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August 18, 2011

TAIPA BULLETIN 189

To: TAIPA Member Companies
TAIPA Certified Producers

**TAIPA PLAN OF OPERATION SECTION 50
AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY
PASS THROUGH FEE**

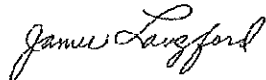
Effective September 1, 2011, the Texas Legislature enacted House Bill 1541, which amends Texas Civil Statutes, Article 4413(37), increasing the fee each insurer must pay to the Automobile Burglary and Theft Prevention Authority from \$1 to \$2 per motor vehicle year.

At its meeting of August 11, 2011, the Texas Automobile Insurance Plan Association (TAIPA) Governing Committee approved amendments to Section 50 of the TAIPA Plan of Operation to include additional wording and the new fee required as a result of the passage of House Bill 1541.

The current Section 50, Automobile Theft Prevention Authority Pass Through Fee, of the Texas Automobile Insurance Plan Association (TAIPA) Plan of Operation (see attached) will be amended to reflect the changes including the amount of the fee effective September 1, 2011. The final, approved revisions to Section 50 will be posted on our website at a later date.

If you have any questions regarding this amendment, please contact TAIPA Customer Service at customer.service@taipa.org.

Sincerely,



James Langford, CPCU, AIM, ARP, ARe
Interim Association Manager

enclosure

SECTION 50 CLEAN COPY AS AMENDED BY 8-11-11 PROPOSAL

**Sec. 50. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY
PASS THROUGH FEE**

- A. Texas Civil Statutes, Article 4413(37), § 10. requires each insurer to pay a fee of \$2 per motor vehicle year to the Automobile Burglary and Theft Prevention Authority. Each insurer is authorized to recoup this fee from the policyholder.
- B. Any insurer recouping the fee from the policyholder as authorized by subsection 50.A must include on or with each motor vehicle insurance policy providing primary liability coverage delivered, issued for delivery, or renewed in this state on or after September 1, 2011, a notice conforming with either subsection 50.B.1 or 2.

1. This notice shall be in no less than 10-point type and shall be attached to or stamped or printed on the Declarations page and shall become part of the policy. The notice shall read as follows:

NOTICE: A fee of \$__ is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC §5.205, for the \$2 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), §10.

2. This notice shall be in no less than 10-point type and shall be included as part of the policy. The notice shall read as follows:

NOTICE: The Automobile Burglary and Theft Prevention Authority Fee is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC §5.205, for the \$2 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), §10.

If this notice is provided, the following shall be printed on the Declarations page, renewal certificate, or billing:

Automobile Burglary and Theft Prevention Authority

Fee \$ _____

(See enclosed explanation)

- C. All automobile insurance policies providing primary liability coverages shall be assessed the \$2 fee per motor vehicle year. For purposes of this Section, the term "motor vehicle year" shall mean one motor vehicle insured for one year.

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