



REPORT OF THE ANNUAL MEETING

April 26, 2021

Insurance Placement Facility of Pennsylvania

190 N. Independence Mall West
Philadelphia, PA 19106-1554

Board of Directors

2020- 2021

Ms. Patricia A Quinn, Chairperson	CNA
Ms. Marybeth Baxter	Nationwide Insurance Company
Ms. Virginia Boyles	Chubb Group
Ms. Jennifer Koebe	Erie Insurance Group
Mr. Bob Messier	State Farm Insurance Companies
Mr. Michael Schalk	Allstate Insurance Companies
Ms. Jaynine Warner	Farmers Insurance

Mr. Daniel M. Taylor, Jr., Esq., General Counsel	Margolis Edelstein, Pittsburgh
Mr. John M. Ogle, President	Insurance Placement Facility of Pennsylvania

AGENDA FOR THE ANNUAL MEETING
INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

April 26, 2021 - 1:30 P.M.

1. Call to Order - 1:30 P.M. - Ms. Patricia A. Quinn, Chairperson, presiding
2. Approval of Minutes of Previous Year Annual Meeting - April 27, 2020
3. Ratification of Board, Officer's and Committee Actions
4. Report of the Chairman
5. Report of the President
6. Treasurer's Report
7. New Business
8. Election of Board of Directors 2021 - 2022

Nominations are:

- 1) Allstate Insurance Company
 - 2) Chubb Group
 - 3) CNA
 - 4) Erie Insurance Group
 - 5) Farmers Insurance
 - 6) Nationwide Insurance Companies
 - 7) State Farm Insurance Companies.
9. Adjournment of Meeting

Insurance Placement Facility of Pennsylvania
Minutes of the Annual Meeting
April 26, 2021
Teleconference
1:30 p.m.

The Annual Meeting of the Insurance Placement Facility of Pennsylvania was called to order with Chairperson Patricia Quinn presiding. President John M. Ogle served as secretary and reported a quorum was present with 124 companies or 60.91% of the membership represented in person or by proxy.

Upon motion duly made, seconded and carried, the Minutes of the April 27, 2020 Annual Meeting were approved as distributed.

A motion to ratify the actions of the Board of Directors and the Officers for the 2020-2021 term was duly made, seconded and carried.

Motions were made, seconded and carried to waive the reading of the Chairman's report, the President's report and the Treasurer's report, as all three reports were included in pre meeting agenda packet and will be incorporated into the Annual Report. The reports were accepted as presented.

The President noted the 2020 independent financial audit report provided by the accounting firm of Mazars, accepted by the Audit Committee and as reported to Board of Directors will be made part of the Annual Report.

With no new business, Nominating Committee chairperson Ms. Marybeth Baxter, placed into nomination the following Member Companies to serve on the Board of Directors for the 2021-2022 term.

Allstate Insurance Company
Chubb
CNA
Erie Insurance Group
Farmers Insurance
Nationwide Insurance Companies
State Farm Insurance Companies

There being no other nominations, it was moved, seconded and carried to close nominations.

Chairperson Quinn requested and received confirmation from the secretary that a sufficient amount of ballots had been cast for the nominees. Mr. Ogle reported that 60.71% of the membership representing 123 companies, indicated their intention to cast ballots either in person or by proxy in favor of the nominated slate. Therefore, upon motion duly made seconded and carried, the slate was declared elected.

There being no further business and upon motion duly made, seconded and carried, the meeting was adjourned.

Respectfully submitted by,



Mr. John M. Ogle, CPCU
President

Approved by,



Ms. Patricia Quinn
Chairperson of Board

Report of the Chairperson

Ms. Patricia Quinn

53rd Annual Meeting

Of the Members of the

Insurance Placement Facility of Pennsylvania

April 26, 2021

Welcome to the 53rd Annual Meeting of the Insurance Placement Facility of Pennsylvania. With now more than 50 years in operation, I am pleased to report that the Facility continues to meet its primary purpose of making basic property insurance available to those property owners who have been unable to secure such coverage in the voluntary marketplace.

There are a wide range of companies doing business in Pennsylvania, which is reflected in the State's viable and very competitive insurance marketplace. With so many companies active in the marketplace, it is not a surprise that the FAIR Plan has continued to see a decline in its volume.

Despite a competitive voluntary market and lower volumes, the Pennsylvania FAIR Plan receives a daily flow of new applications and payments from all corners of the Commonwealth. The FAIR Plan has its greatest volume of business centered around the urban centers especially Philadelphia. Despite its southeastern urban tilt, the Plan still has policies in force in every county and most every small city or borough in the Commonwealth.

Over the past five decades, the Pennsylvania FAIR Plan has recorded years of both high and low loss severity and substantial surplus and deficits. Unfortunately, 2020's Loss Incurred was on the higher end and combined with a 7.2% decline in Premiums Earned, produced a Net Result of Operations loss of \$923,720.19.

In 2020 almost all categories saw a decline including New Business Received, Policies Issued and Premiums Written. It would not be out of line to attribute some of this decline due to the COVID-19 pandemic, the shutdowns, and the unrest we saw in Philadelphia and other cities and towns across the Commonwealth. General Expenses also declined 13.3% in 2020.

In closing, I would like to thank the Pennsylvania Insurance Department for all its support to the FAIR Plan operation. We are very fortunate to have such an attentive Department of Insurance staffed with some very dedicated and talented individuals.

In addition, my appreciation also goes out to the Staff at the FAIR Plan. Their dedication to the FAIR Plan is evident in so many ways and I think I speak for all the Board members when I say we take great comfort knowing the operation is in such capable hands.

I would also like to recognize the contributions of our General Counsel Mr. Daniel M. Taylor. Mr. Taylor's timely and well thought out advice has served the Board well over the years and 2020 was no exception.

I would also be remiss if I did not acknowledge all the members of our committees and in particular our Committee Chairpersons. Your readiness to serve and to offer the Staff guidance on any number of assorted issues goes a long way in making the Pennsylvania FAIR Plan a well-run operation.

I would like to thank all my fellow Board members for their support and dedication. While this past year had us conducting Board meetings virtually due to the pandemic, I realize that many travels considerable distance and sometimes under less than ideal circumstances. During our meetings, I am constantly amazed at your knowledge and your willingness to take time from your busy schedules to assist in the oversight of the Pennsylvania FAIR Plan. For all your efforts, I am indeed grateful.

Every year it seems the Board of Directors or the FAIR Plan staff loses some very talented individuals to other assignments or retirement. 2020 was no exception. To all of those who have moved on, I would like to offer my personal thanks and gratitude for all the years of service to the FAIR Plan.

With that said, I would like to both thank and congratulate President John Ogle for his upcoming retirement. During his tenure as President, we have seen accomplishments and advancements in the organization too numerous to mention, but through his leadership, he has always operated the FAIR Plan with the three overriding and primary goals in mind: providing exceptional service to all customers, creating an environment where employees can development and thrive, and operating the organization effectively and efficiently to minimize the financial impact to the member companies. On behalf of all of the board members, we are grateful for Mr. Ogle's service to the operation of the FAIR Plan and we wish him all the very best in his retirement.

Respectively submitted.



Patricia Quinn
Chairperson of the Board

Report of the President
John M. Ogle

53rd Annual Meeting
Of the Members of the
Insurance Placement Facility of Pennsylvania
April 26, 2021

Good afternoon and welcome to the 53rd Annual Meeting of the Insurance Placement Facility of Pennsylvania.

For nearly a decade, we have seen a steady decline in FAIR Plan business and 2020 was no exception. In 2020, Policies Issued fell 8.1% and Premiums Written declined by almost 7.6%. The decline is not exclusive to the Pennsylvania FAIR Plan as many residual markets nationwide also saw significant depopulation. While Losses Incurred rose by 12.2%, Losses Reported followed in the same direction as Policies Issued and decreased by 18.1%.

For the year, a 7.2% drop in Premiums Earned, and a 12.2% increase in Losses Incurred yielded an Underwriting Loss of \$957,045.52. Taking into account Investment Income and Other Income and Expenses, the Pennsylvania FAIR Plan finished 2020 with a Net Result of Operations loss of \$923,720.19.

Over the decades the Pennsylvania FAIR Plan has remained a small niche market for those unable to secure coverage in the normal marketplace. Annual Premiums Written exceeded \$14,000,000 in only one year and annual policy counts have only once been as high as 110,000. Despite its limited size, the FAIR Plan has still paid out more than \$354,000,000 in Losses.

Change not only impacts business, it also impacts people. Whether it is Board or Committee members, Insurance Department senior staff or the FAIR Plan's own staff, we have seen many friends and colleagues move on to their next challenge. To all, I would like to express my thanks for their years of dedicated service.

In closing, I would like to thank the members of my management team and the employees of the Pennsylvania FAIR Plan for their dedicated efforts over these past 12 months. This has certainly been a year of unprecedented challenges due to the COVID-19 pandemic.

I would also like to thank General Counsel Daniel Taylor for his timely and sound legal advice throughout the year. Today's working and social environments have changed so drastically from just a few years ago, but Dan has managed to steer the organization clear of the many potential pitfalls.

I also think it is appropriate to thank the Pennsylvania Insurance Department. Time does not permit me to personally thank all those folks inside the Department who have lent us their knowledge and expertise, but suffice it to say, their efforts are greatly appreciated.

I would like to thank all the members of the Board and its various Committees. Your interest, support and enthusiasm go a long way in running this organization. Whether it has been an email, a phone conversation or a meeting, members repeatedly go to great lengths to be engaged in the operation of the Plan. Your efforts and support are greatly appreciated.

I will be retiring on July 30, 2021 ending a long tenure here at the FAIR Plan. As I close my last President's report to the membership, I would like to thank all the Member Companies and their many representatives for their interest in our FAIR Plan. Throughout my time here, I have been blessed to have had the industry's support and I cannot appropriately thank those many individuals and their companies for their unwavering assistance and consistent support.

Thank you.

Respectively Submitted



John M Ogle CPCU
President

INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

PENNSYLVANIA FAIR PLAN

Treasurer's Report

December 31, 2020

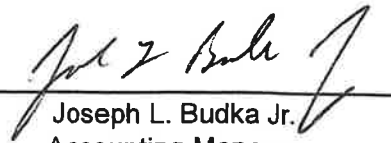
ASSETS

Cash in Bank	1,042,646.04
Investments, Short term at cost plus accumulated discount	8,181,304.69
Accrued Investment Income	0.00
Due from Participating Members	0.00
Premiums Receivable	45,162.80
Other Receivables	186,785.40
Equipment *	0.00
 Total Assets	 <u><u>9,455,898.93</u></u>

LIABILITIES AND MEMBERS' EQUITY

Unearned Premiums	2,580,963.00
Unearned Advance Premiums	193,131.60
Outstanding Losses	665,511.00
Outstanding Loss Adjustment Expenses	161,814.00
Accrued Expenses	92,824.00
Unpaid Post Retirement Benefits	3,577,176.00
Unpaid Pension	1,528,947.00
Accounts Payable	163,173.91
Claims Checks Payable	197,095.57
Unpaid Premium Tax	0.00
 Total Liabilities	 <u>9,160,636.08</u>
Members' Equity (Deficit)	295,262.85
 Total Liabilities and Members' Equity	 <u><u>9,455,898.93</u></u>

Respectfully Submitted,



Joseph L. Budka Jr.
Accounting Manager

* E. D. P. Equipment