

Stacy Dutton
Association Manager
sdutton@taipa.org

805 LAS CIMAS PARKWAY, LAS CIMAS III, SUITE 210 • AUSTIN, TX 78746-4400
P.O. BOX 162890 • AUSTIN, TX 78716-2890
TEL. 512/531-7271 • FAX 512/444-4562
<http://www.taipa.org>

March 29, 2019

Hon. Kent Sullivan
Commissioner of Insurance
Texas Department of Insurance
MC 113-1C
P.O. Box 149104
Austin, Texas 78714-9104

via email: chiefclerk@tdi.texas.gov

Re: Amendments to Section 36.A of the TAIPA Plan of Operation

Dear Commissioner Sullivan:

Pursuant to Insurance Code Section 2151.151(b), the Governing Committee of the Texas Automobile Insurance Plan Association (TAIPA) may amend its Plan of Operation, subject to your approval.

The Governing Committee comprises 15 members, eight of which are insurer members. The Plan of Operation currently provides that three of the insurer members are selected by three trade associations: American Insurance Association (AIA); Association of Fire & Casualty Companies in Texas (AFACT); and, Property Casualty Insurers Association of America (PCI).

AIA and PCI have merged into one organization, now known as the American Property Casualty Insurance Association (APCIA). The Governing Committee has amended the Plan of Operation to account for this by deleting reference to AIA and PCI and providing that APCIA will select one insurer member. It has also added a new trade association – the National Association of Mutual Insurance Companies (NAMIC) -- to select an insurer member.

While you may already be familiar with NAMIC, it is a large national trade association representing the interests of mutual insurers, many of which write auto insurance in Texas. More information is provided in the attached copy of the letter from NAMIC to TAIPA asking for consideration as a trade association that selects an insurer member.

Attached is the amended language to Section 36.A of the Plan of Operation. This was approved by the Governing Committee on March 22, 2019 in accordance with the terms of the Plan of Operation, including by the vote of a majority of the insurer members. Also attached is a redline document showing the changes to the current language.

We ask that you consider and approve these amendments. Thank you.

Sincerely,


Stacy Dutton

Enclosures

cc: John Mooney, TDI, via email john.mooney@tdi.texas.gov
Michael Jones, Thompson Coe

PROPOSED PLAN LANGUAGE SECTION 36 A

Sec. 36. ADMINISTRATION

A. Governing Committee Composition

The Association is administered by a Manager and a Governing Committee consisting of fifteen members.

1. Eight members shall represent the interests of insurers. To be eligible to act as a representative of insurers, a person must be a full time employee of an authorized insurer. Representatives of the insurers shall be elected by the members of the Association as follows:
 - a. One insurer member shall be selected by each of the following trade associations:

American Property Casualty Insurance Association (APCIA)

Association of Fire & Casualty Companies in Texas (AFACT)

National Association of Mutual Insurance Companies (NAMIC)
 - b. One insurer member shall be selected to represent members of the Association which are not affiliated with any of these trade associations.
 - c. Four insurer members shall be elected to represent the membership at large.

Insurer members of the Governing Committee shall be selected to represent the trade associations and unaffiliated insurers as prescribed under Section 36.B. The four member insurers to serve at-large shall be elected by ballot of the members of the Association at the annual meeting.

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1. Eight members shall represent the interests of insurers. To be eligible to act as a representative of insurers, a person must be a full time employee of an authorized insurer. Representatives of the insurers shall be elected by the members of the Association as follows:

- a. One insurer member shall be selected by each of the following trade associations:

American Property Casualty Insurance Association (~~AIA~~APCIA)

Association of Fire & Casualty Companies in Texas (AFACT)

~~Property Casualty Insurers National~~
Association ~~of America (PCI)~~of Mutual
Insurance Companies (NAMIC)

- b. One insurer member shall be selected to represent members of the Association which are not affiliated with any of these trade associations.
- c. Four insurer members shall be elected to represent the membership at large.

Insurer members of the Governing Committee shall be selected to represent the trade associations and unaffiliated insurers as prescribed under Section 36.B. The four member insurers to serve at-large shall be elected by ballot of the members of the Association at the annual meeting.



317.875.5250 | [F] 317.879.8408
3601 Vincennes Road, Indianapolis, Indiana 46268

202.628.1558 | [F] 202.628.1601
20 F Street N.W., Suite 510 | Washington, D.C. 20001

February 28, 2019

Ms. Stacy Dutton
Association Manager
Texas Automobile Insurance Plan Association
805 Las Cimas Parkway
Building III, Suite 210
Austin, TX 78746-4400

Via email

Dear Ms. Dutton:

I am writing on behalf of the National Association of Mutual Insurance Companies (“NAMIC”) regarding changes being proposed to the composition of the Texas Automobile Insurance Plan Association (“TAIPA”) Governing Committee.

Earlier this year, the American Insurance Association (“AIA”) and the Property Casualty Insurers Association of America (“PCI”) merged to form the American Property Casualty Insurance Association (“APCIA”). Pursuant to Section 36 of the TAIPA Plan of Operations, AIA and PCI each are to select an insurer member of the TAIPA Governing Committee (See Section 36.A.1.a.).

It is our understanding that TAIPA is proposing to amend its Plan of Operation to allow APCIA to select one member insurer to the Governing Committee and to open the selection process to another trade association. We would like to formally request that NAMIC be considered as a new trade association that selects an insurer to the TAIPA Governing Committee.

NAMIC was incorporated in Indiana in 1920, but the history of the organization began in the mid-1890s. NAMIC is headquartered in Indianapolis, Indiana and has an office in Washington, D.C. For more than 120 years NAMIC has been serving in the best interests of mutual insurance companies – large and small – across the United States.

NAMIC has more than 1,400 member companies serving more than 170 million auto, home, and business policyholders. NAMIC member companies write \$253 billion in annual premiums, and have 54 percent of homeowners, 43 percent of automobile, and 35 percent of the business insurance markets. In Texas, NAMIC has 215 member companies doing business here, including 55 companies domiciled in the state. NAMIC members make up 35.13% of the total market share in Texas.



NAMIC would be proud to be named to select an insurer member to the TAIPA Governing Committee to fill the position vacated by the AIA and PCI merger. If you have any additional questions about NAMIC, please feel free to contact me at (512) 267-4817 or at pmartin@namic.org.

Thank you for your time and consideration of NAMIC for the TAIPA Governing Committee.

Sincerely,

Paul Martin
Regional Vice President
Southwest Region

CC: David T. Weber, Chairman – TAIPA Governing Committee, david.weber@hpfm.com