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TAIPA Bulletin No. 86

To Member Companies:

**Plan of Operation Amendments
Sections 5.C & 13.B.**

The Governing Committee of the Texas Automobile Insurance Plan Association (TAIPA) has adopted amendments to Section 5.C. and 13.B. of the TAIPA Plan of Operation.

In accordance with the Plan of Operation, these amendments were submitted to the Commissioner of Insurance for his approval. That approval has been given under Board Order No. 00-0180 dated February 15, 2000. Attached is a copy of the Board Order and the Plan of Operation amendments.

Please note that the amendment to Section 5.C. is **effective January 1, 2001**. This amendment makes the current installment payment plan available to commercial auto risks. The intent of the TAIPA Governing Committee is that this amendment applies to new and renewal policies effective on or after January 1, 2001.

The amendment to Section 13.B adds a new subsection 10, setting forth a miscellaneous category for insurer complaints.

If you have any questions, please contact the undersigned at the above address.

Sincerely,

Margaret Alsobrook
Operations Manager

MDA : dr

Enclosure

No. 00-0180

**Official Order
Of the
COMMISSIONER OF INSURANCE
Of the
STATE OF TEXAS
AUSTIN, TEXAS**

Date: FEB 15 2000

Subject Considered:

**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
AMENDMENTS TO SECTION 5.C. AND 13.B.
OF THE PLAN OF OPERATION**

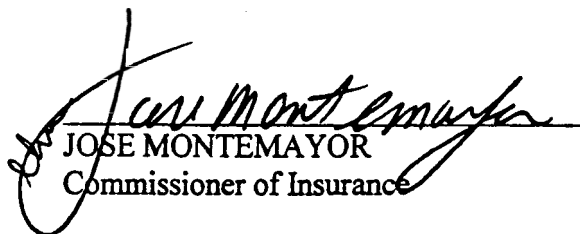
General remarks and official action taken:

On this day, under reference number A-1099-16, came on for consideration by the Commissioner of Insurance, amendments to Sections 5.C. and 13.B., of the Plan of Operation of the Texas Automobile Insurance Plan Association (TAIPA) as proposed by TAIPA's governing committee. Pursuant to the Insurance Code, Article 21.81, Sec. 3, the governing committee may make and amend the Plan of Operation, subject to the approval of the Commissioner. Notice of the proposed amendments was published in the Texas Register on January 28, 2000. (TRD#200000370)

One proposal is to amend the TAIPA Plan of Operation, Section 5.C., "NOTE" to make the current installment plan available to a commercial auto risk as well as continuing to be available to a risk written on the Personal Auto Policy. As currently provided, the installment payment plan is not available to persons requesting an SR-22A or to persons financing their payments through a premium finance company. TAIPA requests an effective date of January 1, 2001 for this proposal, as ample lead time will be needed.

The other proposal is to amend the TAIPA Plan of Operation, Section 13.B. by adding a new subsection 10, setting forth a miscellaneous category for complaints. This amendment to Section 13, "Performance Standards for Insurers," would allow complaints that are not necessarily related to timelines of the insurers' actions.

IT IS THEREFORE ORDERED that the amendments to Section 5.C. and 13.B., TAIPA Plan of Operation, described above and attached hereto are hereby adopted, effective immediately for Section 13.B., and to become effective on January 1, 2001 for Section 5.C.


JOSE MONTEMAYOR
Commissioner of Insurance

00-0180

Proposed Amendment to
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION

Amend Section 5.C to read as follows:

Section 5. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

C. Installment Premium Payment Option

~~NOTE: This option is available to all risks assigned through TAIPA unless any portion of the annual premium is financed by a premium finance company. [only to risks written on a Texas Personal Auto Policy form. It] If any portion of the annual premium is financed after the Installment Premium Payment Option is elected, the insurer may bill the insured immediately for the unpaid balance of the annual premium. If an applicant requests an SR-22A with an SR-22, the full annual premium must accompany the application. [If any portion of the annual premium is financed after the Installment Premium Payment Option is elected, the insurer may bill the insured immediately for the unpaid balance of the annual premium.]~~

The "NOTE" following amendments will read as follows:

NOTE: This option is available to all risks assigned through TAIPA unless any portion of the annual premium is financed by a premium finance company. If any portion of the annual premium is financed after the Installment Premium Payment Option is elected, the insurer may bill the insured immediately for the unpaid balance of the annual premium. If an applicant requests an SR-22A with an SR-22, the full annual premium must accompany the application.

00-0180

Proposed Amendment to
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION

Section 13. PERFORMANCE STANDARDS FOR INSURERS

Add a new ending paragraph to Section 13.B.

10. Miscellaneous

The Manager may evaluate a complaint not clearly within any of the preceding standards to determine whether the action complained of was reasonable within the purpose and intent of the Plan of Operation. If the action is deemed unreasonable, it may be considered as a valid complaint against the company.