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September 10, 2018

The Honorable Kent Sullivan  
Commissioner of Insurance  
Texas Department of Insurance  
333 Guadalupe Street  
Tower 1, 13th Floor  
MC 113-1C  
Austin, Texas 78701

*Via Email:* [pcfilingstake@tdi.texas.gov](mailto:pcfilingstake@tdi.texas.gov)  
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J'ne Byckovski  
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Property and Casualty Actuarial  
Texas Department of Insurance  
333 Guadalupe Street  
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Austin, Texas 78701

*Via Email:* [Jne.Byckovski@tdi.texas.gov](mailto:Jne.Byckovski@tdi.texas.gov)

Re: 2018 TAIPA Private Passenger and Commercial Auto Rate Filing

Dear Commissioner Sullivan and Ms. Byckovski:

We make this rate filing on behalf of the Texas Automobile Insurance Plan Association (TAIPA) pursuant to Chapter 2151 of the Texas Insurance Code. This filing is subject to approval by the Commissioner of Insurance, and provides for private passenger automobile and commercial automobile rates that are to be charged for insurance written through TAIPA.

This filing is supported by the Explanatory Memorandum and actuarial report prepared by TAIPA's consulting actuary, Michael J. Miller, FCAS, of Epic Consulting, LLC, attached hereto. TAIPA has used the same methodology it used in its 2015, 2016 and 2017 filings in which the TAIPA rates are indexed to the total Texas industry average loss costs.

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Private Passenger.

The current private passenger TAIPA rates were last adjusted and became effective March 1, 2018. Under Mr. Miller's report, the indicated average rate adjustments to the current rates for private passenger automobile insurance (by coverage) written through TAIPA are as follows:

Bodily Injury Liability	+5.0%
Property Damage Liability	+4.8%
Personal Injury Protection	+2.4%
Uninsured Motorists - BI	+4.5%
<u>Uninsured Motorists – PD</u>	<u>+4.5%</u>
Overall average	+4.8%

Commercial Auto

The current commercial auto TAIPA rates were last adjusted and became effective March 1, 2018. The same methodology outlined above is used for commercial auto. As set out in Mr. Miller's report, this filing will generate estimated changes by coverage as follows:

Bodily Injury Liability	+4.3%
Personal Damage Liability	+3.3%
<u>Personal Injury Protection</u>	<u>+3.5%</u>
Overall average	+3.9%

Effective Date.

TAIPA requests that rate changes and new approved rates become effective February 1, 2019. This effective date assumes that the filing is approved in sufficient time so the rate bulletin and machine letters issued by the Department can be delivered to the affected insurance companies before November 1, 2018. In this manner, the companies will have these at least 90 days before the rate change effective date. Generally, the companies need at least 90 days to program their systems in time to implement the new rates, particularly for renewal policies.

Procedure Under Insurance Code Chapter 2151, Subchapter E.

None of the proposed average rate changes for each coverage in this filing exceed 105% of the current rate. Accordingly, a hearing is not required as Insurance Code Section 2151.2041 only requires that the Commissioner conduct a hearing under Section 2151.206 in the event TAIPA files a rate "... that exceeds 105 percent of the current average rate for each coverage written through the association on the date of the filing...." This filing is to be considered under Sections 2151.2021 and 2151.2022, as well as the other applicable sections of Subchapter E.

Respectfully submitted,

By: 

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ATTORNEYS FOR TEXAS AUTOMOBILE  
INSURANCE PLAN ASSOCIATION

Enclosures:

TDI Transmittal Forms PC358  
Explanatory Memorandum

cc: Ms. Stacy Dutton, Manager, TAIPA (via email, w/enc.)  
Ms. Melissa Hamilton, Office of Public Insurance Council (via email, w/enc.)