

Texas Automobile Insurance Plan Association
2026 Rate Filing
Commercial Auto Memorandum

Proposed Rate Changes

TAIPA is proposing an overall average rate level change of +4.9% 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 2023 earned premium in the assigned risk market for each coverage from the 2024 Texas Commercial Auto Benchmark Reports, adjusted to the current rate level.

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. The percentage rate changes for the two UM coverages correspond to increases of a single dollar from the current rates.

<u>Commercial Auto</u>	<u>Indicated</u>	<u>Proposed</u>
Bodily Injury Liability	+15.2%	+5.0%
Property Damage Liability	+9.8%	+5.0%
Personal Injury Protection	-0.5%	0.0%
Uninsured Motorists - BI	+10.0%	+2.9%
Uninsured Motorists - PD	+12.3%	+2.6%
Total	+12.8%	+4.9%

Historical Commercial Auto Exposures

The commercial auto BI exposures below were taken from the 2024 Commercial Auto Liability Benchmark Reports (BMK_LB1_R2024). 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

AY	A	C	J
2018	254	257	782
2019	275	228	867
2020	264	191	835
2021	291	171	1,018
2022	359	238	1,662
2023	363	209	1,950

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 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:

Eff. Date	BI	PD	PIP	UM BI	UMPD	Overall
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%
11/1/2025	0.0%	+4.0%	+4.2%	+1.0%	+5.0%	+1.7%

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 2024 Texas Commercial Auto Liability Benchmark Reports. The 2024 Benchmark Reports contain data on commercial auto claims occurring through the end of 2023 with valuation dates up to 3/31/2024. The 2025 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.

For the purposes of consistency and stability, we have generally selected the long-term weighted average of the historical loss and claim count development factors when projecting those values to their ultimate level. In this current filing, we have recognized an upward trend in the historical 15-27 development factors, for both loss/ALAE and claim counts in the BI and PD coverages. To account for this trend, we are applying the shorter-term 5-year weighted average. Because this selection is made to both loss/ALAE and claim counts, the net effect to the claim severity trend is largely offsetting.

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 three commercial auto rate filings in the five-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 5.7 years—the length of time between 3/1/2021 and 11/1/2026, 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, 10/1/2024, and 11/1/2025.

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 to 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 2025 filing, we 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 learned that 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.

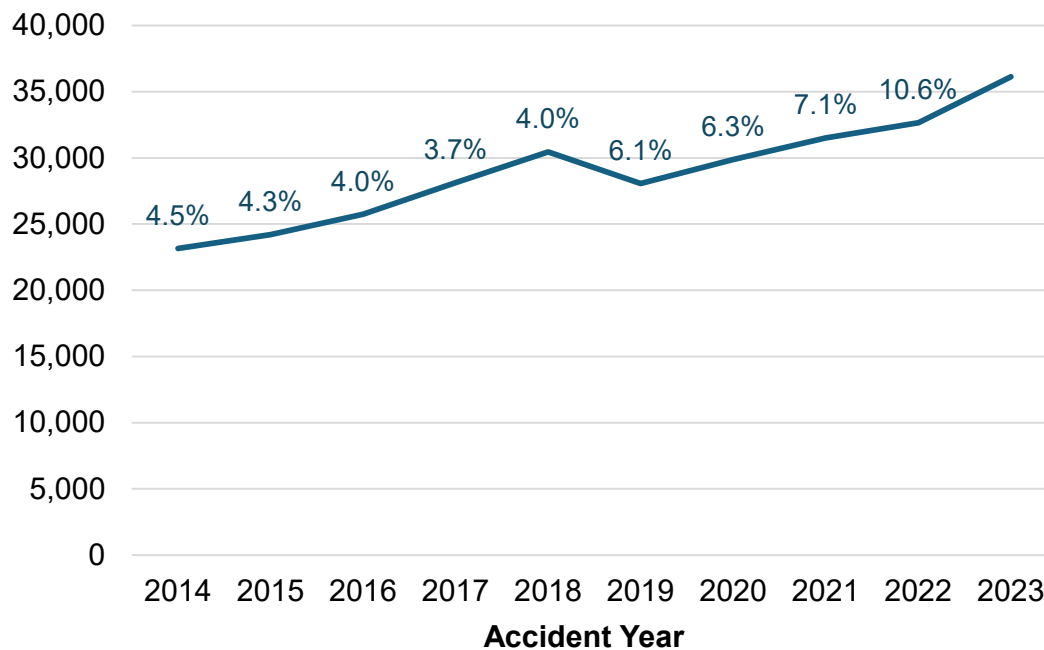
Using the trend in claim severity as the basis for determining the indicated rate change implicitly assumes no trend in claim frequency. The exposure bases used for commercial auto rating vary (insured cars, employees, miles, etc.), and a large portion of the reported claims in the Benchmark Reports 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 11/1/2026
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
2014	230,245,971	9,942	23,159	4.5%
2015	264,916,930	10,942	24,212	4.3%
2016	276,695,134	10,745	25,751	4.0%
2017	308,536,195	10,966	28,136	3.7%
2018	356,840,957	11,714	30,463	4.0%
2019	420,825,515	14,991	28,071	6.1%
2020	340,540,450	11,402	29,867	6.3%
2021	400,895,461	12,726	31,503	7.1%
2022	448,194,519	13,725	32,654	10.6%
2023	515,251,594	14,262	36,127	
Selected Annual Claim Severity Trend:			6.0%	
Prior Selection:			4.2%	



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 11/1/2026
Commercial Auto Liability
Calculation of Indicated Rate Changes

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

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>
2014	138,403,610	171,514,838	204,072,358	220,973,697	227,109,617	229,479,900	229,454,787	229,489,387	229,656,837	230,245,971	230,245,971
2015	147,732,202	198,982,904	237,183,120	255,196,833	260,060,713	261,389,637	262,755,237	264,168,264	264,239,083		264,916,930
2016	157,820,794	200,775,583	240,263,320	261,097,739	267,782,047	272,731,128	275,157,227	275,854,006			276,695,134
2017	171,312,369	223,778,511	265,269,059	289,958,230	299,290,946	301,704,586	306,741,086				308,536,195
2018	182,390,326	248,711,341	301,779,041	337,194,839	349,216,529	351,857,252					356,840,957
2019	215,383,930	289,969,799	357,535,822	396,273,072	410,936,025						420,825,515
2020	164,466,291	233,610,989	293,326,247	322,695,414							340,540,450
2021	203,135,965	280,396,636	346,344,061								400,895,461
2022	225,671,395	318,579,838									448,194,519
2023	264,693,457										515,251,594

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>
2014	1.239	1.190	1.083	1.028	1.010	1.000	1.000	1.001	1.003	
2015	1.347	1.192	1.076	1.019	1.005	1.005	1.005	1.000		
2016	1.272	1.197	1.087	1.026	1.018	1.009	1.003			
2017	1.306	1.185	1.093	1.032	1.008	1.017				
2018	1.364	1.213	1.117	1.036	1.008					
2019	1.346	1.233	1.108	1.037						
2020	1.420	1.256	1.100							
2021	1.380	1.235								
2022	1.412									

Weighted	1.384	1.215	1.097	1.031	1.010	1.008	1.003	1.000	1.003	1.000
to Ult	1.947	1.407	1.158	1.055	1.024	1.014	1.006	1.003	1.003	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

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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>
2014	10,077	9,906	10,058	10,003	9,962	9,971	9,956	9,950	9,945	9,942	9,942
2015	10,884	10,961	11,043	10,991	11,000	10,975	10,967	10,951	10,945		10,942
2016	10,747	10,742	10,851	10,809	10,760	10,780	10,761	10,754			10,745
2017	10,709	10,709	10,879	10,881	11,055	11,003	10,985				10,966
2018	11,008	11,174	11,388	11,925	11,853	11,751					11,714
2019	14,612	14,909	15,346	15,238	15,080						14,991
2020	11,246	11,572	11,665	11,492							11,402
2021	12,459	12,826	12,809								12,726
2022	13,208	13,633									13,725
2023	13,817										14,262

<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>
2014	0.983	1.015	0.995	0.996	1.001	0.998	0.999	0.999	1.000	
2015	1.007	1.007	0.995	1.001	0.998	0.999	0.999	0.999		
2016	1.000	1.010	0.996	0.995	1.002	0.998	0.999			
2017	1.000	1.016	1.000	1.016	0.995	0.998				
2018	1.015	1.019	1.047	0.994	0.991					
2019	1.020	1.029	0.993	0.990						
2020	1.029	1.008	0.985							
2021	1.029	0.999								
2022	1.032									

Weighted	1.025	1.013	1.001	0.998	0.997	0.999	0.999	0.999	1.000	1.000
to Ult	1.032	1.007	0.994	0.992	0.994	0.997	0.998	0.999	1.000	1.000

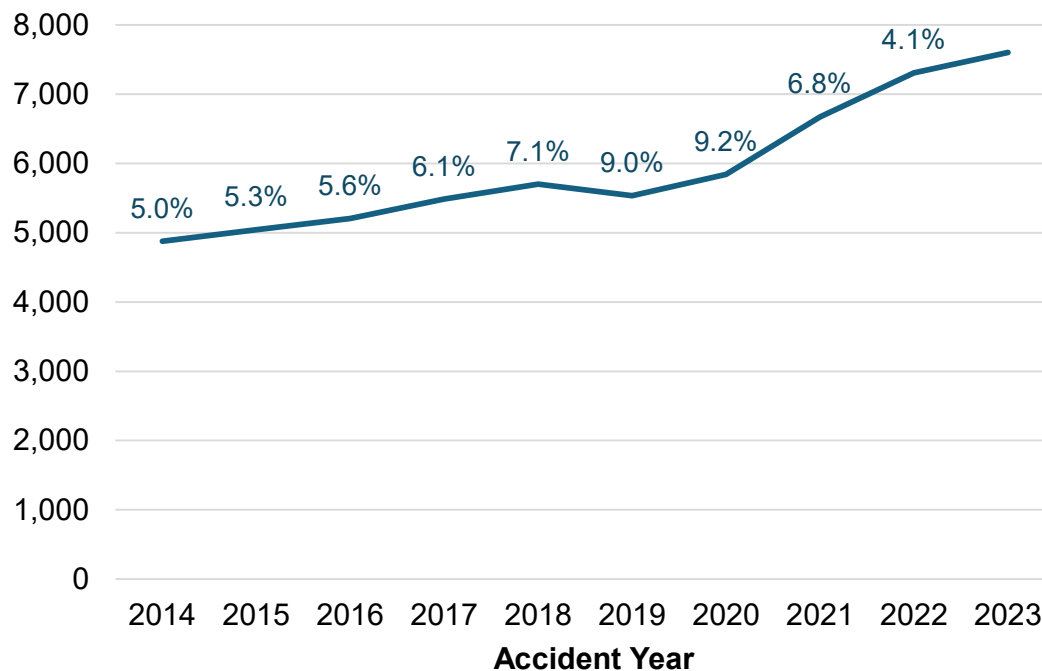
* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
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
2014	144,033,464	29,533	4,877	5.0%
2015	148,555,389	29,448	5,045	5.3%
2016	151,911,750	29,181	5,206	5.6%
2017	164,039,360	29,909	5,485	6.1%
2018	179,378,100	31,463	5,701	7.1%
2019	180,640,786	32,650	5,533	9.0%
2020	142,739,646	24,443	5,840	9.2%
2021	179,700,623	26,944	6,669	6.8%
2022	205,694,048	28,155	7,306	4.1%
2023	209,306,998	27,533	7,602	

Selected Annual Claim Severity Trend: 5.0%
Prior Selection: 4.2%



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 11/1/2026
Commercial Auto Liability
Calculation of Indicated Rate Changes**

Property Damage Liability

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>
2014	134,443,072	138,568,726	140,881,328	143,202,429	143,777,346	143,945,462	144,003,430	144,055,891	144,067,060	144,033,464	144,033,464
2015	138,245,890	143,346,150	146,663,781	148,009,798	148,472,322	148,536,573	148,505,885	148,557,526	148,590,040		148,555,389
2016	139,529,263	147,090,053	151,698,435	151,972,881	151,911,364	151,894,032	151,763,205	151,924,503			151,911,750
2017	150,681,568	159,173,111	162,184,863	163,288,743	164,048,167	163,973,537	163,955,188				164,039,360
2018	166,048,126	174,291,340	177,996,255	179,823,102	179,631,067	179,321,988					179,378,100
2019	167,831,712	175,566,155	179,300,041	180,436,761	180,622,950						180,640,786
2020	128,990,976	137,046,371	140,529,722	142,470,670							142,739,646
2021	156,500,569	171,194,107	177,753,057								179,700,623
2022	180,945,229	198,568,345									205,694,048
2023	188,765,307										209,306,998

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>
2014	1.031	1.017	1.016	1.004	1.001	1.000	1.000	1.000	1.000	
2015	1.037	1.023	1.009	1.003	1.000	1.000	1.000	1.000		
2016	1.054	1.031	1.002	1.000	1.000	0.999	1.001			
2017	1.056	1.019	1.007	1.005	1.000	1.000				
2018	1.050	1.021	1.010	0.999	0.998					
2019	1.046	1.021	1.006	1.001						
2020	1.062	1.025	1.014							
2021	1.094	1.038								
2022	1.097									

Weighted	1.070	1.025	1.009	1.002	1.000	1.000	1.001	1.000	1.000	1.000
to Ult	1.109	1.036	1.011	1.002	1.000	1.000	1.001	1.000	1.000	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
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>
2014	29,675	29,572	29,547	29,554	29,535	29,533	29,531	29,535	29,534	29,533	29,533
2015	29,415	29,433	29,520	29,451	29,434	29,440	29,450	29,451	29,449		29,448
2016	29,058	29,225	29,238	29,180	29,177	29,201	29,185	29,183			29,181
2017	29,766	29,923	29,875	29,887	29,921	29,920	29,911				29,909
2018	31,065	31,404	31,501	31,556	31,532	31,469					31,463
2019	32,196	32,577	32,691	32,698	32,664						32,650
2020	24,068	24,438	24,495	24,462							24,443
2021	26,547	26,867	26,975								26,944
2022	27,692	28,139									28,155
2023	27,161										27,533

<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>
2014	0.997	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
2015	1.001	1.003	0.998	0.999	1.000	1.000	1.000	1.000	1.000	
2016	1.006	1.000	0.998	1.000	1.001	0.999	1.000			
2017	1.005	0.998	1.000	1.001	1.000	1.000				
2018	1.011	1.003	1.002	0.999	0.998					
2019	1.012	1.003	1.000	0.999						
2020	1.015	1.002	0.999							
2021	1.012	1.004								
2022	1.016									

Weighted	1.013	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
to Ult	1.014	1.001	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000

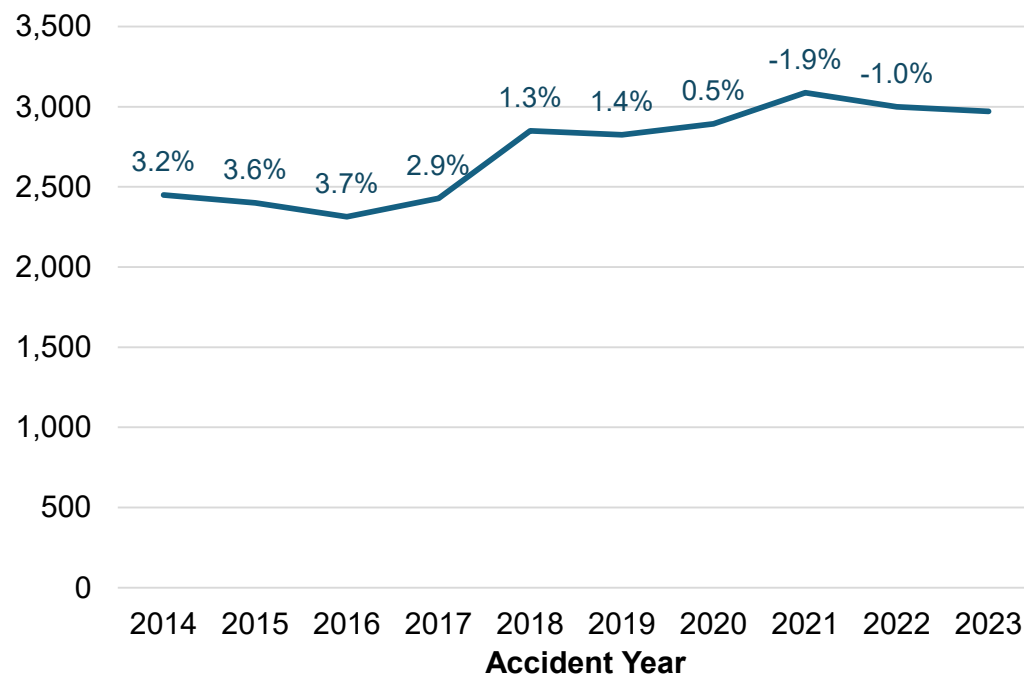
* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
Commercial Auto Liability
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
2014	3,393,071	1,385	2,450	3.2%
2015	3,496,627	1,457	2,400	3.6%
2016	3,304,002	1,428	2,314	3.7%
2017	3,834,306	1,579	2,428	2.9%
2018	4,477,942	1,571	2,850	1.3%
2019	5,094,840	1,804	2,824	1.4%
2020	3,697,681	1,278	2,893	0.5%
2021	4,314,702	1,398	3,087	-1.9%
2022	4,484,607	1,495	3,000	-1.0%
2023	4,540,749	1,529	2,970	

Selected Annual Claim Severity Trend: 1.5%
Prior Selection: 2.3%



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
Rate Filing Effective 11/1/2026
Commercial Auto Liability
Calculation of Indicated Rate Changes**

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>
2014	2,952,297	3,080,715	3,347,241	3,325,061	3,327,862	3,342,031	3,396,577	3,381,816	3,390,996	3,393,071	3,393,071
2015	3,012,375	3,205,774	3,317,431	3,373,996	3,407,782	3,409,848	3,431,347	3,494,467	3,494,489		3,496,627
2016	3,113,639	3,091,065	3,240,306	3,272,725	3,279,972	3,288,520	3,297,013	3,297,569			3,304,002
2017	3,188,373	3,593,489	3,646,877	3,760,510	3,884,270	3,804,991	3,808,441				3,834,306
2018	3,506,553	3,618,488	3,942,861	4,206,530	4,414,223	4,419,648					4,477,942
2019	4,302,298	4,511,793	4,992,220	5,017,833	5,042,025						5,094,840
2020	3,051,651	3,324,541	3,525,133	3,596,761							3,697,681
2021	3,472,056	3,678,575	4,111,378								4,314,702
2022	3,842,297	3,986,862									4,484,607
2023	3,829,249										4,540,749

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>
2014	1.043	1.087	0.993	1.001	1.004	1.016	0.996	1.003	1.001	
2015	1.064	1.035	1.017	1.010	1.001	1.006	1.018	1.000		
2016	0.993	1.048	1.010	1.002	1.003	1.003	1.000			
2017	1.127	1.015	1.031	1.033	0.980	1.001				
2018	1.032	1.090	1.067	1.049	1.001					
2019	1.049	1.106	1.005	1.005						
2020	1.089	1.060	1.020							
2021	1.059	1.118								
2022	1.038									

Weighted	1.054	1.072	1.021	1.017	0.997	1.006	1.005	1.001	1.001	1.000
to Ult	1.186	1.125	1.049	1.028	1.010	1.013	1.007	1.002	1.001	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
Commercial Auto Liability
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>
2014	1,322	1,357	1,371	1,380	1,381	1,378	1,380	1,380	1,384	1,385	1,385
2015	1,338	1,413	1,442	1,452	1,453	1,451	1,451	1,456	1,456		1,457
2016	1,373	1,366	1,414	1,415	1,419	1,424	1,428	1,425			1,428
2017	1,429	1,543	1,548	1,560	1,565	1,573	1,575				1,579
2018	1,508	1,499	1,535	1,553	1,566	1,565					1,571
2019	1,716	1,753	1,788	1,790	1,795						1,804
2020	1,229	1,242	1,280	1,268							1,278
2021	1,307	1,362	1,381								1,398
2022	1,473	1,449									1,495
2023	1,449										1,529

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>
2014	1.026	1.010	1.007	1.001	0.998	1.001	1.000	1.003	1.001	
2015	1.056	1.021	1.007	1.001	0.999	1.000	1.003	1.000		
2016	0.995	1.035	1.001	1.003	1.004	1.003	0.998			
2017	1.080	1.003	1.008	1.003	1.005	1.001				
2018	0.994	1.024	1.012	1.008	0.999					
2019	1.022	1.020	1.001	1.003						
2020	1.011	1.031	0.991							
2021	1.042	1.014								
2022	0.984									

Weighted	1.023	1.019	1.004	1.003	1.001	1.001	1.000	1.001	1.001	1.000
to Ult	1.055	1.032	1.012	1.008	1.005	1.004	1.003	1.002	1.001	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
Commercial Auto Liability
Calculation of Indicated Rate Changes**

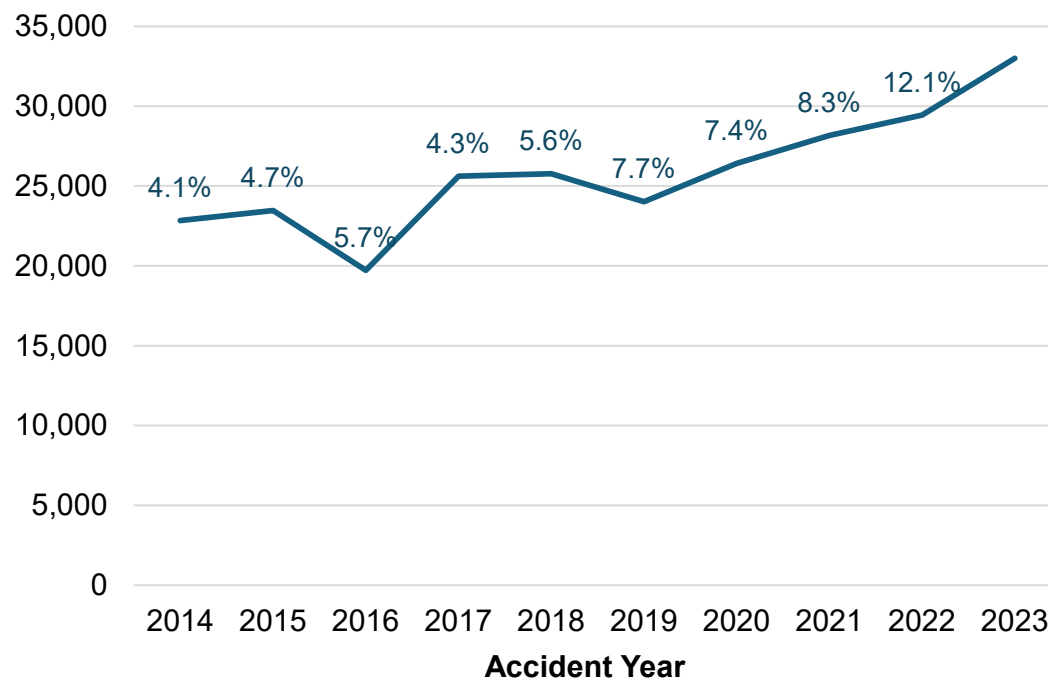
UM/UIM Bodily Injury Basic Limits Loss & ALAE Claim Severity

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2014	13,020,029	570	22,842	4.1%
2015	13,511,908	576	23,458	4.7%
2016	11,893,467	603	19,722	5.7%
2017	14,086,907	550	25,614	4.3%
2018	14,632,689	568	25,773	5.6%
2019	18,692,987	778	24,017	7.7%
2020	18,695,478	707	26,425	7.4%
2021	16,611,912	590	28,161	8.3%
2022	19,122,330	649	29,443	12.1%
2023	23,257,275	705	33,000	

Selected Annual Claim Severity Trend: 4.5%
Prior Selection: 3.5%

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 11/1/2026
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>
2014	6,213,607	9,628,742	11,846,441	12,110,455	12,419,377	12,715,130	12,898,100	12,968,093	12,987,558	13,020,029	13,020,029
2015	6,558,951	9,762,147	11,993,349	12,483,709	13,199,731	13,354,099	13,287,409	13,471,805	13,478,210		13,511,908
2016	7,762,518	10,265,232	10,973,654	11,753,179	11,726,474	11,625,530	11,777,034	11,852,209			11,893,467
2017	6,662,030	9,550,397	11,409,383	12,706,669	13,456,487	13,771,691	13,917,220				14,086,907
2018	6,919,312	11,109,317	13,171,058	13,649,952	14,179,582	14,341,257					14,632,689
2019	9,162,202	13,816,413	16,314,599	17,386,049	18,090,717						18,692,987
2020	8,185,037	12,952,702	15,876,738	17,443,572							18,695,478
2021	8,539,397	12,057,507	14,554,245								16,611,912
2022	9,971,117	14,070,793									19,122,330
2023	11,602,161										23,257,275

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>
2014	1.550	1.230	1.022	1.026	1.024	1.014	1.005	1.002	1.003	
2015	1.488	1.229	1.041	1.057	1.012	0.995	1.014	1.000		
2016	1.322	1.069	1.071	0.998	0.991	1.013	1.006			
2017	1.434	1.195	1.114	1.059	1.023	1.011				
2018	1.606	1.186	1.036	1.039	1.011					
2019	1.508	1.181	1.066	1.041						
2020	1.582	1.226	1.099							
2021	1.412	1.207								
2022	1.411									

Weighted	1.475	1.191	1.065	1.037	1.013	1.008	1.009	1.001	1.003	1.000
to Ult	2.005	1.359	1.141	1.072	1.033	1.020	1.012	1.003	1.003	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
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>
2014	500	558	573	571	570	570	571	569	569	570	570
2015	513	575	588	580	578	578	574	575	575		576
2016	608	627	615	617	608	601	601	602			603
2017	475	510	534	538	549	551	549				550
2018	497	575	590	575	568	568					568
2019	652	755	793	777	780						778
2020	633	694	712	710							707
2021	504	584	597								590
2022	585	641									649
2023	626										705

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>
2014	1.116	1.027	0.997	0.998	1.000	1.002	0.996	1.000	1.002	
2015	1.121	1.023	0.986	0.997	1.000	0.993	1.002	1.000		
2016	1.031	0.981	1.003	0.985	0.988	1.000	1.002			
2017	1.074	1.047	1.007	1.020	1.004	0.996				
2018	1.157	1.026	0.975	0.988	1.000					
2019	1.158	1.050	0.980	1.004						
2020	1.096	1.026	0.997							
2021	1.159	1.022								
2022	1.096									

Weighted	1.111	1.025	0.992	0.999	0.998	0.998	1.000	1.000	1.002	1.000
to Ult	1.126	1.013	0.988	0.996	0.998	1.000	1.002	1.002	1.002	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
Commercial Auto Liability
Calculation of Indicated Rate Changes**

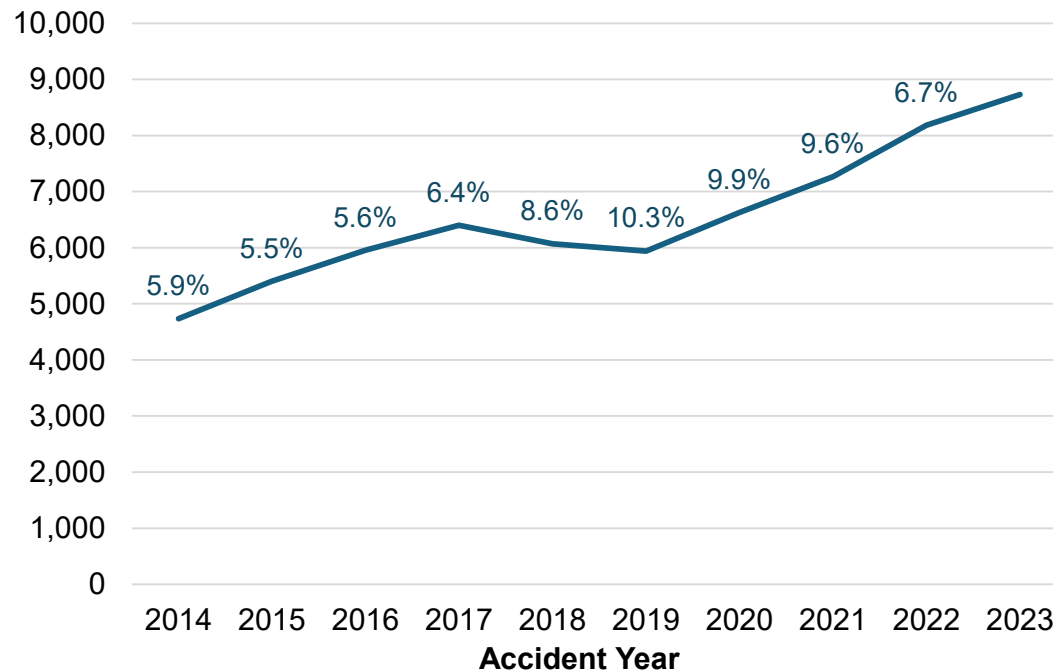
UM/UIM Property Damage Basic Limits Loss & ALAE Claim Severity

AY	(1) Basic Limits Ultimate Loss/ALAE	(2) Estimated Ultimate Claim Ct.	(3) Ultimate Claim Severity	(4) Annual Trend
2014	8,347,814	1,763	4,735	5.9%
2015	10,063,290	1,863	5,402	5.5%
2016	11,901,644	1,998	5,956	5.6%
2017	11,385,885	1,779	6,402	6.4%
2018	10,798,056	1,780	6,068	8.6%
2019	10,838,937	1,825	5,940	10.3%
2020	11,249,522	1,698	6,626	9.9%
2021	11,177,827	1,538	7,269	9.6%
2022	12,638,394	1,544	8,184	6.7%
2023	12,943,936	1,482	8,731	

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

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 11/1/2026
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>
2014	7,145,208	7,640,927	8,036,549	8,262,206	8,227,812	8,349,415	8,348,857	8,348,694	8,348,254	8,347,814	8,347,814
2015	8,133,969	9,071,863	10,229,712	9,794,517	10,012,860	10,114,866	10,097,751	10,069,441	10,063,820		10,063,290
2016	9,507,926	10,654,229	11,540,520	11,619,527	11,632,793	11,845,230	11,893,404	11,906,189			11,901,644
2017	9,409,672	9,850,266	10,802,824	10,971,388	11,355,637	11,375,319	11,396,126				11,385,885
2018	9,514,424	10,098,871	10,244,718	10,800,429	10,795,200	10,794,482					10,798,056
2019	9,922,385	10,210,045	10,546,695	10,799,245	10,741,404						10,838,937
2020	10,548,981	10,706,371	11,019,239	11,056,218							11,249,522
2021	10,274,284	10,984,356	10,853,382								11,177,827
2022	11,071,078	11,673,741									12,638,394
2023	11,250,535										12,943,936

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>
2014	1.069	1.052	1.028	0.996	1.015	1.000	1.000	1.000	1.000	
2015	1.115	1.128	0.957	1.022	1.010	0.998	0.997	0.999		
2016	1.121	1.083	1.007	1.001	1.018	1.004	1.001			
2017	1.047	1.097	1.016	1.035	1.002	1.002				
2018	1.061	1.014	1.054	1.000	1.000					
2019	1.029	1.033	1.024	0.995						
2020	1.015	1.029	1.003							
2021	1.069	0.988								
2022	1.054									

Weighted	1.063	1.051	1.012	1.008	1.009	1.001	0.999	1.000	1.000	1.000
to Ult	1.151	1.083	1.030	1.017	1.009	1.000	0.999	1.000	1.000	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports

**Texas Automobile Insurance Plan Association
Rate Filing Effective 11/1/2026
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>
2014	1,676	1,735	1,752	1,770	1,758	1,763	1,762	1,763	1,763	1,763	1,763
2015	1,755	1,819	1,912	1,863	1,867	1,867	1,867	1,866	1,863		1,863
2016	1,848	1,983	2,005	1,995	1,993	2,002	2,000	2,000			1,998
2017	1,705	1,748	1,780	1,785	1,783	1,781	1,780				1,779
2018	1,740	1,784	1,786	1,791	1,782	1,782					1,780
2019	1,781	1,819	1,835	1,837	1,825						1,825
2020	1,664	1,695	1,704	1,703							1,698
2021	1,468	1,546	1,546								1,538
2022	1,474	1,532									1,544
2023	1,419										1,482

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>
2014	1.035	1.010	1.010	0.993	1.003	0.999	1.001	1.000	1.000	
2015	1.036	1.051	0.974	1.002	1.000	1.000	0.999	0.998		
2016	1.073	1.011	0.995	0.999	1.005	0.999	1.000			
2017	1.025	1.018	1.003	0.999	0.999	0.999				
2018	1.025	1.001	1.003	0.995	1.000					
2019	1.021	1.009	1.001	0.993						
2020	1.019	1.005	0.999							
2021	1.053	1.000								
2022	1.039									

Weighted	1.036	1.014	0.998	0.997	1.001	0.999	1.000	0.999	1.000	1.000
to Ult	1.045	1.008	0.995	0.997	1.000	0.999	0.999	0.999	1.000	1.000

* - data from 2024 Texas Commercial Auto Liability Benchmark Reports