

MARGARET ALSOBROOK  
OPERATIONS MANAGER

2028 E. BEN WHITE BLVD. • SUITE 400 • AUSTIN, TX 78741-7197  
P.O. BOX 149144 • AUSTIN, TX 78714-9144  
TELEPHONE 512/444-5999  
FAX 512/444-4562

September 12, 1997

**TAIPA Bulletin No. 62**

**To: Member Companies**

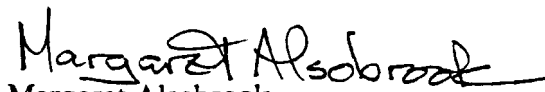
**Manual Rule 41 Amendment**

Attached please find a copy of Commissioners Order No. 97-0904 dated September 10, 1997, amending rule 41 of the Texas Automobile Rules and Rating Manual.

The effective date of this rule amendment is November 11, 1997.

If you have any questions, please contact the undersigned at the above telephone number or by internet e-mail [Datamda@TAIPA.org](mailto:Datamda@TAIPA.org).

Sincerely,

  
Margaret Alsobrook  
Operations Manager

MDA;dr

Enclosure - 08

97-0904

TEXAS DEPARTMENT OF INSURANCE

EXEMPT FILING NOTIFICATION PURSUANT TO THE INSURANCE CODE

CHAPTER 5, SUBCHAPTER L, ARTICLE 5.96

**ADOPTION OF AMENDMENTS TO THE TEXAS  
AUTOMOBILE RULES AND RATING MANUAL, RULE 41,  
CERTIFIED RISKS -- FINANCIAL RESPONSIBILITY LAWS,  
AND ENDORSEMENTS 571 AND TE 99 82A**

The Commissioner of Insurance, at a public hearing under Docket No. 2296 held at 9:00 a.m., August 28, 1997 in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe Street in Austin, Texas, adopted amendments proposed by staff to the Texas Automobile Rules and Rating Manual (the Manual), and the Texas Standard Provisions for Automobile Policies (the Standard Provisions). The amendments revise Manual Rule 41 to change the premium charge for attachment of appropriate Financial Responsibility Certification endorsements, and to reword those endorsements (571 and TE 99 82A) in the Standard Provisions. Staff's petition (Ref. No. A-0697-18-I) was published in the June 20, 1997 issue of the *Texas Register* (22 TexReg 5929-5930) for the initial hearing that was conducted on July 24, 1997. Notice of reconvening this hearing was published in the August 8, 1997 issue of the *Texas Register* (22 TexReg 7414).

Manual Rule 41 is amended by changing the premium charge for attachment of appropriate Financial Responsibility Certification endorsements to a flat \$20 premium charge for the insured for whom the certificate is filed. Endorsements 571 and TE 99 82A, to be redesignated as 571A and TE 99 82B, respectively, are also reworded. The \$20 amount would replace the current premium charge, which consists of 10% of the basic limits bodily injury and property damage liability premium that would be paid by the insured for whom the certificate is filed.

97-0904

EXEMPT NOTIFICATION  
AUTOMOBILE MANUAL, RULE 41  
PAGE TWO OF FOUR

Under the Texas Motor Vehicle Safety Responsibility Act, the Department of Public Safety (DPS) under some circumstances must require a vehicle operator to provide "evidence of financial responsibility." This may be done by filing with DPS the certificate of an insurance company certifying that an auto liability insurance policy is in effect for the benefit of that operator. Such a certificate is called an SR-22, which is referenced in Manual Endorsements 571 and TE 99 82A. Each endorsement provides for an additional premium charge and sets forth the insurer's obligation to give prior written notice to DPS before cancellation or termination of the policy.

Based upon information presented by Staff, including analysis by the Technical Analysis Division, it is found that \$20 is adequate to cover an insurer's cost regarding certification Rule 41 is amended accordingly, and Endorsements 571 and TE 99 82A also are amended to reflect this change. The amendment of those endorsements consists partially of eliminating references to Bodily Injury Liability and Property Damage Liability, as the premiums for those coverages are not relevant. In order to avoid the possible need for amending these endorsements in the future because of inflation, a blank space is being left in each endorsement for the charge to be made.

The amendments as adopted by the Commissioner of Insurance are shown in exhibits on file with the Chief Clerk under Ref. No. A-0697-18-I, which is incorporated by reference into Commissioner's Order No. 97-0904.

97-0904

EXEMPT NOTIFICATION  
AUTOMOBILE MANUAL, RULE 41  
PAGE THREE OF FOUR

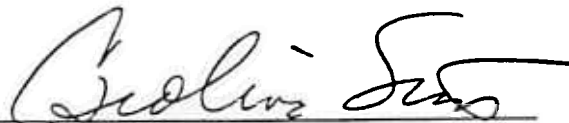
The Commissioner of Insurance has jurisdiction over this matter pursuant to the Insurance Code, Articles 5.06, 5.10, 5.96, 5.98, and 5.101.

This notification is made pursuant to the Insurance Code, Article 5.96, which exempts it from the requirements of the Government Code, Chapter 2001 (Administrative Procedure Act).

Consistent with the Insurance Code, Article 5.96(h), the Department will notify all insurers writing automobile insurance of this adoption by letter summarizing the Commissioner's action.

This agency hereby certifies that the amendments as adopted have been reviewed by legal counsel and found to be a valid exercise of the agency's authority.

Issued in Austin, Texas on September 10, 1997.




Caroline Scott  
General Counsel and Chief Clerk  
Texas Department of Insurance

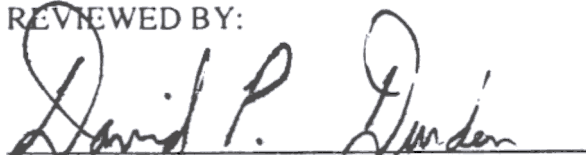
97-0904

EXEMPT NOTIFICATION  
AUTOMOBILE MANUAL, RULE 41  
PAGE FOUR OF FOUR


IT IS THEREFORE THE ORDER of the Commissioner of Insurance that the Manual and the Standard Provisions are amended as described herein, and the amendments are adopted to become effective on November 11, 1997.

  
Elton Bomer  
Commissioner of Insurance

REVIEWED BY:

  
David P. Durden  
Deputy Commissioner  
Property and Casualty Insurance Lines

ATTEST

  
Caroline Scott  
General Counsel and Chief Clerk  
Texas Department of Insurance

COMMISSIONER ORDER NO.: 97-0904

SEP 10 1997

97-0904

**41. CERTIFIED RISKS -- FINANCIAL  
RESPONSIBILITY LAWS**

A policy for which an SR-22 filing must be made shall be amended to conform with the definition, if any, of motor vehicle liability policy in any applicable financial responsibility, safety responsibility, or compulsory automobile liability law.

Attach the appropriate Financial Responsibility Certificate Endorsement. Policies certified under an SR-22 filing must describe the motor vehicle so certified. If a Non-owner Policy is involved, the certificate must so indicate. Further, the Texas Motor Vehicle Safety Responsibility Act requires with respect to an "owner's policy of liability insurance" that such policy shall provide coverage for the insured named therein and any other person, as insured, using a vehicle so certified with the express or implied permission of such named insured.

**Premium Charge:** \$20.00 for the insured for whom the certificate is filed.

97-0904

**571A. FINANCIAL RESPONSIBILITY CERTIFICATION  
(SR-22 Filings)**

Premium Charge \$ \_\_\_\_\_

For the additional premium shown above or in the Declarations of the policy we certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act. If this policy is cancelled or terminated, we will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety Responsibility Act prior to the date of such cancellation or termination.

97-0904

TE 99 82B  
(Ed. Effective \_\_\_\_\_)

**FINANCIAL RESPONSIBILITY CERTIFICATION  
(SR-22 Filing)**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
TRUCKERS COVERAGE FORM**

\$ \_\_\_\_\_

In consideration of the additional premium shown above or in the Declarations:

**A.** We certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act.

**B. CONDITIONS**

The following is added to CONDITIONS:

In the event this policy is cancelled or terminated, the company will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety Responsibility Act prior to the date of such cancellation or termination.