

No. **3769**

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

Date: Jan 09, 2015

Subject Considered:

**Texas Automobile Insurance Plan Association
Amendments to the
Plan of Operation**

The commissioner of insurance adopts amendments to the plan of operation of the Texas Automobile Insurance Plan Association (TAIPA) as proposed by TAIPA's governing committee under Petition Numbers A-0614-04, A-0811-06, and A-0412-02.

The commissioner makes the following findings of fact and conclusions of law.

Findings of Fact

1. Notice of the proposed amendments was published in the *Texas Register* on October 17, 2014, at 39 TexReg 8290. TDI did not receive any comments during the 20-day comment period, which extended from October 17, 2014, through November 6, 2014.
2. Under Insurance Code §2151.052, TAIPA is administered by a 15-member governing committee under a plan of operation. Insurance Code §2151.151(a) requires the plan of operation to provide for the efficient, economical, fair, and nondiscriminatory administration of TAIPA. Insurance Code §2151.151(b) allows the governing committee to amend the plan of operation, subject to the approval of the commissioner.
3. TAIPA's purpose is to make automobile bodily injury and property damage liability insurance required by the Texas Motor Vehicle Safety Responsibility Act available to eligible applicants, who are typically unable to acquire coverage in the voluntary market.

The plan of operation sets the procedures by which TAIPA will assign policies to authorized insurance companies.

4. TAIPA requested the following amendments to the plan of operation:
 - a. The introduction and sections 6, 7, 15, 22, 23, and 33 are amended to make the Electronic Application Submission interface (EASi) system mandatory for all applications, and to eliminate paper applications. The Producer Certification Manual will also reflect these amendments.
 - b. Section 50 is amended to implement a change to increase the Automobile Burglary and Theft Prevention Authority Pass-Through Fee from \$1 to \$2. This change conforms to Texas Civil Statutes, Article 4413(37), as amended by House Bill 1541, 82nd Legislature, Regular Session, 2011.
 - c. Sections 15 and 33, which provide performance standards for producers writing TAIPA private passenger and other than private passenger assignments, are amended. A producer that violates a performance standard is subject to enforcement action under TAIPA rules and procedures. The amendments insert subsection A.1.c. in both section 15 and section 33. Subsection A.1.c. states that a producer may not submit an application for assignment if
 - i. the applicant or any person who usually drives the motor vehicle does not hold a valid Texas driver's license
 - ii. the applicant was previously assigned through TAIPA and was terminated or nonrenewed for failure to obtain, or make a good-faith effort to obtain, a Texas driver's license, and
 - iii. the producer submitted the application that resulted in the previous assignment.

Conclusions of Law

1. The commissioner has determined these amendments are within the governing committee's authority under the Insurance Code, Chapter 2151, and are consistent with the statutory mandate that the plan of operation must provide for the efficient,

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economical, fair, and nondiscriminatory administration of TAIPA. The amendments are acceptable to the commissioner.

The commissioner approves the amendments to the Texas Automobile Insurance Plan Association's plan of operation as described above, effective immediately.


Julia Rathgeber
Commissioner of Insurance