

Texas Automobile Insurance Plan Association
2024 Rate Filing
Private Passenger Auto Memorandum

Proposed Rate Changes

TAIPA is proposing an overall average rate level change of +15.1% for private passenger cars. The average increase is generated by changes in the base rates for each territory. No changes are proposed in the current territory rate factors or class rate factors. The proposed base rate changes by coverage are below. The overall average change is based on the 2022 earned premium in the assigned risk market for each coverage from the 2022 Annual Aggregate Experience Report. The AAE Report combines UM Bodily Injury and UM Property Damage into a single coverage. We used 2022 earned premium figures from the QDE report for the fourth quarter of 2022 to determine the premium weight between the two Uninsured Motorist coverages.

<u>Private Passenger</u>	<u>Indicated</u>	<u>Proposed</u>
Bodily Injury Liability	+25.9%	+20.0%
Property Damage Liability	+10.7%	+10.0%
Personal Injury Protection	+61.9%	+20.0%
Uninsured Motorists - BI	+23.3%	+15.0%
Uninsured Motorists - PD	-15.0%	0.0%
Total	+19.2%	+15.1%

Rate Filing History

Throughout this memorandum, the year of a rate filing references the year in which the filing became effective, though it may have been prepared and submitted in the previous year.

In 2013 and prior, private passenger auto rate filings for TAIPA were based on the results of traditional actuarial ratemaking techniques. The Association's premium writings at the time were considered to be of sufficient size to allow for the analysis of historical premiums and losses to determine indicated rate changes. Where full actuarial credibility was deemed not to be present in the assigned risk data, the TDI required that the complement of credibility be based on the trend in statewide loss costs for each coverage. After 2013, Association management determined that the ratemaking process should be streamlined to reduce overhead expenses on TAIPA's reduced premium base. Since that date, the annual loss cost trends have generally served as the basis for all PPA filed rate changes, an "indexing" procedure that is equivalent to the prior ratemaking methodology with zero credibility given to the Association's internal loss history.

From 2016 to 2020, TAIPA filed annual increases to its private passenger auto rates, with the overall increases ranging from +3.5% to +4.9%. The Association paused its annual rate filing process in the midst of the Covid pandemic and only resumed with a +5.0% increase in 2023. The proposed rate increases for each coverage were capped at +5.0% in all of those filings, in order to avoid the additional cost associated with one or more rate hearings. The Association's average rate increases for each coverage in the filings effective since 2016 are as follows:

Eff. Date	BI	PD	PIP	UM BI	UMPD	Overall
2/1/2016	+4.8%	+3.5%	-10.1%	+3.9%	-20.9%	+3.5%
2/1/2017	+4.8%	+3.8%	-2.0%	+3.6%	+4.7%	+4.2%
3/1/2018	+4.8%	+4.9%	+4.3%	+4.3%	+4.2%	+4.8%
3/1/2019	+5.0%	+4.8%	+2.4%	+4.5%	+4.5%	+4.8%
3/1/2020	+5.0%	+4.9%	+4.0%	+4.3%	+1.7%	+4.9%
6/1/2023	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%

In order for the voluntary market to function effectively, the rates of the assigned risk market should not be overly competitive with the rates available to consumers in the voluntary market. According to

data published on the TDI website, the average rate change in 2022 for private passenger auto coverage in Texas was an increase of 23.8%, and a similar increase is expected for 2023. In light of these increases, TAIPA has determined that filing a rate increase in excess of its historical +5.0% cap is necessary to keep pace with the changes in the voluntary market.

Indicated Rate Change Methodology

An assumption underlying the indexing methodology is that the rates were at an adequate level at the beginning of the indexing period, which we will maintain for the purposes of this filing. Given the decision to cap the rate increases at +5.0%, it is reasonable to believe that the Association's rates failed to keep pace with the actual statewide loss cost trends. Nonetheless, we suppose for the purposes of this analysis that the Association's annual rate filings from 2016 to 2020 did appropriately account for increases in claim costs over that period.

Since TAIPA has made only a single rate filing in the four-year period since 2020, we believe an alteration to the prior indexing methodology is required to account for the longer periods between rate changes. After determining the appropriate *annual* trend in loss costs for each coverage, we apply that trend for a period of 4.5 years—the length of time between 3/1/2020 and 9/1/2024, the effective dates of TAIPA's last regular annual rate change and the proposed effective date of this filing—to determine the total increase in loss costs over that time. From there, we obtain the rate indications by accounting for the impact of the single +5.0% rate increase filed in that period.

Since the indexing methodology began being employed in 2016, the **three-year** trend in paid loss costs (equivalently, pure premiums) has generally been the basis for the Association's indicated rate changes. In the 2023 filing, additional consideration was given to trend periods of differing lengths, as well as to the separate claim frequency and severity trends, in order to account for the distortion in the trends introduced by the Covid pandemic. Specifically, claim frequency experienced a significant decrease in the midst of the pandemic-related shutdowns, and lower frequency levels generally persisted for several quarters as fewer drivers occupied the roads. Since that time, claim frequency values have broadly climbed back to their prior levels and, in some cases, have resumed their pre-pandemic trends (see page 2 of Exhibits 3-7). The 2023 rate indications were stated to be based on the three-year fit to the annual claim severity trends, which were relatively stable over the pandemic period. This approach

inherently assumed zero trend in claim frequency. The claim severity trends for every coverage were in excess of the filed +5.0% rate increase effective 6/1/2023.

In the current analysis, loss cost trends for periods of three or fewer years remain distorted by the frequency decline in 2020. To account for this, we have considered longer-term trend periods that are less impacted by the anomalous data points. We have also considered two alternate approaches to fitting an exponential curve to the historical pure premium values. The first approach is simply to omit the points subject to this distortion and calculate the annual trends for the remaining values. The claim frequency for each coverage is observed to drop in the second quarter of 2020. Beginning with this point, the pure premium values are excluded for a period of one or two years, judgmentally determined based on when the pure premiums roughly resume the levels implied by the pre-pandemic trends. The longer-term fits to the remaining values are not subject to the same level of distortion as the trend fits to the full datasets.

The second alternate approach is to calculate the pure premium for points after 2020Q1 as the product of the unadjusted claim severity and a smoothed claim frequency that removes the impact of the pandemic-era frequency drop and subsequent rebound. The smoothed claim frequency values consistently exhibit long-term negative trends for each of the five coverages, aside from Personal Injury Protection. This adjustment therefore results in lower annual pure premium trends than the approach relied upon in 2023, in which claim frequency was assumed to exhibit zero trend.

The three approaches to calculating annual loss cost trends (fitting to the “raw” data, omitting anomalous values, and smoothing the frequency) and trend periods ranging from one to six years are considered when selecting the annual trend for each coverage. The selections take into account the relative strengths and weaknesses of the three approaches as applied to the historical pure premiums for each coverage.

The two primary coverages for private passenger auto written by TAIPA, in terms of premium volume and policies in force, are Bodily Injury and Property Damage liability. The statewide claim history for these two coverages has been similar over the past seven years. Claim severity has steadily increased, while claim frequency has been consistently falling, outside of the pandemic-related disruption. The combination of these offsetting trends has resulted in a consistent increase in BI pure premiums, with a brief interruption for the frequency drop in 2020, while the pre-pandemic PD pure premiums

historically remained fairly steady. A notable increase in the PD claim severity beginning in the third quarter of 2021 has since caused a spike in the pure premium values.

The observations of historical Bodily Injury liability claim trends generally translate to the related coverage for Uninsured Motorists. However, the claim severity for UM/UIM PD has not increased as was observed for PD claims, and the resulting pure premium has actually exhibited a long-term negative trend.

For Personal Injury Protection coverage, both claim frequency and severity have exhibited consistent upward trends. The claim frequency did not experience the same level of a drop as the other coverages' frequency in the midst of the pandemic, and it has since spiked beginning in the latter half of 2021. We have included the frequency-smoothing approach to estimating PIP pure premium trends for consistency, though we do not consider it to be an appropriate method for this particular case and have disregarded the results.

Exhibits 3-7 display the pure premium, claim frequency, and claim severity for each of the five coverages, in tabular and graphical format. The frequency pages display the smoothed values, which are based on the claim frequency of the remaining points after omitting those values subject to distortion in the pandemic period. The pure premium pages display the raw values, the pure premiums remaining after omitting the distorted points, and the pure premiums implied by the actual severity and smoothed frequency. The raw values are taken from the quarterly PPA trend report compiled by TICO, which is released more expediently than the QDE trend data report and contains materially similar loss cost trends.

A summary of the annual exponential fits for the five coverages and the three methods is displayed in Exhibit 2, along with our judgmental selection of the annual pure premium trends. These selections are brought forward to Exhibit 1, where they are used to calculate the indicated rate change for each coverage.

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Calculation of Indicated Rate Changes**

Exhibit 1

		(1)	(2)	(3)	(4)	(5)	
		<i>Prior Rate Change by Coverage</i>					
	Effective Date	BI	PD	PIP	UMBI	UMPD	
	3/1/2020						
(a)	6/1/2023	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%	
	9/1/2024						
(b)	Annual PP Trend	+6.4%	+3.4%	+12.5%	+5.9%	-2.5%	
(c)	Trend Period in Years	4.50					
(d)	Cumulative PP Change	+32.2%	+16.3%	+70.0%	+29.5%	-10.8%	
(e)	Indicated Rate Change	+25.9%	+10.7%	+61.9%	+23.3%	-15.0%	+19.2%

NOTES

- (a) from 2023 TAIPA rate filing
- (b) from Exhibit 2
- (c) = 9/1/24 - 3/1/20, in years
- (d) = [1.0 + (b)] ^ (c) - 1.0
- (e) = [1.0 + (d)] / [1.0 + (a)] - 1.0

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Selection of Annual Pure Premium Trends**

Pure Premium Annual Trend Flts by Coverage

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	<u>Bodily Injury</u>			<u>Property Damage</u>			<u>PIP</u>			<u>UM/UIM Bodily Injury</u>			<u>UM/UIM Property Damage</u>		
	Raw	Omitted	Freq Fit	Raw	Omitted	Freq Fit	Raw	Omitted	Freq Fit	Raw	Omitted	Freq Fit	Raw	Omitted	Freq Fit
6-year	5.4%	6.3%	7.1%	0.4%	2.5%	2.6%	12.5%	13.0%	12.2%	5.4%	5.8%	5.8%	-3.6%	-3.2%	-2.9%
5-year	6.2%	6.8%	7.8%	1.6%	3.0%	3.4%	14.3%	14.4%	13.2%	6.3%	6.3%	6.4%	-2.8%	-2.5%	-2.6%
4-year	8.0%	7.3%	8.4%	5.6%	4.1%	5.0%	17.9%	16.6%	14.5%	8.1%	6.9%	6.9%	-1.9%	-2.5%	-3.6%
3-year	13.1%		8.0%	18.0%		7.2%	23.8%		14.2%	14.5%		8.6%	1.6%		-6.9%
2-year	15.7%		5.4%	26.3%		11.4%	19.2%	19.2%	9.9%	15.7%	15.7%	9.9%	1.1%		-11.2%
1-year	9.1%	9.1%	-0.8%	14.7%	14.7%	10.3%	7.0%	7.0%	3.7%	7.5%	7.5%	8.4%	4.4%	4.4%	-4.9%
Selected			+6.4%			+3.4%			+12.5%			+5.9%			-2.5%

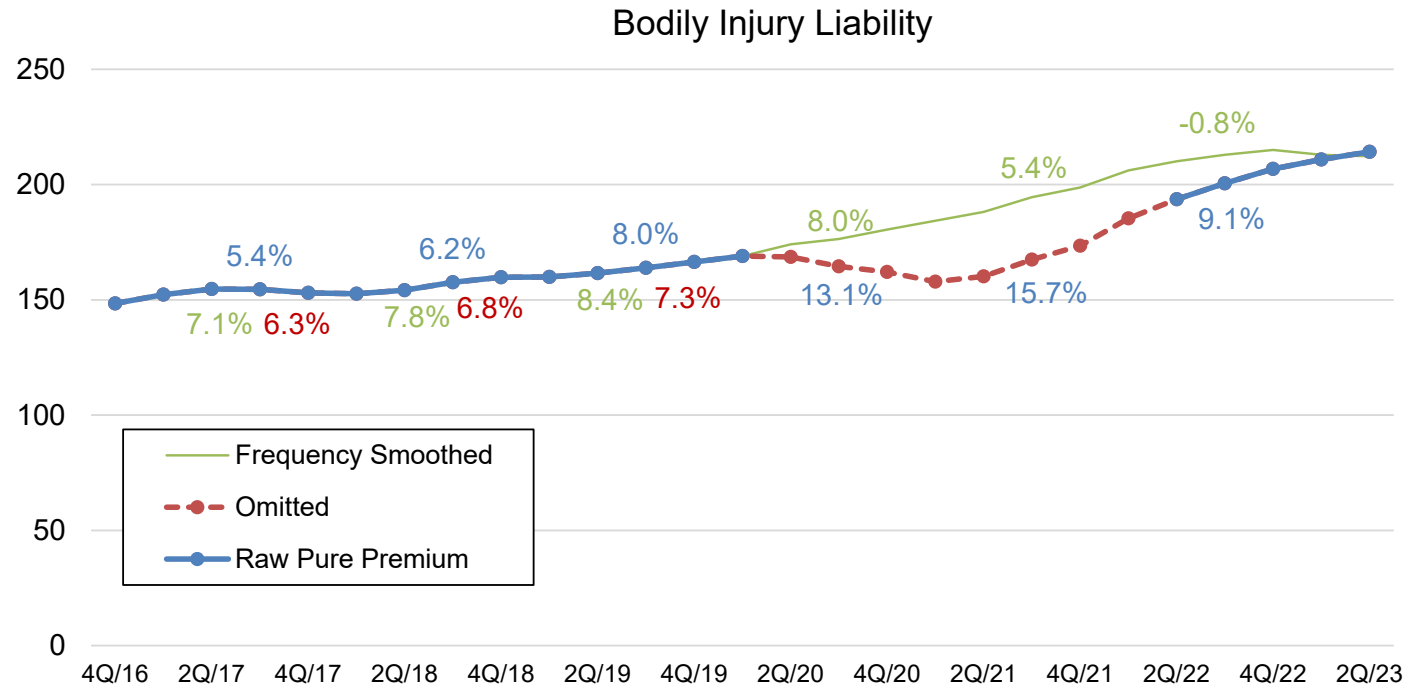
NOTES

(1), (2), (3) based on data from Exhibit 3, Page 1
(4), (5), (6) based on data from Exhibit 4, Page 1
(7), (8), (9) based on data from Exhibit 5, Page 1
(10), (11), (12) based on data from Exhibit 6, Page 1
(13), (14), (15) based on data from Exhibit 7, Page 1

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Bodily Injury Liability

Year Ending Qtr	Paid Pure Premium	Severity x Omitted	Severity x Smoothed Frequency
4Q/16	148.4	148.4	148.4
1Q/17	152.3	152.3	152.3
2Q/17	154.7	154.7	154.7
3Q/17	154.6	154.6	154.6
4Q/17	153.0	153.0	153.0
1Q/18	152.6	152.6	152.6
2Q/18	154.2	154.2	154.2
3Q/18	157.6	157.6	157.6
4Q/18	159.8	159.8	159.8
1Q/19	159.9	159.9	159.9
2Q/19	161.6	161.6	161.6
3Q/19	163.8	163.8	163.8
4Q/19	166.5	166.5	166.5
1Q/20	169.0	169.0	169.0
2Q/20	168.6		174.1
3Q/20	164.5		176.4
4Q/20	162.1		180.5
1Q/21	157.8		184.3
2Q/21	160.2		188.1
3Q/21	167.5		194.5
4Q/21	173.4		198.8
1Q/22	185.3		206.1
2Q/22	193.6	193.6	210.0
3Q/22	200.5	200.5	212.9
4Q/22	206.7	206.7	215.0
1Q/23	210.9	210.9	212.9
2Q/23	214.2	214.2	212.2



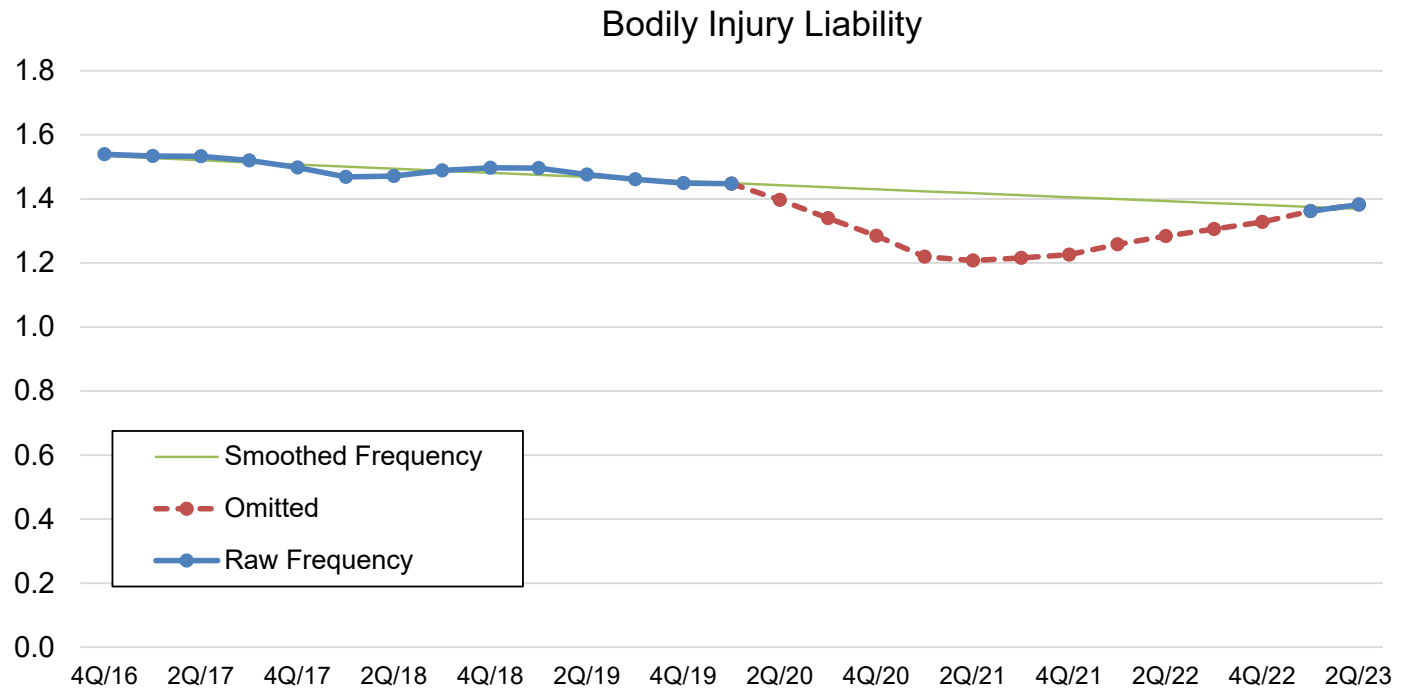
Annual Trends in Exponential Fits

6-year	5.4%	6.3%	7.1%
5-year	6.2%	6.8%	7.8%
4-year	8.0%	7.3%	8.4%
3-year	13.1%		8.0%
2-year	15.7%		5.4%
1-year	9.1%	9.1%	-0.8%

Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs

Bodily Injury Liability

Year Ending Qtr	Paid Claim Frequency Per 1000 Vehicles	Omitted	Smoothed Frequency
4Q/16	1.54	1.54	1.53
1Q/17	1.53	1.53	1.53
2Q/17	1.53	1.53	1.52
3Q/17	1.52	1.52	1.51
4Q/17	1.50	1.50	1.51
1Q/18	1.47	1.47	1.50
2Q/18	1.47	1.47	1.49
3Q/18	1.49	1.49	1.49
4Q/18	1.50	1.50	1.48
1Q/19	1.50	1.50	1.47
2Q/19	1.48	1.48	1.47
3Q/19	1.46	1.46	1.46
4Q/19	1.45	1.45	1.46
1Q/20	1.45	1.45	1.45
2Q/20	1.40		1.44
3Q/20	1.34		1.44
4Q/20	1.28		1.43
1Q/21	1.22		1.42
2Q/21	1.21		1.42
3Q/21	1.22		1.41
4Q/21	1.23		1.41
1Q/22	1.26		1.40
2Q/22	1.28		1.39
3Q/22	1.31		1.39
4Q/22	1.33		1.38
1Q/23	1.36	1.36	1.37
2Q/23	1.38	1.38	1.37

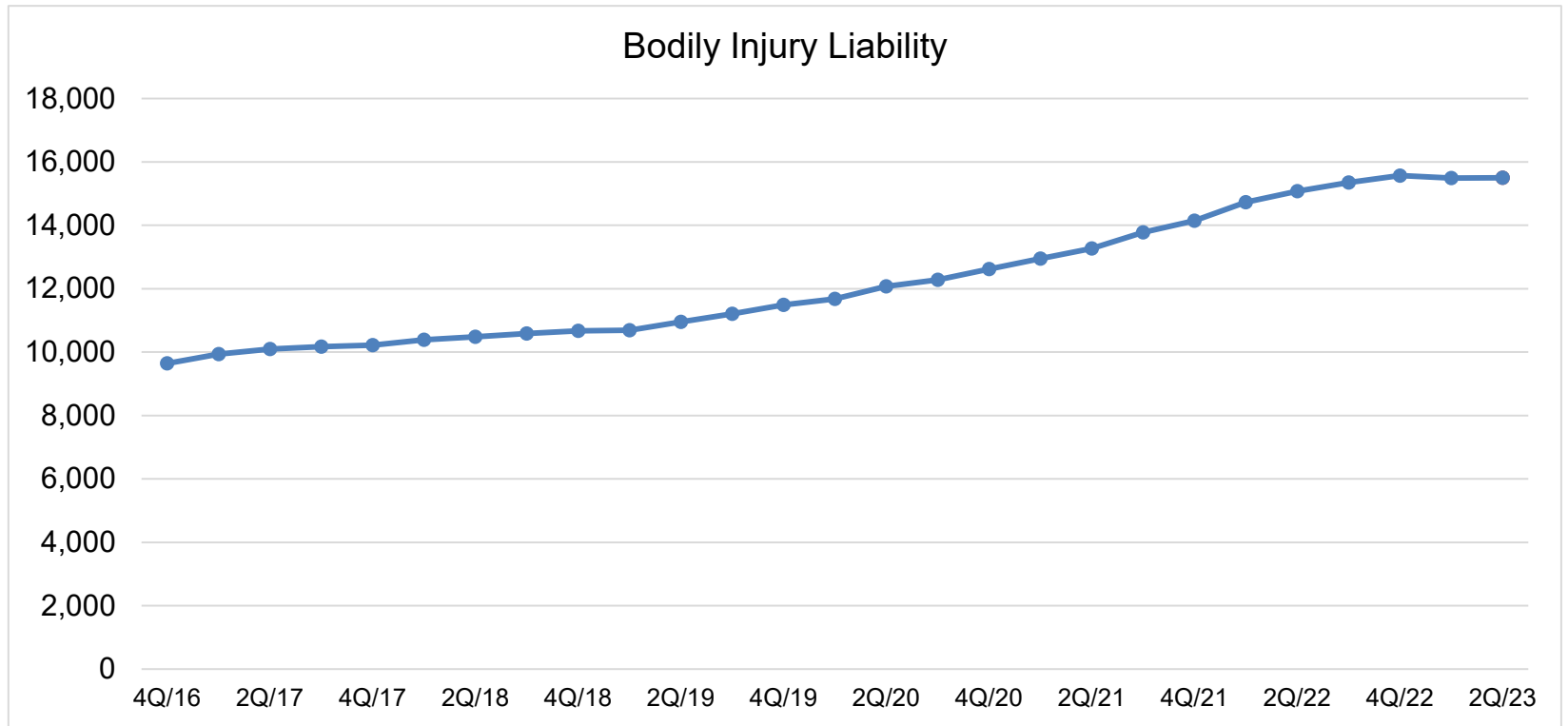


**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Bodily Injury Liability

Year
Ending Paid Claim
Qtr Severity

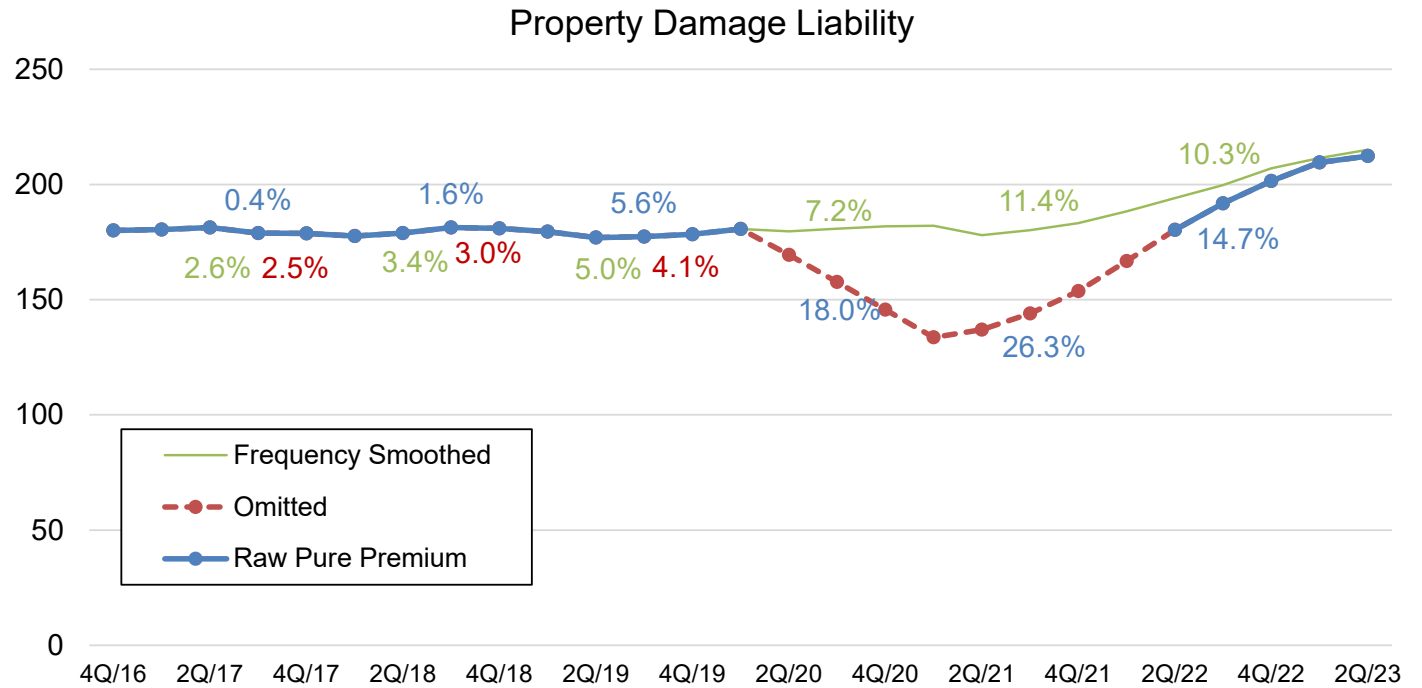
4Q/16	9,642
1Q/17	9,932
2Q/17	10,093
3Q/17	10,172
4Q/17	10,216
1Q/18	10,392
2Q/18	10,479
3Q/18	10,590
4Q/18	10,674
1Q/19	10,685
2Q/19	10,949
3Q/19	11,211
4Q/19	11,486
1Q/20	11,677
2Q/20	12,070
3Q/20	12,278
4Q/20	12,618
1Q/21	12,945
2Q/21	13,267
3Q/21	13,779
4Q/21	14,144
1Q/22	14,730
2Q/22	15,077
3Q/22	15,351
4Q/22	15,570
1Q/23	15,486
2Q/23	15,504



**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Property Damage Liability

Year Ending Qtr	Paid Pure Premium	Severity x Omitted	Severity x Smoothed Frequency
4Q/16	180.1	180.1	180.1
1Q/17	180.4	180.4	180.4
2Q/17	181.4	181.4	181.4
3Q/17	178.9	178.9	178.9
4Q/17	178.8	178.8	178.8
1Q/18	177.6	177.6	177.6
2Q/18	178.9	178.9	178.9
3Q/18	181.3	181.3	181.3
4Q/18	180.9	180.9	180.9
1Q/19	179.5	179.5	179.5
2Q/19	176.9	176.9	176.9
3Q/19	177.3	177.3	177.3
4Q/19	178.4	178.4	178.4
1Q/20	180.7	180.7	180.7
2Q/20	169.5		179.7
3Q/20	157.7		180.8
4Q/20	145.6		181.9
1Q/21	133.6		182.1
2Q/21	137.0		178.0
3Q/21	144.0		180.1
4Q/21	153.7		183.3
1Q/22	166.7		188.4
2Q/22	180.3	180.3	194.1
3Q/22	191.8	191.8	199.7
4Q/22	201.5	201.5	207.0
1Q/23	209.5	209.5	211.5
2Q/23	212.3	212.3	215.1



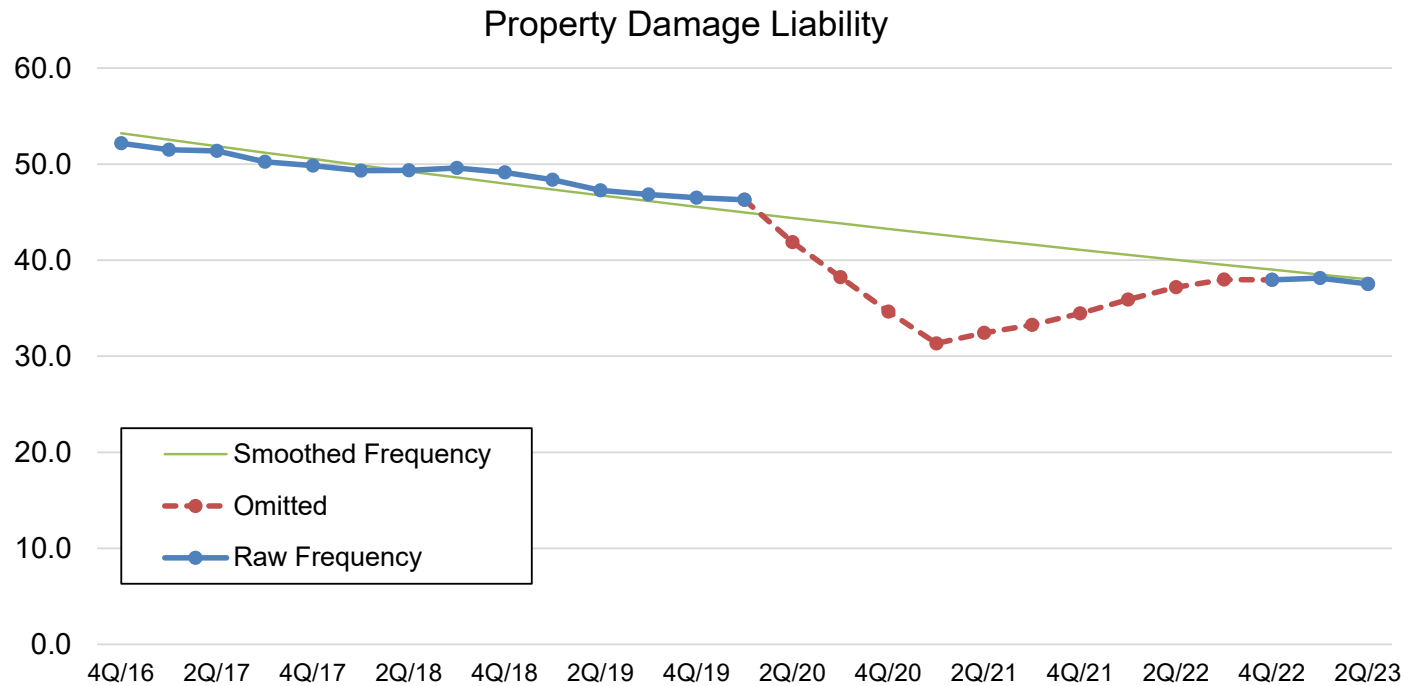
Annual Trends in Exponential Fits

Year	Frequency Smoothed	Omitted	Raw Pure Premium
6-year	0.4%	2.5%	2.6%
5-year	1.6%	3.0%	3.4%
4-year	5.6%	4.1%	5.0%
3-year	18.0%		7.2%
2-year	26.3%		11.4%
1-year	14.7%	14.7%	10.3%

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Property Damage Liability

Year Ending Qtr	Paid Claim Frequency Per 1000 Vehicles	Omitted	Smoothed Frequency
4Q/16	52.17	52.17	53.2
1Q/17	51.48	51.48	52.5
2Q/17	51.38	51.38	51.9
3Q/17	50.24	50.24	51.2
4Q/17	49.84	49.84	50.5
1Q/18	49.33	49.33	49.9
2Q/18	49.35	49.35	49.2
3Q/18	49.60	49.60	48.6
4Q/18	49.14	49.14	48.0
1Q/19	48.37	48.37	47.4
2Q/19	47.28	47.28	46.8
3Q/19	46.85	46.85	46.2
4Q/19	46.51	46.51	45.6
1Q/20	46.27	46.27	45.0
2Q/20	41.88		44.4
3Q/20	38.21		43.8
4Q/20	34.65		43.3
1Q/21	31.33		42.7
2Q/21	32.43		42.2
3Q/21	33.26		41.6
4Q/21	34.45		41.1
1Q/22	35.89		40.6
2Q/22	37.19		40.0
3Q/22	37.96		39.5
4Q/22	37.96	37.96	39.0
1Q/23	38.14	38.14	38.5
2Q/23	37.53	37.53	38.0

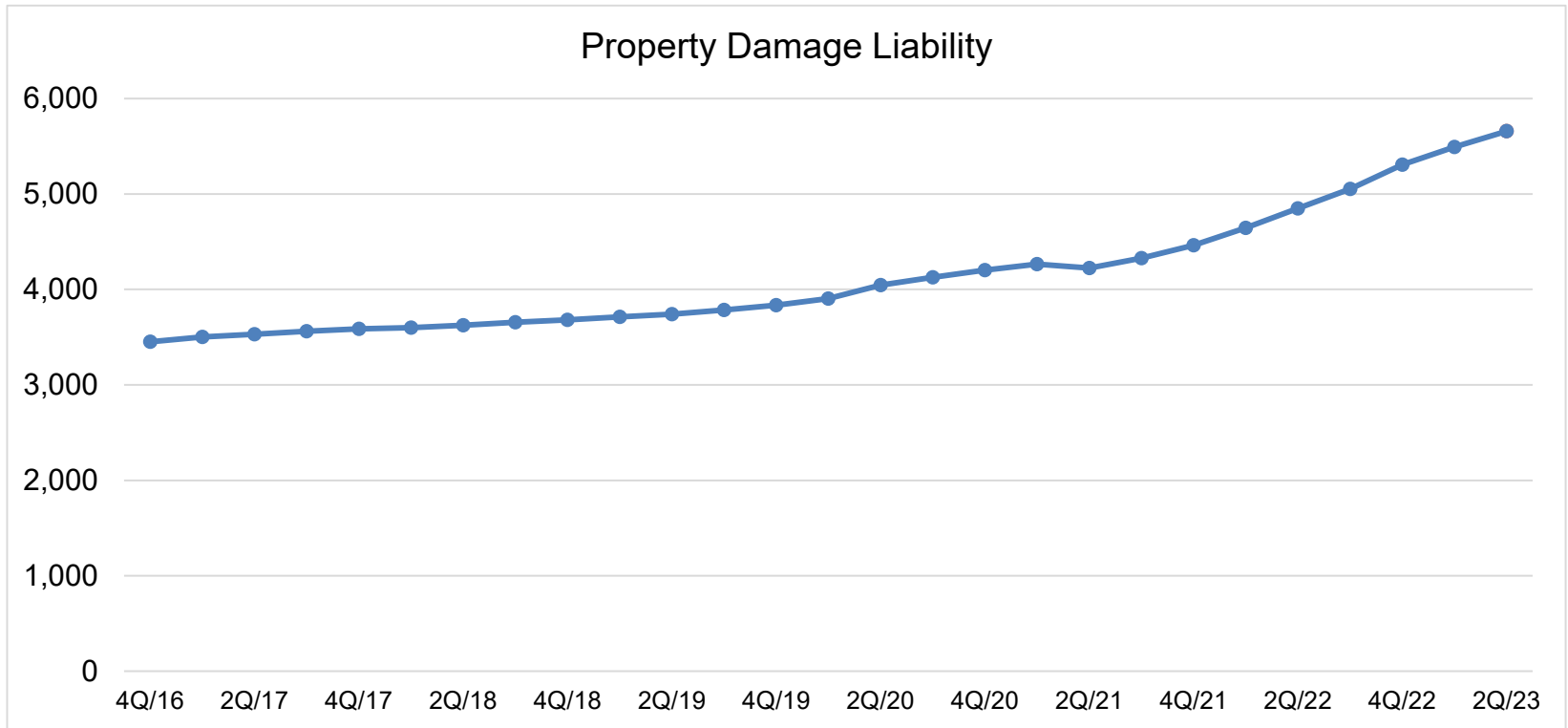


**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Property Damage Liability

Year
Ending Paid Claim
Qtr Severity

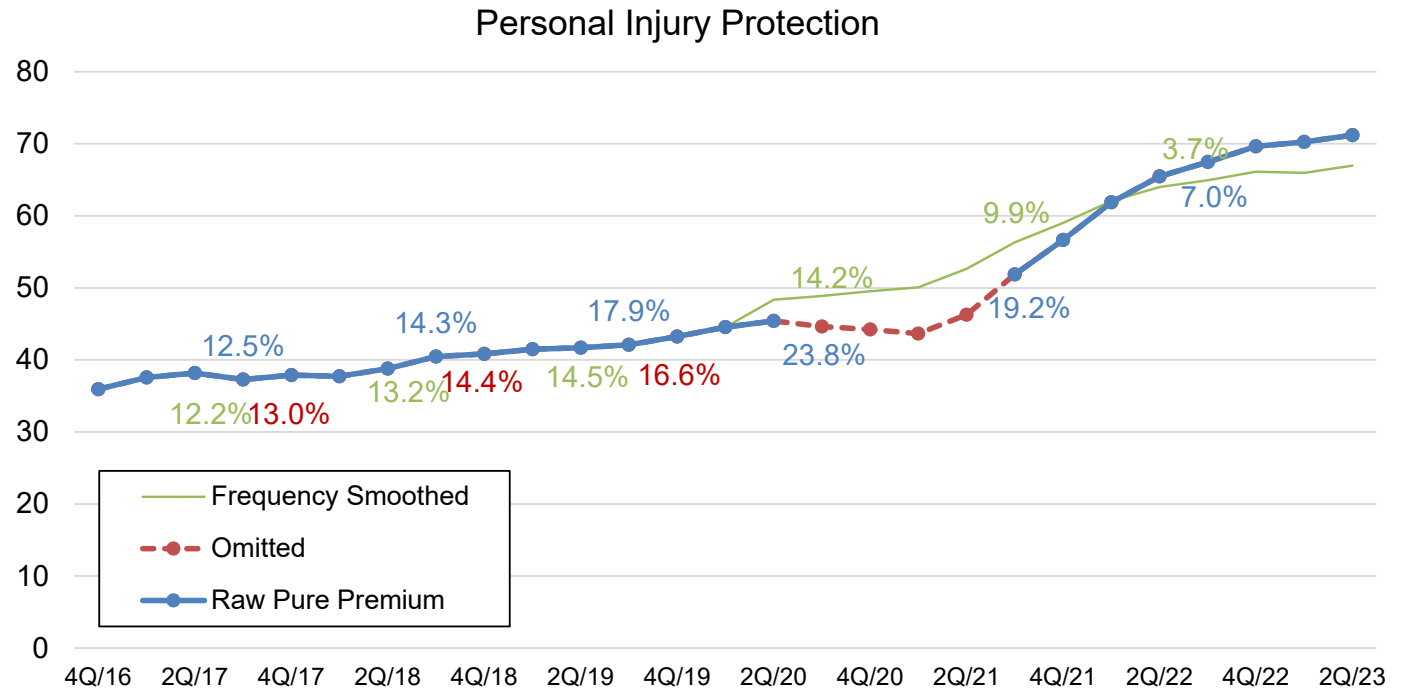
4Q/16	3,451
1Q/17	3,503
2Q/17	3,530
3Q/17	3,561
4Q/17	3,587
1Q/18	3,599
2Q/18	3,625
3Q/18	3,655
4Q/18	3,682
1Q/19	3,711
2Q/19	3,742
3Q/19	3,785
4Q/19	3,836
1Q/20	3,905
2Q/20	4,047
3Q/20	4,127
4Q/20	4,204
1Q/21	4,265
2Q/21	4,223
3Q/21	4,328
4Q/21	4,462
1Q/22	4,645
2Q/22	4,849
3Q/22	5,053
4Q/22	5,307
1Q/23	5,493
2Q/23	5,658



**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Personal Injury Protection

Year Ending Qtr	Paid Pure Premium	Severity x Omitted	Severity x Smoothed Frequency
4Q/16	35.9	35.9	35.9
1Q/17	37.6	37.6	37.6
2Q/17	38.2	38.2	38.2
3Q/17	37.3	37.3	37.3
4Q/17	37.9	37.9	37.9
1Q/18	37.7	37.7	37.7
2Q/18	38.8	38.8	38.8
3Q/18	40.5	40.5	40.5
4Q/18	40.8	40.8	40.8
1Q/19	41.5	41.5	41.5
2Q/19	41.7	41.7	41.7
3Q/19	42.1	42.1	42.1
4Q/19	43.2	43.2	43.2
1Q/20	44.5	44.5	44.5
2Q/20	45.4	45.4	48.4
3Q/20	44.6		48.9
4Q/20	44.2		49.5
1Q/21	43.7		50.1
2Q/21	46.3		52.6
3Q/21	51.9	51.9	56.3
4Q/21	56.7	56.7	59.0
1Q/22	61.9	61.9	62.0
2Q/22	65.5	65.5	64.0
3Q/22	67.5	67.5	64.9
4Q/22	69.6	69.6	66.1
1Q/23	70.3	70.3	66.0
2Q/23	71.2	71.2	67.0



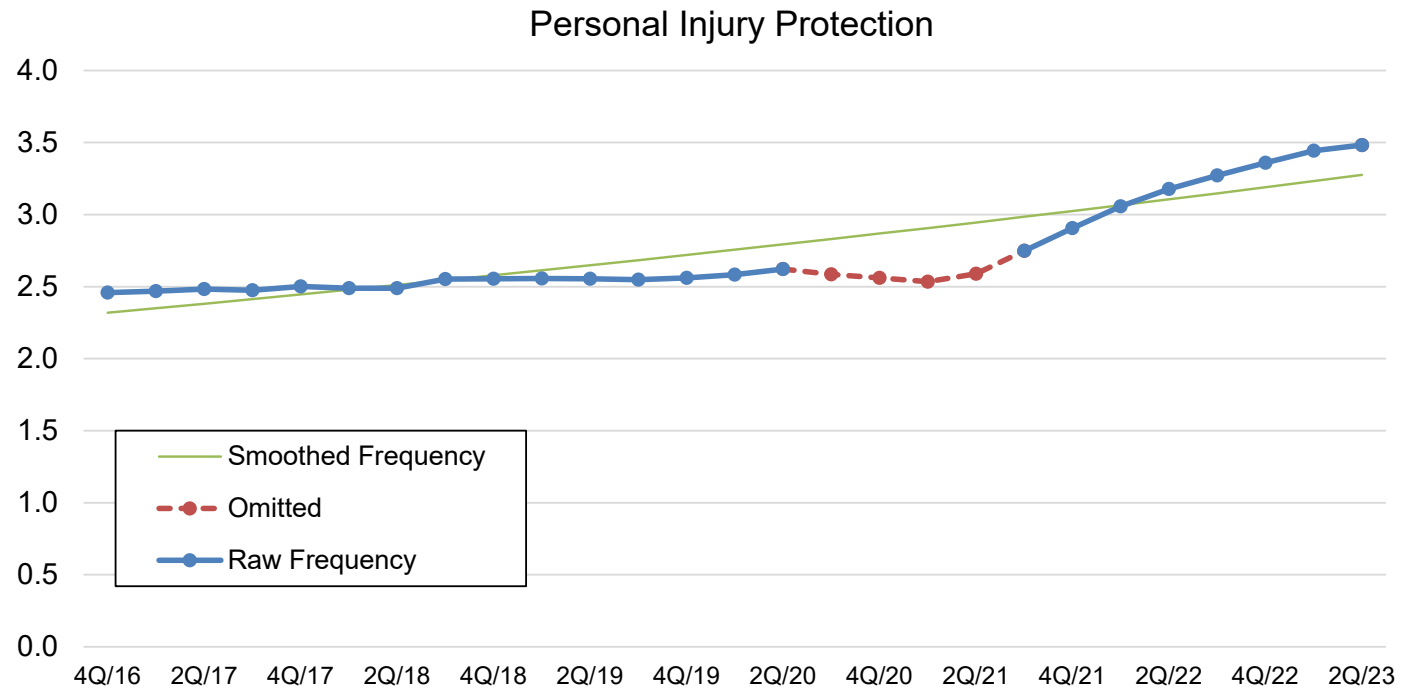
Annual Trends in Exponential Fits

6-year	12.5%	13.0%	12.2%
5-year	14.3%	14.4%	13.2%
4-year	17.9%	16.6%	14.5%
3-year	23.8%		14.2%
2-year	19.2%	19.2%	9.9%
1-year	7.0%	7.0%	3.7%

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Personal Injury Protection

Year Ending Qtr	Paid Claim Frequency Per 1000 Vehicles	Omitted	Smoothed Frequency
4Q/16	2.46	2.46	2.32
1Q/17	2.47	2.47	2.35
2Q/17	2.48	2.48	2.38
3Q/17	2.48	2.48	2.41
4Q/17	2.50	2.50	2.45
1Q/18	2.49	2.49	2.48
2Q/18	2.49	2.49	2.51
3Q/18	2.55	2.55	2.54
4Q/18	2.55	2.55	2.58
1Q/19	2.56	2.56	2.61
2Q/19	2.55	2.55	2.65
3Q/19	2.55	2.55	2.68
4Q/19	2.56	2.56	2.72
1Q/20	2.58	2.58	2.76
2Q/20	2.62	2.62	2.79
3Q/20	2.58		2.83
4Q/20	2.56		2.87
1Q/21	2.53		2.91
2Q/21	2.59		2.95
3Q/21	2.75	2.75	2.98
4Q/21	2.90	2.90	3.02
1Q/22	3.06	3.06	3.07
2Q/22	3.18	3.18	3.11
3Q/22	3.27	3.27	3.15
4Q/22	3.36	3.36	3.19
1Q/23	3.44	3.44	3.23
2Q/23	3.48	3.48	3.28

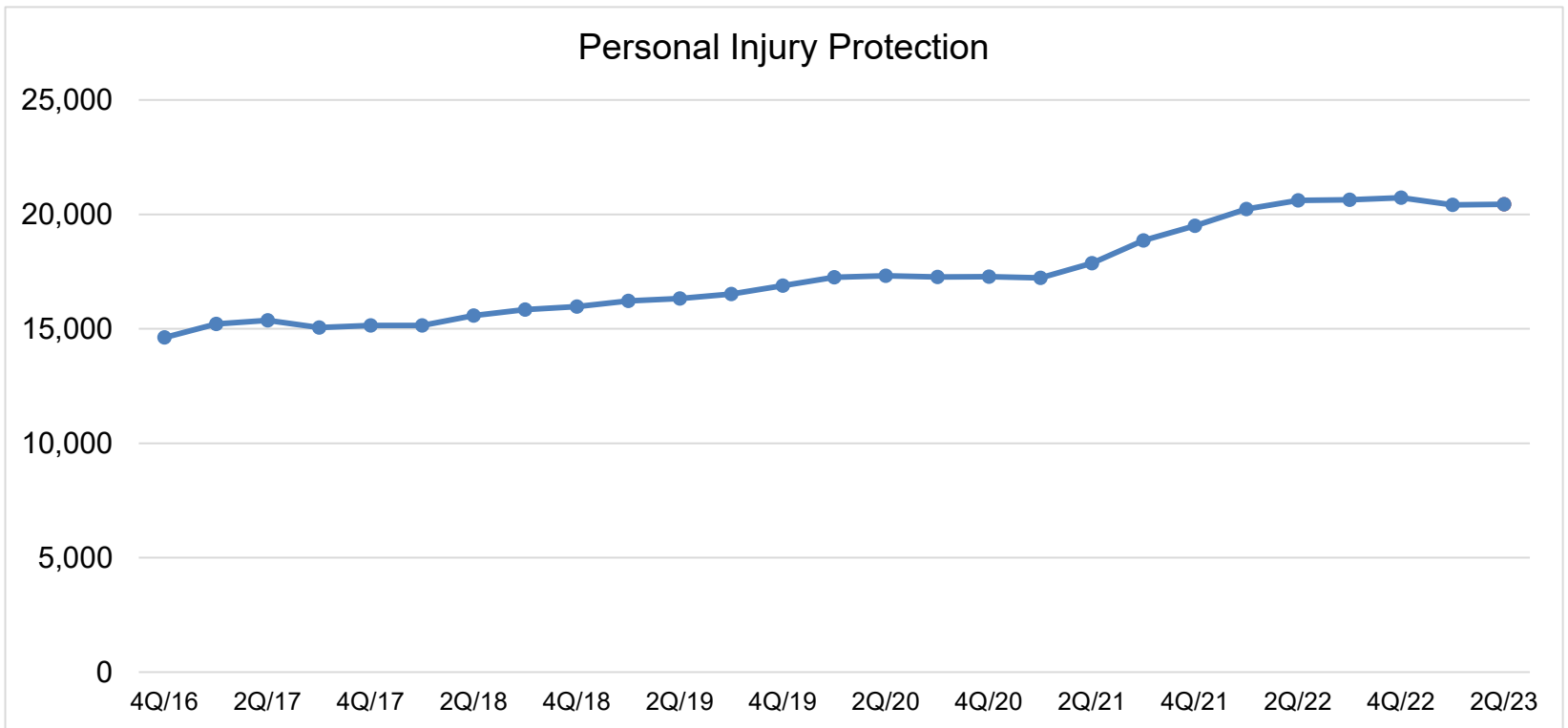


**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits Personal Injury Protection

**Year
Ending Paid Claim
Qtr Severity**

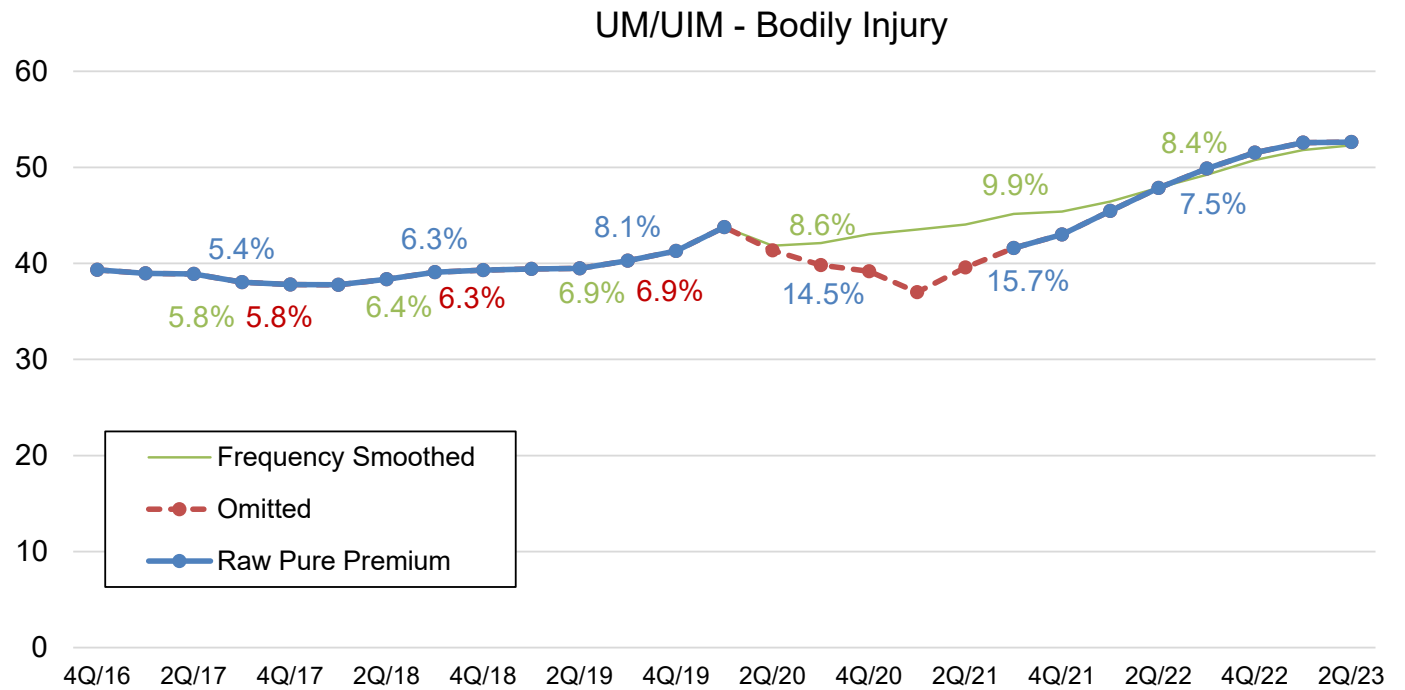
4Q/16	14,618
1Q/17	15,217
2Q/17	15,372
3Q/17	15,060
4Q/17	15,149
1Q/18	15,152
2Q/18	15,573
3Q/18	15,847
4Q/18	15,976
1Q/19	16,222
2Q/19	16,317
3Q/19	16,521
4Q/19	16,884
1Q/20	17,247
2Q/20	17,318
3Q/20	17,268
4Q/20	17,273
1Q/21	17,228
2Q/21	17,872
3Q/21	18,864
4Q/21	19,506
1Q/22	20,235
2Q/22	20,611
3Q/22	20,633
4Q/22	20,728
1Q/23	20,409
2Q/23	20,444



Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs

Total Limits UM/UII - Bodily Injury

Year Ending Qtr	Paid Pure Premium	Severity x Omitted	Severity x Smoothed Frequency
4Q/16	39.3	39.3	39.3
1Q/17	39.0	39.0	39.0
2Q/17	38.9	38.9	38.9
3Q/17	38.1	38.1	38.1
4Q/17	37.8	37.8	37.8
1Q/18	37.8	37.8	37.8
2Q/18	38.3	38.3	38.3
3Q/18	39.1	39.1	39.1
4Q/18	39.3	39.3	39.3
1Q/19	39.4	39.4	39.4
2Q/19	39.5	39.5	39.5
3Q/19	40.3	40.3	40.3
4Q/19	41.3	41.3	41.3
1Q/20	43.8	43.8	43.8
2Q/20	41.3		41.8
3Q/20	39.8		42.1
4Q/20	39.2		43.0
1Q/21	37.0		43.5
2Q/21	39.6		44.0
3Q/21	41.6	41.6	45.2
4Q/21	43.0	43.0	45.4
1Q/22	45.5	45.5	46.4
2Q/22	47.9	47.9	47.9
3Q/22	49.9	49.9	49.2
4Q/22	51.5	51.5	50.8
1Q/23	52.6	52.6	51.8
2Q/23	52.6	52.6	52.3



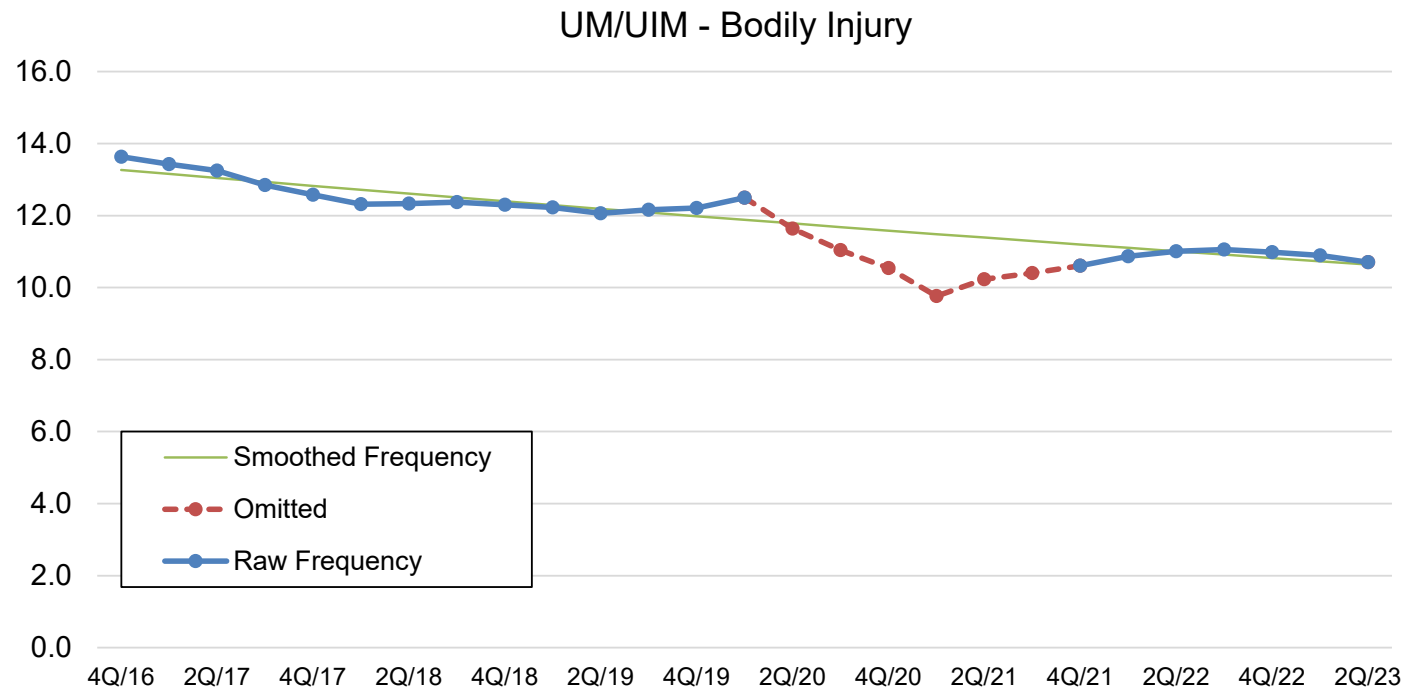
Annual Trends in Exponential Fits

Term	Frequency Smoothed (%)	Omitted (%)	Raw Pure Premium (%)
6-year	5.4%	5.8%	5.8%
5-year	6.3%	6.3%	6.4%
4-year	8.1%	6.9%	6.9%
3-year	14.5%	8.6%	8.6%
2-year	15.7%	15.7%	9.9%
1-year	7.5%	7.5%	8.4%

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

UM/UIM - Bodily Injury

Year Ending Qtr	Paid Claim Frequency Per 1000 Vehicles	Omitted	Smoothed Frequency
4Q/16	13.63	13.63	13.27
1Q/17	13.43	13.43	13.15
2Q/17	13.25	13.25	13.04
3Q/17	12.85	12.85	12.93
4Q/17	12.58	12.58	12.82
1Q/18	12.32	12.32	12.72
2Q/18	12.33	12.33	12.61
3Q/18	12.38	12.38	12.50
4Q/18	12.30	12.30	12.40
1Q/19	12.23	12.23	12.29
2Q/19	12.06	12.06	12.19
3Q/19	12.16	12.16	12.08
4Q/19	12.21	12.21	11.98
1Q/20	12.50	12.50	11.88
2Q/20	11.64		11.78
3Q/20	11.04		11.68
4Q/20	10.54		11.58
1Q/21	9.76		11.49
2Q/21	10.23		11.39
3Q/21	10.41		11.29
4Q/21	10.61	10.61	11.20
1Q/22	10.87	10.87	11.10
2Q/22	11.00	11.00	11.01
3Q/22	11.06	11.06	10.92
4Q/22	10.99	10.99	10.82
1Q/23	10.89	10.89	10.73
2Q/23	10.71	10.71	10.64

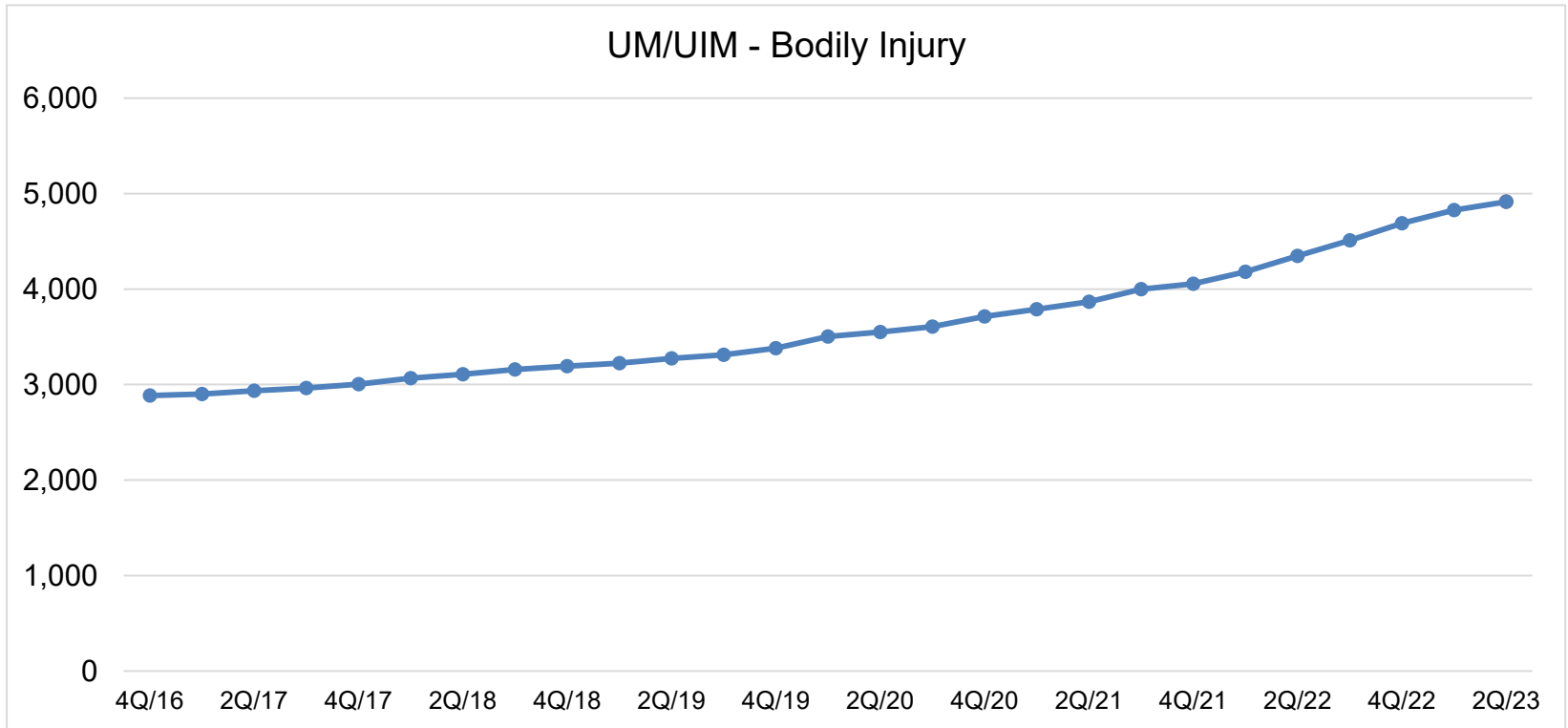


**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits UM/UIM - Bodily Injury

**Year
Ending Paid Claim
Qtr Severity**

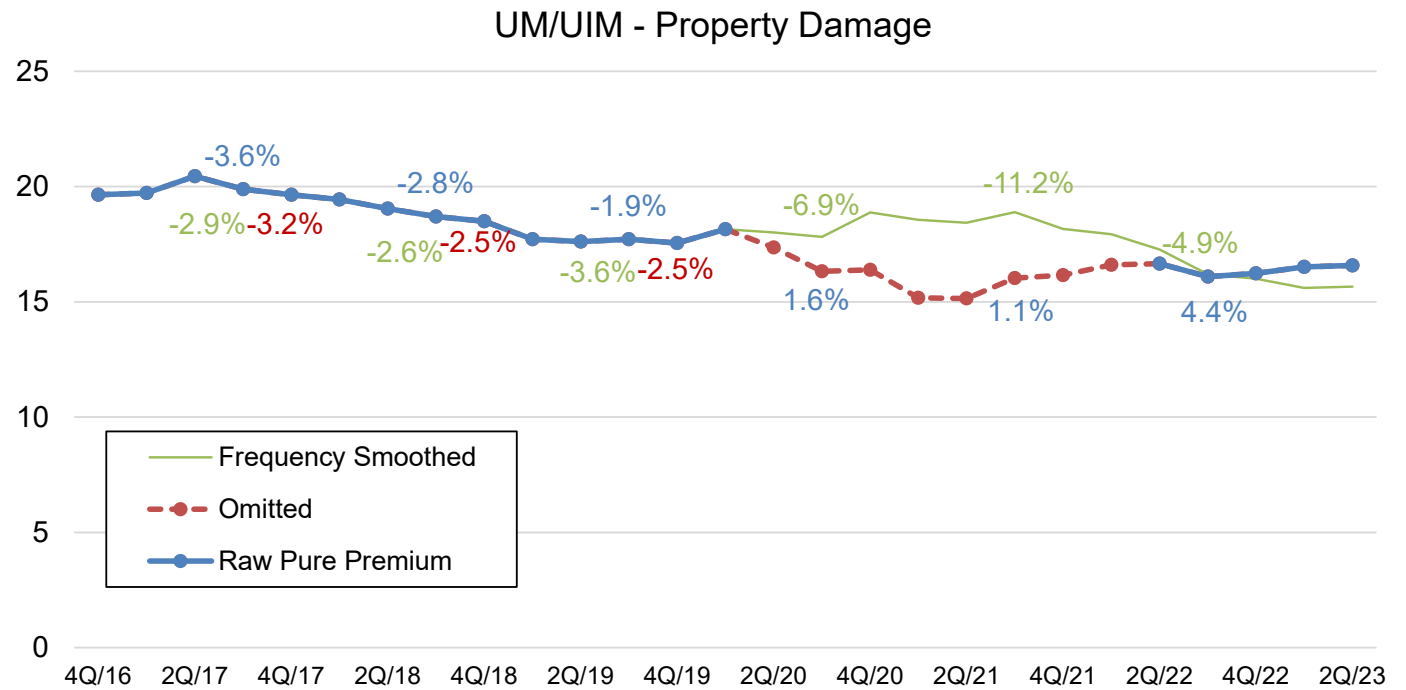
4Q/16	2,885
1Q/17	2,901
2Q/17	2,936
3Q/17	2,962
4Q/17	3,004
1Q/18	3,066
2Q/18	3,109
3Q/18	3,158
4Q/18	3,194
1Q/19	3,225
2Q/19	3,273
3Q/19	3,313
4Q/19	3,382
1Q/20	3,502
2Q/20	3,552
3Q/20	3,606
4Q/20	3,715
1Q/21	3,789
2Q/21	3,867
3Q/21	3,999
4Q/21	4,055
1Q/22	4,182
2Q/22	4,348
3Q/22	4,510
4Q/22	4,690
1Q/23	4,828
2Q/23	4,914



Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs

Total Limits UM/UIM - Property Damage

Year Ending Qtr	Paid Pure Premium	Severity x Omitted	Severity x Smoothed Frequency
4Q/16	19.6	19.6	19.6
1Q/17	19.7	19.7	19.7
2Q/17	20.4	20.4	20.4
3Q/17	19.9	19.9	19.9
4Q/17	19.6	19.6	19.6
1Q/18	19.4	19.4	19.4
2Q/18	19.0	19.0	19.0
3Q/18	18.7	18.7	18.7
4Q/18	18.5	18.5	18.5
1Q/19	17.7	17.7	17.7
2Q/19	17.6	17.6	17.6
3Q/19	17.7	17.7	17.7
4Q/19	17.5	17.5	17.5
1Q/20	18.1	18.1	18.1
2Q/20	17.4		18.0
3Q/20	16.3		17.8
4Q/20	16.4		18.9
1Q/21	15.2		18.6
2Q/21	15.1		18.4
3Q/21	16.0		18.9
4Q/21	16.2		18.2
1Q/22	16.6		17.9
2Q/22	16.7	16.7	17.3
3Q/22	16.1	16.1	16.2
4Q/22	16.2	16.2	16.0
1Q/23	16.5	16.5	15.6
2Q/23	16.6	16.6	15.7



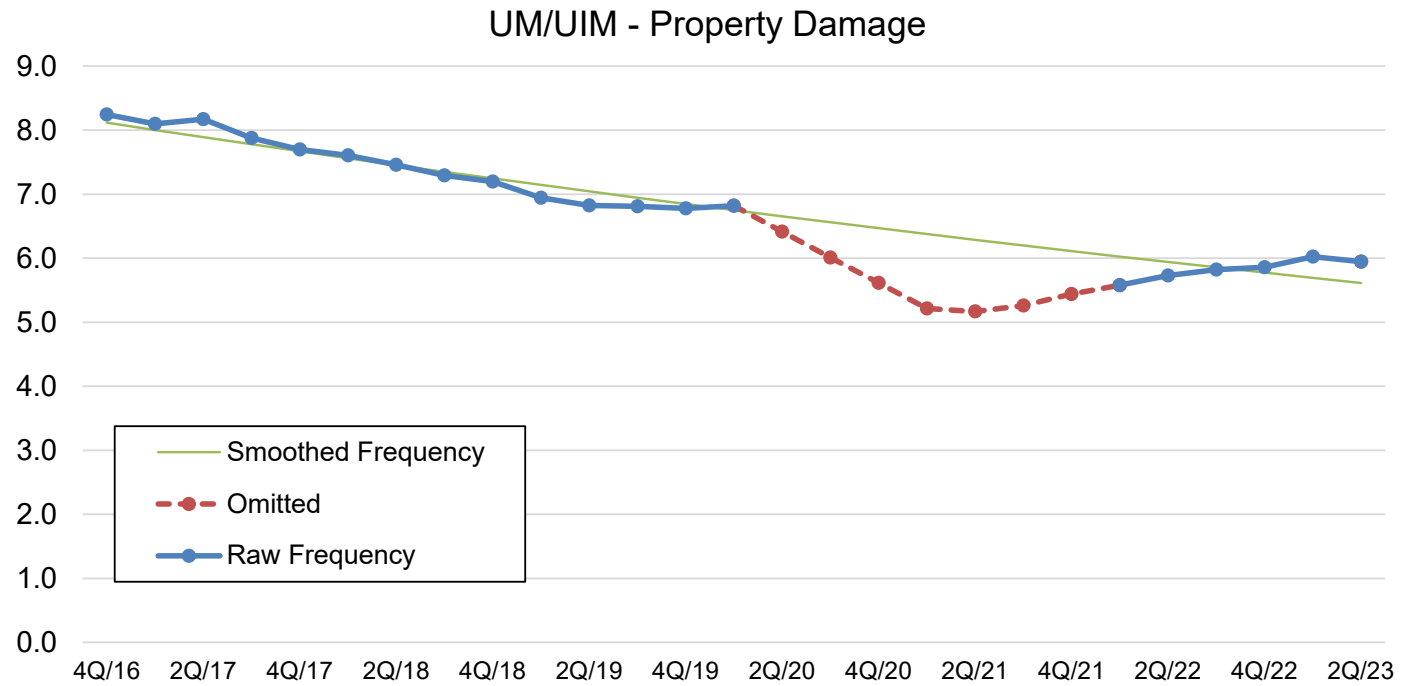
Annual Trends in Exponential Fits

Year	Raw Pure Premium (%)	Omitted (%)	Frequency Smoothed (%)
6-year	-3.6%	-3.2%	-2.9%
5-year	-2.8%	-2.5%	-2.6%
4-year	-1.9%	-2.5%	-3.6%
3-year	1.6%		-6.9%
2-year	1.1%		-11.2%
1-year	4.4%	4.4%	-4.9%

**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

UM/UIM - Property Damage

Year Ending Qtr	Paid Claim Frequency Per 1000 Vehicles	Omitted	Smoothed Frequency
4Q/16	8.24	8.24	8.1
1Q/17	8.10	8.10	8.0
2Q/17	8.17	8.17	7.9
3Q/17	7.87	7.87	7.8
4Q/17	7.70	7.70	7.7
1Q/18	7.61	7.61	7.6
2Q/18	7.46	7.46	7.5
3Q/18	7.29	7.29	7.3
4Q/18	7.20	7.20	7.2
1Q/19	6.94	6.94	7.1
2Q/19	6.82	6.82	7.0
3Q/19	6.81	6.81	6.9
4Q/19	6.78	6.78	6.8
1Q/20	6.82	6.82	6.7
2Q/20	6.41		6.7
3Q/20	6.01		6.6
4Q/20	5.61		6.5
1Q/21	5.21		6.4
2Q/21	5.17		6.3
3Q/21	5.26		6.2
4Q/21	5.44		6.1
1Q/22	5.58	5.58	6.0
2Q/22	5.73	5.73	5.9
3Q/22	5.82	5.82	5.9
4Q/22	5.86	5.86	5.8
1Q/23	6.02	6.02	5.7
2Q/23	5.95	5.95	5.6



**Texas Automobile Insurance Plan Association
Rate Filing Effective 9/1/2024
Private Passenger Auto
Analysis of Statewide Claim Costs**

Total Limits UM/UIM - Property Damage

Year
Ending Paid Claim
Qtr Severity

4Q/16	2,384
1Q/17	2,436
2Q/17	2,503
3Q/17	2,525
4Q/17	2,552
1Q/18	2,556
2Q/18	2,555
3Q/18	2,563
4Q/18	2,571
1Q/19	2,550
2Q/19	2,581
3Q/19	2,602
4Q/19	2,589
1Q/20	2,661
2Q/20	2,706
3Q/20	2,716
4Q/20	2,919
1Q/21	2,911
2Q/21	2,931
3Q/21	3,048
4Q/21	2,972
1Q/22	2,977
2Q/22	2,907
3Q/22	2,764
4Q/22	2,771
1Q/23	2,741
2Q/23	2,789

