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TAIPA Bulletin No. 99

To Member Companies:

**Plan of Operation Amendments
Sections 13 & 15**

At its meeting of September 14, 2000, the Texas Auto Insurance Plan Association (TAIPA) Governing Committee adopted amendments to Sections 13.B.2 and 15.D 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. 01-0083 dated January 30, 2001. Attached is a copy of the Board Order and the Plan of Operation amendments.

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

Sincerely,

Margaret Alsobrook
Operations Manager

MDA: dr

Enclosure -05

No. 01-0083

Official Order
of the
Commissioner of Insurance
of the
State of Texas
Austin, Texas

Date: JAN 30 2001

Subject Considered:

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
AMENDMENTS TO SECTIONS 13 and 15
OF THE PLAN OF OPERATION

General remarks and official action taken:

On this day, under reference number A-0900-23, came on for consideration by the Commissioner of Insurance, amendments to Sections 13 and 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 January 12, 2001 (26 TexReg 723).

One proposal is to amend the TAIPA Plan of Operation, Section 13.B.2. to delete the specific reference to the Installment Premium Payment Option and to make a general reference to all payment options outlined in Section 5 (which includes the installment option). TAIPA requests this amendment because the eight-payment installment plan is available for commercial assignments effective January 1, 2001.

The other proposal is to amend the TAIPA Plan of Operation, Section 15.D. to change the word "quotas" to "assessments" to be consistent with the wording in Section 15.B., which requires that assessments be based on data for the second prior year. This amendment does not affect the current method of calculating assessments.

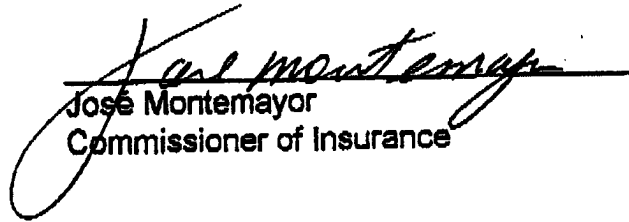
These amendments are found to be acceptable.

01-0083


Official Order of the Commission of Insurance

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IT IS, THEREFORE, ORDERED that the amendments to Sections 13 and 15, TAIPA Plan of Operation, described above and attached hereto are hereby adopted, effective immediately.


José Montemayor
Commissioner of Insurance

RECOMMENDED BY:


Marilyn Hamilton
Deputy Commissioner
Personal and Commercial Lines Division

01-0083

Proposed Amended Subsection to
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION

Amend subsection 13.B.2 to read as follows:

Section 13. PERFORMANCE STANDARDS FOR INSURERS

2. Renewal Policies Or Certificates

At least 30 calendar days (60 calendar days for risks written on a Business Auto Coverage form) prior to the inception date of renewals the designated insurer shall notify the insured that:

- a. a renewal will be issued, provided the premium as outlined in Section 5 is received on or before the inception date, except for insureds subject to certified filings on Business Auto Coverage forms which may be due 30 days prior to renewal;
- b. a renewal will not be issued for the reason that the insured is not entitled to insurance under the Plan of Operation.

If an insurer is unable to quote rates to be effective on renewal, it must notify the insured of a possible rate change. Using language authorized by the Association shall be deemed sufficient notice.

A copy of such notice shall be filed with the producer.

Renewal policies must be mailed within 30 calendar days of the insurer's receipt of the renewal premium specified under a. of sub-section B.2. above.

01-0083

Proposed Amendment to
TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION
PLAN OF OPERATION

Amend subsection 15.D to read as follows:

Section 15. COST OF ADMINISTRATION

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] assessments are based.

Amended subsection 15.D will read as follows:

Section 15. COST OF ADMINISTRATION

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 assessments are based.