



**Minutes of the Texas Windstorm Insurance Association
Board of Directors Meeting**
4801 Southwest Parkway
Building 1, Suite 200
Austin, Texas 78735

October 31, 2023

The Following Board Members Were Present:

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| 1. | Chandra Franklin Womack (Chair) | First Tier Coastal Representative |
| 2. | Georgia Neblett (Vice Chair) | First Tier Coastal Representative |
| 3. | Peggy Gonzalez | First Tier Coastal Representative |
| 4. | Mike Gerik | Industry Representative |
| 5. | Esther Grossman | Industry Representative |
| 6. | Tony Schrader | Non-Seacoast Territory Representative |
| 7. | Ron Walenta | Non-Seacoast Territory Representative |
| 8. | Tim Garrett | Non-Seacoast Territory Representative |
| | Absent: Karen Guard | Industry Representative |

The Following TWIA Staff and Counsel Were Present:

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| 1. | David Durden, General Manager | TWIA |
| 2. | Camron Malik, Chief Information Officer | TWIA |
| 3. | Jessica Crass, VP Legal and Compliance | TWIA |
| 4. | Stuart Harbour, Chief Financial Officer | TWIA |
| 5. | Jim Murphy, Chief Actuary | TWIA |
| 6. | Dave Williams, VP Claims | TWIA |
| 7. | JD Lester, VP Human Resources | TWIA |
| 8. | Mike Ledwik, VP Underwriting | TWIA |
| 9. | Amy Koehl, Senior Project Administrator | TWIA |
| 10. | Kristina Donley, Training, QA and Agency
Audit Manager | TWIA |
| 11. | Clarisse Lilley, Senior Manager,
Financial Planning | TWIA |
| 12. | Rachel Shann, Senior Manager,
Human Resources | TWIA |
| 13. | Rubi Harman, Senior Financial Analyst | TWIA |
| 14. | Mike Perkins, Association Counsel | Perkins Law Group |

The Following Guests Were Present:

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| 1. | Regan Ellmer | IIAT |
| 2. | Bruce Zaret | Weaver |

The Association's Webinar Tool Attendance Report Indicates the Following Attendees Were Online:

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|-------------------|---------------------|
| 1. Sally Bakko | 9. Cathy Newsom |
| 2. David Bolduc | 10. Ruben O'Bell |
| 3. Shirley Bowler | 11. Ronnie Perkins |
| 4. Brandon Campos | 12. Aaron Taylor |
| 5. Allen Cashin | 13. Annika Vandayar |
| 6. Erin Douglas | 14. Joey Walker |
| 7. Alicia Gerte | 15. Peggy Zahler |
| 8. Travis McDavid | |

1. Call to Order: Chair Chandra Franklin Womack called the meeting to order at 10:00 am. Board members were provided with a copy of the anti-trust statement and reminded of the prohibitions in the anti-trust statement by counsel and the required conflict of interest disclosures were made. Kristina Donley went over the housekeeping details for the meeting.
2. Public Comment: There was no public comment.
3. Review of 2024 TWIA Budget: Mr. Harbour reviewed several key assumptions including: the absence of a rate change for the coming year; the fact that the number of policies in force is projected to increase from the forecast of 247,220 policies at year end to 264,718 at year end 2024; exclusion of losses and loss adjustment expenses attributable to hurricanes from the budget projections; and that commissions are budgeted at \$130.5 million using the current rate of 16.0% for new and renewal policies. Merit increases for TWIA staff are budgeted at 3.5%.

The proposed headcount for 2024 is 273 with 257 as full-time employees and 16 contractors. Medical insurance rates are expected to increase by 17.8% on a high deductible plan and 32.8% on a traditional plan reflecting inflation and a high loss ratio for the current year. An increase in 401K, dental, life long-term disability, accidental death and dismemberment and other employee benefits are mainly due to projected increases in the number of enrollees.

Mr. Walenta stated he would like to see where commercial is concentrated in the direct liability in force. Ms. Franklin Womack asked if TFPA will have a dramatic increase in exposures. As FAIR Plan's growth is starting to grow even faster, will there be a need to bring in employees who will work 100% on FAIR Plan. Ms. Neblett asked how the office rental impacted the budget. Mr. Harbor said the square footage went down and the rental cost for this year is under the expenses for 2022 and 2021. The rent amount is now around where it was 10 years ago.

Ms. Neblett asked what the Association was getting for the \$2 million paid to the TWIA Expert Panel. Mr. Durden said the Expert Panel was something the legislature created to handle total loss/slab claims. TWIA gets speed, flexibility and predictability in terms of

how many slab claims could be expected before a storm hits. TWIA also gets a scientific methodology to adjust slab claims. Ms. Neblett asked how many slab claims TWIA has received since Hurricane Ike. Mr. Durden said the answer is none. There hasn't been a cause to activate the protocol. Ms. Neblett said there hasn't been a test to see if the speed is there. Mr. Durden said that was a fair assessment.

Ms. Neblett and Ms. Franklin Womack commended Mr. Harbour and his team for putting together an outstanding budget presentation.

4. Adjourn: The meeting was adjourned at 11:42 am.

Prepared by: Amy Koehl
Senior Project Administrator

Approved by: Chandra Franklin Womack
TWIA Chairman

Approved by: Georgia Neblett
TWIA Vice Chairman