

**TAIPA**

**TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION**

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2012 APR 16 A 1:13

April 13, 2012

COMMISSION  
OF INSURANCE

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

RECEIVED  
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12 APR 16 PM 1:27  
A-0412-02

RE: Texas Automobile Insurance Plan Association Plan (TAIPA) Plan of Operation Amendment  
SECTION 15. PERFORMANCE STANDARDS FOR PRODUCERS WRITING ASSOCIATION PRIVATE  
PASSENGER ASSIGNMENTS and SECTION 33. PERFORMANCE STANDARDS FOR PRODUCERS  
WRITING OTHER THAN PRIVATE PASSENGER ASSIGNMENTS

Dear Commissioner Kitzman:

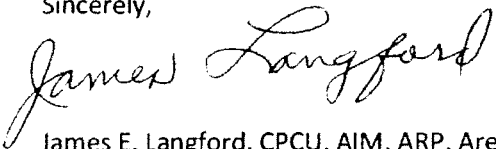
Under Chapter 2151 of the Insurance Code, the Governing Committee of the Texas Automobile Insurance Plan Association (TAIPA) has the responsibility for the administration of the Association through its Plan of Operation. The Governing Committee is empowered to adopt and amend the rules of the Plan of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

At its March 23, 2012 meeting, the Governing Committee approved amendments to Section 15 and Section 33 of the TAIPA Plan of Operation. These amendments were necessary to update the producer performance standard procedure to include a new violation for a producer who knowingly submits an application for an applicant who does not hold a valid Texas Driver's license and who was previously terminated or non-renewed for failure to obtain, or make a good faith effort to obtain a valid Texas Driver's license.

The changes to Section 15 and Section 33 are set forth in the attached pages.

Should you or your staff require further information regarding these amendments, please contact me at 512 531-7250 or e-mail me at [jlangford@taipa.org](mailto:jlangford@taipa.org).

Sincerely,



James E. Langford, CPCU, AIM, ARP, Are  
Interim Association Manager

Copy: Dick Geiger, Thompson, Coe, Cousins, and Irons  
Stacy Midkiff, TAIPA  
Nicole Morgan, TAIPA  
Joyce Boriack, TAIPA

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

Amend Sections 15 and 33 to read as follows:

**Sec. 15. PERFORMANCE STANDARDS FOR PRODUCERS WRITING ASSOCIATION**  
**PRIVATE PASSENGER ASSIGNMENTS**

**A. Performance Standards**

1. Original Applications

a. Original applications shall be fully completed and must include:

- (1) necessary information to rate and write the policy, prepare a bill, and make any required filings;
- (2) name, address and Texas license number of producer;
- (3) signature of applicant and producer; and
- (4) premium payment submitted gross with the application in accordance with Association rules. The premium payment or deposit shall be either by producer's check, applicant's check, certified check, cashier's check, premium finance company check, or money order, payable to the Texas Automobile Insurance Plan Association.

b. A producer may not charge an administrative or other service charge to an applicant for completion of an application for insurance under the Association.

c. A producer may not submit an application for assignment for a person who has no Texas Driver's License and who was previously assigned but whose policy was either terminated or non-renewed for failure to obtain or to make a good faith effort to obtain a Texas driver's license. This provision applies only if the producer submitted the application that resulted in the previous assignment

**Sec. 33. PERFORMANCE STANDARDS FOR PRODUCERS WRITING ASSOCIATION  
OTHER THAN PRIVATE PASSENGER ASSIGNMENTS**

**A. Performance Standards**

**1. Original Applications**

- a. Original applications shall be fully completed and must include:
- (1) necessary information to rate and write the policy, prepare a bill, and make any required filings;
  - (2) name, address and Texas license number of producer;
  - (3) signature of applicant and producer; and
  - (4) premium payment submitted gross with the application in accordance with Association rules. The premium payment or deposit shall be either by producer's check, applicant's check, certified check, cashier's check, premium finance company check, or money order, payable to the Texas Automobile Insurance Plan Association.
- b. A producer may not charge an administrative or other service charge to an applicant for insurance under the Association.
- c. A producer may not submit an application for assignment for a person who has no Texas Driver's License and who was previously assigned but whose policy was either terminated or non-renewed for failure to obtain or to make a good faith effort to obtain a Texas driver's license. This provision applies only if the producer submitted the application that resulted in the previous assignment