

**TAIPA**

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

James Langford, CPCU, AIM, ARP, ARe  
Interim Association Manager  
jlangford@taipa.org

THE ESCALADE, BLDG. A • 4301 WESTBANK DR., STE. 200 • AUSTIN, TX 78746-4400  
P.O. BOX 162890 • AUSTIN, TX 78716-2890  
TEL. 512/531-7250 • FAX 512/444-7368  
<http://www.taipa.org>

August 19, 2011

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

Re: TAIPA Plan of Operation Amendments-Section 50.  
Automobile Theft Prevention Authority Pass Through Fee

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 meeting of August 11, 2011, the Governing Committee approved amendments to Section 50 of the TAIPA Plan of Operation. These amendments were necessary in order to incorporate the requirements of House Bill 1541, to become effective September 1, 2011.

House Bill 1541 increases the fee each insurer must pay to the Automobile Burglary and Theft Prevention Authority from \$1 to \$2 per motor vehicle year. This bill amends Texas Civil Statutes, Article 4413(37).

The changes to the TAIPA Plan of Operation are set forth in the attached pages. The title of Section 50 is now shown as Automobile Burglary and Theft Prevention Authority Pass Through Fee. The amount of the fee has been changed from \$1 per motor vehicle year to \$2. We have deleted the effective date that the Automobile Theft Prevention Fund became effective on June 6, 1991, in the NOTICE found in both Section 50. B.1 and 50.B.2.

We trust this information will be sufficient for you to approve our requested amendments. Should additional information be required we will be happy to furnish it.

If you or your staff require further information regarding these amendments, please contact Susan Epperson at 512-531-7263 or e-mail to [sepperson@taipa.org](mailto:sepperson@taipa.org) or Joyce Boriack at 512-531-7261 or email to [jboriack@taipa.org](mailto:jboriack@taipa.org).

Sincerely,



James Langford, CPCU, AIM, ARP, ARe  
Interim Association Manager

A-0811-06  
AUG 19 AM 11:25  
ELEANOR KITZMAN  
COMMISSIONER

## TAIPA PLAN OF OPERATION AMENDMENTS

### Sec. 50. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY PASS THROUGH FEE

- A. Texas Civil Statutes, Article 4413(37), § 10. requires each insurer to pay a fee of \$4 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 ~~October 3, 1992~~ 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 \$4 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, ~~which became effective on June 6, 1994.~~

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 \$4 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, ~~which became effective on June 6, 1994.~~

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 \$4 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.

## AMENDED TAIPA PLAN OF OPERATION

### Sec. 50. AUTOMOBILE BURGLARY AND 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.