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August 25, 2008

The Honorable Mike Geeslin,
Commissioner of Insurance
Texas Department of Insurance – MC-113-1C
P.O. Box 149104
Austin, TX. 78714-9104

Re: TAIPA Plan of Operation Amendments

Dear Commissioner Geeslin:

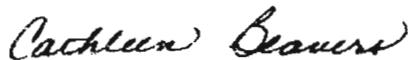
Under Chapter 2151 of the Insurance Code, the Governing Committee of the Texas Automobile Insurance Plan Association (TAIPA) has the responsibility for the administration of the Association through its Plan of Operation. The Governing Committee is empowered to adopt and amend the rules of the Plan of Operation subject to the approval of the Commissioner.

At its meeting of August 20, 2008, the Governing Committee approved amendments to Section 42 of the TAIPA Plan of Operation.

Section 42.A. deletes all reference to truckers since they are no longer eligible for assignment through TAIPA. The revisions to the TAIPA Rules and Rating Manual effective September 1, 2007, removed truckers from eligibility.

If you or your staff require further information regarding these amendments, please contact Susan Epperson at 512-531-7263 or e-mail address sepperson@taipa.org.

Sincerely,



Cathleen Beavers, CPCU
TAIPA Association Manager

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TAIPA PLAN OF OPERATION AMENDMENT

Amend Section 42.A.

Truckers are no longer eligible for assignment through TAIPA. Delete reference to truckers from Section 42.

Sec. 42. DETERMINATION AND FULFILLMENT OF OTHER THAN PRIVATE PASSENGER QUOTAS

A. Assignment of Commercial Applications

The Association shall assign eligible applicants classified as commercial in a random manner so that each member will receive its assignment quota. For purposes of calculating other than private passenger assignment quota, the Association shall utilize statistical data provided by the statistical agent designated by the Texas Department of Insurance as the source of information for the "net direct written premium" and "voluntary OTPP premiums" and any other information necessary to calculate the assignment quota in accordance with this section.

No applicant in any of the following with a public automobile classifications, other than school or church bus is to be assigned to a member which did not, during the calendar year ending December 31 of the prior year, and currently does not, write as voluntary business in this state any automobile liability insurance in such classification.

- ~~1. public automobiles other than school or church buses;~~
- ~~2. motor vehicles of truckers operating beyond a radius of 200 miles from the limits of the city or town of principal garaging.~~

Assignment of buses, ~~interstate and long haul truckers~~ and public automobiles will be made with due regard to the state insurance licenses held by the member.

A member is entitled to a credit of two dollars of premium for every dollar of premium for an assignment which ~~meets the description in Section 42.A. 1 or 2 above.~~ is classified as a public auto, other than school or church bus.

A member which has received an assignment may return it to the Association if the member's surplus to policyholders, as determined by the latest financial statement filed with the Commissioner of Insurance, is insufficient to cover the risk. In this case, the risk shall be reassigned.

AMENDED TAIPA PLAN OF OPERATION

Sec. 42. DETERMINATION AND FULFILLMENT OF OTHER THAN PRIVATE PASSENGER QUOTAS

A. Assignment of Commercial Applications

The Association shall assign eligible applicants classified as commercial in a random manner so that each member will receive its assignment quota. For purposes of calculating other than private passenger assignment quota, the Association shall utilize statistical data provided by the statistical agent designated by the Texas Department of Insurance as the source of information for the "net direct written premium" and "voluntary OTPP premiums" and any other information necessary to calculate the assignment quota in accordance with this section.

No applicant with a public automobile classification, other than school or church bus is to be assigned to a member which did not, during the calendar year ending December 31 of the prior year, and currently does not, write as voluntary business in this state any automobile liability insurance in such classification.

Assignment of buses and public automobiles will be made with due regard to the state insurance licenses held by the member.

A member is entitled to a credit of two dollars of premium for every dollar of premium for an assignment which is classified as a public auto, other than school or church bus.

A member which has received an assignment may return it to the Association if the member's surplus to policyholders, as determined by the latest financial statement filed with the Commissioner of Insurance, is insufficient to cover the risk. In this case, the risk shall be reassigned.