

**Texas Automobile Insurance Plan Association**  
**2025 Rate Filing**  
**Commercial Auto Memorandum**

*Updated June 16, 2025*

*This memorandum is an update to the version dated April 17, 2025, in order to amend the proposed PIP rate change due to the rounding of base rates. No other changes have been made to the memorandum.*

*The TAIPA manual of rates rounds all base rates to the nearest dollar. The base rates for PIP coverage are low enough that this rounding process can have a material impact on the actual rate change for any given combination of territory and rate group. The intention of the TAIPA governing committee was to increase commercial auto PIP rates by 5.0%, with the overall increase for a given rate group not to exceed that amount in order to avoid an additional rate bearing. Upon reviewing the rounded rate changes by territory, we have recalculated the overall PIP rate impact as +4.2%, based on the latest available premium by territory and assuming an even distribution of each territory's premium across the commercial auto rate groups. The actual realized rate change may differ from this amount if the distribution of TAIPA's commercial auto policies either materially differs from these assumptions or has changed meaningfully since the latest available data in 2022.*

**Proposed Rate Changes**

TAIPA is proposing an overall average rate level change of +1.7% for commercial vehicles. 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 2023 Texas Commercial Auto Benchmark Reports.

The indicated rate changes were determined by the same methodology underlying the Association's prior rate filing, which is described in greater detail below. The proposed changes have been limited to +5.0% for each coverage.

<u>Commercial Auto</u>	<u>Indicated</u>	<u>Proposed</u>
Bodily Injury Liability	+0.0%	0.0%
Property Damage Liability	+4.6%	+4.0%
Personal Injury Protection	+5.7%	+4.2%
Uninsured Motorists - BI	+1.4%	+1.0%
Uninsured Motorists - PD	+11.2%	+5.0%
<b>Total</b>	<b>+2.1%</b>	<b>+1.7%</b>

### Historical Commercial Auto Exposures

The commercial auto BI exposures below were taken from the 2023 Commercial Auto Liability Benchmark Reports (BMK\_LB1\_R2023). The figures below are similar for Property Damage Liability and notably lower for the other coverages offered by TAIPA. The three Rate Groups are defined as follows: A = Trucks, Not Zone Rated; C = Publics, Not Zone Rated; and J = All Other (which excludes all Trucks, all Publics, Garage Dealers, and Garage Services). The exposure base in the Benchmark Report is earned car months, which we have converted below to earned car years.

#### TAIPA Commercial Auto Bodily Injury Liability Earned Car Years by AY and Rate Group

<b>AY</b>	<b>A</b>	<b>C</b>	<b>J</b>
2017	236	293	685
2018	254	257	782
2019	275	228	867
2020	264	191	835
2021	291	171	1,018
2022	359	238	1,661

### 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, commercial auto liability rates for TAIPA were derived directly from the voluntary market loss costs filed by ISO. During this time, TAIPA was a subscriber to the ISO loss costs, and

the actuarial staff at the TDI used the loss costs with TAIPA's filed loss cost multiplier and split point factor to determine the Association's commercial vehicle rates. As the commercial auto assigned risk market in Texas continued to depopulate, the ISO subscription fees became a prohibitive cost for TAIPA relative to the number of insured vehicles in the Plan.

Beginning in 2016, TAIPA's commercial auto rate filings were based on the change in the voluntary market aggregate loss costs that were included in the ISO filings, which had historically followed the filed loss costs very closely and would have produced substantially similar results to the prior methodology. However, the observed annual changes in three-year average loss costs proved to be more erratic than anticipated. Attempts were made to normalize the reported losses for shifts in the distribution of insured vehicles by territory and changes in the companies reporting losses to ISO, but the results remained highly variable. In the Association's 2021 rate filing, no adjustments were made to the change in loss costs, and the annual percentage change was directly used as the basis for the proposed rate increases.

Having filed annual commercial auto rate changes from 2016 to 2021, TAIPA did not file any changes to its commercial vehicle rates in 2022. Effective 6/1/2023, a flat +5.0% base rate increase was filed for each coverage. This rate revision was based on the changes to the voluntary market rates included in the November 2022 Commercial Auto Biennial Report prepared by the TDI, as required by House Bill 19 (87R, 2021), which showed that the Association's rate increases had notably lagged those of the voluntary market.

The 2024 Biennial Report showed that over the eight-year period from 2017 to 2024, statewide commercial auto rates in Texas increased by 72.9%, an average of 7.1% per year. In that same time period, TAIPA has filed seven rate changes with a combined impact of increasing the Association's commercial vehicle rates by 40.7%, which falls 22.9% below the voluntary market's cumulative rate increase.

In each of TAIPA's commercial auto filings from 2017 to 2023, the proposed rate increases for every coverage were capped at +5.0%, in order to avoid the additional cost associated with one or more rate hearings. TAIPA determined in 2024 that filing a rate increase in excess of its historical +5.0% cap was necessary to keep pace with the changes in the voluntary market. The Association's average rate increases for each coverage in the filings effective since 2017 are as follows:

<b>Eff. Date</b>	<b>BI</b>	<b>PD</b>	<b>PIP</b>	<b>UM BI</b>	<b>UMPD</b>	<b>Overall</b>
2/1/2017	+3.8%	+1.0%	+1.2%	0.0%	0.0%	+2.5%
2/1/2018	+2.1%	+1.1%	0.0%	0.0%	0.0%	+1.7%
3/1/2019	+4.3%	+3.3%	+3.5%	0.0%	0.0%	+3.9%
2/1/2020	+4.8%	+5.0%	+1.3%	+3.6%	+3.2%	+4.8%
3/1/2021	+5.0%	+5.0%	0.0%	0.0%	0.0%	+4.8%
6/1/2023	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%	+5.0%
10/1/2024	+15.0%	+10.0%	0.0%	+10.0%	+10.0%	+12.7%

### **Indicated Rate Change Methodology**

While the Biennial Report may be the best source of rate changes in the voluntary market, we recognize that the commercial vehicles covered by TAIPA differ from the average policy in the voluntary market. In particular, TAIPA only offers the minimum statutory limits and currently insures no zone-rated trucking risks, which constitute a significant portion of the premium in the voluntary market.

Consistent with the prior rate filing, this analysis of TAIPA’s commercial auto rate adequacy uses an approach similar to what has been employed for the Association’s private passenger rates for a number of years, by examining statewide loss trends for each coverage offered by TAIPA. The source of the claims data contained in the commercial auto exhibits is the 2023 Texas Commercial Auto Liability Benchmark Reports. The 2023 Benchmark Reports contain data on commercial auto claims occurring through the end of 2022 with valuation dates up to 3/31/2023. The 2024 Benchmark Reports were not yet available at the time of filing.

The Benchmark Report’s quarterly loss trend file, analogous to the QDE and TICO trend reports for private passenger auto, only contains losses at total limits, which presents a similar issue to the use of the Biennial Report’s voluntary market rate changes. However, the loss development report (liability report #6) does contain basic limits reported losses, reported ALAE, and reported claim counts at annual valuation dates, which we have used to perform an analysis of the trend in statewide basic limits claim severity in Texas. In the exhibits for each coverage, Pages 2 and 3 display the development of loss/ALAE and claim counts to their ultimate level. The resulting claim severities are brought forward to Page 1, where an annual claim severity trend is selected.

The claims included in this analysis come from Rate Groups A, C, and J of the Benchmark Report, corresponding to the Rate Groups of the commercial vehicles written by TAIPA. These include non-zone-rated Trucks, non-zone-rated Publics, and All Other vehicles. Notably, this excludes zone-rated Trucks that are not present in the book of business currently underwritten by TAIPA. The three rate groups are combined for each coverage for the sake of credibility and stability in the results. Standard chain-ladder loss development methodology is used to develop the reported loss & ALAE and the reported claim counts to their ultimate level for each coverage, and the resulting values are compared to obtain the average basic limits loss & ALAE cost per claim in each accident year. The annual trends in the resulting basic limits claim severity serve as the basis for the indicated rate changes.

Exhibit 1 contains the calculation of the indicated rate change for each coverage. Since TAIPA has made only two commercial auto rate filings in the four-year period since 2021, we have applied the selected trends for multiple years to account for the longer periods between rate changes. After determining the appropriate *annual* trend in claim severity for each coverage, we apply that trend for a period of 4.6 years—the length of time between 3/1/2021 and 10/1/2025, 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 claim costs over that time. From there, we obtain the rate indications by accounting for the impact of the rate filings effective 6/1/2023 and 10/1/2024.

### **Limitations on Data Sources and Methodology**

For the 2024 rate filing, we made note of potential data anomalies contained in the 2022 Commercial Auto Benchmark Reports. Specifically, we noticed a dramatic increase in the reported losses and reported claim counts in the 3/31/2022 valuation for certain coverages, and we accordingly gave little credibility the seemingly anomalous values in our selections. Since that time, it has become apparent that the increase was likely driven by a change in the method of data collection and processing, rather than genuine claim development.

For the current filing, we have noted significant changes in the overall dollars of reported loss and the total reported claim counts between the 2022 and 2023 Commercial Auto Benchmark Reports. We have become aware that the changes in data collection and processing included a change in the definition of reported claim counts in accident year 2019, with a newer database containing more detailed claim information. A notable increase in the reported claim counts can be observed between

accident years 2018 and 2019 for the BI Liability, PIP, and UM BI coverages. The increases are less pronounced for the PD and UM PD coverages. As expected, the reported claim counts are depressed for the 2020 and, to a lesser extent, 2021 accident years due to the impact of the pandemic.

The change in reported claim count definition has an observable impact on the claim severity exhibits. Despite the consistent long-term upward claim severity trends for most coverages, we observe decreases from 2018 to 2019 for every coverage, aside from a minimal increase in the PIP severity. To help account for this change in claim reporting, we have given some credibility to the shorter-term trend periods when selecting our claim severity trends, especially for BI Liability.

Using the trend in claim severity as the basis for determining the indicated rate change implicitly assumes no trend in claim frequency. The exposure bases used for commercial auto rating vary (insured cars, employees, miles, etc.), and a large portion of the reported claims in the Benchmark Reports are not associated with any exposure base at all. We have therefore been unable to reliably determine the trend in statewide commercial auto claim frequency from the Benchmark Reports or to evaluate the pure premiums directly. However, the only mention of a trend in claim frequency contained in the 2022 Biennial Report refers to increases in the frequency of commercial auto claims.

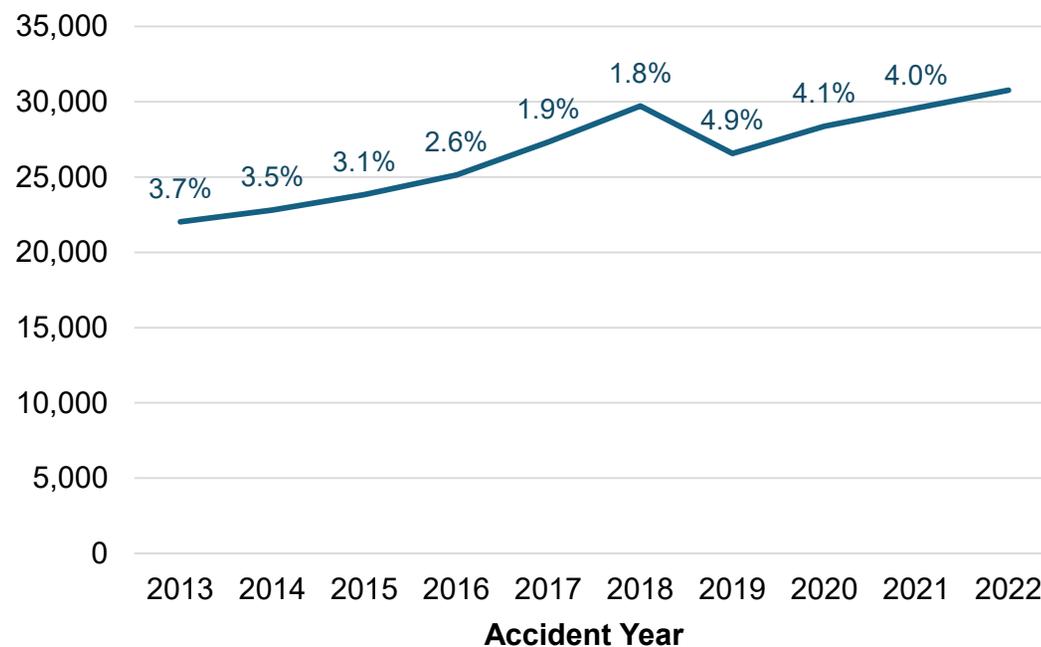
This approach of analyzing prior years' claim severity is inherently retrospective. It is not intended to project the future costs of TAIPA or statewide commercial auto claims; rather, it allows for TAIPA's commercial auto rates to "catch up" to increases in average claim costs that have already been observed.



**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

**Bodily Injury Liability Basic Limits Loss & ALAE Claim Severity**

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2013	199,892,815	9,075	22,027	3.7%
2014	220,386,488	9,666	22,800	3.5%
2015	250,989,607	10,530	23,836	3.1%
2016	261,218,683	10,388	25,147	2.6%
2017	291,698,132	10,675	27,327	1.9%
2018	345,347,324	11,617	29,728	1.8%
2019	403,468,800	15,188	26,565	4.9%
2020	333,492,544	11,750	28,382	4.1%
2021	390,658,378	13,204	29,587	4.0%
2022	424,335,909	13,792	30,767	
<b>Selected Annual Claim Severity Trend:</b>			4.2%	
<b>Prior Selection:</b>			6.5%	



**NOTES**

- (1) from Exhibit 2, Page 2
- (2) from Exhibit 2, Page 3
- (3) = (1) / (2)
- (4) based on exponential fit to (3)

**Texas Automobile Insurance Plan Association**  
**Rate Filing Effective 10/1/2025**  
**Commercial Auto Liability**  
**Calculation of Indicated Rate Changes**

*Bodily Injury Liability, Rate Groups A, C, J.*

<b>Basic Limits Reported Loss &amp; ALAE - Age in Months</b>											
<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	117,864,771	151,682,737	178,669,151	192,292,929	196,580,061	198,824,945	199,728,819	199,724,121	199,737,401	199,892,815	199,892,815
2014	129,926,690	162,279,499	194,043,623	211,842,437	218,104,606	220,282,380	220,116,844	220,172,692	220,215,140		220,386,488
2015	134,674,885	185,180,815	221,439,082	240,861,721	246,189,895	247,895,075	249,214,506	250,761,185			250,989,607
2016	143,374,875	186,918,899	226,296,668	247,258,349	253,940,840	257,766,904	260,359,170				261,218,683
2017	156,528,423	210,146,215	251,779,096	276,392,217	286,459,527	289,283,719					291,698,132
2018	171,037,699	236,316,729	288,944,102	325,407,266	338,884,104						345,347,324
2019	204,038,752	277,513,122	345,304,199	384,066,169							403,468,800
2020	157,293,077	227,979,846	288,442,201								333,492,544
2021	198,182,376	277,436,357									390,658,378
2022	222,291,209										424,335,909

<b>Historical Loss Development Factors</b>										
<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.287	1.178	1.076	1.022	1.011	1.005	1.000	1.000	1.001	
2014	1.249	1.196	1.092	1.030	1.010	0.999	1.000	1.000		
2015	1.375	1.196	1.088	1.022	1.007	1.005	1.006			
2016	1.304	1.211	1.093	1.027	1.015	1.010				
2017	1.343	1.198	1.098	1.036	1.010					
2018	1.382	1.223	1.126	1.041						
2019	1.360	1.244	1.112							
2020	1.449	1.265								
2021	1.400									

<b>Weighted</b>	1.356	1.218	1.101	1.031	1.011	1.005	1.002	1.000	1.001	1.000
<b>to Ult</b>	1.909	1.408	1.156	1.051	1.019	1.008	1.003	1.001	1.001	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

*Bodily Injury Liability, Rate Groups A, C, J.*

<i>Reported Claim Count, Rate Groups A, C, J - Age in Months</i>											
<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	9,161	9,127	9,183	9,111	9,084	9,080	9,086	9,086	9,072	9,075	9,075
2014	9,775	9,614	9,763	9,717	9,679	9,689	9,674	9,668	9,663		9,666
2015	10,452	10,529	10,604	10,566	10,586	10,560	10,546	10,537			10,530
2016	10,345	10,346	10,464	10,439	10,394	10,413	10,400				10,388
2017	10,297	10,382	10,570	10,573	10,747	10,697					10,675
2018	10,771	10,967	11,169	11,724	11,653						11,617
2019	14,526	14,854	15,324	15,232							15,188
2020	11,207	11,617	11,741								11,750
2021	12,569	12,988									13,204
2022	13,388										13,792

<i>Historical Claim Count Development Factors</i>										
<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	0.996	1.006	0.992	0.997	1.000	1.001	1.000	0.998	1.000	
2014	0.984	1.015	0.995	0.996	1.001	0.998	0.999	0.999		
2015	1.007	1.007	0.996	1.002	0.998	0.999	0.999			
2016	1.000	1.011	0.998	0.996	1.002	0.999				
2017	1.008	1.018	1.000	1.016	0.995					
2018	1.018	1.018	1.050	0.994						
2019	1.023	1.032	0.994							
2020	1.037	1.011								
2021	1.033									

<b>Weighted</b>	1.013	1.016	1.004	1.000	0.999	0.999	0.999	0.999	1.000	1.000
<b>to Ult</b>	1.030	1.017	1.001	0.997	0.997	0.998	0.999	0.999	1.000	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

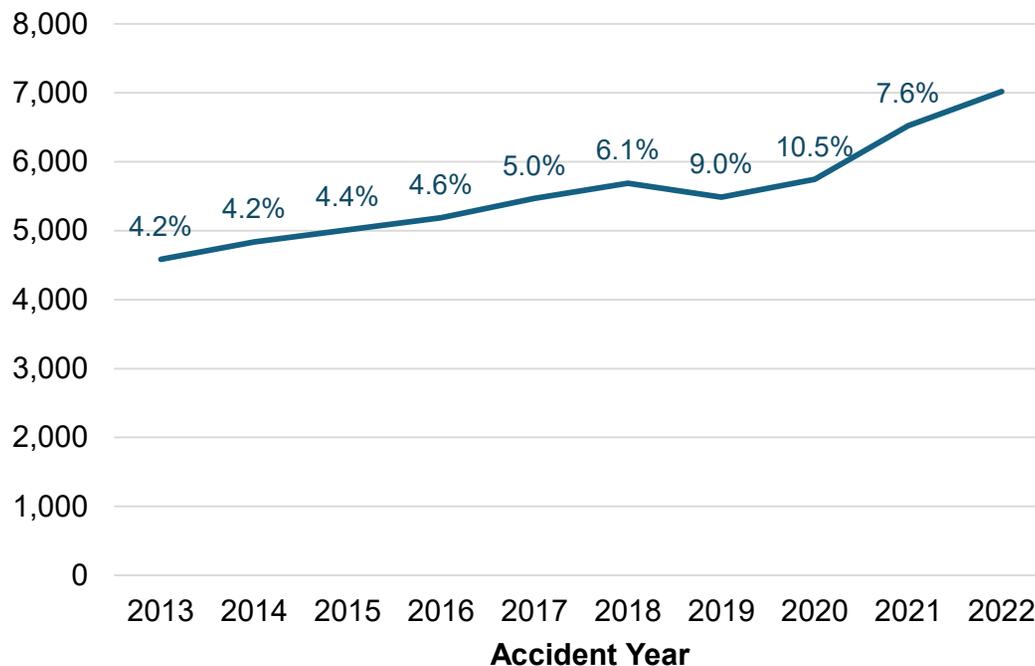
**Property Damage Liability Basic Limits Loss & ALAE Claim Severity**

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2013	131,572,909	28,699	4,585	4.2%
2014	140,386,615	29,031	4,836	4.2%
2015	144,653,784	28,866	5,011	4.4%
2016	148,857,431	28,704	5,186	4.6%
2017	162,839,235	29,777	5,469	5.0%
2018	178,813,968	31,434	5,689	6.1%
2019	179,360,869	32,684	5,488	9.0%
2020	140,978,984	24,544	5,744	10.5%
2021	175,090,868	26,845	6,522	7.6%
2022	194,727,604	27,744	7,019	

**Selected Annual Claim Severity Trend:** 4.2%  
**Prior Selection:** 4.4%

**NOTES**

- (1) from Exhibit 3, Page 2
- (2) from Exhibit 3, Page 3
- (3) = (1) / (2)
- (4) based on exponential fit to (3)



**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

*Property Damage Liability*

<b>Basic Limits Reported Loss &amp; ALAE - Age in Months</b>											
<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	122,870,168	126,779,092	129,061,536	130,590,696	131,092,416	131,509,741	131,579,817	131,566,987	131,569,046	131,572,909	131,572,909
2014	129,751,501	134,615,871	136,982,346	139,449,683	140,082,295	140,234,649	140,288,661	140,372,389	140,382,493		140,386,615
2015	133,762,244	138,987,048	142,431,237	143,930,697	144,551,354	144,622,191	144,591,427	144,643,068			144,653,784
2016	135,731,723	143,526,419	148,435,558	148,985,935	148,950,909	148,933,627	148,802,619				148,857,431
2017	148,572,427	157,618,581	160,883,674	162,065,580	162,863,750	162,790,127					162,839,235
2018	164,199,768	172,942,547	176,849,663	178,831,494	178,625,103						178,813,968
2019	165,435,292	173,598,887	177,493,376	178,714,337							179,360,869
2020	127,239,587	135,497,853	139,117,306								140,978,984
2021	153,678,459	168,829,135									175,090,868
2022	177,884,705										194,727,604

<b>Historical Loss Development Factors</b>										
<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.032	1.018	1.012	1.004	1.003	1.001	1.000	1.000	1.000	
2014	1.037	1.018	1.018	1.005	1.001	1.000	1.001	1.000		1.000
2015	1.039	1.025	1.011	1.004	1.000	1.000	1.000			
2016	1.057	1.034	1.004	1.000	1.000	0.999				
2017	1.061	1.021	1.007	1.005	1.000					
2018	1.053	1.023	1.011	0.999						
2019	1.049	1.022	1.007							
2020	1.065	1.027								
2021	1.099									

<b>Weighted</b>	1.056	1.023	1.010	1.003	1.001	1.000	1.000	1.000	1.000	1.000
<b>to Ult</b>	1.095	1.037	1.013	1.004	1.001	1.000	1.000	1.000	1.000	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

*Property Damage Liability*

<i>Reported Claim Count, Rate Groups A, C, J - Age in Months</i>											
<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	28,610	28,640	28,635	28,654	28,680	28,694	28,696	28,693	28,698	28,699	28,699
2014	29,065	29,028	29,023	29,044	29,031	29,028	29,026	29,031	29,030		29,031
2015	28,748	28,807	28,909	28,858	28,846	28,851	28,862	28,863			28,866
2016	28,503	28,702	28,734	28,695	28,691	28,716	28,700				28,704
2017	29,551	29,747	29,721	29,736	29,774	29,774					29,777
2018	30,904	31,275	31,378	31,445	31,422						31,434
2019	32,083	32,525	32,652	32,669							32,684
2020	24,047	24,453	24,527								24,544
2021	26,390	26,781									26,845
2022	27,458										27,744

<i>Historical Claim Count Development Factors</i>										
<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	
2014	0.999	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2015	1.002	1.004	0.998	1.000	1.000	1.000	1.000			
2016	1.007	1.001	0.999	1.000	1.001	0.999				
2017	1.007	0.999	1.001	1.001	1.000					
2018	1.012	1.003	1.002	0.999						
2019	1.014	1.004	1.001							
2020	1.017	1.003								
2021	1.015									

<b>Weighted</b>	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>to Ult</b>	1.010	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000

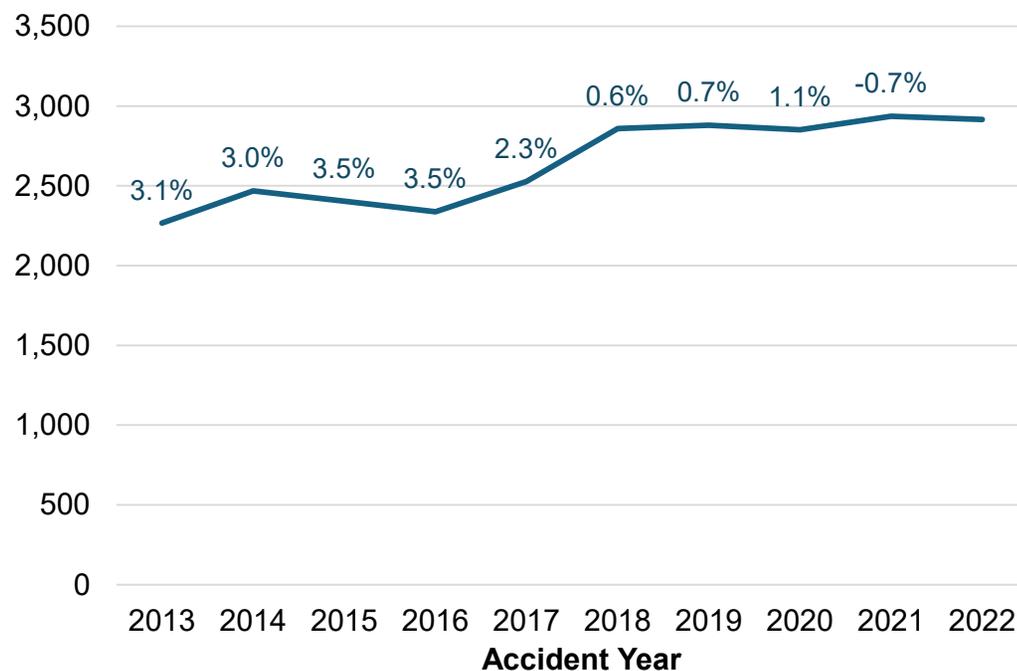
\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
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Calculation of Indicated Rate Changes**

**PIP Basic Limits Loss & ALAE Claim Severity**

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2013	2,878,538	1,270	2,267	3.1%
2014	3,273,250	1,326	2,468	3.0%
2015	3,447,264	1,434	2,404	3.5%
2016	3,368,026	1,441	2,337	3.5%
2017	3,954,644	1,565	2,527	2.3%
2018	4,639,730	1,623	2,859	0.6%
2019	5,412,689	1,879	2,880	0.7%
2020	3,834,672	1,345	2,851	1.1%
2021	4,200,037	1,431	2,936	-0.7%
2022	4,583,153	1,572	2,916	

**Selected Annual Claim Severity Trend:** 2.3%  
**Prior Selection:** 1.0%



**NOTES**

- (1) from Exhibit 4, Page 2
- (2) from Exhibit 4, Page 3
- (3) = (1) / (2)
- (4) based on exponential fit to (3)

**Texas Automobile Insurance Plan Association  
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*Personal Injury Protection*

**Basic Limits Reported Loss & ALAE - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	2,590,545	2,688,240	2,792,846	2,799,314	2,811,035	2,823,540	2,831,063	2,836,438	2,850,289	2,878,538	2,878,538
2014	2,794,242	2,961,483	3,211,048	3,177,702	3,177,993	3,192,162	3,246,708	3,231,947	3,241,127		3,273,250
2015	2,882,564	3,138,079	3,221,835	3,279,421	3,313,843	3,315,909	3,337,408	3,400,528			3,447,264
2016	3,104,541	3,101,783	3,247,615	3,281,831	3,286,469	3,295,017	3,303,510				3,368,026
2017	3,195,562	3,615,084	3,689,920	3,796,053	3,930,692	3,850,815					3,954,644
2018	3,550,667	3,733,274	4,055,926	4,319,399	4,529,592						4,639,730
2019	4,458,298	4,680,328	5,155,470	5,184,816							5,412,689
2020	3,120,053	3,399,185	3,607,288								3,834,672
2021	3,494,451	3,724,075									4,200,037
2022	3,821,504										4,583,153

**Historical Loss Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.038	1.039	1.002	1.004	1.004	1.003	1.002	1.005	1.010	
2014	1.060	1.084	0.990	1.000	1.004	1.017	0.995	1.003		
2015	1.089	1.027	1.018	1.010	1.001	1.006	1.019			
2016	0.999	1.047	1.011	1.001	1.003	1.003				
2017	1.131	1.021	1.029	1.035	0.980					
2018	1.051	1.086	1.065	1.049						
2019	1.050	1.102	1.006							
2020	1.089	1.061								
2021	1.066									

<b>Weighted</b>	1.063	1.061	1.018	1.019	0.997	1.007	1.006	1.004	1.010	1.000
<b>to Ult</b>	1.199	1.128	1.063	1.044	1.024	1.027	1.020	1.014	1.010	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
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Calculation of Indicated Rate Changes**

*Personal Injury Protection*

**Reported Claim Count, Rate Groups A, C, J - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	1,194	1,234	1,257	1,266	1,266	1,266	1,266	1,265	1,265	1,270	1,270
2014	1,253	1,302	1,313	1,318	1,318	1,315	1,317	1,317	1,321		1,326
2015	1,285	1,390	1,411	1,422	1,423	1,421	1,421	1,426			1,434
2016	1,374	1,373	1,420	1,420	1,423	1,428	1,432				1,441
2017	1,401	1,517	1,529	1,540	1,546	1,553					1,565
2018	1,530	1,541	1,575	1,595	1,609						1,623
2019	1,769	1,818	1,854	1,858							1,879
2020	1,262	1,280	1,322								1,345
2021	1,308	1,379									1,431
2022	1,461										1,572

**Historical Claim Count Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.034	1.019	1.007	1.000	1.000	1.000	0.999	1.000	1.004	
2014	1.039	1.008	1.004	1.000	0.998	1.002	1.000	1.003		
2015	1.082	1.015	1.008	1.001	0.999	1.000	1.004			
2016	0.999	1.034	1.000	1.002	1.004	1.003				
2017	1.083	1.008	1.007	1.004	1.005					
2018	1.007	1.022	1.013	1.009						
2019	1.028	1.020	1.002							
2020	1.014	1.033								
2021	1.054									

<b>Weighted</b>	1.037	1.020	1.006	1.003	1.001	1.001	1.001	1.002	1.004	1.000
<b>to Ult</b>	1.076	1.037	1.017	1.011	1.009	1.008	1.007	1.006	1.004	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

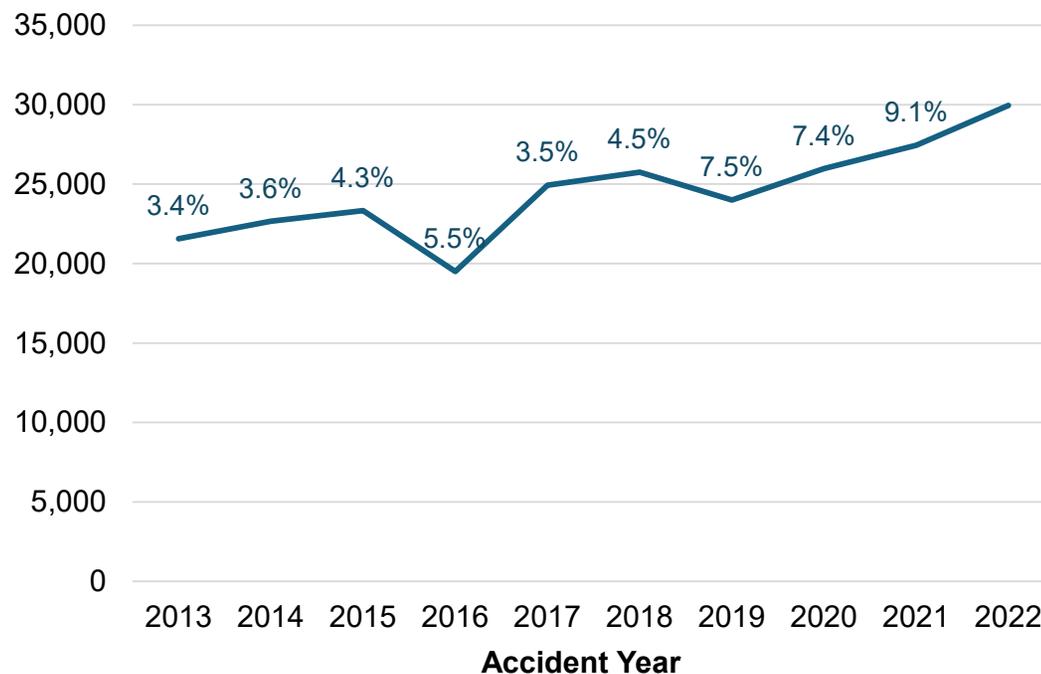
**UM/UIM Bodily Injury Basic Limits Loss & ALAE Claim Severity**

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2013	10,482,439	486	21,569	3.4%
2014	12,319,245	543	22,670	3.6%
2015	13,173,644	565	23,327	4.3%
2016	11,826,031	606	19,504	5.5%
2017	14,043,661	563	24,935	3.5%
2018	14,980,574	582	25,752	4.5%
2019	18,391,712	766	23,999	7.5%
2020	18,366,652	707	25,974	7.4%
2021	16,150,676	588	27,454	9.1%
2022	20,022,959	668	29,954	

**Selected Annual Claim Severity Trend:** 3.5%  
**Prior Selection:** 4.7%

**NOTES**

- (1) from Exhibit 5, Page 2
- (2) from Exhibit 5, Page 3
- (3) = (1) / (2)
- (4) based on exponential fit to (3)



**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

*UM/UIM Bodily Injury*

**Basic Limits Reported Loss & ALAE - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	4,308,998	6,729,626	8,787,455	9,747,398	10,325,190	10,356,677	10,445,956	10,521,035	10,564,344	10,482,439	10,482,439
2014	5,744,715	8,983,679	10,887,895	11,515,671	11,843,571	12,174,224	12,326,044	12,396,037	12,415,502		12,319,245
2015	6,150,126	9,179,836	11,510,686	12,182,670	12,968,300	13,122,668	13,055,478	13,240,309			13,173,644
2016	7,253,931	9,987,760	10,954,636	11,871,036	11,788,839	11,741,936	11,777,429				11,826,031
2017	6,185,894	9,397,250	11,537,652	12,839,067	13,608,410	13,924,424					14,043,661
2018	7,001,282	11,350,824	13,606,342	14,149,656	14,663,084						14,980,574
2019	8,707,317	13,592,585	16,176,490	17,309,621							18,391,712
2020	8,166,390	13,125,887	16,098,985								18,366,652
2021	8,200,448	11,709,109									16,150,676
2022	9,525,591										20,022,959

**Historical Loss Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.562	1.306	1.109	1.059	1.003	1.009	1.007	1.004	0.992	
2014	1.564	1.212	1.058	1.028	1.028	1.012	1.006	1.002		
2015	1.493	1.254	1.058	1.064	1.012	0.995	1.014			
2016	1.377	1.097	1.084	0.993	0.996	1.003				
2017	1.519	1.228	1.113	1.060	1.023					
2018	1.621	1.199	1.040	1.036						
2019	1.561	1.190	1.070							
2020	1.607	1.227								
2021	1.428									

<b>Weighted</b>	1.524	1.209	1.074	1.040	1.013	1.004	1.009	1.003	0.992	1.000
<b>to Ult</b>	2.102	1.379	1.141	1.063	1.022	1.009	1.004	0.995	0.992	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association**  
**Rate Filing Effective 10/1/2025**  
**Commercial Auto Liability**  
**Calculation of Indicated Rate Changes**

*UM/UIM Bodily Injury*

**Reported Claim Count, Rate Groups A, C, J - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	367	461	498	499	494	490	489	490	491	486	486
2014	479	535	548	548	549	551	551	549	549		543
2015	507	567	584	575	573	573	569	570			565
2016	593	615	621	629	619	613	612				606
2017	481	523	553	557	568	570					563
2018	507	590	611	597	590						582
2019	645	755	795	780							766
2020	637	705	724								707
2021	500	580									588
2022	583										668

**Historical Claim Count Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.256	1.080	1.002	0.990	0.992	0.998	1.002	1.002	0.990	
2014	1.117	1.024	1.000	1.002	1.004	1.000	0.996	1.000		
2015	1.118	1.030	0.985	0.997	1.000	0.993	1.002			
2016	1.037	1.010	1.013	0.984	0.990	0.998				
2017	1.087	1.057	1.007	1.020	1.004					
2018	1.164	1.036	0.977	0.988						
2019	1.171	1.053	0.981							
2020	1.107	1.027								
2021	1.160									

<b>Weighted</b>	1.130	1.039	0.994	0.996	0.998	0.997	1.000	1.001	0.990	1.000
<b>to Ult</b>	1.147	1.014	0.977	0.983	0.986	0.988	0.991	0.991	0.990	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

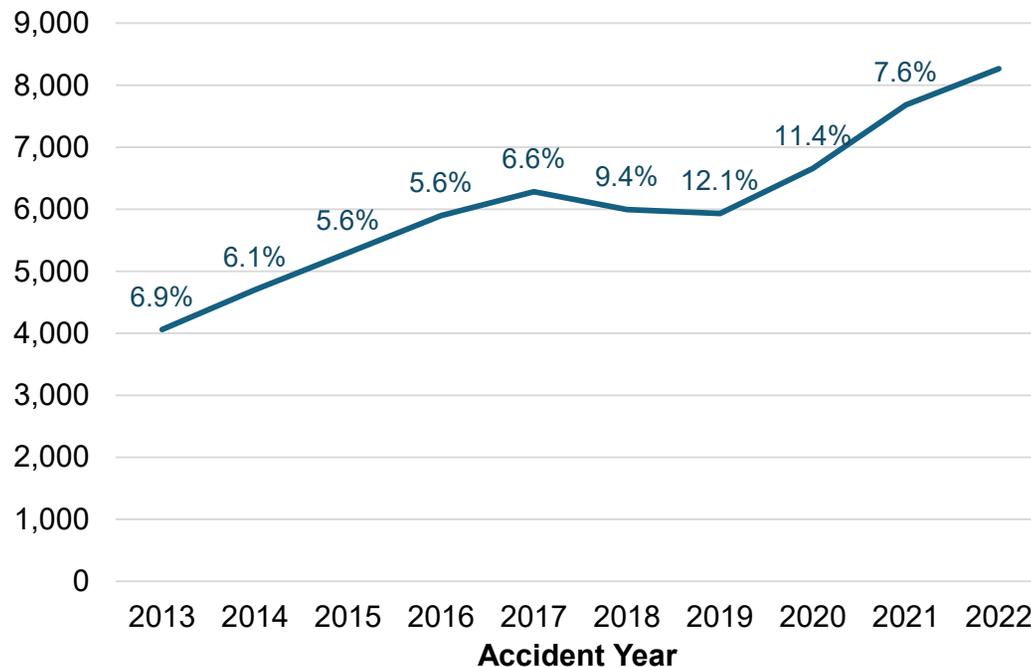
**UM/UIM Property Damage Basic Limits Loss & ALAE Claim Severity**

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2013	6,610,012	1,628	4,060	6.9%
2014	8,356,602	1,777	4,703	6.1%
2015	9,967,986	1,882	5,296	5.6%
2016	12,147,875	2,059	5,900	5.6%
2017	11,717,970	1,866	6,281	6.6%
2018	11,104,747	1,852	5,997	9.4%
2019	11,352,321	1,914	5,932	12.1%
2020	11,525,974	1,731	6,659	11.4%
2021	12,224,993	1,591	7,683	7.6%
2022	12,775,778	1,546	8,265	

**Selected Annual Claim Severity Trend:** 5.6%  
**Prior Selection:** 5.0%

**NOTES**

- (1) from Exhibit 6, Page 2
- (2) from Exhibit 6, Page 3
- (3) = (1) / (2)
- (4) based on exponential fit to (3)



**Texas Automobile Insurance Plan Association**  
**Rate Filing Effective 10/1/2025**  
**Commercial Auto Liability**  
**Calculation of Indicated Rate Changes**

*UM/UIM Property Damage*

**Basic Limits Reported Loss & ALAE - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	6,478,366	6,392,000	6,454,827	6,606,237	6,582,066	6,578,166	6,612,935	6,612,234	6,610,512	6,610,012	6,610,012
2014	7,064,078	7,616,083	8,018,664	8,257,161	8,235,239	8,357,194	8,356,917	8,357,234	8,357,234		8,356,602
2015	8,022,534	8,925,304	10,114,923	9,679,728	9,913,306	10,015,312	9,998,197	9,969,887			9,967,986
2016	9,741,440	10,877,808	11,832,800	11,890,294	11,903,560	12,115,997	12,164,171				12,147,875
2017	9,853,733	10,179,735	11,138,488	11,308,394	11,693,143	11,712,975					11,717,970
2018	9,715,318	10,292,847	10,445,923	11,002,304	10,997,084						11,104,747
2019	10,208,454	10,503,492	10,888,801	11,132,292							11,352,321
2020	10,653,256	10,816,890	11,143,742								11,525,974
2021	10,463,049	11,164,791									12,224,993
2022	11,053,454										12,775,778

**Historical Loss Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	0.987	1.010	1.023	0.996	0.999	1.005	1.000	1.000	1.000	
2014	1.078	1.053	1.030	0.997	1.015	1.000	1.000	1.000		
2015	1.113	1.133	0.957	1.024	1.010	0.998	0.997			
2016	1.117	1.088	1.005	1.001	1.018	1.004				
2017	1.033	1.094	1.015	1.034	1.002					
2018	1.059	1.015	1.053	1.000						
2019	1.029	1.037	1.022							
2020	1.015	1.030								
2021	1.067									

<b>Weighted</b>	1.056	1.059	1.014	1.010	1.009	1.002	0.999	1.000	1.000	1.000
<b>to Ult</b>	1.156	1.095	1.034	1.020	1.010	1.000	0.999	1.000	1.000	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association  
Rate Filing Effective 10/1/2025  
Commercial Auto Liability  
Calculation of Indicated Rate Changes**

**UM/UIM Property Damage**

**Reported Claim Count, Rate Groups A, C, J - Age in Months**

<u>AY</u>	<u>@15</u>	<u>@27</u>	<u>@39</u>	<u>@51</u>	<u>@63</u>	<u>@75</u>	<u>@87</u>	<u>@99</u>	<u>@111</u>	<u>@123</u>	<u>Ultimate</u>
2013	1,604	1,621	1,619	1,632	1,632	1,631	1,630	1,630	1,629	1,628	1,628
2014	1,682	1,747	1,765	1,782	1,772	1,777	1,777	1,778	1,778		1,777
2015	1,775	1,837	1,929	1,880	1,885	1,885	1,885	1,884			1,882
2016	1,907	2,044	2,066	2,056	2,054	2,063	2,061				2,059
2017	1,793	1,833	1,866	1,872	1,870	1,868					1,866
2018	1,806	1,852	1,856	1,861	1,852						1,852
2019	1,858	1,898	1,915	1,917							1,914
2020	1,696	1,727	1,736								1,731
2021	1,496	1,575									1,591
2022	1,481										1,546

**Historical Claim Count Development Factors**

<u>AY</u>	<u>15-27</u>	<u>27-39</u>	<u>39-51</u>	<u>51-63</u>	<u>63-75</u>	<u>75-87</u>	<u>87-99</u>	<u>99-111</u>	<u>111-123</u>	<u>123-Ult</u>
2013	1.011	0.999	1.008	1.000	0.999	0.999	1.000	0.999	0.999	
2014	1.039	1.010	1.010	0.994	1.003	1.000	1.001	1.000		
2015	1.035	1.050	0.975	1.003	1.000	1.000	0.999			
2016	1.072	1.011	0.995	0.999	1.004	0.999				
2017	1.022	1.018	1.003	0.999	0.999					
2018	1.025	1.002	1.003	0.995						
2019	1.022	1.009	1.001							
2020	1.018	1.005								
2021	1.053									

<b>Weighted</b>	1.033	1.013	0.999	0.998	1.001	1.000	1.000	1.000	0.999	1.000
<b>to Ult</b>	1.044	1.010	0.997	0.998	1.000	0.999	0.999	0.999	0.999	1.000

\* - data from 2023 Texas Commercial Auto Liability Benchmark Reports