place if the LAD/CLAD carriers leave the market. Carol continued on to say that the subcommittee was tasked with coming up with a proposal for a solution and that four proposals were presented and discussed. Two proposals are currently still on the table and being worked on. John Mooney from TDI asked for clarification regarding the two remaining proposals and clarification on whether or not these will be presented to the Governing Board.

Carol also reviewed the updates surrounding the ongoing topic of what companies must do if they leave the market. There are three options for companies leaving the market with an underage. There is still work to be done on this topic and discussions will continue at the next Operations Subcommittee meeting.

Ms. Berthold notes that Mike Jones completed his review of TAIPAs commercial policy. It was noted that one situation with regard to minors was not in the TAIPA policy. Mr. Jones is working with TDI to find out if and how this situation applies to TAIPA's policies. Mr. Jones will give another update on this topic at the next meeting.

Carol explained that Mr. Jones is working on a mandatory endorsement form for the TAIPA policies to exclude Peer-to-Peer car sharing programs. Once the endorsement is completed and approved by the Operations Subcommittee it will be present to the Governing Board for approval.

Chair Jackson turned the meeting over to Mike Jones for the Report of Counsel

11. Report of Counsel

A. TAIPA Rates

Mr. Jones discussed the fact that TAIPA has not been able to get rate information from TDI for a rate filing, therefore TAIPA will not do a rate filing for 2022. He stated that he hopes to have that information and be able to prepare for a rate filing to be discussed at the March 2023 Governing Board meeting. Mr. Jones has been working with TAIPA's actuary and he does not think it is pertinent to do a rate filing with the information that we have since only one rating filing can be done in a twelve month period. John Mooney asked for clarification on whether the data is from commercial rate data or private passenger. Mike Jones said it was from private passenger. Sean Walsh questioned whether the actuary included covid months. Mike stated that he thought he did use that information but he would double check. Kim Donovan from OPIC shared that OPIC has been rejecting any rate filing that ignore the covid era data and should be accounted for in rate filings. John Lusardi asked when more trend data would be available and asked Mike Jones to send him that information. There were no other questions or comments.

Mike Jones turned the meeting over to Chair Jackson.

12. Next Meeting-August 19,2022

Chair Jackson reiterated that the next meeting will be held on Friday, August 19, 2022 in Austin, TX at the Southpark Hotel. She also noted that attendants will be able to join the meeting virtually if they chose.

13. Personnel Matters

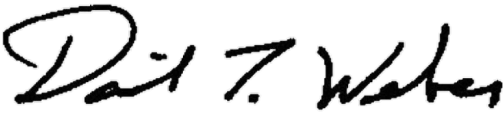
Chair Jackson announced that a closed meeting will be held pursuant to Texas Government Code Sec. 551.074 relating to personnel matters. All Governing Board members were to call a conference number that was sent to them previously. The closed meeting was regarding the Plan Manager's self-evaluation.

The closed sessions ended at 10:06 AM and the meeting returned to open session.

A motion was needed to have Becky Jackson and Corise Morrison meet with the Association Manager and go over her performance review. The motion was made by Matthew Snyder and seconded by Leslie Hurley. 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 Ramon Montalvo and seconded by Matthew Snyder. The motion carried unanimously. The meeting was adjourned at 10:08 AM.

X 

David Weber
Secretary