

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION



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The TAIPA NEWSLINE is a bi-annual publication. TAIPA is a non-profit organization. An electronic version of this publication can be obtained by submitting a request to newsline@taipa.org

TAIPA RATE CHANGE

November 1, 2001 the Commissioner of Insurance approved amended rates for personal and commercial auto coverages provided through Texas Automobile Insurance Plan Association, in accordance with the statutory requirements of Article 21.81. The change in TAIPA rates is effective December 31, 2001.

The Commissioner reduced the private passenger bodily injury by 7.1%. Property damage liability was increased by 24.7%. The optional coverages provided through TAIPA were reduced by an average of 5.5%. The combined increase for all coverages was 9.2%. The percentage of change is based on a statewide average. The rates for different classes of drivers and rating territories may vary.

Commercial rates will continue to be equal to the voluntary market benchmark rate.

AVOID PROCESSING DELAY & DEFICIENCIES

Producers- we need your assistance in properly completing & submitting applications. In order to prevent processing delays and reduce your producer deficiency points, please remember:

-Submit legible, current applications in duplicate.

-Use only one staple to attach the check, binder form or other to the application.

-Write the check or money order number in the lower right hand corner of the application where indicated.

-Show the twelve digit ESP reference number in the area designated in the

upper right hand corner of the application.

While the above suggestions may seem minor, we see these errors on over 10% of all applications received. As volumes increase these errors may increase, causing delays in processing.

Working together, we can continue to provide excellent service to the Texas applicants.

CURRENT FORMS REQUIRED

Please submit only the most current revision of the TAIPA application form. Effective January 1, 2002, all others will be returned to the producer. The current revisions to be used are:

Private Passenger effective 06-01-2001
Commercial effective 01-01-2001

Current TAIPA applications may be downloaded/printed from our website at www.taipa.org or ordered through the TAIPA office directly.

50TH ANNIVERSARY

Effective January 1, 2002, TAIPA celebrates its 50th anniversary.

In the past 50 years, the Plan has really grown and changed in many areas -- programming installed to more expeditiously and efficiently assign applications and generate assignment notices, issuance of Texas SR-22's and filing of associated fees directly with the Texas Dept of Public Safety, a toll free voice response system and the electronic submission procedure for immediate binding of coverage.

Currently TAIPA has only 18 employees, 8 of those with over 20 years of service. Our staffing has varied anywhere from

RETURN SERVICE REQUESTED

11 to 80 employees over the past 50 years. That is indicative of how the volume of assignments has fluctuated during these many years.

TAIPA management and staff remain committed to providing courteous and efficient service to the insurers, producers and consumers.

We appreciate your suggestions and comments and look forward to your continued support.

PENDING RULE CHANGE

At its meeting of September 13, 2001, the TAIPA Governing Committee approved an amendment to Subsection 6.B.2 of the TAIPA Plan of Operation. The amended rule has been sent to the Commissioner of Insurance requesting final approval.

If approved by the Commissioner, the amendment to Subsection 6.B.2 "Additional Coverage" will provide guidelines to insurers and producers regarding the effective date for additional coverage, when the effective date is not provided for in the policy conditions. The current subsection provides guidelines for this coverage when the change is mailed U.S. Mail, postage prepaid. The amended rule expands these guidelines to include requests that may be submitted by facsimile or e-mail.

Insurers may need to review their endorsement procedures to comply with the amendments in the rule.

Since insurers' facsimile numbers and e-mail addresses may change, TAIPA will not retain these numbers in their files. If the rule receives the Commissioner's approval, producers must contact the insurers for this information.

SR-22 FORMS & ASSIGNMENT CARDS

The new Texas SR-22 form that TAIPA issues on behalf

of the assigned insurer will be laser printed on pink 8 1/2 x 11 inch paper. The top part of the form is the actual SR-22 that must be filed with the Texas Department of Public Safety. The lower part of the form provides filing instructions. *Prior to submitting the SR-22 to TDPS the form must be separated at the perforation on the page.*

Assignment cards that are mailed to the insured and the producer will also contain a slight amendment. The amended card will contain the wording "Return Service Requested". Since the name of the assigned insurer is shown in the upper left hand corner of the card, all undeliverable cards will be sent promptly by the US Post Office to the assigned insurer. Since these cards are mailed first class postage, our local Post Office has advised our office that there will not be a charge for the return of undeliverable cards.

TAIPA ANNUAL MEETING OF MEMBERS

The Governing Committee has called the Annual Meeting of Members to be held in Austin, Texas at the Omni Austin Hotel South on February 28, 2002, at 8:30AM.

Membership in 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.

At the meeting, three at-large members of TAIPA will be elected to serve for a term of one year or until their successors are elected.

Immediately following the Annual Meeting of Members, The TAIPA Governing Committee will meet to elect officers and address agenda items.

For additional information please contact Dianna Brooks at 512-444-5999.