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TAIPA Bulletin No: 140**TAIPA ELIGIBILITY –COMMERCIAL VEHICLES**

The passage of House Bill 1018 and House Bill 2702 by the Texas Legislature during the 79th regular session, prompted TAIPA to review the requirements for insurance certifications. This also prompted TAIPA to review the requirements for eligibility for assignment of certain commercial vehicles.

Under the TAIPA Plan of Operation an applicant is eligible for assignment if they are applying for insurance to meet the requirements of the Texas Motor Vehicle Safety Responsibility Act, Chapter 601, Texas Transportation Code. Under Section 18.C. of the TAIPA Plan of Operation an applicant is ineligible for assignment if the coverage is sought for the purpose of providing proof of financial responsibility required by any statute or ordinance other than Chapter 601, Texas Transportation Code.

The following vehicles are not required to show proof of financial responsibility under Chapter 601, or are required to show proof of financial responsibility under other statutes, including Chapter 643 of the Texas Transportation Code. Accordingly, they are ineligible to obtain a policy through TAIPA.

Ineligible Vehicles

Tow trucks

Farm vehicles with a gross vehicle weight of 48,000 pounds or more. (Any vehicle or combination vehicles controlled or operated by a farmer or rancher being used to transport agriculture products, farm machinery, and farm supplies to or from a farm or ranch).

Vehicles or combination vehicles with a gross vehicle weight of more than 26,000 pounds.

Vehicles designed or used to transport 15 or more passengers, including the driver, unless operated by an entity whose primary function is not the transportation of passengers, such as a day care, hotel, public or private school, nursing home or similar organization.

Vehicles transporting hazardous materials in a quantity requiring placarding by a regulation under the Hazardous Transportation Act.

Government vehicles.

Vehicles registered as collector's items. These are vehicles under which the owner files with TxDOT an affidavit that the item is only used for exhibitions, club activities, parades and other functions of public interest and not used for regular transportation.

Golf carts not registered.

Type A household good carriers (vehicles over 26,000 pounds)

Road roller or grader

Traction engine

Tractor crane

Power shovel

Well driller

Implement of husbandry- farm implements, machinery, and tools used in tilling the soil including self propelled machinery specifically designed or adapted for applying food materials or agricultural chemicals, but not specifically designed or adapted for the sole purpose of transporting the chemicals. The term does not include a passenger car or truck.

Vehicles owned by volunteer fire departments. A volunteer fire department includes entities that answer fire alarms and extinguish fires and also provide emergency medical services that are composed of members that do not receive compensation or receive nominal compensation.

Type B household goods carriers (operating vehicles or combination of vehicles with a gross weight, registered weight or gross weight rating of less than 26,000 pounds) are currently eligible for assignment through TAIPA. However, they will **not** be able to obtain a Form E-2. Also, it is expected that the Texas Department of Transportation will increase the liability insurance requirements for these carriers within the next few months; at that time, they will no longer be eligible for assignment through TAIPA.

If an application for an ineligible vehicle is received in the TAIPA office, TAIPA will assign it to an insurance company since TAIPA does not have the authority to cancel a policy; however, the insurance company may rescind or cancel the assignment for ineligibility within the first 60 days of the policy. If an insurance company has an existing assignment for these type vehicles they may non renew at the termination of the policy, for ineligibility, by issuing a 60-day non-renewal notice.

If you have any questions regarding automobile liability limits for a commercial vehicle, please contact Texas Department of Transportation (TxDOT) at telephone number 512-465-3696, or fax number 512-465-3595.