

**Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
2026 Rate Level Review**

Table of Contents

Tab Label	Main Heading	Sub-Heading	Exhibit	Sheet
1	Summary of Indicated Rate Change	By Method for Projecting Hurricane Loss & LAE	Exhibit 1	
2.1	Projected Ultimate Non-Hurricane Loss & LAE Ratio		Exhibit 2	Sheet 1
2.2	Projected Ultimate Non-Hurricane Loss		Exhibit 2	Sheet 2
2.3	Summary of TWIA Historical Paid Loss as of 12/31/25		Exhibit 2	Sheet 3
2.4	Calculation of Net Trend Factors		Exhibit 2	Sheet 4
3.1	Premium Trend Analysis	TWIA Commercial Written Premium at Present Rates (WPPR)	Exhibit 3	Sheet 1
3.2a	Loss Trend Analysis	Summary of Indices and Calculation of Prospective Loss Costs	Exhibit 3	Sheet 2a
3.2b	Loss Trend Analysis	Boeckh Commercial Construction Index Trend (Statewide)	Exhibit 3	Sheet 2b
3.2c	Loss Trend Analysis	Boeckh Commercial Construction Index Trend (Coastal)	Exhibit 3	Sheet 2c
3.2d	Loss Trend Analysis	Modified Consumer Price Index - External Trend	Exhibit 3	Sheet 2d
4	Development of LAE Factor Using TWIA Commercial + Residential Experience		Exhibit 4	
5	Summary of Indicated Hurricane Loss & LAE Ratios		Exhibit 5	
6.1	Industry Experience - Commercial Extended Coverage	Hurricane Years Only	Exhibit 6	Sheet 1
6.2	Industry Experience - Commercial Extended Coverage	Non-Hurricane Loss Ratio	Exhibit 6	Sheet 2
6.3	Industry Experience - Commercial Extended Coverage	Summary by Territory	Exhibit 6	Sheet 3
6.4	Industry Experience - Commercial Extended Coverage	Tier 1 - Territory 8 (Galveston County)	Exhibit 6	Sheet 4
6.5	Industry Experience - Commercial Extended Coverage	Tier 1 - Territory 9 (Nueces County)	Exhibit 6	Sheet 5
6.6	Industry Experience - Commercial Extended Coverage	Tier 1 - Territory 10 (Other Tier 1)	Exhibit 6	Sheet 6
6.7	Industry Experience - Commercial Extended Coverage	Tier 2 (Territories 1 and 11)	Exhibit 6	Sheet 7
7.1	Hurricane Loss Ratio - Verisk (AIR) Model	Model Version: Verisk Touchstone 13.0 Tropical Cyclone (TC) and Severe Thunderstorm (ST)	Exhibit 7	Sheet 1
7.2	Hurricane Loss Ratio - RMS Model	Model Version: RMS RiskLink 25.0 Windstorm/Hurricane and Convective Storm (WS/CS)	Exhibit 7	Sheet 2
7.3	Hurricane Loss Ratio - Impact Forecasting Model	Model Version: Impact Forecasting ELEMENTS 18.0 Atlantic Tropical Cyclone and Severe Convective Storm	Exhibit 7	Sheet 3
7.4	Hurricane Loss Ratio - Cotality RQE Model	Model Version: Cotality Risk Quantification & Engineering (RQE) v25.0 North Atlantic Hurricane (HU) and Severe Convective Storm (SCS)	Exhibit 7	Sheet 4
8	Texas Hurricanes 1851 - 2025		Exhibit 8	
9.1	Calculation of Earned Premium at Present Rate Level		Exhibit 9	Sheet 1
9.2	Calculation of On-Level Premium Factors		Exhibit 9	Sheet 2
9.3	History of Rate Level Changes		Exhibit 9	Sheet 3
10.1	Expenses and Permissible Loss & LAE Ratios		Exhibit 10	Sheet 1
10.2	Development of Reinsurance Provision	Using Average of Verisk and RMS Hurricane Models	Exhibit 10	Sheet 2
11.1	Reconciliation of Paid Loss Data to Schedule P		Exhibit 11	Sheet 1
11.2	Reconciliation of Premium Data to Annual Statement		Exhibit 11	Sheet 2

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Exhibit 1

Summary of Indicated Rate Change
 By Method for Projecting Hurricane Loss & LAE
 All Territories Combined

Hurricane Projection Method	Indicated Loss & LAE Ratio			Fixed Expenses	Total	Permissible LLAE Ratio	2026
	Hurricane	Non-Hurricane					Indicated Rate Change
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)
Using Experience and Models	47.1%	4.7%	23.9%	75.7%	79.0%	-4.0%	
Using Actual Industry Experience	44.2%	4.7%	23.9%	72.8%	79.0%	-8.0%	
Verisk	67.2%	4.7%	23.9%	95.8%	79.0%	21.0%	
RMS	61.4%	4.7%	23.9%	90.0%	79.0%	14.0%	
Impact Forecasting	31.4%	4.7%	23.9%	60.0%	79.0%	-24.0%	
Cotality RQE	39.7%	4.7%	23.9%	68.3%	79.0%	-14.0%	
Average of All Models	49.9%	4.7%	23.9%	78.5%	79.0%	-1.0%	

Notes:

- (2) Exhibit 5
- (3) Exhibit 2, Sheet 1
- (4) Exhibit 10, Sheet 1
- (5) = (2) + (3) + (4)
- (6) Exhibit 10, Sheet 1
- (7) = (5) / (6) - 1

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail

Rate Level Review

Projected Ultimate Non-Hurricane Loss & LAE Ratio
 All Territories Combined

Accident Year Ending 12/31	Ultimate Non-Hurricane Loss	LAE Factor	Net Trend Factor	Projected Non-Hurricane Loss & LAE	Earned Premium at Current Rate Level	Indicated Non-Hurricane Loss & LAE Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2016	2,551,122	0.295	0.886	2,927,081	105,842,224	2.8%
2017	2,004,392	0.295	0.844	2,190,760	87,703,816	2.5%
2018	251,357	0.295	0.821	267,242	73,508,956	0.4%
2019	941,867	0.295	0.826	1,007,487	65,530,795	1.5%
2020	848,799	0.295	0.876	962,895	62,711,660	1.5%
2021	820,565	0.295	0.780	828,853	64,939,142	1.3%
2022	1,451,936	0.295	0.772	1,451,558	77,659,503	1.9%
2023	6,764,208	0.295	0.890	7,796,088	109,473,433	7.1%
2024	8,558,075	0.295	0.928	10,284,752	130,298,733	7.9%
2025	12,380,443	0.295	0.932	14,942,452	123,921,674	12.1%
Total	36,572,764			42,659,168	901,589,936	4.7%

Notes:

- (2) Exhibit 2, Sheet 2
- (3) Exhibit 4
- (4) = Exhibit 2, Sheet 4
- (5) = (2) * [1 + (3)] * (4)
- (6) Exhibit 9, Sheet 1
- (7) = (5) / (6)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
 Projected Ultimate Non-Hurricane Loss
 All Territories Combined

Accident Year Ending 12/31	Schedule P Direct & Assumed Paid Loss	Schedule P Direct & Assumed Ultimate Loss	Schedule P Implied Development Factor	TWIA Non-Hurricane Paid Loss	Ultimate Non-Hurricane Loss
(1)	(2)	(3)	(4)	(5)	(6)
2016	28,422,000	28,422,000	1.000	2,551,122	2,551,122
2017	1,406,855,000	1,409,788,000	1.002	2,000,222	2,004,392
2018	12,097,000	12,097,000	1.000	251,357	251,357
2019	17,606,000	17,606,000	1.000	941,867	941,867
2020	64,294,000	64,503,000	1.003	846,048	848,799
2021	65,494,000	67,351,000	1.028	797,940	820,565
2022	28,875,000	28,969,000	1.003	1,447,225	1,451,936
2023	77,590,000	79,006,000	1.018	6,642,975	6,764,208
2024	486,142,000	546,593,000	1.124	7,611,586	8,558,075
2025	90,523,000	153,607,000	1.697	7,295,988	12,380,443
Total				30,386,331	36,572,764

Notes:

- (2) Based on TWIA 2025 Annual Statement
- (3) Based on TWIA 2025 Annual Statement
- (4) = (3) / (2)
- (5) Exhibit 2, Sheet 3, as of 12/31/25
- (6) = (4) * (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Summary of TWIA Historical Paid Loss as of 12/31/25
All Territories Combined

Accident Year Ending 12/31	Paid Loss Excluding Expense		
	Non-Hurricane (1)	Hurricane (2)	Total (3)
2016	2,551,122	0	2,551,122
2017	2,000,222	469,463,575	471,463,797
2018	251,357	0	251,357
2019	941,867	0	941,867
2020	846,048	6,444,715	7,290,763
2021	797,940	7,399,502	8,197,442
2022	1,447,225	0	1,447,225
2023	6,642,975	0	6,642,975
2024	7,611,586	38,795,244	46,406,830
2025	7,295,988	0	7,295,988
Total	30,386,331	522,103,037	552,489,368

Notes:

(2), (3) Provided by TWIA

(4) = (2) + (3)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
Calculation of Net Trend Factors

Year / Quarter	Average Written Premium At Present Rates		
(1)	(2)		
		(3) Current Average Earned Date	7/1/2025
2016 / 4	4,544.01	(4) Current Average Accident Date	7/1/2025
2017 / 4	4,426.00	(5) Prospective Average Earned / Accident Date	1/1/2028
2018 / 4	4,497.78	(6) Premium Trend Length	2.500
2019 / 4	4,601.77	(7) Loss Trend Length	2.500
2020 / 4	4,930.85	(8) Selected Premium Trend	8.2%
2021 / 4	5,052.90	(9) Selected Loss Trend	5.2%
2022 / 4	5,864.06		
2023 / 4	6,826.29		
2024 / 4	7,192.12		
2025 / 4	7,088.30		

Accident Year Ending 12/31	Current Premium Trend	Current Loss Trend	Prospective Premium Trend	Prospective Loss Trend	Net Trend Factor
(10)	(11)	(12)	(13)	(14)	(15)
2016	1.560	1.483	1.218	1.135	0.886
2017	1.602	1.450	1.218	1.135	0.844
2018	1.576	1.389	1.218	1.135	0.821
2019	1.540	1.366	1.218	1.135	0.826
2020	1.438	1.351	1.218	1.135	0.876
2021	1.403	1.174	1.218	1.135	0.780
2022	1.209	1.002	1.218	1.135	0.772
2023	1.038	0.992	1.218	1.135	0.890
2024	0.986	0.982	1.218	1.135	0.928
2025	1.000	1.000	1.218	1.135	0.932

Notes:

- (2) Average written premium per exposure at present rates from Exhibit 3, Sheet 1, Column (7)
- (3) Latest Year / Quarter Ending Date - 6 Months
- (4) Latest Accident Year Ending Date - 6 Months
- (5) Rate Effective Date + 12 Months
- (6) = (5) - (3)
- (7) = (5) - (4)
- (8) Exhibit 3, Sheet 1
- (9) Exhibit 3, Sheet 2a
- (11) = (2) Indexed to 2025 / 4
- (12) Exhibit 3, Sheet 2a
- (13) = [1 + (8)] ^ (6)
- (14) = [1 + (9)] ^ (7)
- (15) = [(12) * (14)] / [(11) * (13)]

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Premium Trend Analysis

TWIA Commercial Written Premium at Present Rates (WPPR)

Year / Quarter	Exposure Written	Written Premium	On-Level Factors	Written Premium at Present Rates	Quarterly Average WPPR	Annualized Average WPPR	Exponential Fitted Trends			
							All-Year	5-Year	4-Year	3-Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2016 / 2	6,522	28,623,450	1.138	32,569,345	4,994					
2016 / 3	6,507	25,417,054	1.120	28,466,060	4,375					
2016 / 4	4,047	14,955,154	1.107	16,558,181	4,091	4,544				
2017 / 1	4,263	17,482,209	1.103	19,274,135	4,521	4,539	4,003			
2017 / 2	5,717	25,224,489	1.103	27,809,999	4,864	4,486	4,072			
2017 / 3	5,172	19,050,031	1.103	21,002,659	4,061	4,409	4,142			
2017 / 4	3,489	13,077,837	1.103	14,418,315	4,133	4,426	4,214			
2018 / 1	3,663	15,807,970	1.096	17,331,059	4,731	4,465	4,287			
2018 / 2	5,108	22,862,777	1.084	24,773,451	4,850	4,447	4,361			
2018 / 3	4,612	17,927,115	1.066	19,118,289	4,145	4,483	4,436			
2018 / 4	3,109	12,284,401	1.055	12,954,588	4,167	4,498	4,513			
2019 / 1	2,933	14,759,154	1.050	15,497,112	5,284	4,590	4,591			
2019 / 2	4,431	20,959,587	1.050	22,007,566	4,967	4,612	4,670			
2019 / 3	3,993	14,943,999	1.050	15,691,199	3,930	4,573	4,751			
2019 / 4	2,966	12,109,737	1.050	12,715,224	4,287	4,602	4,833			
2020 / 1	2,719	14,566,185	1.050	15,294,494	5,625	4,657	4,916			
2020 / 2	3,982	18,776,705	1.050	19,715,540	4,951	4,642	5,001			
2020 / 3	3,970	15,951,658	1.050	16,749,241	4,219	4,728	5,088			
2020 / 4	2,710	13,543,203	1.050	14,220,363	5,247	4,931	5,176			
2021 / 1	2,521	12,672,604	1.050	13,306,234	5,278	4,854	5,265	4,886		
2021 / 2	4,228	20,348,072	1.050	21,365,476	5,053	4,888	5,356	5,008		
2021 / 3	3,892	16,793,147	1.050	17,632,804	4,531	4,983	5,448	5,134		
2021 / 4	3,112	16,369,478	1.050	17,187,952	5,523	5,053	5,543	5,262		
2022 / 1	2,725	15,396,927	1.044	16,079,017	5,901	5,178	5,638	5,394	5,544	
2022 / 2	4,642	25,560,832	1.032	26,371,194	5,681	5,377	5,736	5,529	5,667	
2022 / 3	5,337	29,199,819	1.015	29,644,617	5,555	5,645	5,835	5,667	5,793	
2022 / 4	3,496	22,787,093	1.005	22,903,023	6,551	5,864	5,936	5,809	5,921	
2023 / 1	3,273	22,499,113	1.000	22,499,113	6,874	6,056	6,038	5,954	6,052	6,459
2023 / 2	6,379	44,485,048	1.000	44,485,048	6,974	6,466	6,142	6,103	6,186	6,540
2023 / 3	6,029	38,901,087	1.000	38,901,087	6,452	6,716	6,248	6,256	6,323	6,621
2023 / 4	4,278	30,360,734	1.000	30,360,734	7,097	6,826	6,356	6,413	6,463	6,704
2024 / 1	3,555	27,201,729	1.000	27,201,729	7,652	6,964	6,466	6,573	6,606	6,788
2024 / 2	6,073	44,703,204	1.000	44,703,204	7,361	7,081	6,578	6,738	6,752	6,873
2024 / 3	5,734	37,497,228	1.000	37,497,228	6,539	7,116	6,692	6,906	6,901	6,959
2024 / 4	3,996	29,822,911	1.000	29,822,911	7,463	7,192	6,807	7,079	7,054	7,046
2025 / 1	3,487	26,484,829	1.000	26,484,829	7,595	7,180	6,925	7,256	7,210	7,134
2025 / 2	5,414	40,207,768	1.000	40,207,768	7,427	7,193	7,044	7,438	7,370	7,223
2025 / 3	5,359	35,212,252	1.000	35,212,252	6,571	7,216	7,166	7,624	7,533	7,313
2025 / 4	3,452	23,643,097	1.000	23,643,097	6,849	7,088	7,290	7,815	7,699	7,405
(14) Average Annual Change							7.1%	10.4%	9.2%	5.1%
(15) Correlation Coefficient							88.5%	91.2%	83.4%	70.1%
(16) Selected Premium Trend										8.2%

- Notes:
- (2) Provided by TWIA. Exposures written on inception
 - (3) Provided by TWIA. Premium written on inception
 - (4) Factors to bring written premium to current rate level
 - (5) = (3) * (4)
 - (6) = (5) / (2). WPPR = Written Premium at Present Rates
 - (7) Four-quarter rolling average written premium
 - (8) - (11) = (7) Fitted to an exponential distribution
 - (14) Fitted average annual change
 - (15) Evaluates the predictability of the fitted curve
 - (16) Selected based on judgment, with weight given to 3-year, 4-year, and 5-year exponential fitted trends

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Loss Trend Analysis
Summary of Indices and Calculation of Prospective Loss Costs

Accident Year Ending 12/31/xx	Commercial Statewide Boeckh	Coastal Boeckh	Modified CPI	Weighted Average
(1)	(2)	(3)	(4)	(5)
2016	1.512	1.473	1.199	1.483
2017	1.476	1.441	1.195	1.450
2018	1.415	1.380	1.183	1.389
2019	1.396	1.356	1.159	1.366
2020	1.376	1.343	1.191	1.351
2021	1.198	1.166	1.122	1.174
2022	1.025	0.994	1.040	1.002
2023	1.014	0.985	1.012	0.992
2024	1.003	0.975	1.010	0.982
2025	1.000	1.000	1.000	1.000

Factors to Adjust For Prospective Loss Costs

(8) Fitted Trend	5.5%	5.1%	3.4%	5.2%
(9) Cost Factor	1.144	1.132	1.087	1.135

Notes:

- (2) = Exhibit 3, Sheet 2b trended forward to 12/31/2025
- (3) = Exhibit 3, Sheet 2c trended forward to 12/31/2025
- (4) = Exhibit 3, Sheet 2d
- (5) = 25% Statewide Boeckh and 75% Coastal Boeckh (most appropriate available by year)
- (8) = (2) - (5) fitted to an exponential curve using 5 years' data
- (9) = [1 + (8)] ^ 2.5 (trended from 7/1/2025 to 1/1/2028)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Loss Trend Analysis

Boeckh Commercial Construction Index Trend (Statewide)

Calendar Quarter Ending	Texas Statewide Index	Fitted Trends	
		All Years	
(1)	(2)	Linear (3)	Exponential (4)
03/31/2016	2,400.45	2,158.09	2,226.82
06/30/2016	2,394.69	2,198.23	2,257.20
09/30/2016	2,390.24	2,238.37	2,288.01
12/31/2016	2,389.27	2,278.50	2,319.23
03/31/2017	2,395.53	2,318.64	2,350.88
06/30/2017	2,409.04	2,358.78	2,382.96
09/30/2017	2,428.04	2,398.92	2,415.48
12/31/2017	2,447.08	2,439.06	2,448.44
03/31/2018	2,467.64	2,479.20	2,481.85
06/30/2018	2,492.21	2,519.34	2,515.72
09/30/2018	2,520.30	2,559.47	2,550.05
12/31/2018	2,551.50	2,599.61	2,584.85
03/31/2019	2,576.24	2,639.75	2,620.12
06/30/2019	2,588.19	2,679.89	2,655.88
09/30/2019	2,589.40	2,720.03	2,692.12
12/31/2019	2,586.56	2,760.17	2,728.86
03/31/2020	2,584.93	2,800.31	2,766.10
06/30/2020	2,589.97	2,840.45	2,803.85
09/30/2020	2,598.94	2,880.58	2,842.11
12/31/2020	2,624.29	2,920.72	2,880.89
03/31/2021	2,661.86	2,960.86	2,920.21
06/30/2021	2,731.85	3,001.00	2,960.06
09/30/2021	2,884.19	3,041.14	3,000.45
12/31/2021	3,014.44	3,081.28	3,041.40
03/31/2022	3,158.28	3,121.42	3,082.90
06/30/2022	3,325.66	3,161.56	3,124.97
09/30/2022	3,423.24	3,201.69	3,167.62
12/31/2022	3,524.18	3,241.83	3,210.84
03/31/2023	3,587.40	3,281.97	3,254.66
06/30/2023	3,590.51	3,322.11	3,299.07
09/30/2023	3,576.30	3,362.25	3,344.09
12/31/2023	3,561.77	3,402.39	3,389.73
03/31/2024	3,563.62	3,442.53	3,435.99
06/30/2024	3,570.90	3,482.66	3,482.87
09/30/2024	3,584.57	3,522.80	3,530.40
12/31/2024	3,602.33	3,562.94	3,578.58
03/31/2025	3,502.53	3,603.08	3,627.41
06/30/2025	3,547.30	3,643.22	3,676.92
09/30/2025	3,584.68	3,683.36	3,727.09
12/31/2025	3,611.60	3,723.50	3,777.95
Annual Trend		4.3%	5.5%
R-Squared		0.883	0.896

Notes:

(2) = Average index for Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Odessa, and San Antonio

(3) - (4) = (2) Fitted to linear and exponential distributions

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Loss Trend Analysis

Boeckh Commercial Construction Index Trend (Coastal)

Calendar Quarter Ending	Texas Coastal Index	Fitted Trends	
		All Years	
(1)	(2)	Linear (3)	Exponential (4)
03/31/2016	2,433.81	2,198.30	2,263.81
06/30/2016	2,429.59	2,238.22	2,294.23
09/30/2016	2,424.80	2,278.15	2,325.05
12/31/2016	2,421.78	2,318.07	2,356.28
03/31/2017	2,425.51	2,358.00	2,387.94
06/30/2017	2,438.31	2,397.92	2,420.02
09/30/2017	2,455.45	2,437.85	2,452.53
12/31/2017	2,475.94	2,477.78	2,485.47
03/31/2018	2,496.82	2,517.70	2,518.86
06/30/2018	2,521.03	2,557.63	2,552.70
09/30/2018	2,550.19	2,597.55	2,587.00
12/31/2018	2,584.69	2,637.48	2,621.75
03/31/2019	2,615.73	2,677.40	2,656.97
06/30/2019	2,630.30	2,717.33	2,692.66
09/30/2019	2,635.29	2,757.25	2,728.84
12/31/2019	2,630.43	2,797.18	2,765.50
03/31/2020	2,624.77	2,837.11	2,802.65
06/30/2020	2,626.63	2,877.03	2,840.30
09/30/2020	2,633.12	2,916.96	2,878.46
12/31/2020	2,656.03	2,956.88	2,917.13
03/31/2021	2,692.24	2,996.81	2,956.31
06/30/2021	2,766.42	3,036.73	2,996.03
09/30/2021	2,918.38	3,076.66	3,036.28
12/31/2021	3,060.74	3,116.58	3,077.07
03/31/2022	3,210.13	3,156.51	3,118.41
06/30/2022	3,381.28	3,196.44	3,160.30
09/30/2022	3,488.77	3,236.36	3,202.75
12/31/2022	3,588.68	3,276.29	3,245.78
03/31/2023	3,655.43	3,316.21	3,289.38
06/30/2023	3,658.14	3,356.14	3,333.57
09/30/2023	3,641.39	3,396.06	3,378.36
12/31/2023	3,622.36	3,435.99	3,423.74
03/31/2024	3,619.58	3,475.92	3,469.74
06/30/2024	3,624.80	3,515.84	3,516.35
09/30/2024	3,638.08	3,555.77	3,563.59
12/31/2024	3,658.61	3,595.69	3,611.46
03/31/2025	3,495.10	3,635.62	3,659.98
06/30/2025	3,526.30	3,675.54	3,709.15
09/30/2025	3,549.30	3,715.47	3,758.98
12/31/2025	3,567.90	3,755.39	3,809.48
Annual Trend		4.4%	5.1%
R-Squared		0.866	0.882

Notes:

- (2) = Average index for Corpus Christi and Houston
- (3) - (4) = (2) Fitted to linear and exponential distributions

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Loss Trend Analysis
Modified Consumer Price Index - External Trend

Calendar Quarter Ending	Modified CPI	Fitted Trends								
		All Years		5 Years		4 Years		3 Years		
		Linear	Exponential	Linear	Exponential	Linear	Exponential	Linear	Exponential	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
09/30/2015	190.13	183.32	184.46							
12/31/2015	190.58	184.50	185.49							
03/31/2016	191.00	185.68	186.54							
06/30/2016	192.13	186.86	187.59							
09/30/2016	192.91	188.04	188.64							
12/31/2016	193.59	189.22	189.71							
03/31/2017	193.90	190.40	190.77							
06/30/2017	194.06	191.58	191.85							
09/30/2017	194.11	192.76	192.93							
12/31/2017	194.10	193.94	194.01							
03/31/2018	194.70	195.12	195.10							
06/30/2018	195.27	196.30	196.20							
09/30/2018	195.57	197.48	197.31							
12/31/2018	196.17	198.66	198.42							
03/31/2019	196.96	199.84	199.53							
06/30/2019	198.10	201.02	200.66							
09/30/2019	199.65	202.20	201.79							
12/31/2019	200.22	203.38	202.92							
03/31/2020	199.74	204.56	204.06							
06/30/2020	197.63	205.74	205.21							
09/30/2020	195.93	206.92	206.37							
12/31/2020	194.86	208.11	207.53							
03/31/2021	194.29	209.29	208.70	204.12	204.05					
06/30/2021	197.60	210.47	209.87	205.92	205.76					
09/30/2021	201.34	211.65	211.05	207.72	207.49					
12/31/2021	206.77	212.83	212.24	209.52	209.23					
03/31/2022	213.02	214.01	213.44	211.32	210.98	219.29	219.27			
06/30/2022	217.32	215.19	214.64	213.12	212.75	220.26	220.21			
09/30/2022	220.57	216.37	215.85	214.92	214.53	221.22	221.16			
12/31/2022	223.05	217.55	217.06	216.72	216.33	222.18	222.12			
03/31/2023	225.83	218.73	218.28	218.52	218.14	223.15	223.07	227.12	227.13	
06/30/2023	227.54	219.91	219.51	220.32	219.97	224.11	224.04	227.50	227.50	
09/30/2023	229.16	221.09	220.75	222.12	221.81	225.07	225.00	227.88	227.88	
12/31/2023	229.27	222.27	221.99	223.92	223.67	226.04	225.97	228.25	228.25	
03/31/2024	229.00	223.45	223.24	225.72	225.55	227.00	226.95	228.63	228.63	
06/30/2024	228.82	224.63	224.50	227.51	227.44	227.97	227.93	229.01	229.00	
09/30/2024	228.63	225.81	225.76	229.31	229.34	228.93	228.91	229.39	229.38	
12/31/2024	229.62	226.99	227.03	231.11	231.27	229.89	229.90	229.76	229.76	
03/31/2025	229.52	228.17	228.31	232.91	233.20	230.86	230.89	230.14	230.14	
06/30/2025	229.89	229.35	229.59	234.71	235.16	231.82	231.88	230.52	230.52	
09/30/2025	231.05	230.53	230.88	236.51	237.13	232.78	232.88	230.89	230.90	
12/31/2025	232.03	231.71	232.18	238.31	239.12	233.75	233.89	231.27	231.28	
Annual Trend		2.0%	2.3%	3.0%	3.4%	1.6%	1.7%	0.7%	0.7%	
R-Squared		0.851	0.856	0.779	0.768	0.739	0.732	0.758	0.757	

Notes:

- (2) = Weighted average of CPI for Lodging, Apparel, Furnishings, and Medical Care
- (3) - (10) = (2) Fitted to linear and exponential distributions

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Development of LAE Factor Using TWIA Commercial + Residential Experience

Accident Year Ending 12/31	Ultimate Loss	Ultimate LAE	Ultimate LAE to Loss Ratio	Hurricane Indicator
(1)	(2)	(3)	(4)	(5)
1980	12,911	1,318	0.102	H
1981	2,512	543	0.216	
1982	796	565	0.710	
1983	148,999	9,127	0.061	H
1984	999	324	0.324	
1985	512	297	0.580	
1986	881	505	0.573	H
1987	1,897	1,056	0.557	
1988	1,160	357	0.308	
1989	12,296	3,528	0.287	H
1990	335	225	0.672	
1991	1,217	729	0.599	
1992	489	554	1.133	
1993	3,375	1,375	0.407	
1994	679	507	0.747	
1995	2,977	903	0.303	
1996	1,166	582	0.499	
1997	2,964	1,343	0.453	
1998	22,401	4,732	0.211	
1999	8,773	2,388	0.272	H
2000	6,227	1,885	0.303	
2001	24,605	1,880	0.076	
2002	5,167	5,226	1.011	
2003	155,001	5,122	0.033	H
2004	5,167	1,471	0.285	
2005	154,981	20,235	0.131	H
2006	4,276	1,110	0.260	
2007	15,745	4,941	0.314	H
2008	2,583,017	346,615	0.134	H
2009	10,407	2,219	0.213	
2010	18,005	4,274	0.237	
2011	96,073	15,108	0.157	
2012	67,492	15,833	0.235	
2013	70,835	13,829	0.195	
2014	7,871	6,928	0.880	
2015	138,829	40,137	0.289	
2016	28,422	15,387	0.541	
2017	1,409,788	279,561	0.198	H
2018	12,097	6,775	0.560	
2019	17,606	9,326	0.530	
2020	64,503	29,204	0.453	H
2021	67,351	28,796	0.428	H
2022	28,969	11,989	0.414	
2023	79,006	23,139	0.293	
2024	546,593	145,420	0.266	H
2025	153,607	35,194	0.229	
All Years Total	5,998,979	1,102,562	0.184	
Hurricane Years Total	5,180,839	876,760	0.169	
Non-Hurricane Years				
Total	818,140	225,802	0.276	
10 Year	604,734	178,537	0.295	

Notes:

- (2) - (3) 2016 - 2025: from most recent TWIA annual statement; 1980 - 2015: from prior TWIA annual statements
- (4) = (3) / (2)
- (5) "H" indicates hurricane year

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
Summary of Indicated Hurricane Loss & LAE Ratios

Exhibit 5

Basis for Hurricane Loss Ratio	Indicated Loss Ratio	LAE Factor	Indicated Loss & LAE Ratio
(1)	(2)	(3)	(4)
Industry Experience	37.8%	0.169	44.2%
<u>Hurricane Models</u>			
Verisk	57.5%	0.169	67.2%
RMS	52.5%	0.169	61.4%
Impact Forecasting	26.9%	0.169	31.4%
Cotality RQE	34.0%	0.169	39.7%
Average of Models	42.7%	0.169	49.9%

Notes:

(2) Exhibit 6, Sheet 1 & Exhibit 7, Sheet 1 - Sheet 4

(3) Exhibit 4

(4) = (2) * [1 + (3)]

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Industry Experience - Commercial Extended Coverage

Hurricane Years Only

Accident Year Ending	Earned Premium at Current TWIA Rate Level (1)	Number of Hurricanes During the Year (2)	Hurricane Year Incurred Loss Ratio (3)	Per Hurricane Loss Ratio (4)
1970	53,332,058	1	43.3%	34.4%
1971	57,612,751	1	97.0%	88.1%
1980	64,012,158	1	60.0%	51.1%
1983	37,553,182	1	324.0%	315.1%
1986	48,392,653	1	8.6%	0.0%
1989	76,691,720	2	6.0%	0.0%
1999	175,855,164	1	8.6%	0.0%
2003	210,743,808	1	22.1%	13.2%
2005	265,866,745	1	167.8%	158.9%
2007	345,796,968	1	17.1%	8.2%
2008	313,442,675	2	411.6%	201.4%
2017	208,340,293	1	525.7%	516.8%
2020	196,352,256	3	10.0%	0.4%
2021	202,157,739	1	10.3%	1.4%
2024	311,428,914	1	38.4%	29.5%
Simple Average Loss Ratio Per Hurricane Year			116.7%	94.6%
(5)	Selected Non-Hurricane Loss Ratio		8.9%	
(6)	Average Hurricane Loss Ratio Per Hurricane		94.6%	
(7)	Historical Hurricane Frequency 175-Year (1/1/1851 - 12/31/2025)		0.400 (1 Hurricane Every 2.5 years)	
(8)	Indicated Hurricane Loss Ratio		37.8%	

Notes:

- (1) Exhibit 6, Sheet 2. 1999 year ending 12/31/99; all other accident years ending 9/30/xx
- (3) Exhibit 6, Sheet 2. 1999 year ending 12/31/99; all other accident years ending 9/30/xx
- (4) = MAX [(3)-(5),0]/(2)
- (5) Exhibit 6, Sheet 2
- (6) = Average of (4)
- (7) Exhibit 8
- (8) = (6) * (7)

**Texas Windstorm Insurance Association
Commercial Property - Wind & Hail**

Rate Level Review

Industry Experience - Commercial Extended Coverage

Non-Hurricane Loss Ratio

Accident Year Ending	Earned Premium	Earned Premium at 1992 CMR	Earned Premium at Current Rates	Incurred Losses	Incurred Loss Ratio	Hurricane Indicator
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1970	10,874,210	18,835,352	53,332,058	23,092,142	43.3%	H
1971	13,340,143	20,347,170	57,612,751	55,893,676	97.0%	H
1972	18,906,678	24,314,307	68,845,649	8,704,522	12.6%	
1973	21,737,541	23,257,532	65,853,404	3,837,493	5.8%	
1974	22,348,193	22,844,661	64,684,365	2,193,087	3.4%	
1975	24,396,629	24,958,305	70,669,121	3,943,412	5.6%	
1976	26,795,934	24,109,943	68,266,995	2,218,115	3.2%	
1977	30,910,821	27,119,226	76,787,741	1,898,346	2.5%	
1978	32,709,599	26,415,338	74,794,691	2,535,872	3.4%	
1979	31,306,685	24,514,306	69,411,943	4,535,147	6.5%	
1980	28,751,765	22,607,257	64,012,158	38,431,071	60.0%	H
1981	24,129,384	21,398,588	60,589,828	4,272,728	7.1%	
1982	18,505,004	17,523,231	49,616,804		3.4%	
1983	12,680,397	13,262,706	37,553,182		324.0%	H
1984	12,736,031	14,992,627	42,451,431		8.2%	
1985	15,169,575	16,422,895	46,501,216		4.0%	
1986	21,130,682	17,090,896	48,392,653		8.6%	H
1987	31,114,529	26,771,157	75,802,188		1.6%	
1988	25,065,531	24,117,319	68,287,879		8.6%	
1989	24,167,085	27,085,314	76,691,720		6.0%	H
1990	19,677,404	23,041,233	65,240,956		85.9%	
1991	21,794,680	25,534,881	72,301,688		58.1%	
1992	23,737,753	26,950,473	76,309,919		1.5%	
1993	21,990,182		71,537,276		5.3%	
1994	16,604,950		54,018,329		8.7%	
1995	32,374,229		105,318,098		19.8%	
1996	55,367,089		180,117,233		2.5%	
1997	53,196,024		173,054,441		3.6%	
1998	53,986,058		178,299,022		14.2%	
1999	52,435,243		175,855,164		8.6%	H
2000	41,739,697		133,956,823		7.2%	
2001	42,330,042		127,689,113		5.4%	
2002	69,156,402		199,609,188		14.3%	
2003	78,368,305		210,743,808		22.1%	H
2004	112,957,791		276,540,371		1.8%	
2005	119,598,806		265,866,745		167.8%	H
2006	148,019,940		299,356,477		2.0%	
2007	186,207,969		345,796,968		17.1%	H
2008	177,673,659		313,442,675		411.6%	H
2009	185,204,697		296,283,945		2.7%	
2010	193,721,394		286,320,340		4.0%	
2011	192,278,480		277,463,924		16.2%	
2012	209,676,871		287,748,652		17.8%	
2013	224,380,012		293,394,751		5.8%	
2014	240,932,886		300,378,437		1.5%	
2015	222,220,855		263,626,241		13.6%	
2016	216,603,983		244,694,557		4.4%	
2017	188,970,788		208,340,293		525.7%	H
2018	186,534,241		200,627,132		1.5%	
2019	182,702,819		191,837,960		3.0%	
2020	187,002,148		196,352,256		10.0%	H
2021	192,531,180		202,157,739		10.3%	H
2022	208,774,527		213,461,009		3.3%	
2023	274,753,360		274,753,360		5.6%	
2024	311,428,914		311,428,914		38.4%	H
2025	319,256,934		319,256,934		12.2%	
Total / Average	5,510,966,728		8,933,338,515		38.4%	
Average of Non-Hurricane Years					9.5%	
Average of Non-Hurricane Years Excluding 1991 Selected					8.3%	
					8.9%	

Notes: (2) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2024 are year ending 12/31/xx as of 12/31/25
(3) Provided by TDI (1992 MR = 1992 manual rates)
(4) 1993 - 2025: Sum of Exhibit 6, Sheet 4 - 7, (5); 1970 - 1992: (3) * 2.831, 1992 on-level factor to bring industry premium to TWIA current rate level
(5) Provided by TDI. 1970 - 1982 are year ending 9/30/xx as of 12/31/99; 1983 - 2025 are year ending 12/31/xx as of 12/31/25
(6) 1983 - 2025: Exhibit 6, Sheet 3; 1970 - 1982: (5) / (4)
(7) "H" indicates hurricane year

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Industry Experience - Commercial Extended Coverage
Summary by Territory

Accident Year Ending (1)	Loss Ratios by Territory / Tier				Weighted Loss Ratio (6)	Developed Weighted Loss Ratio (7)
	Territory 8 (2)	Territory 9 (3)	Territory 10 (4)	Tier 2 (5)		
1983	961.4%	4.1%	44.7%	161.1%	324.0%	324.0%
1984	8.2%	4.1%	10.6%	15.4%	8.2%	8.2%
1985	4.0%	2.7%	4.7%	8.6%	4.0%	4.0%
1986	3.2%	1.1%	17.4%	13.6%	8.6%	8.6%
1987	0.5%	1.8%	2.2%	3.3%	1.6%	1.6%
1988	12.6%	3.7%	8.8%	5.2%	8.6%	8.6%
1989	14.6%	1.9%	2.1%	5.9%	6.0%	6.0%
1990	257.7%	2.7%	9.7%	7.4%	85.9%	85.9%
1991	23.3%	23.0%	109.3%	5.0%	58.1%	58.1%
1992	0.8%	1.1%	2.3%	4.1%	1.5%	1.5%
1993	12.9%	1.7%	1.7%	5.4%	5.3%	5.3%
1994	0.3%	3.5%	18.7%	7.5%	8.7%	8.7%
1995	7.4%	9.8%	35.8%	19.6%	19.8%	19.8%
1996	1.4%	2.7%	3.0%	6.3%	2.5%	2.5%
1997	5.0%	1.9%	3.4%	8.6%	3.6%	3.6%
1998	19.7%	13.1%	10.9%	8.6%	14.2%	14.2%
1999	2.6%	12.0%	11.1%	8.5%	8.6%	8.6%
2000	2.0%	1.9%	13.2%	56.1%	7.2%	7.2%
2001	6.7%	3.0%	5.4%	27.3%	5.4%	5.4%
2002	11.1%	29.8%	6.8%	9.2%	14.3%	14.3%
2003	2.2%	7.9%	46.6%	29.5%	22.1%	22.1%
2004	2.7%	0.6%	1.9%	3.0%	1.8%	1.8%
2005	63.4%	1.6%	359.9%	48.4%	167.8%	167.8%
2006	2.2%	1.0%	2.5%	5.6%	2.0%	2.0%
2007	1.5%	53.8%	5.6%	9.4%	17.1%	17.1%
2008	665.8%	34.6%	458.8%	465.7%	411.6%	411.6%
2009	2.4%	4.5%	1.5%	9.2%	2.7%	2.7%
2010	1.4%	4.4%	5.8%	3.2%	4.0%	4.0%
2011	3.7%	28.8%	17.7%	18.4%	16.2%	16.2%
2012	18.0%	22.9%	14.5%	10.0%	17.8%	17.8%
2013	13.6%	4.0%	0.9%	6.8%	5.8%	5.8%
2014	0.5%	3.2%	1.2%	4.3%	1.5%	1.5%
2015	11.5%	4.0%	21.5%	14.2%	13.6%	13.6%
2016	0.8%	8.4%	3.7%	30.3%	4.4%	4.4%
2017	76.6%	1192.2%	448.3%	125.1%	524.6%	525.7%
2018	0.3%	2.0%	1.8%	13.8%	1.5%	1.5%
2019	1.1%	0.3%	5.9%	17.1%	3.0%	3.0%
2020	2.5%	8.6%	16.2%	25.0%	10.0%	10.0%
2021	20.2%	0.3%	8.5%	21.3%	10.2%	10.3%
2022	2.6%	1.1%	5.1%	11.5%	3.3%	3.3%
2023	1.4%	2.8%	10.4%	14.6%	5.6%	5.6%
2024	79.4%	1.0%	27.3%	51.4%	37.0%	38.4%
2025	0.8%	18.6%	8.4%	3.4%	8.7%	12.2%
Average	54.2%	35.6%	41.8%	30.9%	43.9%	44.1%

TWIA 2025 Written Premium by Territory / Tier

	Territory 8	Territory 9	Territory 10	Tier 2	Total
(8) Amount	36,971,734	31,131,465	47,881,811	1,423,610	117,408,620
(9) % Share	31.49%	26.52%	40.78%	1.21%	100.00%

Notes:

- (2) Exhibit 6, Sheet 4
- (3) Exhibit 6, Sheet 5
- (4) Exhibit 6, Sheet 6
- (5) Exhibit 6, Sheet 7

- (6) = Weighted average of (2) to (5), using (9)
- (7) = (6) * implied loss development factors from annual statement
- (8) Provided by TWIA
- (9) = (8) / (8) Total

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Industry Experience - Commercial Extended Coverage

Tier 1 - Territory 8 (Galveston County)

Accident Year Ending	Earned Premium	Earned Premium at 1992 MR	TWIA Factor to Current Rate Level	Earned Premium at Current Rates	Incurred Loss	Incurred Loss Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1983	913,865	968,224	3.829	2,741,514	26,357,425	961.4%
1984	1,195,339	1,366,667	3.511	3,869,700	318,455	8.2%
1985	2,581,481	2,777,593	2.879	7,864,719	314,878	4.0%
1986	3,013,362	2,349,181	2.050	6,651,676	211,282	3.2%
1987	3,004,153	2,585,122	1.994	7,319,740	37,480	0.5%
1988	2,905,355	2,728,206	2.147	7,724,880	969,836	12.6%
1989	2,825,114	3,015,974	2.385	8,539,692	1,244,199	14.6%
1990	2,303,321	2,474,141	2.506	7,005,499	18,053,460	257.7%
1991	2,203,500	2,080,579	2.491	5,891,133	1,371,244	23.3%
1992	2,352,391	2,012,473	2.831	5,698,292	46,331	0.8%
1993	2,406,016		3.253	7,827,122	1,005,945	12.9%
1994	2,807,090		3.253	9,131,874	28,034	0.3%
1995	2,645,757		3.253	8,607,034	635,625	7.4%
1996	5,519,716		3.253	17,956,443	249,644	1.4%
1997	5,461,636		3.253	17,767,500	886,485	5.0%
1998	6,133,105		3.303	20,255,723	3,994,564	19.7%
1999	6,706,028		3.354	22,490,401	575,316	2.6%
2000	4,997,201		3.209	16,037,710	320,131	2.0%
2001	4,785,262		3.017	14,434,804	962,576	6.7%
2002	8,206,069		2.886	23,685,541	2,632,325	11.1%
2003	8,793,047		2.689	23,645,786	529,845	2.2%
2004	12,425,339		2.448	30,419,397	830,387	2.7%
2005	13,839,253		2.220	30,718,239	19,469,845	63.4%
2006	18,414,310		2.037	37,507,901	812,370	2.2%
2007	24,924,710		1.857	46,286,360	710,669	1.5%
2008	24,970,117		1.764	44,050,988	293,310,706	665.8%
2009	29,363,002		1.600	46,973,895	1,140,669	2.4%
2010	31,708,901		1.478	46,865,775	669,882	1.4%
2011	31,323,614		1.443	45,200,965	1,675,264	3.7%
2012	35,165,008		1.372	48,258,464	8,709,842	18.0%
2013	37,582,814		1.308	49,142,525	6,670,061	13.6%
2014	38,347,378		1.247	47,808,855	258,179	0.5%
2015	36,723,071		1.186	43,565,511	5,023,267	11.5%
2016	36,246,028		1.130	40,946,642	331,694	0.8%
2017	32,367,636		1.102	35,685,319	27,347,012	76.6%
2018	32,146,278		1.076	34,574,969	110,422	0.3%
2019	31,397,393		1.050	32,967,263	369,052	1.1%
2020	32,563,145		1.050	34,191,302	870,161	2.5%
2021	33,058,602		1.050	34,711,532	7,028,116	20.2%
2022	37,476,356		1.022	38,317,609	998,145	2.6%
2023	46,305,240		1.000	46,305,240	655,325	1.4%
2024	49,522,663		1.000	49,522,663	39,321,874	79.4%
2025	48,829,455		1.000	48,829,455	411,370	0.8%
Total	796,459,121			1,157,997,651	477,469,392	41.2%

Notes:

(2) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2025 are year ending 12/31/xx as of 12/31/25

(3) Provided by TDI (1992 MR = 1992 manual rates)

(4) Represents 8/1/80 through 1/1/26 rate changes for TWIA; factors assume uniform earning of written premium and that TWIA premium represents 81.8% of industry data in Tier 1 - Territory 8

(5) = (3) x 2.831 for 1983 - 1992; (2) x (4) for 1993 - 2025

(6) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2015 are year ending 12/31/xx as of 12/31/24
2016 - 2025 are year ending 12/31/xx as of 12/31/25; 2008 IKE incurred loss was adjusted down by \$99,433,917

(7) = (6) / (5)

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Industry Experience - Commercial Extended Coverage

Tier 1 - Territory 9 (Nueces County)

Accident Year Ending	Earned Premium	Earned Premium at 1992 MR	TWIA Factor to Current Rate Level	Earned Premium at Current Rates	Incurred Loss	Incurred Loss Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1983	745,985	820,826	3.829	2,324,158	96,051	4.1%
1984	558,639	652,809	3.511	1,848,420	76,481	4.1%
1985	1,235,059	1,383,103	2.879	3,916,238	106,148	2.7%
1986	2,228,911	1,849,840	2.050	5,237,798	56,387	1.1%
1987	2,381,538	2,086,940	1.994	5,909,144	105,275	1.8%
1988	1,796,653	1,719,227	2.147	4,867,969	181,414	3.7%
1989	1,632,453	1,826,430	2.385	5,171,513	98,116	1.9%
1990	1,429,526	1,769,972	2.506	5,011,653	135,678	2.7%
1991	1,390,109	1,555,310	2.491	4,403,840	1,013,636	23.0%
1992	1,571,433	1,629,721	2.831	4,614,534	49,512	1.1%
1993	1,587,772		3.253	5,165,254	86,000	1.7%
1994	2,203,514		3.253	7,168,353	254,088	3.5%
1995	2,669,951		3.253	8,685,741	854,753	9.8%
1996	5,639,923		3.253	18,347,494	502,177	2.7%
1997	3,183,758		3.253	10,357,230	199,390	1.9%
1998	3,613,310		3.303	11,933,630	1,561,275	13.1%
1999	6,808,428		3.354	22,833,826	2,735,082	12.0%
2000	5,167,158		3.209	16,583,160	317,804	1.9%
2001	4,763,324		3.017	14,368,628	431,244	3.0%
2002	8,479,915		2.886	24,475,954	7,300,265	29.8%
2003	9,934,549		2.689	26,715,452	2,122,879	7.9%
2004	14,597,450		2.448	35,737,103	212,644	0.6%
2005	16,137,249		2.220	35,818,976	566,758	1.6%
2006	21,249,313		2.037	43,282,487	434,362	1.0%
2007	27,752,523		1.857	51,537,742	27,752,523	53.8%
2008	27,990,909		1.764	49,380,113	17,103,924	34.6%
2009	29,085,395		1.600	46,529,790	2,074,340	4.5%
2010	27,439,364		1.478	40,555,397	1,768,194	4.4%
2011	25,580,489		1.443	36,913,454	10,619,019	28.8%
2012	26,761,300		1.372	36,725,691	8,409,391	22.9%
2013	27,964,798		1.308	36,566,202	1,468,876	4.0%
2014	28,148,014		1.247	35,092,995	1,110,819	3.2%
2015	26,637,417		1.186	31,600,644	1,279,267	4.0%
2016	22,884,070		1.130	25,851,821	2,164,326	8.4%
2017	19,206,833		1.102	21,175,533	252,460,746	1192.2%
2018	18,294,960		1.076	19,677,167	392,817	2.0%
2019	16,351,506		1.050	17,169,081	47,300	0.3%
2020	15,868,598		1.050	16,662,028	1,435,530	8.6%
2021	16,847,848		1.050	17,690,240	53,835	0.3%
2022	22,014,184		1.022	22,508,349	237,342	1.1%
2023	33,893,974		1.000	33,893,974	957,053	2.8%
2024	41,444,284		1.000	41,444,284	415,464	1.0%
2025	39,344,545		1.000	39,344,545	7,326,647	18.6%
Total	614,516,931			945,097,605	356,574,832	37.7%

Notes:

(2) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2025 are year ending 12/31/xx as of 12/31/25

(3) Provided by TDI (1992 MR = 1992 manual rates)

(4) Represents 8/1/80 through 1/1/26 rate changes for TWIA; factors assume uniform earning of written premium and that TWIA premium represents 84.8% of industry data in Tier 1 - Territory 9

(5) = (3) x (4) for 1983 - 1992; (2) x (4) for 1993 - 2025

(6) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2015 are year ending 12/31/xx as of 12/31/24
2016 - 2025 are year ending 12/31/xx as of 12/31/25

(7) = (6) / (5)

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Industry Experience - Commercial Extended Coverage

Tier 1 - Territory 10 (Other Tier 1)

Accident Year Ending	Earned Premium	Earned Premium at 1992 MR	TWIA Factor to Current Rate Level	Earned Premium at Current Rates	Incurred Loss	Incurred Loss Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1983	3,769,988	4,139,464	3.829	11,720,839	5,242,728	44.7%
1984	4,835,650	5,883,059	3.511	16,657,806	1,759,233	10.6%
1985	3,637,366	3,997,227	2.879	11,318,097	534,724	4.7%
1986	4,787,352	3,948,102	2.050	11,179,000	1,943,819	17.4%
1987	5,996,981	5,352,970	1.994	15,156,866	338,938	2.2%
1988	5,872,305	5,768,621	2.147	16,333,776	1,442,599	8.8%
1989	5,125,436	5,918,163	2.385	16,757,203	349,413	2.1%
1990	3,842,130	4,624,825	2.506	13,095,133	1,263,817	9.7%
1991	4,253,902	4,765,878	2.491	13,494,522	14,752,702	109.3%
1992	4,034,147	4,187,015	2.831	11,855,479	276,158	2.3%
1993	4,540,606		3.253	14,771,255	245,603	1.7%
1994	5,145,260		3.253	16,738,283	3,130,886	18.7%
1995	9,324,050		3.253	30,332,497	10,852,486	35.8%
1996	15,331,047		3.253	49,874,137	1,478,175	3.0%
1997	17,116,368		3.253	55,682,047	1,911,482	3.4%
1998	17,623,413		3.303	58,204,607	6,340,723	10.9%
1999	15,019,386		3.354	50,371,400	5,614,569	11.1%
2000	11,756,138		3.209	37,729,428	4,969,254	13.2%
2001	11,140,104		3.017	33,604,266	1,824,700	5.4%
2002	20,528,832		2.886	59,253,278	4,053,342	6.8%
2003	23,885,668		2.689	64,232,047	29,908,218	46.6%
2004	31,412,192		2.448	76,902,524	1,462,655	1.9%
2005	34,104,704		2.220	75,700,360	272,418,664	359.9%
2006	46,246,638		2.037	94,199,258	2,315,133	2.5%
2007	71,922,575		1.857	133,563,609	7,479,422	5.6%
2008	66,558,177		1.764	117,418,492	538,764,477	458.8%
2009	64,583,344		1.600	103,318,157	1,576,316	1.5%
2010	63,606,679		1.478	94,010,711	5,423,427	5.8%
2011	63,551,427		1.443	91,706,718	16,247,025	17.7%
2012	68,482,322		1.372	93,981,257	13,608,787	14.5%
2013	71,237,559		1.308	93,148,787	882,597	0.9%
2014	68,174,178		1.247	84,994,844	996,584	1.2%
2015	61,841,773		1.186	73,364,465	15,792,584	21.5%
2016	57,154,841		1.130	64,567,042	2,363,193	3.7%
2017	45,450,678		1.102	50,109,372	224,658,490	448.3%
2018	42,029,869		1.076	45,205,277	805,050	1.8%
2019	40,241,956		1.050	42,254,054	2,507,311	5.9%
2020	39,850,574		1.050	41,843,103	6,763,610	16.2%
2021	39,871,636		1.050	41,865,218	3,575,932	8.5%
2022	44,521,888		1.022	45,521,297	2,303,427	5.1%
2023	67,081,451		1.000	67,081,451	6,976,617	10.4%
2024	84,784,701		1.000	84,784,701	23,188,066	27.3%
2025	88,544,291		1.000	88,544,291	7,452,053	8.4%
Total	1,458,819,582			2,312,446,954	1,255,794,989	54.3%

Notes:

(2) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2025 are year ending 12/31/xx as of 12/31/25

(3) Provided by TDI (1992 MR = 1992 manual rates)

(4) Represents 8/1/80 through 1/1/26 rate changes for TWIA; factors assume uniform earning of written premium and that TWIA premium represents 63.3% of industry data in Tier 1 - Territory 10

(5) = (3) x (4) for 1983 - 1992; (2) x (4) for 1993 - 2025

(6) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2015 are year ending 12/31/xx as of 12/31/24
2016 - 2025 are year ending 12/31/xx as of 12/31/25

(7) = (6) / (5)

Industry experience is for EC, where wind and hail related loss is predominant

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Industry Experience - Commercial Extended Coverage

Tier 2 (Territories 1 and 11)

Accident Year Ending	Earned Premium	Earned Premium at 1992 MR	TWIA Factor to Current Rate Level	Earned Premium at Current Rates	Incurred Loss	Incurred Loss Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1983	7,250,559	7,334,192	3.829	20,766,671	33,451,768	161.1%
1984	6,146,403	7,090,092	3.511	20,075,505	3,096,573	15.4%
1985	7,715,669	8,264,972	2.879	23,402,162	2,019,280	8.6%
1986	11,101,057	8,943,773	2.050	25,324,179	3,439,343	13.6%
1987	19,731,857	16,746,125	1.994	47,416,438	1,552,595	3.3%
1988	14,491,218	13,901,265	2.147	39,361,254	2,041,063	5.2%
1989	14,584,082	16,324,747	2.385	46,223,312	2,746,147	5.9%
1990	12,102,427	14,172,295	2.506	40,128,672	2,967,816	7.4%
1991	13,947,169	17,133,114	2.491	48,512,193	2,440,246	5.0%
1992	15,779,782	19,121,264	2.831	54,141,614	2,232,412	4.1%
1993	13,455,788		3.253	43,773,645	2,357,383	5.4%
1994	6,449,086		3.253	20,979,819	1,579,205	7.5%
1995	17,734,471		3.253	57,692,826	11,314,057	19.6%
1996	28,876,403		3.253	93,939,159	5,938,855	6.3%
1997	27,434,262		3.253	89,247,664	7,691,121	8.6%
1998	26,616,230		3.303	87,905,062	7,574,576	8.6%
1999	23,901,401		3.354	80,159,537	6,821,707	8.5%
2000	19,819,200		3.209	63,606,525	35,670,537	56.1%
2001	21,641,352		3.017	65,281,415	17,852,673	27.3%
2002	31,941,586		2.886	92,194,415	8,461,924	9.2%
2003	35,755,041		2.689	96,150,523	28,411,179	29.5%
2004	54,522,810		2.448	133,481,347	3,982,223	3.0%
2005	55,697,704		2.220	123,629,170	59,821,556	48.4%
2006	61,057,252		2.037	124,366,831	6,946,289	5.6%
2007	61,608,161		1.857	114,409,257	10,794,322	9.4%
2008	58,154,456		1.764	102,593,082	477,796,637	465.7%
2009	62,172,956		1.600	99,462,103	9,127,735	9.2%
2010	70,966,450		1.478	104,888,457	3,378,802	3.2%
2011	71,822,950		1.443	103,642,787	19,035,462	18.4%
2012	79,268,241		1.372	108,783,240	10,920,914	10.0%
2013	87,594,841		1.308	114,537,237	7,837,537	6.8%
2014	106,263,316		1.247	132,481,743	5,735,588	4.3%
2015	97,018,594		1.186	115,095,621	16,306,539	14.2%
2016	100,319,044		1.130	113,329,052	34,365,361	30.3%
2017	91,945,641		1.102	101,370,069	126,855,814	125.1%
2018	94,063,134		1.076	101,169,719	13,933,969	13.8%
2019	94,711,964		1.050	99,447,562	16,974,508	17.1%
2020	98,719,831		1.050	103,655,823	25,878,314	25.0%
2021	102,753,094		1.050	107,890,749	22,972,325	21.3%
2022	104,762,099		1.022	107,113,754	12,328,830	11.5%
2023	127,472,695		1.000	127,472,695	18,654,482	14.6%
2024	135,677,266		1.000	135,677,266	69,694,933	51.4%
2025	142,538,643		1.000	142,538,643	4,898,474	3.4%
Total	2,335,586,185			3,673,318,797	1,167,901,074	31.8%

Notes:

(2) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2025 are year ending 12/31/xx as of 12/31/25

(3) Provided by TDI (1992 MR = 1992 manual rates)

(4) Represents 8/1/80 through 1/1/26 rate changes for TWIA; factors assume uniform earning of written premium and that TWIA premium represents 0.9% of industry data in Tier 2

(5) = (3) x (4) for 1983 - 1992; (2) x (4) for 1993 - 2025

(6) Provided by TDI. 1983 - 1995 are year ending 9/30/xx as of 12/31/99; 1996 - 2015 are year ending 12/31/xx as of 12/31/24
2016 - 2025 are year ending 12/31/xx as of 12/31/25

(7) = (6) / (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Hurricane Loss Ratio - Verisk (AIR) Model

Model Version: Verisk Touchstone 13.0 Tropical Cyclone (TC) and Severe Thunderstorm (ST)

County	TWIA Insured Values (000s) as of 11/30/25	Modeled Loss Cost	Expected Annual Hurricane Loss
(1)	(2)	(3)	(4)
Aransas	553,136	4.256	2,354,223
Brazoria	732,081	3.861	2,826,634
Calhoun	169,918	4.349	739,024
Cameron	1,822,311	4.033	7,348,597
Chambers	116,122	2.923	339,424
Galveston	3,555,036	9.896	35,179,251
Harris	148,269	5.534	820,451
Jefferson	981,320	2.620	2,571,412
Kenedy	902	1.205	1,087
Kleberg	67,554	1.961	132,491
Matagorda	182,106	3.278	596,903
Nueces	3,466,763	4.690	16,258,540
Refugio	21,898	1.476	32,317
San Patricio	269,726	3.055	824,010
Willacy	27,850	2.848	79,313
Total	12,114,992	5.787	70,103,678
(5) In-Force Premium as of 11/30/25 at Present Rates			122,021,073
(6) Indicated Hurricane Loss Ratio			57.5%

Notes:

(2) Provided by TWIA and geo-coded by Verisk

(3) = (4) / (2)

(4) Provided by Verisk using Verisk Touchstone v13.0 (versus Verisk Touchstone v12.0 for prior year results)

(5) Provided by TWIA

(6) = (4) Total / (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Hurricane Loss Ratio - RMS Model

Model Version: RMS RiskLink 25.0 Windstorm/Hurricane and Convective Storm (WS/CS)

County	TWIA Insured Values (000s) as of 11/30/25	Modeled Loss Cost	Expected Annual Hurricane Loss
(1)	(2)	(3)	(4)
Aransas	553,136	4.676	2,586,691
Brazoria	732,081	4.066	2,976,994
Calhoun	169,918	5.832	991,011
Cameron	1,822,311	5.096	9,287,228
Chambers	116,122	3.385	393,057
Galveston	3,555,036	7.189	25,558,692
Harris	148,269	4.208	623,964
Jefferson	981,320	2.766	2,714,164
Kenedy	902	2.965	2,674
Kleberg	67,554	2.520	170,268
Matagorda	182,106	4.190	762,957
Nueces	3,466,763	4.817	16,701,014
Refugio	21,898	3.030	66,347
San Patricio	269,726	4.198	1,132,250
Willacy	27,850	3.850	107,217
Total	12,114,992	5.289	64,074,527
(5) In-Force Premium as of 11/30/25 at Present Rates			122,021,073
(6) Indicated Hurricane Loss Ratio			52.5%

Notes:

(2) Provided by TWIA and geo-coded by RMS

(3) = (4) / (2)

(4) Provided by RMS using RMS RiskLink v25.0 (versus RMS RiskLink v23.0 for prior year results)

(5) Provided by TWIA

(6) = (4) Total / (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Hurricane Loss Ratio - Impact Forecasting Model

Model Version: Impact Forecasting ELEMENTS 18.0 Atlantic Tropical Cyclone and Severe Convective Storm

County	TWIA Insured Values (000s) as of 11/30/25	Modeled Loss Cost	Expected Annual Hurricane Loss
(1)	(2)	(3)	(4)
Aransas	553,136	3.060	1,692,336
Brazoria	732,081	1.947	1,425,479
Calhoun	169,918	2.433	413,339
Cameron	1,822,311	3.092	5,635,427
Chambers	116,122	1.604	186,308
Galveston	3,555,036	2.652	9,429,413
Harris	148,269	1.406	208,435
Jefferson	981,320	1.134	1,112,970
Kenedy	902	1.956	1,764
Kleberg	67,554	1.775	119,907
Matagorda	182,106	2.263	412,146
Nueces	3,466,763	3.279	11,367,629
Refugio	21,898	2.865	62,744
San Patricio	269,726	2.342	631,806
Willacy	27,850	2.683	74,717
Total	12,114,992	2.705	32,774,419
(5) In-Force Premium as of 11/30/25 at Present Rates			122,021,073
(6) Indicated Hurricane Loss Ratio			26.9%

Notes:

(2) Provided by TWIA and geo-coded by Impact Forecasting

(3) = (4) / (2)

(4) Provided by Impact Forecasting using Impact Forecasting v18.0 (versus Impact Forecasting v18.0 for prior year results)

(5) Provided by TWIA

(6) = (4) Total / (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review

Hurricane Loss Ratio - Cotality RQE Model

Model Version: Cotality Risk Quantification & Engineering (RQE) v25.0 North Atlantic Hurricane (HU) and Severe Convective Storm (SCS)

County	TWIA Insured Values (000s) as of 11/30/25	Modeled Loss Cost	Expected Annual Hurricane Loss
(1)	(2)	(3)	(4)
Aransas	553,136	3.400	1,880,841
Brazoria	732,081	2.543	1,861,414
Calhoun	169,918	3.381	574,485
Cameron	1,822,311	2.657	4,841,136
Chambers	116,122	2.527	293,396
Galveston	3,555,036	4.792	17,035,501
Harris	148,269	3.014	446,884
Jefferson	981,320	2.854	2,801,011
Kenedy	902	1.272	1,147
Kleberg	67,554	1.865	126,000
Matagorda	182,106	2.652	482,929
Nueces	3,466,763	3.014	10,450,397
Refugio	21,898	1.375	30,117
San Patricio	269,726	2.163	583,347
Willacy	27,850	2.438	67,889
Total	12,114,992	3.424	41,476,494
(5) In-Force Premium as of 11/30/25 at Present Rates			122,021,073
(6) Indicated Hurricane Loss Ratio			34.0%

Notes:

(2) Provided by TWIA and geo-coded by Cotality RQE

(3) = (4) / (2)

(4) Provided by Cotality RQE using Cotality RQE v25.0 (versus CoreLogic RQE v23.0 for prior year results)

(5) Provided by TWIA

(6) = (4) Total / (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
Texas Hurricanes 1851 - 2025

<u>Landfall</u>			<u>Landfall</u>		
<u>Year</u>	<u>Month</u>	<u>Name</u>	<u>Year</u>	<u>Month</u>	<u>Name</u>
(1)	(1)	(2)	(1)	(1)	(2)
1851	Jun		1933	Sep	
1854	Jun		1934	Jul	
1854	Sep	"Matagorda"	1936	Jun	
1865	Sep	"Sabine River-Lake Calcasieu"	1940	Aug	
1866	Jul		1941	Sep	
1867	Oct	"Galveston"	1942	Aug	
1869	Aug	"Lower Texas Coast"	1942	Aug	
1875	Sep		1943	Jul	
1879	Aug		1945	Aug	
1880	Aug		1947	Aug	
1882	Sep		1949	Oct	
1886	Jun		1957	Jun	Audrey
1886	Aug	"Indianola"	1959	Jul	Debra
1886	Sep		1961	Sep	Carla
1886	Oct		1963	Sep	Cindy
1887	Sep		1967	Sep	Beulah
1888	Jun		1970	Aug	Celia
1891	Jul		1971	Sep	Fern
1895	Aug		1980	Aug	Allen
1897	Sep		1983	Aug	Alicia
1900	Sep	"Galveston"	1986	Jun	Bonnie
1909	Jun		1989	Aug	Chantal
1909	Jul	"Velasco"	1989	Oct	Jerry
1909	Aug		1999	Aug	Bret
1910	Sep		2003	Jul	Claudette
1912	Oct		2005	Sep	Rita
1913	Jun		2007	Sep	Humberto
1915	Aug	"Galveston"	2008	Jul	Dolly
1916	Aug		2008	Sep	Ike
1918	Aug		2017	Aug	Harvey
1919	Sep		2020	Jul	Hanna
1921	Jun		2020	Aug	Laura
1929	Jun		2020	Oct	Delta
1932	Aug	"Freeport"	2021	Sep	Nicholas
1933	July		2024	Jul	Beryl

<u>Frequency</u>	<u>Date Period</u>	<u>Hurricanes</u>	<u>Period</u>	<u>Annual Frequency</u>
175-Year	1/1/1851 - 12/31/2025	70	175	0.400

Notes:

(1), (2) from NOAA Technical Memorandum NWS-NHC-6, updated with actual experience through 2025

Texas Windstorm Insurance Association

Commercial Property - Wind & Hail

Rate Level Review

Calculation of Earned Premium at Present Rate Level

All Territories Combined

Accident Year Ending 12/31	TWIA Written Premium	Factor to Current Rate Level	Written Premium at Current Rate Level	Earned Premium at Current Rate Level
(1)	(2)	(3)	(4)	(5)
1994	10,672,677	3.253	34,718,218	34,718,218
1995	12,865,905	3.253	41,852,789	38,285,504
1996	15,640,660	3.253	50,879,067	46,365,928
1997	16,536,186	3.253	53,792,213	52,335,640
1998	16,558,977	3.353	55,522,250	54,657,232
1999	17,394,142	3.353	58,322,558	56,922,404
2000	17,332,561	3.077	53,332,290	55,827,424
2001	17,544,251	2.958	51,895,894	52,614,092
2002	24,013,525	2.818	67,670,113	59,783,004
2003	29,220,514	2.562	74,862,957	71,266,535
2004	31,009,323	2.329	72,220,713	73,541,835
2005	35,740,174	2.117	75,661,948	73,941,331
2006	76,847,840	1.964	150,929,158	113,295,553
2007	110,951,718	1.800	199,713,092	175,321,125
2008	98,036,118	1.715	168,131,943	183,922,518
2009	111,269,573	1.494	166,236,742	167,184,343
2010	102,174,680	1.477	150,912,002	158,574,372
2011	100,017,021	1.407	140,723,949	145,817,976
2012	110,524,397	1.340	148,102,691	144,413,320
2013	112,904,624	1.276	144,066,300	146,084,496
2014	104,642,688	1.215	127,140,866	135,603,583
2015	98,715,934	1.158	114,313,052	120,726,959
2016	88,278,690	1.103	97,371,395	105,842,224
2017	70,749,081	1.103	78,036,236	87,703,816
2018	65,696,833	1.050	68,981,675	73,508,956
2019	59,123,729	1.050	62,079,915	65,530,795
2020	60,327,052	1.050	63,343,405	62,711,660
2021	63,366,551	1.050	66,534,879	64,939,142
2022	88,784,127	1.000	88,784,127	77,659,503
2023	130,162,738	1.000	130,162,738	109,473,433
2024	130,434,727	1.000	130,434,727	130,298,733
2025	117,408,620	1.000	117,408,620	123,921,674
Total	2,144,945,635		3,104,138,522	3,062,793,328

Notes:

(2) Provided by TWIA

(3) Exhibit 9, Sheet 2

(4) = (2) * (3) (calculated on a monthly basis)

(5) Calculated from (4), using annual uniform earning assumption for 2002 and prior and monthly for 2003 and after

Year	Rate Level in Effect			Cumulative Rate Level				# Months				Average Rate Level	Factor to Current Rate Level		
	Applicable Rates														
(1)	B.O.Y.	(2)	(3)	E.O.Y.	B.O.Y.	(6)	(7)	E.O.Y.	B.O.Y.	(10)	(11)	E.O.Y.	(12)	(13)	(14)
1980	Prior			8/1/1980	1.000			1.175	7.0			5.0	1.073	4.869	
1981	8/1/1980			9/1/1981	1.175			1.132	8.0			4.0	1.161	4.500	
1982	9/1/1981			9/1/1982	1.132			1.428	8.0			4.0	1.231	4.244	
1983	9/1/1982			10/10/1983	1.428			1.514	9.3			2.7	1.447	3.610	
1984	10/10/1983			10/10/1983	1.514			1.514	12.0			0.0	1.514	3.451	
1985	10/10/1983	3/1/1985	3/15/1985	11/15/1985	1.514	1.892	2.428	2.651	2.0	0.5	8.0	1.5	2.281	2.290	
1986	11/15/1985			11/15/1985	2.651			2.651	12.0			0.0	2.651	1.971	
1987	11/15/1985			7/1/1987	2.651			2.407	6.0			6.0	2.529	2.066	
1988	7/1/1987			11/1/1988	2.407			2.075	10.0			2.0	2.352	2.221	
1989	11/1/1988			11/1/1988	2.075			2.075	12.0			0.0	2.075	2.518	
1990	11/1/1988			3/1/1990	2.075			2.104	2.0			10.0	2.099	2.489	
1991	3/1/1990			4/1/1991	2.104			2.083	3.0			9.0	2.088	2.502	
1992	1/1/1992			1/1/1992	1.606			1.606	12.0			0.0	1.606	3.253	
1993	1/1/1992			10/1/1993	1.606			1.606	9.0			3.0	1.606	3.253	
1994	10/1/1993			10/1/1993	1.606			1.606	12.0			0.0	1.606	3.253	
1995	10/1/1993			10/1/1993	1.606			1.606	12.0			0.0	1.606	3.253	
1996	10/1/1993			10/1/1993	1.606			1.606	12.0			0.0	1.606	3.253	
1997	10/1/1993			10/1/1993	1.606			1.606	12.0			0.0	1.606	3.253	
1998	1/1/1998			1/1/1998	1.558			1.558	12.0			0.0	1.558	3.353	
1999	1/1/1998			1/1/1998	1.558			1.558	12.0			0.0	1.558	3.353	
2000	1/1/2000			1/1/2000	1.698			1.698	12.0			0.0	1.698	3.077	
2001	1/1/2001			1/1/2001	1.766			1.766	12.0			0.0	1.766	2.958	
2002	1/1/2002			1/1/2002	1.854			1.854	12.0			0.0	1.854	2.818	
2003	1/1/2003			1/1/2003	2.039			2.039	12.0			0.0	2.039	2.562	
2004	1/1/2004			1/1/2004	2.243			2.243	12.0			0.0	2.243	2.329	
2005	1/1/2005			1/1/2005	2.468			2.468	12.0			0.0	2.468	2.117	
2006	1/1/2006			9/1/2006	2.591			2.798	8.0			4.0	2.660	1.964	
2007	1/1/2007			1/1/2007	2.902			2.902	12.0			0.0	2.902	1.800	
2008	1/1/2007			2/1/2008	2.902			3.059	1.0			11.0	3.046	1.715	
2009	2/1/2008			2/1/2009	3.059			3.536	1.0			11.0	3.496	1.494	
2010	2/1/2009			2/1/2009	3.536			3.536	12.0			0.0	3.536	1.477	
2011	1/1/2011			1/1/2011	3.713			3.713	12.0			0.0	3.713	1.407	
2012	1/1/2012			1/1/2012	3.898			3.898	12.0			0.0	3.898	1.340	
2013	1/1/2013			1/1/2013	4.093			4.093	12.0			0.0	4.093	1.276	
2014	1/1/2014			1/1/2014	4.298			4.298	12.0			0.0	4.298	1.215	
2015	1/1/2015			1/1/2016	4.513			4.513	12.0			0.0	4.513	1.158	
2016	1/1/2016			1/1/2017	4.738			4.738	12.0			0.0	4.738	1.103	
2017	1/1/2017			1/1/2018	4.738			4.738	12.0			0.0	4.738	1.103	
2018	1/1/2018			1/1/2019	4.975			4.975	12.0			0.0	4.975	1.050	
2019	1/1/2019			1/1/2020	4.975			4.975	12.0			0.0	4.975	1.050	
2020	1/1/2020			1/1/2021	4.975			4.975	12.0			0.0	4.975	1.050	
2021	1/1/2021			1/1/2022	4.975			4.975	12.0			0.0	4.975	1.050	
2022	1/1/2022			1/1/2023	5.224			5.224	12.0			0.0	5.224	1.000	
2023	1/1/2023			1/1/2024	5.224			5.224	12.0			0.0	5.224	1.000	
2024	1/1/2024			1/1/2025	5.224			5.224	12.0			0.0	5.224	1.000	
2025	1/1/2025			1/1/2026	5.224			5.224	12.0			0.0	5.224	1.000	

Current 5.224 5.224 1.000

Notes:

- (1) - (4) Rates in effect and beginning and end of year (B.O.Y. and E.O.Y.)
For each year except 1985, 2006, and 2008 the B.O.Y. and E.O.Y. rates are the only rates applicable
For 1985, there were two additional rate changes
For 2006, there was one additional rate change
For 2008, the rate change took effect mid-year
- (5) - (8) Based on Exhibit 9, Sheet 3
- (9) - (12) Number of months that each of the rates were effective
- (13) = Weighted average of (5) - (8) using (9) - (12) as weights
- (14) = Current (13) / (13)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
History of Rate Level Changes

Effective Date	Rate Change	Cumulative Rate Level
(1)	(2)	(3)
Prior		1.000
8/1/80	17.5%	1.175
9/1/81	-3.7%	1.132
9/1/82	26.2%	1.428
10/10/83	6.0%	1.514
3/1/85	25.0%	1.892
3/15/85	28.3%	2.428
11/15/85	9.2%	2.651
7/1/87	-9.2%	2.407
11/1/88	-13.8%	2.075
3/1/90	1.4%	2.104
4/1/91	-1.0%	2.083
1/1/92	-22.9%	1.606
10/1/93	0.0%	1.606
1/1/98	-3.0%	1.558
1/1/00	9.0%	1.698
1/1/01	4.0%	1.766
1/1/02	5.0%	1.854
1/1/03	10.0%	2.039
1/1/04	10.0%	2.243
1/1/05	10.0%	2.468
1/1/06	5.0%	2.591
9/1/06	8.0%	2.798
1/1/07	3.7%	2.902
2/1/08	5.4%	3.059
2/1/09	15.6%	3.536
1/1/11	5.0%	3.713
1/1/12	5.0%	3.898
1/1/13	5.0%	4.093
1/1/14	5.0%	4.298
1/1/15	5.0%	4.513
1/1/16	5.0%	4.738
1/1/17	0.0%	4.738
1/1/18	5.0%	4.975
1/1/19	0.0%	4.975
1/1/20	0.0%	4.975
1/1/21	0.0%	4.975
1/1/22	5.0%	5.224
1/1/23	0.0%	5.224
1/1/24	0.0%	5.224
1/1/25	0.0%	5.224
1/1/26	0.0%	5.224

Notes:
(2) Provided by TWIA, excludes 1/1/92 refund on in-force policies
(3) = Cumulation of (2)

Expense Category	2023	2024	2025	Projected 2026	Selected
(1) Direct Written Premium	653,043,231	758,845,192	820,864,531	781,032,000	
(2) Direct Earned Premium	589,353,024	708,981,286	794,594,956	808,261,000	
(3) Commission					
\$ Amount	104,392,398	121,292,653	131,226,325	124,965,000	
% of DWP	16.0%	16.0%	16.0%	16.0%	16.0%
(4) Other Acquisition					
\$ Amount	0	0	0	0	
% of DWP	0.0%	0.0%	0.0%	0.0%	0.0%
(5) General Expense					
Unadjusted \$ Amount	36,234,634	39,509,911	41,453,278	44,714,000	
Adjustments					
Contribution to Statutory Fund	0	0	0	0	
Adjusted \$ Amount	36,234,634	39,509,911	41,453,278	44,714,000	
% of DWP	5.5%	5.2%	5.0%	5.7%	5.4%
(6) Taxes, Licenses & Fees					
\$ Amount	11,379,394	13,191,282	47,541	58,000	
% of DWP	1.7%	1.7%	0.0%	0.0%	0.0%
(7) Reinsurance Expense					18.5%
(8) Outstanding Class 1 Public Security Repayment					0.0%
(9) Total Fixed Expenses					23.9%
(10) Total Variable Expenses					16.0%
(11) CRTF Contribution & UW Contingency & Uncertainty					5.0%
(12) Permissible Loss, LAE, and Fixed Expense Ratio					79.0%

Notes:

- (1) - (6) From TWIA's Statutory Annual Statements and Insurance Expense Exhibits. 2026 figures are projected
- (7) Exhibit 10, Sheet 2
- (8) Outstanding principal paid off in 2022
- (9) = (5) + (7) + (8)
- (10) = (3) + (4) + (6)
- (11) CRTF contribution selected judgmentally
- (12) = 100% - (10) - (11)

Rate Level Review

Development of Reinsurance Provision

Using Average of Verisk and RMS Hurricane Models

	Combined	Residential	Commercial
(1) 2026 - 2027 Reinsurance Premium	196,982,000	163,160,224	33,821,776
(2) Actual Exposures (000s) as of 11/30/25	140,845,953		
(3) Initial Estimated Exposures (000s) at 09/30/26 Used for Reinsurance Pricing	141,794,096		
(4) Current Estimated Exposures (000s) at 09/30/26	143,006,336		
(5) Prospective Adjusted 2025-2026 Reinsurance Premium	198,666,058	164,555,129	34,110,929
(6) Average Annual Loss to 50-Year PML			
(a) Verisk	70,665,208	58,869,707	11,795,501
(b) RMS	63,972,618	52,650,827	11,321,791
(c) Selected Average Annual Loss and LAE	78,695,809	65,183,752	13,512,057
(7) Prospective Average Annual Loss and LAE	79,902,894	66,183,581	13,719,313
(8) Net Cost of Reinsurance	118,763,163	98,371,548	20,391,615
(9) 2026 TWIA Prospective Earned Premium at Present Rates	816,512,883	706,440,159	110,072,724
(10) Indicated Reinsurance Expense %	14.5%	13.9%	18.5%

Notes:

- (1) Subject premium for TWIA reinsurance contract effective 6/1/2026 through 5/31/2027
- (2) From TWIA data
- (3) Projected exposures as of September 30, 2026 used for reinsurance pricing
- (4) Projections updated through May 31, 2026
- (5) = (1) * (4) / (3) (subject premiums adjusted for difference between initially estimated and actual exposures)
- (6) Expected modeled losses in the reinsurance layers up to the 50-year PML
- (a) Provided by Aon, based on Verisk model using TWIA exposures as of 11/30/2025
- (b) Provided by Aon, based on RMS model using TWIA exposures as of 11/30/2025
- (c) Selected equal to the average of the RMS and Verisk catastrophe models with an LAE loading of 1.169
- (7) = (6)(c) * (4) / (2) (projected loss growth from 11/30/2025 to 9/30/2026)
- (8) = (5) - (7)
- (9) Projections updated through May 31, 2026
- (10) = (8) / (9)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
Reconciliation of Paid Loss Data to Schedule P

Calendar Year	TWIA Provided Paid Loss			Schedule P Direct & Assumed Paid Loss	Difference
	Commercial & Farm	Residential	Total		
(1)	(2)	(3)	(4)	(5)	(6)
2016	2,551,122	25,645,895	28,197,016	28,422,000	(224,984)
2017	471,463,797	934,164,075	1,405,627,873	1,406,855,000	(1,227,127)
2018	251,357	11,862,645	12,114,002	12,097,000	17,002
2019	941,867	16,664,642	17,606,509	17,606,000	509
2020	7,290,763	57,129,319	64,420,083	64,294,000	126,083
2021	8,197,442	58,412,433	66,609,875	65,494,000	1,115,875
2022	1,447,225	26,394,400	27,841,625	28,875,000	(1,033,375)
2023	6,642,975	70,979,608	77,622,583	77,590,000	32,583
2024	46,406,830	439,959,387	486,366,217	486,142,000	224,217
2025	7,295,988	83,249,860	90,545,848	90,523,000	22,848
Total	552,489,368	1,724,462,264	2,276,951,632	2,277,898,000	-946,368

Notes:

- (2), (3) Provided by TWIA, as of 12/31/2025
- (4) = (2) + (3)
- (5) Based on TWIA 2025 Annual Statement
- (6) = (4) - (5)

Texas Windstorm Insurance Association
Commercial Property - Wind & Hail
Rate Level Review
Reconciliation of Premium Data to Annual Statement

Calendar Year	TWIA Provided Written Premium			Annual Statement Gross Written Premium	Difference
	Commercial	Residential	Total		
(1)	(2)	(3)	(4)	(5)	(6)
1994	10,672,677	15,758,330	26,431,007	26,510,501	(79,494)
1995	12,865,905	19,259,265	32,125,170	32,419,287	(294,117)
1996	15,640,660	24,504,127	40,144,787	40,358,575	(213,788)
1997	16,536,186	25,783,455	42,319,641	42,462,844	(143,203)
1998	16,558,977	27,833,800	44,392,777	44,410,914	(18,137)
1999	17,394,142	27,168,992	44,563,134	44,581,218	(18,084)
2000	17,332,561	29,762,296	47,094,857	48,012,426	(917,569)
2001	17,544,251	36,220,623	53,764,874	54,630,727	(865,853)
2002	24,013,525	48,856,422	72,869,947	72,967,831	(97,884)
2003	29,220,514	58,573,191	87,793,705	87,987,279	(193,574)
2004	31,009,323	71,292,702	102,302,025	102,384,351	(82,326)
2005	35,740,174	78,094,458	113,834,632	113,927,701	(93,069)
2006	76,847,840	119,658,576	196,506,416	196,833,235	(326,819)
2007	110,951,718	203,561,196	314,512,914	315,139,307	(626,393)
2008	98,036,118	232,925,990	330,962,108	331,057,645	(95,537)
2009	111,269,573	269,535,059	380,804,632	382,342,402	(1,537,770)
2010	102,174,680	278,116,922	380,291,602	385,549,582	(5,257,980)
2011	100,017,021	307,494,236	407,511,257	403,748,164	3,763,093
2012	110,524,397	335,795,725	446,320,122	443,479,701	2,840,421
2013	112,904,624	360,838,081	473,742,705	472,739,474	1,003,231
2014	104,642,688	389,333,918	493,976,606	494,036,010	(59,404)
2015	98,715,934	407,969,846	506,685,780	503,824,316	2,861,464
2016	88,278,690	399,074,847	487,353,537	487,353,537	-
2017	70,749,081	352,368,052	423,117,133	423,074,138	42,995
2018	65,696,833	331,676,957	397,373,790	395,551,679	1,822,111
2019	59,123,729	314,907,159	374,030,888	372,016,601	2,014,287
2020	60,327,052	310,312,753	370,639,805	369,600,488	1,039,317
2021	63,366,551	331,736,850	395,103,401	395,112,773	(9,372)
2022	88,784,127	429,663,068	518,447,195	518,299,032	148,163
2023	130,162,738	522,931,821	653,094,559	653,043,231	51,328
2024	130,434,727	628,410,118	758,844,845	758,845,192	(347)
2025	117,408,620	703,455,911	820,864,531	820,864,531	-
Total	2,144,945,635	7,692,874,746	9,837,820,381	9,833,164,692	4,655,689

Notes:

- (2), (3) Provided by TWIA, as of 12/31/2025
- (4) = (2) + (3)
- (5) Based on TWIA Annual Statements
- (6) = (4) - (5)