

Texas Automobile Insurance Plan Association Filing Request for Amendments to Texas Plan of Operation

The Commissioner of Insurance will consider the Texas Automobile Insurance Plan Association's (TAIPA) request to amend its *Texas Plan of Operation* (Plan) to reflect legislative changes to the Automobile Burglary and Theft Prevention Authority (ABTPA). On August 19, 2019, TAIPA filed the proposed changes with TDI for Commissioner approval under Insurance Code §2151.151(b). TAIPA proposes to amend Section 50 of the Plan, which addresses the ABTPA pass-through fee.

The 86th Legislature, Regular Session (2019), passed House Bill 2048 and Senate Bill 604, which made changes to the ABTPA.

- **HB 2048** increases the ABTPA fee from \$2 to \$4 per motor vehicle year, effective on September 1, 2019.

- **SB 604** changes the name of the ABTPA to the Motor Vehicle Crime Prevention Authority (MVCPA). It also moves the statutory language for the ABTPA (now MVCPA) to the Transportation Code.

The amended Plan reflects these changes.

On August 16, 2019, the TAIPA governing committee voted in favor of the proposed amendment. You can view the proposed amendment on TDI's website, <http://www.tdi.texas.gov/rules/2019/exrules.html>. The proposed amendment affects Section 50 of the Plan.

Current Language:

Sec. 50. AUTOMOBILE THEFT PREVENTION AUTHORITY PASS THROUGH FEE

A. Texas Civil Statutes, Article 4413(37), § 10. requires each insurer to pay a fee of \$2 per motor vehicle year to the Automobile Burglary and Theft Prevention Authority. Each insurer is authorized to recoup this fee from the policyholder.

B. Any insurer recouping the fee from the policyholder as authorized by subsection 50.A must include on or with each motor vehicle insurance policy providing primary liability coverage delivered, issued for delivery, or renewed in this state on or after September 1, 2011, a notice conforming with either subsection 50.B. 1 or 2.

Notice

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1. This notice shall be in no less than 10-point type and shall be attached to or stamped or printed on the Declarations page and shall become part of the policy. The notice shall read as follows:

NOTICE: A fee of \$___ is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC §5.205, for the \$2 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), §10.

2. This notice shall be in no less than 10-point type and shall be included as part of the policy. The notice shall read as follows:

NOTICE: The Automobile Burglary and Theft Prevention Authority Fee is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC §5.205, for the \$2 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), §10.

If this notice is provided, the following shall be printed on the Declarations page, renewal certificate, or billing:

Automobile Burglary and Theft Prevention
Authority
Fee \$ _____.
(See enclosed explanation)

C. All automobile insurance policies providing primary liability coverages shall be assessed the \$2 fee per motor vehicle year. For purposes of this Section, the term "motor vehicle year" shall mean one motor vehicle insured for one year.

Proposed Language:

Sec. 50. MOTOR VEHICLE CRIME PREVENTION AUTHORITY FEE

Chapter 1006 of the Texas Transportation Code requires each insurer to pay a fee per motor vehicle year to the Motor Vehicle Crime Prevention Authority. An insurer may recoup this fee from the policyholder. Any insurer recouping the fee from the policyholder

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must provide a notice to the policyholder pursuant to applicable statute, administrative rule, or as may be approved by the Texas Department of Insurance.

TDI will consider written comments on the proposal that TDI receives no later than 5:00 p.m., central time, on December 16, 2019. Send your comments to ChiefClerk@tdi.texas.gov; or to the Office of the Chief Clerk, MC 112-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

To request a public hearing on the proposal, submit a request before the end of the comment period, and separate from any comments, to ChiefClerk@tdi.texas.gov; or to the Office of the Chief Clerk, MC 112-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. The request for public hearing must be separate from any comments and received by TDI no later than 5:00 p.m., central time, on December 16, 2019. If TDI holds a public hearing, TDI will consider written and oral comments presented at the hearing.