

SureChoice Underwriters Reciprocal Exchange
Texas Dwelling Fire
Actuarial Memorandum

We have reviewed our Texas dwelling fire data since the program's inception in 2021 and have developed the following indication. In producing a statewide indication, we have used our earned premium, on-leveled to current, and appropriately trended. Losses have been categorized into hurricane losses, other wind and hail losses (OWH), and all other peril losses (AOP). The underlying experience period for our data is the 5 accident years ending 9/30/2025 evaluated as of 12/31/2025. A detailed description of the methodology and calculations are provided on the following pages.

Overall Indication

Rows	Accident Year Experience Ending	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	Total	Notes
(1)	Written Fees	6	475	1,055	1,930	2,102	5,568	
(2)	Direct Premium Written (including fees)	209	13,824	36,874	74,728	91,871	217,507	
(3)	Direct Premium Earned (including fees)	10	6,548	24,766	56,367	83,200	170,891	
(4)	On-level Factor	1.56	1.56	1.42	1.17	0.98	1.13	
(5)	Direct Premium Earned at Current Rate Level	16	10,228	35,063	66,099	81,434	192,840	= (3) * (4)
(6)	Premium Trend factor	1.319	1.195	1.169	1.130	1.072		See Exhibit I
(7)	Trended On Level Premium (including fees)	19	12,134	40,809	74,458	87,119	214,539	= [(5) - (1)] * (6) + (1)
(8)	Earned Exposures	2	3,870	13,066	27,379	36,117	80,434	

(9)	Total Claim Count	0	121	642	2,126	647	3,536	
(10)	AOP Claim Count	0	57	185	291	238	771	
(11)	Other Wind/Hail Claim Count	0	64	457	869	409	1,799	
(12)	Hurricane Claim Count	0	0	0	966	0	966	

(13)	Total Loss & ALAE	0	1,604	9,017	25,669	12,149	48,439	
(14)	Total ALAE	0	201	1,390	3,534	1,025	6,149	
(15)	AOP 50K Loss & ALAE	0	802	2,560	3,701	4,035	11,099	
(16)	AOP Excess Loss & ALAE	0	244	1,509	2,171	4,051	7,975	
(17)	AOP Excess Loss & ALAE Ratio	0.0%	30.4%	58.9%	58.7%	100.4%	59.6%	See Exhibit VIII(a)
(18)	AOP CDF factor	1.000	1.000	1.002	1.021	1.076		See Exhibit II(a)
(19)	AOP Loss trend factor	1.294	1.242	1.192	1.145	1.099		See Exhibit III(a)
(20)	Trended Ultimate Capped AOP Incurred Loss & ALAE	0	997	3,060	4,326	4,772	13,154	= (15) * (18) * (19)
(21)	Ultimate Capped AOP Incurred Loss & ALAE Ratio	0.0%	8.2%	7.5%	5.8%	5.5%	6.1%	= (20) / (7)
(22)	AOP Accident Year Weights	0.000	0.048	0.162	0.340	0.449	1.000	See Exhibit IV(a)

(23)	Other Wind/Hail 15K Loss & ALAE	0	464	3,566	6,630	3,087	13,747	
(24)	Other Wind/Hail Excess Loss & ALAE	0	94	1,381	2,711	976	5,163	
(25)	Other Wind/Hail Excess Loss & ALAE Ratio	0.0%	20.4%	38.7%	40.9%	31.6%	40.3%	See Exhibit VIII(b)
(26)	Other Wind/Hail CDF factor	1.000	1.000	1.000	1.003	1.131		See Exhibit II(b)
(27)	Other Wind/Hail Loss trend factor	1.294	1.242	1.192	1.145	1.099		See Exhibit III(b)
(28)	Trended Ultimate Capped OWH Incurred Loss & ALAE	0	576	4,253	7,613	3,836	16,278	= (23) * (26) * (27)
(29)	Ultimate Capped OWH Incurred Loss & ALAE Ratio	0	0	0	0	0	0	= (28) / (7)
(30)	OWH Accident Year Weights	0.000	0.048	0.162	0.340	0.449	1.000	See Exhibit IV(b)