

Stacy Dutton
Association Manager
sdutton@taipa.org

805 LAS CIMAS PARKWAY, LAS CIMAS III, SUITE 210 • AUSTIN, TX 78746-4400
P.O. BOX 162890 • AUSTIN, TX 78716-2890
TEL. 512/531-7271 • FAX 512/444-4562
<http://www.taipa.org>

Bulletin 234

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To: TAIPA Member Companies
TAIPA Certified Producers

TAIPA PLAN OF OPERATIONS SECTION 50
NAME CHANGE FROM AUTOMOBILE BURGLARY AND THEFT PREVENTION
AUTHORITY TO MOTOR VEHICLE CRIME PREVENTION AUTHORITY
AND CHANGE IN PASS THROUGH FEE

Effective September 1, 2019, the Texas Legislature enacted Senate Bill 604 which changes the Automobile Burglary And Theft Prevention Authority to the Motor Vehicle Crime Prevention Authority. In addition, the Texas Legislature enacted House Bill 2048, which amends Texas Civil Statutes, Article 4413(37) increasing the fee each insurer must pay to the Motor Vehicle Crime Prevention Authority from \$2 to \$4 per motor vehicle year.

At its meeting of August 16, 2019, the Texas Automobile Insurance Plan Association (TAIPA) Governing Committee approved amendments to Section 50 of the TAIPA Plan of Operation to include the Motor Vehicle Crime Prevention Authority as a result of the passage of Senate Bill 604 and House Bill 2048. Note that this amendment is subject to the commissioner's approval.

The current Section 50, Automobile Burglary And Theft Prevention Authority and Pass Through Fee of the Texas Automobile Plan Association (TAIPA) Plan of Operations will be amended to reflect the changes (see attached draft). The final, approved revisions to Section 50 will be posted on our website at a later date.

Please note that the Texas Department of Insurance sent out Commissioner's Bulletin # B-0006-19 on August 08, 2019. Per the bulletin: TDI rules require insurers to submit a rate and rule filing if they will pass on any of the fee to policyholders and they may need to make a form filing. Insurers should review the bulletin for additional information.

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

Sincerely,


Stacy Dutton
Association Manager

PROPOSED PLAN LANGUAGE SECTION 50

Sec. 50. MOTOR VEHICLE CRIME PREVENTION AUTHORITY FEE

Chapter 1006 of the Texas Transportation Code requires each insurer to pay a fee per motor vehicle year to the Motor Vehicle Crime Prevention Authority. An insurer may recoup this fee from the policyholder. Any insurer recouping the fee from the policyholder must provide a notice to the policyholder pursuant to applicable statute, administrative rule, or as may be approved by the Texas Department of Insurance.