

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

JACK CRISCI
CHAIR

FIRST HALF 1999

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ASSOCIATION MANAGER

RATES REDUCED FOR 1999

For the first time in many years, rates for drivers covered through TAIPA have been reduced. The new rates become effective March 1, 1999.

Commissioner Bomer reduced TAIPA rates for bodily injury liability by 41.1%. Property damage liability was increased by 2.0%. For the optional coverages provided through TAIPA, the rates were reduced by an average of 32.1%.

These rate changes are the state-wide averages. The rates for the various classes of drivers and rating territories will vary.

Attorneys for TAIPA have been instructed to file a Motion for Rehearing. The Motion for Rehearing must be filed by January 11, 1999. The filing of this motion preserves the right to appeal the Commissioner's decision.

The TAIPA Governing Committee will meet on January 6, 1999 and is expected to decide at that meeting whether or not to appeal the decision. TAIPA had sought an increase for most coverages. Its recommendation was to increase the overall rate level by 1.9%.

Commercial rates will be the same as the voluntary benchmark rates effective March 1, 1999.

COST INCREASE FOR TAIPA BINDER FORMS

Effective January 1, 1999, you will notice a slight increase in the cost of TAIPA Binder forms used for the electronic binding of applications. *See the enclosed order form for revised price information.*

YOU ASKED FOR IT! YOU GOT IT!!

By Pete Hamel, Agent Representative

It is possible that in the near future commercial assignments through TAIPA will have the SAME PAYMENT PLAN AS PERSONAL AUTOS!--20% down payment and 8 installment payments to the insurer, with a very low service charge. Because of Y2K concerns, companies are unable to implement until January 2001. The TAIPA Governing Committee has approved the rule change, but it must be approved by the Commissioner of Insurance prior to adoption.

Your two producer representatives on the TAIPA Governing Committee, Pat Bonds and Pete Hamel, thank their fellow committee members for their total support of this important consumer/producer benefit.

ELECTRONIC BINDING

Remember, when utilizing the Electronic Submission Procedure (ESP):

- * The ESP reference number must be provided on both copies of the application and the ESP binder form in the appropriate space.
- * The green binder form must be submitted with the application.
- * The binder form log must be properly completed.
- * Applications must be mailed to TAIPA within one working day.

Don't run out of binder forms! You *must* use TAIPA Binder forms when binding coverage through the ESP system. If you don't have these

binder forms you should not bind coverage through ESP. When reordering, submit at least half of your current binder form log and the corresponding blue copies of the binder forms in order for TAIPA to process a new binder form order. Remember to properly complete your binder form log for each transaction bound through the ESP system. Copies of TAIPA binders should be distributed as shown below:

- * Green copy - submitted with the application.
- * Blue copy - retained with the binder form log.
- * Yellow copy - for the producer's files.
- * White copy - for the insured's records.

ESP POLICY EFFECTIVE DATES

While applications bound through the Electronic Submission Procedure have coverage for any loss at the time the ESP call is made, the policy will show an effective date of 12:01 a.m. on the following day. It is important to remember that any policy bound electronically the day before a rate change will be subject to the new rates. For example, if you make the ESP call on February 28, 1999, the policy will become effective on March 1, 1999 and the new rates will apply. If you are unsure of the effective dates for rate changes, please call our Customer Service Unit at 512-444-4441 before quoting the policy premium to the applicant.

LEGIBLE / INCOMPLETE APPLICATIONS

Please take a few extra minutes when writing the information on the TAIPA application forms. It is very important that all information be clear and legible. Pertinent information such as insured's name, address, driver's license number and vehicle description must be correct on the application. Incorrect names and addresses may delay the insured's receipt of the assignment notice. The assigned company cannot obtain driver's license information on the insured if the number is incorrect,

nor can the Texas Department of Public Safety process SR-22s. TAIPA data entry operators key the information as accurately as possible, but if the handwriting on the application form is difficult to read, errors may occur.

The two items most frequently unanswered or incomplete are Item 5 on the Private Passenger application and Item 4 on the Commercial application form.

When requesting Named Non-Owner coverage, please complete Item 5 fully. Failure to complete all questions may result in a substantial increase in premium.

Fully describe the exact use of any commercial vehicles in Item 4 as this information has a direct bearing on the rating of the vehicles.

Illegible, incorrect or incomplete information on an application causes additional work for the Association staff and insurer. The end result is that the insured does not receive the service to which they are entitled. Incomplete applications will be returned to the agent for completion.

PREMIUM REMITTANCE

Checks, money orders or cashier's checks must be made payable to TAIPA. If an applicant presents a check or money order payable to the agent or agency, it may be endorsed on the reverse side payable to TAIPA.

TAIPA HOLIDAYS

Association holidays for calendar year 1999 are as follows:

New Year's Day	January 1
Memorial Day	May 31
Labor Day	September 6
Thanksgiving	November 25-26
Christmas Eve	December 24

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

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Phone: 512/444-4441 Fax: 512/444-7639 Voice Response: 800/580-TAIP E-mail: custsvc@taipa.org

Texas Automobile Insurance Plan Association
P. O. Box 18447
Austin, TX 78760-8447
Telephone 512-444-4441

ORDER FORM FOR TAIPA APPLICATIONS AND BINDER FORMS
INCOMPLETE ORDERS WILL BE RETURNED UNPROCESSED

INSTRUCTIONS FOR ORDERING BINDER FORMS:

ANY BINDER FORM THAT CANNOT BE USED BECAUSE OF MUTILATION OR ERROR IN PREPARING, MUST BE RETURNED TO THE ASSOCIATION MARKED "VOID". PLEASE NOTE THIS ON YOUR CORRESPONDING LOG ALSO.

TAIPA REQUIRES AT LEAST 1/2 (ONE HALF) OF THE CURRENT BINDER FORM ORDER BE COMPLETED AND RETURNED WITH YOUR ORDER. RETURN THE COMPLETED BINDER FORM LOG, CORRESPONDING BLUE COPIES OF THE BINDER FORMS AND ORDER FORM. (DOES NOT APPLY TO FIRST ORDER.) IF YOU REQUIRE ASSISTANCE PLEASE CALL THE BINDER FORM UNIT AT 512-444-4441 BETWEEN THE HOURS OF 8:30 AND 4:30 (CST)

All information must be given *as you are Certified* with TAIPA

PLEASE PRINT CLEARLY

Date: ___/___/___ TDI ID Number: ___/___/___/___/___/___/___/___/___/___
 (Ten digits)
 Producer Last Name: _____ First: _____ M.I. _____
 Agency Name or D.B.A. _____
 Street Address: _____ City: _____ State: _____ Zip Code: _____

PLEASE CHECK THE BOX INDICATING THE QUANTITY DESIRED (FILL IN TOTAL AMOUNT ENCLOSED, CHECK/REMITTANCE NUMBER AND SIGN). PLEASE MAKE YOUR CHECK PAYABLE TO T.A.I.P.A.

BINDER FORMS <input type="checkbox"/> 25/\$17.59 (tax included) <input type="checkbox"/> 50/\$35.18 (tax included) <input type="checkbox"/> 75/\$52.77 (tax included) <input type="checkbox"/> 100/\$70.36 (tax included)	PRIVATE PASS APPS <input type="checkbox"/> 25/\$11.53 (tax included) <input type="checkbox"/> 100/\$15.10 (tax included) <input type="checkbox"/> 200/\$17.95 (tax included) <input type="checkbox"/> 300/\$22.72 (tax included)	COMM/PUBLIC APPS <input type="checkbox"/> 25/\$12.29 (tax included) <input type="checkbox"/> 100/\$17.49 (tax included)
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TOTAL AMOUNT ENCLOSED: \$ _____
CHECK/REMITTANCE NUMBER: _____

PRODUCER SIGNATURE:

FOR TAIPA USE ONLY:

AUTHORIZED
 REJECTED Reason for Rejection: _____
 2nd REJECTION Reason for Rejection: _____

_____/_____/_____
DATE **ORDER NUMBER** **APPROVED BY**