

**Board of Directors Meeting
October 28, 2025**

Briefing Material



Board of Directors Meeting Agenda

Tuesday, October 28, 2025

8:30 A.M. Central Time

Video/Audio Conference Call

Audio Toll Free Dial In Number: 1.346.248.7799

Meeting ID: 2222127774 Password: 537081973

1. Consideration and possible action on consent agenda items *
 - A. Summary of the official minutes of the July 29, 2025 meeting of the Board of Directors and
 - B. Ratification of the payment of NOLHGA's fees and expense billing for 2nd quarter of 2025
2. Recognition of TLHIGA service of Directors James Lewis and Dean Frigo*
3. Consideration and possible action regarding any matters presented by the Texas Department of Insurance
4. Consideration and possible action to appoint directors to fill officer and standing committee vacancies*
5. Consideration and possible action regarding the issuance of a Request for Proposal (RFP) to select and engage an independent certified public accounting firm to audit the financial statements of the TLHIGA for the year ending December 31, 2026*
6. Consideration and possible action regarding the Audit Plan for calendar year 2026*
7. Consideration and possible action on selection of firm to perform network penetration testing*
8. Consideration and possible action on reports and recommendations from the Executive Director Search Committee regarding:
 - A. Review and evaluation of candidate submissions
 - B. Candidate interview process
 - C. Remaining search process timeline

* denotes items the Executive Director recommends actions be taken at this meeting

All Texas Life and Health Insurance Guaranty Association Board of Directors and Committee meetings are to be conducted in accordance with its Antitrust Compliance Policy and applicable laws.
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9. Executive Session:
 - A. Confidential report of the Texas Department of Insurance Office of Supervisory Interventions to the Board of Directors on troubled or insolvent insurance companies and related discussion
 - B. Discussion of Executive Director candidates and recommendation for interviews
 - C. Discussion of October 2024 Class B assessment protest
 - D. Any personnel matters – without management present
 - E. Any personnel matters – with management present
 - F. Potential and pending litigation
 - G. Advice from counsel on any legal issues arising out of any agenda item
10. Consideration and possible action on items discussed in Executive Session*
11. Quarterly report from Executive Director on TLHIGA activities
12. Consideration and possible action regarding the following impaired/insolvent member insurers or matters related thereto:
 - A. Estate Summary
 - B. Bright HealthCare Insurance Company of Texas
 - C. Friday Health Insurance Company, Inc.
 - D. Bankers Life Insurance Company*
 - E. Colorado Bankers Life Insurance Company*
 - F. Southland National Insurance Corporation*
 - G. North Carolina Mutual Life Insurance Company*
 - H. Penn Treaty Network America/American Network Insurance Companies
13. Consideration and possible action on corporate governance issues
 - A. Directors' feedback
 - B. Directors' discussion of Board performance
14. Consideration and possible action regarding the following financial and accounting matters:
 - A. Review and acceptance of current financial statements
15. Consideration and possible action regarding the 2025 and 2026 Calendar of Activities and confirmation of the next meeting date

* denotes items the Executive Director recommends actions be taken at this meeting

All Texas Life and Health Insurance Guaranty Association Board of Directors and Committee meetings are to be conducted in accordance with its Antitrust Compliance Policy and applicable laws.
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Open Meeting Information

Status	Accepted
TRD	2025005945
Submitted Date/Time	10/16/2025 08:26 AM CDT
Agency	Texas Life and Health Insurance Guaranty Association
Meeting Date	10/28/2025
Meeting Time	08:30 AM
Address	1717 West 6th Street, Suite 105
City	Austin
State	TX
Additional Information	Call TLHIGA at (800) 982-6362 or go to www.txlifega.org

Agenda

The Board of Directors meeting will be held as a videoconference/teleconference. Attendees also have the option to attend the meeting in-person at 1717 West 6th Street, Suite 105, Austin, TX 78703.

Teleconference meeting access information:

Dial in Number (Toll Free): 1.346.248.7799

Meeting ID: 222 212 7774

Password: 537081973

Additionally - to obtain a complete PDF copy of the meeting material please go to www.txlifega.org.

Consideration and possible action on:

- 1) Consent agenda;
- 2) Recognition of TLHIGA service of Directors James Lewis and Dean Frigo;
- 3) Matters presented by the Texas Department of Insurance;
- 4) Appoint directors to fill officer and standing committee vacancies;
- 5) Issuance of a Request for Proposal (RFP) to select and engage an independent certified public accounting firm to audit the financial statements of the TLHIGA for the year ending December 31, 2026;
- 6) Audit Plan for calendar year 2026;
- 7) Selection of firm to perform network penetration testing;
- 8) Reports and recommendations from the Executive Director Search Committee;
- 9) Executive Session;
- 10) Item discussed in Executive Session;
- 11) Quarterly report from Executive Director on TLHIGA activities;
- 12) Impaired/insolvent member insurers;
- 13) Corporate governance issues;
- 14) Financial and accounting matters;
- 15) 2025 and 2026 Calendar of Activities and confirmation of next meeting date.

Item 1

Consideration and possible action on consent agenda items

- A. Summary of the official minutes of the July 29, 2025 meeting of the Board of Directors and
- B. Ratification of the payment of NOLHGA's fees and expense billing for 2nd quarter of 2025



October 28, 2025 Board of Directors Meeting

CONSENT AGENDA

The following routine, recurring items have been placed on the consent agenda for consideration.

1. The summary of the official minutes of the July 29, 2025 Board of Directors meeting shown on pages 1-2 through 1-10 and
2. Ratification of the payment of the second quarter 2025 NOLHGA MPC Fees and Expenses shown in the draft resolution below.

The following are draft resolutions to approve the consent agenda items.

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association approves the written summary of the official minutes of the July 29, 2025, meeting.

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association ratifies the payment of the NOLHGA invoice for Members' Participation Council and Assessment Data Survey expenses and fees, from April 1, 2025 through June 30, 2025, totaling \$288,955 as shown in the following list:

Assessment Data Survey	7,484
Executive Life Ins Co	2,944
Global Bankers-Bankers Life Ins Co	135,845
Global Bankers-Colorado Bankers Life Ins Co	43,446
Global Bankers -Southland National Ins Co	14,992
Lincoln Memorial Life Ins Co	200
Memorial Service Life Ins Co	8,199
National Heritage Life	6,053
National States Ins Co	3,751
North Carolina Mutual Life Ins Co	1,447
Penn Treaty/ ANIC	2,131
PHL Variable Ins Co	8,199
Senior Health Ins Co of Pennsylvania (SHIP)	53,024
Thunor Trust Companies	915
Universal Life/BTW	325
	\$ 288,955



SUMMARY OF THE OFFICIAL MINUTES OF THE JULY 29, 2025 MEETING OF THE BOARD OF DIRECTORS

A regular quarterly meeting of the Texas Life and Health Insurance Guaranty Association (the “Association”, “Guaranty Association” or “TLHIGA”) Board of Directors (the “Board of Directors” or the “Board”) was called to order by Chair James E. Huckaby, at 8:30 A.M. Central time on July 21, 2025. The meeting was held as a videoconference and teleconference meeting in accordance with Section 463.059 of the Texas Insurance Code and was conducted in accordance with the Texas Open Meetings Act.

The Board members whose names are set forth below were present for all or part of the meeting. Directors Beaman and Sommer were unable to attend. A quorum was present when all actions were taken.

James Huckaby
James Harrison
Ted Kennedy

Mark Williams
James Lewis
Dean Frigo

Blake Brodersen

Also, in attendance for all, or part, of the meeting were the following employees of the TLHIGA or contractors of the TLHIGA:

Employees: Bart Boles Jarett Terry Topping Haggerty Brandy Nichols
General Counsel: Dan Price

Also, in attendance for all, or part, of the meeting were:

Vane Hugo, Texas Department of Insurance (“TDI”)
Sandra Salazar, TDI
Jeff Jones, TDI

Katelyn Boehm, TDI
Mandy Vasquez, TDI
John Walker, TDI

Chair Huckaby noted that proper notice of the meeting was filed on July 14, 2025 and published in the Texas Register in accordance with the Texas Open Meetings Act. He directed that a copy of such notice be attached hereto and be made a part of this written summary of the official minutes of the meeting. Chair Huckaby declared a quorum of the Board was present in accordance with the Texas Open Meetings Act.

This is a written summary of the proceedings of the regular quarterly Board of Directors meeting of the Texas Life and Health Insurance Guaranty Association held on July 29, 2025. The official minutes are recorded digitally. The compact disc(s) or digital recordings relating to the open portion of the meeting and all related non-confidential written materials provided to the Board of Directors for such meeting are kept in secure storage at the Association’s office. The compact disc(s) or digital recordings relating to the Executive Session portion of the meeting and all related confidential written material related to the Executive Session portion of the meeting are custodied with the Association’s bank. Details regarding matters described in this summary can be obtained by reviewing the official minutes. The non-confidential written material related to the meeting provided to the Board of Directors should be deemed an attachment to this summary.

Chair Huckaby welcomed Director Blake Brodersen to his first TLHIGA Board of Directors meeting.

Item 1 Consideration and possible action on consent agenda items

The Board addressed the two consent agenda items: (1) the summary of the official minutes of the April 22, 2025 meeting and (2) ratification of the NOLHGA fees and expenses billing for the first quarter of 2025.

Upon a motion made by Director Frigo and seconded by Director Kennedy, the Board of Directors unanimously adopted the following resolutions:

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association approves the written summary of the official minutes of the April 22, 2025, meeting.

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association ratifies the payment of the NOLHGA invoice for Members' Participation Council and Assessment Data Survey expenses and fees, from January 1, 2025 through March 31, 2025, totaling \$314,464 as shown in the following list:

AssessConnect: 2025 Annual Fee	\$	745
Assessment Data Survey		1,165
Executive Life Ins Co		2,543
Global Bankers-Bankers Life Ins Co		170,816
Global Bankers-Colorado Bankers Life Ins Co		54,631
Global Bankers -Southland National Ins Co		14,682
Lincoln Memorial Life Ins Co		238
Memorial Service Life Ins Co		9,733
National States Ins Co		4,498
North Carolina Mutual Life Ins Co		1,125
Penn Treaty/ ANIC		2,609
PHL Variable Ins Co		11,545
Senior Health Ins Co of Pennsylvania (SHIP)		38,990
Thunor Trust Companies		900
Universal Life/BTW		244
	\$	<u>314,464</u>

Item 2 Consideration and possible action regarding any matters presented by the Texas Department of Insurance

There was nothing discussed under this item.

Item 3 Consideration and possible action on reports and recommendations from the Personnel Committee

Mr. Boles reported that the Personnel Committee met on Monday, July 21, 2025.

Mr. Boles reported on the Committee's review of the health, dental, long-term disability, and life and accidental death & dismemberment coverage renewal quotes. The Committee recommended renewal of all these employee benefit coverages.

Mr. Boles reported on the Committee's review of the Health Reimbursement Arrangement ("HRA") and his recommendation to increase the annual reimbursement amount to \$1,750 per employee and the maximum accrual to \$6,750 due to the increases in the individual co-payments, deductible, and out of pocket maximum expenses in the employee health insurance plan.

Mr. Boles reported on the Committee's review of its Charter and its recommended update. He stated the Charter's reference to Board Counsel and Association's Counsel should be replaced with General Counsel.

Upon a motion made by Director Kennedy and seconded by Director Williams, the Board of Directors unanimously adopted the following resolutions:

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association accepts the recommendation from its Personnel Committee to amend the TLHIGA's Health Reimbursement Arrangement to increase the annual reimbursement amount to \$1,750 per employee and to permit each employee to rollover to the following plan year up to \$875 of unused reimbursement to a maximum reimbursable accrual amount of \$6,750.

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association accepts the recommendation from its Personnel Committee to amend the Committee's charter to replace references to Board and Association Counsel with General Counsel.

Item 4 Consideration and possible action on reports and recommendations from the Assessment/Investment Committee

Assessment/Investment Committee Chair James Harrison reported that the Committee met on Monday, July 21, 2025.

Director Harrison stated the Committee reviewed the following items: policy obligations, expenses, and net position for active insolvencies; investments and investment income; and the necessity for Class A or Class B assessments/refund in 2025. Director Harrison stated that the Committee is not recommending a Class A or Class B assessment or a refund at this time.

Director Harrison reported the Committee received an update that the 2024 Class B assessment appeal/protest that had been filed with the Texas Commissioner of Insurance is still open and pending. Chair Huckaby directed further discussion on this item be conducted in Executive Session.

Director Harrison reported on the Committee's review of its Charter and a recommended revision. He stated the charter included a reference to Board Counsel and Association's Counsel, when we now have a General Counsel.

Upon a motion made by Director Harrison and seconded by Director Kennedy, the Board of Directors unanimously adopted the following resolution:

RESOLVED, the Board of Directors of the Texas Life and Health Insurance Guaranty Association accepts the recommendation from its Assessment/Investment Committee to amend the Committee's charter to replace references to Board Counsel and Association Counsel with General Counsel.

Item 5 Consideration and possible action on reports and recommendations from the Executive Director Search Committee

Executive Director Search Committee Chair Kennedy reported the Committee met on Monday, July 28, 2025.

Director Kennedy reported on the Committee's discussion regarding the initial solicitation package that was distributed on May 16, 2025. He summarized the solicitation package requested applications for Executive Director as an employee, the original flexible timeline that was established for the search, and of information conveyed by industry members about possibly offering the Executive Director job as a contractor position.

Director Kennedy reported General Counsel Price received several applications for the employee position and the submissions were distributed to the Committee for review. He stated it was agreed the applicants were qualified but the Committee's conclusion was to expand the search to permit candidates for the Executive Director position as either an independent contractor or an employee. He stated the Committee believes it would be a disservice to its charge if the Committee does not consider both alternatives.

Director Kennedy reported the Committee decided to initiate a revised solicitation process for the Executive Director position to allow for both independent contractor and employee applicants and revised the timeline of the process.

Mr. Boles reported the Committee has instructed him and Mr. Price to update the solicitation package to include both employee and contractor candidates. He stated the new package will

include the additional requirements if the candidate is applying as a contractor. Mr. Boles stated that once the new solicitation package is reviewed and approved by the Committee, candidates will have 45 days to submit an application from September 1, 2025 to October 15, 2025. He stated the Committee will then meet to review the applicants, schedule interviews, and possibly prepare a recommendation for the Board at its January 27, 2026 meeting.

Chair Huckaby directed further discussion on the Executive Director search be conducted in Executive Session.

Item 6 Executive Session

Chair Huckaby stated the time to be 8:56 A.M. on July 29, 2025, and that he was recessing the regular, open session of the meeting for the TLHIGA Board of Directors to meet in executive session, pursuant to the Texas Open Meetings Act.

At 10:17 A.M., Chair Huckaby closed the executive session and reconvened the regular, open session of the meeting of the TLHIGA Board of Directors pursuant to the Texas Open Meetings Act.

Item 7 Consideration and possible action on items discussed in Executive Session

Upon a motion made by Director Kennedy and seconded by Director Brodersen, the Board of Directors unanimously adopted the following resolution:

RESOLVED, the Board of Directors of the Texas Life and Health Insurance Guaranty Association instructs staff to draft a letter to the Texas Department of Insurance (the "TDI") regarding the Empower Annuity Insurance Company ("Empower") appeal of its 2024 Class B assessment that includes four considerations: 1) it is not the TLHIGA's authority to accept or deny the appeal from Empower but it is the opinion of the TLHIGA Board that the appeal be denied; 2) the TLHIGA will offer information on the implications associated with any alternative decision made by TDI, as it respects not only Empower but also the rest of industry and how these assessments are treated; 3) the implications for Empower should their appeal be accepted and their historical use of the statutory disclaimer for products not covered by the TLHIGA, and whether they were in violation of that statutory provision; 4) irrespective of how TDI and Empower proceed with this appeal, the issue of disparate reporting of the allocated vs unallocated assessable premiums is something that will not go away, so TDI unilaterally, or through the NAIC, should pursue an initiative to determine if anything changes need to be made in the assessable premium reporting to provide clarity for all.

Item 8 Quarterly report from Executive Director on TLHIGA activities

Mr. Boles commented on the following items in his written report in the meeting briefing book:

- The appointment of new TLHIGA Director, Blake Brodersen,
- Filing of the 2024 Annual Report with Commissioner Brown,
- Recent and upcoming NOLHGA Meetings,
- The NAIC Summer National Meeting, and
- The upcoming IAIR Technical Development Series workshop.

Item 9 Consideration and possible action regarding the following impaired/insolvent member insurers or matters related thereto

Mr. Boles reviewed the projected policy obligations report and general metrics on claims payments, premium collections, and recoveries. He then summarized the TLHIGA's recent activities since the April 22, 2025 Board meeting for the following seven impaired/insolvent member insurers that were specifically discussed in the Board of Directors meeting material:

- Bright Healthcare Insurance Company of Texas,
- Friday Health Insurance Company,
- Bankers Life Insurance Company/Colorado Bankers Life Insurance Company,
- Southland National Insurance Company
- Executive Life Insurance Company, and
- Penn Treaty Network America/American Network Insurance Companies.

Upon a motion made by Director Kennedy and seconded by Director Harrison, the Board of Directors unanimously adopted the following resolution:

WHEREAS, Southland National Insurance Corporation ("SNIC") was placed under an Order of Liquidation with a finding of insolvency in an Order dated May 2, 2023;

WHEREAS, the Texas Life and Health Insurance Guaranty Association ("TLHIGA") has covered SNIC policy obligations,

WHEREAS, the NOLHGA SNIC Task Force negotiated a Fixed Claim Agreement with the Liquidator that fixes Class 2 priority level claims against the SNIC receivership estate as of the Liquidation Order Date in the amounts of \$132,275,475 as to covered claims and \$46,375 as to uncovered claims along with a fixed ceiling on administrative expense claims by the guaranty associations of \$4 million, with the rest of the administrative expenses subordinated to the covered and uncovered policyholder level claims;

WHEREAS, the NOLHGA Members' Participation Council approved the Fixed Claim Agreement and established a 30-day opt-out period that ended on July 23, 2025 for individual guaranty associations to consider participation,

WHEREAS, the Liquidator has advised that the Fixed Claim Agreement is final and has been submitted to the Receivership Court for approval with a hearing scheduled for July 28, 2025;

WHEREAS, the TLHIGA's Executive Director Bart Boles reviewed the Fixed Claims Agreement and determined participation was in the TLHIGA's best interest;

RESOLVED, that the TLHIGA Board of Directors ratifies Executive Director Bart Boles' decision to participate in the Fixed Claim Agreement with the SNIC Liquidator.

Upon a motion made by Director Kennedy and seconded by Director Williams the Board of Directors unanimously adopted the following resolution:

WHEREAS, Executive Life Insurance Company ("ELIC") was placed into conservation on April 11, 1991, and a liquidation order was entered on December 6, 1991;

WHEREAS, the Conservation Court approved a Rehabilitation Plan for ELIC in 1993, which included the Enhancement Agreement which provides for participating guaranty associations ("PGAs"), including the Texas Life and Health Insurance Guaranty Association ("TLHIGA"), to meet their coverage obligations by making certain payments to Aurora;

WHEREAS, the TLHIGA is obligated under Article 22 and 23 of the Enhancement Agreement to make annual payments to Aurora to fund cost of insurance and premium subsidies for the benefit of certain covered policyholders;

WHEREAS, Aurora has proposed the PGAs defease their remaining obligations under Articles 22 and 23 for a one-time payment which is calculated as of January 1, 2025 (the "Defeasance Amount");

WHEREAS, the ELIC Task Force approved Aurora's proposal for the PGAs to defease their Article 22 and 23 obligations, calculated the final Defeasance Amount, and developed the allocation of the Defeasance Amount among the affected PGAs;

NOW THEREFORE, BE IT, RESOLVED, the TLHIGA Board of Directors agrees to participate in the defeasance with Aurora;

FURTHER RESOLVED, the TLHIGA Board of Directors authorizes the Executive Director to execute the necessary documentation to participate in the defeasance and to fund the TLHIGA's \$128,350 share of the Defeasance Amount to Aurora.

Item 10 Consideration and possible action on corporate governance issues

Chair Huckaby stated that there were no issues or concerns submitted to him, Mr. Boles, or Mr. Price in advance for discussion under the “Directors Feedback” agenda item. An email reminder was sent out in advance to directors asking them to contact the Board Chair, General Counsel, or Executive Director before the meeting regarding any issue or concern a director would like to discuss with the Board.

Chair Huckaby asked if any directors had an issue they wanted addressed at this time, and there were none.

Item 11 Consideration and possible action on draft Internal Revenue Service Form 990

Mr. Boles reported on the Internal Revenue Service Form 990 for tax year 2024 that was distributed to the Board for review in advance of the meeting. He noted that the form was also reviewed by the outside accounting firm. There were no revisions suggested by the Board.

Item 12 Consideration and possible action regarding the following financial and accounting matters

Mr. Terry, Controller, summarized highlights of the financial statements for the periods March 31, April 30, and May 31, 2025.

Mr. Terry reported on the TLHIGA’s implementation of Governmental Accounting Standards Board (“GASB”) Statement 102 Certain Risk Exposures and Statement 103 Financial Reporting Model Improvements for fiscal year 2025.

Item 13 Consideration and possible action regarding the 2025 Calendar of Activities and confirmation of the next meeting date

The Board of Directors gave its thanks, and appreciation, to Jim Lewis for his 17 years of service on the TLHIGA Board, nine years of which were as Chairman of the Board.

The Board confirmed that its next regular quarterly meeting will be held at 8:30 A.M. Central time on Tuesday, October 28, 2025.

Adjourn

There being no further business, Chair Huckaby stated the time to be 11:06 P.M. and that he was adjourning the regular meeting of the TLHIGA Board of Directors that was held as described in the first paragraph of this summary.

Certification

The undersigned certifies that the foregoing is a true and accurate written summary of the proceedings of the July 29, 2025, meeting of the Board of Directors, approved by the Board of Directors at its meeting held on October 28, 2025.

James E. Huckaby, Chair

Ted Kennedy, Secretary

DRAFT

Item 2

Recognition of TLHIGA service of Directors James Lewis and Dean Frigo



RECOGNITION OF DIRECTORS LEWIS AND FRIGO

Directors James Lewis and Dean Frigo decided to not seek reappointment to the TLHIGA Board of Directors when their terms expired on September 30, 2025. The following summarizes the exceptional service provided by these two individuals.

James Lewis was appointed to the TLHIGA Board of Directors on September 26, 2008. He served as Treasurer of the Board of Directors from November 5, 2013 to January 20, 2015 when he was elected as Chair. He served as Chair of the Board until January 29, 2024. He also served on the Audit Committee from January 27, 2009 until January 24, 2017. He served on the Personnel Committee during three periods, January 19, 2010 to January 24 2012, January 12, 2016 to January 24, 2017, and January 25, 2022 through January 30, 2025.

Dean Frigo was appointed to the TLHIGA Board of Directors on May 25, 2007. He served as Treasurer of the Board of Directors from January 12, 2016 through September 30, 2025. He also served on the Audit Committee from January 15, 2008 through September 30, 2025, the last fourteen years of this period as the Audit Committee's Chair. His other service was on the Assessment/Investment Committee from November 5, 2013 through September 30, 2025.

To commemorate Jim and Dean's service and contributions to TLHIGA, proposed resolutions are provided on page 2-2.



October 28, 2025 Board of Directors Meeting

**RESOLUTION REGARDING
JAMES LEWIS' SERVICE TO THE TLHIGA**

WHEREAS, in appreciation of James Lewis' seventeen years of service on the TLHIGA Board of Directors, including nine years as Board Chair, two years as Treasurer, eight years on the Audit Committee, and six years on the Personnel Committee, it is

RESOLVED, that the Texas Life and Health Insurance Guaranty Association Board of Directors expresses its sincere gratitude to Director Lewis for his exemplary service and commitment.

**RESOLUTION REGARDING
DEAN FRIGO'S SERVICE TO THE TLHIGA**

WHEREAS, in appreciation of Dean Frigo's eighteen years of service on the TLHIGA Board of Directors, including seventeen years on the Audit Committee, with fourteen of those years as the Committee's Chair, and twelve years on the Assessment/Investment Committee, it is

RESOLVED, that the Texas Life and Health Insurance Guaranty Association Board of Directors expresses its sincere gratitude to Director Frigo for his exemplary service and commitment.

Item 3

Consideration and possible action regarding any matters presented by the Texas Department of Insurance

Item 4

Consideration and possible action to appoint directors to fill officer and standing committee vacancies



October 28, 2025 Board of Directors Meeting

FILLING BOARD OF DIRECTOR OFFICER AND COMMITTEE VACANCIES

With the decisions of Directors Lewis and Frigo to not seek reappointment to the TLHIGA Board of Directors at the September 30, 2025 expiration of their terms, the Treasurer office position is vacant and there are vacancies on all four of the TLHIGA's standing committees. Although officer elections and committee appointments are made annually at the first Board of Directors meeting of the calendar year, two of the three committees with vacancies have meetings scheduled before the January 27, 2026 Board of Directors meeting.

Section 4.4 of the TLHIGA Bylaws has the following language regarding a vacancy in a Board officer position, "A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors at any meeting for the unexpired portion of the term." Section 5.5 has this language for vacancies on any standing committee, "Vacancies in the membership of any committee may be filled by appointments made by the Board of Directors at any Board of Directors meeting."

The following lists Board officers and standing committees with the current vacancies noted:

OFFICERS AND EXECUTIVE COMMITTEE

CHAIR – James Huckaby (1/30/2024)
VICE CHAIR – James Harrison (1/14/2014)
SECRETARY – Ted Kennedy (1/30/2024)
TREASURER - VACANT

ASSESSMENT/INVESTMENT COMMITTEE

CHAIR – James M. Harrison (1/15/2008, Chair since 1/14/2014)
Ted Kennedy (1/12/2016)
VACANCY

AUDIT COMMITTEE

CHAIR – VACANCY
VACANCY
Mark Williams (1/24/2023)

PERSONNEL COMMITTEE

CHAIR – David Sommer (10/18/2017, Chair since 1/30/2024)
Frank Beaman (1/30/2024)
VACANCY

A draft resolution is included on page 4-2 to appoint directors to fill these vacancies.



October 28, 2025 Board of Directors Meeting

RESOLUTION ON FILLING OFFICER AND COMMITTEE VACANCIES

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association appoints the following directors to fill the Treasurer vacancy and vacancies on the standing committees.

OFFICERS AND EXECUTIVE COMMITTEE

_____, TREASURER

ASSESSMENT/INVESTMENT COMMITTEE

AUDIT COMMITTEE

_____, CHAIR

PERSONNEL COMMITTEE

Item 5

Consideration and possible action regarding the issuance of a Request for Proposal (RFP) to select and engage an independent certified public accounting firm to audit the financial statements of the TLHIGA for the year ending December 31, 2026



October 28, 2025 Board of Directors Meeting

DISCUSSION OF POSSIBLE REQUEST FOR PROPOSAL FOR NEW AUDITORS

Request for Proposal Requirement

Title 28, Part 1, Chapter 31, Subchapter C of the Texas Administrative Code states, in part, “An independent certified public accountant may not perform the financial audit required by § 31.204(1) for more than seven consecutive years.” A copy of the relevant section of the Texas Administrative Code is included on pages 5-3 to 5-5.

The Board amended the Audit Committee Charter to require a Request for Proposals (“RFP”) for financial audit services every seven years. The TLHIGA received guidance from the Texas Department of Insurance that the incumbent firm may submit a proposal and be considered if their proposal involves a different Audit Partner, which was also incorporated into the Audit Committee Charter. General Counsel Price has reviewed the applicability of the Code and has determined that the TLHIGA is still subject to the Code.

The TLHIGA’s current auditor, CliftonLarsonAllen, LLP (“CLA”) was first engaged for the 2012 financial audit and completed seven consecutive audits with the 2018 financial audit. In 2019, the TLHIGA engaged CLA with a new partner and will complete its seventh consecutive audit with the 2025 financial audit.

The Board will discuss the need to draft RFP for an auditor to conduct the year-end 2026 financial audit that was provided to the directors in a separate, confidential packet. Members of the Board may make suggestions for accounting firms to be included in the process. The draft RFP includes the evaluation criteria and form. The draft RFP documents will be collected after the meeting.

Timeline for RFP Process

October 28, 2025 – Board of Directors Committee Meeting

The Board will review the draft RFP for new auditors for the year-end 2026 financial audit and proposed list of firms to send the RFP. The Board will then authorize the distribution of the RFP.

November 4, 2025 – Distribute RFP Package

Management will distribute the RFP package to each firm on the list with the notifications of interest due December 12, 2025.

December 12, 2025 – Notification of Interest Due

Management will inform the Committee members of all parties that responded with notifications of interest.

January 20, 2026 – Proposers' Conference

Interested parties will be allowed to participate by teleconference. The interested firms will be given the Association's history, activities, objectives, timeline and any additional information deemed appropriate by the Chair and management. The interested firms will then be allowed to ask questions related to the RFP.

January 27, 2026 – Update will be provided during the Board of Directors meeting.

March 10, 2026 – Proposals Due

All proposals will be due to the TLHIGA by March 10, 2026. The proposals will be distributed to the Committee members for evaluation. Management will provide each member with an evaluation worksheet that will be reviewed at the April 2026 Committee meeting.

April 28, 2026 – Audit Committee and Board of Directors Meetings

The Committee will review and discuss each proposal and make a recommendation to the Board at its April 2026 meeting. The Board will then discuss and vote on the recommendation. The selected firm will then be notified.

A recommended resolution to issue an RFP for financial audit services is included on page 5-6.

§31.201

The purpose of this subchapter is to prescribe the audit requirements for, and audit coverages applicable to, the Title Insurance Guaranty Association established under the Insurance Code Article 9.48; the Property and Casualty Insurance Guaranty Association established under the Insurance Code Article 21.28-C; and the Life, Accident, Health and Hospital Service Insurance Guaranty Association established under the Insurance Code Article 21.28-D.

Source Note: The provisions of this §31.201 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.202

The provisions of this subchapter apply to any guaranty association established under the Insurance Code, Articles 9.48, 21.28-C and 21.28-D.

Source Note: The provisions of this §31.202 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.203

The independent certified public accountant for the financial audit required by §31.204(1) of this title (relating to the Nature of Audits) must be selected by a competitive process. An independent certified public accountant may not perform the financial audit required by §31.204(1) for more than seven consecutive years. An independent certified public accountant responsible for performing the financial audit for seven consecutive years may not perform the financial audit during the two years following the seventh year.

Source Note: The provisions of this §31.203 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.204

Audits applicable to the guaranty associations subject to the provisions of this subchapter shall take the form of financial, performance or operational audits, and may include, but not be limited to, the types of audits which are described in paragraphs (1)-(4) of this section.

(1) Financial audits. The financial audit shall be undertaken annually by an independent certified public accountant to determine whether the financial statements of the audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles. The financial audits shall be conducted in accordance with generally accepted auditing standards.

(2) Compliance audit. A compliance audit may be undertaken to determine whether the following objectives are being met:

(A) the audited entity has obligated, expended, received, and used funds in accordance with the purpose for which those funds have been authorized by law;

(B) the audited entity has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law on those obligations, expenditures, receipts, or uses;

(C) the audited entity has maintained its books, records, and accounts in a manner which accurately reflects its financial and fiscal operations relating to the obligation, receipt, expenditure, and use of funds including, but not limited to, funds collected for a public purpose;

(D) the audited entity has collected all revenues and receipts in accordance with the applicable laws and regulations of this state; and

(E) the audited entity has properly and legally handled or administered any money, negotiable securities, or similar assets received in accordance with the entity's governing statute.

(3) Economy and efficiency audit. An economy and efficiency audit may be undertaken to determine whether the objectives set out in subparagraphs (A) and (B) of this paragraph are being met and such audit shall make the identifications set out in subparagraph (C) of this paragraph, as follows:

(A) the audited entity is managing or utilizing its resources, including funds, personnel, contractors and subcontractors, consultants, procurement of professional services, property, equipment, and space, in an economical and efficient manner;

(B) the audited entity has presented financial, program, and statistical reports in a fair manner, and such reports contain useful data; and

(C) the causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative policies and procedures, purchasing, procurement and contracting practices, organizational structure, use of personnel, contractors, equipment and other resources, have been identified.

(4) Effectiveness audit. An effectiveness audit may be undertaken to determine whether the following objectives are being met:

(A) the audited entity is attaining program objectives established pursuant to statutes and regulations, or by program criteria or program evaluation standards applicable to it, in an efficient and effective manner;

(B) the audited entity is contributing to achievement of those benefits intended by program design in an efficient and effective manner;

(C) the audited entity is discharging its duties and responsibilities under statutes and regulations or according to program performance criteria or program evaluation standards applicable to it in an efficient and effective manner; and

(D) the audited entity is performing its duties and responsibilities in connection with a program which does not duplicate, overlap, or conflict with the duties, functions, and responsibilities of another entity with respect to the same program, or with another program designed and intended to be applied to the same persons served by the audited entity.

Source Note: The provisions of this §31.204 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.205

(a) Annual audit required. Each guaranty association subject to the provisions of this subchapter shall undergo an annual financial audit at the end of each calendar year as required by §31.204(1) of this title (relating to Nature of Audits).

(b) Audit plan. The boards of directors of each guaranty association subject to the provisions of this subchapter shall annually adopt an audit plan. In developing the plan, the boards shall consider utilizing the audits described in §31.204(2) - (4). The plan may be modified at the

discretion of the boards. The plan and any modifications of the plan shall be filed with the commissioner.

(c) Commissioner may order audit. No provision of this subchapter prohibits or precludes the commissioner from ordering any entity subject to the provisions of this subchapter to submit to one or more audits at a frequency determined by the commissioner, based upon facts and circumstances.

Source Note: The provisions of this §31.205 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.206

a) Report required. A written report shall be prepared in connection with any audit authorized or required pursuant to this subchapter.

(b) Contents of report. The written report must include a management letter containing the following items, as applicable:

- (1) the criteria selected to measure effectiveness and efficiency;
- (2) internal controls;
- (3) compliance with state or federal laws;
- (4) conditions found by auditors and the effects of such conditions; and
- (5) any recommendations for improving operations or program effectiveness.

(c) Required opinion. The report also must include an opinion on fair presentation of financial statements when included as part of the scope of the audit.

(d) Supplemental items to be reported. The auditing entity's report should also include, to the extent necessary, each of the following items:

- (1) an analysis of the overall performance of the entity being audited;
- (2) an analysis of the audited entity's financial operations and condition; and
- (3) an analysis of receipts and expenditures made by each audited entity.

(e) Filing requirements for audits. Copies of the auditing entity's report shall be filed with the Commissioner of Insurance no later than 30 days after the audits are presented to the board of directors of the audited guaranty association. Any response to the report by the board of directors must be submitted to the commissioner no later than the next meeting of the board of directors.

(f) Audits excluded. This subchapter shall not apply to audits made by the Office of the State Auditor.

Source Note: The provisions of this §31.206 adopted to be effective April 3, 2002, 27 TexReg 2508

§31.207

The cost of audits required by this subchapter shall be paid by the audited entity.

Source Note: The provisions of this §31.207 adopted to be effective April 3, 2002, 27 TexReg 2508



October 28, 2025 Board of Directors Meeting

**RESOLUTION ON ISSUANCE OF RFP FOR AUDITORS
FOR THE YEAR-END 2026 AUDIT**

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association will begin the Request For Proposals process to identify and engage a new accounting firm to conduct a financial audit as of and for the year ending December 31, 2026.

Item 6

Consideration and possible action regarding the Audit Plan for calendar year 2026



October 28, 2025 Board of Directors Meeting

AUDIT PLAN FOR CALENDAR YEAR 2026

Texas Life and Health Insurance Guaranty Association management, in accordance with the Audit Committee charter, has developed the draft Audit Plan for Calendar Year 2026 shown on pages 6-2 through 6-4 for consideration by the Board of Directors. The Audit Plan is required to be submitted annually to the Texas Commissioner of Insurance by 28 TAC § 31.205(b).

In 2025, the Audit Committee recommended, and the Board approved, a revised Audit Plan that moved the engagement of the financial auditor to the spring meeting from the fall meeting to permit the TLHIGA staff to communicate with the auditor throughout the year rather than at the end of the year. This revised Audit Plan has become the standard plan and is incorporated in the 2026 Audit Plan being presented.

On page 6-5 is a draft recommendation of a resolution for the Board of Directors to adopt the Audit Plan for Calendar Year 2026 and authorize the Controller to file the plan with the Texas Commissioner of Insurance.

A follow-up review of the Audit Plan for Calendar Year 2026 will be included as an agenda item for the Audit Committee's meeting in April 2026. This will allow the Committee the opportunity to adjust the Audit Plan for Calendar Year 2026 for any items identified in the audit of the financial statements for the year ending December 31, 2025.



AUDIT PLAN

For Calendar Year 2026

The Audit Committee of the Board of Directors for the Texas Life and Health Insurance Guaranty Association ("TLHIGA"), in accordance with 28 TAC §31.205 and its adopted Audit Committee Charter, has developed the following Audit Plan for calendar year 2026.

The Audit Plan consists of elements related to the conduct and review of the financial statements audit for the year ending December 31, 2025 ("2025 Audit"), other audit projects related to the operations of the TLHIGA, plans for and scope of the 2026 annual financial audit, as well as other aspects of the Committee's responsibilities as set forth in the Charter of the Audit Committee. In this Audit Plan, the term "audit" refers to the annual financial audit as well as any additional audits or reviews that may be conducted.

Spring 2026 Audit Committee Functions

The Audit Committee or its delegate shall meet and interface with the independent auditor prior to the commencement of, and during, the audit, as necessary.

The Audit Committee will convene in accordance with its charter prior to the April 2026 meeting of the Board of Directors. At this meeting, the Committee will:

- Review the proposals submitted in response to the RFP for the engagement of a new independent certified public accountant for the audit of the financial statements ending December 31, 2026 and make a recommendation to the Board of Directors on engagement of an auditor,
- Meet with the independent auditor to review the audited financial statements for the year ending December 31, 2025, and to discuss with the auditor the Report on Internal Controls and the Report to the Board of Directors,
- Review with the auditor: any significant audit findings by the auditor together with management's response; any problems or difficulties that the auditor may have encountered in the course of the audit work; any restrictions on scope of activities or access to required information; any disagreements with management; any significant changes in the audit plan; and any significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures,

- Review the independent auditor's judgment related to the quality and appropriateness of the TLHIGA's accounting principles as applied in its financial reporting,
- Review the necessity to revise the Audit Plan for Calendar Year 2026,
- Review with the auditor its findings on any reviews or audits conducted in addition to, or as expansions of, the 2025 Audit,
- Make a determination as to the type of audit(s), including, but not limited to, those audit types identified in § 31.204(2)-(4) of Title 28 of the Texas Administration Code (compliance audit or review, economy and efficiency audit or review, effectiveness audit or review, internal controls audit or review), in addition to the annual financial audit to be conducted as of and for the year ending December 31, 2026,
- Consider possible expansion of scope for the year ending December 31, 2026, audit to include specific financial and/or managerial policies and procedures,
- Review the independence and performance of the auditor and recommend to the Board of Directors the appointment or discharge of the independent auditors,
- Review the fees and other significant compensation paid to the independent auditors,
- Review and approve any consulting engagements to be performed by the independent auditor, or other consulting firms, as well as any other engagements undertaken at the request of management that are beyond the scope of the audit engagement,
- Review accounting pronouncements and changes with management, including the potential impact to the financial statements,
- Review with the TLHIGA's general counsel, any legal matters that may have a material impact on the financial statements, the TLHIGA's compliance policies and any material reports or inquiries received from regulators or government agencies, and

The Committee or its Chair shall also:

- Present the 2025 Audit to the Board of Directors at its April 2026 meeting and make any recommendations of the Committee for approval and submission to the Texas Commissioner of Insurance.

Fall 2026 Audit Committee Functions:

The Audit Committee will convene in accordance with its Charter prior to the October 2026 meeting of the Board of Directors. At this meeting the Committee will:

- Review with the independent auditor the plan for the audit, including; audit scope, staffing, locations, reliance upon management and general audit approach, and
- Develop the Audit Plan for Calendar Year 2027, consistent with the rules and regulations of the Texas Department of Insurance, for filing with the Commissioner of Insurance.

The Committee or its Chair shall also:

- Present the Committee's recommended Audit Plan for Calendar Year 2027 to the Board of Directors for review and consideration at the Board of Director's Fall meeting; recommend the engagement of the independent auditor for the 2026 financial audit and other reviews or audits to the Board of Directors,
- Ensure that the Audit Plan for Calendar Year 2027 approved by the Board of Directors is filed with the Commissioner of Insurance,
- Assess the adequacy of the Audit Committee's Charter, and
- Meet with the independent auditor prior to the commencement of the audit.



October 28, 2025 Board of Directors Meeting

RESOLUTION ON ADOPTION OF AUDIT PLAN FOR CALENDAR YEAR 2026

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association hereby adopts the Audit Plan for Calendar Year 2026 for the Texas Life and Health Insurance Guaranty Association.

FURTHER RESOLVED, that the Board of Directors authorizes the Controller to file the Audit Plan for Calendar Year 2026 with the Commissioner of Insurance after final approval by the Chair of the Audit Committee or Chair of the Board of Directors.

Item 7

Consideration and possible action on selection of firm to perform network penetration testing



October 28, 2025 Board of Directors Meeting

NETWORK PENETRATION TEST

At its April 2025 meeting, the Audit Committee requested management draft and distribute a Request for Proposals (“RFP”) for a network penetration and social engineering test to be performed on the TLHIGA’s network and information technology activities. Management identified ten firms to include in distribution of the RFP to perform the testing. These firms were identified from vendors contacted in prior RFP activities and recommendations from other parties. All the vendors were contacted via email or contact requests via their websites on September 11, 2025.

As of the due date of October 8, 2025, the TLHIGA received four proposals. The proposals were provided to the Board under separate cover and will be reviewed and discussed during the October meeting.

Should the Board decide to recommend a network penetration and social engineering test be performed by one of the proposers, the testing would be done between November 2025 and mid-January 2026 and the Board will be presented with a report for review at its January 27, 2026 meeting. A recommended resolution is on page 7-2.



October 28, 2025 Board of Directors Meeting

**RESOLUTION TO ENGAGE A FIRM
TO PERFORM A NETWORK PENETRATION TEST**

RESOLVED, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association accepts the proposal from _____ for the full suite of network penetration testing and social engineering testing and authorizes the Executive Director to engage the firm.

Item 8

Consideration and possible action on reports and recommendations from the Executive Director Search Committee regarding:

- A. Review and evaluation of candidate submissions
- B. Candidate interview process
- C. Remaining search process timeline



October 28, 2025 Board of Directors Meeting

REPORT FROM THE EXECUTIVE DIRECTOR SEARCH COMMITTEE

The Executive Director Search Committee of the Board of Directors of the Texas Life and Health Insurance Guaranty Association (“TLHIGA”) met on October 27, 2025. Committee Chair Kennedy will report on, and provide recommendations related to, the following matters that were discussed during the Committee’s meeting.

Review and Evaluation of Candidate Submissions

On August 28, 2025, a notice was published in the *NOLHGA Wire* regarding the expanded Executive Director search process, the availability of the search solicitation package on the TLHIGA’s website, the contact information for General Counsel Price, and the October 15, 2025 deadline for submissions from interested persons. A similar notice was also posted on LinkedIn jobs page and the International Association of Insurance Receivers (“IAIR”) website.

The Committee evaluated the candidate submissions received by General Counsel Price to determine whether there were viable candidates or if the solicitation process should be expanded.

Candidate Interview Process

The Committee reviewed and revised a preliminary list of interview questions. The Committee determined the interviews will be conducted virtually with all Committee members participating. Efforts will be made to conduct interviews on the following dates:

November 2-6
November 9-13
November 16-20
November 23-24
November 30-December 4
December 14-18

Remaining Search Process Timeline

The following summarizes the timeline of activities to screen, interview, select, and onboard a new Executive Director.

2025 Activities

October 28th (Board of Directors Meeting) - TLHIGA Board of Directors meeting to hear a report from the Executive Director Search Committee with possible recommendation of candidates to be interviewed.

November – December - The Executive Director Search Committee will schedule meeting(s) to interview candidates.

2026 Activities

January 27th - The Executive Director Search Committee will report to the TLHIGA Board of Directors at its January 27, 2026 meeting with a possible recommendation of a candidate.

February – March - Negotiations to engage a new Executive Director.

April 21st - Board of Directors meeting to determine the final terms and engagement of a new Executive Director.

May – December - Transition with the current Executive Director (the time period may be adjusted based on the qualifications, experience, and availability of the selected individual).

Item 9

Executive Session:

- A. Confidential report of the Texas Department of Insurance Office of Supervisory Interventions to the Board of Directors on troubled or insolvent insurance companies and related discussion
- B. Discussion of Executive Director candidates and recommendation for interviews
- C. Discussion of October 2024 Class B assessment protest
- D. Any personnel matters – without management present
- E. Any personnel matters – with management present
- F. Potential and pending litigation
- G. Advice from counsel on any legal issues arising out of any agenda item

Item 10

Consideration and possible action on items discussed in Executive Session

Item 11

Quarterly report from Executive Director on TLHIGA activities



October 28, 2025 Board of Directors Meeting

EXECUTIVE DIRECTOR'S QUARTERLY REPORT

The following provides an update on the activities taken on behalf of the TLHIGA since the Board of Directors meeting held on July 29, 2025, that are not discussed under other agenda items.

OPERATIONAL UPDATES

Director Vacancies – Jim Lewis and Dean Frigo decided not to seek reappointment to the TLHIGA Board of Directors when their terms ended on September 30, 2025.

Director Lewis' 17 years of service on the Board of Directors began on April 26, 2008, including serving as Chair from January 20, 2015 to January 30, 2024.

Director Frigo's 18 years of service on the Board of Directors began on May 5, 2007, including serving as Treasurer since January 12, 2016 and Chair of the Audit Committee since January 25, 2011.

These departures will leave vacancies on the Board of Directors for a small insurance company representative and a public member representative. The Texas Department of Insurance ("TDI") is aware of these vacancies and has initiated the process to identify individuals that could serve in these director seats.

Assessment Appeal – The TLHIGA Board of Directors authorized a Class B assessment for Bankers Life Insurance Company and Colorado Bankers Life Insurance Company of \$102.2 million on April 22, 2024. After the coverage estimates were updated, \$98.5 million of the assessment was called on October 15, 2024.

One member company protested their assessment through the Commissioner of Insurance, as statutorily permitted. They stated the grounds for their protest were material overstatements in the assessable premiums they reported in the Assessable Premium Exhibits of their 2021, 2022, and 2023 Annual Statements. It should be noted that this company also filed assessment appeals/protests with 13 other guaranty associations. The company subsequently submitted revised Assessable Premium Exhibits for the Annual Statements for the involved three years.

During its July 29, 2025 meeting, the TLHIGA Board of Directors adopted a resolution to recommend that the TDI deny the protest and to take no action to accept or reject the company's filings of revised Assessable Premium Exhibits for 2021, 2022, and 2023. General

Counsel Price sent a letter to the TDI on August 8, 2025 with the Board of Director's recommendation. The TDI has not communicated with the company after receiving this information; however, Dan Price I met with the TDI on October 14th to discuss the protest and the associated assessable premium issues.

MEETINGS AND ACTIVITIES WITH OTHER ORGANIZATIONS

NOLHGA Meetings – Jarett Terry, Dan Price, Topping Haggerty, Blake Brodersen, Jim Harrison, Ted Kennedy, and I attended the NOLHGA Members' Participation Council ("MPC") Meeting and Legal Seminar that was held on July 23-25, 2025 in Washington, DC.

NOLHGA's next MPC meeting and the 42nd Annual Meeting was held at the Grand Hyatt Riverwalk in San Antonio on October 22-24, 2025. Chair Huckaby, Jim Harrison, Jarett Terry, Topping Haggerty, Dan Price, and I attended the meetings.

NAIC Meetings – I attended the NAIC's Summer National Meeting on August 10-13, 2025 in Minneapolis, MN. In addition to several NAIC committee and working group meetings, I attended the NOLHGA/NCIGF breakfast, the IAIR Issues Forum, other IAIR committee meetings, and chaired an IAIR Board of Directors meeting. The NAIC's Fall National Meeting will be held on December 8-11, 2025 in Hollywood, FL.

International Association of Insurance Receivers ("IAIR") Activities – The IAIR Technical Development Series workshop was held on October 21, 2025 at the Grand Hyatt San Antonio Riverwalk. This single day event was scheduled the day before the NOLHGA MPC and Annual Meetings at the same hotel to encourage more participation by life and health guaranty association administrators. Dan, Jarett, Topping, and I attended. I also presented during the event.

Item 12

Consideration and possible action regarding the following impaired/insolvent member insurers or matters related thereto:

- A. Estate Summary
- B. Bright HealthCare Insurance Company of Texas
- C. Friday Health Insurance Company, Inc.
- D. Bankers Life Insurance Company
- E. Colorado Bankers Life Insurance Company
- F. Southland National Insurance Corporation
- G. North Carolina Mutual Life Insurance Company
- H. Penn Treaty Network America/American Network Insurance Companies



October 28, 2025 Board of Directors Meeting

ESTATE ADMINISTRATION SUMMARY

This is a report of general insolvency activities since the July 29, 2025, Board of Directors regular quarterly meeting. Specific reports on key estates follow this summary.

Active Receivership Estates

On page 12-2 is a list of the fourteen (14) active receivership estates for which the TLHIGA has been activated to provide protection to Texas resident policyholders. This list does not include receivership proceedings that have been closed but for which the TLHIGA has continuing obligations to policyholders. There are four additional companies that are being monitored since they are subject to ongoing rehabilitation proceedings or a petition for liquidation is pending against them.

Contractual Obligation Funding and Projected Obligations

The TLHIGA's funding to fulfill insurance policy obligations for the first eight months of 2025 totaled approximately \$76.04 million. The projected remaining policy obligations covered by the TLHIGA are approximately \$39.87 million as of August 31, 2025. The Projected Policy Obligations report, which provides the details of these remaining obligations for 13 insolvencies, is included on page 12-3 (these are aggregate payment estimates, not present values).

Estate Distributions, Recoveries & Premium Collections

The TLHIGA received approximately \$31.54 million in distributions of estate assets from either foreign or Texas domiciled estates, restitution payments, or litigation recoveries in the first eight months of 2025. Premiums collected during the first eight months of 2025 totaled \$40,384.

Miscellaneous Reports

The third quarter 2025 Summary of Communications Activity Report is included on page 12-4.

The 2025 complaint log is included with this report on page 12-5.



Active Receivership Estate Listing (as of September 30, 2025)

Status	Estate Name	Reference Number	State of Domicile	Activation Date
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ESTATES CLOSED DURING 2025

	Lincoln Memorial Life Ins Co	078	TX	10/23/08
	Memorial Service Life Ins Co	077	TX	10/23/08

14 ACTIVE ESTATES (4-TX DOMICILED, 10-FOREIGN)

	Bankers Life Ins Co	099	NC	11/30/24
	Bright Healthcare Ins Co of Texas	104	TX	11/29/23
	Colorado Bankers Life Ins Co	100	NC	11/30/24
	First National Life Ins Co of America	046	MS	07/01/99
	Friday Health Insurance Co	105	TX	03/23/23
	Good Samaritan Life Ins Co	064	TX	07/22/03
	Heritage National Ins Co	055	OK	12/18/01
	Lone Star Life Ins Co	072	TX	05/18/06
	Lumbermens Mutual Casualty Company	091	IL	05/10/13
	National States Ins Co	090	MO	11/15/10
	North Carolina Mutual Life Ins Co	097	NC	10/31/22
	Northwestern National Mutual Ins Co	096	WI	05/02/19
	Security General Life Ins Co	073	OK	11/13/06
	Southland National Insurance Corporation	101	NC	05/02/23

4 BEING MONITORED (All FOREIGN)

	Columbian Life Ins Co	107	IL	
	Columbian Mutual Life Ins Co	108	NY	
	PHL Variable Ins Co	106	CT	
	Senior Health Ins Co of Pennsylvania	098	PA	



Projected Policy Obligations (as of August 31 2025)

Prepared by *B. A. B.* September 15, 2025

TX GA REF NO	ESTATE NAME	IMPAIRMENT YEAR	PROJECTED CLAIMS OBLIGATIONS	CURRENT	LONG-TERM	September-25	October-25	November-25	December-25	January-26	February-26
104	BRIGHT HEALTHCARE INS CO OF TEXAS	2023	0	0	0	0	0	0	0	0	0
095	CALANTHE MUTUAL LIFE INS CO	2020	745,318	24,000	721,318	2,000	2,000	2,000	2,000	2,000	2,000
003	EXECUTIVE LIFE INS CO	1991	128,350	128,350	0	128,350	0	0	0	0	0
099	BANKERS LIFE INS CO	2024	6,706,601	2,050,000	4,656,601	300,000	300,000	300,000	200,000	200,000	200,000
100	COLORADO BANKERS LIFE INS CO	2024	17,518,749	3,900,000	13,618,749	500,000	500,000	500,000	500,000	300,000	300,000
105	FRIDAY HEALTH INS CO	2023	2,032,696	2,032,696	0	0	0	2,032,696	0	0	0
085	GOLDEN STATE MUTUAL LIFE INS CO	2011	20,000	0	20,000	0	0	0	0	0	0
078	LINCOLN MEMORIAL/MEMORIAL SERVICE LIFE INS CO'S	2008	47,654	2,000	45,654	0	1,000	0	0	0	0
090	NATIONAL STATES INS CO	2010	1,674,900	2,000	1,672,900	0	1,000	0	0	0	0
097	NORTH CAROLINA MUTUAL LIFE INS CO	2022	38,692	24,000	14,692	2,000	2,000	2,000	2,000	2,000	2,000
101	SOUTHLAND NATIONAL INS CORP	2023	10,630,594	10,630,594	0	55,000	55,000	55,000	55,000	55,000	10,355,594
102	TIME INSURANCE CO	2022	388	388	0	0	0	0	0	388	0
084	UNIVERSAL LIFE INS CO	2010	329,999	6,000	323,999	0	3,000	0	0	0	0
TOTAL ESTIMATED OBLIGATIONS			39,873,941	18,800,028	21,073,913	987,350	864,000	2,891,696	759,000	559,388	10,859,594

TX GA REF NO	ESTATE NAME	IMPAIRMENT YEAR	March-26	April-26	May-26	June-26	July-26	August-26	>August 2026
104	BRIGHT HEALTHCARE INS CO OF TEXAS	2023	0	0	0	0	0	0	
095	CALANTHE MUTUAL LIFE INS CO	2020	2,000	2,000	2,000	2,000	2,000	2,000	721,318
003	EXECUTIVE LIFE INS CO	1991	0	0	0	0	0	0	0
099	BANKERS LIFE INS CO	2024	200,000	100,000	100,000	50,000	50,000	50,000	4,656,601
100	COLORADO BANKERS LIFE INS CO	2024	300,000	200,000	200,000	200,000	200,000	200,000	13,618,749
105	FRIDAY HEALTH INS CO	2023	0	0	0	0	0	0	0
085	GOLDEN STATE MUTUAL LIFE INS CO	2011	0	0	0	0	0	0	20,000
078	LINCOLN MEMORIAL/MEMORIAL SERVICE LIFE INS CO'S	2008	0	1,000	0	0	0	0	45,654
090	NATIONAL STATES INS CO	2010	0	1,000	0		0	0	1,672,900
097	NORTH CAROLINA MUTUAL LIFE INS CO	2022	2,000	2,000	2,000	2,000	2,000	2,000	14,692
101	SOUTHLAND NATIONAL INS CORP	2023	0	0	0	0	0	0	0
102	TIME INSURANCE CO	2022	0	0	0	0	0	0	0
084	UNIVERSAL LIFE INS CO	2010	0	3,000	0	0	0	0	323,999
TOTAL ESTIMATED OBLIGATIONS			504,000	309,000	304,000	254,000	254,000	254,000	21,073,913



Summary of Communications Activity (Third Quarter 2025)

Phone Calls	Active Companies	Not GA Related (referred by TDI)	Insolvencies	Insolvencies (referred by TDI)	Miscellaneous	Totals
July						
1-4	12		13		5	30
7-11	21	3	10		10	44
14-18	22		6		18	46
21-25	19		6		8	33
28-31	18		3		7	28
Month total	92	3	38	0	48	181
August						
1	4		3		1	8
4-8	19		6		4	29
11-15	19		3		9	31
18-22	21		10		14	45
25-29	30	1	4		7	42
Month total	93	1	26	0	35	155
September						
1-5	8		10		8	26
8-12	24	2	11		11	48
15-19	18	5	8		11	42
22-26	23	1	9		8	41
29-30	7		4		2	13
Month total	80	8	42	0	40	170
Totals for 3rd Qtr	265	12	106	0	123	506

	July	August	September	3rd Quarter 2025 Totals
E-Mail/Mail Requests Received	4	1	1	6
Website Visitors	664	720	699	2,083



2025 COMPLAINT LOG

TYPE OF COMPLAINT

A - INSURANCE COMPANY
B - AGENT
C - CLAIM PAYMENT (AMOUNT DISPUTE)
D - CLAIM PAYMENT (TIMELINESS OF)
E - SERVICE (GUARANTY ASSOCIATION)
F - SERVICE (TPA)
G - TEXAS DEPARTMENT OF INSURANCE

DISPOSITION / RESOLUTION CODES

PN - Pending
FU - Follow up / complaint still pending
RE - Reaffirmed / explained GA position
RD - Reaffirmed previous denial
PC - Paid claim
DC - Denied claim
RA - Referred to assuming carrier
RD - Referred to Texas Department of Insurance
RR - Referred to Receiver
RO - Referred to other
RI - Requested additional information
ST - Settlement

[illegible]



October 28, 2025 Board of Directors Meeting

BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS (“BHICOT”)

STATE OF DOMICILE: TX
STATE LICENSES: TX Only
DATE OF LIQUIDATION ORDER: November 29, 2023 (TLHIGA activation date)

Financial Summary (as of August 31, 2025)

Administration Expenses	\$ 5,808,331
Direct Policy Benefit Payments	4,647,235
Assumption Reinsurance Payments	(0)
Premium Collections	(0)
Distributions & Recoveries	<u>(8,659,686)</u>
Net Cost	\$ <u><u>1,795,880</u></u>

Class B Assessments to Date \$ 0

This report will summarize the TLHIGA’s activities on this Texas domiciled insolvency since the July 29, 2025 Board of Directors meeting.

Background

Bright HealthCare Insurance Company of Texas (“BHICOT”) was placed into liquidation in a receivership proceeding on November 29, 2023. BHICOT consented to the liquidation. This Texas domiciled insurance company is only licensed in Texas. BHICOT is owned by Bright Health Management, Inc. (“Bright Health Mgmt”), which is owned by Bright Health Group, Inc. (“BHP Holding”). There are twelve other affiliated insurance companies that are continuing in operation. All thirteen insurance entities were managed and controlled by Bright Health Mgmt in Minneapolis, MN. BHICOT is a virtual company with all operations being performed by Bright Health Mgmt.

The vast majority of BHICOT’s policies were written on the health insurance exchange and were terminated on December 31, 2022. Approximately 1,000 non-exchange individual policies terminated on July 31, 2023.

Administration

Several agreements were negotiated and executed to facilitate the TLHIGA’s ongoing processing and payment of its claims obligations, including an administration services agreement with the TPA, Evolent Health, for claims processing. This agreement for read only access for the TLHIGA and the BHICOT SDR continues on a month-to-month basis at the rate of \$40,000 per month.

Claims Batches and Remaining Obligations

Forty-two (42) batches of claims have been processed and released through August 31, 2025. The total paid for the 11,333 claims in these batches is \$4,731,912. These claims payment activities require the TLHIGA staff to handle a significant number of phone calls/emails, research returned payments that are undeliverable, and perform monthly bank reconciliations.

Claims Settlements

The TLHIGA has continued to work with providers for possible settlements to resolve remaining claims obligations and appeals/disputes of previously processed claims through a spreadsheet claims submission process. The providers were asked to assemble and submit individual spreadsheets for each of their facilities or affiliates by unique Tax Identification Number ("TIN") that provide claim level details of the disputed issue with each BHICOT claim, the processed amounts recorded in their records, and the remaining amounts they feel they should recover.

Settlements have been completed with several providers that had submitted spreadsheet listings of claims receivables. These providers had requested reissuance of checks, replacement Explanation of Payments, and additional payments for claims paid at the incorrect contract rate or denied inappropriately. The \$310,916 being requested were settled with payments totaling \$51,718.

There are no additional pending submissions from providers.

Appeals and Disputes

The TLHIGA staff is responsible for researching and resolving provider disputes, complaints, and claims-related inquiries. There have been 1,182 provider disputes submitted. Approximately 700 of these were voluminous form letter submissions that were addressed through single responses. Many of the disputes have resulted in claims being reprocessed for potential benefit payments. Others involve out-of-network providers disputing the amount of the payment they received so these are being forwarded to the SDR as possible Independent Dispute Resolutions ("IDRs") under the No Surprises Act.

The TLHIGA also researched 377 inquiries submitted directly to the TLHIGA through email or phone. Some of these are from individual insureds but most are from providers.

Early Access Requests and Distributions

The TLHIGA requested an initial early access distribution of \$4,517,205 on July 26, 2024. While the Special Deputy Receiver was evaluating this submission, the TLHIGA updated the request to \$8,659,686. The SDR requested additional supporting documentation which the TLHIGA provided on October 7, 2024. The application for this distribution was submitted to the Court on November

22, 2024. The distribution was approved and the TLHIGA received the funds on February 25, 2025. The TLHIGA plans to submit a final early access request for additional administration expenses and claims payments when the receivership estate activities wind down.



October 28, 2025 Board of Directors Meeting

FRIDAY HEALTH INSURANCE COMPANY, INC. ("FHIC")

STATE OF DOMICILE: TX
STATE LICENSES: TX Only
DATE OF LIQUIDATION ORDER: March 23, 2023 (TLHIGA activation date)

Financial Summary (as of August 31, 2025)

Administration Expenses	\$	14,747,722
Direct Policy Benefit Payments		27,506,275
Assumption Reinsurance Payments		(0)
Premium Collections		(0)
Distributions & Recoveries		<u>(46,456,812)</u>
Net Cost	\$	<u><u>(4,202,815)</u></u>

Class B Assessments to Date \$ 0

This report will summarize the TLHIGA's activities on this Texas domiciled insolvency since the July 29, 2025 Board of Directors meeting.

Background

Friday Health Insurance Company, Inc. ("FHIC") was placed into liquidation by a Travis County court on March 23, 2023. FHIC consented to the liquidation. This Texas domiciled insurance company is only licensed in Texas. FHIC was owned by Friday Health Plans Management Services Company, Inc. ("FHP Mgmt"), which is owned by Friday Health Plans, Inc. ("FHP Holding"). All the affiliates in other states are now in liquidation: three HMOs owned by FHP Mgmt domiciled in Georgia, North Carolina, and Oklahoma and an insurance company domiciled in Nevada. An additional HMO domiciled in Colorado, owned by FHP Holding, is also in liquidation. All six of the insurance entities were managed and controlled by FHP Mgmt in Alamosa, Colorado.

Administration Solution

The initial administration the TLHIGA negotiated with FHP Mgmt ended on July 6, 2023, when FHP Mgmt terminated all its employees and ceased operations.

The TLHIGA then participated in an administration solution involving the TLHIGA, the five other guaranty associations affected by the liquidation of the Friday insurance entities in their states, the receivers in the other states, and UST Global, Inc. ("UST"), the third-party administrator that was the vendor providing the administration platform to FHP Mgmt. This administration solution was supplemented by UST engaging over 100 of the former Friday Health Plans employees and

the receivers and the TLHIGA entering into runoff agreements with over 30 vendors that provided services to support the administration.

Eighteen key UST staff that were not offered ongoing positions with UST entered into contracts with Examination Resources to provide the ongoing administration runoff after March 31, 2024. Examination Resources serves as SDR for the Friday receiverships in NC, GA, and CO. The agreements used to engage these contractors were developed by NOLHGA at rates negotiated by the guaranty associations. Five of the individuals are monthly contractors and the other thirteen are hourly. The estimated monthly cost to the guaranty associations for these contractors was estimated at \$126,820. The actual monthly costs have ranged from \$105,000 to \$117,000 and are continuing to decrease as the number of contractors is reduced. The TLHIGA has a 51% share of these costs but promoted an adjustment to the allocation to use actual time spent on state specific guaranty association or receivership activities as of February 1, 2025. As of May 31, 2025, there are only three monthly contractors and two hourly contractors still actively engaged by Examination Resources to provide support for guaranty association activities.

SOW1 and SOW2 with UST terminated on September 30, 2024. Statement of Work 3 (SOW3) that provides the guaranty associations and SDRs read-only access into the Friday Health Plans historical claims data on the UST platform for \$11,000 per month terminated on June 30, 2025. UST provided a price of \$55,000 per month to extend the access to this platform through year end 2025. The SDR for Colorado, Georgia, and North Carolina was able to negotiate a reduction in this price to \$20,000 per month. The SDRs for the states other than Texas decided not to extend SOW3 with UST. This would leave the TLHIGA bearing all the costs should this platform be used after June 30th.

The SDRs and guaranty associations in the other states where Friday entities are being liquidated developed an administration solution to use the administration platform the Illinois Life & Health Insurance Guaranty Association developed for the liquidation of the Land of Lincoln cooperative. The programming to pull the data from the Friday entities' databases and tables on the Amazon Web Services cloud has been completed and tested against the data in the UST platform. The TLHIGA was able to negotiate access to this platform through a license agreement from an older insolvency for a one-time \$4,000 payment, thus eliminating the need to extend SOW3 with UST.

As the guaranty associations' claims/appeals work and the SDR's Proof of Claim processing has continued to resolve the open matters, the number of Examination Resources contractors providing services to the guaranty associations and SDRs has been reduced. As of August 31st, there are only three monthly contractors and two hourly contractors still actively engaged.

Claims Batches and Remaining Obligations

As of August 31, 2025, seventy-four (74) claim batches have been approved and funded by the TLHIGA. These batches included 167,714 claims with benefits totaling approximately \$27.55 million. There are no remaining claims or individual appeals to be processed.

Claims Appeals Settlements

The TLHIGA initiated discussions with ten providers, involving facilities with 125 unique Tax Identification Numbers, submitted TIN specific spreadsheets listing 21,157 specific claims requesting payments on \$35,392,982 of outstanding receivables for these claims. The TLHIGA staff and the contracted claims team researched the claims for timeliness of submissions/appeals, member share amounts, incorrect pricing, etc. The following is the status of settlements with these ten providers.

- One provider involving 115 claims and a requested receivable of \$1,614,501 failed to respond to specific requests for details to support their submission, so the matter was closed for inactivity without any settlement.
- Settlements have been completed with seven providers with the TLHIGA making settlement payments totaling \$1,500,642 to resolve 10,958 claims with \$19,118,958 receivables demand.
- Negotiations have been completed with another provider to resolve 99 claims with a receivable request of \$1,556,161 for a settlement payment of \$32,696. The language of the settlement agreement is being finalized.
- The last provider originally submitted 9,985 specific claims requesting payments on \$13,104,002 of outstanding receivables. After significant responses from the TLHIGA pointing out issues with their data, the provider submitted a new file with 1,676 claims and a request for \$4,975,015. The claims and appeals in the latest submission are being researched.

Early Access Distributions

The TLHIGA received a \$25 million early access distribution from the FHIC receivership estate on December 9, 2023. A second early access distribution of \$21.5 million was received from the SDR on February 25, 2025.

Assignment for the Benefit of Creditors Proceeding

FHP Mgmt and FHP Holding (collectively “Assignor”) filed an Assignment for Benefit of Creditors (ABC) in Delaware on July 24, 2023. An ABC is a state-law alternative (but not equivalent) to a federal bankruptcy. Important differences are the lack of required notice to creditors and no statutory process to govern the distribution of assets. Instead, the Assignor first assigns the assets in a separate document (“Assignment”) to an assignee, usually a new Delaware entity, (“Assignee”) created by the Assignor solely for the purpose of receiving the assignment of the assets. The Assignee powers and duties, as outlined in the Assignment, are broad and virtually unchecked.

On August 3, 2023, the Vice Chancellor (judge) for the court in which the ABC was filed, on his own motion entered an “Order Governing the Assignment for the Benefit of Creditors.” In this order the Vice Chancellor essentially required the Assignee to file additional information in the proceedings including the Assignee’s relationship to the Assignor, more details about the assets and debts involved, and filing an inventory. The order also prohibits the Assignee from exercising various powers purportedly assigned to the Assignee in the Assignment, such

as granting security interests in any of the assets and entering into agreements to sell any of the business entity assets. The order also requires the Assignee to file a motion for appointment of an appraiser.

On August 11, 2023, the Texas SDR filed a motion to dismiss or stay the ABC proceedings. Among other things, the motion seeks dismissal because the ABC interferes with the permanent injunction in the Texas liquidation, the court lacks jurisdiction over property of FHIC that is included in the Assignment, the ABC is inconsistent with Delaware policy regarding insurance insolvency proceedings, the ABC involves many of the same issues as the Texas liquidation, which was filed before the ABC, and because the ABC has no independent fiduciary. The other receivership estates have either joined in the Texas SDR's motion or filed similar motions, and Zelis, a vendor of FHP, intervened in the proceedings.

On June 13, 2024, the Court held a hearing on the motions to dismiss and other pending motions. To the surprise of the SDRs, the Vice Chancellor did not dismiss the proceedings. We await a transcript of the hearing and the bench ruling to see first-hand what happened. The SDR advised us that the Vice Chancellor ruled that no more distributions can be made to the main creditor of the ABC proceeding, which was also the main creditor of FHP. It is unclear how much has been distributed to this creditor.

A mediation was held among the parties on January 8, 2025, and negotiations continued without resolution for several months. Shortly after the mediation, the Chancery Court ordered the Assignee to post a bond of \$15,384,579.57. The bond was posted on June 17, 2025.

On June 18, 2025, the Assignee filed a dec action in the Chancery Court against the SDRs. The SDRs responded demanding the dec action be dismissed for violating the Permanent Injunctions in the various receivership courts. The Assignee voluntarily dismissed the case on June 27, 2025.

The SDRs then filed a July 2, 2025 *Motion to Remove the Assignee for Cause and for Disgorgement of all Fees Paid to the Assignee and its Professionals*. The Motion alleged the Assignee was not acting as an independent fiduciary as required by statute and the Assignee improperly turned over control of the assets assigned to a third party without court approval. These actions, the SDRs allege, provide the requisite "cause" for removal.

On September 8, 2025, the Assignee filed its *Opposition to the Motion to Remove the Assignee for Cause and for Disgorgement of all Fees Paid to the Assignee and its Professionals*. The *Opposition* was supported by an expert affidavit and report that took as given that the Assignee's factual assertions are correct and then concludes that there is no breach of fiduciary duty by the Assignee giving control of its assets to a third party.

General Counsel Price will report on the hearing and next steps during the Executive Session of the October 28, 2025 meeting.



October 28, 2025 Board of Directors Meeting

BANKERS LIFE INSURANCE COMPANY ("BLIC")

STATE OF DOMICILE: NC
STATE LICENSES: AL, AK, AZ, AR, CO, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MD, MI, MN, MS, MO, MT, NE, NV, NM, NC, ND, OH, OK, PA, SC, SD, TN, TX, UT, VA, WA, WV, WY and District of Columbia (45 total jurisdictions)
DATE OF LIQUIDATION ORDER: November 30, 2024

Financial Summary (as of August 31, 2025)

Administration Expenses	\$ 654,482
Direct Policy Benefit Payments	45,155,286
Assumption Reinsurance Payments	(0)
Premium Collections	(0)
Distributions & Recoveries	<u>(1,126,132)</u>
Net Cost	\$ <u>44,683,636</u>

Class B Assessments to Date \$ 53,962,155*

*The TLHIGA Board of Directors authorized a \$57.2 million Class B assessment for this company during its April 22, 2024 meeting. On October 15, 2024, \$53,962,155 of this amount was called and distributed to the member insurers.

COLORADO BANKERS LIFE INSURANCE COMPANY ("CBLIC")

STATE OF DOMICILE: NC
STATE LICENSES: All states except NY (51 total jurisdictions)
DATE OF LIQUIDATION ORDER: November 30, 2024

Financial Summary (as of August 31, 2025)

Administration Expenses	\$ 323,529
Direct Policy Benefit Payments	32,048,812
Assumption Reinsurance Payments	(0)
Premium Collections	(0)
Distributions & Recoveries	<u>(0)</u>
Net Cost	\$ <u>32,372,341</u>

Class B Assessments to Date \$ 44,537,845*

*The TLHIGA Board of Directors authorized a \$45 million Class B assessment for this company during its April 22, 2024 meeting. On October 15, 2024, \$44,537,845 of this amount was called and distributed to the member insurers.

This report will summarize the TLHIGA's activities on these two member companies since the July 29, 2025 Board of Directors meeting.

Background

Bankers Life Insurance Company (BLIC) and Colorado Bankers Life Insurance Company (CBLIC), domiciled in North Carolina, and two other insurers—Southland National Insurance Corporation (SNIC) and Pavonia Life Insurance Company of Michigan (Pavonia)—are part of a group of insurance companies known as Global Bankers Insurance Group (GBIG), which in turn is part of a larger group of companies known as Global Growth (f/k/a Eli Global). BLIC and CBLIC sold annuity products and some life insurance, and it was placed in rehabilitation by order of the Superior Court of Wake County, North Carolina, on June 27, 2019.

On December 30, 2022, the Receivership Court issued an Order of Liquidation against CBLIC and BLIC, but the Order was not yet effective. On January 27, 2023, GBIG Holdings, which owns CBLIC and BLIC, filed an appeal of the Liquidation Order. As a result of GBIG's appeal, the Liquidation Order did not become effective until the first month-end occurring 90 days after GBIG's appeal was fully and finally resolved and the Liquidation Order was affirmed on appeal. Until the Liquidation Order became effective, CBLIC and BLIC remained in Rehabilitation subject to a moratorium prohibiting surrenders, loans, and annuitizations, and guaranty association coverage obligations was not triggered by the order.

On March 5, 2024, the North Carolina Court of Appeals affirmed the Liquidation Order. GBIG Holding, the shareholder, filed a Petition for Discretionary Review, asking the North Carolina Supreme Court to review the Appeals Court decision. Subsequently, the shareholder filed a motion to withdraw its petition for discretionary review. On August 23, 2024, the North Carolina Supreme Court granted the holding company's Motion to Withdraw the Petition for Discretionary Review of the Liquidation Order against CBLIC and BLIC. As a result, the Liquidation Order Effective Date was November 30, 2024.

Estimated Obligations

The actuarial consultant for the NOLHGA Global Companies Task Force recently provided updated estimates of the covered annuity obligations. The estimate projected the TLHIGA's covered cash surrender values for BLIC were \$51,639,633 and CBLIC were \$43,564,003, as of November 30, 2024. These estimates were minimally revised for final coverage decisions and the incorporation of ongoing Required Minimum Distributions, scheduled interest payments, and a few of the 25% withdrawals permitted by the rehabilitation proceedings.

Claims Batches Distribution Timing, Review, Approval, and Distribution

Guaranty associations may prefund amounts into two NOLHGA escrow accounts, one for BLIC and another for CBLIC. These escrow accounts earn Money Market interest which is allocated to the guaranty associations based on their pro rata share of the funds in each account. The TLHIGA has deposited \$90.3 million into these two escrow accounts.

AMR produces claims batches that are sent to Risk Regulatory Consulting for review, testing and formatting before notice is provided to the individual guaranty associations. The details for each claims batch are posted to NOLHGA's QUEST platform under the state specific folders for BLIC/CBLIC. Batches are distributed at two different time intervals based on the type of benefit to be funded.

- Weekly Batches - Surrender, exchanges, A&H/medical, and disability income benefit batches are distributed to the guaranty associations each Tuesday. The guaranty associations must review and approve the batches before the end of business on Thursday. Funds are then released to AMR and they distribute the benefit payments for the batch on Monday.
- Monthly Batches – Interest Only, Required Minimum Distributions, and supplementary contract benefit batches are distributed to the guaranty associations on the first business day of each month. The guaranty associations must review and approve the batches before the end of business on the 8th of the month. Funds are then released to AMR and they distribute the benefit payments for the batch on the 20th of the month.

Fifty-four (54) claims batches have been distributed and funded as of September 30, 2025. The benefits funded by the TLHIGA through these batches total \$77,629,667. The covered cash surrender values for the remaining annuities protected by the TLHIGA total approximately \$20.93 million.

The surrender or exchange benefits funded by all of the guaranty associations total \$1,386,755,625. These benefits represent approximately 63.5% of the BLIC/CBLIC annuities (based on annuity count).

Life Block

There is also a block of CBLIC life insurance business with the following policy counts and reserves.

	LIFE Count	LIFE Covered Reserves
All States	74,415	\$129,558,898
TLHIGA	2,841	\$5,224,753

A subgroup of the NOLHGA Global Companies Task Force developed and distributed a Request for Proposals for assumption reinsurance for the block on October 1, 2024. The notice

required each interested company to submit a fully executed Confidentiality and Non-Disclosure Agreement (NDA) and a \$20,000 deposit before any information would be released. Four companies executed the NDAs and paid the deposits. An administration issue arose that created a delay in data room access for one of the interested companies. To ensure all parties are provided access and an adequate time to evaluate the data, the deadline for the submission of bids was extended for all interested companies until January 15, 2025.

All four of the interested bidders submitted proposals. The subgroup reviewed the proposals and recommended the Task Force authorize pursuing an agreement with one of the bidders. The due diligence and negotiations are continuing.

Recently, the selected company was approached to see if they have interest in expanding the assumption reinsurance agreement to include any of the stand alone BLIC and CBLIC annuity contracts that have not been surrendered. This discussion is ongoing.

It is anticipated that, if a final agreement can be reached, an assumption could close by the end of 2025 or in the first quarter of 2026.



October 28, 2025 Board of Directors Meeting

SOUTHLAND NATIONAL INSURANCE CORPORATION (“SNIC”)

STATE OF DOMICILE: NC
STATE LICENSES: AL, AZ, AR, CO, FL, GA, IN, KY, LA, MS, NM, NC, OH, OK, SC,
TN, TX, and VA (18 total jurisdictions)

DATE OF REHABILITATION ORDER: June 27, 2019
DATE OF LIQUIDATION ORDER: May 2, 2023 (TLHIGA activation date)

Financial Summary (as of August 31, 2025)

Administration Expenses	\$ 335,137
Direct Policy Benefit Payments	1,710,338
Assumption Reinsurance Payments	0
Premium Collections	(27,186)
Distributions & Recoveries	<u>(701,431)</u>
Net Cost	\$ <u>1,316,858</u>

Class B Assessments to Date \$ 0

This report will summarize the TLHIGA’s activities on this North Carolina domiciled insolvency since the July 29, 2025 Board of Directors meeting.

Background

Southland National Insurance Corporation (“SNIC”), domiciled in North Carolina, sold pre-need funeral policies. It is part of the Global Bankers Insurance Group, which in turn is part of a larger group of companies known as Global Growth (formerly known as Eli Global), which is owned by Greg Lindberg. The company was placed in rehabilitation by order of the Superior Court of Wake County, North Carolina, on June 27, 2019. On May 2, 2023, SNIC was placed into Liquidation.

Claims Batches and Remaining Obligations

Continuing administrative services are being provided on behalf of the Guaranty Associations for two separate blocks of SNIC’s insurance policies, including by Southland Benefit Services (SBS) and by Universal Fidelity Life Insurance Company (UFLIC).

The SNIC cash surrender values covered by the TLHIGA were estimated to be \$12,469,379 and the covered death benefits were \$24,132,930. Seventy-six (76) batches of claims have been processed and released through September 30, 2025. The total paid for the 394 claims in these batches is \$1,750,239.



October 28, 2025 Board of Directors Meeting

NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY (“NC Mutual”)

STATE OF DOMICILE: NC
STATE LICENSES: AL, AZ, CA, FL, GA, ID, IL, IN, KY, LA, MD, MI, MS, MO, NV,
NJ, NC, OH, OK, PA, SC, TN, TX, VA and District of Columbia
(25 total jurisdictions)

DATE OF REHABILITATION ORDER: December 3, 2018
DATE OF LIQUIDATION ORDER: October 31, 2022 (TLHIGA activation date)

Financial Summary (as of November 30, 2024)

Administration Expenses	\$ 67,032
Direct Policy Benefit Payments	1,361,892
Assumption Reinsurance Payments	0
Premium Collections	(383,716)
Distributions & Recoveries	<u>0</u>
Net Cost	\$ <u>1,045,208</u>

Class B Assessments to Date \$ 0

This report will summarize the TLHIGA’s activities on this North Carolina domiciled insolvency since the January 28, 2025 Board of Directors meeting.

Background

An order of liquidation with a finding of insolvency was entered against North Carolina Mutual Life Insurance Company (“NC Mutual”) with an October 31, 2022 effective date. The twenty-five affected guaranty associations, including the TLHIGA, contracted with the Liquidator to continue the administration of the policies and claims using the NCM resources. Claims batches are distributed twice each month.

Claims Batches and Remaining Obligations

Forty-eight (48) batches of claims have been processed and released through August 31, 2025. The total paid for the claims in these batches is \$327,443.

Amendment to Service Agreement

Two agreements were closed with EquiTrust on October 4, 2024, an Assumption Reinsurance Agreement and an Administrative Service Agreement. It was previously anticipated that the policy block referred to as the UL Selman and QLA Block (“UL Block”) could be assumed by

EquiTrust. However, because of data and administrative issues, the UL Block is not subject to assumption reinsurance nor does the Service Agreement address administration of the UL Block.

The NOLHGA NC Mutual Task Force negotiated an Amendment to the current Administrative Service Agreement to provide:

- EquiTrust will provide Services for the UL Block in exchange for a one-time Transition Fee of approximately \$36,590 and on an Hourly Basis at the following rates:
 - \$250 per hour for junior and senior operational staff, legal advisors, and executive team members.
 - \$87 per hour for junior and senior IT administrative staff.
- The UL Block will be removed from the scope of the Administrative Service Agreement, and all obligations related to the UL Block will be governed exclusively by the Amended Service Agreement.
- Liability for invoices shall be allocated among the Guaranty Associations that have agreed to be bound by the amendment based on the number of UL Block policies (1,276 total policies; there are 35 Texas policies).

There is a draft resolution on page 12-20 to address participation in the Amended Service Agreement.

Fixed Claim Agreement

The NOLHGA NC Mutual Task Force negotiated a Fixed Claim Agreement with the Liquidator to avoid disputes regarding the guaranty associations claims against the receivership estate and to facilitate an estate distribution. The Fixed Claim Agreement establishes:

- A ceiling for the guaranty associations' administration expense claims at \$5 million,
- Guaranty association expense claims above the \$5 million level would be subordinated to policyholder claims,
- Guaranty associations' covered policyholder claims of \$147,987,706, and
- Uncovered policyholder claims of \$226,655.

The NOLHGA Members' Participation Council met on October 22nd and accepted the task force recommendation regarding the Fixed Claim Agreement. An opt-out deadline of November 23, 2025 was established to permit affected guaranty association to consider participation in the Agreement. The Liquidator submitted the Agreement to the Receivership Court for approval but a hearing has not yet been scheduled.

There is a draft resolution on page 12-21 to address participation in the Fixed Claim Agreement.



October 28, 2025 Board of Directors Meeting

**RESOLUTION FOR PARTICIPATION IN THE
NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY
AMENDMENT TO ADMINISTRATIVE SERVICE AGREEMENT
WITH EQUITRUST LIFE INSURANCE COMPANY**

WHEREAS, North Carolina Mutual Life Insurance Company (“NC Mutual”) was placed under an Order of Liquidation with a finding of insolvency in an Order dated May 2, 2023;

WHEREAS, the Texas Life and Health Insurance Guaranty Association (“TLHIGA”) has covered SNIC policy obligations;

WHEREAS, two agreements with EquiTrust Life Insurance Company (“EquiTrust”) have closed as of October 4, 2024, including the Administrative Service Agreement (“Service Agreement”) and the Assumption Reinsurance Agreement (“Assumption Agreement”) related to Guaranty Association Covered Obligations resulting from the insolvency and liquidation of NC Mutual;

WHEREAS, because of data and administrative issues, the Parties agree that the UL Block is no longer subject to assumption reinsurance and the Service Agreement does not address the administration of the UL Block by EquiTrust;

WHEREAS, NOLHGA, on behalf of those Guaranty Associations that elect to participate, is retaining EquiTrust to provide limited Services for the UL Block and proposing to amend the Service Agreement (“Amended Service Agreement”);

NOW THEREFORE BE IT RESOLVED, that the TLHIGA Board of Directors elects to participate in the Amended Service Agreement and authorizes the Executive Director to execute the necessary documents to participate.



October 28, 2025 Board of Directors Meeting

**RESOLUTION FOR PARTICIPATION IN THE
NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY
FIXED CLAIM AGREEMENT**

WHEREAS, North Carolina Mutual Life Insurance Company (“NC Mutual”) was placed under an Order of Liquidation with a finding of insolvency in an Order dated May 2, 2023;

WHEREAS, the Texas Life and Health Insurance Guaranty Association (“TLHIGA”) has covered NC Mutual policy obligations,

WHEREAS, the NOLHGA NC Mutual Task Force negotiated a Fixed Claim Agreement with the Liquidator that fixes Class 2 priority level claims against the SNIC receivership estate as of the Liquidation Order Date in the amounts of \$147,987,706 as to covered claims and \$226,655 as to uncovered claims along with a fixed ceiling on administrative expense claims by the guaranty associations of \$5 million, with the rest of the administrative expenses subordinated to the covered and uncovered policyholder level claims;

WHEREAS, the NOLHGA Members’ Participation Council approved the Fixed Claim Agreement and established a 30-day opt-out period ending on November 23, 2025 for individual guaranty associations to consider participation,

WHEREAS, the Liquidator has advised that the Fixed Claim Agreement is final and it has been submitted to the Receivership Court for approval;

NOW THEREFORE BE IT RESOLVED, that the TLHIGA Board of Directors elects to participate in the Fixed Claim Agreement and authorizes the Executive Director to execute the necessary documents to participate.



October 28, 2025 Board of Directors Meeting

PENN TREATY NETWORK AMERICA INSURANCE COMPANY ("PENN TREATY")

STATE OF DOMICILE: PA
STATE LICENSES: AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KY, LA, MD, MI, MN, MS, MO, MT, NE, NV, NH, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WI, WY and District of Columbia (45 total jurisdictions)

AMERICAN NETWORK INSURANCE COMPANY ("ANIC")

STATE OF DOMICILE: PA
STATE LICENSES: AL, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, ME, MD, MA, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WY and District of Columbia (46 total jurisdictions)

DATE OF REHABILITATION ORDER: April 6, 2009
DATE OF LIQUIDATION ORDER: March 1, 2017
DATE OF IMPAIRMENT ORDER: March 1, 2017 (TLHIGA activation date)

Financial Summary (as of August 31, 2025)

Administration Expenses	\$ 3,431,300
Direct Policy Benefit Payments	0
Reinsurance Payments to LTC Re	117,917,474
Premium Collections	0
Distributions & Recoveries	<u>(19,429,047)</u>
Net Cost	\$ <u>101,919,727</u>
Class B Assessments to Date	\$ 123,704,152

This report is an update on these two companies since the July 29, 2025, Board of Directors meeting.

Administration Activities and Metrics

The following table summarizes the collected premiums and benefit payments over the 8 years and six months since entry of the Liquidation Order (March 1, 2017-August 30, 2025). It also provides the inforce policy count and open and pending claims as of August, 2025.

	All Guaranty Associations (excluding IL, WI & HI)	TLHIGA Only
Collected Premiums	\$ 655,677,939	\$ 36,672,607
Claims Payments	\$ 1,853,579,259	\$ 99,554,048
Cash Buyout Payments	\$ 133,102,987	\$ 6,489,189
Inforce Policies	29,711	1,491
Open/Pending Claims	3,595	252

Electronic Visit Verification (EVV)

The EVV launched on March 27, 2023. As of the August 31, 2025, there have been 1,192 cases referred to the vendor, Assuricare. Of these cases, 369 are currently active, 762 have been closed (death, recovered, cancelled, or opted-out), and 61 are in the pipeline to participate in the program. Monthly calls are held to review the status of the program including any potential fraud, waste, and abuse issues identified through the EVV application's time, ADL/IADL, and geo-fencing reporting. Several cases have been referred to the individual guaranty associations to consider ordering surveillance to follow up on unusual GPS locations of the caregivers during care shifts.

Exhaustion of GA Coverage

Policies approaching, or that have reached, their respective covering guaranty association's statutory coverage limit for LTC (based on the total of claims and rate increase buyout option payments) are regularly monitored. As of August 31, 2025, 1,966 policies in 41 states have reached either 75%, 90% or 100% of the respective guaranty association's statutory limit, 1,076 of these have fully exhausted their guaranty association coverage. For Texas, 94 policies have reached at least the 75% level and 53 of these have fully exhausted TLHIGA coverage.

Administration Contract Renewal

Since October 1, 2019, Davies Life & Health, Inc. (formerly TriPlus Services, Inc.) ("Davies") has served as third-party administrator for the Penn Treaty and ANIC policies covered by the forty-five guaranty association members of LTC Re and two guaranty associations that access Davies through NOLHGA. The current Services Agreement had an initial term of seven years (2019-26) with a three-year renewal term (2026-29) at the option of the GA Parties, with terms and pricing set for all ten years. The GA Parties were required to exercise their three-year renewal option by September 30, 2025. In anticipation of this date, LTC Re and NOLHGA began considering renewal options in mid-2024. LTC Re and NOLHGA determined that they wanted to continue the relationship with Davies and that it would be prudent to pursue a longer renewal term than three years. Ultimately, LTC Re, NOLHGA and Davies agreed to negotiate a 20-year Renewal Services Agreement that will be effective January 1, 2026. The Renewal Services Agreement was reviewed by the TPA Oversight Committee and approved by the LTC Re Board and Penn Treaty/ANIC Task Force. The Renewal Services Agreement was signed by the parties on September 29, 2025.

The Renewal Services Agreement is based on the current Services Agreement. Davies will provide the same scope of services subject to the policies and procedures developed for this block over time. The parties agreed to an initial 7% price increase to reflect changes in the cost of providing the services and a methodology for adjusting rates annually based on the Consumer Price Index for Urban Consumers.

Item 13

Consideration and possible action on corporate governance issues

- A. Directors' feedback
- B. Directors' discussion of Board performance



October 28, 2025 Board of Directors Meeting

CORPORATE GOVERNANCE ISSUES

Director's Feedback - During the April 18, 2023 Board of Directors meeting, an alternative to the annual Board of Directors self-evaluation process was adopted that involves a two-part approach to reduce the assembly and submission burdens for directors.

The first part of the process involves including a subitem called "Directors Feedback" on the agenda for each Board of Directors meeting. A reminder is sent with the materials for the meeting stating that any director has the opportunity to contact, before the upcoming meeting, either the Board Chair, Board Counsel, General Counsel, or Executive Director to propose that an issue, concern, or comment be discussed at the upcoming meeting. The purpose of the discussion would be to determine whether the director's issue warranted revision of governance practices or processes.

Any issue raised before the meeting will be evaluated to determine whether the discussion should be held in Open or Executive Session. The discussion of the issue will occur at the meeting during the appropriate part of the meeting. To facilitate Open Meetings Act compliance and avoid any inappropriate discussion during any session of the meeting, an issue not raised by a director before the start of the meeting ordinarily will not be considered until the next Board meeting.

Discussion of Board Performance - The second part of the approach involves a discussion at the October Board of Directors meeting about the evaluation topics and corporate governance irrespective of whether any concerns, issues, or comments are made in advance. Directors were sent an email on October 17th asking them to reflect on specific evaluation topics and the Corporate Governance Guidelines and to send any comments to Bart Boles before the meeting. This part of the process will ensure the performance of the Board is considered and discussed by the full Board on an annual basis, without the need to complete an evaluation form in advance. Dan Price will lead this discussion during the October 28, 2025 meeting.

Item 14

Consideration and possible action regarding the following financial and accounting matters:

A. Review and acceptance of current financial statements



October 28, 2025 Board of Directors Meeting

FINANCIAL AND ACCOUNTING MATTERS

The following financial and accounting matters are currently being addressed or have been fully addressed and are reported to the Board of Directors for its consideration.

REVIEW AND ACCEPTANCE OF CURRENT FINANCIAL STATEMENTS

On pages 14-2 through 14-10 are the TLHIGA's financial statements for the periods ended June 30, July 31, and August 31, 2025. Included in the financial statements for these periods are the Statement of Net Position, Statement of Activities and Changes in Net Position, Statement of Cash Flows, and Notes to Financial Statements.

Texas Life and Health Insurance Guaranty Association

Statement of Net Position

As of August 31, 2025

	Month Ending 06/30/2025	Month Ending 07/31/2025	Month Ending 08/31/2025	Month Ending 08/31/2024
Assets				
Current Assets				
Cash & Cash Equivalents				
Cash & Money Market	52,305,829.33	50,854,811.75	55,597,341.98	14,696,047.21
Treasury Bills	35,683,259.41	37,294,318.16	32,602,562.15	38,496,413.89
Escrow Account	21,075,965.62	16,745,577.98	14,871,921.32	0.00
Total Cash & Cash Equivalents	109,065,054.36	104,894,707.89	103,071,825.45	53,192,461.10
Receivables				
Billed Assessment, Net of Allowance	4,646.09	4,646.09	4,646.09	4,745.10
Deposits & Other	21,184.39	21,184.39	21,184.39	21,160.26
Accrued Interest	166,400.48	261,349.96	356,299.44	96,006.75
Proof of Claims, Net of Allowance	0.00	0.00	0.00	0.00
Total Receivables	192,230.96	287,180.44	382,129.92	121,912.11
Pre-Paid Expenses	14,974.06	14,974.06	14,974.06	14,640.65
Total Current Assets	109,272,259.38	105,196,862.39	103,468,929.43	53,329,013.86
Noncurrent Assets				
Unbilled Assessments	16,170,339.13	16,542,485.49	16,177,708.99	36,931,813.27
Investments in Deferred Compensation Plans	233,577.97	235,586.78	241,483.32	199,410.65
Capital Assets				
Furniture & Equipment	423,315.15	423,315.15	423,315.15	415,357.27
Right-of-Use Lease Assets	1,331,009.30	1,331,009.30	1,331,009.30	1,331,009.30
Accumulated Depreciation & Amortization	849,856.23	860,009.82	870,163.41	748,948.08
Total Capital Assets	904,468.22	894,314.63	884,161.04	997,418.49
Total Noncurrent Assets	17,308,385.32	17,672,386.90	17,303,353.35	38,128,642.41
Total Assets	26,580,644.70	122,869,249.29	120,772,282.78	91,457,656.27
Liabilities and Net Position				
Liabilities				
Current Liabilities				
Accounts Payable	39,226.57	148,919.94	135,472.86	(581.57)
Accrued Expense	532,583.86	619,604.36	706,624.86	507,256.38
Compensated Absences	69,888.86	73,139.52	74,515.02	0.00
Assessment Credit Balance	3,951,258.32	3,951,258.32	3,951,258.32	3,951,258.32
Lease Liabilities-Current Portion	100,206.49	100,630.91	101,055.91	96,076.32
Insurance Contractual Obligations	38,501,813.00	17,022,398.00	18,800,028.00	10,803,490.00
Total Current Liabilities	43,194,977.10	21,915,951.05	23,768,954.97	15,357,499.45
Noncurrent Liabilities				
Insurance Contractual Obligations	2,807,793.00	24,731,863.00	21,073,913.00	11,991,954.00
Deferred Compensation Plan Liabilities	233,577.97	235,586.78	241,483.32	199,410.65
Lease Liabilities-Less Current Portion	886,031.76	877,342.87	868,642.18	969,697.79
Total Noncurrent Liabilities	3,927,402.73	25,844,792.65	22,184,038.50	13,161,062.44
Total Liabilities	47,122,379.83	47,760,743.70	45,952,993.47	28,518,561.89
Net Position				
Unrestricted	79,540,088.91	75,192,164.75	74,904,826.37	63,008,385.96
Net Investment in Capital Assets	(81,824.04)	(83,659.16)	(85,537.06)	(69,291.58)
Total Net Position	79,458,264.87	75,108,505.59	74,819,289.31	62,939,094.38
Total Liabilities and Net Position	126,580,644.70	122,869,249.29	120,772,282.78	91,457,656.27

Continued payment
of claims, primarily
BLIC and CBLIC

The TLHIGA
closed the
BHICOT claims
bank account and
moved uncashed
checks to
unclaimed property
to prepare for
escheat

Texas Life and Health Insurance Guaranty Association
Statement of Activities and Changes in Net Position
As of August 31, 2025

	Month Ending 06/30/2025	Month Ending 07/31/2025	Month Ending 08/31/2025	Year To Date 08/31/2025
Change in Net Positon				
Operating Income (Loss)				
Operating Revenues				
Assessment	0.00	0.00	0.00	0.00
Changes in Unbilled Assessment	222,251.95	372,146.36	(364,776.50)	(28,492,874.06)
Estate Recoveries	193,810.94	0.00	173.55	31,542,678.27
Premium Net of Refunds	1,332.92	6,471.83	1,686.65	40,384.27
Total Operating Revenues	417,395.81	378,618.19	(362,916.30)	3,090,188.48
Operating Expenses				
Claims Expenses				
Changes in Insurance Contractual Obligations	(9,355,659.00)	444,655.00	(1,880,320.00)	(75,425,038.00)
Refunds of Prior Year's Assessment	0.00	0.00	0.00	0.00
Claims Paid	9,505,559.12	4,468,395.82	2,000,253.69	77,932,568.47
Assumption Reinsurance Agreements	0.00	0.00	0.00	25,023.00
Third Party Administrative Operations	40,000.00	43,650.96	51,379.22	871,175.71
National Task Force	83,333.33	83,333.33	83,333.33	813,943.65
Total Claims Expenses	273,233.45	5,040,035.11	254,646.24	4,217,672.83
Administrative Expenses				
Legal & Professional	12,911.00	14,658.04	10,799.50	100,958.45
Salaries & Benefits	61,928.08	65,160.66	62,492.62	593,622.34
Building & Equipment Expenses	6,537.64	6,160.93	6,160.93	50,040.86
Depreciation & Amortization	10,153.59	10,153.59	10,153.59	81,103.17
Other	19,431.80	69,664.47	22,212.13	318,633.79
Total Administrative Expenses	110,962.11	165,797.69	111,818.77	1,144,358.61
Total Operating Expenses	384,195.56	5,205,832.80	366,465.01	5,362,031.44
Total Operating Income (Loss)	33,200.25	(4,827,214.61)	(729,381.31)	(2,271,842.96)
Nonoperating Revenues (Expenses)				
Interest Income	427,266.54	356,275.46	337,501.35	3,889,008.34
Unrealized Gain/Loss-US Treasury	93,243.43	126,934.46	108,243.99	602,719.53
Interest Expense	40,870.75	5,754.59	5,580.31	398,270.93
Total Nonoperating Revenues (Expenses)	479,639.22	477,455.33	440,165.03	4,093,456.94
Total Change in Net Position	512,839.47	(4,349,759.28)	(289,216.28)	1,821,613.98

95.73% BLIC and
CBLIC annuity
claims

**TEXAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION
Statement of Cash Flows
For the Year-to-Date Ended August 31, 2025**

	August 31, 2025	Prior Year August 31, 2024
Cash Flows from Operating Activities:		
Excess of Revenues Over (Under) Expenses	\$ 1,821,614	\$ 1,333,261
Adjustments to Reconcile Excess of Revenue Over (Under)		
Expenses to Net Cash Provided by Operating Activities:		
Allowance for Assessments Receivable		
Depreciation & Amortization	81,103	80,898
Change in Assets and Liabilities:		
(Increase) Decrease in Unbilled Assessments Receivable	28,492,874	(12,680,364)
(Increase) Decrease in Assessments Receivable	7,934,934	0
(Increase) Decrease in Pre-Paid Rent	(279)	(500)
(Increase) Decrease in Other Receivables	25	(33)
Increase (Decrease) in Accounts Payable	130,273	(4,846)
Increase (Decrease) in Compensated Absences	16,495	0
Increase (Decrease) in Accrued Expenses	240,322	(351,902)
Increase (Decrease) in Insurance Contractual Obligations	(75,425,038)	(9,855,764)
TOTAL ADJUSTMENTS	(38,529,291)	(22,812,511)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(36,707,677)	(21,479,250)
Cash Flows from Financing Activities:		
Inter Account Loans (Net)	(17,820,865)	15,490,180
Inter Account Borrowing (Net)	17,820,865	(15,490,180)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	-	-
Cash Flows from Investing Activities:		
(Increase) Decrease - Investment in Long Term Investments	3,152,056	878,310
(Increase) Decrease - Accrued Interest	(152,403)	110,970
Capital Lease Payments	(64,502)	(61,280)
Increase in Allowance for Uncollectible POC and Loans	48,320,897	16,995,291
Proofs of Claim Filed	(48,320,897)	(16,539,584)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	2,927,193	1,383,707
Net Increase (Decrease) in Cash and Cash Equivalents	(33,780,483)	(20,095,544)
Cash and Cash Equivalents at Beginning of Year	104,249,747	34,791,591
Cash and Cash Equivalents at August 31	\$ 70,469,263	\$ 14,696,047

BHICOT continues to
borrow from the
Insolvency Exp Acct

**TEXAS LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATION**

Notes to Financial Statements

August 31, 2025

1. Summary of Significant Accounting Policies

Organization - The Texas Life and Health Insurance Guaranty Association (TLHIGA) is a nonprofit entity created by Chapter 463 of the Texas Insurance Code (the Act) to protect, subject to certain limitations, persons specified in the Act against failure in the performance of contractual obligations under life, accident and health insurance policies and annuity contracts, because of the impairment or insolvency of the member insurer that issued the policy or contract. To provide this protection an association of insurers was created to pay benefits and to continue coverage as limited in the Act.

Membership in the TLHIGA is mandatory for any company authorized in Texas to transact any kind of insurance business to which the Act applies. Membership assessments are made by the Board of Directors of the TLHIGA based on estimates of amounts necessary to provide funds to carry out the purposes of the Act with respect to impaired insurers. Any amount in excess of statutory obligations and continuing expenses of the TLHIGA may be refunded by an equitable method at the discretion of the Board.

Basis of Accounting - The financial statements are presented on the accrual basis of accounting; consequently, revenue is recognized when earned, and expenses are recognized when the obligations are incurred. Assessment revenue (billed and unbilled) is recognized when insurance contractual obligations are incurred. Claims liability is recognized using estimates of contractual obligations for each impaired insurer at the date of impairment or issuance of an order of liquidation based on a finding of insolvency by a court of competent jurisdiction.

Tax Exempt Status - The TLHIGA is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. The TLHIGA is also exempt from payment of all fees and taxes levied by the state of Texas or any of its subdivisions, except taxes levied on real and personal property.

Cash Equivalents - For purposes of the statement of cash flows, the TLHIGA considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments - Investments in obligations of the United States government are recorded at cost and marked to market each period. All investments are designated as "held to maturity".

Allowances for Uncollectible Proofs of Claim and Loans Receivable - Allowances for uncollectible proofs of claim and loans are estate specific. The allowance for each estate is based on evaluations of estate financial statements and records, reports from estate receivers, and information from other third parties.

Leases - Beginning January 1, 2021, the TLHIGA adopted and implemented GASB 87-Leases. Under GASB 87, the TLHIGA is required to recognize a lease liability and an intangible right-to-use lease asset for all but short-term leases (12 month term or less). The Statement of Net Position presents the new lease asset and liability and the Statement of Activities and Changes in Net Position presents the lease asset depreciation and lease liability amortization. The Statement of Cash Flows recognizes the capital leases payments.

Compensated Absences - Beginning in 2024, the TLHIGA adopted and implemented GASB 101-Compensated Absences. Under GASB 101, the TLHIGA is required to recognize a liability for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

New GASB Standards – In 2025 the TLHGA began implementation of GASB 102-Certain Risk Disclosures. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this

Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Also in 2025, the TLHIGA began implementing GASB 103-Financial Reporting Model Improvements. According to GASB, this Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

2. Membership Assessments

The TLHIGA is authorized by The Texas Insurance Code to assess member companies in amounts necessary to pay both contractual claim obligations and administrative expenses

of the TLHIGA. There are two classes of assessments: Class A assessments may be levied to meet administrative costs and Class B assessments which may be levied to meet the contractual obligations associated with specific insolvent or impaired companies.

Assessments are levied based on a member company's "market share" (ratio of assessable premiums by line-of-business to total assessable premiums by line-of-business) as a percentage of the total assessment need by line-of-business. The annual total for all Class B assessments levied against a member insurer for each line-of-business account (life, accident and health, and annuity) may not exceed two percent of the company's premiums on the policies covered by the line-of-business account during the three calendar years preceding the year of impairment. The most recent assessable premium data available is for calendar years 2022, 2023 and 2024.

Line of Business	Premium Base Average Annual Premium 2022-2024	2% Annual Assessment Limit
Life	\$14,771,546,856	\$295,430,937
Accident & Health	46,842,597,379	936,851,948
Annuity	27,349,499,014	546,989,980
Total	\$88,963,643,249	\$1,779,272,865

Updated data for 2024 assessable premium. The prior assessment limit was \$1,548,908,118

Net Assessments Receivable, as of August 31, 2025 totaled \$4,646.09. This is the result of the collection of all of the Class B annuity assessment for CBLIC and BLIC that was distributed in October 2024.

Unbilled Assessments of \$16,177,708.99 as of August 31, 2025, represent the statutory ability of the TLHIGA to assess member companies as required to meet corresponding insurance contractual obligations.

3. Proofs of Claim

The TLHIGA files proofs of claim against individual receivership estates to recover claims and claims handling costs incurred by the TLHIGA related to the estate. These proofs of claim may be amended and are updated and filed periodically as additional costs are incurred and paid by the TLHIGA. As of August 31, 2025, proofs of claim totaled \$524,553,309.61.

An allowance related to the collectibility of proofs of claim are recorded based on estate specific evaluations of assets and liabilities held by the receiver. The amounts to be received by the TLHIGA in early access distributions or final distributions are often not readily determinable; therefore, estimated recoveries due the TLHIGA are necessarily estimates and subject to change as the estate is closed out. Based on the TLHIGA's estate specific review the allowance for uncollectible proofs of claim as of August 31, 2025, was \$524,553,309.61.

Uncollected proofs of claim are written off by the Board of Directors only after an estate is closed and there is no reasonable expectation that any additional funds will be recovered from the estate or other third party. For any foreign estate, the domestic estate and the Texas ancillary estate, if any, must both have been closed before any receivable amount may be written off.

4. Inter Account Loans and Borrowings

The Board of Directors of the TLHIGA has adopted a resolution that allows for short term loans from the account of one estate to another estate. Interest is paid by the borrowing account to the account making the short term loan. Interest charged on these loans approximates that earned on short term government securities. For the year-to-date ending August 31, 2025, the following had occurred:

Balance January 1, 2025	Borrowings	Repayments	Balance August 31, 2025
\$19,206,265.52	\$557,343.08	\$18,378,207.60	\$1,385,401.00

Interaccount receivable and payable balances are offset for financial statement reporting purposes.

5. Promissory Notes

The TLHIGA may choose to execute promissory notes to fund its statutory obligations through reinsurance with an insurance company. The Board of Directors weighs the financial implications of such a decision and may instruct the TLHIGA to use this option if it is available. For the year-to-date ending August 31, 2025, the TLHIGA has no promissory notes.

6. Refunds

The Board of Directors, may, by an equitable method, refund to member companies, in proportion to the contribution of each member company, the amount by which assets exceed the amount necessary to carry out the obligations of the TLHIGA. The TLHIGA will pay to the Texas Commissioner of Insurance any amount owed as part of a Board authorized refund that was written off and used as a premium tax credit by a member insurer.

7. Insurance Contractual Obligations

This liability is an estimated amount for all impaired or court ordered insolvent estates. The amount is necessarily based on estimates, and the ultimate liability may vary significantly from the estimate. In addition, the liability is based on information supplied

principally by third parties (receivers, third party administrators and member participation task forces). Such information is not subject to control of the TLHIGA and may change.

Item 15

Consideration and possible action regarding the 2025 and 2026 Calendar of Activities and confirmation of the next meeting date



October 28, 2025 Board of Directors Meeting

CALENDAR OF ACTIVITIES AND NEXT MEETING DATE

The TLHIGA's Board of Directors Corporate Governance Guidelines adopted in 2006 contain the following provision under Board Responsibilities:

11. Meeting Schedule; Planning

At the January meeting each year, the Board Chair will establish a schedule of regular meetings for the Board of Directors and the audit and assessment/investment committees for that year and a plan for addressing subjects to be discussed during the year (to the degree this can be foreseen). Each director is free to suggest the inclusion of items to be discussed by the board or the committees during the year.

In addition, the TLHIGA's Plan of Operation states "The Board shall hold a regular meeting each quarter at the TLHIGA offices in Austin, Texas, unless the notice of said meeting designates otherwise."

On pages 15-2 through 15-8 is the TLHIGA 2025 Calendar of Activities with meeting dates, activities, and agenda items. Also included on pages 15-9 through 15-14 is the tentative TLHIGA 2026 Calendar of Activities. These calendar items are subject to change at the Board of Director's discretion. The items shown in red are specific responsibilities for the Board of Directors Chair and Committee Chairs.

We have tentatively scheduled the next Board of Directors meeting to be held at **8:30 AM Central Time on Tuesday, January 27, 2026.**

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
1	ED		1/2/25	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the January 14, 2025 Personnel and A-I Committees' meetings with the Texas Secretary of State's office.	1/2/25
2	BOD		1/5/25	EXECUTIVE DIRECTOR will contact the directors nominated for one of the four officer positions on the Board of Directors for 2025 to confirm their willingness to serve	1/5/25
3	BOD	CH	1/9/25	BOD CHAIR will conduct the following in preparation for the January 21, 2025 Board of Directors meeting: - Review the draft agenda with the Executive Director to identify action items including any anticipated recommendations for Board action from the A-I or Personnel Committees - Review the responses the Guidelines for Nominations and Election of Officers of the Board of Directors - Consider the qualifications of Directors for service as either a Chair or a member of one of the Standing Committees, including making phone calls or emails to specific Directors to determine their interest in service in a particular capacity.	1/9/25
4	PER	CH	1/14/25 9:00 AM virtual	Personnel Committee Meeting - Review of prior meeting's minutes - Review of benefits, compensation and training components in 2025 Operating Budget, including staff compensation - Review of report from compensation consultant - Review succession plan for Executive Director position - Review Board Counsel's compilation of all directors' performance evaluations of the Executive Director - Evaluation and possible action on elements of Executive Employment and Deferred Compensation Contract with the Executive Director - Annual review of Committee's Charter	1/14/25
5	A-I	CH	1/14/25 1:00 PM virtual	Assessment/Investment Committee Meeting - Consideration of prior meeting's minutes - Review the TLHIGA's cash flow projections - Review the TLHIGA's investments - Review the net cash available/needs position of all insolvencies - Consider the necessity for a Class A and/or a Class B Assessment and/or refund in 2025	1/14/25
6	ED		1/17/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the January 28, 2025 Board of Director meeting with the Texas Secretary of State's office.	1/17/25
7	ED		1/27/25	EXECUTIVE DIRECTOR will distribute a request for a confirmation or change of contact information with the Texas Ethics Commission for each Director with responses due on or February 5, 2025.	1/27/25

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
8	BOD A-I PER	CH CH CH	1/28/25 8:30 AM	Board of Directors Meeting Consideration and possible action on the following: - Election of Officers - Appointment of Committee Chairs and Members - Review of Board of Directors corporate governance comments - Review the compilation of evaluations of General Counsel - Review and possible actions on various active member company receiverships - Executive Director's report on operations - Adoption of 2025 Operating and Capital Expenditure Budgets - Regular operational and financial approvals (minutes, NOLHGA invoice, future meetings, financial statements, etc.) A-I COMM CHAIR will report on the Committee's discussions regarding the necessity for Class A or Class B assessments in 2025 PERS COMM CHAIR will report on the Committee's discussion regarding: - Review of benefits, compensation and training components in 2025 Operating Budget, including staff compensation - Report from compensation consultant - Review Board Counsel's compilation of all directors' performance evaluations of the Executive Director - Evaluation and possible action on elements of Executive Employment and Deferred Compensation Contract with the Executive Director	1/28/25
9	ED		1/30-31/25	EXECUTIVE DIRECTOR will attend the NOLHGA MPC Meeting in San Diego, CA	1/30-31/25
10	BOD		2/5/25	RESPONSES DUE FROM BOD – The confirmations or changes to each Director's contact information for the Texas Ethics Commission must be returned to the Executive Director.	2/4/25
11	ED		2/10/25	RESPONSES DUE TO TEC – The Executive Director will send the Director's contact information to the Texas Ethics Commission.	2/4/25
12	ED		2/27-28/25	EXECUTIVE DIRECTOR and CONTROLLER will attend the IAIR INSURANCE RESOLUTION WORKSHOP	2/27-28/25
13	ED		3/4/25	EXECUTIVE DIRECTOR (or staff) will distribute the 2025 Conflict of Interest Policy/Questionnaires and the 2025 Antitrust Policy/Certifications of Compliance for 2024 activities with responses from all Directors by March 28, 2025 .	3/4/25
14	ED SEARCH	CH	3/7/25 9:00 AM virtual	Executive Director Search Committee Meeting - Review of process and timeline for search to identify a new Executive Director - Requirements and expectations of new Executive Director - Process to identify potential Executive Director candidates - Process to solicit, receive, and review applications and conduct interviews	3/7/25
15	ED		3/9-11/25	EXECUTIVE DIRECTOR will attend the Intercompany Long-Term Care Insurance Conference (ILTCI) in Philadelphia, PA	3/9-11/25
16	AUD	CH	3/14/25	AUD COMM CHAIR will review the draft agenda for the April 8, 2025 Audit Committee meeting with the Executive Director and/or Senior Accountant to determine the order of items and whether items should be added or deleted.	3/14/25
17	ED		3/23-27/25	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Spring Meeting in Indianapolis, IN	3/23-25/25
18	ED		3/24/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the April 8, 2025 Audit Committee meeting with the Texas Secretary of State's office.	3/24/25
19	BOD		3/28/25	RESPONSES DUE FROM BOD – The completed 2025 Conflict of Interest Questionnaires and 2025 Antitrust Certifications of Compliance for 2024 activities are due back from all Directors to the Executive Director.	3/31/25

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
20	BOD	CH	3/31/25	BOD CHAIR will conduct the following in preparation for the April 22, 2025 Board of Directors meeting: - Review the draft agenda with the Executive Director to identify action items including any anticipated recommendations for Board action from the Audit Committee - Review any issues identified in preparation of the 2024 Annual Report - Review any exception identified in the annual business ethics and antitrust responses - Conduct the annual review of the BOD Corporate Governance Guidelines	4/1/25
21	AUD	CH	4/7/25	AUD COMM CHAIR will meet with the outside financial auditor after the audit process has concluded to discuss significant audit findings, difficulties conducting the audit, disagreements with management, sufficiency of TLHIGA internal controls, possible expansion of the 2025 Audit Plan.	4/7/25
22	AUD	CH	4/8/25 9:00 AM virtual	Audit Committee Meeting - Receive annual financial audit report from outside auditor - Meet confidentially with outside auditor - Prepare recommendation to Board of Directors regarding annual financial audit - Evaluate the necessity to revise the 2025 (current year's) Audit Plan based on findings in the annual financial audit - Review the independence and performance of the auditor - Consider the scope of the financial statements audit as of December 31, 2025 - Determine whether additional reviews should be conducted through consulting arrangements with an auditor - Review the necessity to select a new auditor - Develop a recommendation for engagement of auditor for audit of financial statements as of December 31, 2025 - Review the actual expenses for the prior year, including final budget variance report, segregation of fixed and variable expenses, and allocation of expenses to insolvencies	4/8/25
23	AUD	CH	4/11/25	AUD COMM CHAIR will ask staff to distribute the draft Audit Report to all Directors after the Audit Committee meeting in preparation for consideration during the April 22, 2025 Board of Directors meeting	4/11/25
24	BOD AUD	CH CH	4/22/25 8:30 AM	Board of Directors Meeting AUD COMM CHAIR will provide a report to the Board of Directors that includes the following: - A recommendation regarding the annual financial audit - A recommendation on whether the current year's Audit Plan should be revised - Any revision to the Committee's Charter - A report on the other matters discussed by the Committee - Executive Session confidential discussion of financially troubled member insurance companies - Review and possible actions on various active member company receiverships - Executive Director's report on operations - Regular operation and financial approvals (i.e. minutes, NOLHGA quarterly invoice, future meetings, financial statements, etc.) - Corporate governance items, i.e. conflicts and antitrust statements and review review of the BOD Corporate Governance Guidelines	4/22/25
25	ED		4/23/25	EXECUTIVE DIRECTOR will notify selected audit firm of the Board of Directors' engagement decision	4/23/25
26	ED		4/28/25	EXECUTIVE DIRECTOR will file the 2024 Annual Report with the Commissioner of Insurance	4/29/25

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
27	BOD		4/30/25	TEC FILINGS DUE FROM BOD – All Directors must file their Personal Financial Statements <u>with the Texas Ethics Commission</u> . DO NOT SEND THEM TO THE TLHIGA'S OFFICE.	4/30/25
28	ED		4/30/25-5/1/25	EXECUTIVE DIRECTOR will attend the NOLHGA MPC Meeting in Edina, MN	Did not attend
29	A-I	CH	7/2/25	A-I COMM CHAIR and counsel will be provided the draft agenda for the July 21, 2025 Committee meeting for review with the Executive Director and/or Senior Accountant to determine the order of items and items to be added or deleted.	6/24/25
30	PER	CH	7/2/25	PERS COMM CHAIR and counsel will be provided the draft agenda for the July 21, 2025 Committee meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	6/24/25
31	BOD	CH	7/9/25	BOD CHAIR and counsel will be provided the draft agenda for the July 29, 2025 BOD meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Personnel or A-I Committees.	7/1/25
32	ED		7/10/25	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the July 21, 2025 Personnel and A-I Committees' meetings with the Texas Secretary of State's office.	7/10/25
33	ED		7/17/25	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the 7/29/25 Board of Director meeting with the Texas Secretary of State's office.	7/10/25
34	PER	CH	7/21/25 9:00 AM virtual	Personnel Committee Meeting - Review the non-salary benefits provided to TLHIGA employees, including renewal of employee insurance benefit plans - Review elements of the Executive Director's Executive Employment and Deferred Compensation Contract - Revisions to succession plans - Meet in Executive Session for the Committee to discuss confidential personnel matters and receive advice from counsel - Review of the Committee's Charter	7/21/25
35	A-I	CH	7/21/25 1:00 PM virtual	Assessment/Investment Committee Meeting - Review the TLHIGA's cash flow projections - Review the TLHIGA's investments - Review the TLHIGA's investment policy - Review the net cash available/needs position of all insolvencies - Review the necessity for a Class B assessment and/or refund in 2025 - Review of the Committee's Charter	7/21/25
36	ED		7/23-25/25	EXECUTIVE DIRECTOR, COUNSEL and some BOD and staff will attend the NOLHGA MPC Meeting and 33rd Legal Seminar in Washington, DC	7/23-25/25
37	ED SEARCH	CH	7/28/25 2:00 PM virtual	Executive Director Search Committee Meeting - Review of candidate submissions - Evaluation of required elements and additional criteria - Candidate interview process, including interviewers and questions - Report to the Board of Directors	7/28/25

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
38	BOD A-I PER	CH CH CH	7/29/25 8:30 AM	Board of Directors Meeting A-I COMM CHAIR will provide a report to the Board of Directors that includes the following: - Necessity for a Class B assessment or credit refund in 2025 - Any recommended revisions to the Investment Policy - Any recommended changes to investments - Any recommended changes to the A/I Committee Charter PERS COMM CHAIR will provide a report to the Board of Directors that includes the following: - Any actions on the benefits provided to TLHIGA employees - Review elements of the Executive Director's Executive Employment and Deferred Compensation Contract - Revisions to succession plans Executive Session confidential discussion of financially troubled member insurance companies Review and possible actions on various active member company receiverships Executive Director's report on operations Review of IRS Form 990 Corporate governance enhancements Regular operational and financial approvals (i.e. minutes, NOLHGA invoice, future meetings, financial statements, etc.)	7/29/25
39	ED		8/10-14/25	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Summer Meeting in Minneapolis, MN	8/10-14/25
40	ED SEARCH	CH	8/8/25	ED SEARCH COMMITTEE CHAIR will review the draft agenda for the August 20, 2025 Executive Director Search Committee meeting with the Executive Director to determine the order of items and whether items should be added or deleted.	8/8/25
41	ED SEARCH		8/12/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the August 20, 2025 Executive Director Search Committee meeting with the Texas Secretary of State's office.	8/12/25
42	ED SEARCH	CH	8/20/25 9:00 AM virtual	Executive Director Search Committee Meeting - Review the revised Solicitation Package - Review the process for distribution of the solicitation package - Confirm the next Committee meeting date	8/20/25
43	AUD	CH	9/30/25	AUD COMM CHAIR will review the draft agenda for the October 14, 2025 Audit Committee Meeting with the Executive Director and/or Senior Accountant to determine the order of items and whether additional items should be added or current items deleted.	Meeting Cancelled
44	ED		10/9/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the October 20, 2025 Audit Committee meeting with the Texas Secretary of State's office.	Meeting Cancelled
45	ED SEARCH	CH	10/10/25	ED SEARCH COMMITTEE CHAIR will review the draft agenda for the October 27, 2025 Executive Director Search Committee meeting with the Executive Director to determine the order of items and whether items should be added or deleted.	10/6/25
46	BOD	CH	10/10/25	BOD CHAIR will review the draft agenda for the October 28, 2025 BOD meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Audit Committee.	10/6/25
47	ED SEARCH		10/17/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the October 27, 2025 Executive Director Search Committee meeting with the Texas Secretary of State's office.	10/17/25
48	ED		10/17/25	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the October 28, 2025 Board of Directors meeting with the Texas Secretary of State's office.	10/17/25

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
49	AUD AUD	CH	10/20/25 9:00 AM virtual	Audit Committee Meeting - Develop the 2026 Audit Plan and prepare recommendation to the Board of Directors for adopting and filing it with the Commissioner of Insurance - Review the TLHIGA's commercial insurance program to confirm the adequacy to mitigate anticipatable risks - Review the assumptions that will be used for developing the 2026 budgets that will be presented to the Board of Directors at its January 27, 2026 meeting - Annual review of the Committee's Charter	Meeting Cancelled
50	ED		10/21/25	EXECUTIVE DIRECTOR and some BOD will attend the IAIR Technical Development Series Workshop in San Antonio	10/21/25
51	ED		10/22-24/25	EXECUTIVE DIRECTOR and some BOD will attend the NOLHGA MPC Meeting & Annual Meeting in San Antonio	10/22-24/25
52	ED SEARCH	CH	10/27/2025 2:00 PM virtual	Executive Director Search Committee Meeting - Review of candidate submissions - Evaluation of required elements and additional criteria - Establish Candidate interview process, including interviewers and questions - Prepare report to the Board of Directors	10/27/25
53	BOD AUD	CH CH	10/28/25 8:30 AM	Board of Directors Meeting - Action to fill officer and committee vacancies - Action to engage an auditor to conduct the annual financial audit as of YE 2025 - Action to adopt the 2026 Audit Plan and to file it with the Commissioner of Insurance - Action to select a firm to conduct network penetration testing - Executive Session confidential discussion of financially troubled member insurance companies - Consider revisions to Board of Directors Corporate Governance Guidelines - Review and possible actions on various active member company receiverships - Report on governance issues regarding Directors' feedback and BOD performance - Executive Director's report on operations - Regular operational and financial approvals (i.e. minutes, NOLHGA invoice, future meetings, financial statements, etc.)	
54	ED		10/30/25	EXECUTIVE DIRECTOR will distribute the Guidelines for Nomination and Election of Officers of the Board of Directors to all directors via email in preparation for the January 27, 2026 Board of Directors meeting	
55	PER	CH	10/30/25	PERS COMM CHAIR will ask General Counsel, Dan Price, to distribute the blank Executive Director performance evaluation form to all Directors and to the Executive Director. The completed evaluation forms must be returned to the General Counsel on or before Friday, January 2, 2026.	
56	ED		12/5/25	EXECUTIVE DIRECTOR will distribute the annual evaluation forms for General Counsel to all Directors. Responses will be due to the ED on or before January 5, 2026.	
57	ED		12/5/25	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Fall Meeting in Hollywood, FL	
58	BOD		12/8-12/25	RESPONSES DUE FROM BOD - Nominations from the Directors for the four officer positions on the Board of Directors are due to the Executive Director	
59	PER	CH	12/10/25	PERS COMM CHAIR will review the draft agenda for the January 20, 2026 Committee meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	
60	A-I	CH	1/5/26	A-I COMM CHAIR will review the draft agenda for the January 20, 2026 Committee meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	



2025

2025 Calendar of Activities (MASTER COMPILATION) updated as of 10/24/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
61	BOD	CH	1/5/26	BOD CHAIR and counsel will be provided the draft agenda for the January 27, 2026 BOD meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Personnel or A-I Committees.	

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
2	ED		1/13/26	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the January 20, 2026 Personnel and A-I Committees' meetings with the Texas Secretary of State's office.	
3	BOD	CH	1/13/26	BOD CHAIR will conduct the following in preparation for the January 27, 2025 Board of Directors meeting: - Review the draft agenda with the Executive Director to identify action items including any anticipated recommendations for Board action from the A-I or Personnel Committees - Review the responses the Guidelines for Nominations and Election of Officers of the Board of Directors - Consider the qualifications of Directors for service as either a Chair or a member of one of the Standing Committees, including making phone calls or emails to specific Directors to determine their interest in service in a particular capacity.	
4	PER	CH	1/20/26 9:00 AM virtual	Personnel Committee Meeting - Review of prior meeting's minutes - Review of benefits, compensation and training components in 2026 Operating Budget, including staff compensation - Review of report from compensation consultant - Review succession plan for Executive Director position - Review Board Counsel's compilation of all directors' performance evaluations of the Executive Director - Evaluation and possible action on elements of Executive Employment and Deferred Compensation Contract with the Executive Director - Annual review of Committee's Charter	
5	A-I	CH	1/20/26 1:00 PM virtual	Assessment/Investment Committee Meeting - Consideration of prior meeting's minutes - Review the TLHIGA's cash flow projections - Review the TLHIGA's investments - Review the net cash available/needs position of all insolvencies - Consider the necessity for a Class A and/or a Class B Assessment and/or refund in 2026	
6	ED		1/20/26	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the January 27, 2026 Board of Director meeting with the Texas Secretary of State's office.	
7	ED		1/22-23/26	EXECUTIVE DIRECTOR will attend the NOLHGA MPC Meeting in Bonita Springs, FL	
8	ED		1/27/25	EXECUTIVE DIRECTOR will distribute a request for a confirmation or change of contact information with the Texas Ethics Commission for each Director with responses due on or February 7, 2026.	

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
9	BOD A-I PER	CH CH CH	1/27/26 8:30 AM	Board of Directors Meeting Consideration and possible action on the following: - Election of Officers - Appointment of Committee Chairs and Members - Review of Board of Directors corporate governance comments - Review the compilation of evaluations of General Counsel - Review and possible actions on various active member company receiverships - Executive Director's report on operations - Adoption of 2026 Operating and Capital Expenditure Budgets - Regular operational and financial approvals (minutes, NOLHGA invoice, future meetings, financial statements, etc.) A-I COMM CHAIR will report on the Committee's discussions regarding the necessity for Class A or Class B assessments in 2026 PERS COMM CHAIR will report on the Committee's discussion regarding: - Review of benefits, compensation and training components in 2026 Operating Budget, including staff compensation - Report from compensation consultant - Review Board Counsel's compilation of all directors' performance evaluations of the Executive Director - Evaluation and possible action on elements of Executive Employment and Deferred Compensation Contract with the Executive Director	
10	BOD		2/7/2026	RESPONSES DUE FROM BOD – The confirmations or changes to each Director's contact information for the Texas Ethics Commission must be returned to the Executive Director.	
11	ED		2/7/2026	RESPONSES DUE TO TEC – The Executive Director will send the Director's contact information to the Texas Ethics Commission.	
12	ED		2/10-12/26	EXECUTIVE DIRECTOR and CONTROLLER will attend the IAIR INSURANCE RESOLUTION WORKSHOP	
13	ED		3/2/26	EXECUTIVE DIRECTOR (or staff) will distribute the 2026 Conflict of Interest Policy/Questionnaires and the 2026 Antitrust Policy/Certifications of Compliance for 2025 activities with responses from all Directors by March 31, 2026 .	
14	ED		3/8-11/26	EXECUTIVE DIRECTOR will attend the Intercompany Long-Term Care Insurance Conference (ILTCI) in Orlando, FL	
15	AUD	CH	3/14/25	AUD COMM CHAIR will review the draft agenda for the April 8, 2025 Audit Committee meeting with the Executive Director and/or Senior Accountant to determine the order of items and whether items should be added or deleted.	
16	ED		3/22-25/26	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Spring Meeting in San Diego, CA	
17	ED		3/31/26	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the April 7, 2026 Audit Committee meeting with the Texas Secretary of State's office.	
18	BOD		3/31/26	RESPONSES DUE FROM BOD – The completed 2026 Conflict of Interest Questionnaires and 2026 Antitrust Certifications of Compliance for 2025 activities are due back from all Directors to the Executive Director.	

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
19	BOD	CH	3/31/26	BOD CHAIR will conduct the following in preparation for the April 21, 2026 Board of Directors meeting: - Review the draft agenda with the Executive Director to identify action items including any anticipated recommendations for Board action from the Audit Committee - Review any issues identified in preparation of the 2025 Annual Report - Review any exception identified in the annual business ethics and antitrust responses - Conduct the annual review of the BOD Corporate Governance Guidelines	
20	AUD	CH	4/6/26	AUD COMM CHAIR will meet with the outside financial auditor after the audit process has concluded to discuss significant audit findings, difficulties conducting the audit, disagreements with management, sufficiency of TLHIGA internal controls, possible expansion of the 2026 Audit Plan.	
21	AUD	CH	4/7/26 9:00 AM virtual	Audit Committee Meeting - Receive annual financial audit report from outside auditor - Meet confidentially with outside auditor - Prepare recommendation to Board of Directors regarding annual financial audit - Evaluate the necessity to revise the 2026 (current year's) Audit Plan based on findings in the annual financial audit - Review the independence and performance of the auditor - Consider the scope of the financial statements audit as of December 31, 2026 - Determine whether additional reviews should be conducted through consulting arrangements with an auditor - Review the necessity to select a new auditor - Develop a recommendation for engagement of auditor for audit of financial statements as of December 31, 2026 - Review the actual expenses for the prior year, including final budget variance report, segregation of fixed and variable expenses, and allocation of expenses to insolvencies	
22	AUD	CH	4/10/26	AUD COMM CHAIR will ask staff to distribute the draft Audit Report to all Directors after the Audit Committee meeting in preparation for consideration during the April 21, 2026 Board of Directors meeting	
23	ED		4/15-26/26	EXECUTIVE DIRECTOR will attend the NOLHGA MPC Meeting in New Orleans, LA	
24	BOD AUD	CH CH	4/21/26 8:30 AM	Board of Directors Meeting AUD COMM CHAIR will provide a report to the Board of Directors that includes the following: - A recommendation regarding the current year's annual financial audit - A recommendation on whether the current year's Audit Plan should be revised - A recommendation regarding the engagement of the auditor for the audit of the financial statements as of December 31, 2026 - Any revision to the Committee's Charter - A report on the other matters discussed by the Committee - Executive Session confidential discussion of financially troubled member insurance companies - Review and possible actions on various active member company receiverships - Executive Director's report on operations - Regular operation and financial approvals (i.e. minutes, NOLHGA quarterly invoice, future meetings, financial statements, etc.) - Corporate governance items, i.e. conflicts and antitrust statements and review of the BOD Corporate Governance Guidelines	

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
25	ED		4/22/26	EXECUTIVE DIRECTOR will notify selected audit firm of the Board of Directors' engagement decision	
26	ED		4/29/26	EXECUTIVE DIRECTOR will file the 2025 Annual Report with the Commissioner of Insurance	
27	BOD		4/30/26	TEC FILINGS DUE FROM BOD – All Directors must file their Personal Financial Statements <u>with</u> the Texas Ethics Commission. DO NOT SEND THEM TO THE TLHIGA'S OFFICE.	
28	A-I	CH	7/2/26	A-I COMM CHAIR and counsel will be provided the draft agenda for the July 21, 2026 Committee meeting for review with the Executive Director and/or Senior Accountant to determine the order of items and items to be added or deleted.	
29	PER	CH	7/2/26	PERS COMM CHAIR and counsel will be provided the draft agenda for the July 21, 2026 Committee meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	
30	BOD	CH	7/9/26	BOD CHAIR and counsel will be provided the draft agenda for the July 28, 2026 BOD meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Personnel or A-I Committees.	
31	ED		7/14/26	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the July 21, 2026 Personnel and A-I Committees' meetings with the Texas Secretary of State's office.	
32	ED		7/21/26	EXECUTIVE DIRECTOR (or staff) will file the final agendas for the 7/28/26 Board of Director meeting with the Texas Secretary of State's office.	
33	PER	CH	7/21/26 9:00 AM virtual	Personnel Committee Meeting - Review the non-salary benefits provided to TLHIGA employees, including renewal of employee insurance benefit plans - Review elements of the Executive Director's Executive Employment and Deferred Compensation Contract - Revisions to succession plans - Meet in Executive Session for the Committee to discuss confidential personnel matters and receive advice from counsel - Review of the Committee's Charter	
34	A-I	CH	7/21/26 1:00 PM virtual	Assessment/Investment Committee Meeting - Review the TLHIGA's cash flow projections - Review the TLHIGA's investments - Review the TLHIGA's investment policy - Review the net cash available/needs position of all insolvencies - Review the necessity for a Class B assessment and/or refund in 2025 - Review of the Committee's Charter	
35	BOD A-I PER	CH CH CH	7/28/26 8:30 AM	Board of Directors Meeting A-I COMM CHAIR will provide a report to the Board of Directors that includes the following: - Necessity for a Class B assessment or refund in 2026 - Any recommended revisions to the Investment Policy - Any recommended changes to investments - Any recommended changes to the A/I Committee Charter PERS COMM CHAIR will provide a report to the Board of Directors that includes the following: - Any actions on the benefits provided to TLHIGA employees - Review elements of the Executive Director's Executive Employment and Deferred Compensation Contract - Revisions to succession plans Executive Session confidential discussion of financially troubled member insurance companies Review and possible actions on various active member company receiverships Executive Director's report on operations Review of IRS Form 990 Corporate governance enhancements Regular operational and financial approvals (i.e. minutes, NOLHGA invoice, future meetings, financial statements, etc.)	

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
36	ED		7/29-31/26	EXECUTIVE DIRECTOR, COUNSEL and some BOD and staff will attend the NOLHGA MPC Meeting and 34th Legal Seminar in Chicago, IL	
37	ED		8/11-15/26	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Summer Meeting in Columbus, OH	
38	AUD	CH	9/30/26	AUD COMM CHAIR will review the draft agenda for the October 19, 2026 Audit Committee Meeting with the Executive Director and/or Senior Accountant to determine the order of items and whether additional items should be added or current items deleted.	
39	BOD	CH	10/6/26	BOD CHAIR will review the draft agenda for the October 27, 2026 BOD meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Audit Committee.	
40	ED		10/13/26	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the October 19, 2026 Audit Committee meeting with the Texas Secretary of State's office.	
41	AUD AUD	CH	10/20/26 9:00 AM virtual	Audit Committee Meeting - Develop the 2027 Audit Plan and prepare recommendation to the Board of Directors for adopting and filing it with the Commissioner of Insurance - Review the TLHIGA's commercial insurance program to confirm the adequacy to mitigate anticipatable risks - Review the assumptions that will be used for developing the 2027 budgets that will be presented to the Board of Directors at its January 26, 2027 meeting - Annual review of the Committee's Charter	
42	ED		10/20/26	EXECUTIVE DIRECTOR (or staff) will file the final agenda for the October 27, 2026 Board of Directors meeting with the Texas Secretary of State's office.	
43	ED		10/?/26	EXECUTIVE DIRECTOR and some BOD will attend the IAIR Technical Development Series Workshop in ??	
44	ED		10/20-22/26	EXECUTIVE DIRECTOR and some BOD will attend the NOLHGA MPC Meeting & Annual Meeting in Santa Fe, NM	
45	BOD AUD	CH CH	10/27/26 8:30 AM	Board of Directors Meeting - Action to fill officer and committee vacancies - Action to engage an auditor to conduct the annual financial audit as of YE 2026 - Action to adopt the 2027 Audit Plan and to file it with the Commissioner of Insurance - Action to select a firm to conduct network penetration testing - Executive Session confidential discussion of financially troubled member insurance companies - Consider revisions to Board of Directors Corporate Governance Guidelines - Review and possible actions on various active member company receiverships - Report on governance issues regarding Directors' feedback and BOD performance - Executive Director's report on operations - Regular operational and financial approvals (i.e. minutes, NOLHGA invoice, future meetings, financial statements, etc.)	
46	ED		10/30/26	EXECUTIVE DIRECTOR will distribute the Guidelines for Nomination and Election of Officers of the Board of Directors to all directors via email in preparation fo the January 26, 2027 Board of Directors meeting	
47	ED		11/14-17/2026	EXECUTIVE DIRECTOR and some BOD will attend the NAIC Fall Meeting in Dallas, TX	
48	ED		12/5/26	EXECUTIVE DIRECTOR will distribute the annual evaluation forms for General Counsel to all Directors. Responses will be due to the ED on or before January 5, 2027.	
49	BOD		12/8-12/26	RESPONSES DUE FROM BOD - Nominations from the Directors for the four officer positions on the Board of Directors are due to the Executive Director	



2026

2026 Calendar of Activities (MASTER COMPILATION) updated as of 10/29/25

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG, CORP GOV or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
50	PER	CH	1/5/27	PERS COMM CHAIR will review the draft agenda for the January 19, 2027 Committee meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	
51	A-I	CH	1/5/27	A-I COMM CHAIR will review the draft agenda for the January 19, 2027 Committee meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	
52	BOD	CH	1/5/27	BOD CHAIR and counsel will be provided the draft agenda for the January 26, 2027 BOD meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted, including any anticipated recommendations for Board action from the Personnel or A-I Committees.	