

April 20, 2023

Bulletin 254

Amendment to TAIPA Plan of Operation

On November 18, 2022, the TAIPA Governing Committee voted in favor of proposed amendments to Sections 36 and 47 D of its Texas Plan of Operation. Section 36 addresses the election of representatives to the Governing Committee, and Section 47 D concerns obligations of insurers that leave the market. Section 36 addresses the election of representatives to the Governing Committee and section 47 D deals with the obligations of insurers that leave the market.

The amendments to Section 36 delete the position of an unaffiliated insurer as a member of the Governing Committee. We have found there are fewer and fewer insurers that are not affiliated with one of the trade associations named in the Plan that appoint an insurer member to the Governing Committee. This year we did not have any unaffiliated members that said they would serve in this position. The Governing Committee decided to delete this position and replace it with a fifth at large position. The amendments further require that this insurer is to be a Texas domestic company that only writes insurance in Texas and is not part of a holding company system that writes insurance in other states. As a fall back, the amendments do provide that if a Texas company does not get elected that the insurer with the next highest vote count will be elected to the fifth at large position. TDI 001 2023-7850 November 22, 2022 Page 2 11557088v1 00189.001

Section 47 D addresses what happens when a member insurer discontinues writing automobile liability insurance. But the current language only provides limited options. The language approved by the Governing Committee expands the options for the member carrier, including the option of entering into a contract with a servicing carrier to take the assignments it would otherwise be required to take.

In accordance with the Plan of Operation, these amendments were submitted to the Commissioner of Insurance for approval. That approval has been granted under Commissioner's Order No. 2023-7850

The revised Plan of Operation changes can be found on the TDI website at <https://www.tdi.texas.gov/rules/2023/documents/20237850.pdf>. TAIPA's Plan of Operation has also been updated with these changes and can be found at <https://taipa.org/find-a-document/plan-of-operation/>.

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

Sincerely,

Stacy Dutton
Associaiton Manager