



MARGARET ALSOBROOK
OPERATIONS MANAGER

2028 E. BEN WHITE BLVD. • SUITE 400 • AUSTIN, TX 78741-7197
P.O. BOX 149144 • AUSTIN, TX 78714-9144
TEL. 512/444-5999 • FAX 512/444-4562
datamda@taipa.org

August 11, 2000

TAIPA Bulletin No. 90

To: All Member Companies

**Plan of Operation Amendment
Section 15**

The Governing Committee of the Texas Automobile Insurance Plan Association (TAIPA) has adopted an amendment to Section 15 of the TAIPA Plan of Operation.

In accordance with the Plan of Operation, this amendment was submitted to the Commissioner of Insurance for his approval. That approval has been given under Board Order No. 00-0939 dated August 07, 2000. Attached is a copy of the Board Order and the Plan of Operation amendment. This amendment establishes fees that member insurers must pay when they fail to make timely payment of assessments and membership fees.

Assessments and membership fees will be mailed to the address shown above. If you require that the billing be sent to a different address, please return a copy of this letter with the new address.

Company Name _____

Department / Contact _____

Mailing Address _____

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

Sincerely,

Margaret Alsobrook
Operations Manager

MDA : dr

Enclosure

Return Copy To:

Ms. Margaret Alsobrook
TAIPA
2028 E. Ben White Blvd., Suite 400
Austin, TX 78741-7197

No. 00-0939

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

Date: AUG 07 2000

Subject Considered:

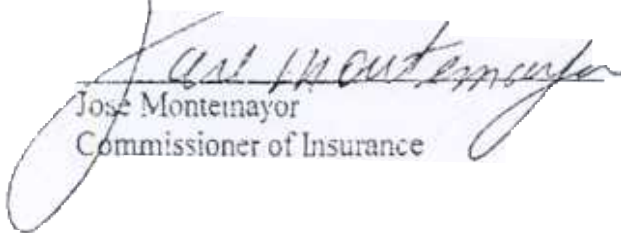
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
AMENDMENTS TO SECTION 15
OF THE PLAN OF OPERATION

General remarks and official action taken:

On this day, under reference number A-0600-14, came on for consideration by the Commissioner of Insurance amendments to Section 15 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 July 14, 2000 (25 TexReg 6842).

The proposal is to amend the TAIPA Plan of Operation, Section 15, "Cost of Administration," by deleting the third paragraph of Subsection B, replacing it with a new Subsection C, and redesignating current Subsection C to Subsection D. The new Subsection C establishes fees that member insurers must pay when they fail to make timely payment of assessments or membership fees. This proposal will eliminate vague wording and provide member insurers with specific guideline regarding payments.

IT IS, THEREFORE, ORDERED that the amendments to Section 15, TAIPA Plan of Operation, described above and attached hereto are hereby adopted, effective immediately.


Jose Montemayor
Commissioner of Insurance

Amended Section
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION
(adopted at May 18, 2000 meeting)

Section 15. COST OF ADMINISTRATION

B. Assessment

Each member's ratio of voluntary private passenger liability writings and voluntary all other automobile liability writings to the statewide industry respective totals is the basis of apportionment of all Association expense incurred in excess of the membership fees.

If at the time of assessment for any calendar year, data for the second prior year is not available, the assessment shall be based upon the latest available year's data. In such event, the assessment shall be adjusted subsequently using the data for the second prior year.

C. Late Payment Charge.

If an assessment or membership fee is not postmarked on or before the due date shown on the invoice, a late payment charge will be applied. The late payment charge will be 0.05 percent per day (1.50 percent per month) subject to a minimum charge of \$50. In addition, the Association may report such fact to the Commissioner for disciplinary action as provided in Chapter 82 of the Insurance Code.

D. Insurers Not Writing

No assessment other than the annual fee may be levied against an insurer which has written no automobile liability insurance other than for Association insureds during the period for which the quotas are based.