MIDYEAR 2000

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

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The TAIPA NEWSLINE is a bi-annual publication. TAIPA is a non-profit organization. An electronic version of this publication can be obtained by submitting a request to newsline@taipa.org

RULE CHANGE EFFECTIVE JANUARY 1, 2001

The Commissioner of Insurance has approved a rule change to extend the 8-payment plan to Business Automobile policies, effective January 1, 2001. This payment plan should be made available for new and renewal policies effective on or after January 1, 2001.

The 8-payment plan is available January 1, 2001 to all policies assigned through TAIPA, except for those requiring a form SR-22A and those premiums financed through a premium finance company. If the premium is financed by a premium finance company, the required Premium Finance Comparison Disclosure Form must be completed and signed by the applicant. File with the premium finance company as TAIPA does not require a copy of this form.

If a renewal with an effective date of January 1, 2001 or later is not offered the 8 payment plan, we suggest that the producer or insured submit 20% of the quoted premium and request that the company bill the remainder under the 8 payment plan.

REVISED COMMERCIAL APPLICATION

A revised commercial application will be required effective January 1, 2001. The revised application makes a provision for the applicant to accept the 8-payment plan and will be available through the TAIPA office beginning in October.

If a commercial application is submitted on an outdated form after January 1, 2001, the application will be returned to the producer.

IDENTIFICATION CARDS

Following our previous Newsline article regarding identification cards, the Association received numerous telephone calls and a written request that the TAIPA Governing Committee provide authority for producers to issue ID cards for assigned risk insureds.

In reviewing Title 28 TAC Section 5.204 the Governing Committee finds that producers do not have the authority to issue these cards.

If an insured receives a "no liability insurance" ticket because he does not have a proof of liability insurance card for an added or substituted vehicle, the Transportation Code under Chapter 601.193 requires that if the insured later produces a document that shows there was in fact valid insurance in place at the time of the alleged offense, the court shall dismiss the charge.

PRODUCER SEMINARS

TAIPA staff is considering requesting funds to hold producer seminars during 2001. To assist staff in making this decision we are requesting input from producers to determine the level of interest.

If you would be interested in attending one of these seminars, please advise our office by mail, e-mail or fax, prior to August 31, 2000. In your mail, please indicate whether you would prefer an audio seminar or that TAIPA staff arrange to hold the seminar in your area of the state.

POLICY FEES

Policy fees and other charges for processing applications may not be charged to a TAIPA applicant.

Title 28 TAC 5.201(a) states in part: No insurer or its agents may charge any policy fee, service charge, or any other fee or charge to process or submit a TAIPA application. Only premiums and surcharges

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RETURN SERVICE REQUESTED

prescribed by the Texas Department of Insurance and included in the Texas Automobile Rules and Rating Manual may be charged to an applicant applying to TAIPA.

WALK-IN APPLICATIONS

Applicants are welcome to "walk" applications to TAIPA between the hours of 8:30 a.m. - 5:00 p.m.; however, procedure requires that each hand delivered application include a check, money order, or cashier's check as down payment. TAIPA does not accept cash.

The application must be brought to TAIPA before going to the Department of Public Safety (DPS). TAIPA will process and issue the Texas SR-22 while the applicant waits, usually no longer than 5-10 minutes. TAIPA will provide directions to the DPS.

COST OF ADMINISTRATION

Each insurer that holds a Certificate of Authority to write automobile liability insurance in Texas, except for those organized under Chapter 17 of the Insurance Code, is required to be a member of TAIPA. Members pay a $100 annual membership fee and an assessment based upon their voluntary market writings for the expenses of operating the Association.

In order to clarify the action to be taken if a membership fee or assessment is not paid in a reasonable time, the Governing Committee has approved a rule change to Section 15 of the Plan of Operation. This change has been submitted to the Commissioner for approval. The change describes the late payment charge to be applied if the payment is not postmarked on or before the due date shown on the invoice. The charge will be "0.05 percent per day (1.50 percent per month) subject to a minimum charge of $50."

Prior to year-end 2000, it is suggested that all insurers verify that TAIPA invoices are being sent to the correct department. If further information is required, please contact Margaret Alsobrook at 512-444-5999, ext. 1.

TDI LICENSE RENEWAL

Producers are notified prior to the expiration of their license that a renewal will be required to maintain certification with TAIPA. Please respond to our correspondence by faxing your renewal to 512-444-7639 as soon as possible. Producers who do not respond will immediately become uncertified and will not receive commission on new business.

YEAR 2000 GOVERNING COMMITTEE

At the March 2, 2000 annual meeting the following members were elected:

Chair: Mike Gerik, Southern Farm Bureau Casualty Insurance Company.

Vice-Chair: Jon Smanz, Allstate Insurance Company.

Second Vice-Chair: Bill Jeter III, Public Member, Bryan.

Secretary: Mary Frances Rash, Liberty Mutual Insurance Company.

Insurer Members: Jim Bolling, Kemper Group; Jack Crisci, USAA Casualty Insurance Company; Fred Marsh, State Farm Mutual Automobile Insurance Company; Jim Snikeris, Farmers Insurance Group; Marie Tucker, Union Standard Insurance Company.

Producer Members: Patrick Bonds, Hilb, Rogal & Hamilton Company; Pete Hamel, Harco Insurance Services.

Public Members: Laura Hausman, Corpus Christi; Carmalita Hogan, Dallas; Mary Carol Hopkins-Awalt, Conroe; Vacant Position.