

No. **2020-6560**

**Official Order
of the
Texas Commissioner of Insurance**

11/12/2020

Date: _____

Petition and Filing Numbers:

Commercial Automobile, A-0920-09; S683300

Subject considered:

Rate Changes for Commercial Automobile Insurance
Provided through the Texas Automobile Insurance Plan Association (TAIPA)

General remarks and official action taken:

The subject of this order is TAIPA's rate filing with the Texas Department of Insurance (TDI) for commercial automobile insurance, as required by Insurance Code Chapter 2151.

Background

TAIPA is a nonprofit corporate body composed of all insurers authorized by TDI to write automobile liability coverage. TAIPA provides automobile liability insurance for applicants who have been rejected by at least two Texas-authorized insurers. TAIPA must file rates it intends to charge for insurance provided through the association, and the Commissioner will consider and approve or deny the filing. TAIPA may not file rates more than once in any 12-month period.

The Commissioner adopts the following findings of fact and conclusions of law:

Findings of Fact

1. On September 14, 2020, TAIPA filed rates for commercial automobile insurance.
2. TDI assigned filing number S683300 to the commercial automobile filing.

2020-6560

Commissioner's Order

TAIPA Rate Order

Page 2 of 4

3. TDI filed notice of the TAIPA rate filing with the secretary of state on September 21, 2019, and the notice appeared in the October 2, 2020, issue of the *Texas Register*, 45 TexReg 7069. This notice provided information to the public about how to comment on the filing.
4. On September 21, 2020, the Commissioner extended the approval period for TAIPA's filing for an additional 30 days to November 13, 2020.
5. Staff reviewed TAIPA's filing, and presented for consideration, its review of statistical plan data for automobile insurance written through TAIPA.
6. TDI did not receive any comments on the filing.

Commercial Automobile Insurance Rates

7. In developing proposed rate changes by coverage for commercial automobile insurance, TAIPA relied on year-to-year changes in the commercial vehicle liability loss costs filed with TDI by Insurance Services Office, Inc. (ISO). Based on the 2019 ISO loss cost changes, which TDI accepted, TAIPA is proposing base rate changes by coverage with no changes to any territory or class rating factors.
8. Because of the increases in the ISO loss costs, TAIPA requested the following changes to the base rates by coverage, which resulted in an overall premium weighted increase of 4.8%.

Coverage	Percent Change	Estimated Premium Distribution
Bodily injury liability	5.0%	0.56
Property damage liability	5.0%	0.40
Personal injury protection	0.0%	0.01
Uninsured motorists bodily injury	0.0%	0.01
Uninsured motorists property damage	0.0%	0.02
Overall average	4.8%	1.00

Conclusions of Law

2020-6560

Commissioner's Order

TAIPA Rate Order

Page 3 of 4

1. The Commissioner has jurisdiction over this matter under Insurance Code § 2151.2022.
2. Insurance Code § 2151.201 requires that insurance rates filed by TAIPA must be:
 - a. just, reasonable, adequate, not excessive, not confiscatory, and not unfairly discriminatory for the risks to which the rates apply; and
 - b. sufficient to carry all claims to maturity and meet the expenses incurred in the writing and servicing of the business.
3. Notice of the filing was given as required by Insurance Code § 2151.204.
4. The statistical plan data for automobile insurance written through TAIPA was considered, as required by Insurance Code § 2151.203(c).
5. The proposed changes addressed in finding of fact numbers 7 and 8 are consistent with the applicable requirements of the Insurance Code.

Order

It is ordered that the proposed rates in filing S683300 are approved, to be effective March 1, 2021.

Commissioner of Insurance

DocuSigned by:
By: *Doug Slape*
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Doug Slape
Chief Deputy Commissioner
Tex. Gov't Code § 601.002
Commissioner's Order No. 2018-5528

Recommended by:

2020-6560

Commissioner's Order

TAIPA Rate Order

Page 4 of 4

DocuSigned by:

Mark Worman

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Mark Worman, Deputy Commissioner

Reviewed by:

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Amy Wills

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Amy Wills, Staff Attorney