

# TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION



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## POLICY FORMS

Senate Bill 14 allows insurers to file their own policy forms for the writing of automobile insurance. However, insurers writing policies for TAIPA assignments are required to continue to use the policy forms and endorsements approved or adopted under Section 5.06 of the Insurance Code. Further information regarding policy forms is available on our web site in Bulletin 120.

TAIPA is considering developing policy forms that will be unique to TAIPA assignments. Once these policy forms are developed, insurers will be required to issue these policy forms for insureds assigned through TAIPA.

## COMPANY SEMINAR - SURVEY

TAIPA is considering holding a one day company seminar in Austin, Texas on November 19, 2004 if a sufficient number of companies are interested in attending. The seminar would be held the day following the November 18, 2004 TAIPA Governing Committee meeting. The fee for the seminar would be \$50.

Companies will have the opportunity to learn about changes affecting TAIPA as a result of Senate Bill 14, electronic binding procedures, quota determination and rating procedures.

TAIPA encourages companies to send members of their staff who are actually handling TAIPA assignments so that they may have a full understanding of the changes, which have been adopted since Senate Bill 14.

TAIPA Managers and staff will be presenting the seminar and look forward to the opportunity to establish a one-on-one dialogue with company representatives. Any suggestions as to how TAIPA can better serve the companies, producers and insureds would be helpful and appreciated.

If your company wishes to attend this type seminar, please contact Margaret Alsobrook at [margaret.alsobrook@taipa.org](mailto:margaret.alsobrook@taipa.org).

## NAMED NON-OWNER COVERAGES

During our prior seminars producers had questions of TAIPA staff regarding the coverages provided under a Named Non-Owner policy in the Private Passenger rules section of the Manual. We believe that the information shown below will provide necessary information to the producer when explaining policy coverages to an insured.

The Named Non-Owner policy is intended as a secondary policy affording liability for the named insured and spouse while driving a vehicle not owned by the insured or spouse. This type policy does not provide coverage for damage to the auto being driven.

The optional Uninsured/Underinsured Motorists coverage in the same limits as the Bodily Injury and Property Damage is available; however, the UM/UIM Property Damage applies only to personal property, with a \$250 deductible. The UM/UIM Property Damage on the policy will not pay for damages for the vehicle being driven by the non-owner operator. Personal Injury in the limit of \$2,500 per person is also available.

## INSURER MEMBERSHIP

Membership in TAIPA will be expanded under Senate Bill 14. Effective 12-1-04 some county mutual companies will become members of TAIPA. In order to be a member of TAIPA the county mutual must meet the requirements described in the statutes. The TAIPA Governing Committee will work with the Commissioner and the county mutual companies to determine eligibility.

## RETURN SERVICE REQUESTED

### TAIPA ANNUAL REPORT

The 2003 TAIPA Annual Report is now available online at [www.taipa.org](http://www.taipa.org). In lieu of mailing the report to all insurers, a new procedure was adopted to post the report on the website and mail to insurers only upon request.

### EASi SEMINAR

The EASi submission procedure, implemented by TAIPA in October 2003, has been enormously successful.

In January of 2004, approximately 28% of TAIPA private passenger applications were submitted using EASi. This ranks Texas fifth among the states using EASi. (Only Alaska, Iowa, Maine, and Nevada had higher percentages of applications submitted using EASi: all four of those states had a much smaller application volume than Texas as well.)

Through May 13th of this year, approximately 34% of the applications assigned through TAIPA were submitted using EASi.

TAIPA is very pleased with the response to the current EASi system. However, we do not plan to rest on our laurels.

In October of 2004, TAIPA plans to enhance the EASi system by adding the ability to rate private passenger applications. We are currently working with our vendor to implement and test the new rating system.

As part of our preparation for adding rating to the EASi system, TAIPA will again be conducting seminars throughout Texas. A registration form, with dates and locations, is included with this Newline: the registration form may also be obtained from our website, <http://www.taipa.org>.

All seminar participants will receive three hours of continuing education credit for this seminar. (If you attended last year's seminar, you will still be able to receive continuing education credit for this one as well.)

This seminar will cover using EASi, including the rating system, as well as general TAIPA rules and procedures. We hope to demonstrate the rating system during these seminars.

Seminar attendance is not required in order to use EASi. If you have any questions about EASi, or about the seminars, you may visit the website or contact [custsvc@taipa.org](mailto:custsvc@taipa.org). We hope to see you at the seminars.

### TAIPA MANUAL

Due to the changes contained in Senate Bill 14 affecting the automobile insurance market, TAIPA is presently working to have a new Texas Automobile Insurance Plan Association Manual prepared for submission to the Commissioner of Insurance for approval. TAIPA will request that if possible the new Manual be effective December 1, 2004. This Manual will contain only the rules and rates that are applicable to insureds assigned through TAIPA.

Once approved, all insurers and producers will rate TAIPA assignments according to the rules and rates shown in this Manual. Until the new Manual is approved by the Commissioner, assignments will continue to be rated under the rules and rates displayed in the current Texas Automobile Rules and Rating Manual.

Once approved by the Commissioner, the new Manual and the reformatted TAIPA Plan of Operation will be available for download from the TAIPA website [www.taipa.org](http://www.taipa.org). We will notify producers and insurers of any future updates by e-mail.

We believe that all parties will find this new Manual user friendly.

### EASi SUBMISSIONS

**Please remember to submit EASi applications in duplicate. This will assist TAIPA staff in processing.**