

QUARTERLY STATEMENT

OF THE

Texas Windstorm Insurance Association

of Austin

in the state of Texas

TO THE

Insurance Department

OF THE

STATE OF

Texas

FOR THE QUARTER ENDED

March 31, 2022

PROPERTY AND CASUALTY

2022



30040202220100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2022
OF THE CONDITION AND AFFAIRS OF THE

Texas Windstorm Insurance Association

NAIC Group Code 4766, NAIC Company Code 30040, Employer's ID Number 74-6189303, Organized under the Laws of Texas, State of Domicile or Port of Entry TX, Main Administrative Office 5700 S. Mopac Bldg A, Austin, TX US 78749, Mail Address P.O. Box 99090, Internet Website Address https://www.twia.org/

OFFICERS

Chandra Franklin Womack

Table with 2 columns: Name, Title. Officers listed include John William Polak (General Manager), Georgia Rutherford Neblett (Vice Chairman), Corise Morrison (Secretary-Treasurer), and Stuart Keith Harbour (Chief Financial Officer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists David Patrick Durden (VP Legal), Camron Malik (VP IT), Jennifer Taylor Armstrong (VP Communications & Legislative Affairs), James Murphy (VP Enterprise Analytics), David Scott Williams (VP Claims), Juanita Deloris Lester (VP HR and Administration), and Jessica Crass # (VP Underwriting).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists Karen Guard, Georgia Rutherford Neblett, Ron Walenta, Corise Morrison, Chandra Franklin Womack, Tony Schrader, Peggy Gonzalez, Michael Frank Gerik, and Tim Garrett.

State of Texas

County of Travis

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon...

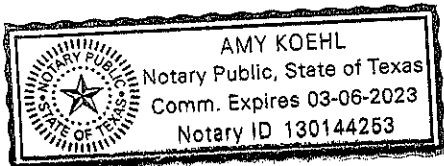
Signature of John William Polak, General Manager

Signature of Stuart Keith Harbour, Chief Financial Officer

Subscribed and sworn to before me this 11th day of May, 2022

Signature of Amy Koehl

a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number, 2. Date filed, 3. Number of pages attached



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 175,747,296), cash equivalents (\$ 331,732,264), and short-term investments (\$ 0)	507,479,559		507,479,559	493,826,887
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	507,479,559		507,479,559	493,826,887
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	15,818		15,818	1,195
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	297,947	217,300	80,647	80,819
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	1,871,617		1,871,617	1,832,245
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	111		111	
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	15,037,498	15,037,498		
21. Furniture and equipment, including health care delivery assets (\$ 0)	191,237	191,237		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,478,329		1,478,329	1,158,937
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	7,261,658	7,201,247	60,411	34,957
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	533,633,774	22,647,282	510,986,492	496,935,040
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	533,633,774	22,647,282	510,986,492	496,935,040

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid assets	4,783,601	4,783,601		
2502. Member Assessment Receivable	2,199,241	2,199,241		
2503. Security deposit - lease	218,405	218,405		
2598. Summary of remaining write-ins for Line 25 from overflow page	60,411		60,411	34,957
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,261,658	7,201,247	60,411	34,957

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 3,604,065)	53,119,650	57,664,806
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	22,509,788	19,920,288
4. Commissions payable, contingent commissions and other similar charges	5,559,450	4,547,255
5. Other expenses (excluding taxes, licenses and fees)	6,369,563	6,573,337
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		1,419,155
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 177,000,000 and interest thereon \$ 3,650,625	180,650,625	184,301,250
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	191,313,509	202,525,339
10. Advance premium	18,699,034	10,649,318
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	675,728	25,951,016
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	246,981	534,161
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	20,889,653	7,433,507
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	500,033,981	521,519,432
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	500,033,981	521,519,432
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	10,952,511	(24,584,392)
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	10,952,511	(24,584,392)
38. Totals (Page 2, Line 28, Col. 3)	510,986,492	496,935,040

DETAILS OF WRITE-IN LINES		
2501. Statutory fund payable	13,445,742	
2502. Pension benefits liability	5,896,132	5,896,132
2503. Escheat liability	1,047,952	1,047,952
2598. Summary of remaining write-ins for Line 25 from overflow page	499,827	489,423
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	20,889,653	7,433,507
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	NONE	
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	NONE	
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 87,214,752)	98,426,583	90,582,519	378,504,197
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 0)			102,131,863
1.4 Net (written \$ 87,214,752)	98,426,583	90,582,519	276,372,334
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,126,612):			
2.1 Direct	8,914,956	(26,727,661)	9,547,732
2.2 Assumed			
2.3 Ceded	1,679	(47,954)	(30,423)
2.4 Net	8,913,277	(26,679,707)	9,578,155
3. Loss adjustment expenses incurred	8,673,787	(5,757,733)	9,470,170
4. Other underwriting expenses incurred	23,088,545	20,347,791	95,933,045
5. Aggregate write-ins for underwriting deductions	13,445,742	11,965,940	
6. Total underwriting deductions (Lines 2 through 5)	54,121,351	(123,709)	114,981,370
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	44,305,232	90,706,228	161,390,964
INVESTMENT INCOME			
9. Net investment income earned	(3,631,437)	(4,720,505)	(18,578,434)
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	(3,631,437)	(4,720,505)	(18,578,434)
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	40,673,795	85,985,723	142,812,530
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	40,673,795	85,985,723	142,812,530
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	40,673,795	85,985,723	142,812,530
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	(24,584,392)	(160,450,907)	(160,450,907)
22. Net income (from Line 20)	40,673,795	85,985,723	142,812,530
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(5,136,892)	(5,713,854)	(8,983,735)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			2,037,720
38. Change in surplus as regards policyholders (Lines 22 through 37)	35,536,903	80,271,869	135,866,515
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	10,952,511	(80,179,038)	(24,584,392)

DETAILS OF WRITE-IN LINES			
0501. Statutory Fund Expense	13,445,742	11,965,940	
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	13,445,742	11,965,940	
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701. Pension unassigned funds - unrecognized liability			2,037,720
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			2,037,720

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	69,935,297	55,096,876	295,475,932
2. Net investment income	(3,715,085)	(4,737,096)	(19,288,809)
3. Miscellaneous income			
4. Total (Lines 1 to 3)	66,220,212	50,359,780	276,187,123
5. Benefit and loss related payments	13,458,537	14,248,667	75,140,050
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	29,714,549	26,888,531	124,290,939
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	43,173,086	41,137,198	199,430,989
11. Net cash from operations (Line 4 minus Line 10)	23,047,126	9,222,582	76,756,134
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds	(3,650,625)	(4,686,000)	(52,270,750)
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(5,743,829)	(5,982,047)	(12,334,339)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(9,394,454)	(10,668,047)	(64,605,089)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	13,652,672	(1,445,465)	12,151,045
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	493,826,887	481,675,842	481,675,842
19.2 End of period (Line 18 plus Line 19.1)	507,479,559	480,230,377	493,826,887

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Texas Windstorm Insurance Association (The “Association” or “TWIA”) have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (“TDI”). TDI prescribed statutory accounting practices include state laws, regulations and general administrative rules applicable to all insurance companies domiciled in the State of Texas and the National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual (“NAIC SAP”) subject to any deviations prescribed or permitted by TDI.

TDI has granted a permitted practice allowing TWIA to admit certain restricted assets associated with the outstanding Series 2014 Pre-Event Class 1 Revenue Bonds (“Series 2014 bonds”) as of March 31, 2022.

- \$78,960,700 held in the obligation revenue fund for repayment of the Series 2014 bonds.

The obligation revenue funds are held in trust and restricted for future debt service obligations.

Reconciliations of net income and policyholders’ surplus between the amounts reported in the accompanying financial statements (TX basis) and NAIC SAP follow:

Net Income	SSAP #	F/S Page	F/S Line #	March 31, 2022	December 31, 2021
1. Company state basis (P 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$40,673,795	\$142,812,530
2. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
3. State Permitted Practices that is an increase / (decrease) from NAIC SAP				-	-
4. NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$40,673,795	\$142,812,530

Surplus	SSAP #	F/S Page	F/S Line #	March 31, 2022	December 31, 2021
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$10,952,511	(\$24,584,392)
6. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
7. State Permitted Practices that is an increase / (decrease) from NAIC SAP	20	2	5	\$78,960,700	\$69,001,644
8. NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	(\$68,008,189)	(\$93,586,036)

B. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying footnotes. Actual results could differ from these estimates.

C. Accounting Policies

All insurance policies issued by the Association have a maximum term of one year from date of issuance. Premiums are earned over the terms of the related policies whereas the related acquisition costs such as sales commissions are expensed when incurred. Unearned premiums, net of deductions for reinsurance, are computed on a pro-rata basis to cover the unexpired portion of premiums written. Premiums receivable are primarily due from agents and policyholders and are charged off when specific balances are determined to be uncollectible. Net investment income consists primarily of interest income recognized on an accrual basis and is reduced by investment related expenses.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost, which approximates market value. Reverse repurchase agreements are recorded in cash equivalents if the repurchase date is less than 90 days. Reverse repurchase agreements represent the purchase of a security with an agreement to resell.
2. through 9. Investment and mortgage loan related, Not applicable.
10. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Loss and loss adjustment expense reserves are based upon claim estimates for (1) losses for claims reported prior to the close of the accounting period, (2) losses incurred but unreported prior to the close of the accounting period, and (3) expenses for investigating and adjusting claims. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

NOTES TO FINANCIAL STATEMENTS

12. The Association has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.

13. Not applicable as the Association does not write medical insurance with prescription drug coverage.

D. Going Concern

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Association's ability to continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

A. Material Changes in Accounting Principle

None

B. Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

Not applicable

Note 4 – Discontinued Operations

Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Troubled Debt Restructuring for Creditors

None

C. Reverse Mortgages

None

D. Loan-Backed and Structured Securities

None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None

F. Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

G. Reverse Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

H. Repurchase Agreements Transactions Accounted for as a Sale

None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

1. Funds held by the Texas Treasury Safekeeping Trust Company (“TTSTC”) on behalf of the Association are invested in overnight reverse repurchase agreements. These funds represent debt service payments deposited by TWIA and held in trust at the TTSTC prior to disbursement to the bond investors. See note 1 and note 11. The reverse repurchase agreements require collateral of at least 100% for Treasuries, 101% for Agencies and US Instrumentalities, and 102% for mortgage-backed securities. The fair value of reverse repurchase agreements was \$78,960,700 and \$69,001,644 at March 31, 2022 and December 31, 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

2. Type of Repo Trades Used

	1	2	3	4
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (YES/NO)	NO			
b. Tri-Party (YES/NO)	YES			

3. Original (Flow) & Residual Maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open -- No Maturity	\$ -	\$ -	\$ -	\$ -
2. Overnight	78,960,700	-	-	-
3. 2 Days to 1 Week	-	-	-	-
4. > 1 Week to 1 Month	-	-	-	-
5. > 1 Month to 3 Months	-	-	-	-
6. > 3 Months to 1 Year	-	-	-	-
7. > 1 Year	-	-	-	-

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
b. Ending Balance				
1. Open -- No Maturity	\$ -	\$ -	\$ -	\$ -
2. Overnight	78,960,700	-	-	-
3. 2 Days to 1 Week	-	-	-	-
4. > 1 Week to 1 Month	-	-	-	-
5. > 1 Month to 3 Months	-	-	-	-
6. > 3 Months to 1 Year	-	-	-	-
7. > 1 Year	-	-	-	-

4. Counterparty, Jurisdiction and Fair Value (FV)

No Defaults, not applicable.

5. Securities Acquired Under Repo - Sale

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV	X X X	X X X	X X X	X X X
2. Nonadmitted -- Subset of BACV	X X X	X X X	X X X	X X X
3. Fair value	\$ 78,960,700	X X X	X X X	X X X

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
b. Ending Balance				
1. BACV	X X X	X X X	X X X	X X X
2. Nonadmitted -- Subset of BACV	X X X	X X X	X X X	X X X
3. Fair value	\$ 78,960,700	X X X	X X X	X X X

NOTES TO FINANCIAL STATEMENTS

6. Securities Acquired Under Repo – Sale by NAIC Designation

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
a. Bonds -- BACV	-	-	-	-
b. Bonds -- FV	-	-	-	-
c. LB & SS -- BACV	-	-	-	-
d. LB & SS -- FV	-	-	-	-
e. Preferred Stock -- BACV	-	-	-	-
f. Preferred Stock -- FV	-	-	-	-
g. Common Stock	-	-	-	-
h. Mortgage Loans -- BACV	-	-	-	-
i. Mortgage Loans -- FV	-	-	-	-
j. Real Estate -- BACV	-	-	-	-
k. Real Estate -- FV	-	-	-	-
l. Derivatives -- BACV	-	-	-	-
m. Derivatives -- FV	-	-	-	-
n. Other Invested Assets -- BACV	-	\$78,960,700	-	-
o. Other Invested Assets -- FV	-	\$78,960,700	-	-
p. Total Assets -- BACV	-	\$78,960,700	-	-
q. Total Assets -- FV	-	\$78,960,700	-	-

Ending Balance	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
a. Bonds -- BACV	-	-	-	-
b. Bonds -- FV	-	-	-	-
c. LB & SS -- BACV	-	-	-	-
d. LB & SS -- FV	-	-	-	-
e. Preferred Stock -- BACV	-	-	-	-
f. Preferred Stock -- FV	-	-	-	-
g. Common Stock	-	-	-	-
h. Mortgage Loans -- BACV	-	-	-	-
i. Mortgage Loans -- FV	-	-	-	-
j. Real Estate -- BACV	-	-	-	-
k. Real Estate -- FV	-	-	-	-
l. Derivatives -- BACV	-	-	-	-
m. Derivatives -- FV	-	-	-	-
n. Other Invested Assets -- BACV	-	-	-	-
o. Other Invested Assets -- FV	-	-	-	-
p. Total Assets -- BACV	-	-	-	-
q. Total Assets -- FV	-	-	-	-

7. Proceeds Provided - Sale

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	\$78,960,700	X X X	X X X	X X X
2. Securities (FV)	X X X	X X X	X X X	X X X
3. Securities (BACV)	X X X	X X X	X X X	X X X
4. Nonadmitted Subst	X X X	X X X	X X X	X X X

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
b. Ending Balance				
1. Cash	\$78,960,700	X X X	X X X	X X X
2. Securities (FV)	X X X	X X X	X X X	X X X
3. Securities (BACV)	X X X	X X X	X X X	X X X
4. Nonadmitted Subst	X X X	X X X	X X X	X X X

8. Recognized Forward Resale Commitment

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	\$78,960,700	\$ -	\$ -	\$ -
b. Ending Balance	\$78,960,700	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

J. Real Estate

None

K. Low-Income Housing Tax Credits

None

L. Restricted Assets

1. Restricted assets (including pledged) are summarized below by restricted asset category. These assets are held by the Texas Treasury Safekeeping Trust Company and are restricted for use for debt service reserves and for when a catastrophic event occurs (See note 1 and note 11). The assets are invested in overnight reverse repurchase agreements (See note 5).

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. to c. None											
d. Subject to reverse repurchase	\$78,960,700				\$78,960,700	\$ 69,001,644	\$9,959,056	\$ -	\$78,960,700	14.80%	15.45%
e. to n. None											
o. Total restricted assets	\$78,960,700				\$78,960,700	\$ 69,001,644	\$9,959,056	\$ -	\$78,960,700	14.80%	15.45%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of assets pledged as collateral not captured in other categories (reported on line m above)

None

3. Detail of other restricted assets (reported on line n above)

None

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

None

M. Working Capital Finance Investments

None

N. Offsetting and Netting of Assets and Liabilities

None

O. 5GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

None

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

The Association does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-Admitted

None

Note 8 – Derivative Instruments

Not applicable

Note 9 – Income Taxes

In 2010, Texas Windstorm Insurance Association (The “Association”) applied for and received a Private Letter Ruling (“PLR”) from the Internal Revenue Service. The PLR requested acknowledgement that the Association’s income is derived from an essential governmental function which accrues to a state or political subdivision and is therefore excluded from gross income under Section 115(1) of the Internal Revenue Code (“IRC”). On August 17, 2010, the Internal Revenue Service ruled that the Association performs an essential government function and that income from that function is excluded from gross income under IRC Section 115(1).

The Association had been filing form 1120-PC tax returns with the Internal Revenue Service as a property and casualty insurance company. Under the Internal Revenue Code the statute of limitations to be assessed additional taxes or to file amended tax returns is 3 years from the later of the due date of the return (including extensions) or the filing date of the return. There are existing net operating loss carryforwards in open tax years that are not anticipated to be realized. No further federal income tax impact is expected in the future.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

Pursuant to the Association’s Plan of Operation, the Board of Directors consists of nine voting members appointed by the Commissioner of Insurance. The nine-member Board includes three public members residing in the first tier coastal counties and representing certain regions of the catastrophe area, three non-coastal representatives residing more than 100 miles from the coast, and three industry representatives actively writing and renewing windstorm and hail insurance in the first tier coastal counties.

On October 10, 2002, the Texas Commissioner of Insurance enacted Article 21.49A of the Texas Insurance Code creating the Texas FAIR Plan Association (“FAIR Plan” or “the Plan”). The Commissioner instructed the Texas Windstorm Insurance Association to manage all activities of FAIR Plan.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

None

C. Transactions with related parties who are not reported on Schedule Y

None

D. Amounts Due to or from Related Parties

No changes

E. Management, Service Contracts, Cost Sharing Arrangements

During 2002, the Association entered into a service contract with the Texas Fair Plan Association in which the Association is to be fully reimbursed for all expenditures, professional fees, consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by the Association on behalf of the Plan.

F. Guarantees or Undertakings for Related Parties

Not applicable

NOTES TO FINANCIAL STATEMENTS

- G. Nature of Relationships that Could Affect Operations
None
- H. Amount Deducted for Investment in Upstream Company
Not applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
Not applicable
- J. Write-downs for Impairment of Investments in Affiliates
Not applicable
- K. Foreign Insurance Subsidiary Valued Using CARVM
Not applicable
- L. Downstream Holding Company Valued Using Look-Through Method
Not applicable
- M. All SCA Investments
Not applicable
- N. Investment in Insurance SCAs
Not applicable
- O. SCA or SSAP No. 48 Loss Tracking
Not applicable

Note 11 – Debt

- A. Debt
No change
- B. FHLB (Federal Home Loan Bank) Agreements
Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No change

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No change

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments
The Association has no commitments or contingent commitments to other entities.
- B. Assessments
Not applicable
- C. Gain Contingencies
Not applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
No change

NOTES TO FINANCIAL STATEMENTS

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. Other Contingencies

No change

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Association leases office space under a non-cancelable operating lease agreement that expires in 2022. The Association has entered into a new 10-year lease in the March 2022 in which the Association will relocate to the new facility in January 2023.

2. The future minimum aggregate rental commitments are as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2022	\$ 1,088,000
2023	857,000
2024	880,000
2025	905,000
Thereafter	7,725,000
Total	\$ 11,455,000

3. The Association has not entered into any sale or leaseback arrangements

B. Lessor Leasing Arrangements

Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk

Not applicable

Note 17 – Sales, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

Note 18 – Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

Not applicable

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

Note 20 – Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

NOTES TO FINANCIAL STATEMENTS

Level 1- Quoted Prices in Active Markets for Identical Assets and Liabilities.

Level 2 - Significant Other Observable Inputs: This category is for items measured at fair value on a recurring basis often determined by independent pricing services using observable inputs. The Association has no assets or liabilities measured at fair value in this category.

Level 3 - Significant Unobservable Inputs: The Association has no assets or liabilities measured at fair value in this category.

Cash, cash equivalents and short-term investments are the only financial instruments held by the Association.

<u>Type of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Not Practicable (Carrying Value)</u>
Cash, cash equivalents and short-term investments	\$ 175,747,295	\$ 175,747,295	\$ 175,747,295	\$ -	\$ -	\$ -	\$ -
Exempt Money Market Mutual Funds – as Identified by SVO	252,771,564	252,771,564	-	-	-	\$252,771,564	-
All Other - Reverse Repurchase Agreements	78,960,700	78,960,700	78,960,700	-	-	-	-
Total Cash, cash equivalents and short-term investments	\$ 507,479,559	\$ 507,479,559	\$ 254,707,995	\$ -	\$ -	\$252,771,564	\$ -

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

The Association has elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

Note 21 – Other Items

A. Unusual or Infrequent Items

No change

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Not applicable

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

Not applicable

G. Insurance Linked Securities (ILS) Contracts

No change

NOTES TO FINANCIAL STATEMENTS

Note 22 – Events Subsequent

The Association has evaluated subsequent events through May 12, 2022, the date of issuance of these statutory financial statements. On December 7, 2021, the Association Board of Directors approved an early redemption of the remaining \$177,000,000 of the Taxable Series 2014 Bonds and directed the staff to request approval from the Commissioner of Insurance to redeem the outstanding Bonds prior to their scheduled maturity dates. The redemption was completed on May 9, 2022. In conjunction with the redemption, the Association obtained a short term loan of approximately \$29 million which is payable in early 2023. The association has the option to repay the debt at anytime.

There were no additional events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 - Reinsurance

- | | | |
|----|---|----------------|
| A. | Unsecured Reinsurance Recoverables | No change |
| B. | Reinsurance Recoverables in Dispute | No change |
| C. | Reinsurance Assumed and Ceded | No change |
| D. | Uncollectible Reinsurance | None |
| E. | Commutation of Ceded Reinsurance | Not applicable |
| F. | Retroactive Reinsurance | Not applicable |
| G. | Reinsurance Accounted for as a Deposit | Not applicable |
| H. | Run-off Agreements | Not applicable |
| I. | Certified Reinsurer Rating Downgraded or Status Subject to Revocation | Not applicable |
| J. | Reinsurance Agreements Qualifying for Reinsurer Aggregation | Not applicable |
| K. | Reinsurance Credit on Contracts Covering Health Business | Not applicable |

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

- A. Current year changes in estimates of the costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current calendar year losses and LAE reflected on the Statement of Income of \$17,587,064 had \$10,599,969 of unfavorable prior year development. The prior year unfavorable development resulted primarily from increases to reserves associated with 2021 Hurricane Nicholas and some strengthening of reserves for prior year loss adjustment expenses. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. Due to the inherently uncertain process involving loss and loss adjustment expense reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. The Appointed Actuary for the Association has opined that the loss and LAE reserves as of March 31, 2022 make a reasonable provision for the Association's claims liabilities.

Rollforward of unpaid losses and LAE	March 31, 2022	December 31, 2021
Balance as of January 1,	\$ 77,625,971	\$ 164,400,786
Less: Reinsurance Recoverable	40,877	86,013
Net Balance at January 1,	77,585,094	164,314,773
Incurred, net of reinsurance, related to:		
Current year	6,987,095	83,526,372
Prior years	10,599,969	(64,478,047)
Net Incurred	17,587,064	19,048,325
Paid, net of reinsurance, related to:		
Current year	(2,190,932)	(61,727,428)
Prior years	(17,351,788)	(44,050,576)
Net Paid Losses	(19,542,720)	(105,778,004)
Net Balance at end of period,	75,629,438	77,585,094
Plus: Reinsurance Recoverable	42,901	40,877
Balance at end of period,	\$ 75,672,339	\$ 77,625,971

- B. Significant Changes in Reserving Methodology

Not applicable

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

No change

Note 31 – High Deductibles

Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 33 – Asbestos and Environmental Reserves

No change

NOTES TO FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. _____

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2017

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2017

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 02/12/2019

6.4 By what department or departments?
 Texas Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules, and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [X] No []

11.2 If yes, give full and complete information relating thereto:
 Monies held at the Texas Treasury Safekeeping Trust Company are restricted for hurricane losses or debt service for the 2014 bonds. See footnotes 5 and 11 in the March 2021 Quarterly Statement for additional information.

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

GENERAL INTERROGATORIES

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes [] No [] N/A [X]

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....

GENERAL INTERROGATORIES

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, Including individuals that have the authority to make investments decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["..that have access to the investment accounts";"..handle securities"]

1 Name of Firm or Individual	2 Affiliation
John Polak	I
Stuart Harbour	I

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

18.2 If no, list exceptions:

.....

.....

.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity Yes [] No [X]

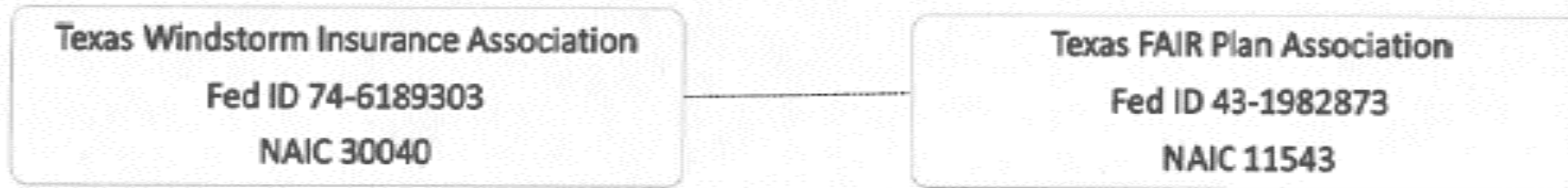
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<p>NONE</p>						

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2.1 Allied lines	98,426,583	8,914,956	9.057	-29.506
2.2 Multiple peril crop				
2.3 Federal flood				
2.4 Private crop				
2.5 Private flood				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13.1 Comprehensive (hospital and medical) individual				
13.2 Comprehensive (hospital and medical) group				
14. Credit accident and health				
15.1 Vision only				
15.2 Dental only				
15.3 Disability income				
15.4 Medicare supplement				
15.5 Medicaid Title XIX				
15.6 Medicaid Title XVIII				
15.7 Long-term care				
15.8 Federal employees health benefits plan				
15.9 Other health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1 Private passenger auto no-fault (personal injury protection)				
19.2 Commercial auto no-fault (personal injury protection)				
19.3 Other private passenger auto liability				
19.4 Other commercial auto liability				
21.1 Private passenger auto physical damage				
21.2 Commercial auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	98,426,583	8,914,956	9.057	-29.506

DETAILS OF WRITE-INS				
3401.	NONE			
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2.1 Allied lines	87,214,752	87,214,752	75,121,898
2.2 Multiple peril crop			
2.3 Federal flood			
2.4 Private crop			
2.5 Private flood			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13.1 Comprehensive (hospital and medical) individual			
13.2 Comprehensive (hospital and medical) group			
14. Credit accident and health			
15.1 Vision only			
15.2 Dental only			
15.3 Disability income			
15.4 Medicare supplement			
15.5 Medicaid Title XIX			
15.6 Medicaid Title XVIII			
15.7 Long-term care			
15.8 Federal employees health benefits plan			
15.9 Other health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1 Private passenger auto no-fault (personal injury protection)			
19.2 Commercial auto no-fault (personal injury protection)			
19.3 Other private passenger auto liability			
19.4 Other commercial auto liability			
21.1 Private passenger auto physical damage			
21.2 Commercial auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	87,214,752	87,214,752	75,121,898

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

NONE

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2022 Loss and LAE Payments on Claims Reported as of Prior Year-End	2022 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2022 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2019 + prior	19,640	29,591	49,231	2,863	(6)	2,857	17,170		29,474	46,644	393	(123)	270
2. 2020	6,138	417	6,555	1,616		1,616	4,676		829	5,505	154	412	566
3. Subtotals 2020 + prior	25,778	30,008	55,786	4,479	(6)	4,473	21,846		30,303	52,149	547	289	836
4. 2021	12,643	9,156	21,799	8,713	4,166	12,879	8,953	971	8,759	18,683	5,023	4,740	9,763
5. Subtotals 2021 + prior	38,421	39,164	77,585	13,192	4,160	17,352	30,799	971	39,062	70,832	5,570	5,029	10,599
6. 2022	X X X	X X X	X X X	X X X	2,191	2,191	X X X	1,249	3,548	4,797	X X X	X X X	X X X
7. Totals	38,421	39,164	77,585	13,192	6,351	19,543	30,799	2,220	42,610	75,629	5,570	5,029	10,599

8. Prior Year-End Surplus As Regards Policyholders

(24,584)

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. <u>14.497</u>	2. <u>12.841</u>	3. <u>13.661</u>
		Col. 13, Line 7
		Line 8
		4. <u>-43.113</u>

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

AUGUST FILING

5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	N/A
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Explanation:

- Question 1: Not required.

- Question 2: TWIA does not provide medical professional liability coverage.

- Question 3: TWIA does not provide Medicare Part D coverage.

- Question 4: TWIA does not provide D&O coverage.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Accounts Receivable - Premium Finance / others	60,392		60,392	34,957
2505. Due from Depop Carriers - Assumption	19		19	
2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598)	60,411		60,411	34,957

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	Current Statement Date	December 31, Prior Year
2504. Surcharge payable	275,282	201,863
2505. Deferred rent liability	121,286	161,714
2506. Lease incentive obligation	94,384	125,846
2507. Due to Depop Carriers - Assumption	8,875	
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	499,827	489,423

- NONE Schedule A, B, BA and D Verification**
- NONE Schedule D - Part 1B**
- NONE Schedule DA - Part 1 and Verification**
- NONE Schedule DB - Part A and B Verification**
- NONE Schedule DB - Part C - Section 1**
- NONE Schedule DB - Part C - Section 2**
- NONE Schedule DB - Verification**

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	316,389,491	285,256,970
2. Cost of cash equivalents acquired	38,058,020	45,536,465
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	22,715,247	14,403,944
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	331,732,264	316,389,491
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	331,732,264	316,389,491

- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**
- NONE Schedule D - Part 3**
- NONE Schedule D - Part 4**
- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DB - Part E**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
4812C2-23-9 09248U-71-8	JP Morgan US Treasury Plus Money Market Fund - Capital Shares 4110 BlackRock Money Market Fund		03/31/2022 03/31/2022	0.203 0.228	X X X X X X	137,744,443 115,027,121	10,458 4,859	2,074 1,344
8209999999	Exempt Money Market Mutual Funds – as Identified by SVO					252,771,564	15,317	3,418
	Assets Subject to Reverse Repurchase Agreement at Tx Treasury Safekeeping		03/31/2022	0.231	04/01/2022	78,960,700	500	9,681
8509999999	Other Cash Equivalents					78,960,700	500	9,681
8609999999	Total Cash Equivalents					331,732,264	15,817	13,099

E14