

TAIPA NEWSLINE

A PUBLICATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION



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The TAIPA NEWSLINE is a semi-annual publication. TAIPA is a non-profit organization. An electronic version of this publication can be obtained at <http://www.taipa.org/taipaneWSline.html>, or by submitting a request to newsline@taipa.org.

SUBSCRIBE FOR TAIPA UPDATES

TAIPA is going “paperless” and will no longer mail TAIPA information to insurers and producers. Go to TAIPA’s website <http://www.taipa.org/newattaipa.html> and **SUBSCRIBE** to receive **FREE** future updates to the TAIPA Plan of Operation, TAIPA Rules and Rating Manual, seminar schedules, bulletins and other topics.

POLICY CHANGE REQUESTS

Once TAIPA has processed and assigned coverage to an insurer, policy change and endorsement requests **MUST** be forwarded directly to them. An updated Policy Change Request form may be printed from our website. A listing of addresses and telephone numbers for insurers receiving assignments through TAIPA is posted on our website.

EASi ON-LINE APPLICATION SUBMISSION

We encourage all producers to bind their applications through EASi. Since its inception in 2003 we have made several enhancements. In October 2004, a rating package for certain private passenger and named non-owner applications was implemented.

The most recent enhancement includes VIN validation in the rating package. When you enter a correct VIN, the year, make and model of the vehicle(s) will be entered into Section 4 of the EASi application. If you have an incorrect VIN, you may continue with the rating; however, you must enter the year, make and model of the vehicle(s). This enhancement was effective on March 07, 2005.

When rating both youthful and non-youthful operators, in Step 3 indicate the correct percent of use for each vehicle in order for the rating system to properly apply the youthful operator classification.

When submitting an EASi application without utilizing the rating system, an immediate or future effective date must be entered in Section 8.

PAYMENT OPTIONS

TAIPA offers 4 options for submitting premium payment: **Full Annual Premium** (requires 100% submitted to TAIPA with the application for assignment), **8-pay Plan** (requires minimum 20% of the Gross Annual Premium or \$40 per vehicle, whichever is greater, the remaining balance will be billed by the assigned insurer for 8 monthly installments), **Advanced Premium Payment** (minimum 25% of the Gross Annual Premium or \$40.00 per vehicle, whichever is greater, the remaining balance will be billed upon issuance of the policy), and **Premium Finance Company** (outside Premium Financing, requires 100% payable to TAIPA). Please indicate which payment option is desired.

RETURN SERVICE REQUESTED

PRODUCER AND APPLICANT SIGNATURES

Both the producer and the applicant **MUST** sign the application for assignment of coverages. If submitting as “co-applicants” then both applicants must sign as joint-insureds. A majority of the applications which TAIPA must return to the producer’s office for correction are due to missing signatures.

EASi APPLICATION – ORIGINAL ONLY

TAIPA no longer requires a “copy” of the EASi application. Mail only the original EASi application, signed by the applicant(s) and producer, premium remittance and any other correspondence to P O Box 149144, Austin TX 78714. Our intent is to save the producer the cost of additional postage for a copy of the 5 page EASi application. If the application is not EASi, we require the original and a copy, along with premium remittance and any other correspondence.

TEXAS DEPARTMENT OF PUBLIC SAFETY (TxDPS) SATELLITE OFFICES

TxDPS website lists three satellite offices for processing SR-22 filings. They are: 12220 S Gessner in Houston, 6502 S New Braunfels in San Antonio and 350 West IH 30 in Garland. The office in Austin has moved to 108 Denson Drive. **SR-22's MUST still be issued by the TAIPA office.**

TAIPA PRIVATE PASSENGER RATE FILING

On March 16, the Commissioner of Insurance held a public hearing to consider TAIPA’s recent private passenger rate filing. Under the filing, TAIPA asked the Commissioner to make no change in the overall rate level of the BI and PD liability, PIP and UM/UIM coverages. However, there are some increases and decreases among those coverages. The main focus of the filing is asking the Commissioner to adjust the class and territorial relativities. These have not been adjusted in several years. “Class relativity” is the difference of each class compared to the 1A class rate and “territorial relativity” is the difference of each territory to the state-wide average. As an example, the Class 2C-1 (youthful male operator, the highest rate class) is currently 3.76 times higher than Class 1A. The TAIPA proposal adjusts this to 3.4, probably because of a slight improvement in the 2C-1 loss experience. Relativities are an important way to see that the cost of insurance is fairly allocated to the various classes and territories. The Commissioner is expected to announce a decision by mid April.

Just a reminder to SUBSCRIBE for updates to receive important FREE information via TAIPA’s website.