



April 1, 2025

Jamie Walker
Deputy Commissioner
Financial Regulation
Texas Department of Insurance
1601 Congress Avenue
Austin, TX 78701

Dear Ms. Walker:

We enclose information responsive to the requirements set forth in Section 2210.453 of the Texas Insurance Code and 28 Texas Administrative Code §5.4160 relating to the association's determination of the amount equal to the probable maximum loss for the association for a catastrophe year with a probability of one in 100 and the association's method for determining that probable maximum loss.

The Board of Directors determined the PML for 2025 to be \$6,227,000,000, using models developed by Impact Forecasting, RMS, and CoreLogic, weighted at 50%, 25%, and 25%, respectively, based on long-term frequency assumptions, and including a provision for loss adjustment expense.

Please contact me with any questions or requests for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "James Murphy", is written over a circular stamp or seal.

James Murphy
Chief Actuary | Vice President, Enterprise Analytics

Texas Windstorm Insurance Association 2025 Catastrophe Year Disclosure to the Commissioner
Section 2210.453 of the Texas Insurance Code and 28 Texas Administrative Code §5.4160

Disclosure Requirement	Model #1	Model #2
§5.4160(d)(1) The hurricane model or models the Association relied on, including the model vendors, the model names, and the versions of each model;	Model Vendor: Risk Management Solutions, Inc. (RMS) Model Name: North Atlantic Windstorm Model Model Version: RMS RiskLink 23.0 Windstorm/Hurricane and Convective Storm (WS/CS)	Model Vendor: Verisk Corporation Model Name: Verisk Tropical Cyclone Model for the United States Model Version: Verisk Touchstone 12.0 Tropical Cyclone (TC) and Severe Thunderstorm (ST)
§5.4160(d)(2) The in-force date and the total amount of direct exposures in force for the policy data used as the input for each hurricane model the association relied on;	In-force Date: 11/30/2024 Direct Exposures: Total Insured Values (TIV): \$135,973,526,308 Total Policy Limits: \$125,293,798,769 Risk Count: 281,072	In-force Date: 11/30/2024 Direct Exposures: Total Insured Values (TIV): \$135,973,526,308 Total Policy Limits: \$125,293,798,769 Risk Count: 281,072
§5.4160(d)(3) All user-selected hurricane model input assumptions used with each hurricane model the association relied on;	Assumptions: <ul style="list-style-type: none"> - All Perils (Windstorm/Hurricane and Severe Convective Storms). - Aggregate Annual Loss estimate. - Windstorm frequency –RMS 2023 Historical (Long Term) Event Rates. - Severe Convective Storm frequency –RMS 2013 Stochastic Event Rates (High and Low frequency). - With post-event loss amplification (PLA) (“Demand Surge”) for Windstorm /Hurricane; Severe Convective Storm excludes loss amplification. - Without Storm Surge. 	Assumptions: <ul style="list-style-type: none"> - All Perils (Tropical Cyclone - Wind and Severe Thunderstorm). - Aggregate Annual Loss estimate. - Tropical Cyclone frequency - 10K US AP (2024) Standard (Std) event set. - Severe Thunderstorm frequency - 10K US AP (2024) – Standard. - With Demand Surge for Tropical Cyclone - Wind and Severe Thunderstorm. - Without Storm Surge.
§5.4160(d)(4) The one-in-100-year probable maximum loss model output produced by each hurricane model the Association relied on;	One-in-100-year PML: \$6,192,987,504	One-in-100-year PML: \$7,175,690,393
§5.4160(d)(5) If the association relied on more than one hurricane model, the methodology the association used to blend or average the hurricane model outputs, including all weighting factors used;	Blending methodology: The aggregate annual loss output from each of the four models described herein were combined using a weighting of 50% Impact Forecasting/25% RMS/25% CoreLogic to produce a combined one-in-100-year aggregate loss estimate of \$5,414,741,927 excluding any provision for estimated loss adjustment expenses.	Blending methodology: The aggregate annual loss output from each of the four models described herein were combined using a weighting of 50% Impact Forecasting/25% RMS/25% CoreLogic to produce a combined one-in-100-year aggregate loss estimate of \$5,414,741,927 excluding any provision for estimated loss adjustment expenses.

Texas Windstorm Insurance Association 2025 Catastrophe Year Disclosure to the Commissioner
Section 2210.453 of the Texas Insurance Code and 28 Texas Administrative Code §5.4160

<p>§5.4160(d)(6) Any adjustments the association or another party made to the one-in-100-year probable maximum loss model outputs or the blended or averaged output, including any adjustments to include loss adjustment expenses.</p>	<p>Adjustments: The combined one-in-100-year aggregate loss estimate described in §5.4160(d)(5) was increased by a factor of 15% to account for estimated loss adjustment expenses to yield \$6,226,953,216. This amount was rounded to the nearest \$1 million to derive the one-in-100-year probable maximum loss for the calendar year 2025 of \$6,227,000,000.</p>	<p>Adjustments: The combined one-in-100-year aggregate loss estimate described in §5.4160(d)(5) was increased by a factor of 15% to account for estimated loss adjustment expenses to yield \$6,226,953,216. This amount was rounded to the nearest \$1 million to derive the one-in-100-year probable maximum loss for the calendar year 2025 of \$6,227,000,000.</p>
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Texas Windstorm Insurance Association 2025 Catastrophe Year Disclosure to the Commissioner
Section 2210.453 of the Texas Insurance Code and 28 Texas Administrative Code §5.4160

Disclosure Requirement	Model #3	Model #4
§5.4160(d)(1) The hurricane model or models the Association relied on, including the model vendors, the model names, and the versions of each model;	Model Vendor: Impact Forecasting Model Name: Atlantic Tropical Cyclone and Severe Convective Storm Models Model Version: Impact Forecasting ELEMENTS 18.0 Atlantic Tropical Cyclone and Severe Convective Storm	Model Vendor: CoreLogic Model Name: CoreLogic North Atlantic Hurricane and Severe Convective Storm Models Model Version: CoreLogic Risk Quantification & Engineering (RQE) v23 North Atlantic Hurricane (HU) and Severe Convective Storm (SCS)
§5.4160(d)(2) The in-force date and the total amount of direct exposures in force for the policy data used as the input for each hurricane model the association relied on;	In-force Date: 11/30/2024 Direct Exposures: Total Insured Values (TIV): \$135,973,526,308 Total Policy Limits: \$125,293,798,769 Risk Count: 281,072	In-force Date: 11/30/2024 Direct Exposures: Total Insured Values (TIV): \$135,973,526,308 Total Policy Limits: \$125,293,798,769 Risk Count: 281,072
§5.4160(d)(3) All user-selected hurricane model input assumptions used with each hurricane model the association relied on;	Assumptions: <ul style="list-style-type: none"> - All Perils (Atlantic Tropical Cyclone - Wind and Severe Convective Storms). - Aggregate Annual Loss estimate. - Atlantic Tropical Cyclone v3.0 – Wind Only Historical (Long Term) Event Rates. - 48-State Severe Convective Storm v1.0 – All sub-perils. - With Demand Surge for Tropical Cyclone and Severe Convective Storm. - Without Storm Surge. 	Assumptions: <ul style="list-style-type: none"> - All Perils (North Atlantic Hurricane and Severe Convective Storm). - Aggregate Annual Loss estimate. - North Atlantic Hurricane v23 – Wind Only 300k Historical (Long Term) Event Set. - Severe Thunderstorm frequency - Standard. - With Demand Surge for North Atlantic Hurricane and Severe Convective Storm. - Without Storm Surge.
§5.4160(d)(4) The one-in-100-year probable maximum loss model output produced by each hurricane model the Association relied on;	One-in-100-year PML: \$4,962,755,478	One-in-100-year PML: \$5,540,469,248
§5.4160(d)(5) If the association relied on more than one hurricane model, the methodology the association used to blend or average the hurricane model outputs, including all weighting factors used;	Blending methodology: The aggregate annual loss output from each of the four models described herein were combined using a weighting of 50% Impact Forecasting/25% RMS/25% CoreLogic to produce a combined one-in-100-year aggregate loss estimate of \$5,414,741,927 excluding any provision for estimated loss adjustment expenses.	Blending methodology: The aggregate annual loss output from each of the four models described herein were combined using a weighting of 50% Impact Forecasting/25% RMS/25% CoreLogic to produce a combined one-in-100-year aggregate loss estimate of \$5,414,741,927 excluding any provision for estimated loss adjustment expenses.
§5.4160(d)(6) Any adjustments the association or another party made to the one-in-100-year probable maximum loss model outputs or the blended or averaged output, including any adjustments to include loss adjustment expenses.	Adjustments: The combined one-in-100-year aggregate loss estimate described in §5.4160(d)(5) was increased by a factor of 15% to account for estimated loss adjustment expenses to yield \$6,226,953,216. This amount was rounded to the nearest \$1 million to derive the one-in-100-year probable maximum loss for the calendar year 2025 of \$6,227,000,000.	Adjustments: The combined one-in-100-year aggregate loss estimate described in §5.4160(d)(5) was increased by a factor of 15% to account for estimated loss adjustment expenses to yield \$6,226,953,216. This amount was rounded to the nearest \$1 million to derive the one-in-100-year probable maximum loss for the calendar year 2025 of \$6,227,000,000.