

No. **2018-5716**

**Official Order
of the
Texas Commissioner of Insurance
Date: NOV 09 2018**

Subject Considered:

Texas Automobile Insurance Plan Association
Amendments to the Plan of Operation

General remarks and official action taken:

The subject of this order is the request by the governing committee of the Texas Automobile Insurance Plan Association (TAIPA), under Petition Number A-0817-08A, that the Commissioner of Insurance approve proposed amendments to the *Plan of Operation*.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

1. TAIPA filed Petition Number A-0817-08A to amend its *Plan of Operation* on August 28, 2017.
2. TAIPA filed amendments to Petition Number A-0817-08A on October 10, 2017, and April 6, 2018.
3. TDI published a notice of the proposed amendments in the *Texas Register* on July 27, 2018, (43 TexReg 5016).
4. The 30-day comment period ended on August 27, 2018, and TDI did not receive any comment or hearing request.
5. The petition and subsequent amendments to the petition amend the *Plan of Operation* to update the requirements to refund the appropriate portion of any

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unearned premium to the policyholder not later than the 15th business day after the effective date of cancellation or termination of a policy of personal automobile or residential property insurance, as required by Insurance Code Section 558.002, amended by Senate Bill 698, 83rd Legislature, Regular Session (2013).

6. Specifically, TAIPA requested amendments to Section 6 and Section 14 of the *Plan of Operation*. TAIPA requested to amend Section 6(C)(4) of the *Plan of Operation* to read as follows:

Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining from the return premium will be returned in accordance with Chapter 558, Texas Insurance Code and the rules promulgated under that Chapter. If any outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly, unless the policyholder requests otherwise. If the return amount is less than \$20 it may be treated as a separate transaction, unless the policyholder requests otherwise.

7. Additionally, TAIPA requested to amend Section 14(A)(7) of the *Plan of Operation* to read as follows:

The insurer must refund return premium in accordance with Chapter 558, Texas Insurance Code, and the rules promulgated under that Chapter.

Conclusions of Law

1. The Commissioner has jurisdiction over this matter under Insurance Code Section 2151.151(b), which allows TAIPA's governing committee to amend its *Plan of Operation* subject to the Commissioner's approval.
2. The amendments are consistent with Insurance Code Section 558.002.

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Order

It is ordered that the amendments to Section 6(C)(4) and Section 14(A)(7) of the Texas Automobile Insurance Plan Association's *Plan of Operation* as described above, are approved effective immediately.

Kent C. Sullivan
Commissioner of Insurance

By: /s/ Doug Slape
Doug Slape
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528

Recommended by:

/s/ Mark Worman
Mark Worman, Deputy Commissioner,
Regulatory Policy Division

Reviewed by:

/s/ Chris Ekoh
Chris Ekoh, Staff Attorney,
Office of Policy Development Counsel