

No. 2019- 6147

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

Date: NOV 14 2019

**Subject Considered:**

Texas Automobile Insurance Plan Association  
*Texas Plan of Operation* Amendment Section 36.A.1.a

**General remarks and official action taken:**

The subject of this order is the approval of the Texas Automobile Insurance Plan Association's (TAIPA) *Texas Plan of Operation* Amendment.

**Background**

TAIPA's governing committee requested the Commissioner of Insurance approve proposed amendments to the *Texas Plan of Operation* under Petition Number A-0319-04.

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

1. On March 22, 2019, TAIPA's governing committee approved changes to the *Texas Plan of Operation*.
2. On March 29, 2019, TAIPA filed Petition Number A-0319-04 with TDI to request Commissioner approval to amend its *Texas Plan of Operation*.
3. On August 2, 2019, the *Texas Register* published notice of the proposed amendment (44 TexReg 4107).

4. The 30-day comment period ended on September 3, 2019. TDI received one comment from the National Association of Mutual Insurance Companies (NAMIC) in support of the proposed amendment.
5. The proposed amendment changes the membership of TAIPA's governing committee.
6. A manager and governing committee made up of 15 members administers TAIPA:
  - eight members who represent the interests of insurers, elected by the association members according to a method the members determine;
  - five public members, nominated by the Office of Public Insurance Counsel and selected by the Commissioner; and
  - two members who are general or personal lines property and casualty agents, as required by the plan of operation.
7. Eight of the 15 governing committee members, who represent insurer interests, are selected by specified association members:
  - TAIPA members elect four;
  - three named trade associations select three; and
  - one association member, who has no affiliation with the three named trade associations, selects one.
8. The three trade associations named in the current *Texas Plan of Operation* are:
  - American Insurance Association (AIA);
  - Property Casualty Insurers Association of America (PCI); and
  - Association of Fire & Casualty Companies in Texas.
9. AIA and PCI recently merged into one organization, the American Property Casualty Insurance Association. The amended *Texas Plan of Operation* reflects this merger.
10. The governing committee also named NAMIC as one of the three trade associations that can select a governing committee member, which is reflected in

the amended *Texas Plan of Operation*. NAMIC represents the interests of mutual insurers in Texas.

11. The amendment reflects these changes to Section 36.A.1.a in the *Texas Plan of Operation*:

## Sec. 36. ADMINISTRATION

### A. Governing Committee Composition

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

#### **Current Language:**

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 Insurance Association (AIA)

Association of Fire & Casualty Companies in Texas (AFACT)

Property Casualty Insurers Association of America (PCI)

#### **Adopted Language:**

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)

**Conclusions of Law**

1. The Commissioner has jurisdiction over this matter under Insurance Code Section 2151.151(b), which allows TAIPA's governing committee to amend its *Texas Plan of Operation* subject to the Commissioner's approval.
2. The amendments are consistent with the statutory mandate that the *Texas Plan of Operation* must provide for the efficient, economical, fair, and nondiscriminatory administration of TAIPA. Tex. Ins. Code § 2151.151(a)(1).

**Order**

It is ordered that the amendments to Section 36.A.1.a of the Texas Automobile Insurance Plan Association's *Texas Plan of Operation* as described above are approved, effective immediately.

Kent C. Sullivan  
Commissioner of Insurance

By: \_\_\_\_\_

  
Doug Slape  
Chief Deputy Commissioner  
Commissioner's Order No. 2018-5528

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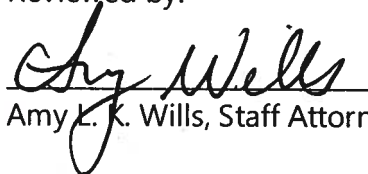
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Recommended by:



Mark Worman, Deputy Commissioner

Reviewed by:



Amy L. K. Wills, Staff Attorney