

No. 2026-9939

**Official Order
of the
Texas Commissioner of Insurance**

Date: 5/20/2026

Petition and Filing Numbers:

Homeowners, S736102

Dwelling, S736103

Condominium, S736104

Tenants, S736105

Petition No. P-0526-01

Subject Considered:

Rate Filings for the Texas Fair Access to Insurance Requirements Plan Association

General Remarks and Official Action Taken:

The subject of this order is the approval of proposed rate filings S736102, S736103, S736104, and S736105, as filed by the Texas Fair Access to Insurance Requirements Plan Association (FAIR Plan).

Background

Insurance Code Section 2211.056 requires the FAIR Plan to file with the commissioner of insurance proposed rates to be used in connection with the issuance of insurance policies or endorsements. Under this statute, the commissioner is required to approve or disapprove, in whole or in part, the proposed rates within 60 days of filing, with an additional 30-day extension upon written notice by the Texas Department of Insurance (TDI) to the FAIR Plan. This order addresses the proposed changes in the residential property insurance rates the FAIR Plan filed with TDI on February 23, 2026.

2026-9939

Commissioner's Order

FAIR Plan 2026 Residential Rate Filings

State tracking nos. S736102–S736105

Page 2 of 6

The original deadline for commissioner approval or disapproval was April 24, 2026, subject to the 30-day extension. TDI extended the deadline by letter, dated April 15, 2026, to May 25, 2026.

The following findings of fact and conclusions of law are adopted.

Findings of Fact

1. The FAIR Plan is established under Insurance Code Section 2211.051 to deliver residential property insurance in underserved areas in Texas, and it serves as the nonprofit association that performs the functions that Insurance Code Section 2211.054 requires, under the plan of operation adopted under that section.
2. On February 23, 2026, the FAIR Plan filed residential property insurance rates for its Homeowners, Dwelling, Condominium, and Tenants policy forms with TDI. TDI assigned filing numbers S736102, S736103, S736104, and S736105 to the Homeowners, Dwelling, Condominium, and Tenants filings, respectively.
3. The FAIR Plan filings contained proposed rate changes for the forms listed in Finding of Fact No. 2.

Proposed Rate Changes

4. The filings included actuarial rate indications to support the proposed rate changes. There are separate rate indications for each policy form and geographic zone.
5. The FAIR Plan developed the rate indications using the loss ratio method, which compares the estimated percentage of each premium dollar needed to cover future losses, loss adjustment expenses (LAE), and other fixed expenses to the amount of each premium dollar that is available to pay for such costs.
6. The rate indications included estimates of the following costs: wind losses and LAE; non-wind losses and LAE; reinsurance; commission expenses; general expenses; and taxes, licenses, and fees. The rate indications also included a provision for the Stabilization Fund, which is intended to permit the development of surplus funds available to the FAIR Plan.

2026-9939

Commissioner's Order

FAIR Plan 2026 Residential Rate Filings

State tracking nos. S736102–S736105

Page 3 of 6

7. The rate changes proposed by the FAIR Plan reflect a cap of +25% on the indicated rate increases and -25% on the indicated rate decreases.
8. Limiting rate changes is a common practice in insurance rate setting and helps promote rate stability.
9. In response to objections from TDI, the FAIR Plan revised the complement of credibility used in the rate indication for the Condominium policy form then revised the proposed rates filed for condominiums to reflect the updated rate indication.
10. In response to objections from TDI, the FAIR Plan updated the in-force premium data used to calculate the statewide average rate changes for all forms to more recent premium data, which shifted the distribution of business by zone, then revised the statewide average rate changes for all forms to reflect these updates. This revision does not affect the filed rates.
11. The FAIR Plan's revised rate changes in filing S736102 for its Homeowners policy vary by zone as follows:

Homeowners

<u>Zone</u>	<u>Indicated Change</u>	<u>Proposed Change</u>
Central North – Greater Dallas/Ft. Worth	-4.5%	-4.5%
Central North – Remainder	-1.2%	-1.2%
Central South	-4.1%	-4.1%
North/Northwest	-2.1%	-2.1%
Seacoast – Tier 1	-21.6%	-21.6%
Seacoast – Tier 2	0.3%	0.3%
Overall Statewide Average	-2.6%	-2.6%

12. The FAIR Plan's rate changes in filing S736103 for its Dwelling policy do not vary by zone for fire coverage but do vary by zone for extended coverage. The revised rate changes for fire and extended coverage are as follows:

2026-9939

Commissioner's Order
FAIR Plan 2026 Residential Rate Filings
State tracking nos. S736102–S736105
Page 4 of 6

Dwelling – Fire

	<u>Indicated Change</u>	<u>Proposed Change</u>
Overall Statewide Average	3.5%	3.5%

Dwelling – Extended Coverage

<u>Zone</u>	<u>Indicated Change</u>	<u>Proposed Change</u>
Central North – Greater Dallas/Ft. Worth	56.2%	25.0%
Central North – Remainder	54.3%	25.0%
Central South	41.2%	25.0%
North/Northwest	26.1%	25.0%
Seacoast – Tier 1	-22.0%	-22.0%
Seacoast – Tier 2	21.3%	21.3%
Overall Statewide Average	24.7%	21.6%

13. The FAIR Plan's revised rate changes in filing S736104 for its Condominium policy vary by zone as follows:

Condominium

<u>Zone</u>	<u>Indicated Change</u>	<u>Proposed Change</u>
Central North – Greater Dallas/Ft. Worth	-13.7%	-13.7%
Central North – Remainder	-19.6%	-19.6%
Central South	-5.7%	-5.7%
North/Northwest	-21.0%	-21.0%
Seacoast – Tier 1	-17.0%	-17.0%
Seacoast – Tier 2	-5.5%	-5.5%
Overall Statewide Average	-7.5%	-7.5%

14. The FAIR Plan's revised rate changes in filing S736105 for its Tenants policy vary by zone as follows:

2026-9939

Commissioner's Order
FAIR Plan 2026 Residential Rate Filings
State tracking nos. S736102–S736105
Page 5 of 6

<u>Zone</u>	<u>Tenants</u> <u>Indicated</u> <u>Change</u>	<u>Proposed</u> <u>Change</u>
Central North – Greater Dallas/Ft. Worth	-40.4%	-25.0%
Central North – Remainder	-42.6%	-25.0%
Central South	-43.0%	-25.0%
North/Northwest	-43.6%	-25.0%
Seacoast – Tier 1	-46.1%	-25.0%
Seacoast – Tier 2	-25.8%	-25.0%
Overall Statewide Average	-33.7%	-25.0%

15. TDI actuarial staff concluded that there is a sound actuarial basis for the revised proposed rate changes.
16. TDI actuarial staff concluded that the revised proposed rate changes are consistent with Insurance Code Section 2211.056.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under Insurance Code Section 2211.056.
2. Insurance Code Section 2211.056(b) requires the FAIR Plan to set rates in an amount sufficient to (1) carry all claims to maturity, and (2) meet the expenses incurred in the writing and servicing of the business.
3. The proposed rate changes addressed in Findings of Fact Nos. 4–16 are consistent with Insurance Code Section 2211.056(b).

2026-9939

Commissioner's Order
FAIR Plan 2026 Residential Rate Filings
State tracking nos. S736102–S736105
Page 6 of 6

Order

It is ordered that the proposed rate changes in filings S736102, S736103, S736104, and S736105 are approved, to be effective for new and renewal business September 1, 2026.

Signed by:

Amanda Crawford

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Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Signed by:

Mark Worman

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Mark Worman, Deputy Commissioner

Signed by:

Jessica Barta

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Jessica Barta, General Counsel