



TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

ADMINISTRATION

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Texas Automobile Insurance Plan Association Governing Committee Special Meeting

Agenda for Monday, April 27, 2020 at 3:00 p.m.

Given the ongoing concerns related to the COVID-19 virus, TAIPA will be holding this meeting of the TAIPA Governing Committee Meeting as a Call-In Meeting. Please call:

Call-In Number: 888-887-4274

Participant Passcode: 5127035055#

1. Call to Order
2. Introductions
3. Reading of the Anti-Trust Statement
4. Discussion on whether to take any action with regard to the Stay Home Order in Texas.
5. Adjournment

TAIPA Governing Committee Meeting Minutes
Monday, April 27, 2020, 3:00 P.M.
CALL-IN MEETING

ATTENDEES:

VOTING MEMBERS:

Corise Morrison , United Services Automobile Association
Bill Brooks, Texas Farm Bureau
David Weber, Hochheim Prairie Insurance
Ryan Shapiro, Travelers
Stephen Hylka, Liberty Mutual
Anh Vo, State Farm
Matt Snyder, Farmers Insurance
Becky Jackson, Public Member
Laura Hausman, Public Member
Leslie Hurley, Public Member
Mary Carol Awalt, Public Member
Carmelita Hogan, Public Member
Pete Hamel, Producer Member
Adam Payton, Producer Member
Ramon Montalvo, Producer Member
Mike Schalk - Allstate Insurance

COUNSEL:

Michael Jones, Thompson, Coe, Cousins & Irons

TAIPA STAFF:

Stacy Dutton (Association Manager)
Mimi Leece
Mishayla Twyman
Ruth Wise

OTHERS:

Carol Berthold, GEICO
Doug Beck, 21st Century
Talia Bright, OPIC
John Mooney, TDI
John Lusardi, Universal Casualty Insurance Company
Todd Feltman, State Farm

Corise Morrison asked Stacy Dutton to call out the names of the people on the telephone call.

Corise Morrison asked Stacy to read the Anti-trust Statement.

Stacy Dutton read the Anti-Trust Statement:

“The creation and operation of the Texas Automobile Insurance Plan Association is set forth in Chapter 2151 of the Texas Insurance Code. The Association is a non-profit corporate body composed of all authorized insurers. The organization was created to provide a means by which insurance may be assigned to an authorized insurer for a

person required by the Texas Motor Vehicle Safety-Responsibility Act to show proof of financial responsibility for the future. Members of the Association and of its Governing Committee, when involved in meetings or other activities of the Association, are bound to limit their discussions and actions to matters relating to the business of the Association, and shall not discuss or pursue the business interest of individual insurers or others."

Corise Morrison addressed the reason for calling the meeting. TAIPA had an officers' meeting to discuss whether TAIPA should take any action with regard to COVID-19 Stay Home Orders similar to what the larger insurance companies were doing in the regular market. Although there was not a 100% agreement reached at the officers' meeting it was decided to call this special meeting and to recommend that TAIPA

"Provide a refund of 15% of private passenger auto policies in effect for the months of April and May 2020 and authorize counsel and the Manager to make the appropriate filing or filings with TDI."

Corise Morrison asked for discussion from TAIPA officers that were in the prior meeting.

There was discussion about support and opposition to the recommendation. This included discussions about:

- the types of drivers that come through TAIPA and the issues that some of them have with regard to their driving abilities and experiences.
- how much people have or have not complied with the Stay Home orders in Texas.
- whether personal experience should or should not play a factor in this decision.
- there being reduced traffic simply because schools are not in session.
- stay home orders being a matter of public policy and regardless there is evidence there will be less claims.
- the fact that commercial coverage is not included in this recommendation due to the amount of commercial vehicles still on the road. Although there was some discussion that there may be some justification for a reduction in premium for commercial coverage as well. There was also some discussion on different ways that commercial customers have been able to reduce their premiums
- the Texas Governor letting the Stay Home Order expire on April 30 and people are going to be back on the road in May and that is when we are talking about giving this discount.
- refunds and how different companies handle it if the policy isn't paid in full.
- the fact that some people need cash in hand for groceries where others felt that this was a way to help them save on insurance – not pay for other things.
- how much these checks would typically be for and the amount of time and energy it would take for a company to get these checks to the insureds.
- what months should be covered in the program
- what other states are doing.
- there is no actual data yet about what is actually happening.

- client frequency is down.
- the tremendous amount of disruption we have experienced in the last 6 weeks.
- TAIPA insureds having to pay their premium in advance.
- how to provide relief but control the costs for administration of the plan.
- how people's individual providers had administered their program.
- easing customer pain and financial obligations regardless of the amount.
- how much companies in the general market are giving back.

It was noted that Mike Jones had prepared some motions if this is the pleasure of the committee the motion that we would offer today would be that TAIPA would approve 2020 COVID-19 TAIPA. The program would provide a refund of 15% of private passenger auto policies in effect for the months of April and May 2020 and authorize counsel and the Manager to make the appropriate filing or filings with TDI.”

David Weber made a motion to approve the motion that Mike prepared but to change the percentage from a 15% reduction to a 100% reduction.

Corise asked if there was a second motion for 100%? Hearing no second, the motion failed for 100%.

Corise asked if anyone wanted to make the motion that the officer group had brought forward. The motion to approve the COVID 19 2020 TAIPA relief Program giving a 15% credit or refund for personal policies in force in April and May of 2020.

Anh Vo made the motion. Stephen Hylka seconded the motion.

There were some questions and clarifications about the motion.

The motion

- Require 15% credit to TAIPA policy or refund if the policy was paid in full for April and May.
- Only get refund for time in effect for April and May, it would be 15% credit if there are current amounts due.
- Require a 15% credit to the policy holder for the coverage provided April and May 2020.

There was discussion about modifying the motion to include:

Require 15% credit to policy holder to policy amount for private passenger.

Corise asks Anh Vo and Stephen Hylka if they want to make the motion again.

Anh Vo accepted the modification and Stephen Hylka accepted it.

Corise Morrison asked if there are any oppositions.

David Weber and Becky Jackson opposed it.

Corise Morrison asked if there were any abstentions. Hearing none the motion passes.

There had been some discussion about how this would affect producers' commissions and if they would have to repay a portion of their commissions due to the refund. There were also some other issues that needed to be clarified. It was determined that there would be a second motion made to address these items.

Second motion. (a) the refunds or credits shall not affect commissions paid or due to TAIPA producers; (b) the Chair is authorized to appoint an ad hoc committee to advise staff on the implementation of the Program; (c) staff and counsel are authorized: (1) to make any necessary filings at TDI to implement this action; (2) to issue instructions or guidance to insurers on how to issue the refund or credit for TAIPA policyholders; and (3) to take such other and further action as may be needed to implement these motions.

Motion to approve was made by Bill Brooks and seconded by Becky Jackson. The Motion carried.

Third motion that carriers will provide the credits or refund as soon as administratively possible, but no later than August 1, 2020;

Motion to approve was made by Pete Hamel and seconded by Becky Jackson.

Corise asked for anyone opposed.

David Weber opposed.

Corise asked for any abstentions. The Motion carried with one negative vote.

Corise asked for volunteers to be on the committee.

Volunteers:

Carol Berthold

John Lusardi

Bill Brooks (Chair)

Todd Feltman

Doug Beck

Anh Vo

Pete Hamel

There was some discussion about what it would take to get this approved through TDI.

Corise Morrison asked for a motion to adjourn. Motion to adjourn was made by David Weber and seconded by Leslie Hurley.

Meeting was adjourned at 4:27pm.

DocuSigned by:

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Anh Vo
Secretary

Date Signed: 6/18/2020