

Texas Automobile Insurance Plan Association (TAIPA)

Twenty-Eighth Annual Report

For the Period

January 1st, 2021 through December 31st, 2021

And

Minutes of the Annual Meeting

Austin, TX

March 25th, 2022

The Twenty-Eight Annual Meeting of the Members of the Texas Automobile Plan Association was held via zoom, beginning at 8:49 am, Friday, March 25th, 2022.

The meeting was called to order by Governing Committee Chair, Corise Morrison. Chair Morrison requested that the Anti-Trust Statement be read. The Association Manager, Stacy Dutton, read the statement. Ms. Dutton stated that a quorum was present.

Ms. Dutton reported on the selection of trade association representatives as prescribed in Section 36.A.1.a. Of the TAIPA Plan of Operation. The trade association representatives selected were:

- American Property Casualty Insurance Association (APCIA) - Appointed Travelers Insurance Company as their representative
- National Association of Mutual Insurance Companies (NAMIC) - Appointed Hochheim Prairie Insurance as their representative
- Association of Fire & Casualty Companies in Texas (AFACT) - Appointed Texas Farm Bureau as their representative

Ms. Dutton reported the results of the Non-Affiliated insurers' ballot as prescribed in Section 36.A.1.b.

Ms. Dutton reported the Non-Affiliated member elected was Allstate Insurance Company.

In keeping with Section 36.B.3, Chair Morrison announced the four companies that had requested to serve in one of the four at-large positions on the committee. Those companies were:

- Farmers Insurance
- Safeco/Liberty Mutual
- State Farm Mutual Automobile Ins. Co.
- United Services Automobile Association (USAA)

Chair Morrison asked if there were any member company representatives on the phone who had not completed a proxy or ballot and sent it to the Association manager. No one responded. Ms. Morrison stated that for all companies who sent in their ballots, and by participating in this call, we assume you are confirming your ballot. She asked if anyone disagreed. No one responded.

Chair Morrison confirmed with Ms. Dutton that there were no write-ins and all votes have been counted.

Chair Morrison declared that:

- Farmers Insurance
- Safeco/Liberty Mutual
- State Farm Mutual Automobile Ins. Co.
- United Services Automobile Association (USAA)

were elected as At-Large Members for a term of one year or until their successor is elected.

Ms. Morrison asked for a motion to adjourn. David Weber made a motion. Michael Hass seconded the motion and the motion carried.

Chair Morrison then stated that concludes our annual meeting and the meeting was adjourned at 8:59am.

Annual Meeting Attendees:

Company Members:

Corise Morrison, USAA
Matthew Snyder, Farmers
Anh Vo, State Farm
Michael Hass, Liberty Mutual
Ryan Shapiro, Travelers
Mike Voigt, Texas Farm Bureau
David Weber, Hochheim Prairie

Public Members:

Becky Jackson, Public Member
Carmelita Hogan, Public Member
Mary Carol Awalt, Public Member
Laura Hausman, Public Member
Leslie Hurley, Public Member
David Nardecchia, Public Member

Producer Members:

Ramon Montalvo, Producer Member
Adam Payton, Producer Member
Kit Morris, Producer Member

OPIC:

Kimberly Donovan

TDI:

John Mooney

Counsel:

Michael Jones, Thompson, Coe, Cousins & Irons

TAIPA Staff:

Stacy Dutton, Association Manager

Mimi Leece, Manager Operations/Finance

Ruth Wise, Customer Service/Administrative Support Specialist

The following member companies were represented:**Name**

21st Century Advantage Insurance Company

21st Century Casualty Company

21st Century Centennial Insurance Company

21st Century Insurance Company

21st Century North America Insurance Company

21st Century Premier Insurance Company

Allstate County Mutual Insurance Company

Allstate Fire And Casualty Insurance Company

Allstate Indemnity Company

Allstate Insurance Company

Allstate North American Insurance Company

Allstate Northbrook Indemnity Company

Allstate Property And Casualty Insurance Company

Allstate Texas Lloyd's

Allstate Vehicle And Property Insurance Company

America First Insurance Company

America First Lloyd's Insurance Company

American Economy Insurance Company

American Empire Insurance Company

American Equity Specialty Insurance Company

American Federation Insurance Company

American Fire And Casualty Company

American Guarantee And Liability Insurance Company

American National General Insurance Company

American National Property And Casualty Company

American States Insurance Company

American States Insurance Company Of Texas

American States Lloyds Insurance Company

American States Preferred Insurance Company

American Zurich Insurance Company
Amguard Insurance Company
Amica Mutual Insurance Company
Amica Property And Casualty Insurance Company
Automobile Insurance Company Of Hartford, Connecticut, The
Berkshire Hathaway Direct Insurance Company
Berkshire Hathaway Homestate Insurance Company
Berkshire Hathaway Specialty Insurance Company
Bristol West Specialty Insurance Company
Catastrophe Reinsurance Company
Central States Indemnity Co. Of Omaha
Centre Insurance Company
Century-National Insurance Company
Charter Oak Fire Insurance Company, The
Cincinnati Indemnity Company, The
Cincinnati Insurance Company, The
Colonial American Casualty And Surety Company
Colorado Casualty Insurance Company
Columbia Insurance Company
Continental Divide Insurance Company
Direct General Insurance Company
Direct National Insurance Company
Discover Property & Casualty Insurance Company
Eastguard Insurance Company
Economy Fire & Casualty Company
Economy Preferred Insurance Company
Economy Premier Assurance Company
Empire Fire And Marine Insurance Company
Employers Insurance Company Of Wausau
Encompass Home And Auto Insurance Company
Encompass Indemnity Company
Encompass Independent Insurance Company
Encompass Insurance Company Of America
Encompass Property And Casualty Company
Esurance Insurance Company
Esurance Insurance Company Of New Jersey
Esurance Property And Casualty Insurance Company
Farm Bureau County Mutual Insurance Company Of Texas
Farmers Casualty Insurance Company
Farmers Direct Property And Casualty Insurance Company
Farmers Group Property And Casualty Insurance Company
Farmers Insurance Exchange
Farmers Lloyds Insurance Company Of Texas

Farmers Property And Casualty Insurance Company
Farmers Texas County Mutual Insurance Company
Farmington Casualty Company
Federated Mutual Insurance Company
Federated Reserve Insurance Company
Federated Service Insurance Company
Fidelity And Deposit Company Of Maryland
Fidelity And Guaranty Insurance Company
Fidelity And Guaranty Insurance Underwriters, Inc.
Finial Reinsurance Company
Fire Insurance Exchange
First Liberty Insurance Corporation, The
First National Insurance Company Of America
Foremost County Mutual Insurance Company
Foremost Insurance Company Grand Rapids, Michigan
Foremost Lloyds Of Texas
Foremost Property And Casualty Insurance Company
Foremost Signature Insurance Company
Garrison Property And Casualty Insurance Company
Geico Advantage Insurance Company
Geico Casualty Company
Geico Choice Insurance Company
Geico County Mutual Insurance Company
Geico General Insurance Company
Geico Indemnity Company
Geico Secure Insurance Company
Geico Texas County Mutual Insurance Company
General Insurance Company Of America
General Reinsurance Corporation
General Star National Insurance Company
Genesis Insurance Company
Government Employees Insurance Company
Great American Alliance Insurance Company
Great American Assurance Company
Great American Casualty Insurance Company
Great American Insurance Company
Great American Insurance Company Of New York
Great American Security Insurance Company
Great American Spirit Insurance Company
Hochheim Prairie Casualty Insurance Company
Home Insurance Company, The
Imperial Fire And Casualty Insurance Company
Integon Indemnity Corporation

Integon National Insurance Company
Ironshore Indemnity Inc.
Liberty County Mutual Insurance Company
Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.
Liberty Lloyds Of Texas Insurance Company
Liberty Mutual Fire Insurance Company
Liberty Mutual Insurance Company
Lm General Insurance Company
Lm Insurance Corporation
Lm Property And Casualty Insurance Company
Mga Insurance Company, Inc.
Mic General Insurance Corporation
Mid-Century Insurance Company
Mid-Century Insurance Company Of Texas
Mid-Continent Assurance Company
Mid-Continent Casualty Company
Mountain Valley Indemnity Company
National Farmers Union Property And Casualty Company
National General Assurance Company
National General Insurance Company
National General Insurance Online, Inc.
National Indemnity Company
National Insurance Association
National Interstate Insurance Company
National Liability & Fire Insurance Company
Netherlands Insurance Company, The
New South Insurance Company
Norguard Insurance Company
Northland Casualty Company
Northland Insurance Company
Ohio Casualty Insurance Company, The
Ohio Security Insurance Company
Oklahoma Surety Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Pharmacists Mutual Insurance Company
Phoenix Insurance Company, The
Radnor Specialty Insurance Company
Redwood Fire And Casualty Insurance Company
Republic Indemnity Company Of America
Republic Indemnity Company Of California
Rock Ridge Insurance Company

Safe Auto Insurance Company
Safeco Insurance Company Of America
Safeco Insurance Company Of Illinois
Safeco Insurance Company Of Indiana
Safeco Lloyds Insurance Company
Select Insurance Company
St. Paul Fire And Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
St. Paul Protective Insurance Company
Standard Fire Insurance Company, The
State Farm County Mutual Insurance Company Of Texas
State Farm Fire And Casualty Company
State Farm General Insurance Company
State Farm Lloyds
State Farm Mutual Automobile Insurance Company
Texas Farm Bureau Casualty Insurance Company
Texas Farm Bureau Mutual Insurance Company
Texas Farm Bureau Underwriters
Texas Farmers Insurance Company
Toggle Insurance Company
Travco Insurance Company
Travelers Casualty And Surety Company
Travelers Casualty And Surety Company Of America
Travelers Casualty Company Of Connecticut
Travelers Casualty Company, The
Travelers Casualty Insurance Company Of America
Travelers Commercial Casualty Company
Travelers Commercial Insurance Company
Travelers Constitution State Insurance Company
Travelers Home And Marine Insurance Company, The
Travelers Indemnity Company Of America, The
Travelers Indemnity Company Of Connecticut, The
Travelers Indemnity Company, The
Travelers Lloyds Insurance Company, The
Travelers Lloyds Of Texas Insurance Company
Travelers Personal Insurance Company
Travelers Personal Security Insurance Company
Travelers Property Casualty Company Of America
Travelers Property Casualty Insurance Company
Triumphe Casualty Company
Truck Insurance Exchange
U.S. Underwriters Insurance Company

United Services Automobile Association
United States Fidelity And Guaranty Company
United States Liability Insurance Company
Universal Underwriters Insurance Company
Universal Underwriters Of Texas Insurance Company
Usaa Casualty Insurance Company
Usaa County Mutual Insurance Company
Usaa General Indemnity Company
Vanliner Insurance Company
Wausau Business Insurance Company
Wausau Underwriters Insurance Company
Wellfleet New York Insurance Company
West American Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company Of Illinois

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA) CHAIR'S REPORT MARCH 25, 2022 TAIPA ANNUAL MEETING

I'm Corise Morrison with USAA, and I am an At-Large Member. I had the privilege to serve as the Chair of the TAIPA Governing Committee again in 2021.

In 2021, the TAIPA Governing Committee continued to work through the various issues that came up with the ongoing COVID pandemic. Therefore, we continued to hold all of our meetings via zoom. The Governing Committee and its subcommittees continued to work on various projects.

The Strategic Planning Committee started meeting again in 2021. The subcommittee recommended and the Governing Committee approved:

- TAIPA's current Staffing level,
- A Revised Enterprise Risk Management Plan
- In response to TDI's Letter sent to Governing Committee Members, it was decided:
 - To Revise the Welcome Letter to New Governing Committee Members
 - To Create a Handbook for New Governing Committee Members
 - Require Open Meetings Act Training every two years for Governing Committee Members
 - To reiterate TAIPA Governing Committee Members' Access and Control of Counsel
 - To Revise Vendor Selection Process for TAIPA's 3rd Party relationships and to request an addendum to any contract being extended into the following year.

The Operation Sub Committee recommended and the Governing Committee approved:

- Deleting the \$1 fee that is added for the first motor vehicle or dealer's plate for an individual, husband and wife with each designated person. This will be deleted the next time TAIPA makes a rate filing.

The Sub Committee continues to research and review ideas about what to recommend with regard to:

- what companies leaving the market should do
- what TAIPA would do if LAD carriers leave the market
- ensuring the Commercial policy is where it needs to be.

The Officer group reviewed and made recommendations to change TAIPA's Conflict of Interest Policy. This recommendation was approved by the TAIPA Governing Committee and will be used going forward.

In 2022 we said goodbye to 3 long standing members of our Governing Committee including, Pete Hamel with nearly 30 years of service, Bill Brooks with 10 years and Stephen Hylka with 7 years. On the bright side we welcomed Mike Hass and welcomed back Kit Morris to the Governing Committee.

I'd like to offer thanks to all of the members of the Governing Committee. Thank you to Becky Jackson, Anh Vo, Matthew Snyder and David Weber for serving in officer roles over the past year. I'd also like to thank Bill Brooks, Mike Schalk, Ryan Shapiro, Carmelita Hogan, Mary Carol Awalt, Laura Hausman, Leslie Hurley, Pete Hamel, Adam Payton, Ramon Montalvo, David Nardechia, Stephen Hylka, Mike Hass and Kit Morris for their service on the TAIPA Governing Committee in 2021.

I want to recognize and thank the TAIPA staff, Stacy Dutton, Mimi Leece, Ruth Wise and Amanda Reynolds for continuing to build the TAIPA team in 2021 and continue to meet the needs of the insureds, producers, and insurance companies that rely on TAIPA services.

I would like to thank you all for your support and direction. And, thanks to TAIPA's legal counsel, Mike Jones for his contributions.

It has been a pleasure serving as chair this past 2 years.

ASSOCIATION MANAGER'S REPORT

Texas Automobile Insurance Plan Association (TAIPA) Annual Meeting – March 25, 2022

The following are the number of applications TAIPA assigned in 2021, 2020, 2019, and 2018:

2021	1,381	(1115 private passenger apps and 266 commercial)
2020	1,629	
2019	2,606	
2018	3,338	

The number of applications assigned in 2021 was 248 less than assigned in 2020, which is a 15.22% decrease.

The TAIPA budget for 2022 is \$873,250 which is \$39,150 less than the 2021 budget of \$912,400. This is a 4.29% decrease.

The TAIPA assessment to the insurance companies for 2022 is \$743,000 which is \$107,000 less than our 2021 assessment of \$850,000. This is 12.58% decrease.

The TAIPA Governing Committee elected not to ask for a rate change to TAIPA rates for 2021. Instead the Governing Committee asked that TAIPA's actuary and legal counsel present rates at the March 25, 2022 meeting. It was also requested that they eliminate the \$1 fee that is added "for the first auto dealer's plate for an individual or husband and wife and for each designated person" when they file the next rate change.

In 2021, TAIPA staff worked with:

- Strategic Planning Subcommittee to revise TAIPA's Enterprise Risk Management Plan into a formal document, revised the welcome letter to new Governing Committee Members, created a hand book for New Governing Committee Members, prepared an open meetings refresher training for Governing Committee Members, and revised the Vendor Selection Process for 3rd Party relationships.
- Operation Subcommittee to research and review possible solutions if our LAD providers opted to leave the market, what to do when companies leave the Texas market,

language in our Rules and Rating manual, and whether the TAIPA policies are where they need to be.

- Audit and Finance Subcommittee and auditors to complete a successful audit of our 2020 financials and propose a 2022 budget.
- Producers to provide training to the producers and their staff to avoid future errors in the applications they submit and thus avoiding the need for the Producer Review Subcommittee to meet.

TAIPA operated with 4 full time employees in 2021 with 1 of the employees being new to TAIPA in 2021. The Manager of Operations/Financial Management continued to spend a considerable amount of her time training new employees while she continued to transition from her previous position as a Customer Service and Administrative Support Level II position. I want to sincerely thank Mimi Leece for all of her efforts to train staff, ensure that they had what they needed to perform the customer service duties and staying with me through another very trying year. I would like to thank Ruth Wise for stepping up and assisting Mimi Leece in training Amanda Reynolds in the basic customer service duties when she joined TAIPA. In addition, I'd like to thank both Ruth and Amanda for continuing to learn and take on additional duties to reduce the workload of both Mimi Leece and myself.

I would again like to thank you all for the support and encouragement that I received from the TAIPA Governing Committee, the TAIPA officers, and the TAIPA sub-committees as well as TAIPA counsel this year. I especially want to thank Corise Morrison for her continued guidance, as well as her care and concern for the TAIPA employees.

Through the combined efforts of all of the TAIPA staff, TAIPA continued to provide excellent service to TAIPA applicants, producers, vendors, regulators and members of the TAIPA Governing Committee in 2021.