

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION



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FEATURES

PRIVATE PASSENGER
RATES

COMMERCIAL/PUBLIC
RATES

ELECTRONIC SUBMISSION
PROCEDURES

ANNUAL MEETING



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PRIVATE PASSENGER RATES

November 18, 2003 the Commissioner of Insurance approved new private passenger rates for coverages provided through Texas Automobile Insurance Plan Association, in accordance with the statutory requirements of Article 21.81. *The change in TAIPA private passenger rates is effective February 1, 2004.* Refer to TAIPA Bulletin 121 on our website for the new rates.

The overall increase in rates for all coverages statewide is 27.7%. The rates for different classes of drivers and rating territories may vary. Bodily injury was increased by 29.1%. Property damage liability was increased by 24.1%. The optional coverages provided through TAIPA were increased by 52.1%.

COMMERCIAL/PUBLIC RATES

In its original rate filing TAIPA requested that commercial rates remain at benchmark levels. Since the original filing, the benchmark statute no longer applies to commercial insurance. The rates for commercial and public vehicles will continue to be the current benchmark rate until a commercial rate filing is made by TAIPA and the Commissioner of Insurance approves the new rate levels.

ELECTRONIC SUBMISSION PROCEDURES

Since the new rates are effective February 1, 2004, ESP telephone calls and EASi submissions made on or after January 31, 2004 will be subject to new rates. The policies are issued to become effective at 12:01 a.m. on the date following the date of the electronic submission.

POLICY FORMS

TAIPA has advised the Commissioner of

Insurance that insurers receiving TAIPA assignments will continue to use the policy forms and endorsements, promulgated, approved or adopted under 5.06, Insurance Code. Insurers will not have the authority to use their own policy forms and endorsements for assignments. Refer to TAIPA Bulletin No. 120 available on our web site at <http://www.taipa.org>.

ENDORSEMENTS

If an applicant requests a change to the policy, the request **MUST** be forwarded directly to the assigned company. A listing of company addresses is available on our website.

If the policy has not been issued, clearly reference the insured's name and binder number as shown on the original assignment card.

Mailing policy changes to the TAIPA office, in lieu of the assigned company, may delay the effective date of the endorsement.

RULES AND RATING MANUAL

TAIPA will continue to require insurers writing through TAIPA to use the current manual for both personal and commercial automobile insurance. Currently TAIPA is working to prepare a TAIPA Rules and Rating Manual that will be submitted to the Commissioner of Insurance for approval effective December 1, 2004. Once approved the manual will be available through the TAIPA web site.

"EASi"... SO FAR SO GOOD

On October 1st, 2003, TAIPA implemented its on-line Electronic Application Submission interface ("EASi"). EASi is a cost-efficient method for the immediate binding of coverages for losses only and for obtaining a computer-generated EASi

RETURN SERVICE REQUESTED

Binder Form via TAIPA's website. The insurer will issue the policy effective at 12:01AM on the following day, as outlined in TAIPA's Plan of Operation.

During November, 28% of TAIPA's total applications submitted for assignment were bound through the EASi program.

TAIPA's Electronic Submission Procedure (ESP) telephone binder program is still available too. Approximately 50% of TAIPA's total application volume continues to be bound via the ESP program.

A flyer including the producer's User ID and Password for the EASi program was mailed mid-September. If you did not receive your password, please contact TAIPA's Customer Service staff so that we may reset your password on your behalf.

Visit TAIPA's web site at <http://www.taipa.org> and click on the "EASi" icon. We encourage you to review the program and familiarize yourself with the application format and process.

We think you'll agree... it's easy!

PRODUCER SEMINAR RECAP

TAIPA staff conducted 7 producer seminars, in 5 cities, during the summer of 2003. The total number of attendees was 308. Producers were introduced to the new EASi system, plus producers had the opportunity to visit with staff to address some of the concerns that producers have with regard to their TAIPA business.

Since these seminars were successful, staff are planning to schedule additional seminars during late summer 2004. During these seminars staff will introduce the private passenger rating package that will be added to the EASi system in 2004 and current TAIPA procedures. Further information regarding these seminars will be provided later in the year.

INSURER SEMINAR

TAIPA will conduct a poll of insurers during 2004 to determine the interest in holding a company seminar prior to the end of 2004. This seminar would discuss changes as the result of Senate Bill 14, including the new TAIPA Rules and Rating Manual, forms and county mutuals. Also for discussion will be EASi, TAIPA quotas and procedures for complying with the "Performance Standards for Insurers" described under Section 13 of the TAIPA Plan of Operation.

EMAIL ADDRESSES

At the present time, TAIPA is able to forward expedited notices of changes in TAIPA procedures, rules and rates to insurers. If you did not receive the notice of rate change by email and would like to receive changes by email in the future, please provide your email address to the TAIPA office.

In the future TAIPA may develop a system to email changes in TAIPA procedures, rules and rates to producers. If you have not forwarded your email address to the TAIPA office you may wish to do so.

In order for this procedure to be successful please remember to notify TAIPA anytime the email address of the contact person changes.

ANNUAL MEETING OF MEMBERS

The Governing Committee has called the Annual Meeting of Members to be held in Austin, Texas at the Omni Austin Hotel South on February 26, 2004 at 8:30 a.m.

Immediately following the Annual Meeting of Members, the TAIPA Governing Committee will meet to elect officers and address agenda items.

For additional information please contact Dianna Brooks at (512) 531-7251 or admnddb@taipa.org.