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TAIPA Bulletin No. 115

To: Member Companies

Plan of Operation Amendment
Section 6.A

At its meeting of November 21, 2002, the Texas Automobile Insurance Plan Association (TAIPA) Governing Committee adopted amendments to Section 6.A, Subsections 2 and 3 of the TAIPA Plan of Operation.

In accordance with the Plan of Operation, these amendments were submitted to the Commissioner of Insurance for his approval. That approval has been given under Board Order No. 03 - 0129 dated February 26, 2003. Attached please find a copy of the Board Order and the Plan of Operation amendments. A copy of the updated Plan of Operation is available on our web site www.taipa.org.

The Plan of Operation amendments provide for a second option for producers to obtain immediate binding of coverage through TAIPA. This second option is to be handled through an Electronic Application Submission Interface, EASi, rather than the existing Electronic Submission Procedure, ESP, telephone call. The new procedure will be implemented later this year. Further information regarding this procedure may be obtained from our web site, under the "New Year 2003" Newsline publication. Prior to implementation all assigned companies and certified producers will receive further information.

If you have any questions, please feel free to contact me at the above telephone number or email address.

Sincerely,



Margaret Alsobrook
Operations Manager

Enclosures

No. **03-0129**

Official Order
of the
Commissioner of Insurance
of the
State of Texas
Austin, Texas

Date: FEB 26 2003

Subject Considered:

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
AMENDMENTS TO SECTION 6.A.
OF THE PLAN OF OPERATION

General remarks and official action taken:

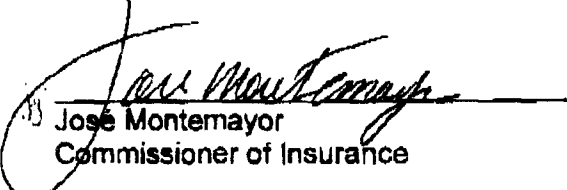
On this day, under reference number A-1202-47, came on for consideration by the Commissioner of Insurance, amendments to Section 6.A., Subsections 2 and 3 of the Plan of Operation of the Texas Automobile Insurance Plan Association (TAIPA) as proposed by TAIPA's governing committee. Pursuant to the Insurance Code, Article 21.81, Sec. 3, the governing committee may make and amend the Plan of Operation, subject to the approval of the Commissioner. Notice of the proposed amendments was published in the Texas Register on February 7, 2003 (28 TexReg 1267).

The proposal is to amend the TAIPA Plan of Operation, Section 6.A., Subsections 2 and 3, to provide a second option by which agents can obtain immediate binding of coverage regarding applications submitted to TAIPA for assignment. This second option is to be handled through an Electronic Application Submission Interface Procedure, rather than through the existing Electronic Submission Procedure telephone call.

The new procedure is to be installed in phases as programs are developed, and is expected to automate many of the current processing functions, both for agents and for TAIPA. TAIPA expects that this new procedure for binding coverage will be operational approximately July 1, 2003.

These amendments are found to be acceptable.

IT IS, THEREFORE, ORDERED that the amendments to Section 6.A., Subsections 2 and 3, TAIPA Plan of Operation, described above and attached hereto are hereby adopted, effective immediately.


José Montemayor
Commissioner of Insurance

03-0129

Amended Rule
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION

Amended Subsection 6.A.2. and 3.

**Section 6. APPLICATION FOR ASSIGNMENT, DESIGNATION OF INSURER,
EFFECTIVE DATE OF COVERAGE AND EVIDENCE OF INSURANCE**

A. Original Application Under the Assignment Mechanism

1. The Association will designate an insurer to which the application shall be assigned and advise the producer and applicant of the designated insurer. The notice of designation shall state that coverage becomes effective on 12:01 A.M. on the effective date shown on such notice.

2. Producers who are certified as provided in Section 11 of this Plan have the option to use the Electronic Submission Procedure to establish the effective date of coverage if such date is earlier than established by sub-sections 3 and 4. Coverage will be effective only when procedures established by the Association are followed.

The requested coverage shall become effective to cover losses at the time and date of the Electronic Submission Procedure telephone call, or the Electronic Application Submission Interface Procedure. The assignment notification and policy shall be issued effective 12:01 A.M. the following day subject to the rates in effect on that date.

All applications and deposit premiums for applicants for whom an Electronic Submission is used must be submitted to the Association no later than the working day following the date of the Electronic Submission Procedure telephone call, or Electronic Application Submission Interface. The Electronic Submission Procedure reference number must be included on the upper right hand corner of the application.

3. Other than the electronic submission methods provided in subsection 2 or the delayed effective date method provided in subsection 4, the effective date for coverage shall be the day following the date of receipt in the Association office.