

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

TAIPA RATES

Rates for insurance written through the Texas Automobile Insurance Plan Association (TAIPA) are reviewed each year by the Commissioner of Insurance. The process involves TAIPA, the Texas Department of Insurance and the Office of Public Insurance Council. Each one of these organizations has a consulting actuary who reviews the premium and loss data from prior years and makes a recommendation as to whether the rates need adjustment and by how much. All of these recommendations are submitted to a panel of Administrative Law Judges who listen to the evidence, review the testimony and calculations of the actuaries and other expert witnesses and then make a recommendation to the Commissioner called a "Proposal for Decision."

When all the evidence has been heard and the Proposal for Decision has been distributed to the parties, the Commissioner then holds a public hearing to receive comments from the parties on the proposal. Then the Commissioner must decide whether to adjust the rates and by how much.

At this year's hearing TAIPA recommended that rates be increased by 13.4%, the TDI recommended an increase of 1.6% and OPIC recommended a 20.2% reduction.

The hearing before the Administrative Law Judges was conducted on December 7 and 8. It is expected that the rate of adjustment, if any, will become effective on August 1, 2000. There will be at least 60 days notice prior to the adjustment so that all of the producers and the insurers can be prepared for the change.

ANNUAL MEETING

The Governing Committee has called the Annual Meeting of Members to be held in Austin, Texas at the Omni Austin Hotel

Southpark on March 2, 2000 at 8:30 a.m.

Membership in the Texas Automobile Insurance Plan Association (TAIPA) is required of all insurers authorized by the Texas Department of Insurance to write motor vehicle liability coverage under the provisions of Chapter 5 of the Insurance Code. TAIPA is administered by the Governing Committee pursuant to the Plan of Operation.

Each company is urged to attend the meeting either by sending its representative, or by the designation of a proxy. A form for appointment of proxy was enclosed with Bulletin 89, which was mailed to insurance companies on January 14, 1999. For additional information please contact Dianna Brooks at 512-444-5999.

SR-22's

Effective September 1, 1999 many of the filing fees associated with the filing of Texas SR-22's have increased.

The fee for reinstating the driver's license, following suspension, has increased from \$50 to \$100. Each time the license is suspended and reinstated the \$100 fee will be applicable.

Applicants will receive a letter from the Texas Department of Public Safety (TDPS) advising them of the applicable reinstatement fee and any other associated fees. Many of these associated fees may also have increased.

PROPOSED RULE CHANGES

TAIPA has submitted two rule changes for the Plan of Operation to the Commissioner of Insurance for approval. The changes are:

Section 13 "Performance Standards for Insurers" will be amended to add a "Miscellaneous" category. Prior to this change there were only nine specific



CHAIRMAN
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ASSOCIATION MANAGER
BOBBY WHITE

OPERATIONS MANAGER
MARGARET ALSOBROOK

PLAN SERVICES MANAGER
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FEATURES

TAIPA RATES

ANNUAL MEETING

RULE CHANGES

I.D. CARDS



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categories for complaints. The new category will allow TAIPA to include written complaints that are not necessarily subject to time constraints. Insurers exceeding their written complaint tolerances will be contacted by TAIPA in an effort to correct their performance.

Effective January 1, 2001 Section 5 "Premium Deposit Requirements and Payment Options" will be amended to extend the current 8-payment plan to all assignments. The only exceptions to this payment plan are those assignments that require an SR-22A and premiums financed by premium finance companies. On renewal, insurers should make available all payment options to the insured, except those previously mentioned. The three premium payment options apply to both new business and renewals.

If an insured submits the renewal premium to the insurer requesting a different payment plan than that utilized in the prior year, this requested change should be clearly stated by the producer or insured.

IDENTIFICATION CARDS

Producers **do not have the authority to issue I.D. cards** on behalf of assigned insurers.

Title 28, Section 5.204 of the Texas Administrative Code requires that the I.D. cards be issued by liability insurers. A producer servicing an assignment through TAIPA is not a liability insurer.

Identification cards showing TAIPA as the "company" are invalid since TAIPA is not an insurer.

NAMED NON-OWNER POLICIES

TAIPA continues to receive telephone calls regarding the rating of Named Non-Owner policies under rule 80 of the Texas Automobile Rules and Rating Manual.

If an insured is a truck driver, even if his employer insures the trucks, the N-2 rates apply. A non-owner policy is intended as a secondary policy.

A Named Non-Owner policy covers applicant and spouse; the usage of both insureds affects the rate.

In rating non-owner policies, refer to Rule 80 in the Texas Automobile Rules & Rating Manual. Key reminders:

- Coverage is provided for both applicant and spouse.
- Use of the vehicle includes occupational use.
- Answer all questions in item 5 of the application.
- If there is primary coverage show the name of the insurer providing the primary coverage.
- Drivers education credit does not apply.

INTERNET E-MAIL

Insurers, producers and regulators have utilized internet e-mail with TAIPA. Due to technical difficulties TAIPA has been unable to accept incoming e-mail since approximately November 1, 1999.

If you have sent e-mail to TAIPA and have not received a response, please re-send and we will reply immediately.

We apologize for any inconvenience that this may have caused.

TAIPA HOLIDAYS

The Association will be closed on the following days:

Memorial Day	May 29
Independence Day	July 4
Labor Day	September 4
Thanksgiving	November 23, 24
Christmas	December 25