



**Board of Directors**  
**Charter of the Assessment/Investment Committee**  
**Amended and Restated July 26, 2011**

I. Purpose

The Assessment/Investment Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities in respect of assessments and investments. This Charter does not alter the provisions of the Association's Act, Bylaws, Plan of Operation, Policies and Procedures, the Texas Open Meeting Act, or the Texas Public Information Act. The Assessment/Investment Committee's primary responsibilities are to:

- Provide recommendations to the Board of Directors regarding Class A and B assessments and refunds.
- Monitor and oversee assessments levied upon the member insurers.
- Provide recommendations to the Board of Directors regarding the investment policy and strategy of Association funds.
- Monitor and oversee investments of Association funds in accordance with the investment policy and strategy.

II. Committee Composition and Meetings

The Assessment/Investment Committee shall be comprised of three or more directors, each of whom shall be free from any relationship that would interfere with the exercise of his/her independent judgment. All members of the Committee shall have a basic understanding of assessments and investments, and at least one member of the Committee should have investment or related financial management experience.

The chair and members of the Assessment/Investment Committee shall be appointed by the Board of Directors. If the chair or a committee member is absent from a committee meeting, the Board Chair may appoint a temporary, substitute chair or member in accordance with the Bylaws.

The Committee shall meet at least once annually, or more frequently as circumstances dictate. The Assessment/Investment Committee Chair shall prepare and/or approve an agenda in advance of each meeting. Written materials shall be received from management and others, if appropriate, in advance of meeting dates. Assessment/Investment Committee members are responsible for reviewing written

materials in sufficient depth before a meeting in order to meaningfully participate in Committee dialogue.

Unless other arrangements are made, the Assessment/Investment Committee requires Association management, the Association's counsel, and Board counsel to attend all meetings of the Committee. The Committee may request other professionals to attend a Committee meeting, or to meet with any members of, or consultants to, the Committee. The Assessment/Investment Committee shall report to the Board of Directors after each meeting and shall make recommendations, as necessary, to the Board of Directors. The Assessment/Investment Committee only has the power to act on behalf of the Board of Directors with specific prior approval granted in a resolution of the Board.

### III. Responsibilities and Duties

#### Assessments

1. Review the future contractual obligations requiring funding by the Association and related assessment needs.
2. Review and recommend to the Board the amount and character of every assessment, and review and recommend to the Board the treatment of assessment refunds, if any.
3. Monitor collection of assessments and enforcement actions.
4. Monitor deferrals, reallocations, and refunds of assessments.
5. Oversee transition of assessment process under amended Association Act.
6. Make recommendations to the Board as necessary regarding assessments.

#### Investments

7. Make recommendations to the Board regarding the Association's investment policy and strategy.
8. Oversee implementation and management of the Association's investment policy, investment strategies, and investments of the Association.
9. Review the Association's relationships with financial institutions, including bank accounts, safekeeping accounts, and custodial accounts.
10. Review records of financial investments, as necessary.
11. Make recommendations to the Board as necessary regarding investments.

### Other Responsibilities

12. Perform any other activities consistent with this Charter, the Association's Act, Bylaws, Plan of Operation, Policies and Procedures, the Texas Open Meetings Act, and the Texas Public Information Act, and as the Assessment/Investment Committee and Board of Directors deem necessary or appropriate.
13. Maintain minutes of meetings and report to the Board of Directors on significant results of the foregoing activities.
14. Review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval.