

James Langford, CPCU, AIM, ARP, ARe
Interim Association Manager
jlangford@taipa.org

THE ESCALADE, BLDG. A • 4301 WESTBANK DR., STE. 200 • AUSTIN, TX 78746-4400
P.O. BOX 162890 • AUSTIN, TX 78716-2890
TEL. 512/531-7250 • FAX 512/444-7368
<http://www.taipa.org>

April 11, 2012

Bulletin 194

To: Member Companies and Certified Producers

New Producer Performance Standard

At its meeting of March 23, 2012, the Texas Automobile Insurance Plan Association (TAIPA) Governing Committee approved a motion to update the producer performance standard procedure to include a new violation for a producer who knowingly submits an application for an applicant who does not hold a valid Texas Driver's license, and who was previously terminated or non-renewed for failure to obtain, or make a good faith effort to obtain, a valid Texas Driver's license. The new standard requires changes to TAIPA's Plan of Operation, Producer Certification Rules of Operation, and the Producer Performance Complaint Form.

Amendments to Plan of Operation

The Governing Committee approved amendments to Sections 15 and 33 of the TAIPA Plan of Operation to include additional wording regarding a new producer standard. In accordance with the Plan of Operation, these amendments will be submitted to the Commissioner of Insurance for approval (see attached). Once approval is granted, the revised Plan of Operation will be available on our website at http://www.taipa.org/docs/planOp/POO_COMPLETE.pdf.

Amendments to Producer Certification Rules of Operation

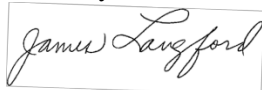
The Governing Committee approved amendments to Section H. of the Producer Certification Rules of Operation. The revised Producer Certification Rules of Operation are available on our website at <http://www.taipa.org/docs/pcprules.pdf>.

Amendments to Producer Performance Complaint Form

The Producer Performance Complaint Form has been amended to include the new violation. Companies should use the revised form to submit complaints to TAIPA. The revised form is available on our website at <http://www.taipa.org/forms/apps/prodcomplain.pdf>.

If you have any questions regarding these changes, please contact TAIPA Customer Service toll-free at 866-321-9154 or by email at customer.service@taipa.org.

Sincerely,



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

Texas Automobile Insurance Plan Association

Proposed Amendments to Plan of Operation

Amend Sections 15 and 33 to read as follows:

Sec. 15. PERFORMANCE STANDARDS FOR PRODUCERS WRITING ASSOCIATION PRIVATE PASSENGER ASSIGNMENTS

A. Performance Standards

1. Original Applications

- a. Original applications shall be fully completed and must include:
 - (1) necessary information to rate and write the policy, prepare a bill, and make any required filings;
 - (2) name, address and Texas license number of producer;
 - (3) signature of applicant and producer; and
 - (4) premium payment submitted gross with the application in accordance with Association rules. The premium payment or deposit shall be either by producer's check, applicant's check, certified check, cashier's check, premium finance company check, or money order, payable to the Texas Automobile Insurance Plan Association.
- b. A producer may not charge an administrative or other service charge to an applicant for completion of an application for insurance under the Association.
- c. A producer may not submit an application for assignment for a person who has no Texas Driver's License and who was previously assigned but whose policy was either terminated or non-renewed for failure to obtain or to make a good faith effort to obtain a Texas driver's license. This provision applies only if the producer submitted the application that resulted in the previous assignment

**Sec. 33. PERFORMANCE STANDARDS FOR PRODUCERS WRITING ASSOCIATION
OTHER THAN PRIVATE PASSENGER ASSIGNMENTS**

A. Performance Standards

1. Original Applications

a. Original applications shall be fully completed and must include:

- (1) necessary information to rate and write the policy, prepare a bill, and make any required filings;
- (2) name, address and Texas license number of producer;
- (3) signature of applicant and producer; and
- (4) premium payment submitted gross with the application in accordance with Association rules. The premium payment or deposit shall be either by producer's check, applicant's check, certified check, cashier's check, premium finance company check, or money order, payable to the Texas Automobile Insurance Plan Association.

b. A producer may not charge an administrative or other service charge to an applicant for insurance under the Association.

c. A producer may not submit an application for assignment for a person who has no Texas Driver's License and who was previously assigned but whose policy was either terminated or non-renewed for failure to obtain or to make a good faith effort to obtain a Texas driver's license. This provision applies only if the producer submitted the application that resulted in the previous assignment