

No. 2020 - 6208

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

**Date:** JAN 21 2020

**Subject Considered:**

Texas Automobile Insurance Plan Association  
*Texas Plan of Operation* Amendment Section 50

**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* amendments.

**Background**

TAIPA's governing committee requested the Commissioner approve proposed amendments to the *Texas Plan of Operation* under Petition Number A-0819-09.

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

**Findings of Fact**

1. On August 16, 2019, TAIPA's governing committee approved changes to the *Texas Plan of Operation*.
2. On August 19, 2019, TAIPA filed Petition Number A-0819-09 with TDI to request Commissioner approval to amend its *Texas Plan of Operation*.
3. On November 15, 2019, notice of the proposed amendments was published in the *Texas Register* (44 TexReg 7079).

4. The 30-day comment period ended on December 16, 2019. TDI did not receive any comments.
5. The proposed amendments change Section 50 of the Plan, which addresses the Automobile Burglary and Theft Prevention Authority (ABTPA) pass-through fee.
6. The 86th Legislature, Regular Session (2019), passed Senate Bill 604 and House Bill 2048, which made changes to the ABTPA.
7. 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.
8. HB 2048 increases the ABTPA fee from \$2 to \$4 per motor vehicle year, effective on September 1, 2019.
9. The amendments reflect the following changes to Section 50 of the *Texas Plan of Operation*:

**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.

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

**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 Section 2151.151(a)(1).

**Order**

It is ordered that the amendments to Section 50 of the Texas Automobile Insurance Plan Association's *Texas Plan of Operation* as described above are approved, effective the date of this order.

Kent C. Sullivan  
Commissioner of Insurance

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

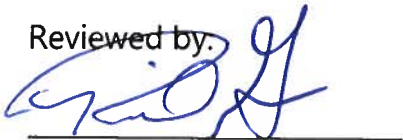
  
Doug Slape  
Chief Deputy Commissioner  
Commissioner's Order No. 2018-5528

Recommended by:



Mark Worman, Deputy Commissioner

Reviewed by:



Richard W. Gober, Staff Attorney