

MARGARET ALSOBROOK
OPERATIONS MANAGER
margaret.alsobrook@taipa.org

THE ESCALADE, BLDG. A • 4301 WESTBANK DR., STE. 200 • AUSTIN, TX 78746-4400
P.O. BOX 149144 • AUSTIN, TX 78714-9144
TEL. 512/531-7252 • FAX 512/444-4562
<http://www.taipa.org>

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To: Subscribing Insurers and Producers

TAIPA COMMERCIAL ASSIGNMENTS

TAIPA has reviewed and updated the current legal requirements concerning vehicles eligible for commercial assignments, particularly with regard to tow trucks and buses or vehicles designed for transporting people.

Tow Trucks. Tow trucks are not eligible for assignment through TAIPA as they must be registered with the Texas Department of Transportation and require more than the minimum limits of insurance offered through TAIPA.

Buses. Vehicles designed or used to transport more than 15 passengers (including the driver) are not eligible for assignment through TAIPA unless they are operated by an entity whose primary function is not the transportation of passengers, such as a vehicle operated by a hotel, day-care center, public or private school, nursing home or similar organization. Privately owned, for hire, buses will not be eligible for assignment through TAIPA unless the vehicles are designed or used to transport 15 passengers or less. For-hire buses for more than 15 passengers are required to register with the Texas Department of Transportation and require higher liability insurance limits than available through TAIPA.

City of Houston. The City of Houston (the City) has amended its city ordinance on the insurance requirements of privately owned buses for hire used as school vehicles. Its ordinance now states that it tracks the state requirements partially set out above. However, the City's Finance and Administration Department is requiring \$500,000 CSL on up to 15-passenger buses for hire used as school vehicles. A policy obtained through TAIPA will only provide minimum limits (20/40/15), and will not meet this requirement. TAIPA has determined that 15-passenger buses will still be eligible for assignment through TAIPA (at minimum limits only), even though this will not meet the City's requirements. If the City later amends its ordinance to require the higher limits, then these buses will not be eligible for assignment through TAIPA. Until that time, producers should be aware that obtaining a policy through TAIPA will not meet the City's requirements and may want to avoid the confusion by obtaining a policy from the voluntary market with the higher limits, instead. Insurers should not complete the City's insurance filing form showing limits of \$500,000 CSL. Nor should a company change the form.

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

Sincerely,



Margaret Alsobrook
Operations Manager