

**Texas Automobile Insurance Plan Association Governing Committee Meeting**  
**Friday, November 16, 2018 - 9:00 A.M.**  
**Omni Austin Hotel Southpark, 4140 Governor's Row, Austin, TX 78744**  
**Dress: Business Casual**

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Review and Approval of the Minutes of the August 17, 2018 Meeting (Exhibit 1)
5. Chair's Report
  - A. TAIPA Administrative Rules (Exhibit 2)
  - B. Possible AIA/PCI Merger
  - C. Legislative Session
  - D. Defined Benefit (Pension) Plan
6. Manager's Report
  - A. Application Count Update as of October 2018 (Exhibit 3)
  - B. Financial Update as of September 2018 (Exhibit 4)
  - C. 2019 Requests for Proposal
  - D. 2019 Budget (Exhibit 5)
  - E. Plan of Operation Filing: Refunds
  - F. Employee Handbook Updates
  - G. 2019 Meeting Dates (Exhibit 6)
7. Operations Subcommittee Report
  - A. Over/Under Report (Exhibit 7)
  - B. Procedures Related to Insurers Discontinuing Writing
8. Report of Counsel
  - A. TAIPA Rates
9. Personnel Matters
10. 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.

TAIPA Governing Committee Meeting  
August 17, 2018

**TAIPA GOVERNING COMMITTEE MEETING MINUTES  
AUGUST 17, 2018 AT 9:00 AM  
OMNI AUSTIN HOTEL SOUTHPARK**

**ATTENDEES:**

**VOTING MEMBERS:**

Mary Carol Awalt, Public Member  
Bill Brooks, Texas Farm Bureau Ins Co's  
Todd Feltman, State Farm  
Pete Hamel, Producer Member  
Laura Hausman, Public Member (Via teleconference)  
Carmelita Hogan, Public Member (Via teleconference)  
Leslie Hurley, Public Member  
Stephen Hylka, Liberty Mutual/Safeco (Via teleconference)  
Becky Jackson, Public Member  
Corise Morrison, USAA  
Anise Mulkey, Travelers (Via teleconference)  
Adam Payton, Producer Member  
Thomas Rolling, Farmers  
Michael Schalk, Allstate  
David Weber, Hochheim Prairie (Chair)

**COUNSEL:**

Michael Jones, Thompson, Coe, Cousins & Irons

**TAIPA STAFF:**

Stacy Dutton (Association Manager)  
Mimi Leece  
Nicole Morgan (Minute Taker)

**OTHERS:**

Marianne Baker, TDI  
Doug Beck, Farmers (Via teleconference)  
Carol Berthold, GEICO  
Alisha Darden, Public Member Alternate  
Kimberly Donovan, OPIC  
Marti Luparello, Texas Farm Bureau Ins Co's  
John Lusardi, Assigned Risk Solutions, Ltd. (Via teleconference)  
Ramon Montalvo, Producer Member Alternate  
John Mooney, TDI  
Matthew Snyder, Farmers

**ITEM 1: CALL TO ORDER**

David Weber called the meeting to order at 9:00 AM.

## **ITEM 2: INTRODUCTIONS**

Introductions were made.

## **ITEM 3: READING OF THE ANTI-TRUST STATEMENT**

Stacy Dutton read the Anti-Trust Statement:

“The creation and operation of the Texas Automobile Insurance Plan Association is set forth in Chapter 2151 of the Texas Insurance Code. The Association is a non-profit corporate body composed of all authorized insurers. The organization was created to provide a means by which insurance may be assigned to an authorized insurer for a person required by the Texas Motor Vehicle Safety-Responsibility Act to show proof of financial responsibility for the future. Members of the Association and of its Governing Committee, when involved in meetings or other activities of the Association, are bound to limit their discussions and actions to matters relating to the business of the Association, and shall not discuss or pursue the business interest of individual insurers or others.”

## **ITEM 4: RECOGNITION OF TERRY FAIN’S SERVICE TO TAIPA**

Terry Fain is leaving the Governing Committee. He was recognized for his service as an alternate public member from 2012-2018. He will be sent a plaque of appreciation.

## **ITEM 5: AUDIT/FINANCE COMMITTEE REPORT**

Tyler Mosley presented the 2017 audit reports.

### **A. REPORT ON 2017 AUDIT (EXHIBIT 1)**

The auditors’ responsibility is to give an opinion on the financial statements and to obtain reasonable assurance the financials are free of material misstatement. They also consider internal controls for the purposes of risk assessment, and would report back if there were any deficiencies. For 2017, there were no significant deficiencies, disagreements with management, correcting entries, issues with internal controls, new accounting policies, or any other significant findings.

The audited 2017 financials were reviewed. The financials received an unmodified opinion from the auditors, which is the highest opinion that can be given. A few highlights were discussed:

- TAIPA’s cash position was up from 2016, but that was mostly due to the timing of TAIPA’s accrued payables; otherwise, the 2017 cash position would have been very similar to 2016.
- TAIPA’s pension liability decreased from 2016 due to positive investment performance.
- TAIPA’s revenues and expenses were pretty flat. Everything is very close to budget when you look at budget versus actual.

TAIPA Governing Committee Meeting  
August 17, 2018

- TAIPA generated about \$64,000 positive cash from operating activities.

Next year, the board should expect to see a change in the financials due to a 2016 accounting standard update related to not-for-profit entities. It will not change the financials themselves, but will change the formatting somewhat, and will also add some disclosures.

It was moved by Thomas Rolling and seconded by Corise Morrison to:

“Accept the audit report as-is.”

The motion carried unanimously.

Tyler Mosley left the meeting.

**ITEM 6: REVIEW AND APPROVAL OF THE MINUTES OF THE MARCH 23, 2018 MEETING  
(EXHIBIT 2)**

It was moved by Corise Morrison and seconded by Adam Payton to:

“Adopt the minutes.”

The motion carried unanimously.

**ITEM 7: CHAIR’S REPORT**

David Weber presented the Chair’s Report.

**A. TAIPA ADMINISTRATIVE RULES AND POSSIBLE AMENDMENT (EXHIBIT 3)**

When David became Chair, he recognized that the subcommittees were starting to lose a lot of institutional knowledge due to board member retirements. He wanted to appoint members to the subcommittees in a way that would spread the work around, and would get new members in on some of the institutional knowledge. When he gave his proposed subcommittee listing to staff, staff informed him that TAIPA has some administrative rules that prevented some of his choices. David wasn’t aware of the administrative rules beforehand, so he thought it was important that they be presented to the board to make sure everyone is familiar with them. The goal is to revisit these rules in November and adopt any necessary changes. The current proposed changes are:

- Add the Strategic Planning Subcommittee as a standing subcommittee
- Add the TAIPA liaison position
- Add the prior Chair as part of the officer group (assuming they remain on the board) so that they can help educate the new officers and pass on institutional knowledge
- Possibly add the numbers of each type of member on each committee

If anyone else has any proposed amendments, please send them to David and TAIPA staff by October 1<sup>st</sup>.

It was asked if the Plan of Operation states that there needs to be a public member as an officer. The Plan of Operation does not have that stipulation; only the administrative rules do.

**B. COMMITTEE REORGANIZATION AND ELIMINATION OF CERTAIN COMMITTEES  
CREATED BY PAST BOARD ACTION (EXHIBIT 4)**

This agenda item is to clean up the ad hoc committees that have completed their tasks and are no longer needed: Manager Transition, Actuarial RFP, and Quota Task Force.

It was moved by Bill Brooks and seconded by Todd Feltman to:

“Dissolve those committees.”

The motion carried unanimously.

The members of each subcommittee were announced.

**C. APPROVAL OF PRODUCER MEMBERS FOR PRODUCER REVIEW PANEL**

The Plan of Operation stipulates the makeup of the Producer Review Panel. The insurer and public members are chosen by the Governing Committee Chair, and the three producer members are to be approved by the Governing Committee. David Weber nominated Pete Hamel, Ramon Montalvo, and Adam Payton as the Chair, all for a two-year term.

It was moved by Todd Feltman and seconded by Becky Jackson to:

“Adopt those members.”

The motion carried unanimously.

**D. POSSIBLE AIA/PCI MERGER**

AIA and PCI recently announced they are planning to merge. The current AIA member is Travelers (Anise Mulkey). The current PCI member is Hocheim Prairie (David Weber).

The merger hasn't happened yet, but if it does, it will likely take place in the spring of 2019. We will need to be prepared for how this will change the board composition if the merger does happen. We faced a similar situation in the early 2000's, and in that situation, the board chose to add an additional at-large member. We could do this again. Or, we could bring in the last remaining large trade association, NAMIC. Several of the current board members are NAMIC members. The Chair and TAIPA staff met with NAMIC, who confirmed they'd be interested in appointing someone to our board. If/when the merger occurs, the board will discuss which option they'd like to pursue.

**ITEM 8: MANAGER'S REPORT**

Stacy Dutton presented the Manager's Report.

**A. APPLICATION COUNT UPDATE AS OF JULY (EXHIBIT 5)**

TAIPA received 269 applications in July 2018, compared to 290 in July 2017. Year-to-date, TAIPA has received 2,119 applications in 2018, compared to 2,179 in 2017, which

TAIPA Governing Committee Meeting  
August 17, 2018

is a decrease of about 2.75%. We expect to receive about 3,500 applications this year, which would be slightly below our 2017 volume, but higher than our 2016 volume. This is consistent with the “bottoming out” trend we’ve been seeing over the past couple of years.

**B. FINANCIAL UPDATE AS OF JUNE (EXHIBIT 6)**

TAIPA would expect to be at 50% of the budget used at the end of June, and is under-budget at about 44.5%. The items that are currently over-budget were explained. We expect to end the year about 4% under-budget.

**C. LINE OF CREDIT RENEWAL**

TAIPA holds a \$300,000 line of credit with Frost Bank, which we’ve never drawn on, but carry as a contingency. The line of credit expires on September 6, 2018. The annual renewal fees are expected to be about \$300, but there are no other fees unless we draw against it.

It was moved by David Weber and seconded by Thomas Rolling to:

“Renew our line of credit, and authorize Nicole Morgan and Stacy Dutton as signers.”

The motion carried unanimously.

**D. PLAN OF OPERATION FILING: REFUNDS**

In August 2017, TAIPA staff filed a Plan of Operation amendment with TDI to comply with Senate Bill 698, as well as the rule that TDI promulgated. Our amendment only included changes to Section 14. At the last Governing Committee meeting, the board approved additional amendments to Section 6. TAIPA staff filed those amendments on April 6<sup>th</sup>. TDI published notice of our filing on July 14<sup>th</sup>, with comments due August 27<sup>th</sup>. We expect to have approval shortly after. Once approved, we’ll update the Plan of Operation, and will send out a bulletin.

**E. EMPLOYEE HANDBOOK UPDATES (EXHIBIT 7)**

Stacy Dutton reviewed the TAIPA Employee Handbook and noticed some changes that need to be made. The proposed changes were explained.

Leslie Hurley asked if it would still be a good idea to have a sign-in book for visitors so that we have a record of who has visited the office, for safety reasons. TAIPA doesn’t currently have a sign-in book, but we could get one. It was agreed to change this back to the previous wording.

It was asked if TAIPA’s HR attorney has reviewed the handbook revisions. He has not, but TAIPA staff will run it by him.

It was moved by David Weber and seconded by Todd Feltman to:

“Adopt what was presented, with Leslie’s changes.”  
The motion carried unanimously.

It was asked that TAIPA staff bring the handbook before the board again if the HR attorney has any additional changes.

## **ITEM 9: OPERATIONS SUBCOMMITTEE REPORT**

Nicole Morgan presented the Operations Subcommittee Report.

### **A. OVER/UNDER REPORT (EXHIBIT 8)**

There was nothing noteworthy on the report.

### **B. SURCHARGES ON TAIPA POLICIES (EXHIBIT 9)**

TAIPA received a couple of questions regarding how to apply surcharges in situations that don’t come up very often and aren’t addressed in our rules. These were referred to the Operations Subcommittee to discuss how other plans and insurers are handling these situations, and to consider if we need to add clarifying language to our Rules & Rating Manual. The subcommittee discussed and determined that it would be better to evaluate questions like this on a case-by-case basis, as these kind of situations are pretty rare. The subcommittee does not recommend any changes to the Plan of Operation or Rules & Rating Manual. Instead, they recommend that TAIPA staff update the FAQ’s on the TAIPA website to provide guidance in these situations. The Governing Committee agreed by consensus.

### **C. PROCEDURES RELATED TO INSURERS DISCONTINUING WRITING (EXHIBIT 10)**

Many of the plans around the country have language in their manuals regarding companies that are in receivership/liquidation, or that withdraw from the market. The subcommittee was tasked with considering if TAIPA should change their procedures to be more in line with some of the other plans. We’ve been discussing what happens when companies discontinue writing by withdrawing from the market. When companies file withdrawal plans with TDI, they are required to include provisions for how they plan to handle their statutory obligations, including those to assigned risk plans. That said, we spoke with TDI, and they don’t actually double-check this; they assume the company is acting in accordance with the provisions in their plan. Furthermore, TAIPA doesn’t receive copies of the withdrawal plans, or have any knowledge a company will be withdrawing, until after TDI approves the withdrawal. Currently, the TAIPA Plan of Operation states that a company that has discontinued writing but retains its license must continue to receive assignments. However, because companies that have filed withdrawal plans cannot receive assignments, we have no choice but to restrict them in our system, redistributing their quota to all other companies. We don’t currently have any authority to have them fulfill their statutory obligations in any other way. The Operations Subcommittee proposes adding language to the TAIPA Plan of Operation similar to what many states countrywide have, that way the withdrawing companies have real options for

TAIPA Governing Committee Meeting  
August 17, 2018

fulfilling their statutory obligations. They propose that companies withdrawing from the market and are unable to receive assignments must fulfill their obligation by either entering a LAD/CLAD, or paying a one-time buyout fee to TAIPA. TDI has said that specific language like this would make it easier for them to enforce and ensure that companies actually meet their statutory obligations. The subcommittee would like the board's permission to pursue these amendments to the Plan of Operation. If the board agrees, the subcommittee will draft the amended Plan of Operation language, determine how to calculate the buyout fee option, determine if any other TAIPA procedures need to be amended, and discuss this procedure with TDI to ensure that the company's decision is accounted for in a company's withdrawal plan. The Governing Committee agreed by consensus.

It was asked if the subcommittee has a timeline for this. There is not a timeline, but they subcommittee will work as quickly as they can. It's possible something could be ready to present at the November Governing Committee meeting, but there's no guarantee.

**ITEM 10: REPORT OF COUNSEL**

A handout was distributed (Attachment #1). Mike Jones presented the Report of Counsel.

**A. TAIPA RATES**

This is TAIPA's fourth year using the new ratemaking methodology created by Mike Miller. Because TAIPA's data has gotten so small, the data was no longer credible for ratemaking purposes, so we decided to index them to voluntary market data instead. We took the rates currently in effect, and made comparisons to the TAIPA rates. Since then, Mike Miller's been looking at the one-year paid pure premium change, as well as the three-year linear change, and then complemented this with the trends from the voluntary market. He then makes selections and spreads that to the different classes and territories, which is where the indexing kicks in. As part of the new ratemaking process, we also updated the class and territory factors over the last three years to get those in line with the voluntary factors.

The overall proposed Private Passenger change is +4.8%. The overall proposed Commercial change is +3.9%. There are no rate factor changes for territory or class factors in this filing; the rate change is purely generated by changes in the base rates. Counsel will plan to file on September 10, 2018 (assuming this date works for TDI). The proposed effective date will be February 1, 2019, which will give the companies at least 90 days to make the rate changes in their systems.

It was moved by Corise Morrison and seconded by Thomas Rolling to:

“Make the filing as presented.”

The motion carried unanimously.

**ITEM 11: 2019 MEETING DATES (EXHIBIT 11)**

The 2019 meetings are show in Exhibit 11.



TAIPA Governing Committee Meeting  
August 17, 2018

It was asked if the teleconference option will be available for all meetings, including the March 2019 meeting. It will be available during the actual Governing Committee meeting, but not the annual meeting.

It was asked if the November 2019 meeting coincides with Thanksgiving. It does not; the meeting is the week before Thanksgiving.

**ITEM 12: NEXT MEETING—NOVEMBER 16, 2018 AT OMNI AUSTIN HOTEL SOUTHPARK**

The next Governing Committee meeting is Friday, November 16, 2018 at the Omni Austin Hotel Southpark.

**ITEM 13: PERSONNEL MATTERS**

There was nothing to discuss.

**ITEM 14: ADJOURNMENT**


There being no further business to discuss, it was moved by Thomas Rolling and seconded by Corise Morrison to:

“Adjourn the meeting.”

The motion carried unanimously. The meeting adjourned at 9:56 AM.

  
\_\_\_\_\_  
Signature of Secretary

  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Printed Name of Secretary

# Memorandum

**To:** Texas Automobile Insurance Plan Association Governing Committee and Manager  
**From:** Michael W. Jones  
**Date:** August 17, 2018  
**Re:** 2018 Rate Filing Summary

---

Below are the proposed adjustments in the 2018 filing:

Private Passenger.

Bodily Injury Liability	+5.0%
Property Damage Liability	+4.8%
Personal Injury Protection	+2.4%
Uninsured Motorists - BI	+4.5%
<u>Uninsured Motorists - PD</u>	<u>+4.5%</u>
Overall Average	+4.8%

Commercial Auto

Bodily Injury Liability	+4.3%
Personal Damage Liability	+3.3%
<u>Personal Injury Protection</u>	<u>+3.5%</u>
Overall average	+3.9%

The filing is based on data through the end of 2016. Earned premiums for 2016 are estimated at \$745,883 for private passenger and \$833,028 for commercial auto for a total of \$1,578,911.

The average rate level increases in this filing are generated by changes in the base rates for each territory. This filing does not adjust any of the territorial or class factors. The proposed rate change effective date will be February 1, 2019.

None of the proposed average rate changes in this filing exceed 105% of the current rate for each coverage. Accordingly, no hearing is required pursuant to Insurance Code Section 2151.2041.

Subject to the Committee's approval, we will make the filing on or about September 10, 2018.

**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, ~~and~~ Secretary, and the immediate past Chair.
- 2.2.2 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.
- 2.2.3 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.
- 2.3.4 At least one officer is to be a public member of the Governing Committee.
- 2.4.5 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.

2.52.6 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.

2.62.7 The Vice-Chair succeeds to the office of Chair in the event of the resignation or removal of the Chair.

2.72.8 The Second Vice-Chair succeeds to the office of Chair in the event of the resignation or removal of the Chair and Vice-Chair.

2.82.9 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.

2.92.10 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.

2.102.11 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.

2.112.12 The officers may consult as a group in discharging their duties and responsibilities.

2.122.13 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:

3.1(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.

3.2(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.

3.3(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.

3.43.3 Task Forces. A subcommittee may create a "Task Force" of its members to facilitate the business of that subcommittee.

3.53.4 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.

#### 4. Special Subcommittees

3.5 The Governing Committee may appoint special subcommittees to facilitate the work and ~~responsibility~~ responsibilities of the Governing Committee. A special subcommittee may hold telephonic meetings as provided in section 3.54.

#### 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.

4.14.3 Additional procedures and responsibilities of the TAIPA Liaison will be outlined in the TAIPA employee manual.

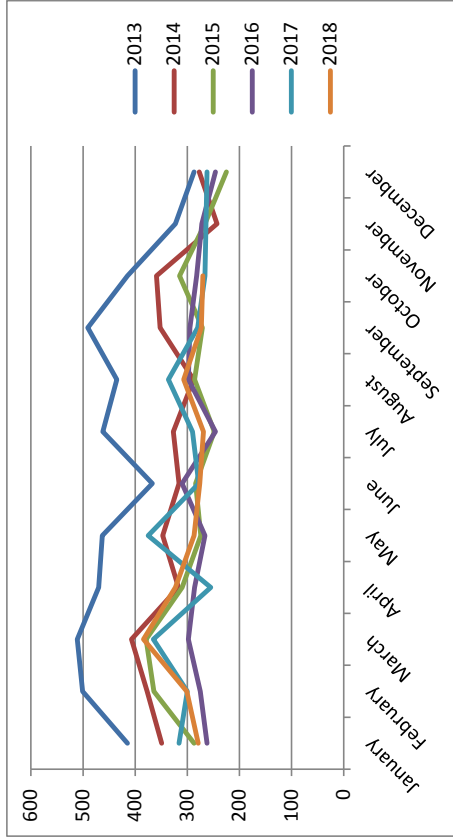
5. **Amendments**

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.

<b>Monthly Total (Oct. 2018)</b>		
	<b>Private Passenger</b>	<b>Commercial</b>
<b>EASi Applications</b>	<b>239</b>	<b>31</b>
<b>Paper Applications</b>	<b>0</b>	<b>0</b>
<b>Total Applications Received</b>	<b>239</b>	<b>31</b>
<b>Applications Assigned</b>	233	27
<b>Apps Returned for Correction</b>	6	0
<b>Applications Deficient</b>	14	2
<b>Applications with SR-22s</b>	11	0
<b>Total Applications Received in Oct. 2017:</b>	<b>268</b>	<b>270</b>
<b>Total Applications Received in Oct. 2018:</b>	<b>270</b>	
<b>Year to Date Total (as of Oct. 2018)</b>		
	<b>Private Passenger</b>	<b>Commercial</b>
<b>EASi Applications</b>	<b>2663</b>	<b>306</b>
<b>Paper Applications</b>	<b>0</b>	<b>0</b>
<b>Total Applications Received</b>	<b>2663</b>	<b>306</b>
<b>Applications Assigned</b>	2594	293
<b>Apps Returned for Correction</b>	69	6
<b>Applications Deficient</b>	187	29
<b>Applications with SR-22s</b>	112	2
<b>Total Applications Received YTD (as of Oct. 2017):</b>	<b>3,061</b>	
<b>Total Applications Received YTD (as of Oct. 2018):</b>	<b>2,969</b>	
<b>YTD Percent Change from Oct. 2017 to Oct. 2018:</b>	<b>-3.01%</b>	
<b>Application Assignment History*</b>		
<b>1994:</b> 716,036	<b>2002:</b> 66,153	<b>2010:</b> 8,725
<b>1995:</b> 461,059	<b>2003:</b> 74,506	<b>2011:</b> 7,364
<b>1996:</b> 214,744	<b>2004:</b> 47,434	<b>2012:</b> 5,898
<b>1997:</b> 95,461	<b>2005:</b> 31,517	<b>2013:</b> 4,708
<b>1998:</b> 55,041	<b>2006:</b> 23,634	<b>2014:</b> 3,628
<b>1999:</b> 47,108	<b>2007:</b> 16,780	<b>2015:</b> 3,217
<b>2000:</b> 44,945	<b>2008:</b> 12,896	<b>2016:</b> 3,089
<b>2001:</b> 53,477	<b>2009:</b> 10,299	<b>2017:</b> 3,508

\*Application Assignment History based on applications assigned, not received.

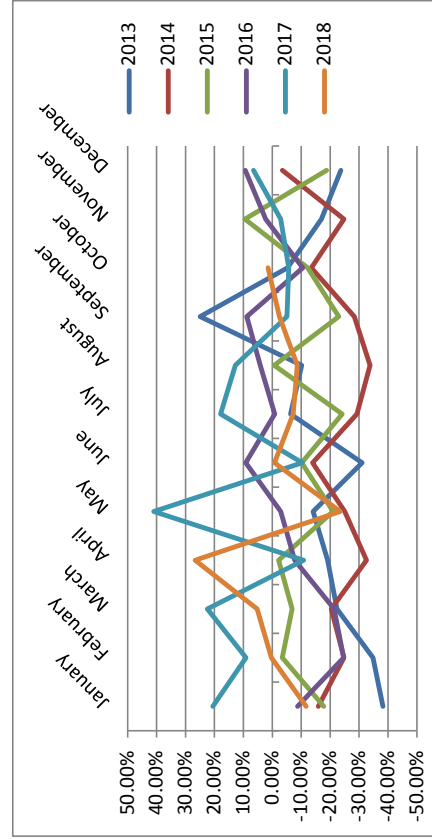
### Trend of Applications Received from 2013 to 2018



	2013	2014	2015	2016	2017	2018
January	415	349	287	262	316	279
February	501	377	364	275	300	301
March	511	407	379	298	365	384
April	470	317	310	286	255	323
May	463	347	274	266	375	287
June	367	316	284	310	278	276
July	462	327	248	246	290	269
August	435	288	286	298	336	307
September	491	352	271	295	280	273
October	415	359	315	282	266	270
November	323	243	266	272	264	270
December	287	277	225	246	262	270
<b>Total</b>	<b>5,140</b>	<b>3,959</b>	<b>3,509</b>	<b>3,336</b>	<b>3,587</b>	<b>2,969</b>

Estimate of Applications to be Received in 2018: **3,467**

### Percent Change in Applications Received from 2013 to 2018



	2013	2014	2015	2016	2017	2018
January	-38.24%	-15.90%	-17.77%	-8.71%	20.61%	-11.71%
February	-34.85%	-24.75%	-3.45%	-24.66%	9.09%	0.33%
March	-22.34%	-20.35%	-6.88%	-21.37%	22.48%	5.21%
April	-19.11%	-32.55%	-2.21%	-7.74%	-10.84%	26.67%
May	-14.10%	-25.05%	-21.04%	-2.92%	40.98%	-23.47%
June	-31.02%	-13.90%	-10.13%	9.15%	-10.32%	-0.72%
July	-6.29%	-29.22%	-24.16%	-0.81%	17.89%	-7.24%
August	-10.12%	-33.79%	-0.69%	4.20%	12.75%	-8.63%
September	24.94%	-28.31%	-23.01%	8.86%	-5.08%	-2.50%
October	-5.25%	-13.49%	-12.26%	-10.48%	-5.67%	1.50%
November	-16.97%	-24.77%	9.47%	2.26%	-2.94%	-4.96%
December	-23.67%	-3.48%	-18.77%	9.33%	6.50%	-3.01%
<b>Total YTD</b>	<b>-18.72%</b>	<b>-22.98%</b>	<b>-11.37%</b>	<b>-4.96%</b>	<b>7.52%</b>	<b>-3.01%</b>



**Texas Auto Ins. Plan Assoc.**  
**ACTUAL VS. BUDGET**  
 For the period ended September 30, 2018

	2018 Year To Date Budget	Variance	2018 Annual Budget	% Used	Reason for Variance
<b>REVENUE</b>					
Assessments & Penalties	624,375	5,625	825,000	75.68%	
Other Revenue	2,667	2,667	0	0.00%	
<b>TOTAL</b>	<b>627,042</b>	<b>8,292</b>	<b>825,000</b>	<b>76.01%</b>	
<b>EXPENDITURES</b>					
Salaries	238,635	6,615	327,000	72.98%	Budgeted for a temporary employee from January-March, expecting to convert them to an employee after that time. However, we ended up letting that temp go and did not have a new temp for about a month. New temp was converted to an employee in August.
Emp. Benefits & Other Ins. Exp.	113,821	15,104	171,900	66.21%	Insurance increases were not as high as expected.
Office Equipment Expense	8,597	2,203	14,400	59.70%	Only ordering supplies as needed; have not had to make any repairs to any equipment.
Printing & Stationary Exp.	1,778	322	2,800	63.49%	Only ordering envelopes as needed.
Computer Expenses	5,420	280	7,600	71.31%	Within range.
Postage & Shipping Exp.	14,560	4,490	25,400	57.32%	Budgeted for increase in postage costs based on 10% application volume increase, but have not experienced an increase in volume.
Telephone Expense	7,845	1,230	12,100	64.83%	Signed new phone/internet contract at the new office location at a much lower rate.
Rent Expense	54,679	2,996	76,900	71.10%	Within range.
Moving Expense	7,010	115	9,500	73.79%	Within range.
Taxes	225	450	900	25.01%	Remaining taxes are due later in the year.
Other Office Expenses	2,661	4,614	9,700	27.43%	Have not had many assessment writeoffs to date; events take place later in the year.
Governing Committee	12,443	8,632	28,100	44.28%	Two of three meetings held to date; not all members attended.
Subcommittee Meetings	1,750	125	2,500	70.00%	All scheduled meetings held to date; not all members attended.
Producer Review Panel	0	0	0	0.00%	No Producer Review Panel meetings scheduled this year.
Employee Meetings, Seminars & Staff Travel	4,040	6,760	14,400	28.05%	Employees will not be taking all the courses this year that were budgeted for.
Legal Expenses	24,147	8,628	43,700	55.26%	Havent had many legal questions or encountered any issues; work on the rate filing is not yet complete.

	2018	2018	2018	Reason for Variance
	Actual	Year To Date Budget	Annual Budget	
		Variance	% Used	
Audit Expense	19,053	17,250	23,000	Have already incurred all annual audit expense; will still have 990 expense later 82.84% in the year.
Dues, Subscriptions & Publications	860	1,275	1,700	50.56% Some subscription renewals cost less than expected; will end under-budget.
TAIPA Tradition, Visitor Meals & Gifts	1,152	2,025	2,700	42.65% Events are later in the year; expect to end on budget.
System Consultants	32,182	38,250	51,000	63.10% Some of the more involved quota work doesn't take place until later in the year; expect to end on budget.
Consultants - Other	1,915	3,000	4,000	47.87% Budgeted for accounting software upgrade, which hasn't taken place yet.
Actuary	0	6,375	8,500	0.00% No actuary work to date.
Other	0	0	0	0.00% No other expenses to date.
<b>SUBTOTAL</b>	<b>552,771</b>	<b>628,350</b>	<b>837,800</b>	<b>65.98%</b>
Depreciation	3,171	3,000	4,000	79.27% Within range.
Amortization	3,750	3,750	5,000	75.00% Within range.
Gain (Loss) on Disposition of Fixed Assets	271	0	0	0.00% Within range.
<b>SUBTOTAL</b>	<b>7,192</b>	<b>6,750</b>	<b>9,000</b>	<b>79.91%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>559,963</b>	<b>635,100</b>	<b>846,800</b>	<b>66.13% We'd expect to be at 75% of budget at the end of this period.</b>
<b>NET FROM OPERATIONS</b>	<b>67,080</b>	<b>-16,350</b>	<b>-21,800</b>	
Non-Operating Pension Costs	0	0	0	0.00% Pension adjustment will not be made until year end.
<b>NET</b>	<b>67,080</b>	<b>-16,350</b>	<b>-21,800</b>	
<b>CAPITAL BUDGET</b>				
Software Development in Progress	0	0	0	0.00% No software development expenditures this year.
Office Furniture & Equipment	0	0	0	0.00% No furniture & fixture expenditures this year.
Computer Equipment	0	0	0	0.00% No computer equipment expenditures this year.
Computer Software	0	0	0	0.00% No computer software expenditures this year.
Leasehold Improvements	2,222	3,000	4,000	Cost of phone/internet cabling at new building. Cabling cost less than budgeted, so this is actually under-budget.
<b>TOTAL</b>	<b>2,222</b>	<b>3,000</b>	<b>4,000</b>	<b>55.55%</b>

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

# *Texas Auto Ins. Plan Assoc.*

## Statement of Financial Position

As Of September 30, 2018

Unaudited

### ASSETS

Current Assets	
Cash and cash equivalents	\$ 398,752
Accounts receivable	350
Prepaid expenses	16,267
Total current assets	415,369
Security Deposits	5,379
Property and Equipment	
Furniture and equipment	26,653
Computer equipment	8,124
Leasehold improvements	2,222
Computer software	25,000
	61,998
Less accumulated depreciation	45,536
	16,463
Total assets	437,211

### LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	12,365
Accrued vacation	25,315
Accrued payroll liabilities	13,717
Deferred revenue	206,625
Total current liabilities	258,022
Other Liabilities	
Accrued pension benefit costs	183,909
Total other liabilities	183,909
Net (Deficiency) Assets	
Unrestricted	(4,720)
Total net assets	(4,720)
Total liabilities and net assets	\$ 437,211

# *Texas Auto Ins. Plan Assoc.*

## Statement of Activities

For the period ended September 30, 2018

Unaudited

### Changes in unrestricted net assets

	<b>Current YTD</b>
<b>Revenues</b>	
Member assessments	\$ 619,075
Interest income	2,667
Assessment penalties	5,300
Total revenues	627,042
<b>Expenses</b>	
Salaries and related expenses	352,456
Occupancy expenses	69,759
Professional Services	77,297
Depreciation & amortization	6,921
Postage and delivery	14,560
Office supplies and expense	10,374
Governing committee	12,443
Computer supplies & expenses	5,420
Subcommittee meetings	1,750
Staff education & seminars	4,040
Miscellaneous	2,661
Staff expense	1,152
Dues and subscriptions	860
Total operating expenses	559,692
<b>Other revenues (expenses)</b>	
<i>Gain (loss) on disposition of assets</i>	(271)
Total other revenue (expenses)	(271)
<i>Increase (decrease) in unrestricted net assets</i>	67,080
<i>Net assets (deficiency) at beginning of year</i>	(71,800)
<i>Net assets (deficiency) as of September 30, 2018</i>	\$ (4,720)

## 2019 TAIPA Budget Considerations: Major Assumptions Used For Developing 2019 Budget

-Stable application volume
-Includes salaries and benefits for four employees (all current staff), plus merit-based salary increases (current market values shows 3.2% average salary increase)
-Increases in all employee benefit costs (20% medical, 5% vision, 5% dental, 5% long-term disability, 5% life)
-Contributing minimum amount required to the pension
-Includes budget to pursue pension freeze (actuary costs, legal costs, 401K plan amendment costs, and additional 401K match for employees July-Dec.)
-Increases in all insurance policies (2% workers comp., 2% businessowner/umbrella, 2% EPLI)
-Purchase of computers for all staff, as our operating system will no longer be supported after 2019
-Stable costs for phone/internet service, copier lease, postage machine lease
-Increase of 3% in operating expenses for building lease
-Stable property taxes
-Three Governing Committee meetings (all held in-person)
-Two Operations Subcommittee meetings (held via teleconference)
-One Nominating Subcommittee meeting (held via teleconference)
-One Strategic Planning Subcommittee meeting to review TAIPA's Enterprise Risk Plan (held via teleconference)
-No Producer Review Panel meetings
-No new subcommittees
-All employees will pursue education next year (6 courses for staff development days; Stacy--pursuing CPCU, professional development courses at UT; Nicole--professional development courses at UT, continuing bachelors in accounting; Ines--beginning associates in business administration at ACC)
-Increase of 3% in hourly rate for legal; have accounted for some work to monitor bills during legislative session; no litigation, lobbying, or anything else that would cause unexpected increases in legal fees
-No rate hearing
-No RFPs in 2019 for any vendors; would continue existing arrangements with legal counsel, actuary, auditors, AIPSO, etc.
-No new assets needed/no capital budget.

## Texas Automobile Insurance Plan Association (TAIPA)

### 2019 Budget vs. 2018 Budget

**2019 REQUESTED OPERATING BUDGET: \$866,800**

**2019 REQUESTED CAPITAL BUDGET: \$0**

**2019 REQUESTED ASSESSMENT: \$800,000**

	2018	2019	Increase	% Increase	
	Approved	Requested	(Decrease)	(Decrease)	
	Budget	Budget	in Budget	in Budget	Reason for Increase (Decrease)
Salaries	\$ 327,000	\$ 333,800	\$ 6,800	2.08%	Increase due to merit-based raises (Austin average is currently 3.2%).
Employee Benefits & Other Ins. Expense	171,900	184,600	\$ 12,700	7.39%	Budgeted for increases in all insurance coverages (20% medical, 5% vision, 5% dental, 5% long-term disability, 5% life); includes additional 6% 401k match for staff from July-December (replacement benefit assuming pension is frozen.)
Office Equipment Expense	14,400	12,100	\$ (2,300)	-15.97%	Within range.
Printing	2,800	1,800	\$ (1,000)	-35.71%	Within range.
Computer Supplies & Expense	7,600	12,200	\$ 4,600	60.53%	Within range.
Postage & Delivery Expense	25,400	24,800	\$ (600)	-2.36%	Within range.
Telephone/Internet Expense	12,100	10,100	\$ (2,000)	-16.53%	Within range.
Rent Expense	76,900	62,400	\$ (14,500)	-18.86%	Rent at new location is less than previous location (moved March 2018).
Moving Expense	9,500	-	\$ (9,500)	-100.00%	Moved in March 2018; will not have any moving expenses in 2019.
Property Taxes	900	900	\$ -	0.00%	Within range.
Other Office Expenses	12,400	8,700	\$ (3,700)	-29.84%	Within range.
Governing Committee	28,100	24,900	\$ (3,200)	-11.39%	Within range.
Subcommittees	2,500	3,000	\$ 500	20.00%	Within range.
Producer Review Panel	-	-	\$ -	0.00%	Within range.
Employee Meetings, Seminars, & Staff Travel	14,400	30,000	\$ 15,600	108.33%	All employees plan to take professional development classes next year; two employees will take college courses.
Legal Expenses	43,700	46,700	\$ 3,000	6.86%	Within range.
Audit Expense	23,000	23,900	\$ 900	3.91%	Within range.
Dues, Subscriptions, & Publications	1,700	1,600	\$ (100)	-5.88%	Within range.
System Consultants	51,000	51,200	\$ 200	0.39%	Within range.
Consultants - Other	4,000	19,300	\$ 15,300	382.50%	Includes actuarial & legal fees to pursue possible pension freeze.
Actuary	8,500	8,500	\$ -	0.00%	Within range.
<b>SUBTOTAL</b>	<b>\$ 837,800</b>	<b>\$ 860,500</b>	<b>\$ 22,700</b>	<b>2.71%</b>	
Depreciation	4,000	1,300	\$ (2,700)	-67.50%	Within range.
Amortization	5,000	5,000	\$ -	0.00%	Within range.
<b>SUBTOTAL</b>	<b>\$ 9,000</b>	<b>\$ 6,300</b>	<b>\$ (2,700)</b>	<b>-30.00%</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 846,800</b>	<b>\$ 866,800</b>	<b>\$ 20,000</b>	<b>2.36%</b>	<b>Total 2019 budget is an increase of 2.36% from 2018 budget.</b>
Office Furniture & Equipment	\$ -	\$ -	\$ -	0.00%	Within range.
Computer Equipment	-	-	\$ -	0.00%	Within range.
Computer Software	-	-	\$ -	0.00%	Within range.
Leasehold Improvements	4,000	-	\$ (4,000)	100.00%	Within range.
<b>TOTAL CAPITAL BUDGET</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>	<b>No capital budget is requested for 2019.</b>

*NOTE: Items that are considered "within range" are within \$5,000 of 2018's approved budget.*

## Recommended 2019 Assessment

Total 2019 Operating Budget	\$	866,800.00
Total 2019 Capital Budget	+ \$	-
2019 Depreciation & Amortization	- \$	6,300.00

<b>Cash Needed for 2019</b>	<b>= \$</b>	<b>860,500.00</b>
-----------------------------	-------------	-------------------

Cash Expected at Yearend 2018	\$	161,848.12
Amount of 2018 Cash to be Used to Reduce 2019 Assessment	- \$	60,500.00

<b>Remaining Amount of Cash to Carryover to 2019*</b>	<b>= \$</b>	<b>101,348.12</b>
---	-------------	-------------------

<b>Recommended 2019 Assessment Amount</b>	<b>= \$</b>	<b>800,000.00</b>
---	-------------	-------------------

*\*Note: 2018 carryover is equivalent to about 1.5 months of 2019 budget; this carryover ensures TAIPA can pay bills while we are collecting assessment payments, and also provides assurance in case of any unbudgeted expenses.*

## 2018/2019 Comparison

		2019		2018	Difference	Incr./(Decr.)
<b>Operating Budget Amount</b>	\$	866,800	\$	846,800	\$ 20,000	2.36%
<b>Capital Budget Amount</b>	\$	-	\$	4,000	\$ (4,000)	
<b>- Depr./Amort.</b>	\$	6,300	\$	9,000	\$ (2,700)	
<b>- Carryover Used</b>	\$	60,500	\$	16,800	\$ 43,700	
<b>Assessment Amount</b>	\$	800,000	\$	825,000	\$ (25,000)	-3.03%

**2019 SCHEDULED GOVERNING COMMITTEE MEETING DATES**

Friday, March 22, 2019  
Omni Austin Southpark

Friday, August 16, 2019  
Omni Austin Southpark

Friday, November 22, 2019  
Omni Austin Southpark

A teleconference line will be available for those who are unable to attend in-person.



COMPANY	YearEnd 2013	YearEnd 2014	YearEnd 2015	YearEnd 2016	Year End 2017	1st QTR 2018	2nd QTR 2018	
PRIVATE PASSENGER	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR
21ST CENTURY CENTENNIAL INS CO (SC)		248,568	273,200	279,672	280,342	315,137	309,087	238,148
ACE AMERICA	247,616		246,672	245,800	244,859	Entered LAD		
AFFIRMATIVE INS CO					New to quota	2,831	2,831	2,831
ALLSTATE INS CO		89,144	85,156	93,356	90,642	Entered LAD		
AMER MERCURY INS CO	602		616	3,313	1,954	7,174	5,711	3,226
ASSURANCEAMERICA INS CO		468	45	56	58	Entered LAD		
CLARENDON NATIONAL INS CO							New to quota (Sussex's quota)	Entered LAD
COLONIAL LLOYDS		1,277	1,277	1,277	Entered LAD			
CRESTBROOK INS CO				New to quota	155	Became grouped		
ESURANCE PROP & CAS INS CO			15	218	Became grouped			
FALCON INS CO				New to quota	4	Entered LAD		
FREESTONE INS CO		1	171	443	443	443	443	443
GENERAL CAS CO OF WISCONSIN			72	73	76	Entered LAD		
GOVERNMENT EMPLOYEES INS CO		85,877	75,542	93,728	128,245	96,915	76,369	112,027
HALLMARK COUNTY MUT INS CO	443,961		443,485	443,407	443,127	441,819	441,505	441,211

RCVR/CO  
Restricted

Storage  
2019  
RCVR/CO

TAIPA PP Over/Under Report

10/22/2018

COMPANY	YearEnd 2013	YearEnd 2014	YearEnd 2015	Year End 2016	Year End 2017	1st QTR 2018	2nd QTR 2018
PRIVATE PASSENGER	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER
HOMEOWNERS OF AMER INS CO		4,456		4,637	4,639	4,639	4,639
HOUSTON GENERAL INS EXCH		3,006		3,006			
ICM INS CO		0	13	13	13	13	13
IMPERIAL FIRE & CAS	1,461		1,395	1,381	Became grouped		
INTEGON NATIONAL INS CO				New to quota	322,579	164,244	215,999
KNIGHTBROOK INS CO		12		Entered LAD			
LINCOLN GENERAL		51,337		51,337	Went into Storage		
MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO)	328,062		330,051	330,044	330,040	330,039	330,038
MILEMETER INS CO		2,211		2,211	Cert of Authority Cancelled		
NATIONAL LIABILITY & FIRE (SC)		242,995		260,661	Entered LAD		
NATIONWIDE MUT INS CO		23,688		Entered LAD			
ONEBEACON INS CO		3,705		Became grouped			
PACIFIC SPECIALTY INS CO		74		Entered LAD			
PALOMAR SPECIALTY INS CO				New to quota	Became grouped		
PHARMACISTS MUT INS CO				New to quota	3	25	Entered LAD

Storage 2019 WD/CO      Storage 2015      Storage 2018 Rcvr/CO      Storage 2015      CO / Inactive



TAIPA OTPP Over/Under Report

10/22/2018

COMPANY

Year End 2013

Year End 2014

Year End 2015

Year End 2016

Year End 2017

1st QTR 2018

2nd QTR 2018

	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	
ACCIDENT INS CO							New to quota	65			132	136	143
ALASKA NATL		76		80				123		Entered CLAD			
AMALGAMATED CAS INS CO										New to quota	531	Entered CLAD	
AMER BANKERS INS CO OF FLORIDA								328		Became ungrouped co has not Vol Premium (co w/ quota moved to Diamond State-Co in a CLAD)			
AMER CONTRACTORS INS RISK RET. GRP		13,111		16,743				16,743			16,743	16,743	16,743
AMER MERCURY INS CO	12,371		15,785		3,488			4,296			13,859	16,342	19,227
AMER MODERN HOME INS CO		428		Entered CLAD									
AMER MODERN LLOYD'S		23,166		Became grouped									
AMER NATIONAL PROP & CAS CO		128		614		1,118		1,522		Entered CLAD			
AMER NATL COUNTY MUT INS CO					New to quota	12		107		Became grouped			
AMER ROAD INS CO		70		135		197		248		Entered CLAD			
AMERICAN SAFETY CAS INS CO		3,165		Entered CLAD									
AMER SERVICE INS CO INC.		26		26		26		Became grouped					
AMERICAN BUILDERS INS CO (prev Association Ins Co)		91		183		259		320		Entered CLAD			
BRITISH AMERICAN INS CO		15,565		15,934		16,246			3,696			3,610	3,479
CLARENDON NATIONAL INS CO	51,569		51,569		Went into Storage								

Storage  
2018 Ret.  
Grp /

Exhibit 7, Page 4  
Storage--  
2015

COMPANY	Year End 2013	Year End 2014	Year End 2015	Year End 2016	Year End 2017	1st QTR 2018	2nd QTR 2018
	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER
COLUMBIA INS CO	1,233		1,222		Became grouped		
COLUMBIA MUT INS CO		0		7,227	Entered CLAD		
COREPOINTE INS CO (prev Chrysler & Daimlerchrysler)		39,102		40,259	Entered CLAD		
GENERAL STAR NATIONAL INS CO		59		59	Went into storage	59	
GLOBAL LIBERTY INS CO OF NY			New to quota	34	Entered CLAD		
GOVERNMENT EMPLOYEES INS CO	21,366		25,707		25,871	24,536	22,579
GRAMERCY INS CO		9,371		9,371	Went into storage	9,371	
GREAT MIDWEST INS CO		2,507					
HARLEYSVILLE INS CO				New to quota	Became grouped- Nationwide in a CLAD		
HISCOX INS CO INC			New to quota	2	Entered CLAD		
HOUSING ENTERPRISE INS CO INC		13		33	Entered CLAD 1st QTR 2017 *Canceled CLAD 4th QTR 2017	1	3
INTEGON NATIONAL INS CO				New to quota	1,673,492	1,677,679	1,683,792
LINCOLN GENERAL		73,631		Went into Storage			
MAIDSTONE INSURANCE COMPANY (prev AUTOONE INS CO & Penn General)	415,745		414,922		414,900	414,900	414,900
MIDCONTINENT CAS CO	758,805		754,383		746,849	746,691	746,448

Storage 2017                      Storage 2017

Storage 2015                      Storage 2019

**TAIPA OTPP Over/Under Report**

**10/22/2018**

COMPANY

Year End 2013

Year End 2014

Year End 2015

Year End 2016

Year End 2017

1st QTR 2018

2nd QTR 2018

Storage  
2019

Exhibit 7, Page 6

	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	
MOTORISTS COMM MUT INS CO (prev Amer Hardware Mut Ins Co)	28,801		28,223		27,828		27,561		27,288		27,249		27,189
NATIONAL BUILDERS INS CO		91		160		202		236		Became grouped			
NATIONAL LIABILITY & FIRE INS CO (SC)		1,513,719		1,535,081		1,600,794		Entered CLAD					
NAVIGATORS INS CO		189		813		1,579		Entered CLAD					
NORTH AMER SPECIALTY INS CO		24		32		40		70		Entered CLAD			
OKLAHOMA SURETY CO	684,575		684,364		684,175		683,103		681,118		680,749		680,183
PENN MANUFACTURERS ASSN INS CO	606			Entered CLAD				Entered New CLAD					
PREFERRED PROFESSIONAL INS CO		920		1,119		1,309		1,516		Entered CLAD			
QUALITAS INS CO							New to quota	250		Entered CLAD			
REP WEST INS CO (REPUBLIC WESTERN INS CO)		32		41		48		Entered CLAD					
RIVERPORT INS CO		44		79		83		83		83		83	83
RURAL TRUST INS CO							New to quota	91		Entered CLAD			
SAFETY NATL GAS CORP		619		Entered CLAD									
SAMSUNG FIRE & MARINE INS CO					New to quota	79		Entered CLAD					
SENECA INS CO		3		93		242		343		Entered CLAD			
STATE FARM MUT AUTO INS CO		194,206		185,682		154,516		137,542		129,892		132,069	127,972
TEXAS FARM BUREAU CAS INS CO (prev Southern Farm Bur)		40,575		45,183		43,806		41,727		29,894		31,711	33,165
TEXAS HOSPITAL INS EXCH		10,895		11,191		11,521		11,836		12,178		12,234	12,320

**TAIPA OTPP Over/Under Report**

**10/22/2018**

COMPANY

Year End 2013

Year End 2014

Year End 2015

Year End 2016

Year End 2017

1st QTR 2018

2nd QTR 2018

	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	OVER	UNDR	
TIG INS CO											New to quota	16	39
TNUS INS CO			New to quota	16		37				Became grouped			
TORUS NATIONAL INS CO (chg'd to Starstone Nat'l Ins Co 11/24/15)		400		Entered CLAD				Entered New CLAD					
TRANS PACIFIC INS CO					New to quota	16		Became grouped					
TRISTATE INS CO OF MN							New to quota	4		Became grouped			
TRIUMPHE CAS CO			New to quota	139		139		Entered CLAD					
ULLICO CAS CO		686		1,291		1,291		1,291		1,291		1,291	1,291
UNITRIN AUTO & HOME INS CO		32,159		32,159		Went into Storage							
TOTALS	1,975,071	1,975,071	1,974,489	1,974,489	1,907,620	1,907,620	1,903,172	1,903,172	1,899,722	1,899,722	1,897,735	1,897,735	1,894,778
PREMIUMS CREDITED	1,987,161		1,993,432		1,923,849		1,777,884		1,942,623		337,838	1st qtr	497,214 2nd qtr

Storage 2018  
Storage-- 2015  
BCVB/CO

The only noteworthy item on this report is that two companies had their OTPP quotas put into storage since the last published report, in accordance with TAIPA's storage procedure.

-General Star National Ins. Co. (\$59 under-assignment)

-Gramercy Ins. Co. (\$9,371 under-assignment)