

Topic: TAIPA Governing Committee Meeting - Friday, April 11th, 2025  
Time: Apr 11, 2025 09:00 AM Central Time (US and Canada)

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**Texas Automobile Insurance Plan Association Governing Committee Meeting**  
**Meeting Agenda**  
**Friday, April 11, 2025 – 9:00 A.M.**  
**Insurance Council of Texas**  
**5508 Hwy W 290 #100, Austin, TX 78735**  
\*(Door Code:7368)

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Conflict of Interest Disclosures
5. Election of Officers\*
6. Chair's Report
  - A. Thank you to
    - Carmelita Hogan, Public Member.
    - Janet Dewey, Alternate Public Member
    - Kit Morris, Alternate Producer Member
    - Keith Wechsler, USAA, At Large Member
  - B. Welcome to:
    - David Nardecchia, Public Member
    - Laura USAA Replacement
7. Review and Approval of the Minutes of the November 22, 2024 Meeting (Exhibit 1) \*
8. Review and Approval of the Minutes of the December 13, 2024 Special Meeting (Exhibit 2)\*
9. Review and Approval of the Minutes of the February 14, 2025 Special Meeting (Exhibit 3)\*
10. Review and Approval of the Minutes of the March 7, 2025 Special Meeting (Exhibit 4)\*
11. Manager's Report
  - A. Application Count Update
    - I. For Yearend 2024 (Exhibit 5)
    - II. As of February, 2025 (Exhibit 6)
  - B. Financial Update –
    - I. For Yearend 2024 (Exhibit 7)
  - C. Issues with Quota Report
  - F. LAD Verification of AM Best.
  - G. Administrative Rules (Exhibit 8)
  - H. Reminder Governing Committee Members must take the Open Meetings Act training every 2 years.

I. Reminder that all Governing Committee members must sign the Conflict of Interest Policy annually (Exhibit 9).

12. Audit/Finance Committee Report

- a. Audit Engagement Letter (Exhibit 10) \*

13. Operations Subcommittee Report

- a. Over/Under Report (Exhibit 11)

14. Report of Counsel

- a. Discussion of Rate Filing\*
  - i. Presentation and Discussion with Matthew Stephenson on rate findings (Exhibit 12)
- b. ICT Representative Status
- c. Update on TDI projects
  - i. TAIPA Plan of Operation Project
  - ii. TAIPA Audit
- d. Update on Legislative Session with regard to insurance

15. Letter to Legislators regarding TDI

16. Closed session

- a. Personnel Matters- (Manager's Review) \*
- b. Consultation with counsel \*

17. Next Meeting – August 1, 2025

18. 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.

# Exhibit 1

**Texas Automobile Insurance Plan Association Governing Committee  
Meeting Notes**

**Friday, November 22, 2024 – 9:00 A.M.**

**Austin Marriott South, 4415 S I-35 Frontage Rd, Austin, TX 78744**

*Interested parties can attend the meeting in person or join via Zoom. TAIPA allows public comments on agenda items.*

**1. Call to Order**

**2. Introductions**

**3. Reading of the Anti-Trust Statement**

**4. Conflict of Interest Policy/Disclosures**

**5. Review and Approval of the Minutes of the August 16, 2024 Meeting (Exhibit 1)\***

**6. Chair's Report**

A. Discussion about In-Person Meetings in the future

B. Subcommittee Membership

C. Operation Subcommittee Chair

**7. Manager's Report**

A. Application Count Update as of October 2024 (Exhibit 2)

B. Financial Update as of September 2024 (Exhibit 3)

C. Line of Credit Renewal (valid until September 2025) (Exhibit 4)

D. Issues with Quota Reports

I. 2nd & 3rd Quarter Quota Reports

II. 4th Quarter Report

E. Plan of Operation Document Change and Clean-up

F. Successor to Association of Fire & Casualty Companies in Texas (AFACT) to Insurance Council of Texas (ICT) (Exhibit 5)\*

G. TAIPA Data for Rate Filing Update

H. 2024 Review of 3rd Party Relationships & TAIPA Recommendations (Exhibit 6)

I. Actuary\*

II. Auditors\*

III. Systems\*

IV. Legal\*

I. 2025 Budget (Exhibit 7)\*

J. 2025 Meeting Dates and Locations (Exhibit 8)

**8. Strategic Planning Subcommittee Report**

A. TAIPA's Current Staffing

B. Enterprise Risk Management Update (Exhibit 9)\*

**9. Operations Subcommittee Report**

A. Over/Under Report (Exhibit 10)

B. Electronic Applications and Payments Project

**10. Report of Counsel**

A. TAIPA Rates\*

B. Governing Committee Meeting on Rates\*

C. Legislative Update

**11. Next Meeting – April 11, 2025, at ICT Location (5508 W US Hwy 290 Service Rd, Austin, TX 78735)**

**12. Personnel Matters**

**13. Adjournment**

## **Attendees**

### **Governing Board Members**

Keith Wechsler (USAA)  
Matthew Snyder (Farmers)  
Brian Ferguson (State Farm)  
Doug Queenin (Liberty Mutual)  
John Lusardi (Allstate)  
Michael Burke (Travelers Ins)  
Adam Hall (AFACT)  
David Weber (Hochheim)  
Becky Jackson (Public)  
Carmelita Hogan (Public)  
Mary Carol Awalt (Public)  
Betsy Blair (Public)  
Ramon Montalvo III, C.I.C. (Producer)  
Adam Payton (Producer)  
Kit Morris (Producer)

### **Others**

Ron Wiest

### **TAIPA Staff**

Stacy Dutton  
Mimi Leece  
Amanda Reynolds  
Ruth Wise

### **TAIPA Legal Counsel**

Michael W. Jones

### **TDI**

Katelyn Boehm  
Doug Danzeiser  
Dan Paschal  
Mellisa Herman  
Reese Larmer  
Jessica O'Connor

### **OPIC**

Kim Donovan

## **1. Call to Order**

Chair Snyder called the meeting to order at 9:03 AM. Mimi Leece explained the Zoom meeting procedures.

## **2. Introductions**

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

## **3. Reading of the Anti-Trust Statement Stacy Dutton read the Anti-Trust Statement**

### **TAIPA 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 activities of the Association and shall not discuss or pursue the business interests of individual insurers or others.

## **4. Conflict of Interest Policy/Disclosures**

Chair Snyder turned the meeting over to Mike Jones to go over TAIPA's Conflict of Interest policy and disclosures. Mr. Jones reminded everyone of TAIPA's conflict of interest policy and that disclosures would need to be made if anyone felt they have a conflict. There were no comments.

## **5. Review and Approval of the Minutes of the August 16, 2024 Meeting (Exhibit 1) \***

Chair Snyder turned the meeting over to Betsy Blair to review the meeting minutes. There were no changes needed, and Chair Snyder asked for a motion to approve the minutes. John Lusardi made the motion. Becky Jackson seconded the motion. The motion carried.

## **6. Chair's Report**

### **A. Discussion about future meetings in person**

After general discussion, Becky Jackson suggested that TAIPA's in-person meeting coincide with TAIPA's annual meeting in April. Chair Snyder asked for a motion to designate the April 2025 Governing Committee meeting as in-person. Ramon Montalvo made the motion. David Weber seconded the motion. The motion carried.

### **B. Operation Subcommittee Chair**

Chair Snyder stated that David Weber was resigning as Chair of the Operation Subcommittee. Mr. Weber stated that he felt it was important for other company members to chair subcommittees to better develop and protect the knowledge base of the organization. Chair Snyder noted that David Weber recommended Brian Ferguson to take over as chair of the Operation Subcommittee. At the time of the meeting, TAIPA was waiting to hear back from Mr. Ferguson on his decision.

#### C. Subcommittee Membership

The Governing Committee currently lacks strong bench strength for its company members. Currently, 5 out of 8 members actively participate as officers or subcommittee members. Among these, responsibilities are unevenly distributed, with some members taking on multiple roles while others have minimal involvement. Additionally, Stacy Dutton has announced plans to retire at the end of 2026, another reason there is a need to strengthen the committee's knowledge base and leadership. To address this, members are encouraged to join subcommittees.

Openings are available on the Strategic Planning Subcommittee and the Operations Subcommittee, with at least one and possibly two company member spots expected to open. Members interested in filling these positions should contact Stacy Dutton.

### **7. Manager's Report**

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



A. Application Count Update as of October 2024 (Exhibit 2)

Stacy Dutton gave an update on the application counts as of October 2024. She stated that in October 2024 TAIPA received 175 applications compared to 195 applications received in October of 2023. This is a 10.26% decrease. Year to date, TAIPA received 1,758 applications compared to 1,480 applications received by the same time in 2023. It was noted that applications started to decrease in October, after the rate increase. Ms. Dutton stated that if applications continue to decrease for the remainder of the year, TAIPA would expect to end the year with 1,986, which would still be an increase over 2023.

B. Financial Update as of September 2024 (Exhibit 3)

Ms. Dutton stated that as of the end of September 2024, TAIPA has used 61.95% of the operating budget which puts TAIPA 13.05% under budget. She listed the categories in which she anticipated TAIPA would end under budget. She noted that TAIPA was over budget in computer equipment due to TAIPA purchasing a new wireless access point for more than \$1,000. Ms. Dutton requested the board's authorization to move \$1,080.07 from the computer supplies to computer equipment category. Chair Snyder asked for a motion to move \$1,080.07 from computer supplies to computer equipment. Becky Jackson made the motion. Betsy Blair seconded the motion. The motion carried.

After the vote, John Lusardi asked why TAIPA staff brings budget changes to the Governing Committee. Ms. Dutton explained that it is because of the way TAIPA's Plan of Operation is written. Mr. Lusardi suggested that the Operation Subcommittee consider changing this in the Plan of Operation. Mike Jones, TAIPA's legal counsel, and other members agreed this would be a good idea.

C. Line of Credit Renewal (valid until September 2025) (Exhibit 4)

Ms. Dutton stated that TAIPA's \$300,000 line of credit had been renewed with Frost Bank. She noted that she had included in the board packet a copy of the Association Resolution from by Frost Bank so that Governing Committee members would be aware of the form that they sign.

D. Issues with Quota Reports

I. 2nd & 3rd Quarter Quota Reports

Ms. Dutton stated that there were errors on the 2<sup>nd</sup> and 3<sup>rd</sup> Quarter Quota Reports due to AIPSO uploading incorrect files. She noted that the errors were relatively minor compared to problems that TAIPA had with the 4<sup>th</sup> Quarter Quota Reports.

II. 4th Quarter Report

Ms. Dutton noted that 4<sup>th</sup> Quarter Quota Report errors were due to TICO's data being incorrect. She stated that this caused problems for the LAD and CLAD carriers since they use the quota reports to calculate a company's servicing fee. It was also noted that this caused problems for TAIPA's front office staff resulting in staff having to reassign applications daily. To mitigate having to reassign applications, TAIPA asked AIPSO to restrict the affected companies from receiving applications until the January 2025 quota reports were uploaded into the system. Ms. Dutton noted that TICO was putting additional checks in place, to prevent the errors from reoccurring.

## E. Plan of Operation Review

Ms. Dutton stated that TDI has initiated discussions with TAIPA staff about proposed revisions to TAIPA's Plan of Operation.

TDI pointed out that alternate members are not mentioned in the statute. This raises potential liability issues, as the Insurance Code's immunity does not cover alternates, possibly leaving them exposed to legal risk. Because of this, TDI indicated that it will not appoint new alternate members. TAIPA staff and legal counsel will work with TDI to address TDI's concerns about alternate members.

Ramon Montalvo stated that having been an alternate member before becoming a regular member, he believes the alternate member positions are valuable and should be continued.

TDI is currently reviewing TAIPA's Plan of Operations and will send its comments to TAIPA. Discussion topics among TAIPA board members included:

- Whether all company members are alternate members since the companies have immunity, while individual members may not.
- Whether TAIPA needs Directors and Officer insurance. Ms. Dutton noted that TAIPA has looked at this in the past, but it wasn't pursued because TAIPA thought it had immunity.
- Whether individual members would need to purchase their own D&O insurance coverage.
- Whether individuals need independent counsel.

Chair Snyder stated that the Operation Subcommittee should study this further.

TDI's Dan Paschal stated that regarding the Plan of Operation language, no reading of the statute would allow TDI to fill the alternate positions.

In response to the question of why TAIPA has been allowed to have alternates until now, Mr. Paschal stated that when different TDI administrations may look differently at situations.

The TAIPA board discussed whether TAIPA should take action during this legislative session to try to get the statute changed.

John Lusardi made a motion to have Operations Subcommittee review these issues and bring recommendations to the full board. Betsy Blair seconded the motion, and the motion carried.

F. Successor to Association of Fire & Casualty Companies in Texas (AFACT) to Insurance Council of Texas (ICT) (Exhibit 5) \*

Ms. Dutton stated that TAIPA's Governing Committee would need to determine what to do regarding the Association Member that AFACT has filled for TAIPA. Two solutions were presented by TAIPA staff. TAIPA could replace the AFACT Representative with an Insurance Council of Texas (ICT) representative or add another At-Large member. The Governing Committee was asked if they had other ideas.

After some discussion David Weber made a motion for TAIPA to replace AFACT with ICT in the Plan of Operation. Adam Payton seconded the motion. The motion carried.

Ms. Dutton stated that TAIPA staff had a proposed change to TAIPA's Plan of Operation (Exhibit 5) to have ICT replace AFACT and TAIPA. She requested board approval so that the change made as soon as possible. John Lusardi made a motion that the board approve the changes in Exhibit 5. Ramon Montalvo seconded the motion. The motion carried.

G. Update on TAIPA Data for Rate Filing

- H. Ms. Dutton stated that a previous meeting included a discussion of TAIPA's data being incomplete due to LAD and CLADs not reporting. Since TAIPA carriers fall outside TDI's top 70% data collection, TDI, TAIPA staff, Mike Jones and TAIPA's actuary developed a solution. They will work with servicing carriers to gather data, issue a data call, and compile results. While not statistically significant, this will improve accuracy for a 2025 rate filing and provide market comparison insights.

At the Chair's request, Mike Jones left the meeting because the board was discussing him and his firm, Thompson Coe.

I. 2024 Review of Third Party Relationships and TAIPA Recommendations (Exhibit 6)

Ms. Dutton stated that in previous discussions, the board had noted that even though TAIPA does not need to follow the state's RFP process, a regular cadence of RFPs is useful.

Ms. Dutton described the positive relationship between TAIPA and Atchley & Associates. She indicated that she understands wanting to have periodic RFPs. A discussion about the advantages of having regular RFPs included:

- Gives us an idea of what the market rate is for the services,
- Gives us an idea of what other vendors might be available in case something happened to our vendor,
- Removes the impression of a questionable relationship between TAIPA and the vendor based on the length of time TAIPA has used the vendor,
- Keeps vendors from taking the relationship for granted.

Ms. Dutton asked the Governing Committee if it wants to set a time frame for RFPs even if things are going well.

There was some concern that there are no other vendors for the work that AIPSO does for TAIPA.

There was general agreement that TAIPA should follow the same protocol with all third party

vendors.

Adam Payton made a motion to commit to a 3-year period with each vendor with the potential for 2 one-year extensions. In addition, we will stagger the RFPs so as not to overburden staff. The motion was seconded by Becky Jackson. The motion carried.

Ms. Dutton described TAIPA's third party relationships.

#### I. Actuary\*

The Burkhalter Group, relatively new to TAIPA, has been handling TAIPA's rate filings since 2023. They proposed increasing the rate filing expense from \$9,000 to \$12,000 while reducing the rate hearing cost from \$35,000 to \$23,000, bringing the total cost down to \$35,000 from the previous year's estimate of \$44,000. TAIPA has paid Burkhalter \$26,700 through August 2024, with an estimated \$24,900 spent on the 2024 rate filing and hearing. Matt Stephenson from Burkhalter has been instrumental in collaborating with TAIPA, Legal, TDI, and LAD/CLAD carriers to refine TAIPA data collection and improve future rate development.

Initially, Burkhalter's proposal was for a standard actuarial review at \$9,000, but they adapted when the Governing Committee requested a full rate analysis. Despite data challenges, they successfully completed the 2024 rate filing, leading to a 15% increase for private passenger rates and 12.7% for commercial rates, effective October 1, 2024.

Given their strong performance and commitment, TAIPA recommends continuing the partnership with Burkhalter Group for future rate filings.

Chair Snyder asked for a motion to recommend continuing the relationship with Burkhalter Group in 2025 to the TAIPA Governing Committee. David Weber made the motion. Mary Carol Awalt seconded the motion. The motion carried.

#### II. Auditors\*

TAIPA has worked with Atchley & Associates since 2006 and values the strong relationship. The firm proposes increasing the hourly rate for managing auditor, Tyler Mosley, from \$425 to \$450, with the 2025 financial audit expected to cost between \$15,000 and \$16,000. The Form 990 cost is projected to rise to \$3,250 in 2025, leading to an overall cost increase of \$1,200 in 2025. Ms. Dutton noted that although Mr. Mosley's rate is increasing, he only charges it when significant work is required.

The auditors have also provided valuable insights that led to improvements in TAIPA's accounting practices. Given their expertise and continued contributions, TAIPA recommends continuing the partnership with Atchley & Associates. Mary Carol Awalt questions whether TAIPA works with different auditors within Atchley & Associates each year. Ms. Dutton confirmed that they have at least one new auditor on their account each year.

John Lusardi was concerned about the fact that TAIPA has been with Atchley and Associates for so many years. It was determined that because of the number of years TAIPA had worked with the auditors, TAIPA should put out an RFP for the auditors. David Weber wanted clarification before voting regarding the timeline for an RFP. Adam Payton said we should ask Ms. Dutton to decide this based on TAIPA staff's workload.

After general discussion regarding the timeline, Adam Payton made a motion to amend the original motion to state that TAIPA would put out an RFP for audit support at

TAIPA staff's discretion on when to send it. The motion carried to amend the motion. The motion carried on the amended motion.

### III. Systems\*

TAIPA has a long-standing relationship with AIPSO for application systems. For 2025, there will be a \$5 per hour increase in Data Services, bringing the total to \$22,176 for 198 hours, though last year saw a \$3 decrease. The cost for EASi Maintenance, now called Computer Infrastructure Expense, remains unchanged, as do EASi Enhancements. TAIPA is exploring electronic applications and payments with AIPSO, which could add an estimated \$12,000 annually for account reconciliation services.

Additional programming fees may apply if system modifications are needed, and TAIPA would cover convenience fees for electronic payments. Since no alternative system exists for TAIPA's application processing, TAIPA recommends continuing the partnership with AIPSO.

After discussion surrounding what AIPSO manages for TAIPA, Adam Payton made a motion to exclude AIPSO from the RFP process and have TAIPA staff develop an annual report on AIPSO. Betsy Blair seconded the motion.

John Lusardi and Matt Snyder abstained. The motion carried.

### IV. Legal\*

TAIPA has contracted with Thompson Coe for legal services since 2006. Currently, Thompson Coe attorney Mike Jones serves as counsel for TAIPA. For 2025, Thompson Coes has proposed a 4.28% increase in its hourly rate, from \$350 to \$365. Legal expenses are expected to increase from \$60,270 to \$62,853.

The cost of rate hearings is projected to increase from \$20,000 to \$20,856.

The Strategic Planning Subcommittee and Officers recommended issuing an RFP for legal services in 2025. The RFP would help identify and evaluate alternative options for legal counsel and assess capabilities for lobbying and litigation.

Chair Snyder asked for a motion to complete an RFP for legal services in 2025. David Weber made the motion. Adam Payton seconded the motion. The motion carried.

Mike Jones rejoined the meeting.

### I. 2025 Budget (Exhibit 7) \*

Ms. Dutton stated that TAIPA has asked for a budget of \$1,170,000 which is an increase of \$32,740 over TAIPA's 2024 budget, while the assessment request is reduced to \$957,000 (3.76% less than last year). She stated that the main addition is \$27,220 for the new e-applications and e-payments project, covering convenience fees, AIPSO accounting services, and programming. Other increases include subcommittee meetings, staff travel, legal expenses, and system consulting. She noted that key savings come from lower cost of employee benefits, printing, governing committee expenses, consultant costs, actuary fees, and computer equipment purchases.

Chair Snyder asked for a motion to recommend accepting TAIPA's proposed 2025 budget of \$1,178,000.00. Becky Jackson made the motion. Adam Payton seconded the motion. The motion carried.

Chair Snyder requested a motion to accept TAIPA's 2025 assessment to the companies for \$957,000.00. John Lusardi made the motion. David Weber seconded the motion. The motion carried.

#### J. 2025 Meeting Dates and Locations (Exhibit 8)

The 2025 meeting schedule and meeting location was noted. The meetings will be held April 11<sup>th</sup>, 2025, August 1<sup>st</sup>, 2025, and November 21<sup>st</sup>, 2025. All meetings will be held at the Insurance Council of Texas Meeting Room which is located at 5508 W. US Hwy 290 Service Road Austin, TX 78735.

### **8. Strategic Planning Subcommittee Report**

Chair Snyder turned the meeting over to Mary Carol Awalt to go over the Strategic Planning Subcommittee report. Ms. Awalt stated that the Strategic Planning Subcommittee met on November 8, 2024. She noted that the subcommittee is responsible for reviewing and making recommendations for TAIPA's staffing levels, office space, long-term contracts, any significant changes to the organization, and the Enterprise Risk Management Plan.

#### TAIPA's Current Staffing

TAIPA continues to maintain its 2018 staffing level of an Association Manager, Manager of Operations/Financial Management, two Administrative Assistant/Customer Service. The Strategic Subcommittee agreed that this is the correct staffing level required through 2025.

#### Office Space

The Governing Committee previously approved TAIPA to stay in its current office location and TAIPA renewed its lease in early 2023.

#### Long Term Contracts

The committee reviewed TAIPA's long term contracts and long-standing third Party relationships. Ms. Awalt noted that since the third party relationships had already been discussed in the meeting, she would not repeat it. However, the four long-term contracts that TAIPA has were reviewed. The subcommittee has recommended that TAIPA staff review the cost of owning the office equipment that they are currently leasing. She noted that staff had agreed to do this analysis when the leases were up.

#### Enterprise Risk Management Update (Exhibit 9) \*

TAIPA updated its Enterprise Risk Management Plan, addressing key risks such as staffing changes, including Ms. Dutton's planned retirement in 2026, potential legal counsel retirement, governing committee strength, and increased applications due to rate changes. Progress was noted in areas like remote telephone access, and employees completed a survey to identify tasks that lack backup coverage. Training and SOP development will focus on these areas.

The Strategic Planning Subcommittee requested a clearer ERM format, and TAIPA staff will research improvements.

Chair Snyder asked for a motion to accept the Enterprise Risk Management Plan for 2025. David Weber made the motion. Adam Payton seconded the motion. The motion carried.

## **9. Operations Subcommittee Report**

Chair Snyder turned the meeting over to David Weber to go over the Operations Subcommittee Report.

### **A. Over/Under Report (Exhibit 10)**

Mr. Weber noted that there was nothing significant to report on the Over/Under Report.

### **B. Electronic Applications and Payments Project.**

Mr. Weber updated the committee member on the progress that had been made regarding updating TAIPA's system to include electronic applications and payments.

## **10. Report of Counsel**

### **A. TAIPA Rates\***

Mike Jones started by reviewing the previous rate changes that TAIPA had made. He noted that on October 1, 2024 the approved rate increase of 15.1% overall increase for private passenger and 12.7% increase for commercial had gone into effect. He noted that the earliest TAIPA can make another filing will be March 13, 2025. The preliminary indication that he received from Matt Stephenson is +10.3% for private passenger and +0.4% for commercial. This is based on TICO's trend data through the 1<sup>st</sup> quarter of 2024 and 2023 benchmark reports for commercial.

### **B. Governing Committee Meeting on Rates\***

Mike Jones stated that TAIPA filed its last rates in March 2024, so the committee needs to determine whether there should be a meeting on rates as soon as the rate indications are available or wait until the April 11, 2025 meeting.

A motion was made to have the officers decide on whether we need to have a meeting prior to the April 11, 2025 meeting about rates. John Lusardi made a motion to authorize the officers to consider the data that Matt Stephenson comes up with and make on whether to call a special meeting. Adam Payton seconded the motion. The motion passed.

### **C. Legislative Update**

Mike Jones provided an overview of the upcoming legislative session. He indicated that there were several bills regarding auto insurance, but he did not believe any would affect TAIPA.

## **11. Next Meeting – April 11, 2025, at ICT Location (5508 W US Hwy 290 Service Rd, Austin, TX 78735)**

## **12. Personnel Matters**

Chair Snyder noted that there were no personnel matters to discuss.

## **13. Adjournment**

Chair Snyder asked for a motion to adjourn. John Lusardi made the motion. Becky Jackson seconded the motion. The motion carried and the meeting adjourned at 11:36 AM.

# Betsy Blair

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Betsy Blair  
Secretary



# Exhibit 2

**Texas Automobile Insurance Plan Association  
Governing Committee Meeting Notes  
December 13, 2024  
Zoom or In-Person at Building Management Conference Room  
807 Las Cimas Parkway, Austin, TX 78746**

1. Call to Order
2. Introductions and Roll Call
3. Antitrust Statement
4. Conflict of Interest Disclosures
5. Summary of Operation Subcommittee Discussions
6. Review and take action on Operation Subcommittee Recommendations on Statutory Changes\*
7. Review and take action on Engagement of Lobbyist\*
8. Discuss any additional actions in lieu of legislation or failure of legislation\*
9. Recommendations of Operation Subcommittee regarding E-Pay and E-Applications
10. Next Steps and Plan of Action\*
11. Adjournment\*

The Governing Committee may act on any business identified in this notice. Portions of the meeting may be conducted as a closed session, if permitted under Chapter 551, Government Code.

\*Indicates items on which the Manager believes the Governing Committee will act.

**1. Call to Order**

Chair Matthew Snyder called the meeting to order at 11:17am.

**2. Introductions and Roll Call**

Stacy Dutton called roll.

Governing Committee:

Matthew Snyder  
Keith Wechsler  
Brian Ferguson  
Doug Queenin  
John Lusardi  
Michael Burke  
Adam Hall  
David Weber  
Becky Jackson  
Carmelita Hogan  
Mary Carol Awalt  
Betsy Blair  
Ramon Montalvo  
Adam Payton  
Kit Morris

Legal Counsel:

Michael Jones

TDI:

Melissa Herman  
David Bolduc  
Kim Donovan  
Dan Pascal

Others:

Jessica Barta  
Doug Danzeiser  
Ron Weist  
Melissa Heigan

TAIPA Staff:

Stacy Dutton  
Mimi Leece  
Ruth Wise  
Amanda Reynolds

**3. Reading of the Anti-Trust Statement**

Stacy Dutton read the TAIPA Anti-Trust Statement.

TAIPA 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 Policy/Disclosures**

Mike Jones went over the TAIPA Conflict of Interest Policy and Disclosures.

#### **5. Summary of Operation Subcommittee Discussions**

Chair Matthew Snyder turned the meeting over to David Weber to go over the summary of the Operation Subcommittee Meeting discussion.

David Weber stated that Operations Subcommittee discussed two items:

- Hiring of lobbyist and possible legislative change to TAIPA's statutes. The operations subcommittee's recommendation was to not proceed with hiring a lobbyist and to not attempt to make the legislative change regarding alternate public and producer members at this time. The Operation Subcommittee did not feel that we would be successful at this time.
- Electronic payments (E-Pay) were the second item discussed. The operations subcommittee recommended to the Governing Committee having TAIPA move forward with the E-Pay process.

Chair Snyder requested a motion not to move forward with hiring a lobbyist for legislative change, John Lusardi seconded the motion. David Weber, Mary Carol Awalt, Carmelita Hogan, and Becky Jackson abstained from this motion. The motion carried.

Chair Snyder requested a motion to move forward with the Electronic Payment process with AIPSO. Matthew Snyder, Keith Weschler, Brian Ferguson, John Lusardi abstained from the vote due to conflict of interest. David Weber made the motion to accept this motion, Ramon Montalvo seconded the motion. The motion carried.

#### **11. Adjournment**

Chair Snyder asked the committee if there was anything further to discuss. Hearing no further discussion, the Chair requested a motion to adjourn the meeting.

John Lusardi made a motion to adjourn the meeting, Ramon Montalvo seconded the motion. There were no abstentions. The motion to adjourn the meeting carried.

Chair Snyder announced the meeting adjourned at 11:27am.

Betsy Blair, April 1, 2025

# Exhibit 3

**Texas Automobile Insurance Plan Association Governing Committee**

**Friday, February 14<sup>th</sup>, 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 13<sup>th</sup>, 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 11<sup>th</sup>, 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 11<sup>th</sup>, 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

# Exhibit 4

**Texas Automobile Insurance Plan Association Governing Committee  
Meeting Notes**

**Friday, March 7th, 2025**

**9:00 a.m.**

**Via - Zoom or In Person at Building Conference Room, 807 Las Cimas Parkway,  
Austin, TX 78746**

1. Call to Order
2. Introductions/Roll Call
3. Reading of the Anti-Trust Statement
4. Conflict of Interest Policy/Disclosures
5. Discussion of Plan of Operation Changes from TDI (Exhibit 1)\*
6. Next Meeting
7. Adjournment

Note: The Governing Committee may act on any business identified in this notice. Items marked with an asterisk (\*) indicate anticipated actions by the Governing Committee.

Public Notice: Interested parties may attend the meeting in person or join via Zoom. If you plan to attend in person, please contact TAIPA staff at 512-444-4441 so that we can ensure that we have accommodations TAIPA allows public comments on agenda items.

## **Attendees**

### **Governing Committee**

Matthew Snyder  
Brian Ferguson  
Doug Queenin  
Michael Burke  
Adam Hall  
David Weber  
Becky Jackson  
Carmelita Hogan  
Mary Carol Awalt  
Laura Hausman  
Ramon Montalvo  
Ron Wiest  
Betsy Blair  
Adam Payton  
John Lusardi

### **Legal Counsel**

Michael W. Jones

### **TAIPA Staff**

Stacy Dutton  
Mary Margaret Leece Ruth  
Wise  
Amanda Reynolds

### **TDI**

Dan Paschal  
Jessica Barta  
Katelyn Boehm  
Doug Danzeiser  
Melissa Herman

### **OPIC**

Kim Donovan  
David Bolduc

### **Others**

Birny Birnbaum

#### **1. Call to Order**

Chair Snyder called the meeting to order at 9:00am.

#### **2. Introductions/Roll Call**

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

#### **3. Reading of the Anti-Trust Statement**

Stacy Dutton read TAIPA's Anti-Trust Statement.

#### **4. Conflict of Interest Policy/Disclosures**

TAIPA's legal counsel, Michael Jones, went over the TAIPA conflict of interest policy and disclosures.

## **5. Discussion of Plan of Operation Changes from TDI (Exhibit 1)\***

Chair Snyder turned the meeting over to Michael Jones to go over TDI's proposed changes to TAIPA's Plan of Operation. He said the provisions for alternate public and producer members was a significant concern for TDI because the statute does not explicitly allow for alternate members. He noted that while some of TDI's proposed changes seemed non-controversial, others probably required further examination. Mr. Jones also discussed the potential elimination of the \$250 attendance fee for public and producer members. He asked for feedback regarding the proposed changes. There was discussion about whether changes could be completed before the April annual meeting.

A priority for TAIPA is ensuring ICT can appoint a carrier to its governing committee, especially since six carriers are currently running for five At-Large positions.

The officers recommended accepting TDI's position regarding the alternate positions, particularly since TDI said it would not appoint alternates without clear statutory direction. All other suggested changes were referred to the Operations Subcommittee for detailed review.

Mr. Jones asked for feedback regarding the proposed changes. Extensive discussion regarding the proposed changes ensued, with several people expressing their thoughts and concerns. TDI staff noted that their proposals were suggestions and TAIPA could decide which to accept.

David Weber made a motion to send TDI's proposals to TAIPA's Operation Subcommittee for further consideration and for the Operation Subcommittee to report back to the Governing Board on what they believe those recommendations should be on changes to the TAIPA Plan of Operation. Adam Payton seconded the motion. The motion carried.

## **6. Next Meeting**

The next Governing Committee and Annual Meeting will be held Friday, April 11, 2025 at the Insurance Council of Texas.

## **7. Adjournment**

Chair Snyder asked for a motion to adjourn the meeting. Ramon Montalvo made the motion. Becky Jackson seconded the motion. The motion carried and the meeting adjourned at 10:23 AM.

# Betsy Blair

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Betsy Blair

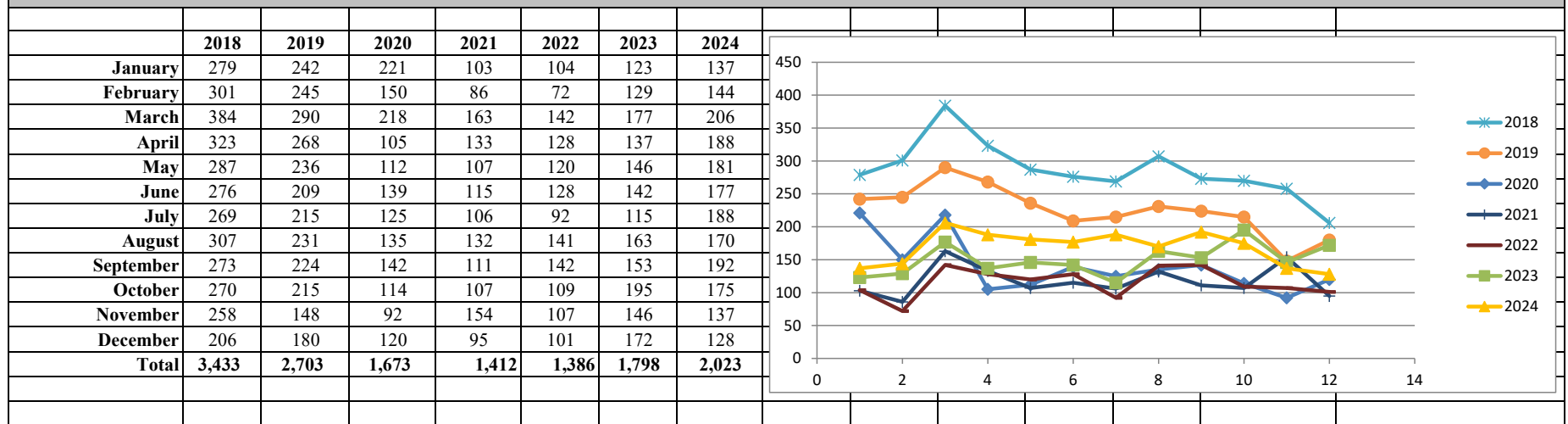
Secretary

# Exhibit 5

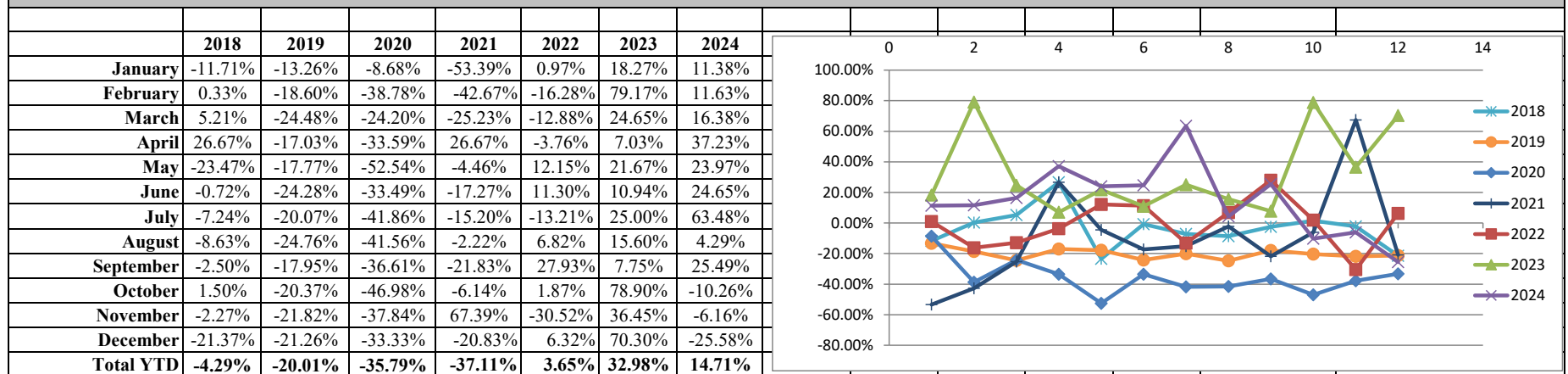
Monthly Total (December 2024)		
	Private Passenger	Commercial
EASi Applications	116	18
Paper Applications	0	0
Total Applications Received	112	16
Applications Assigned	105	16
Apps Returned for Correction	7	0
Applications Deficient	8	3
Applications with SR-22s	7	0
Total Applications Received in December 2023:		172
Total Applications Received in December 2024:		128
Year to Date Total (as of December 2024)		
	Private Passenger	Commercial
EASi Applications	1,836	273
Paper Applications	0	0
Total Applications Received	1,757	266
Applications Assigned	1,702	258
Apps Returned for Correction	54	5
Applications Deficient	69	23
Applications with SR-22s	44	0
Total Applications Received YTD (as of December 2023):		1,798
Total Applications Received YTD (as of December 2024):		2,023
YTD Percent Change from December 2023 to December 2024:		12.51%
Application Assignment History*		
2001: 53,477	2009: 10,299	2017: 3,508
2002: 66,153	2010: 8,725	2018: 3,338
2003: 74,506	2011: 7,364	2019: 2,606
2004: 47,434	2012: 5,898	2020: 1,673
2005: 31,517	2013: 4,708	2021: 1,381
2006: 23,634	2014: 3,628	2022: 1,352
2007: 16,780	2015: 3,217	2023: 1,758
2008: 12,896	2016: 3,089	2024: 1,960
*Application Assignment History based on applications assigned, not received.		



## Trend of Applications Received from 2018 to 2024



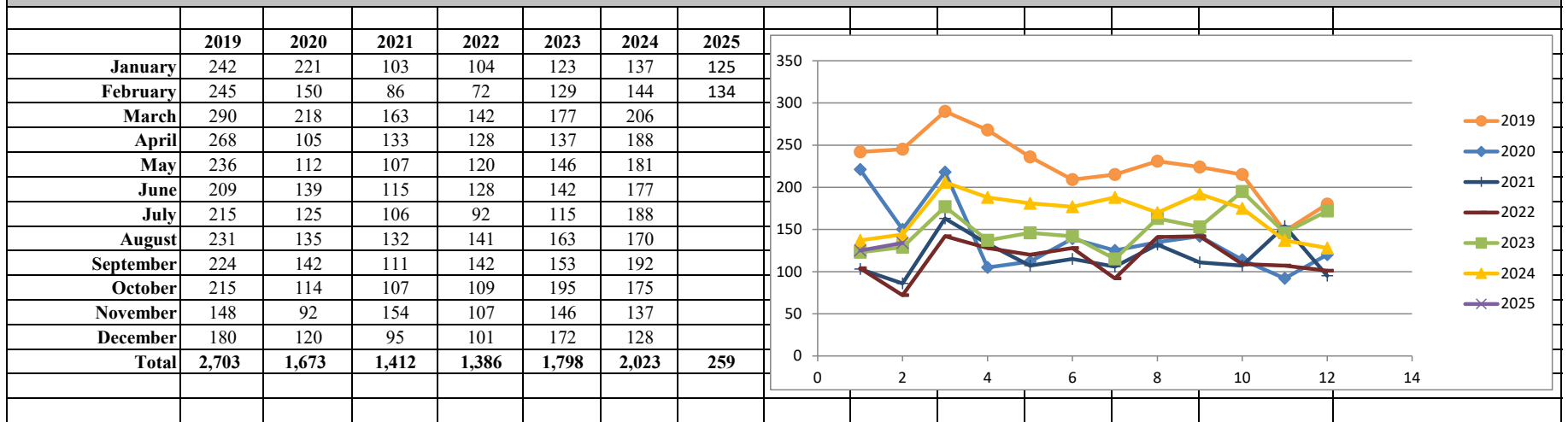
## Percent Change in Applications Received from 2018 to 2024



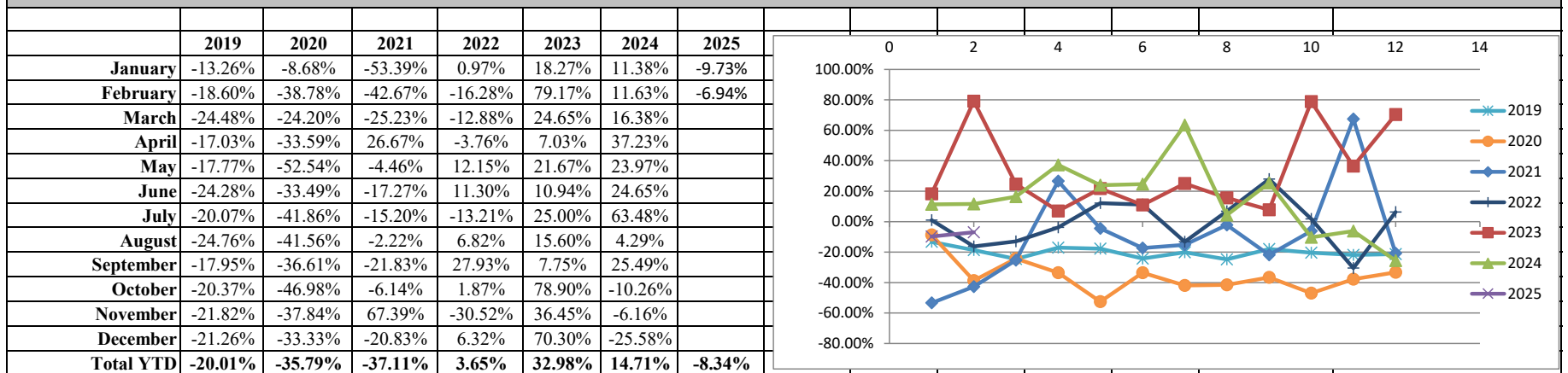
# Exhibit 6

Monthly Total (February 2025)		
	Private Passenger	Commercial
EASi Applications	137	20
Paper Applications	0	0
Total Applications Received	117	17
Applications Assigned	111	17
Apps Returned for Correction	6	0
Applications Deficient	2	3
Applications with SR-22s	6	0
Total Applications Received in February 2024:		144
Total Applications Received in February 2025:		134
Year to Date Total (as of February 2025)		
	Private Passenger	Commercial
EASi Applications	246	47
Paper Applications	0	0
Total Applications Received	219	40
Applications Assigned	210	40
Apps Returned for Correction	9	0
Applications Deficient	3	5
Applications with SR-22s	10	0
Total Applications Received YTD (as of February 2024):		281
Total Applications Received YTD (as of February 2025):		259
YTD Percent Change from February 2024 to February 2025:		-7.83%
Application Assignment History*		
2001: 53,477	2009: 10,299	2017: 3,508
2002: 66,153	2010: 8,725	2018: 3,338
2003: 74,506	2011: 7,364	2019: 2,606
2004: 47,434	2012: 5,898	2020: 1,673
2005: 31,517	2013: 4,708	2021: 1,381
2006: 23,634	2014: 3,628	2022: 1,352
2007: 16,780	2015: 3,217	2023: 1,758
2008: 12,896	2016: 3,089	2024: 1,960
*Application Assignment History based on applications assigned, not received.		

### Trend of Applications Received from 2018 to 2025



### Percent Change in Applications Received from 2018 to 2025



# Exhibit 7

# ***Texas Auto Ins. Plan Assoc.***

## **Statement of Financial Position**

As Of December 31, 2024

Unaudited

### **ASSETS**

Current Assets	
Cash and cash equivalents	\$ 499,874
Accounts receivable	396
Prepaid expenses	19,620
Total current assets	<u>519,889</u>
Security Deposits	5,379
Prepaid Pension Benefit Costs	126,924
Property and Equipment	
Furniture and equipment	26,653
Computer equipment	35,435
Leasehold improvements	2,222
Computer software	25,000
	<u>89,310</u>
Less accumulated depreciation	<u>73,161</u>
	<u>16,148</u>
Other Assets	
Operating lease right of use asset, net	210,745
Total assets	<u><u>879,086</u></u>

### **LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts payable	32,593
Accrued vacation	49,542
Accrued payroll liabilities	(555)
Deferred revenue	236
Short Term Lease Liability	51,413
Total current liabilities	<u>133,229</u>
Other Liabilities	
Long Term Lease Liability	<u>201,196</u>
Total other liabilities	<u>201,196</u>
Net (Deficiency) Assets	
Without donor restrictions	<u>544,661</u>
Total net assets	<u>544,661</u>
Total liabilities and net assets	<u><u>\$ 879,086</u></u>

# TAIPA

## Statement of Activities

For the period ended December 31, 2024

Unaudited

### Changes in unrestricted net assets

	Current YTD
Revenues	
Member assessments	\$ 990,291
Interest income	19,794
Assessment penalties	6,167
Total revenues	<u>1,016,252</u>
Expenses	
Salaries and related expenses	581,474
Occupancy expenses	86,531
Professional Services	201,374
Depreciation & amortization	3,910
Postage and delivery	21,382
Office supplies and expense	17,840
Governing committee	27,470
Computer supplies & expenses	9,106
Subcommittee meetings	2,971
Staff education & seminars	1,481
Miscellaneous	6,530
Staff expense	2,816
Dues and subscriptions	860
Total operating expenses	<u>963,744</u>
Other revenues (expenses)	
Total other revenue (expenses)	<u>-</u>
<i>Increase (decrease) in unrestricted net assets</i>	52,508
<i>Net assets (deficiency) at beginning of year</i>	<u>492,153</u>
<i>Net assets (deficiency) as of December 31, 2024</i>	<u><u>\$ 544,661</u></u>

**TAIPA**  
**ACTUAL VS. BUDGET**  
For the period ended December 31, 2024

	Actual	2024 Year To Date Budget	Variance	2024 Annual Budget	% Used	Reason for Variance	105.00% 95.00%
<b><u>REVENUE</u></b>							
Assessments & Penalties	996,458	994,360	2,098	994,360	100.21%		
Other Revenue	19,794	0	19,794	0	0.00%		
<b>TOTAL</b>	1,016,252	994,360	21,892	994,360	102.20%	Within range (note additional 2.20% is from penalties & interest income)	
<b><u>EXPENDITURES</u></b>							
Salaries	379,044	403,600	24,556	403,600	93.92%	We didn't have turnover so we didn't have any temporary expense.	
Emp. Benefits & Other Ins. Exp.	201,487	239,100	37,613	239,100	84.27%	TAIPA moved from Humana to United Health Care medical costs were lower than expected. We ended under budget.	
Office Equipment Expense	15,167	19,100	3,933	19,100	79.41%	We only bought office supplies as needed. We ended under budget.	
Printing & Stationary Exp.	2,673	4,300	1,627	4,300	62.16%	We only bought envelopes as needed. We ended under budget.	
Computer Expenses	9,106	13,720	4,614	13,720	66.37%	The Meraki access point equipment came in over \$1000, so we asked and received authorization to move \$1080.07 from computer supplies and expense (GL 41500) to Computer Equipment (15200). In addition, we did not need as much computer equipment (under \$1000) as we expected and ended under budget.	
Postage & Shipping Exp.	21,382	21,800	418	21,800	98.08%	Within range.	
Telephone Expense	6,273	7,300	1,027	7,300	85.93%	TAIPA did not move to fiber for internet. We therefore did not have an increase in price & did not have to pay for cabling. We ended under budget.	
Rent Expense	79,378	79,200	-178	79,200	100.23%	Within range.	



Moving Expense	0	0	0	0	0.00%
Taxes	880	1,200	320	1,200	73.35% <b>TAIPA's 2024 Business Personal Property taxes were not as high as expected. We ended under budget.</b>
Other Office Expenses	6,530	8,500	1,970	8,500	76.83% <b>TAIPA did not have very many assessment write-offs, and we only bought kitchen supplies as needed. We ended under budget.</b>
Governing Committee	27,470	39,400	11,930	39,400	69.72% <b>TAIPA's 2024 Governing Board Meetings were held both in person and by zoom. Many opted to use zoom thus travel expenses were reduced. We ended under budget.</b>
Subcommittee Meetings	2,971	3,000	29	3,000	99.03% <b>Within range.</b>
Producer Review Panel	0	0	0	0	0.00%
Employee Meetings, Seminars & Staff Travel	1,794	26,800	25,006	26,800	6.69% <b>Not all of TAIPA staff used their education allowance in 2024. We ended under budget.</b>
Legal Expenses	62,090	84,660	22,570	84,660	73.34% <b>TAIPA did not utilize our HR attorney, cost of the rate hearing came in under budget, and we did not need as much legal assistance as in past years. We ended under budget.</b>
Audit Expense	22,569	26,400	3,831	26,400	85.49% <b>TAIPA did not utilize Tyler as much as we budgeted for in 2024, in addition we came in under our estimated audit fee last year as well and thus we ended under budget.</b>
Dues, Subscriptions & Publications	860	800	-60	800	107.52% <b>We went 7.52% over budget because we added Ring Security yearly subscription. We ended over budget.</b>
TAIPA Tradition, Visitor Meals & Gifts	2,816	3,500	684	3,500	80.44% <b>Staff did not complete all planned activities and we did not have any staff family emergencies thus we ended under budget.</b>
System Consultants	68,909	72,200	3,291	72,200	95.44% <b>Within range.</b>
Consultants - Other	16,930	37,565	20,635	37,565	45.07% <b>Programing fees for TAIPA 's new penalty macro came in under the estimated programing cost and we did not use our accounting consultant as much in 2024. We ended under budget.</b>

Actuary	30,875	44,000	13,125	44,000	70.17%	TAIPA completed the rate 2024 filing/hearing under budget and then the actuaries started working on the 2025 rate information as well. Even with that, the expenses were less than anticipated and we ended under budget.
Other	0	0	0	0	0.00%	
<b>SUBTOTAL</b>	<b>959,834</b>	<b>1,136,145</b>	<b>176,310</b>	<b>1,136,145</b>	<b>84.48%</b>	
Depreciation	3,910	3,600	-310	3,600	108.60%	We added \$1080.07 to the depreciation schedule because Meraki access point equipment came in over \$1000 and therefore had to be added to the depreciation schedule. Thus we ended over budget.
Amortization	0	0	0	0	0.00%	
Gain (Loss) on Disposition of Fixed Assets	0	0	0	0	0.00%	
<b>SUBTOTAL</b>	<b>3,910</b>	<b>3,600</b>	<b>-310</b>	<b>3,600</b>	<b>108.60%</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>963,744</b>	<b>1,139,745</b>	<b>176,001</b>	<b>1,139,745</b>	<b>84.56%</b>	We ended under budget by 15.52% in 2024.
<b>NET FROM OPERATIONS</b>	<b>52,508</b>	<b>-145,385</b>	<b>197,892</b>	<b>-145,385</b>		
Non-Operating Pension Costs	0	0	0	0	0.00%	
<b>NET</b>	<b>52,508</b>	<b>-145,385</b>	<b>197,892</b>	<b>-145,385</b>		

#### **CAPITAL BUDGET**

Software Development in Progress	0	0	0	0	0.00%	
Office Furniture & Equipment	0	0	0	0	0.00%	
Computer Equipment	11,280	11,280	0	11,280	100.00%	Within range. We ask for authorization to move \$1080.07 from computer supplies and expense (GL 41500) to Computer Equipment (15200)
Computer Software	0	0	0	0	0.00%	
Leasehold Improvements	0	0	0	0	0.00%	
<b>TOTAL</b>	<b>11,280</b>	<b>11,280</b>	<b>0</b>	<b>11,280</b>	<b>100.00%</b>	

NOTE: Items that are considered "within range" are within 5% or \$5,000 of the expected year-to-date budget.

# Exhibit 8

# **TAIPA GOVERNING COMMITTEE**

## **ADMINISTRATIVE RULES**

### **1. Governing Committee Meetings**

- 1.1 Regular Meetings. The Governing Committee will set its schedule of meetings for the coming year at its last meeting of each year. The schedule may be revised at any meeting.
- 1.2 Special Meetings. Special meetings may be called by the Chair or upon written request to the Chair by at least three members, one of whom must be a public member.
- 1.3 Notice of Meetings. Meetings will be called in accordance with the Texas Open Meetings Act.
- 1.4 Meeting Agenda. Meeting agendas are prepared by Manager in consultation with the Chair. Members may request the addition of an item on the agenda by a written request to the Manager at least 15 days prior to a scheduled meeting.
- 1.5 Voting. Any required votes by the Governing Committee will be voice vote unless a member requests voting by a show of hands or in writing. Proxy voting is not permitted.

### **2. Officers**

- 2.1 Officers will include: Chair, 1<sup>st</sup> Vice-Chair, 2<sup>nd</sup> Vice-Chair, Secretary, and the Immediate Past Chair.
- 2.2 The Immediate Past Chair serves as an officer only if that person continues to serve on the Governing Committee after leaving the position of Chair. An immediate past Chair cannot serve as an officer if that person is removed or resigns from the Chair during that person's term. In the event the immediate past Chair does not remain on the Governing Committee after leaving the position of Chair, no other person will fill this position.
- 2.3 With the exception of the immediate past Chair, officers are to be elected at the first meeting of the Governing Committee following the annual meeting of members and serve until the following annual meeting of members.
- 2.4 At least one officer is to be a public member of the Governing Committee.
- 2.5 An officer may be removed at any meeting of the Governing Committee. An officer may resign at any time by giving written notice to the Governing Committee or to the Chair or to the Secretary. A resignation shall take effect at the date of the receipt of the notice or at a later time specified therein.

- 2.6 The Chair presides at all meetings of the Governing Committee and is responsible for the orderly conduct of such meetings. The Chair shall direct the Manager and staff of the Association in the preparation and publication of the Notice of Meeting and Agenda for all meetings of the Governing Committee. The Chair is authorized to appoint members to standing or special subcommittees. If the Chair will be absent from a meeting, the Chair may designate an officer to preside at such meeting. In the absence of such a designation, the officers shall serve in order of their seniority as set forth in Section 2.1.
- 2.7 The Vice-Chair succeeds to the office of Chair in the event of the resignation or removal of the Chair.
- 2.8 The Second Vice-Chair succeeds to the office of Chair in the event of the resignation or removal of the Chair and Vice-Chair.
- 2.9 The Secretary has the responsibility for the preparation of all minutes of the Governing Committee. In this responsibility, the Secretary will be assisted by the Manager and the staff of the Association. The Secretary is authorized to certify to actions of the Governing Committee.
- 2.10 The Chair, and such officers as the Chair may request, shall, subject to the control of the Governing Committee, generally interact with and direct the Manager of the Association. This may include day-to-day matters which may arise, and shall include giving performance reviews and making compensation adjustments.
- 2.11 Industry representatives serving as officers of the Association do so in their personal capacities. The office is not held by the member company by whom any officer is employed.
- 2.12 The officers may consult as a group in discharging their duties and responsibilities.
- 2.13 The officers have no authority to act for the Association, or to commit it to any obligation except as specifically authorized or directed by the Governing Committee.

### 3. **Standing Subcommittees**

- 3.1 Purpose. The Chair shall appoint standing subcommittees to facilitate the work and responsibilities of the Governing Committee; study key issues; and make recommendations to the Governing Committee.
- 3.2 Subcommittees. The following subcommittees are created as standing committees:
  - (i) Operations. This subcommittee consists of one public member, one agent member and three company members. It has responsibility to review matters directed to it by the Governing Committee affecting the Plan of Operation or other business deemed necessary by the Governing

Committee and to make recommendations for action to be taken on those matters. It shall keep regular minutes of its meetings and report the same to the Governing Committee when required. In this responsibility, this subcommittee will be assisted by the Manager and the staff of the Association.

- (ii) **Audit & Finance.** This subcommittee is composed of three members, one of whom is a public member. It has the responsibility to assist the Governing Committee in its oversight of the Association's financial and accounting matters. It will also oversee the work of any independent auditor selected by the Governing Committee. If the Governing Committee wishes to change independent auditors, the subcommittee will be responsible to recommend independent auditors.
- (iii) **Nominations.** This subcommittee consists of one public member, one agent member and one company member. It has the responsibility to nominate members to serve as officers of the Association. It is to submit a slate of officers to be presented for election at the Governing Committee meeting following the annual meeting of members.
- (iv) **Strategic Planning.** This subcommittee consists of one public member, one agent member and three company members. It has the responsibility of meeting annually to discuss any significant changes expected in the near future, discuss current staffing levels, discuss if changes are needed to TAIPA's Enterprise Risk Management plan, and other related tasks.

- 3.3 **Task Forces.** A subcommittee may create a "Task Force" of its members to facilitate the business of that subcommittee.
- 3.4 **Telephone Meetings or Participation by Telephone.** Meetings of subcommittees may be held by means of conference telephone or other similar means of remote communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting.
- 3.5 **The Governing Committee may appoint special subcommittees to facilitate the work and responsibilities of the Governing Committee.** A special subcommittee may hold telephonic meetings as provided in section 3.4.

#### **4. TAIPA Liaison to Association Staff**

- 4.1 **The Governing Committee will select and appoint a Governing Committee member to serve as the TAIPA Liaison to employees of the association that will allow the employee to report activity directly to the TAIPA Liaison bypassing the Manager.**

- 4.2 When appropriate and necessary, the TAIPA Liaison may bring matters before the Governing Committee for consideration or action by the Governing Committee.
- 4.3 Additional procedures and responsibilities of the TAIPA Liaison will be outlined in the TAIPA employee manual.

5. **Amendments**

- 5.1 These Administrative Rules are to continue in effect as an act of the Governing Committee until they are withdrawn or changed by further act of this or any succeeding Governing Committee of the Association.

# Exhibit 9



## **Texas Automobile Insurance Plan Association Conflict of Interest Policy**

### **Purpose**

The purpose of this conflict-of-interest policy is to prevent the institutional, business or personal interests of members of the Governing Committee or other committees, officers, and staff (“Interested Persons”) of the Texas Automobile Insurance Plan Association (TAIPA) from influencing them when making decisions for TAIPA that may benefit or gives the appearance of benefitting an Interested Person, or their relative, or any other relationship they have with a third party.

This policy is intended to supplement but not replace any applicable laws governing conflict of interest including the provisions of the Texas Business Organizations Code applicable to nonprofit corporations.

A conflict of interest may exist when the interests or potential interests of any Interested Person or that person’s close relative, or any individual, group, or organization they are associated with (including, as to a committee member, the company they represent), may be seen as competing with the interests of TAIPA, or may impair such person’s independence or loyalty to TAIPA. A conflict of interest is defined as an interest that might affect, or might reasonably appear to affect, the judgment, conduct or vote in a manner that is adverse to the interests of TAIPA.

### **Examples**

A conflict of interest may exist if an Interested Person or the company they represent:

- a. has a material ownership or investment interest in any entity with which TAIPA has or proposes to have a transaction or arrangement;
- b. has a compensation arrangement with TAIPA or with any entity or individual with which TAIPA has or proposes to have a transaction or arrangement;
- c. serves as a board member of the entity which has or proposes to have a transaction or arrangement with TAIPA; and,
- d. has a compensation arrangement with any entity or individual with which TAIPA is negotiating a transaction or arrangement.

### **Duty to Disclose**

In connection with any actual or possible conflict of interest of a Governing Committee or other committee member, the Interested Person must disclose the conflict along with all material facts to the committee or Governing Committee when considering the matter for which the conflict exists.

An employee must identify any conflict of interest and disclose all material facts to the Association Manager. The Association Manager will report to the Governing Committee any employee conflicts of interest, including those of the Association Manager.

### **Conduct of Meeting**

After disclosure of a conflict at a meeting, the Interested Person may be present at and participate in the meeting; however, they cannot vote on the matter. The matter may be authorized by the majority vote of the remaining members of the committee, regardless of whether the remaining committee members constitute a quorum. If requested by a majority of the committee, the Interested Person is to leave the meeting for the vote on the matter. Then, if desired, additional discussion may be had prior to the vote.

### **Meeting Minutes**

The minutes of a meeting shall reflect that the conflict of interest was disclosed; that the Interested Person did not vote on the matter; and, whether they left the meeting during the vote.

### **Violations of the Conflicts of Interest Policy**

If the Governing Committee has reasonable cause to believe an Interested Person has failed to disclose actual or perceived conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Governing Committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

### **Annual Statements**

Each Governing Committee member, each employee of TAIPA and each member of a committee shall annually sign a statement which affirms such person:

- a. has received a copy of this conflict-of-interest policy;
- b. has read and understands this policy; and,
- c. has agreed to comply with this policy.

### **Supplemental Statements**

When an Interested Person becomes aware of a new conflict of interest after submitting the annual statement, the Interested Person shall provide an updated disclosure.

## CERTIFICATION

I have read the foregoing conflict of interest policy of TAIPA and agree to abide by its terms. I know of no possible conflict of interest except as described below:

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Signature

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Printed name

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Date

# Exhibit 10



September 20, 2024

Audit Committee  
Texas Automobile Insurance Plan Association  
805 Las Cimas Pkwy suite 210  
Austin, TX 78746

This letter is to explain our understanding of the arrangements for the services that Atchley & Associates, LLP (the Firm) is to perform for Texas Automobile Insurance Plan Association for the year ending December 31, 2024. We ask that you either confirm or amend this understanding.

### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that we audit the financial statements of Texas Automobile Insurance Plan Association (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with GAAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider the entity's system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will also communicate to the audit committee (*a*) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (*b*) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants (AICPA).

### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Management is responsible for:

- a. Identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
- b. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
- c. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibilities:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
- c. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- d. To provide us with:
  - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - (2) Additional information that we may request from management for the purpose of the audit; and
  - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The audit committee is responsible for informing us of its views about the risks of fraud within the Organization, and its knowledge of any fraud or suspected fraud affecting the Organization.

Because the Firm will rely on the Organization and its management and audit committee to discharge the foregoing responsibilities, the Organization holds harmless and releases the Firm, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Organization's management which has caused, in any respect, the Firm's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

## **Reporting**

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the audit committee of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

If circumstances arise relating to the condition of the Organization's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial

statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

### **The Organization's Records and Assistance**

During the course of our engagement, we may accumulate records containing data that should be reflected in the Organization's books and records. The Organization will determine that all such data, if necessary, will be so reflected. Accordingly, the Organization will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Organization personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Stacy Dutton, Association Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

### **Accounting and Tax Services**

In connection with our audit, you have requested us to perform the following accounting services:

1. Assist with posting closing entries (bank reconciliations, audit adjustments, payroll adjustments, etc.)
2. Drafting the financial statements

Stacy Dutton, Association Manager, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Our services under this Arrangement Letter do not include services for tax return preparation, tax advice or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions, the information provided during these discussions shall not be used as the basis for proceeding with any transaction or any tax return reporting.

Separate arrangements, including fee arrangements, are required for tax preparation, tax advice or tax representation services.

### **Fees, Costs, and Access to Workpapers**

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from Organization personnel
- b. Timely responses to our inquiries



- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. We will notify you immediately of any circumstances we encounter which could significantly affect our initial estimate of fees, excluding direct out-of-pocket expenses, estimated to be \$15,000 to \$16,000. All other provisions of this letter will survive any fee adjustment. In accordance with our firm policies, work may be suspended if your account becomes sixty or more days overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Organization agrees it will compensate the Firm for any additional costs incurred as a result of the Organization's employment of a partner or professional employee of the Firm.

In a legal action in which the Firm or its partners are not the defendants, we shall also be entitled to fees at \$500.00 per hour and reimbursements for testimony if we are subpoenaed as a witness in a subsequent litigation by third parties and such testimony involves the work we performed pursuant to this agreement. If we are ordered by a state or federal judge to permit the subsequent inspection and/or reproduction of files, records, and other documents relating to work performed by us pursuant to this agreement, then you agree that we may comply with these orders without prior notice to you.

### **Use of Subcontractors and Third-Party Products**

From time to time and depending upon the circumstances, we may, in our sole discretion, use affiliates of ours or qualified third-party service providers, located within or outside the United States, to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information (as such term is defined below) to them. Those third-party service providers we use to assist us in providing services to you are collectively referred to herein as "Subcontractors." You hereby consent to us sharing your information, including Confidential Information, with our Subcontractors, within or outside of the United States; provided that such recipients are bound by written obligations of confidentiality that are as protective of your Confidential Information as the confidentiality terms set forth herein. You acknowledge and agree that our use of Subcontractors may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure.

We also may provide services to you using certain third-party hardware, software, software services, and applications, (collectively, Third-Party Products). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-

Party Product's infrastructure and not ours. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, EULA(s)) will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

### **Use and Ownership; Access to Audit Documentation**

The Audit Documentation for this engagement is the property of the Firm. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of the Firm's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by the Firm for the Organization under this Arrangement Letter, or any documents belonging to the Organization or furnished to the Firm by the Organization.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable Firm policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in the Firm's form. The Firm reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Organization, the Organization will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

### **Claim Resolution**

The Organization and the Firm agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by the Firm or the date of this arrangement letter if no report has been issued. The Organization waives any claim for punitive damages. The Firm's liability for all claims, damages and costs of the Organization arising from this engagement is limited to the amount of fees paid by the Organization to the Firm for the services rendered under this arrangement letter.

Indemnification is intended to protect the Firm and its principals and employees against being named in any lawsuit arising from this engagement as a result of having completed this engagement. You shall indemnify the Firm and its principals and employees and hold us harmless from all claims, liabilities, losses, and counsel fees and expenses unless it shall have been determined by a court of competent jurisdiction that we have acted negligently in the performance of the work covered by our engagement. In no event shall the Firm and its principals and employees be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.) even if we have been advised of their possible existence.

If a dispute arises out of or relates to this contract or engagement letter, or the obligations of the parties therein, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation using the Commercial Mediation Rules of the American Arbitration Association (AAA) before resorting to arbitration, litigation, or some other dispute resolution procedure. Thereafter, any unresolved controversy or claim arising from or relating to this contract or the obligations of the parties hereunder shall be settled by arbitration administered using the American Arbitration Association or another mutually agreeable arbitration service using the AAA Arbitration Rules for Professional Accounting and Related Services Disputes and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

### **Personal Information**

As used herein, the term “Personal Information” means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver’s license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the Organization or the Organization’s customers or other third parties.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

### **Retention of Records**

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Arrangement Letter. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

### **Termination**

You may terminate the arrangement at any time by written notice to us. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring



files to and otherwise cooperating with any successor auditor. All provisions of this arrangement will survive termination or cancellation, except that (a) we will not have any obligation to provide services after termination and (b) you will not have any obligation to pay us for any services that we perform after termination, except for costs incurred to cooperate with a successor auditor or regulatory agency subpoena or inquiry.

### **Electronic Signatures and Counterparts**

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

This letter constitutes the complete and exclusive statement of agreement between the Firm and the Organization, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

*Atchley & Associates, LLP*  
Atchley & Associates, LLP

Confirmed on behalf of Texas Automobile Insurance Plan Association:

Matthew Snyder  
Audit Committee

January 10, 2025  
Date

Stacy Dutton  
Association Manager

January 10, 2025  
Date

# Exhibit 11

# TAIPA OTPP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
ACCIDENT INS CO	Entered CLAD													
AMER CONTRACTORS INS RISK RET. GRP	Started writing again 16,743 out of storage in 2020			19,797		21,815		21,815		22,918		24,676		26,145
AMER COUNTRY INS CO		1,535		1,535	Company has zeroed out									
BRITISH AMERICAN INS CO	822		611		264			264		367		530		667
CIMARRON INS CO INC														
CLEAR SPRING PROP & CAS CO								9		253				
GATEWAY INS CO		2,739	Company is in recievership											
GENERALI US BRANCH						1		1		1		1		1
GOVERNMENT EMPLOYEES INS CO	478,955		463,695		451,023		439,170		436,989		433,511		430,605	
GREYHAWK INS CO									New to quota	9		22		34
HOUSING ENTERPRISE INS CO INC		12		12		12	Went into storage							
HOUSTON GENERAL INS EXCHANGE (co is in liquidation)				372		372		372		372		372		372
INTEGON NATIONAL INS CO		1,775,103		1,874,186		1,829,273		1,815,421		1,810,811		1,804,612		1,765,391
INFINITY INS CO													New to quota	33,559

# TAIPA OTPP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
INTREPID INS CO	Became grouped													
MIDCONTINENT CAS CO	743,230		742,224		740,792		739,272		738,926		738,374		737,913	
MIDVALE IND CO								85				402		565
MGT INS CO									New to quota	1		3		5
MOTORISTS COMM MUT INS CO (co has zeroed outprev Amer Hardware Mut Ins Co)	27,086		27,086		Company has zeroed out									
MS TRANSVERSE INS CO									New to quota	4	Company has zeroed out			
NEXT INS US CO/Restricted Withdrew from the market 11/03/23				49		566				127		329		498
NORTH POINTE INS CO								Became grouped		90				
NUTMEG INS CO								203		207	Became grouped			
OKLAHOMA SURETY CO	676,507		675,699		674,694		673,510		673,296		672,956		672,671	
PREFERRED PROFESSIONAL INS CO										226	Entered CLAD			
RIVERPORT INS CO	Became grouped													
SAMSUNG FIRE & MARINE INS CO						2		4		6		9		12
STARNET			Entered CLAD											
STATE FARM MUT AUTO INS CO		104,930	Entered CLAD											

TAIPA OTPP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
TEXAS FARM BUREAU CAS INS CO (prev Southern Farm Bur)		29,114	Entered CLAD											
TEXAS HOSPITAL INS EXCH		13,086		13,280		13,498		13,694		13,735		13,801		13,856
TIG INS CO		81		84		84		84		84		84		84
WATFORD INS CO						1,150	Became grouped							
TOTALS	1,926,600	1,926,600	1,909,315	1,909,315	1,866,773	1,866,773	1,851,952	1,851,952	1,849,211	1,849,211	1,844,841	1,844,841	1,841,189	1,841,189

PREMIUMS CREDITED	1,737,041	1,695,128	1,750,543	1,820,858	509,088 1st qtr	516,625 2nd qtr	528,855 3rd qtr
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TAIPA PP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
21ST CENTURY CENTENNIAL INS CO (SC)		82,479		173,295		94,829		284,547		223,007		165,352		174,715
ACUITY A MUT INS CO								1		3		5		
AFFIRMATIVE INS CO (co is in liquidation)		2,831	Went into storage											
AMER FAMILY MUT INS CO SI		12		12		0	Entered LAD							
AXA INS CO		21		50		59		59		59		59		59
BERKLEY INS CO	Became grouped													
BRANCH INS EXCH						56	Entered LAD							
CIMARRON INS CO													New to quota	3
CLEARCOVER INS CO			Entered LAD											
DIRECT GEN INS CO	Became grouped													
FREESTONE INS CO	Went into storage													
GM NATIONAL INS CO													New to quota	1

TAIPA PP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
GOAUTO INS CO						6								
GOVERNMENT EMPLOYEES INS CO		28,150		58,246		73,402	3		Entered LAD					
GREENWICH INS CO			New to quota	1		21		86		126		170		224
HALLMARK COUNTY MUT INS CO	440,269		440,169		440,105		439,975		439,940		439,908		439,877	
HOUSTON GENERAL INS EXCH (co is in liquidation)	New to quota	190		235		249		249		249		249		249
INTEGON NATIONAL INS CO		185,414		207,690		271,688		155,542		216,910		274,358		264,770
MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO )	Went into Storage													
METROPOLITAN GEN INS CO (this co has zero basic quotaresearch)								24		24		24		24
NATIONAL UNITY INS CO							Entered LAD							
NOBLR RECIPROCAL EXCHANGE					Entered LAD									
SPINNAKER INS CO					Co is in LAD	5								
STATE FARM MUT AUTO INS CO		104,343	Entered LAD		15	Co is in LAD								
TEXAS FARM BUREAU CAS INS CO		36,078	Entered LAD											

TAIPA PP Over/Under Report

03/03/2025

COMPANY	Year End 2020		Year End 2021		Year End 2022		Year End 2023		1st QTR 2024		2nd QTR 2024		3rd QTR 2024	
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
TREXIS ONE INS CORP (prev co ALFA SPECIALTY INS CORP)		663		613	377		569		438		309		168	
UNITED SEC HEALTH & CAS INS CO/UNITED SECURITY INS CO						3		39	Became grouped					
VAULT RECIPROCAL EXCHANGE			New to quota	17		155			Entered LAD					
WINDHAVEN NATIONAL INS. CO (10348 ATX PREMIER INS CO) Co is in receivership as of 03/05/2020		88		10		3			CO zeroed out					
TOTALS	440,269	440,269	440,169	440,169	440,497	440,476	440,547	440,547	440,378	440,378	440,217	440,217	440,045	440,045

Out of balance 21. Sent email to AIPSO See State Farm +15 & Amer Family Mut 0, Spinnaker 5

PREMIUMS WRITTEN	1,262,528	1,000,446	928,016	1,319,669	1st qtr 509,088	2nd qtr 516,625	3rd qtr 456,247
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# Exhibit 12

# THE BURKHALTER GROUP

Consulting Actuaries

Christopher J. Burkhalter  
F.C.A.S., M.A.A.A.

Patrick L. Whatley  
F.C.A.S., M.A.A.A.

Kevin M. Ryan  
F.C.A.S., M.A.A.A.

Richard J. Roth, Jr.  
F.C.A.S.

Windrie Wong  
F.C.A.S., M.A.A.A.

Matthew J. Stephenson  
F.C.A.S., M.A.A.A.

Benjamin J. Clark  
A.C.A.S., M.A.A.A.

April 11, 2025

Governing Committee & Manager of the  
Texas Automobile Insurance Plan Association  
805 Las Cimas Parkway, Suite  
Austin, TX 78746

Re: 2025 TAIPA Rate Filing

The Burkhalter Group, Inc. has prepared the following indicated and proposed rate changes for the Texas Automobile Insurance Plan Association to be effective 10/1/2025. Both sets of indications have been determined by the same approach that was applied in the prior rate filing. The private passenger auto methodology applies an indexing procedure to statewide trends in claim costs, and the commercial auto indications are based on a similar approach that analyzes trends in statewide basic limits claim severity. The proposed rate changes for each coverage have been judgmentally selected by TBG, with the aim of improving overall rate adequacy and achieving an expedient review process.

<u>Private Passenger</u>	<u>Indicated</u>	<u>Proposed</u>
Bodily Injury Liability	+14.6%	+5.0%
Property Damage Liability	+3.2%	+3.2%
Personal Injury Protection	-15.4%	0.0%
Uninsured Motorists - BI	+57.1%	+5.0%
Uninsured Motorists - PD	+14.1%	+5.0%
Total	+9.9%	+4.1%
<u>Commercial Auto</u>	<u>Indicated</u>	<u>Proposed</u>
Bodily Injury Liability	-3.0%	0.0%
Property Damage Liability	+4.6%	+4.0%
Personal Injury Protection	+5.7%	+5.0%
Uninsured Motorists - BI	+1.4%	+1.0%
Uninsured Motorists - PD	+11.2%	+5.0%
Total	+0.4%	+1.7%

The Total indicated and proposed private passenger rate changes are based on the breakdown by coverage of the Association's 2023 earned premium from the inaugural PPA data call of the two primary PPA servicing carriers. The Total indicated and proposed commercial rate changes are based on the 2022 earned premium breakdown from the 2023 Texas Commercial Auto Liability Benchmark Report.

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(714) 964-7814

42605 Hastings Street  
Palm Desert  
California 92211  
(760) 360-2063

The average rate level increases shown above filing are generated by changes in the base rates for each territory. No changes are proposed to any of the territorial or class factors. Subject to the approval of the Governing Committee, the proposed rate changes will be filed with a proposed effective date of October 1, 2025.

Sincerely,

A handwritten signature in black ink, reading "Matthew J. Stephenson". The signature is fluid and cursive, with the first name "Matthew" and last name "Stephenson" clearly legible.

Matthew J. Stephenson, FCAS, MAAA  
Vice President

# Exhibit 13

\* To be added