

A-0817-08A



TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

NICOLE MORGAN  
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<http://www.taipa.org>

April 6, 2018

Kimberly Donovan, Texas Department of Insurance  
Via email: [kimberly.donovan@tdi.texas.gov](mailto:kimberly.donovan@tdi.texas.gov)

**RE: Change to the Texas Automobile Insurance Plan Association (TAIPA) Plan of Operation**

On August 28, 2017, we made a filing to request changes to Section 14 of the TAIPA Plan of Operation to comply with Senate Bill 698, as enacted by the 2013 Texas Legislature and signed by the Governor, which amended Section 558.002 of the Insurance Code.

We would like to amend that filing to include these additional changes to Section 6 of the TAIPA Plan of Operation. The requested amendments to the Plan of Operation were approved by the TAIPA Governing Committee at their March 23, 2018 meeting.

We request approval to change Section 6 of the TAIPA Plan of Operation as follows:

**Current Language:**

SEC. 6 PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

C. Installment Premium Payment Option

4. **Return Premium—Changes** Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining from the return premium will be returned immediately. If any outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly. If the return amount is less than \$20 it may be treated as a separate transaction.

**Proposed Language:**

**Markup:**

SEC. 6 PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

C. Installment Premium Payment Option

4. **Return Premium—Changes** Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining from the return premium will be returned ~~immediately~~ in accordance with Chapter

558. Texas Insurance Code and the rules promulgated under that Chapter. If any outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly, unless the policyholder requests otherwise. If the return amount is less than \$20 it may be treated as a separate transaction, unless the policyholder requests otherwise.

**Amended:**

SEC. 6 PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

C. Installment Premium Payment Option

**4. Return Premium—Changes** Return premium resulting from changes to the policy may be used to reduce the outstanding balance, or, if the outstanding balance is eliminated, any amount remaining from the return premium will be returned in accordance with Chapter 558, Texas Insurance Code and the rules promulgated under that Chapter. If any outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly, unless the policyholder requests otherwise. If the return amount is less than \$20 it may be treated as a separate transaction, unless the policyholder requests otherwise.

Please contact me at [nmorgan@taipa.org](mailto:nmorgan@taipa.org) or 512-531-7257 if you have any questions.

Sincerely,

Nicole Morgan  
Manager of Operations/Financial Management

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nmorgan@taipa.org

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October 10, 2017

Kimberly Donovan, Texas Department of Insurance  
Via email: [kimberly.donovan@tdi.texas.gov](mailto:kimberly.donovan@tdi.texas.gov)

**RE: Change to the Texas Automobile Insurance Plan Association (TAIPA) Plan of Operation**

This correspondence serves as clarification to our initial filing made on August 28, 2017. The requested amendments to the Plan of Operation were approved by the TAIPA Governing Committee at their August 18, 2017 meeting.

Senate Bill 698, as enacted by the 2013 Texas Legislature and signed by the Governor, amended Section 558.002 of the Insurance Code to require... “(d) An insurer shall refund the appropriate portion of any unearned premium to the policyholder not later than the 15<sup>th</sup> business day after the effective date of cancellation or termination of a policy of personal automobile or residential property insurance, as those terms are defined by Section 2301.051.” The Texas Department of Insurance also issued additional guidance under 28 TAC §5.7015.

The Texas Automobile Insurance Plan Association (TAIPA) requests approval to change SECTION 14. PERFORMANCE STANDARDS FOR INSURERS WRITING ASSOCIATION PRIVATE PASSENGER BUSINESS of the TAIPA Plan of Operation as follows:

**Current Language:**

SEC. 14 PERFORMANCE STANDARDS FOR INSURERS WRITING ASSOCIATION PRIVATE PASSENGER BUSINESS

A. Performance Standards  
7. Return Premium

Within 30 days of receipt of a request for either cancellation or an endorsement resulting in return premium, the insurer must mail the return premium check.

**Proposed Language:**

SEC. 14 PERFORMANCE STANDARDS FOR INSURERS WRITING ASSOCIATION PRIVATE PASSENGER BUSINESS

A. Performance Standards  
7. Return Premium

The insurer must refund return premium in accordance with Chapter 558, Texas Insurance Code, and the rules promulgated under that Chapter.

Sincerely,

Nicole Morgan  
Manager of Operations/Financial Management

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August 28, 2017

Kimberly Donovan, Texas Department of Insurance  
Via email: [kimberly.donovan@tdi.texas.gov](mailto:kimberly.donovan@tdi.texas.gov)

**RE: Change to the Texas Automobile Insurance Plan Association (TAIPA) Plan of Operation**

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**Proposed Language:**

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Sincerely,

Nicole Morgan  
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