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To: Member Companies
Certified Producers

TAIPA RULES AND RATING MANUAL RATE and RULE CHANGES
RULES 4, 51, 52, 53, 61, 63, 72, and 78

The Commissioner of Insurance has approved rate and rule changes to the TAIPA Rules & Rating Manual effective April 1, 2008, under Commissioner's Order 08-0037.

The rates displayed in the new rate pages will be for the limits required by the Texas Motor Vehicle Safety Responsibility Act effective April 1, 2008.

A brief summary of the rule changes is shown below.

A change to Rule 4.B. amends the method of computing premium with the addition of any auto or any form of coverage during the policy term.

Commercial automobile rating factors have been amended to mirror the rating factors utilized by Insurance Services Office Inc. (ISO). These amended factors were requested since Texas Automobile Insurance Plan Association (TAIPA) utilizes the ISO filed and approved loss costs to develop the TAIPA commercial rates.

Rules 51, 52 and 61 are amended to add fleet factors to any risk that has five (5) or more self propelled autos of any type that are under one ownership. Do not include mobile equipment and trailers when determining whether a risk meets the fleet definition.

Rule 53 amends all secondary factors for Zone Rated Autos and Trailer Types to zero (0) and deletes minimum premiums for certain trailers.

Rule 63 adds a seating capacity to vehicles eligible to be rated as limousines.

Rule 72 eliminates the separation of Emergency and Non Emergency type ambulances, resulting in one ambulance rate. This change eliminates Class Codes 7913 and 7914 and replaces them with Class Code 7919. The approved endorsement TE 20 30A has also been deleted since there is no longer a separate Emergency ambulance rate.

Rule 78 amends the term of a commercial long term lease, for rental concerns, from a period of one year or more to a period of six (6) months or more and combines all Short Term rental trailers under one rate.

The amended pages to the TAIPA Rules and Rating Manual will follow.

If you have any questions regarding the rule changes please contact the undersigned.

Sincerely,



Margaret Alsobrook
Assistant Assoc. Manager