

# **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, 2025**

**PROPERTY AND CASUALTY**

**2025**



30040202520100101

# QUARTERLY STATEMENT

**AS OF MARCH 31, 2025**  
OF THE CONDITION AND AFFAIRS OF THE

Texas Windstorm Insurance Association

NAIC Group Code	4766 (Current Period)	4766 (Prior Period)	NAIC Company Code	30040	Employer's ID Number	74-6189303
Organized under the Laws of Country of Domicile	Texas USA		State of Domicile or Port of Entry TX			
Incorporated/Organized Statutory Home Office	June 1, 1971 4801 Southwest Parkway Building 1, Suite 200 (Street and Number)			Commenced Business June 1, 1971 Austin, TX US 78735 (City or Town, State, Country and Zip Code)		
Main Administrative Office	4801 Southwest Parkway Building 1, Suite 200 (Street and Number)			Austin, TX US 78735 (City or Town, State, Country and Zip Code)		
Mail Address	P.O. Box 99090 (Street and Number or P.O. Box)			512-899-4900 (Area Code) (Telephone Number) Austin, TX US 78709 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	4801 Southwest Parkway Building 1, Suite 200 (Street and Number)			Austin, TX US 78735 (City or Town, State, Country and Zip Code)		
Internet Website Address	<a href="https://www.twia.org/">https://www.twia.org/</a>					
Statutory Statement Contact	Allen David Fulkerson (Name) afulkerson@twia.org (E-Mail Address)			512-899-4988 (Area Code) (Telephone Number) (Extension) 512-899-4952 (Fax Number)		

## OFFICERS

	Name	Title
1.	David Patrick Durden	General Manager
2.	Stuart Keith Harbour	Chief Financial Officer
3.	Karen Guard	Secretary-Treasurer
4.		

## VICE-PRESIDENTS

Name	Title	Name	Title
des	VP Underwriting	David Scott Williams	VP Claims
	Interim VP IT	Michelle Friesenhahn	VP People and Business Operations
	VP Legal & Compliance	James Murphy	Chief Actuary and VP Enterprise Analytics

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**DIRECTORS OR TRUSTEES**

State of ~~Texas~~ Nevada

County of Travis Clark ss

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, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

David Durden

(Signature)  
David Patrick Durden  
(Printed Name)  
1.  
General Manager  
(Title)

Stuart Keith Harbour

(Signature)  
Stuart Keith Harbour  
(Printed Name)  
2.  
Chief Financial Officer  
(Title)

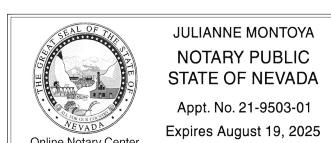
Subscribed and sworn to before me this

28th day of April, 2025

Julianne Montoya

a. Is this an original filing?  Yes  No

b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached



## Notarial Act performed by Audio-Video Communication.

**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 (\$ 64,595,286), cash equivalents (\$ 586,035,286), and short-term investments (\$ 0)	650,630,572		650,630,572	261,865,731
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)	650,630,572		650,630,572	261,865,731
13. Title plants less \$ 0 charged off (for Title insurers only)	1,441,809		1,441,809	651,278
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	7,657,095	493,639	7,163,456	8,234,491
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	43,833,757		43,833,757	46,297,377
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
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	7,903,442	7,903,442		
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,576,175		1,576,175	2,602,686
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	12,714,372	12,714,372		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	725,757,222	21,111,453	704,645,769	319,651,563
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	725,757,222	21,111,453	704,645,769	319,651,563

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	7,700,508	7,700,508		
2502. Prepaid Reinsurance Premium	2,696,403	2,696,403		
2503. Member Assessment Receivable	2,199,241	2,199,241		
2598. Summary of remaining write-ins for Line 25 from overflow page	118,220	118,220		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	12,714,372	12,714,372		

**NONE**

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 4,507,140)	93,124,526	133,396,618
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	22,949,378	28,078,606
4. Commissions payable, contingent commissions and other similar charges	10,589,606	8,074,363
5. Other expenses (excluding taxes, licenses and fees)	5,580,767	7,800,293
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		2,646,827
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
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)	362,698,419	390,888,280
10. Advance premium	19,489,217	11,115,440
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		143,270,994
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	831,774	306,161
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	24,044,354	7,585,109
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	539,308,041	733,162,691
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	539,308,041	733,162,691
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)	165,337,728	(413,511,128)
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)	165,337,728	(413,511,128)
38. Totals (Page 2, Line 28, Col. 3)	704,645,769	319,651,563

DETAILS OF WRITE-IN LINES		
2501. Statutory fund payable	16,416,199	
2502. Pension benefits liability	3,013,668	3,013,668
2503. Lease incentive obligation	1,789,636	1,843,325
2598. Summary of remaining write-ins for Line 25 from overflow page	2,824,851	2,728,116
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	24,044,354	7,585,109
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
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		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

**NONE****NONE**

## STATEMENT OF INCOME

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 160,308,268)	188,498,130	164,150,881	708,981,286
1.2 Assumed (written \$ 0)			397,069,865
1.3 Ceded (written \$ 0)			
1.4 Net (written \$ 160,308,268)	188,498,130	164,150,881	311,911,421
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,426,660):			
2.1 Direct	2,426,309	48,688,320	518,486,893
2.2 Assumed			
2.3 Ceded			
2.4 Net	2,426,309	48,688,320	518,486,893
3. Loss adjustment expenses incurred	10,806,099	10,901,070	115,926,584
4. Other underwriting expenses incurred	38,129,763	34,408,924	161,235,260
5. Aggregate write-ins for underwriting deductions	16,416,199	23,211,542	
6. Total underwriting deductions (Lines 2 through 5)	67,778,370	117,209,856	795,648,737
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	120,719,760	46,941,025	(483,737,316)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	3,135,837	7,868,599	21,009,756
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	3,135,837	7,868,599	21,009,756
<b>OTHER INCOME</b>			
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	462,727,559		
15. Total other income (Lines 12 through 14)	462,727,559		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	586,583,156	54,809,624	(462,727,560)
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)	586,583,156	54,809,624	(462,727,560)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	586,583,156	54,809,624	(462,727,560)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	(413,511,128)	45,853,060	45,853,060
22. Net income (from Line 20)	586,583,156	54,809,624	(462,727,560)
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	(7,734,300)	(12,782,278)	4,974,418
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			(1,611,046)
38. Change in surplus as regards policyholders (Lines 22 through 37)	578,848,856	42,027,346	(459,364,188)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	165,337,728	87,880,406	(413,511,128)

DETAILS OF WRITE-IN LINES			
0501. Statutory Fund Expense	16,416,199	23,211,542	
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)	16,416,199	23,211,542	
1401. CRTF Income	462,727,559		
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)	462,727,559		
3701. Unrecognized pension expense			(1,611,046)
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)			(1,611,046)

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	26,247,914	60,462,682	419,075,841
2. Net investment income	2,345,305	8,144,970	22,875,438
3. Miscellaneous income	462,727,559		
4. Total (Lines 1 to 3)	491,320,778	68,607,652	441,951,279
5. Benefit and loss related payments	42,698,400	21,725,093	418,758,150
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	56,415,095	197,193,038	412,629,847
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Lines 5 through 9)	99,113,495	218,918,131	831,387,997
11. Net cash from operations (Line 4 minus Line 10)	392,207,283	(150,310,479)	(389,436,718)
<b>Cash from Investments</b>			
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/(decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	(3,442,442)	(1,968,375)	3,482,625
16.6 Other cash provided (applied)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(3,442,442)	(1,968,375)	3,482,625
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	388,764,841	(152,278,854)	(385,954,093)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	261,865,731	647,819,824	647,819,824
19.2 End of period (Line 18 plus Line 19.1)	650,630,572	495,540,970	261,865,731

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.

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

<b>Net Income</b>	<b>SSAP #</b>	<b>F/S Page</b>	<b>F/S Line #</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
1. Company state basis (P 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 586,583,156	(\$462,727,560)
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	\$ 586,583,156	(\$462,727,560)

<b>Surplus</b>	<b>SSAP #</b>	<b>F/S Page</b>	<b>F/S Line #</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$165,337,728	(\$413,511,128)
6. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
7. State Permitted Practices that is an increase / (decrease) from NAIC SAP				-	-
8. NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$165,337,728	(\$413,511,128)

#### **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, when used, 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.
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.

## **NOTES TO FINANCIAL STATEMENTS**

### 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

None

#### J. Real Estate

None

#### K. Low-Income Housing Tax Credits

None

#### L. Restricted Assets

None

## **NOTES TO FINANCIAL STATEMENTS**

- 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
- R. Share of Cash Pool by Asset Type  
None
- S. Aggregate Collateral Loans by Qualifying Investment Collateral  
None

### **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
- C. The gross, nonadmitted and admitted amounts for interest income due and accrued.  
No significant change
- D. The aggregate deferred interest.  
None
- E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.  
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.

## **NOTES TO FINANCIAL STATEMENTS**

### **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 significant change

#### **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

#### **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

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 11 – Debt**

- A. Debt
  - No significant 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 significant change
- E. Product Warranties
  - Not applicable
- F. Joint and Several Liabilities
  - Not applicable
- G. Other Contingencies
  - No change

### **Note 15 – Leases**

- A. Lessee Leasing Arrangements
  - No significant change
- 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

## **NOTES TO FINANCIAL STATEMENTS**

### **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.

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 and cash equivalents are the only financial instruments held by the Association.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, cash equivalents and short-term investments	\$ 64,595,286	\$ 64,595,286	\$ 64,595,286	\$ -	\$ -	\$ -	\$ -
Exempt Money Market Mutual Funds – as Identified by SVO	\$ 586,035,286	\$ 586,035,286	-	-	-	\$ 586,035,286	-
Total Cash, cash equivalents and short-term investments	\$ 650,630,572	\$ 650,630,572	\$ 64,595,286	\$ -	\$ -	\$ 586,035,286	\$ -

#### 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

## **NOTES TO FINANCIAL STATEMENTS**

- F. Subprime Mortgage Related Risk Exposure  
Not applicable
- G. Insurance Linked Securities (ILS) Contracts  
No change
- H. The Amount That Could be Realized on Life Insurance Where Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy  
Not applicable

### **Note 22 – Events Subsequent**

The Association has evaluated subsequent events through May 13, 2025, the date of issuance of these statutory financial statements. There were no events occurring subsequent to the end of the period 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 \$13,232,408 had \$5,858,724 of unfavorable prior year development. The prior year unfavorable development resulted from the increase in reserve strengthening of loss adjustment expenses, primarily in the 2024 accident year. As of March 31, 2025, the gross ultimate for Hurricane Beryl is estimated to be \$480 million. 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, 2025 make a reasonable provision for the Association's claims liabilities.

Rollforward of unpaid losses and LAE	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Balance as of January 1,	\$ 161,475,224	\$ 44,784,260
Less: Reinsurance Recoverable	0	0
Net Balance at January 1,	\$ 161,475,224	\$ 44,784,260
Incurred, net of reinsurance, related to:		
Current year	7,373,684	630,396,813
Prior years	5,858,724	4,016,664
Net Incurred	13,232,408	634,413,477
Paid, net of reinsurance, related to:		
Current year	(1,339,059)	(486,671,018)
Prior years	(57,294,669)	(31,051,495)
Net Paid Losses	(58,633,728)	(517,722,513)
Net Balance at end of period,	116,073,904	161,475,224
Plus: Reinsurance Recoverable	0	0
Balance at end of period,	\$ 116,073,904	\$ 161,475,224

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

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## **NOTES TO FINANCIAL STATEMENTS**

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### **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 [ ]

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.

12/31/2022

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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.

12/31/2022

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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).

10/21/2024

---

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 [ ] No [ X ]

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

.....

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?

Yes [ ] No [ ] N/A [ X ]

If no, attach a description with this statement.

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. This includes both primary and sub-advisors. For assets that are managed internally by employees of the reporting entity, note as such. [..] that have access

1 Name of Firm or Individual	2 Affiliation
David Durden	
Stuart Harbour	

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
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>TOTAL</b>										

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]

**NONE      Schedule F**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	N					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	N					
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N					
44. Texas	TX	L	160,308,268	139,466,372	42,698,400	21,725,093	93,124,526
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Alien	OT	XXX					
59. Totals		XXX	160,308,268	139,466,372	42,698,400	21,725,093	93,124,526
							60,631,102

DETAILS OF WRITE-INS							
58001.		XXX					
58002.		XXX					
58003.		XXX					
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX					
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX					

**NONE**

(a) Active Status Counts

1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
2. R - Registered - Non-domiciled RRGs
3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
4. Q - Qualified - Qualified or accredited reinsurer
5. D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile
6. N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSL)

1

\_\_\_\_\_

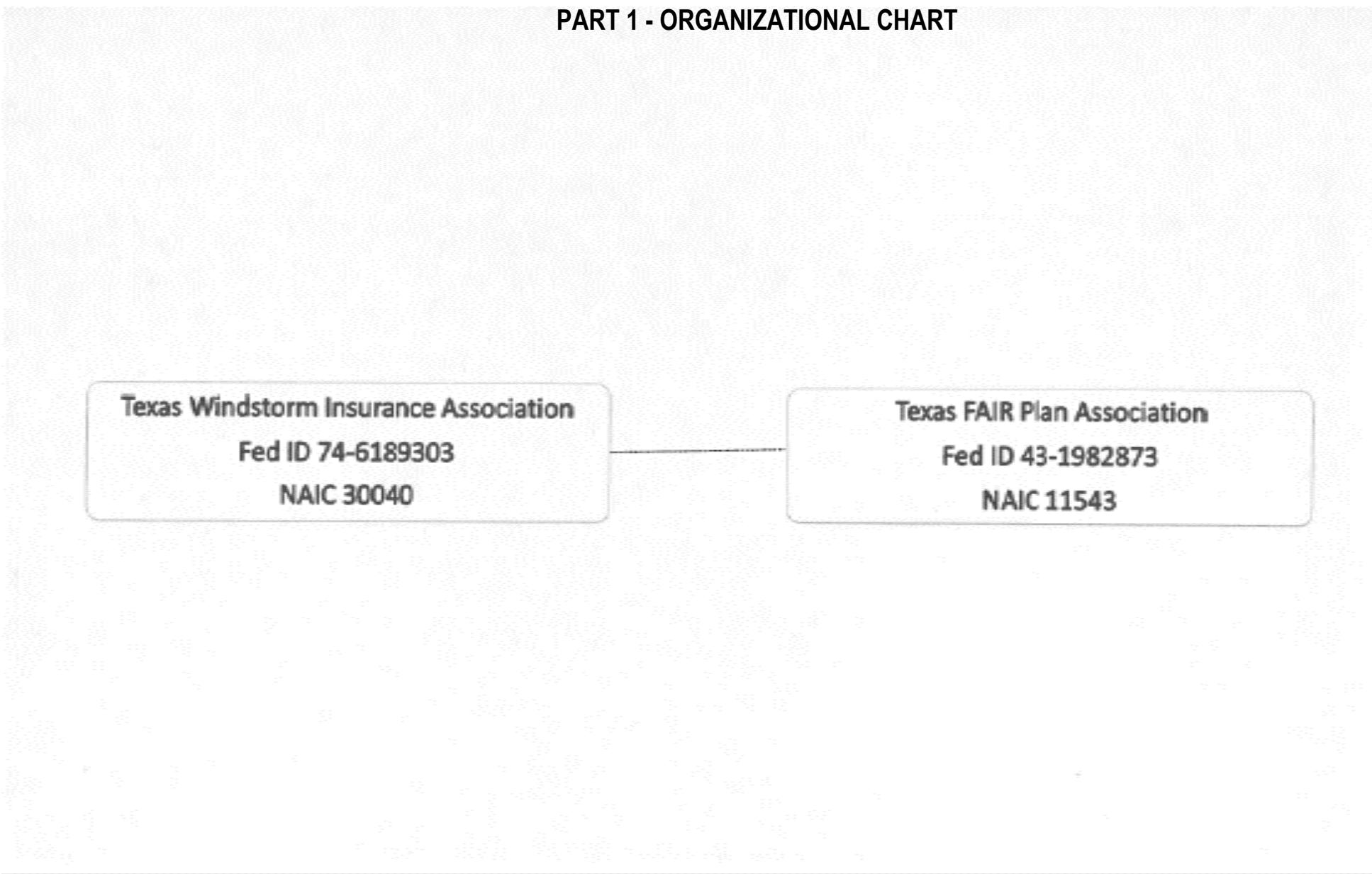
\_\_\_\_\_

\_\_\_\_\_

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

### PART 1 - ORGANIZATIONAL CHART



## SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Yes/No)	*
4766		30040	74-6189303			Texas Windstorm Insurance Association		TX	OTH	Unaffiliated	Service Contract			NO	
4766		11543	43-1982873			Texas FAIR Plan Association		TX	OTH	Unaffiliated	Service Contract			NO	

Asterik	Explanation
1	Contract between Associations
2	Contract between Associations

**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	188,498,130	2,426,309	1.287	29.661
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				
5.1 Commercial multiple peril (non-liability portion)				
5.2 Commercial multiple peril (liability portion)				
6. Mortgage guaranty				
8. Ocean marine				
9.1 Inland marine				
9.2 Pet insurance				
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 Other private passenger auto liability				
19.3 Commercial auto no-fault (personal injury protection)				
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	188,498,130	2,426,309	1.287	29.661

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)	<b>NONE</b>			

**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	160,308,268	160,308,268	139,466,372
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			
5.1 Commercial multiple peril (non-liability portion)			
5.2 Commercial multiple peril (liability portion)			
6. Mortgage guaranty			
8. Ocean marine			
9.1 Inland marine			
9.2 Pet insurance			
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 Other private passenger auto liability			
19.3 Commercial auto no-fault (personal injury protection)			
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	160,308,268	160,308,268	139,466,372

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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2025 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2025 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2025 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2022 + prior	3,072	7,199	10,271	248		248	2,835		6,539	9,374	11	(660)	(649)
2. 2023	4,390	3,088	7,478	939		939	3,232		2,161	5,393	(219)	(927)	(1,146)
3. Subtotals 2023 + prior	7,462	10,287	17,749	1,187		1,187	6,067		8,700	14,767	(208)	(1,587)	(1,795)
4. 2024	89,961	53,765	143,726	43,822	12,285	56,107	62,881	3,360	29,031	95,272	16,742	(9,089)	7,653
5. Subtotals 2024 + prior	97,423	64,052	161,475	45,009	12,285	57,294	68,948	3,360	37,731	110,039	16,534	(10,676)	5,858
6. 2025	XXX	XXX	XXX	XXX	1,339	1,339	XXX	1,589	4,445	6,034	XXX	XXX	XXX
7. Totals	97,423	64,052	161,475	45,009	13,624	58,633	68,948	4,949	42,176	116,073	16,534	(10,676)	5,858

8. Prior Year-End Surplus As

Regards Policyholders (413,511)

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1, Line 7	As % of Col. 2, Line 7	As % of Col. 3, Line 7

1. 16.971	2. -16.668	3. 3.628
Col. 13, Line 7		
Line 8		

4. -1.417

## **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.

	<u>Response</u>
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:**



3004020254900010



3004020254550010



3004020253650010



3004020255050010

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**OVERFLOW PAGE FOR WRITE-INS**

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**Page 2 - Continuation****ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
<b>REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS</b>				
2504. Security deposit - lease	118,220	118,220		
2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598)	118,220	118,220		

**OVERFLOW PAGE FOR WRITE-INS****Page 3 - Continuation****LIABILITIES, SURPLUS AND OTHER FUNDS**

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Statement Date	2
		December 31, Prior Year
2504. Escheat liability	1,678,215	1,750,785
2505. Deferred rent liability	634,046	627,138
2506. Surcharge payable	512,590	350,193
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	2,824,851	2,728,116

- 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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	159,354,988	578,185,086
2. Cost of cash equivalents acquired	426,680,298	2,461,197
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		421,291,295
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)	586,035,286	159,354,988
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	586,035,286	159,354,988

- 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 1 - CASH****Month End Depository Balances**

1 Depository	2 Restricted Asset Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Name of Depository	Location of Depository							
Bank of America, N.A.	Austin TX	3.250	366,496		23,125,983	83,026,764	50,572,588	
Citibank, N.A.	Dallas, TX	0	0.750	218	193,511	193,320	193,128	
Citibank, N.A. - IMMA	Dallas, TX	2.750	319,593		117,941	118,009	118,084	
JP Morgan Chase Bank, N.A.	San Antonio, TX				24,329,123	9,340,106	13,711,486	
0199998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX	686,307		47,766,558	92,678,199	64,595,286	XXX
<b>Suspended Depositories</b>								
0299998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX	686,307		47,766,558	92,678,199	64,595,286	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	686,307		47,766,558	92,678,199	64,595,286	XXX

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

### Show Investments Owned End of Current Quarter