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January 14, 2011

## TAIPA BULLETIN 187

To: TAIPA Member Companies  
TAIPA Certified Producers

### AMENDMENT TO RULE 45, NAMED NON-OWNER COVERAGE TAIPA RULES AND RATING MANUAL


The Department of Insurance has approved a rule change to the TAIPA Rules and Rating Manual. The changes to manual Rule 45 became effective on January 1, 2011.

Manual Rule 45, Named Non-Owner Coverage (Class Code 7000) is revised to include the wording *furnished for regular use* in order to clarify that an uninsured auto might be one that is furnished for the applicant's regular use, as well as another household vehicle. Also, the parenthetical definition of an "uninsured auto" was placed immediately after that term.

Attached please find the page that has been amended in the TAIPA Rules and Rating Manual. A copy of the entire TAIPA Rules and Rating Manual including updates is available on our web site at [www.taipa.org](http://www.taipa.org).

If you have any questions regarding the rate changes please contact TAIPA Customer Service at [customer.service@taipa.org](mailto:customer.service@taipa.org).

Sincerely,



James Langford, CPCU, AIM, ARP, ARe  
Interim Association Manager

## CHECKING SLIP-IMPORTANT

# TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION RULES AND RATING MANUAL

**Revision Number 9**  
**Effective January 1, 2011**

You may view and search the current and archived electronic interactive versions of the Rules and Rating Manual or you may download the paper version in Adobe Acrobat PDF file format.

NEW PAGES ENCLOSED: P-9

REMOVE PAGES: P-9

### SUMMARY OF CHANGES

The Commissioner of Insurance has approved a change to TAIPA Rules and Rating Manual Rule 45. which became effective **January 1, 2011**.

If you have any questions, please contact our Customer Service representatives at (512) 444-4441, toll free at (866) 321-9154 or [customer.service@taipa.org](mailto:customer.service@taipa.org).

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**B. Written on a Commercial Policy**

Refer to the All Terrain Vehicles—Commercial rule (Rule 81).

**Rule 41. DUNE BUGGIES (Class Code 9426)**

- ⊙ Classify and rate as private passenger autos.

**Rule 42. GOLF CARTS (Class Code 9435)**

This Rule applies to golf carts not used for business. For business use golf carts, refer to the Golf Carts—Commercial rule (Rule 82).

⊙ **A. Written on a Personal Auto Policy**

1. **Liability**—Charge .25 of class 1A rates in the Private Passenger Rate Section.
2. **Personal injury protection**—Charge the class 1A rate in Table A of the Private Passenger Rate Section.
3. **Uninsured/underinsured motorists**—Refer to the Uninsured/Underinsured Motorists Coverage rule (Rule 7).

**B. Written on a Commercial Policy**

Refer to the Golf Carts—Commercial rule (Rule 82).

**Rule 43. ANTIQUE, COLLECTIBLE AND SPECIAL INTEREST AUTOS (Class Code 9620)**

⊙ **A. Written on a Personal Auto Policy**

1. **Liability**—Charge .25 of the applicable rates in the Private Passenger Rate Section.
2. **Personal injury protection** —Charge .25 of the rate in Table A in the Private Passenger Rate Section.
3. **Uninsured/underinsured motorists**—Refer to the Uninsured/Underinsured Motorists Coverage rule (Rule 7).

- B. If the auto is registered with the Texas Department of Transportation as a collector's item it is not eligible for assignment through the association.

**C. Written on a Commercial Policy**

Refer to the Antique, Collectible And Special Interest Autos—Commercial rule (Rule 83).

**Rule 44. AMPHIBIOUS AUTOS**

This Rule applies to autos designed to operate on both land and water.

⊙ **A. Written on a Personal Auto Policy**

Rate as land autos according to their use.

**B. Written on a Commercial Policy**

Refer to the Amphibious Equipment—Commercial rule (Rule 89).

**Rule 45. NAMED NON-OWNER COVERAGE (Class Code 7000)**

**I. Named Non-Owner Coverage**

(Applicable to Personal Auto Policies Only) Permanent coverage for owned autos must be afforded under a separate policy.

A Personal Auto Policy may be endorsed to provide coverage for a named individual and spouse, if residents of the same household, with respect to the operation by either or on behalf of either of non-owned autos or the presence of either or both in any such auto, subject to the following provisions:

**A. Liability Coverage**

Determine the bodily injury and property damage liability rates for named non-owner coverage as follows:

Apply the specified factor to the Class 3 private passenger rate for the territory in which the named insured resides			
Description of Driver and Usage			Class Factor
Business Use	Public or Livery Conveyance Autos		N1 *
	Commercial Types		N2 1.25
	Private Passenger Type Autos	Male Under 25 Years of Age	N3 1.05
No Male Under 25 Years of Age		N4 1.00	
Non-Business Use	Male Operator Under 25 Years of Age		N5 .50
	No Male Operator Under 25 Years of Age		N6 .40
Garage Employee†	Covered Under a Garage Policy		N7 1.10
	Not Covered Under a Garage Policy		N8 2.10

\* If there is primary coverage on the public autos, apply a factor of .50 the applicable public rate. If there is no primary insurance on the public autos, apply a factor of 1.00 the applicable public rate.

† Garage employee is limited to employees whose duties involve the operation of autos.

**EXCEPTIONS:**

1. When there is an uninsured auto (the non-owner operator is an excluded driver under the owner's policy or the owner has no insurance on the auto) furnished for regular use or in the household, charge 1.00 of the otherwise applicable rate that would apply if the non-owner operator owned the auto. †
2. If an individual is furnished an auto for regular use in the business of the United States Government, the