

B U L L E T I N 4 2

TO: Companies Receiving TAIPA Assignments

FROM: Michael Alder
 Producer Certification Unit Supervisor

SUBJECT: Insurer Responsibilities and Compensation Distribution;
 UNCERTIFIED, SUSPENDED or REVOKED Producers

DATE: September 10, 1996

This bulletin is intended to assist companies in resolving discrepancies regarding action taken against producers through TAIPA's Producer Certification Program. Currently TAIPA can take three types of action against a producer's certification status: UNCERTIFIED, SUSPENDED, and REVOKED.

A producer may become UNCERTIFIED due to failure to follow proper certification procedures, or failure to provide TAIPA a copy of the Texas Department of Insurance license renewal. TAIPA staff may also take action to temporarily place into an UNCERTIFIED status any producer who fails to follow proper procedures; the "uncertified" status is lifted once the producer complies with TAIPA requirements.

If an assignment notification card is marked "UNCERTIFIED" the producer is uncertified FOR THAT ASSIGNMENT; however, the producer may become certified, if he has met TAIPA certification requirements, for future assignments which are NOT marked "UNCERTIFIED." Records are flagged "uncertified" on an assignment-per-assignment basis.

An UNCERTIFIED producer may NOT utilize TAIPA's electronic binding program, and may NOT earn compensation on applications submitted while UNCERTIFIED. The assigned company must request that the named insured designate an alternate, certified producer of record; in the event that no alternate producer is designated, the UNCERTIFIED producer may NOT earn premium compensation upon renewal of the policy. Companies should keep in mind that a producer who is flagged "uncertified" may shortly thereafter meet certification requirements; in this case, the insured may contact the carrier advising the producer of record is now certified.

A producer who regularly fails to follow proper procedures may be reported to TAIPA's Producer Review Panel; this Panel may recommend that the TAIPA Governing Committee SUSPEND or REVOKE the producer's certification status.

SUSPENDED producers may NOT utilize TAIPA's electronic binding program, and may NOT earn premium compensation on applications submitted while SUSPENDED; however, SUSPENDED producers MAY service EXISTING and RENEWAL policies while SUSPENDED.

Producers are SUSPENDED for a specific time period (NOT an assignment-per-assignment basis as with an "UNCERTIFIED" status); the Producer Certification Rules of Operation mandate that SUSPENDED producers must attend a training course at TAIPA before the suspension will be lifted and the certification status reinstated.

If a SUSPENDED producer submits an application for assignment, the assigned company must request that the named insured designate an alternate, certified producer of record; in the event that no alternate producer is designated, the SUSPENDED producer may NOT earn premium compensation upon renewal of the policy. If the producer's suspension has been lifted, the insured may contact the carrier to advise the producer is now certified to remain producer of record.

A producer may be placed in a REVOKED status either by revocation of the producer's certification status by TAIPA Governing Committee action or by revocation of the producer's license through action taken by the Texas Department of Insurance. Revocations are for specific time periods, not on a policy-per-policy basis.

A REVOKED producer may NOT utilize TAIPA's electronic binding program, may NOT earn premium compensation on applications submitted while revoked, and may NOT service EXISTING nor RENEWAL policies while revoked. Producers who have been REVOKED by TAIPA Governing Committee action must attend a training course at TAIPA before the revocation will be lifted and the certification status reinstated.

If an assignment is flagged "REVOKED" the assigned company must request that the named insured designate an alternate, certified producer of record; in the event that no alternate producer is designated, the producer may NOT earn premium compensation upon renewal of the policy.

Feel free to contact TAIPA if you have any questions or comments regarding these or any other assigned risk matters.

sample advisory letter for uncertified, suspended or revoked producer
(for named insured to designate alternate producer of record)

(COMPANY NAME)
(ADDRESS, CITY/STATE/ZIP)
(TELEPHONE NUMBER)

(DATE)

"IMPORTANT NOTICE"

(applicant's name)	TAIPA Assignment Number: XXX
(applicant's mailing address)	Company Policy Number: XXX
(applicant's city/state/zip)	Policy Effective Date: XXX

In accordance with rules established by the Texas Automobile Insurance Plan Association, all producers who submit applications for assigned coverage through TAIPA are required to be certified by the Association's Governing Committee.

PLEASE BE ADVISED THAT THE PRODUCER DESIGNATED ON YOUR APPLICATION FOR INSURANCE IS (UNCERTIFIED), (SUSPENDED) (OR REVOKED).

Your application for insurance has been assigned to our company; however, as your designated producer of record is not certified to submit applications through TAIPA, we suggest you secure services through another licensed, certified producer and designate this producer as your producer of record.

In the interim you may direct all customer service questions to our company at (1 800/XXX-XXXX).

Your new producer's name, address, telephone number and Texas Department of Insurance licensing identification and Tax ID number MUST be submitted to our office at the above referenced address. To insure proper update of your insurance records, we urge you to submit this information as soon as possible.

COPY: (uncertified producer)
(name, address)
(city/state/zip)

TAIPA PRODUCER CERTIFICATION STATUS AS OF 09/05/96

Johnny R Cana, Mission Auto Insurance
TDI ID 0006184690
REVOKED by TAIPA 06/01/96 thru 05/31/97

Edmundo Horvilleur
TDI ID 0006111302
REVOKED by TAIPA 06/01/96 thru 05/31/97

Richard L. Walker, Accord Auto Insurance Specialists
TDI ID 0006094664
REVOKED by TAIPA 06/01/96 thru 05/31/97

Marc Sparks
TDI ID 0006172884
SUSPENDED by TAIPA 06/01/96 thru 11/30/96

Kenneth J. Block, A-Auto Insurance
TDI ID 0005955407
SUSPENDED by TAIPA 08/03/96 thru 11/03/96

Connie Hernandez
TDI ID 0005969555
SUSPENDED by TAIPA 08/06/96 thru 02/06/97

The following producer is currently flagged "suspended" until the
TAIPA Producer Review Panel reviews the producer's record:

Eloy Garcia (suspended until further notice)
TDI ID 0006013526

Our records indicate the following producers hold Group 2 licenses with no current active company appointments; these producers are flagged "suspended" until TAIPA receives notification of an active company appointment:

William Dahl	Stephanie D Howard	Jose F May
TDI ID 0006053972	TDI ID 0006115921	TDI ID 0006181884

Curtis McNeal Jr.	Michael A. Mihalov	Donald L. Sader
TDI ID 0006150743	TDI ID 0006169494	TDI ID 0006160826

Roberto M. Silva	Emem M. O. Udoh, Continental Insurance
TDI ID 0006160356	TDI ID 0008735656

Amarelis I. Velasco
TDI ID 0006103185

The following producers had been flagged "suspended" by TAIPA; however, according to the definitions of "suspended" and "uncertified" outlined in the attached bulletin, these producers are currently "uncertified" (not "suspended" as originally flagged):

Eldridge Bounds Jr., Insurers of Texas
TDI ID 0005900129

Eldridge Bounds Jr., Condron Insurance Agency
TDI ID 0005900129

Regina Breque
TDI ID 0006072542

Mario R. Escobedo
TDI ID 0005875650

Tomacita Ysassi, Auto Assurance Professionals 2
TDI ID 0006118279

The following producers were temporarily flagged "suspended;" these producers should have been flagged "uncertified," however they have now met TAIPA requirements and are currently "certified" --

Edwin Martinez, Hispano's Insurance Agency
TDI ID 0006177214 and

Elvira Martinez, Hispano's Insurance Agency
TDI ID 0008574046