

No. **2023-7832**

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

**Date: 03/06/2023**

*Petition and Filing Numbers:*

Private Passenger and Commercial Automobile, A-0123-05; S707941 and S707945

**Subject considered:**

Rate Changes for Private Passenger Automobile Insurance  
and Commercial Automobile Insurance Provided through the  
Texas Automobile Insurance Plan Association (TAIPA)

**General remarks and official action taken:**

The subject of this order is TAIPA's rate filing with the Texas Department of Insurance (TDI) for private passenger and commercial automobile insurance, as required by Insurance Code Chapter 2151.

**Background**

TAIPA is a nonprofit corporate body composed of all insurers authorized by TDI to write automobile liability coverage. TAIPA provides for the assignment of automobile liability insurance for applicants who have been rejected by at least two Texas-authorized insurers. TAIPA must file rates to be charged for insurance provided through the association for approval by the commissioner. TAIPA may not file rates more than once in any 12-month period.

The commissioner adopts the following findings of fact and conclusions of law:

**Findings of Fact**

1. On January 3, 2023, TAIPA filed rates for private passenger automobile insurance and commercial automobile insurance.
2. TDI assigned filing number S707941 to the private passenger automobile filing.

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3. TDI assigned filing number S707945 to the commercial automobile filing.
4. TDI filed notice of the TAIPA rate filing with the secretary of state on January 6, 2023, and the notice appeared in the January 20, 2023, issue of the *Texas Register*, 48 TexReg 251. This notice provided information to the public about how to comment on the filing.
5. On January 6, 2023, in the public notice, the commissioner extended the approval period for TAIPA's filing for an additional 30 days to March 6, 2023.
6. Staff reviewed TAIPA's filing and presented for consideration its review of statistical plan data for automobile insurance written through TAIPA.
7. TDI did not receive any comments on the filing.

## Private Passenger Automobile Insurance Rates

8. In developing the proposed rate changes for private passenger automobile insurance, TAIPA relied primarily on three-year average claim cost trends derived from the Quarterly Detailed Experience Report of the Texas Private Passenger Auto Statistical Plan. TAIPA effectively assumed an annual frequency trend of 0%.
9. TAIPA requested the following changes to the base rates by coverage, with no changes to any territory or class rating factors. In addition, TAIPA requested to remove a \$1 charge from the uninsured motorists coverages.

Coverage	Percent Change
Bodily injury liability	5%
Property damage liability	5%
Personal injury protection	5%
Uninsured motorists bodily injury	5%
Uninsured motorists property damage	5%
Overall average	5%

## Commercial Automobile Insurance Rates

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10. In developing the proposed rate changes for commercial automobile insurance, TAIPA relied primarily on loss cost change and rate change data derived from TDI's Commercial Auto Biennial Report published December 2022.
11. TAIPA requested the following changes to the base rates by coverage, with no changes to any territory or class rating factors. In addition, TAIPA requested to remove a \$1 charge from the uninsured motorist coverages.

<b>Coverage</b>	<b>Percent Change</b>
Bodily injury liability	5%
Property damage liability	5%
Personal injury protection	5%
Uninsured motorists bodily injury	5%
Uninsured motorists property damage	5%
Overall average	5%

## Conclusions of Law

1. The commissioner has jurisdiction over this matter under Insurance Code § 2151.2022.
2. Insurance Code § 2151.201 requires that insurance rates filed by TAIPA must be:
  - a. just, reasonable, adequate, not excessive, not confiscatory, and not unfairly discriminatory for the risks to which the rates apply; and
  - b. sufficient to carry all claims to maturity and meet the expenses incurred in the writing and servicing of the business.
3. Notice of the filing was given as required by Insurance Code § 2151.204.
4. The statistical plan data for automobile insurance written through TAIPA was considered, as required by Insurance Code § 2151.203(c).
5. The proposed changes addressed in Findings of Fact Nos. 8–11 are consistent with the applicable requirements of the Insurance Code.

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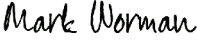
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## Order

It is ordered that the proposed rates in filings S707941 and S707945 are approved, to be effective June 1, 2023.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:  
  
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Mark Worman, Deputy Commissioner

DocuSigned by:  
  
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Jessica Barta, General Counsel