

CHECKING SLIP - IMPORTANT**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
RULES AND RATING MANUAL****Revision Number 2
Effective March 1, 2006**

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

NEW PAGES ENCLOSED: G-2, G-4, G-9.

REMOVE PAGES: G-2, G-4, G-9.

SUMMARY OF CHANGES

The change to Manual rules 6 and 7 removes the encircled e from the margin since the policy form contains the provisions previously shown in the applicable endorsements.

Rule 8. removes the provision for providing the Supplementary Death Benefit when Person Injury Protection has not been rejected in writing by the named insured.

The General Rules Endorsement References removes the reference to 544C, 503A, as the provisions are now contained in the policy, and 573A and TE 99 60A as they are no longer available for applications assigned through Texas Automobile Insurance Plan Association. The change to endorsements 543 and TE 02 38A is editorial to correct the Manual rule number

If you have any questions, please contact our customer service department at 512-444-4441

Distributed by:
Texas Automobile Insurance Plan Association
4301 Westbank Drive, Suite 200A
P.O. Box 149144
Austin, Tx. 78714-9144
www.taipa.org

GENERAL RULES

rules and rates for the new auto that were in effect at the original inception date of coverage for that auto.

D. **Transfer of auto principal garaging from one rating territory to another during a policy term**—Compute the premium using rules and rates for the new territory that were in effect at the original inception date of coverage for that auto(s).

E. **Change in classification, additional charges or applicable credits during a policy term**—Compute the premium using rules and rates in effect at the original inception date of coverage for that auto(s).

Note: If a change outlined in B., D. or E. occurs simultaneously with a substitution of an auto, rates and rules application of Paragraph C applies.

**Rule 5. CONTINUATION OF COVERAGE—
CANCELLED OR TERMINATED
POLICY**

If a policy is cancelled or terminated for non-payment of premium, coverage may be continued as follows:

- A. The policy may be reinstated or renewed at the option of the company without lapse in coverage.
- B. If the company elects to continue coverage for the insured after payment of premium but not to reinstate or renew the policy as set forth in A above, a short term policy may be issued to complete the original policy term in accordance with the procedure set out in the premium development rules at the rules and rates in effect at the inception of such short term policy.
- C. In lieu of the procedures set out in A or B above, the company may issue a new full term policy in accordance with the policy term and premium development rules.

Except as provided for in A above, no cancelled or terminated policy may be reinstated.

Rule 6. CANCELLATIONS

All Policies—Computation of Premium

This provision applies when a policy, auto or form of coverage is cancelled.

- A. Subject to the Policy Minimum Premium rule (Rule 3), compute return premium pro rata.
- B. Examples for Use of Pro Rata Table:

	P/R Factor
1. Earned Basis	
a. Cancellation	Date:
September 22, 2003	.726
Policy Effective	Date:
July 6, 2003	- .512
	.214
b. Cancellation	Date:
March 7, 2004	*1.181
Policy Effective	Date:
December 15, 2003	- .956
	.225

* When the factor for the cancellation date is less than the factor for the policy effective date add unity 1.

2. Unearned Basis

a. Policy	Effective	Date:	
			July 6, 2003
Policy	Expiration	Date:	
			July 6, 2004
			*1.512
Cancellation		Date:	
			September 22, 2003
			- .726
			.786
b. Policy	Effective	Date:	
			December 15, 2003
Policy	Expiration	Date:	
			December 15, 2004
			.956
Cancellation		Date:	
			March 7, 2004
			- .181
			.775

* When the factor for the policy expiration date is less than the factor for the cancellation date add unity 1.

Note: As it is not customary to charge for the extra day (February 29th), which occurs one year every four years, this table shall also be used for each such year.

GENERAL RULES

Rule 7. UNINSURED/UNDERINSURED MOTORISTS COVERAGE

A. **Owners** (coverage Code: Refer to the Statistical Plan)—Uninsured/underinsured motorists coverage must be provided when liability coverage is written for the owner of an auto or trailer that is registered or specifically garaged in Texas unless rejected in writing by the named insured.

Once rejected, the coverage is not required under subsequent renewals issued by the same company or affiliated insurer, unless requested by the named insured in writing.

B. **Non-owners** (Coverage code 9900) Uninsured/underinsured motorists coverage may be provided for a non-owner under a Named Non-owner or Named Operator-Governmental Employee Policy. Charge the rate applicable for the first auto for owners.

C. **Limits**—The minimum limit is that limit which is required by the Texas Motor Vehicle Safety-Responsibility Act. Coverage is to be provided on a split limit basis only.

D. **Deductible**—Property damage liability coverage is subject to \$250 deductible.

E. **Modification**—Do not modify the premium under any rating plan or other manual rule provisions.

F. **Rates**—Refer to the appropriate rate section. If liability rates are based on private passenger liability rates, use the private passenger rates. For all others, use the truck, tractor, trailer or public transportation rates.

Rule 8. PERSONAL INJURY PROTECTION

Ⓢ A. **Owners**—Personal injury protection must be provided when bodily injury liability coverage is written for the owner of an auto or trailer principally garaged in Texas, unless specifically rejected in writing by the named insured.

Once rejected personal injury protection is not required under subsequent renewals issued by the same company or an affiliated insurer, unless requested by the named insured in writing.

B. **Non-owners**—Personal injury protection coverage may be provided under a Named Non-owner Policy. Refer to the Named Non-owner Coverage rule (Rule 45).

C. **Rates**—Refer to the appropriate Personal Injury Protection Rate pages. For private passenger autos and autos classified and rated as private passenger autos use the rates in Table A or Table B of the Private Passenger Rate Section. For risks written at a percentage of private passenger rates, such as motorcycles, use the rates in Table B of the Private Passenger Rate Section unless specified otherwise in the rule.

NOTES: 1. If personal injury protection insurance is afforded for more than one auto covered under the same policy owned by an individual or husband and wife resident in the same household, apply the personal injury protection rate in Table A to only one auto.

2. Apply applicable rating factor(s) to the base rate before entering table for personal injury protection, except for private passenger autos eligible for credits under the rules in the Private Passenger Chapter.

The limit of liability is \$2,500 per person, per accident.

Rule 9. ADDITIONAL CHARGES

A. Additional charges are applicable to all risks.

B. Experience Period

The experience period is the 36 months immediately preceding the date of the policy.

C. Apply Additional Charges for

1. each accident involving the applicant, named insured or any other person who operates the auto(s); and
2. each conviction involving the applicant, named insured or any other person who operates the auto(s).

D. Additional Charges for Accidents and Convictions

1. Accidents

If during the experience period the applicant or anyone who usually drives the motor vehicle has been involved as an operator or owner in a motor vehicle accident resulting in injury to or death of any other person or damage to property of another, apply the following additional charge:

20%—For each accident

Exceptions: No additional charge shall apply for involvement in an accident:

- a. that occurred while the auto owned or operated by the applicant or other person who usually drives the applicant's auto was lawfully parked, standing, or stopped; or
- b. in which the auto was struck by a hit-and-run driver, if such accident was reported to the proper authority within 24 hours; or
- c. as a result of which the applicant or other person who usually drives the applicant's auto obtained a judgment against, or a settlement from or on behalf of, the owner or operator of another auto involved in such accident if the judgment or settlement was obtained prior to the date of application or in case of renewal, prior to the effective date of the renewal policy, and provided no judgment was obtained against or any amount paid in settlement by or on behalf of the applicant or other person who usually drives the applicant's auto as a result of such accident; or
- d. in connection with which neither the applicant nor other person who usually drives the applicant's auto was convicted of a moving traffic violation and the owner or operator of another auto involved was so convicted; or

ENDORSEMENT REFERENCES

Rule	Endorsement Title	Number
2	Calculation of Premium—Terms Longer Than 12 Months	TE 99 00A
7	Uninsured/Underinsured Motorists Insurance	TE 04 09D
8	Personal Injury Protection Endorsement	TE 04 01C
10	Financial Responsibility Certification (SR-22 Filings)	571A
10	Financial Responsibility Certification (SR-22 Filing)	TE 99 82B
11	Reinstatement of Insurance	543
11	Reinstatement of Insurance	TE 02 38A
11	Suspension of Insurance	542
11	Suspension of Insurance	TE 02 40A
12	Individual Named Insured	TE 99 17H