

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>

August 19, 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 50 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 enclosed change to TAIPA's Plan of Operation language was necessary due to House Bill 2048 and Senate Bill 604 passing and changing the name of the Automobile Burglary & Theft Prevention Authority to Motor Vehicle Crime Prevention Authority and changing the fee from \$2 to \$4.

Attached is the amended language to Section 50 of the Plan of Operation. This was approved by the Governing Committee on August 16, 2019 in accordance with the terms of the Plan of Operation. Also attached is a copy of the current language and the 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 50

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.

CURRENT PLAN LANGUAGE SECTION 50

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.

~~CURRENT~~PROPOSED PLAN LANGUAGE SECTION 50

Sec. 50. ~~AUTOMOBILE THEFT PREVENTION AUTHORITY PASS THROUGH FEE~~ MOTOR VEHICLE CRIME PREVENTION AUTHORITY 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.~~

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.