

Texas Automobile Insurance Plan Association

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To All Subscriber Companies:

Quota Determination Effective January 1, 1996

In keeping with Section 16. Determination and Fulfillment of Quotas, of the Texas Automobile Insurance Plan Association's Plan of Operation, "For quota calculation starting January 1, 1996 and thereafter, the Association shall assign applicants classified as private passenger who are eligible for coverage in a random manner so that each insurer will receive its assignment quota. The basis for calculating the assignment quota and credits against the assignment quota is 'vehicles on policies in force' for the most recent four calendar quarters as reported in the Texas Private Passenger Automobile Statistical Plan Quarterly Market Report".

By rule, the Commissioner of Insurance at the Texas Department of Insurance will maintain a listing of all Texas ZIP codes indicating a category based on the degree to which certain ZIP codes are "underserved". Each company will receive credits for all eligible vehicles on policies in force in those underserved territories. Attached is a list of those territories which have recently been categorized. The number of credits to which an insurer is entitled corresponds to the category number assigned as 1 through 4.

For complete information on quota determination for TAIPA, please refer to the Texas Automobile Rules and Rating Manual, Texas Automobile Insurance Plan Association Plan of Operation, Section 16. B.1 through B.6.

Very truly yours,



Bobby W. White
Association Manager

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