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# PRODUCER

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# GUIDE

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A Publication of the  
Texas Automobile Insurance Plan Association  
The Escalade Bldg A  
4301 Westbank Dr. Ste 200  
Austin, TX 78746-4400  
PO Box 149144, Austin, TX 78714-9144  
Telephone (512) 444-4441  
Voice Response 800-580-8247  
Email: [custsvc@taipa.org](mailto:custsvc@taipa.org)  
Web site address: [www.taipa.org](http://www.taipa.org)

Texas Automobile Insurance Plan Association (the “Association”) has prepared this guide to assist producers in preparing and submitting applications for coverage through the Association and for the purpose of obtaining optimal service for policyholders assigned through the Association. Its purpose is to reduce rating and procedural errors and to provide a means for better communication between the producer and the assigned insurer.

The Plan of Operation contains standards to be met both by producers and insurers. Producers should be familiar with these standards. Policyholders written through the Association are entitled to service equivalent at least to that provided to insured’s in the voluntary market.

The application is designed to evaluate the type of coverage an applicant is eligible to receive. The accuracy and completeness of the application facilitate the assignment procedure. Applications that do not meet the minimum standards of the Plan of Operation will be returned to the producer unassigned.

Most service problems can be resolved by contact with the assigned insurer. If such contact does not resolve the particular problem, the producer may contact the Association for assistance.

This guide will be updated periodically. It is designed as an aid for the producers; comments and suggestions for improvements are welcome. This guide has been prepared with care, but is not a replacement for the rules of the Plan of Operation or the Texas Automobile Insurance Plan Association Rules and Rating Manual. If there is a conflict between this guide and the Plan of Operation or the Texas Automobile Rules and Rating Manual, the provisions of those documents control. Producers must have in their office a copy of the TAIPA Plan of Operation as well as the Texas Automobile Insurance Plan Association Manual or access to such via the internet on the TAIPA website at [www.taipa.org](http://www.taipa.org)

Cathy Beavers  
Association Manager

# TAIPA History

The Texas Safety Responsibility Act, commonly known as the Financial Responsibility Law, was passed effective January 1, 1952. As the name implies, the law makes motor vehicle operators financially responsible for operating motor vehicles. Not all vehicle operators, however, are eligible to purchase insurance on the standard insurance market. With this in mind, the Safety Responsibility Act became the genesis for the Texas Motor Vehicle Assigned Risk Plan, now known as the Texas Automobile Insurance Plan Association.

The rules of operation were drafted by the insurance companies and approved by the State Board of Insurance in 1952. As originally drafted, they contained certain eligibility rules, which would deny insurance to a person having exceeded a certain number of convictions or accidents. In essence, this placed the insurance industry in the position of determining who could hold a valid license. In the first year of operation, the Governing Committee of the Texas Motor Vehicle Assigned Risk Plan and the State Board of Insurance recommended that, with the exception of possessing a valid license, all eligibility requirements be eliminated. That year 8,162 applications were processed.

Through the years adjustments to the original rules have contributed to the evolution of the organization. In 1968 the original name, Texas Motor Vehicle Assigned Risk Plan, was changed to Texas Automobile Insurance Plan. In 1970 the method of surcharging was changed to correspond with those in the voluntary market. In 1971 the method of applying surcharges was changed back to the method used prior to 1970. In 1984 a 22% differential was added to Private Passenger Premiums for assignments made through TAIP. In 1993 the benchmark rating system was implemented, and TAIPA rates were set at 28% above benchmark. A task force was formed to develop rules for the Texas Automobile Insurance Plan in order to comply with Article 21.81. In 1995 the Plan became a non-profit corporation, and the name was changed to Texas Automobile Insurance Plan Association.

Today, a fifteen-member committee consisting of eight companies, two producers, and five public members governs and determines the rules of the Association. The Commissioner of Insurance must approve rule changes. Member insurers provide for the cost of operation. All companies, except for some exempt county mutuals, licensed to write automobile liability insurance in Texas are required to participate in Texas Automobile Insurance Plan Association. Each company is required to accept a quota of randomly assigned applications based on its standard market writings. Assignments are made for a three-year period. Companies may cancel for non-payment of premium; however if an insured with a personal auto policy maintains a clean record for the three-year period, the company is required to offer the insured a voluntary policy at a rate less than that of TAIPA.

Legislation amending the Texas Safety Responsibility Act also resulted in changes to the Association. Effective January 1, 1982, House Bill 197 made automobile liability insurance compulsory for most motor vehicles. Again, in September 1991, House Bill 2 required proof of insurance in connection with renewing a drivers license, obtaining license plates, and vehicle inspection. These requirements caused an increase in application volume. The number of applications processed in 1982 jumped from the sluggish figures of the early years to 353,000. In 1993, 723,165 applications were processed. Application submission has dropped steadily since that time with only 47,454 applications processed in 2004 and 31,517 applications processed in 2005. Provisions in Chapter 643 of the Texas Transportation code have made some commercial and public vehicles are ineligible for assignment, thus decreasing application volume even further. At present, volumes of business through the Association vary depending on rates and market conditions, but may increase with new legislation proposed to become effective in 2007.

Despite change, growth and decline, the organization continues to maintain its original goal of providing a means by which liability insurance may be secured by Texas residents and equitably assigned to the insurers in Texas.

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# VENDORS

## APPLICATIONS, PERFORMANCE COMPLAINT FORMS, POLICY CHANGE FORMS

*Pre-printed* Applications for liability insurance **MUST** be purchased from the Texas Automobile Insurance Plan Association. You may also print blank forms from our website.

Producer Performance Complaint Forms, Performance Complaint Forms, Preprinted bar Coded Envelopes, and Policy Change forms may be purchased from:

**Insurance Council of Texas (formerly TIO)**  
PO Box 15  
Austin, TX 78767-0015

(Street Address)  
2801 S. IH-35  
Austin, TX 78741

Phone # 512-444-9611

Fax # 512-444-1155 Attn: Dianna Prinz or  
Michael McNelly ext 255

# TELEPHONE NUMBERS AND ADDRESSES

	<u>POST OFFICE BOX</u>	<u>PHYSICAL ADDRESS</u>
<b>TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION (TAIPA)</b>	PO Box 149144 Austin, TX 78714-9144	The Escalade, Bldg A 4301 Westbank Dr #200 Austin, TX 78746-4400

## TELEPHONE

Main	512-444-4441
Voice Response (assignment information)	1-800-580-8247
ESP (Electronic Binding)	1-800-377-8392
Email Address	<a href="mailto:custsvc@taipa.org">custsvc@taipa.org</a>
Web site address	<a href="http://www.taipa.org">http://www.taipa.org</a>
EASi (online binding)	<a href="#">TAIPA EASi System</a>
EASi Support (online binding)	1-888-424-0026

<b>TEXAS DEPARTMENT OF PUBLIC SAFETY (TXDPS)</b>	PO Box 4087 Austin, TX 78773	108 Denson Dr. Austin, TX 78773
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## TELEPHONE

Main	512-424-2000
Customer Service	512-424-2600
Web site address	<a href="http://www.txdps.state.us.tx">http://www.txdps.state.us.tx</a>

## DPS SATELLITE OFFICES FOR SR22 FILING

<b>AUSTIN</b>	108 Denson Dr. Austin, TX 78773	512-424-2085
<b>GARLAND</b>	350 West IH30 Garland, TX 75043-5998	214-861-2125
<b>HOUSTON</b>	12220 S Gessner Houston, TX	713-773-3334
<b>SAN ANTONIO</b>	6502 S. New Braunfels Ave	210-531-2241

<b>TEXAS DEPARTMENT OF INSURANCE (TDI)</b>	PO Box 149104 Austin, TX 78714-9104
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## TELEPHONE

Main Agency	512-463-6169 800-578-4677
Automobile Division	512-322-3471
Agent's/Company License	512-322-3503
Consumer Inquiries	800-252-3439
Web site Address	<a href="http://www.tdi.state.tx.us">http://www.tdi.state.tx.us</a>

<b>TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT)</b>	<u>TELEPHONE</u>
	Main <span style="float: right;">800-299-1700</span>
	Web site Address <span style="float: right;"><a href="http://www.dot.state.tx.us">http://www.dot.state.tx.us</a></span>

# VOICE RESPONSE UNIT

**1-800-580-8247**

The TAIPA Voice Response Unit is a means of electronic access to the Association's assignment files and is also a reference aid for the Texas Automobile Insurance Plan Association Rules and Rating Manual. By using the voice response unit producers and applicants may obtain information on application assignments. A valid Texas Driver license number is required. This VRU number is in operation 24 hours a day and is updated at the end of each workday. To speak to an Association staff member or customer service, you must call 512-444-4441 between the hours of 8:30 a.m. and 4:30 p.m. C.S.T., Monday through Friday.

Information that may be obtained through the voice response unit includes:

**DATES THROUGH WHICH APPLICATIONS HAVE BEEN PROCESSED.**

## **APPLICATION ASSIGNMENTS**

If the assignment has been made, the caller will be given the insurer name, the effective date of coverage, the assignment number, information concerning a Texas SR-22 filing (if applicable), and the date the application was processed.

## **RATING INFORMATION**

- Private Passenger
- Non-owner
- Motorcycle
- Additional Charges

## **GENERAL INFORMATION**

- Pay Plans
- Producer Commission
- Limits of Liability
- Eligibility
- Effective dates

# PRODUCER CERTIFICATION

Effective May 1, 1995, TAIPA requires all producers who submit applications to the Association to be certified by the Association's Governing Committee. This applies to all producers licensed to transact property and casualty insurance in Texas on behalf of their clients.

Applications and instructions for certification may be obtained from TAIPA's Plan Services Department at 512-444-4441 (Fax 512-444-7639), accessed on the TAIPA web site at [www.taipa.org](http://www.taipa.org) or write to:

TAIPA Producer Certification  
PO BOX 149144  
Austin, TX 79714-9144

# SECTION I

## MEMBERSHIP

(Excerpt, TAIPA Plan of Operation, Section 35 Association Membership pg A-1)

*The Texas Automobile Insurance Plan Association is created by Article 21.81 Insurance Code. As a condition of its authority to write motor vehicle liability insurance in this state, each authorized insurer as defined by statute shall be and remain a member of the Association as long as the Association is in existence.*

## PURPOSE OF THE ASSOCIATION

(Excerpt, TAIPA Plan of Operation, Section 1 pg P-1)

*The purposes of the Association are to:*

*A. provide a means by which automobile bodily injury and property damage liability, personal injury protection and uninsured/underinsured motorist coverage insurance may be assigned to an authorized insurer for persons required by the Texas Motor Vehicle Safety Responsibility Act (Chapter 601, Texas Transportation Code) to show proof of financial responsibility for the future, following the procedures contained in this Plan of Operation;*

*B. establish an efficient, economical procedure for the equitable, nondiscriminatory assignment of risks to authorized insurers; and,*

*C. provide for the efficient, economical, fair and nondiscriminatory administration of the Association.*

*The Association has the powers granted to non-profit corporations under the Texas Non-Profit Corporation Act.*

## ELIGIBILITY

The Association and assigned insurers shall determine eligibility of applications to the Association as provided in this section.

(Excerpt, TAIPA Plan of Operation, Section 2 pg P-1)

*A. Applicant Eligible for the Association*

*Eligibility of applicants to the Association will be determined as provided in this Section.*

*1. An applicant is eligible for assignment if the following requirements are met:*

- a. The applicant is required by the Texas Motor Vehicle Safety-Responsibility Act (Chapter 601, Texas Transportation Code) to show proof of financial responsibility for the future.*
- b. The applicant and the producer must certify as part of the application that within 60 days prior to the date of application, the applicant has been rejected for automobile insurance by at least two insurers licensed to do business in this state and actually writing automobile liability insurance in this state, including insurers that are not rate regulated.*
- c. Non-residents of Texas are not eligible unless their motor vehicles are registered or will be registered in the state within 15 days. Non-residents who are members of the United States military forces are eligible with respect to motor vehicles registered in other states provided such military non-residents are stationed in this state at the time the application is made and are otherwise eligible for insurance under the Plan of Operation.*

2. *An applicant who meets the preceding eligibility requirements for assignment is eligible even though the applicant:*
  - a. *has been offered insurance by an insurer;*
  - b. *has obtained physical damage coverage through another insurer;*
  - c. *has been denied coverage by only one company group if that company group has more than one company licensed to do business in this state and actually writing automobile insurance in this state: or*
  - d. *has been offered coverage by a company in a company group if that company group has two additional companies licensed to do business in this state and actually writing automobile insurance in this state whose rates for the applicant would be less than the rates in the company offering coverage*

*An applicant who is otherwise eligible is not entitled to assignment, nor is an insurer required to afford or continue coverage if any person who usually drives the motor vehicle does not hold or is not eligible to obtain a driver license (other than for lack of insurance) or fails to obtain such license as required by law. Any applicant or insured denied previously for a lack of a valid driver license may reapply when a license has been obtained or a good faith attempt is being made to obtain a driver license.*

**B. Risks Eligible for Assignment**

*The following risks shall be assigned to an insurer:*

1. *Private Passenger vehicles*
2. *Motor homes (self propelled)*
3. *Dune buggies*
4. *Miscellaneous personal vehicles, individual owned and not used in business, including the following types that are registered under Chapter 601 Texas Transportation Code:*
  - a. *Campers and travel trailers*
  - b. *All-terrain vehicles*
  - c. *Antique autos*
  - d. *Golf carts*
  - e. *Motorcycles, mopeds, motorscooters, motorbikes, go-carts and other similar vehicles*
5. *Named nonowner applicants*

**C. Applicant not eligible for the Association**

*An applicant who is otherwise eligible is not entitled to assignment, nor is an insurer required to afford or continue coverage if any person who usually drives the motor vehicle does not hold or is not eligible to obtain a drivers license (other than for lack of insurance) or fails to obtain such license as required by law. An applicant or insured denied previously for a lack of a valid drivers license may reapply when a license has been obtained or a good faith attempt is being made to obtain a drivers license.*

*An application is not eligible for assignment if the coverage is sought for the purpose of showing proof of financial responsibility required by any status or ordinance other than Chapter 601, Texas Transportation Code.*

**D. Renewals**

*An insured who fails to pay the renewal premium quoted by the assigned insurer in accordance with the provisions of Section 14.A.4 of this Plan of Operation, may re-apply for assignment if the applicant is otherwise eligible and the application is accompanied by the deposit prescribed in Section 6.*

**E. Re-Application to the Association**

*Any Re-application to the Association shall be considered a new application and the applicant shall be assigned to an insurer in accordance with the provision of Section 41.*

## **ASSIGNMENT PERIOD**

**(Excerpt, TAIPA Plan of Operation Section 9. Three-Year Assignment Period P-5)**

*An applicant shall be assigned to a designated insurer for a period of three consecutive years, at which time proper notice of non-renewal shall be mailed. If an insured is unable to obtain insurance at the end of the three-year period, re-application for insurance may be made to the Association. Such re-application shall be considered as a new application.*

*In the case of non-resident military personnel, as described under Section 3.A.3 of the Plan of Operation, the insurer is not required to renew, if at the time of renewal the insured is stationed in another state in which the insurer is not authorized to do business or if the insured is stationed in another state and the automobile is not registered in Texas.*

## TAKE-OUT PLANS

(Excerpt, TAIPA Plan of Operation, Section 10 Take-Out pg P-6)

*This Section is applicable to private passenger classed vehicles written on a Texas Personal Auto Policy form.*

### A. Mandatory Offer to Write

#### 1. Eligibility

*An insured is eligible for mandatory take-out if, during the three successive years prior to the end of the three-year assignment period, the named insured and all other persons who usually operate the vehicle:*

- a. have been licensed to operate an automobile for at least three consecutive years, and*
- b. have not been involved in an accident or convicted of a traffic violation for which premium surcharges are imposed in accordance with Rule 42 of the Texas Automobile Rules and Rating Manual.*

#### 2. Offer to Write

- a. The assigned insurer or any authorized insurer within the group under the same ownership and management as the assigned insurer shall offer to write the coverage previously afforded by the assigned policy for a period of one year.*
- b. The coverages and limits of liability to be offered for such insurers shall not be less than those afforded by the assigned policy. The rates offered shall be below those in effect for the Association at the time the new policy becomes effective. The offer to write may include any other coverages offered by the assigned insurer on a voluntary basis.*
- c. The offer to insure may require the payment of a membership fee, as long as the membership fee is a uniform requirement of the insurer as a condition of providing insurance, is applied uniformly throughout the state and the total of the premium and membership fee is below the premium, which would be charged for the equivalent coverages at rates in effect for the Association at the time the new policy becomes effective. The offer to insure may not require any other membership qualifications.*

#### 3. Notification

- a. On a prescribed form, the assigned insurer shall provide the insured with a notice of intent to offer coverage at expiration of the assigned policy. A copy of the notice shall be simultaneously provided to the producer of record. The offer to write must be mailed to the insured at least 30 days prior to the expiration of the assigned policy.*
- b. The prescribed form will be adopted and amended by the Governing Committee. The prescribed form and any changes are to be filed with the Commissioner of Insurance prior to use. The Commissioner of Insurance may disapprove the use of the form if it contains a prohibited mandatory take-out eligibility standard.*

#### 4. Insurer Obligation

- a. If the insured does not accept the offer, the assigned insurer has no further obligation to the insured or to the producer of record.*
- b. If the offer is accepted, the insurer is required to issue a voluntary policy for coverage for a period of one year. The insurer may, at its option, offer to service the voluntary policy through the producer of record.*

## **B. Voluntary Offer to Write**

### **1. Eligibility**

*An insured is eligible for voluntary take-out if the insured has been insured through the Association for at least one year immediately preceding the issuance of the voluntary policy.*

### **2. Offer to Write**

*a. The coverage and limits of liability to be offered for such voluntary policies shall not be less than those afforded by the assigned policy. The rates offered shall be below those in effect for the Association at the time the new policy becomes effective. The offer to write may include any other coverages offered by the insurer on a voluntary basis.*

*b. The offer to insure may require the payment of a membership fee, as long as the membership fee is a uniform requirement of the insurer as a condition of providing insurance, is applied uniformly throughout the state and the total of the premium and membership fee is below the premium which would be charged for the equivalent coverages at rates in effect for the Association at the time the new policy becomes effective. The offer to insure may not require any other membership qualification.*

### **3. Notification**

*The assigned or other insurer shall provide the insured with notice of intent to offer coverage.*

*A copy of the notice shall be simultaneously provided to the producer of record.*

### **4. Insurer Obligations**

*a. If the insured does not accept the offer, the offering insurer has no further obligation to the insured or the producer of record, unless the offering insurer is also the assigned insurer.*

*b. If the offer is accepted, the offering insurer is required to issue a policy for a period of one year. The offering insurer may, at its options, offer to service the voluntary policy through the producer of record. If the offering insurer issues a replacement voluntary policy, the assigned insurer has no further obligation to the insured or the producer of record, unless the assigned insurer is also the offering insurer.*

## **C. Right of Insured to Reapply to Association**

*This Section does not render the insured ineligible for coverage through the Association. The insured has the option to continue the policy with the assigned insurer, unless the three-year assignment period has expired. In that case, the insured may reapply for assignment.*

## **D. Failure to Comply with the Provisions of this Section**

*If the Governing Committee finds that any insurer without good cause is not complying with the provisions of this Section, it shall notify the Commissioner of Insurance.*

## **E. Reporting Take-Out Credits**

*Refer to administrative Provisions Section 45 for the procedures outlining insurer reporting of all take-out credits*

## **ELECTRONIC SUBMISSION PROCEDURE (ESP)**

The **E**lectronic **S**ubmission **P**rocedure (ESP) permits certified producers to obtain immediate coverage for losses on new business applications by making a telephone call to the Association's ESP telephone line. The ESP sets the effective date and time of coverage and is available for both private passenger and commercial risks. No more than five vehicles may be bound under one reference number. The producer will issue one (1) TAIPA Binder Form for each ESP reference number.

The application for insurance must be completed and premium payment collected prior to making an ESP call. The completed application with original signatures, a copy of the application, premium payment, and the company's copy of the Binder Form must be mailed to the Association within one (1) working day of the ESP telephone call. For information on the ESP, please see the ESP guide.

## **THE ESP RETRACTION FORM**

This form must be used to retract or void an ESP transmittal. The form may only be used if the application is **NOT MAILED TO TAIPA**. Once the application is mailed to TAIPA, it cannot be retracted. It will be processed and assigned to an insurer. Corrections and/or cancellations will be made through written communication with the assigned insurer. A copy of the ESP Retraction form may be found in Section IX, Supplements or on our website at [www.taipa.org](http://www.taipa.org).

## **ELECTRONIC APPLICATION SUBMISSION INTERFACE PROCEDURE (EASi)**

The Electronic Application Submission interface (EASi) permits certified producers to obtain immediate coverage for losses on new business through our web site. EASi sets the effective time and date of coverage and is available for both private passenger and commercial risks. No more than five vehicles may be bound under one submission to EASi and each EASi submission is provided with its own unique EASi reference number.

The EASi application is completed on line at which time premium payment is collected by the producer in the form of a check or money order. The completed application is submitted to EASi on line. EASi will return the bound application showing the name of the insured, time and date of the submission and the EASi reference number. EASi will also return a completed binder form for delivery to the insured. The completed application, with original signatures and premium payment must be mailed to the Association within one (1) working day of the submission.

### **THE EASi RETRACTION FORM**

This form must be used to retract or void an EASi application that has been submitted and bound. A retraction form will be required anytime the insured no longer requires the coverage, the producer has made an error on the application, or has submitted the same application more than once.

The form must be mailed no later than one (1) working day following the binding of the EASi application. A copy of the voided application and the binder form must accompany the retraction form. Once the application is mailed to TAIPA, it cannot be retracted. A copy of the EASi Retraction Form may be found in this guide, or on our web site.



# SECTION II

## APPLICATION DESCRIPTION

(other than for EASi)

Be certain all applicable questions are answered fully.

The TAIPA 1000 application will be used for one or two personal vehicles, with the TAIPA 1000A Supplemental Application used for information on vehicles three, four, and five.

The TAIPA 1001 application will be used for commercial liability. The commercial application contains spaces for five vehicles.

Applications returned to the producer for missing information should be corrected and returned to the Association within 20 working days. Applications that are not corrected and returned will risk policy cancellation. In addition, the producer will receive deficiency points and may be brought before the Producer Review Panel.

**All applications for insurance are randomly assigned**

## COMPLETING THE APPLICATION

All non EASi applications, must be received in duplicate

### ITEM 1 PRODUCER INFORMATION

The producer's name/affiliation name  
Address/Telephone number  
TDI ID number/Tax ID or SS number  
ESP Reference number (if application is bound through the Electronic Submission Procedure ESP)

### ITEM 2 APPLICANT INFORMATION

The application is to be submitted in the name of the registered owner(s) of the vehicles. The applicant's full name and address must be shown.

NOTE: An SR-22 may be issued for the registered owner (applicant or spouse) of the vehicle or joint applicant as provided for under Rule 10 of the Texas Automobile Insurance Plan Association Manual. An SR-22 for anyone other than the applicant or spouse will require a Non-owner policy in the name of that person (Refer to Named Non-Owner section of this guide).

- The applicant's/joint applicant's full name and address must be shown in Item 2.
- The applicant's residency and state in which the vehicle is registered will determine eligibility.
- If the insured is military, give the name of the base and state where the insured is stationed.
- Employer's Name

**APPLICATION FOR PRIVATE PASSENGER AUTOMOBILE LIABILITY INSURANCE – TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION**  
P.O. Box 149144, Austin, Texas 78714-9144 • 4301 Westbank Dr., Suite 200, The Escalade Building A, Austin, Texas 78746-4400  
1-800-590-TAIP (8247) • 512/444-4441 Page 1 of 4

APPLICATION MUST BE COMPLETED AND SUBMITTED IN DUPLICATE

1. PRODUCER: ESP REF. NO. TPA/SSA No. Co. Use Only Policy No.

2. APPLICANT: Last, First, Middle, Mailing Address, Apt. No., City, State, Zip Code, County of Residence, Telephone (incl. Area Code) ( ), Residence Address (if different from Mailing Address), Apt. No., City, State, Zip Code, Is applicant a member of TAIPA? ( ) Yes ( ) No

3. COMPLETE FOR ALL OPERATORS AND RESIDENTS: Applicant and Other Operators (14 Years of Age and Over), Relationship to Applicant, Principal Operator, Veh. No., Birth Date, Sex, M-F, Driver's License No. or Permit Number (With License), License/Class, State, Employer/Occupation, APPLICANT, APPLICANT, SPOUSE, SPOUSE

4. OWNED VEHICLE: Veh. 1, Veh. 2, Vehicle Identification Number, Make, Model, Year, Color, Body Style, License Plate No., State, Use (Business, Farm, Pleasure, Work/School, One Way), Mileage, Estimated Annual Mileage, Garage County Name (if not Garage in County of Residence), Garage Zip (if not Garage in County of Residence)

5. NON-OWNED VEHICLE: A. How many vehicles are in your household? B. Will the business duties of you or your spouse involve the use of a motor vehicle, other than driving to or from work? C. Name of the insurance company providing the coverage

6. COVERAGE: LIMITS OF LIABILITY: Bodily Injury (\$20,000 EACH PERSON, \$40,000 EACH ACCIDENT), Property Damage (\$10,000), PERSONAL INJURY PROTECTION COVERAGE (Level of \$2,500 – Article 5.063 Insurance Code), UNINSURED/UNDERINSURED MOTORIST COVERAGE (Article 5.011 Insurance Code), ANY EXISTING DAMAGE?, EXPLAIN IN REMARKS

7. FINING: Is applicant or spouse required to file or maintain proof of financial responsibility (SR22) with any state? ( ) YES ( ) NO, State requiring SR22, Date of conviction, End of filing period, TDPS Filing No., (a) List state and date requiring such filing and limits of liability required, (b) Local Ordinance? ( ) YES ( ) NO, State (a) Type of filing

8. PAYMENT: ( ) Payment Installment Option, ( ) Advance Premium Payment, ( ) Full Annual Premium, ( ) Premium Finance Co. – Signed P.O.A. Agreement must accompany application, Gross Annual Premium, Required Down Payment, Annual Thrift Fee, Amount Substantiated, Check/Money Order No. payable to TAIPA

Form 1000 (04/05)

### ITEM 3 OPERATOR INFORMATION

**ITEM #3**  
**The applicant may indicate that he/she is applying for a license if no current, valid license is in force.**

A driver license number and date of birth must be given for each listed operator. If there is no valid driver license in force, a statement of intent to acquire a license must accompany the application.

**Note:** Exclusion of the named insured is the option of the assigned company

### ITEM 4 VEHICLE INFORMATION

An insurer cannot be required to insure more than five (5) vehicles for any one risk. If more vehicles are involved, a separate set of applications with separate premium checks must be submitted for each five (5) vehicles.

APPLICATION FOR PRIVATE PASSENGER AUTOMOBILE LIABILITY INSURANCE - TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION  
 P.O. Box 149144, Austin, Texas 78714-9144 • 4301 Westbank Dr., Suite 200, The Escalade Building A, Austin, Texas 78746-4400  
 1-800-550-TAIP (8247) • 512-444-4441 Page 3 of 4

APPLICATION MUST BE COMPLETED AND SUBMITTED IN DUPLICATE

1. PRODUCER: ESP-REF No. Co. Use Only Policy No.

2. APPLICANT: TDI ID / License No. TNSIS

3. OPERATOR INFORMATION: Last, First, Middle, Mailing Address, Apt. No., City, State, Zip Code, County of Residence, Telephone (Ind. Area Code), Residence Address (if different from Mailing Address), Apt. No., City, State, Zip Code. Is applicant a resident of Texas? (Yes/No)

COMPLETE FOR ALL OPERATORS AND RESIDENTS: Applied For Other Drivers, Exclusions, Principal Veh. No., Birth Date, Sex, M/F, Driver's License No. or Permit Number, If Not Licensed, Explain In 30 Days, State, Employer/Occupation

4. VEHICULAR INFORMATION: Vehicle Identification Number, Year, Make, Model Name/Body Style/CC for Motorcycle, Rate Class, Use (Business/Farm/Miles to Work/School/Other/Annual Mileage), Garage County Name (if not County of Residence), State Reg. In, License Plate #, Territory, State Reg. In, Vehicle Registered to, License Plate #

5. INFORMATION POLICY: A. How many vehicles are in your household? B. Will the business duties of you or your spouse involve the use of a motor vehicle, other than driving to or from work? C. Named Non-Owner classification

6. COVERAGES: LIMITS OF LIABILITY (Bodily Injury, Property Damage), PERSONAL INJURY PROTECTION COVERAGE, UNINSURED MOTORIST COVERAGE, IF APPLICANT HAS REJECTED ANY OF THE COVERAGES OFFERED ABOVE, THEY MAY BE ADDED AT ANY TIME BY MAKING WRITTEN REQUEST AND PAYING THE SPECIFIED PREMIUM.

7. FEELINGS: Is applicant or spouse required to file or maintain proof of financial responsibility (SR22) with any state? State requiring SR22, Date of conviction, Give reason for suspension or regained filing, State requiring SR22, End of filing period, DIPS File No., Is any other filing required to comply with (a) Any state? (b) Local Ordinance? If YES, state (a) type of filing (b) List states and cities requiring such filings and limits of liability required.

8. PAYMENT: Payment Installation Option, Advance Premium Payment, Full Annual Premium, Premium Finance Co. - Signed P.O.A. Agreement must accompany application. Gross Annual Premium, Required Down Payment, Amt. That Fee, Amount Submitted, Check/Money Order No. payable to TAIPA

(09/05/09/05/05) Applications insuring more than two vehicles and/or more than three drivers, complete Supplemental Application for Private Passenger Auto Liability Insurance

### Private Passenger (TAIPA 1000 09/05)

### Commercial Applications (TAIPA 1001 09/05)

Give a full description of the vehicle(s) to be insured. The following information **must** be included:

**Failure to fully complete any Item or to correct any deficiencies may result in cancellation of the assignment.**

- Year, Make and Model
- Vehicle Identification Number
- State of Registration
- License Plate Number
- Registered Owner
- County of Garaging (Zip code must be included).
- Information regarding the use of the vehicle
- Give the estimated annual mileage of each vehicle.
- Include miles to and from work or school
- Rate Class

- Gross Vehicle Weight (GVW)
- Gross Combined Weight (GCW) Truck-Tractor only.
- Size (Light, Medium, Heavy, or Extra Heavy).
- Purpose of Use
- Radius of Use
- Seating Capacity (if public vehicle).
- Final, six-digit Rating Classification (if Public vehicle, or Special Types, use 4 digits).
- A complete description of use.
- License Plate number

**PLEASE NOTE IF THE TITLED OWNER OF THE VEHICLE IS TO BE TRANSFERRED IN THE REMARKS SECTION OF THE APPLICATION.**



## ITEM 7 FILINGS

(Item 6 Commercial Application)

An SR-22 form is proof of liability insurance in the limits Required by the Financial Responsibility Law of the state requiring the filing. The Texas Department of Public Safety requests a person to file on all owned vehicles. Individuals cited for certain convictions and accidents may be required to furnish such proof to the state.

## SR-22 Filing

If form SR-22 is required, answer “yes” to Item 7 and give complete applicant information. If the applicant is eligible for assignment through the Association and the applicant, joint applicant, or spouse requires proof of financial responsibility for the future (SR-22), the Association, on behalf of the designed insurer, will issue the certificate required by the State of Texas.

APPLICATION MUST BE COMPLETED AND SUBMITTED IN DUPLICATE

ESP REF. NO. \_\_\_\_\_

1. PRODUCER TDI ID (License No. \_\_\_\_\_) FVRS \_\_\_\_\_ Co. Use Only Policy No. \_\_\_\_\_

2. APPLICANT Last First Middle Mailing Address Apt. No. \_\_\_\_\_  
 City State Zip Code County of Residence Telephone (Ind. Area Code) \_\_\_\_\_  
 Residence Address (if different from Mailing Address) Apt. No. City State Zip Code \_\_\_\_\_ Is applicant a resident of Texas?  Yes  No

3. COMPLETE FOR ALL OPERATORS AND RESIDENTS  
 Applicant and Other Residents:  Yes  No  
 APPLICANT:  Yes  No  
 SPOUSE:  Yes  No

4. OWNED VEHICLE  
 Make Year Make Year Make Year Make Year Make Year Make Year  
 Model Name/Body Style/CC for Motorcycle (State Code) Model Name/Body Style/CC for Motorcycle (State Code)  
 Vehicle Identification Number Vehicle Identification Number  
 Use:  Business  Farm  Pleasure  Work/School  One Way Use:  Business  Farm  Pleasure  Work/School  One Way  
 Ent. Annual Mileage Ent. Annual Mileage  
 Licensing County Name (not County of Residence) Licensing County Name (not County of Residence)

5. LIMITS OF LIABILITY  
 Bodily Injury \$20,000 EACH PERSON \$40,000 EACH ACCIDENT  
 Property Damage \$10,000  
 PERSONAL INJURY PROTECTION COVERAGE – Limit of \$2,500 – (Article 5.06-3 Insurance Code)  
 ACCEPT Personal Injury Protection on the vehicle(s) described in this application and on each  REJECT Personal Injury Protection on the vehicle(s) described in this application and on each  REJECT  
 UNINSURED/UNDERINSURED MOTORIST COVERAGE – Article 5.06-1 Insurance Code  
 ACCEPT Bodily Injury and Property Damage Uninsured/Underinsured Motorist Coverage on  YES  NO  WA# \_\_\_\_\_  
 REJECT This application and on each renewal thereafter.  NO  WA# \_\_\_\_\_  
 ACCEPT Bodily Injury Uninsured/Underinsured Motorist Coverage ONLY and REJECT Property Damage Uninsured/Underinsured Motorist Coverage on this application and on each renewal thereafter.  YES  NO  WA# \_\_\_\_\_

6. PAYMENT  
 Payment Installment Option  
 Advance Premium Payment  
 Full Annual Premium  
 Premium Finance Co. – Signed P.O.A. Agreement must accompany application

7. FINING  
 Is applicant  or spouse  required to file or maintain proof of financial responsibility (SR22) with any state?  YES  NO  YES: give the following information in full:  
 Name: \_\_\_\_\_ One reason for suspension or required filing: \_\_\_\_\_  
 State requiring SR22: \_\_\_\_\_ Date of conviction: \_\_\_\_\_ End of filing period: \_\_\_\_\_ TDPS File No. \_\_\_\_\_  
 Is any other filing required to comply with (a) Any state? \_\_\_\_\_ (b) Local Ordinance? \_\_\_\_\_ If YES: state (a) Type of filing: \_\_\_\_\_  
 (b) List states and cities requiring such filing and limits of liability required: \_\_\_\_\_

8. PREMIUM  
 Gross Annual Premium \$ \_\_\_\_\_  
 Required Down payment \$ \_\_\_\_\_  
 Arch Trust Fee \$ \_\_\_\_\_  
 Annual Subsequent \$ \_\_\_\_\_  
 Check/Money Order No. payable to TAIPA \_\_\_\_\_

9. APPLICATIONS INSURING MORE THAN TWO VEHICLES AND/OR MORE THAN THREE DRIVERS, COMPLETE SUPPLEMENTAL APPLICATION TO PRIVATE PASSENGER AUTOMOBILE LIABILITY INSURANCE

A \$20 premium charge (Rule 10) will be added to the policy premium for each insured for whom the certificate is filed. Allow ample time for processing by both TAIPA and the Texas Department of Public Safety. **If an SR-22A is requested, both the SR-22 and SR-22A will be issued by the insurer.**

**NOTE: An SR-22 will be issued only for the applicant, joint applicant, or spouse. Other members of the household or employees requiring an SR-22 will be required to submit an application in their name or apply for a Named Non-Owner policy (if no vehicle is owned).**

If the **applicant, joint applicant, or spouse**, require a Texas SR-22, and it is designated on the original application, the SR-22 will be issued by the Association. Item 7 of the application must be completed in full. The date of birth of the person requiring the filing is listed on the “semi all inclusive” Texas SR-22 and must be provided on the application.

**The Association will issue only one copy of the Texas SR-22**

THE SR-22 MAY BE FILED IN ONE OF FOUR WAYS:

1. Upon completion of the Association assignment procedure, the Texas SR-22 form will be mailed to the producer. It then becomes the responsibility of the insured to file it with the Texas Department of Public Safety along with any fees required by that office.
2. If the producer encloses a separate check in the amount of the applicable fee (payable to Texas Department of Public Safety) when the application is submitted to the Association, the SR-22 form and the fee will be automatically sent to the T.D.P.S. when an assignment is made. **THIS ONLY APPLIES IF A SEPARATE CHECK FOR THE FEE IS INCLUDED.**
3. If the filing of a new SR-22 does not require a filing fee, please note this on the application by stating “NO FEE” in Item 7. The Association will file the SR-22 directly with the Texas Department of Public Safety.
4. When an out of state SR-22 is required, the Association will assign the application to an insurer writing in the state requiring the SR-22 filing. The assigned insurer will be responsible for issuing the required state form.

**Remember: the premium charge of \$20.00 is separate from the DPS filing fee and should be included in the premium amount**



## **Premium Finance Company**

The full annual premium is required in the form of a premium finance company check. A signed Power of Attorney agreement must accompany the application. NOTE: THE PREMIUM FINANCE DISCLOSURE FORM MUST BE FILED WITH THE FINANCE COMPANY, NOT TAIPA.

### **(Excerpt TAIPA Plan of Operation, Section 6. D)**

#### **D. Deposit, Installment or Additional Premium Payments Applicable to A, B, OR C, above**

*All deposit premiums, installments and additional premium payments shall be submitted in full, Without reduction for producer's compensation. Compensation will be paid in accordance with Section 13. Payment shall be made by one instrument.*

## **PAYMENT**

The gross annual down payment should be made payable to the Texas Automobile Insurance Plan Association. Employers and parents check are not acceptable. Refer to Section 6.E TAIPA Plan of Operation, Dishonored Producer and Finance Company checks.

## **PRODUCER COMPENSATION**

NOTE: Only certified producers will be eligible to collect compensation on applications submitted to the Association.

### **(Excerpt TAIPA Plan of Operations Section 14.A.9)**

*Within 40 days of receipt of the gross premium, the insurer must issue the proper compensation check unless the producer fails to provide his/her proper identification number.*

### **(Excerpt TAIPA Plan of Operation, Section 13.A & B)**

*Compensation shall be paid to the licensed producer designated by the insured in the application as follows:*

- A. 10% of the policy premium.*
- B. Compensation is to be paid by the insurer on the full annual premium*
- C. A producer accounting system may be utilized by an insurer in its payment of producer compensation.*
- D. Compensation will not be paid on installment charges*
- E. In the Event of cancellation or a policy change involving return or additional premium, compensation will be adjusted directly with the producer. The producer is to refund unearned compensation within 40 days from policy adjustment or cancellation. The insurer shall pay the additional compensation on policy changes within 40 days of the effective date of the endorsement.*
- F. Should the producer fail to provide his or her tax identification number, the insurer may defer payment of compensation until the proper identification is provided.*

### **(Excerpt TAIPA Plan of Operation, Section 31)**

- A. Compensation shall be paid to the licensed producer designated by the insured in the application as follows:*
  - 1. For motor vehicles of the truck type operating beyond a radius of 200 miles from the limits of the city or town of principal garaging and public passenger carrying vehicles, 5% of the policy premium.*
  - 2. For other classes of risks, 10% of the policy premium.*
  - 3. Compensation is paid by the insurer on the full annual premium.*

## ITEM 9 (Item 8 Commercial Application)

### PRIOR INSURANCE

Complete information on any prior insurance within the past thirty days must be shown. If no prior coverage is applicable, state "none". Show name of company insuring other vehicles in the household.

#### (Excerpt TAIPA Plan of Operation, Section 7.A.4)

*If the applicant does not desire coverage until a later date, not to exceed 30 days from the date of application, or in the event there is in force a policy terminating at a date later than the date which would be fixed per this Section, the applicant shall indicate such date in the application and the Association shall fix the date when the coverage becomes effective at 12:01A.M. on the desired date of coverage.*

## ITEM 10 & 11 (Items 9 & 10 Commercial Application)

### ADDITIONAL CHARGES RULE 9

All accidents and convictions involving owner or operator must be listed. If an exception applies to accidents, the applicable exception number should be shown. Exceptions are listed in Item 9 of the application.

The additional charges for accidents and convictions on policies assigned through the Association are found under Rule 9, of the Texas Automobile Insurance Plan Association Rules and Rating Manual. Companies are required to charge for all convictions, except those four specifically excluded in Rule 9.D. Accidents are chargeable as long as there was Bodily Injury or Property Damages to others, unless one of the five exceptions in Rule 9.D.1 apply.

#### ADDITIONAL CHARGES APPLY TO:

- Bodily Injury
- Property Damage
- Personal Injury Protection

#### ADDITIONAL CHARGES

- Major Violations: 60%
- Minor Violations: 15%
- Accidents: 20%

6. PRIOR INSURANCE	Was there prior insurance on the listed vehicle(s) within the last 30 days? <input type="checkbox"/> YES <input type="checkbox"/> NO				
	If "YES": name of insurance Co. _____ Termination Date _____				
7. TERMINATION	Was coverage through the Texas Automobile Insurance Plan Association? <input type="checkbox"/> Yes <input type="checkbox"/> No Was 3 year assignment completed? <input type="checkbox"/> Yes <input type="checkbox"/> No				
	If "NO": Reason for Termination _____				
8. OTHER VEHICLES	Are any other vehicles owned by any member of household? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": give name of insurer _____				
	Has the applicant, as OWNER or OPERATOR, or anyone who usually drives the vehicle(s) been involved in a motor vehicle accident, resulting in damage to any property of another, or in bodily injury or death during the 36-month period immediately preceding the date of this application? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": complete the following:				
9. ACCIDENTS	NAME OF DRIVER		PLACE OF ACCIDENT	DATE OF ACCIDENT	EXCEPTION#*
	1.				
	2.				
	3.				
	4.				
<b>Exceptions: If involved in an accident:</b>					
1. which occurred while the motor vehicle owned or operated by the applicant or other person who usually drives the applicant's motor vehicle was lawfully parked, standing or stopped;					
2. in which motor vehicle was struck by hit and run driver; if such accident was reported to the proper authority within 24 hours; or					
3. as a result of which applicant or other person who usually drives the applicant's motor vehicle obtained a judgment against, or a settlement from or on behalf of, the owner or operator of another vehicle involved in such accident if the judgment or settlement was obtained prior to the date of application or in case of removal, prior to the effective date of the renewal policy, and provided no judgment was obtained against or any amount paid in settlement by or on behalf of the applicant or other person who usually drives the applicant's motor vehicle as a result of such accident; or					
4. in connection with which neither the applicant nor other person who usually drives the applicant's motor vehicle was convicted of a moving traffic violation and the owner or operator of another vehicle involved was so convicted; or					
5. resulting in the payment of a personal injury protection loss only.					
10. CONVICTIONS	Has the applicant or anyone who usually drives the vehicle(s) been convicted of (or if a minor under seventeen years of age, been charged with) any offense arising out of the operation of any motor vehicle, except those excluded under the rule for surcharges applicable to the Texas Automobile Insurance Plan Association, during the 36-month period immediately preceding the date of this application? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": complete the following:				
	NAME OF DRIVER		PLACE OF VIOLATION	DATE OF CONVICTION	TYPE OF VIOLATION
1.					
2.					
3.					
<b>REPORTS</b>					
11. BODILY INJURY	APPLICANT authorizes the insurer to which this application is assigned to obtain motor vehicle reports from any jurisdiction maintaining a record on the applicant or any member of the household. In addition to routine verification of information pertinent to this insurance applied for, if this application is by an individual for insurance primarily for personal or family purposes, the insurer to which it is assigned may have an investigative consumer report made including information bearing on character, general reputation, personal characteristics or mode of living and, upon the individual's written request, will disclose in writing the nature and scope of the investigation requested, if such a report is prepared.				
	<b>APPLICANT-YOUR SIGNATURE ON THIS APPLICATION CERTIFIES THE FOLLOWING (DO NOT SIGN WITHOUT READING)</b>				
The Applicant hereby certifies that within 60 days prior to the date of application, the Applicant has been reported for automobile insurance by at least two insurers licensed to do business in Texas and actually writing automobile liability insurance in Texas, including insurers that are not rate regulated. The Applicant further certifies that the information given in this application is true to the best of the Applicant's belief. The Applicant hereby agrees to pay all premiums when due and designates the individual shown below as Producer for this insurance. The Applicant certifies that this application was written and signed on the date shown. If this application is assigned to an insurer operating under CR 562, Texas Insurance Code (if applicable), the Applicant agrees that this application shall be taken as an application for membership in that fiscal year and accepts all filings required by law to be made with the Texas Department of Insurance.					
The Producer has offered and explained the \$ payment installment option available through the Texas Automobile Insurance Plan Association. Premiums shown are estimates. The actual premium will be determined in accordance with approved rates and rating plans and current motor vehicle report information.					
APPLICANT'S SIGNATURE: _____ (DATE) _____ (MONTH) APPLICANT'S SIGNATURE: _____ (DATE) _____					
<b>THIS APPLICATION DOES NOT CONSTITUTE A BINDER OF INSURANCE. COVERAGE BECOMES EFFECTIVE ONLY IN ACCORDANCE WITH THE TERMS OF THE PLAN OF OPERATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION.</b>					
The PRODUCER hereby certifies that within 60 days prior to the date of application, the Applicant has been reported for automobile insurance by at least two insurers licensed to do business in Texas and actually writing automobile liability insurance in Texas, including insurers that are not rate regulated. The Producer has READ the Plan of Operation, and EXPLAINED the Personal Injury Protection Coverage, Uninsured/Underinsured Motorist Coverage and the \$ Payment Installment Option. The Producer has included in this application all required information given to the Producer by the Applicant. In the event the policy is cancelled or insurance thereunder terminated, resulting in a return premium to the insured, the Producer agrees to return the unearned commission.					
PRODUCER'S SIGNATURE: _____ (DATE) _____					
REMARKS: _____					

## ITEM 12 (Item 11 Commercial Application)

### REPORTS

Applicant authorizes insurer to obtain motor vehicle reports.

## Item 13 (Item 12 Commercial Application)

### APPLICANT SIGNATURE

The application must be signed and dated by the applicant, and/or joint applicants, certifying that he/she fully understands the terms and conditions of assignment through the Texas Automobile Insurance Plan Association. NOTE: The Producer must explain the 8-payment option to the applicant.

## ITEM 14 PRODUCER'S SIGNATURE

(Item 13 Commercial Application)

The signature of the Producer must be included on the application.

9. BIDDING	Was there prior insurance on the listed vehicle(s) within the last 30 days? <input type="checkbox"/> YES <input type="checkbox"/> NO			
	If "YES": name of Insurance Co. _____ Termination Date _____			
10. ACCIDENTS	Was coverage through the Texas Automobile Insurance Plan Association? <input type="checkbox"/> Yes <input type="checkbox"/> No Was 3-year assignment complete? <input type="checkbox"/> Yes <input type="checkbox"/> No			
	If "No": Reason for Termination _____			
11. CONVICTIONS	Are any other vehicles owned by any member of household? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": give name of Insurer _____			
	Has the applicant, as OWNER or OPERATOR, or anyone who usually drives the vehicle(s) been involved in a motor vehicle accident, resulting in damage to any property of another, or in bodily injury or death during the 36-month period immediately preceding the date of this application? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": complete the following:			
12. REPORTS	NAME OF DRIVER		PLACE OF ACCIDENT	DATE OF ACCIDENT
	1. _____		_____	_____
13. APPLICANT	2. _____		_____	_____
	3. _____		_____	_____
14. PRODUCER	EXCEPTIONS - If involved in an accident:			
	1. which occurred while the motor vehicle owned or operated by the applicant or other person who usually drives the applicant's motor vehicle was lawfully parked, standing or stopped, or			
15. PRODUCER	2. in which motor vehicle was struck by hit-and-run driver, if such accident was reported to the proper authority within 24 hours, or			
	3. as a result of which applicant or other person who usually drives the applicant's motor vehicle obtained a judgment against, or a settlement from or on behalf of the owner or operator of another vehicle involved in such accident if the judgment or settlement was obtained prior to the date of application or in case of removal, prior to the effective date of the renewal policy, and provided no judgment was obtained against or any amount paid in settlement by or on behalf of the applicant or other person who usually drives the applicant's motor vehicle as a result of such accident, or			
16. PRODUCER	4. in connection with which neither the applicant nor other person who usually drives the applicant's motor vehicle was convicted of a moving traffic violation and the owner or operator of another vehicle involved was so convicted, or			
	5. resulting in the payment of a personal injury protection loss only.			
17. PRODUCER	Has the applicant or anyone who usually drives the vehicle(s) been convicted of (or if a motor vehicle conviction error of age, been charged with any offense arising out of the operation of any motor vehicle, except those excluded under the rules for assignments applicable to the Texas Automobile Insurance Plan Association, during the 36-month period immediately preceding the date of this application? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES": complete the following:			
	NAME OF DRIVER		PLACE OF VIOLATION	DATE OF CONVICTION
18. PRODUCER	1. _____		_____	_____
	2. _____		_____	_____
19. PRODUCER	3. _____		_____	_____
	TYPE OF VIOLATION			
20. PRODUCER	REPORTS			
	APPLICANT authorizes the insurer to which this application is assigned to obtain motor vehicle reports from any jurisdiction maintaining a record on the applicant or any member of the household in addition to ensure verification of information pertinent to the insurance applied for, if the application is for an individual for insurance primarily for personal or family purposes, the insurer to which it is assigned may have an investigative consumer report made including information bearing on character, general reputation, personal characteristics or mode of living and upon the individual's written report, will disclose in writing the nature and source of the investigation requested, if such a report is prepared.			
21. PRODUCER	APPLICANT-YOUR SIGNATURE ON THIS APPLICATION CERTIFIES THE FOLLOWING (DO NOT SIGN WITHOUT READING)			
	The Applicant hereby certifies that within 60 days prior to the date of application, the Applicant has been required for automobile insurance by at least two insurers licensed to do business in Texas and actually writing automobile liability insurance in Texas, including insurers that are not rate regulated. The Applicant further certifies that the information given in this application is true to the best of the Applicant's belief. The Applicant hereby agrees to pay all premiums when due and designates the individual shown below as Producer for this insurance. The Applicant certifies that this application was written and signed on the date shown. If this application is assigned to an insurer operating under CH 342, Texas Insurance Code (Insurance), the Applicant agrees that this application shall be taken as an application for membership in that Insurer and accepts all things required by law to be made with the Texas Department of Insurance.			
22. PRODUCER	The Producer has offered and explained the 8 payment installment option available through the Texas Automobile Insurance Plan Association. Premiums shown are estimates. The actual premium will be determined in accordance with approved rates and rating plans and current motor vehicle report information.			
	(APPLICANT'S SIGNATURE) _____ (DATE) _____		(JOINT APPLICANT'S SIGNATURE) _____ (DATE) _____	
23. PRODUCER	THIS APPLICATION DOES NOT CONSTITUTE A BINDER OF INSURANCE. COVERAGE BECOMES EFFECTIVE ONLY IN ACCORDANCE WITH THE TERMS OF THE PLAN OF OPERATION OF THE TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION.			
	The PRODUCER hereby certifies that within 60 days prior to the date of application, the Applicant has been reported for automobile insurance by at least two insurers licensed to do business in Texas and actually writing automobile liability insurance in Texas, including insurers that are not rate regulated. The Producer has READ the Plan of Operation, and EXPLAINED the Personal Injury Protection Coverage, Uninsured/Underinsured Motorist Coverage and the 8 Payment Installment Option. The Producer has included in this application all required information given to the Producer by the Applicant, to the best of the producer's knowledge and belief, and in the event the policy is cancelled or insurance thereunder terminated, resulting in a return premium to the insured, the Producer agrees to return the unearned commission.			
24. PRODUCER	(PRODUCER'S SIGNATURE) _____		(DATE) _____	
	REMARKS: _____			

## SECTION III

### COVERAGE

The assigned insurer is required to write a policy for the minimum limits required by the Texas Motor Vehicle Safety Responsibility Act.

- \$20,000/\$40,000 Bodily Injury
- \$15,000 Property Damage

In addition, the policy shall include the following coverages **unless rejected in writing by the applicant.**

### Personal Injury Protection

- \$2,500

### Uninsured/Underinsured Motorists

- \$20,000/\$40,000 Bodily Injury
- \$15,000 Property Damage

NOTE: For liability limits and provisions of financial responsibility see **Policy Period and Territory** in the Texas Personal Auto Policy and the Texas Business Auto Coverage Form.

### COVERAGE NOT AVAILABLE

- Garage liability is not available through the Association
- NOTE: Rule 86 (named operator or specified car basis coverage) may be assigned for coverage on a qualifying garage type business.
- Hired and Non-owned coverage is not available.
- Extended non-owner coverage is not available. To obtain named non-owner coverage, please refer to Rule 45, Sections I or II.
- Medical payment coverage is not available.
- Vehicles which by law require more than the Safety Responsibility minimum limits of liability (20/40/15) are not eligible

### DRIVER CREDITS

The credits described under Rules 33, 34 and 35 of the Texas Automobile Insurance Plan Association Rules and Rating Manual, apply to private passenger type vehicles when adequate proof of course completion, as described in the rule, is provided to the insurer. Credits found under this rule are applicable to liability and personal injury protection coverage only.

### PERSONAL AUTO POLICIES

- 10% Driver Training Credit (Rule 33)
- 10% Defensive Driving Credit (Rule 34)
- 15% Passive Restraint Drivers only protected (Rule 35C.1.b & 35.C.2.b applicable to Personal Injury Protection only)
- 30% Passive Restraint All front seat occupants protected (Rule 35.C.1.a & 35.C.2.a, applicable to Personal Injury Protection only)

## MOTORCYCLE CREDITS

The credits described under Rule 39 of the Texas Automobile Insurance Plan Association Rules and Rating Manual, apply when adequate proof of course completion, as described in the rule, is provided to the insurer. Credits found under this rule are applicable to liability and personal injury protection coverage only.

- 10% Defensive Driving Credit (Rule 39.E.1)
- 10% Operator Training Credit (Rule 39.E.4)

The motorcycle Operator Training Credit will continue in effect until the operator reaches the age of 25.

# SECTION IV

## SUSPENSE APPLICATIONS

If for any reason the application is returned to the producer for missing information, the original application (with the Association's perforation date) must be corrected and returned within 20 days. If the correction requires a different application, the original application with the TAIPA perforated date stamp must be returned with the correction.

## EFFECTIVE DATE OF COVERAGE

The effective date for assignment shall be determined by the manner in which the application is delivered to the Association and when it is received.

- An application delivered in person shall become effective 12:01 a.m. on the following day.
- An application delivered by regular, certified, express or delivery mail service becomes effective at 12:01 a.m. the day following the date of receipt in the Association office.
- If the application is submitted under the ESP or EASi, the policy's effective date is set at 12:01 a.m. the day following the ESP telephone call or EASi submission.

Note: coverage for losses becomes effective at the time of the day the ESP call or EASi transmission was made.

### (Excerpt TAIPA Plan of Operation Section 7.A.4)

*If the applicant does not desire coverage until a later date, not to exceed 30 days from the date of application, or in the event there is in force a policy terminating at a date later than the date which would be fixed per this Section, the applicant shall indicate such date in the application and the Association shall fix the date when the coverage becomes effective at 12:01 A.M.*

## ASSIGNMENTS FOR FLEETS OF VEHICLES

An insurer cannot be required to insure more than five (5) vehicles of any one risk. If more vehicles are involved, a separate set of applications must be submitted for each five (5) vehicles.

- A separate premium remittance must be received with each application. (Five trucks and five trailers would be considered five combinable units.)
- The complete driving records of the applicant and all drivers listed must be shown.
- The applicable charge (not to exceed 100%), under Rule 9.E, is applied to the highest rated vehicle, or combinable unit, on each set of applications.

**NOTE: The Association does, under specified conditions, assign a risk of more than five vehicles for minimum limits of liability, to one given insurer. The procedure required is as follows:**

Producers must submit applications to the attention of the Association's Manager of Operations (without premium remittance) at least thirty days prior to the expiration of the existing policy.

The completed application must be accompanied by:

- A list of drivers;
- The date of birth for each driver;
- The driver license number for each driver;
- The vehicle descriptions and classifications;
- The loss runs for the last three years, and
- A list of the insurers for the last three years.

The Association will, within two working days after receipt, submit this to several eligible member insurers for their review.

If an insurer wishes to accept the total assignment it must notify the Association in writing ten days prior to expiration. If there is no reply by this date, it will be assumed that the assignment was rejected and the Association will contact the producer with this information. However, if more than one insurer accepts the assignment of one risk the Association will assign on a rotational basis.

On the tenth day the Association will notify the producer to submit an application and check which will be assigned to one insurer.

If no insurer has accepted the assignment, the producer will be required to submit separate applications and checks for each set of five vehicles. These applications will then be assigned to different insurers.

# SECTION V

## POLICY CHANGES

Report all changes immediately by contacting the assigned insurer directly, **NOT THE ASSOCIATION**. Policy changes should be made by using the [Policy Change Form](#) authorized by the Association. This is an interactive form, meaning that it can be completed online, printed and then mailed or faxed to the assigned company. Please note that completion of this form via the TAIPA website does not bind coverage. See below for effective dates on policy changes. **DO NOT SEND THE POLICY CHANGE FORM TO THE ASSOCIATION AS IT MAY DELAY PROCESSING BY THE ASSIGNED COMPANY.**

(Excerpt, TAIPA Plan of Operation, Section 7)

### *B. Additional Vehicles or Coverages*

1. *If additional available coverages are desired or additional vehicles are to be insured, during the policy period, a completed policy change request form shall be submitted directly to the designated insurer no later than the first working day after completion.*
2. *Coverage for additional vehicles to an existing policy will become effective in accordance with policy conditions. No coverage will become effective if a substitution or additional vehicle is of a different type or class than those eligible for coverage on the existing policy. To obtain coverage in this situation, a new application must be submitted to the Association.*
3. *Additional available coverage may be added to an existing policy. The additional coverage will become effective at 12:01 A.M. on the day following the written request or the effective date specified in the request, whichever is later, except when one of the following applies:*
  - a. *the policy change request is not mailed within one working day after completion; or*
  - b. *the request is not mailed U.S. mail, postage prepaid, or the request is received by fax or electronic mail.*

*If a, or b applies coverage will become effective at 12:01 A.M. the day following the date such request is received by the insurer, or the effective date specified in the request, whichever is later.*

4. *If such coverages are not available with the assigned insurer, a new application for such coverages shall be submitted to the Association and shall become effective in accordance with Section 7A.*

### *C. Elimination of Coverage*

*In the event an elimination of coverage is desired during the policy period, a completed policy change request must be signed by the insured and submitted to the insurer.*

#### **Always include the following:**

- The requested effective date;
- The policy number;
- The applicant's full name;
- The vehicle/vehicles affected by the change
- The full name and address of the agency
- The date of the request

If the Installment Premium Payment option is being used, the premium resulting from the changes to the policy will be divided among the remaining installments, if any.

## ADDING A VEHICLE

Write the insurer to request coverage for additional vehicles. Coverage will be in accordance with policy conditions.

- The requested effective date (Coverage will not be backdated unless policy conditions allow);
- The vehicle make, model, year, and serial number;
- The date of purchase;
- The garaging address, including Zip Code;
- The name of the registered owner;
- A description of how the vehicle will be used; and
- The principal operator, including date of birth

NOTE: Since insurers are not obligated to accept assignments on all types of vehicles, be certain that the vehicle being added is of the same use/type as the vehicle or vehicles already insured. If there are any questions, please refer to the Association office, or submit a new application with the proper premium

## DELETING A VEHICLE

A request, signed and dated by the insured, must include:

- The requested effective date;
- The reason for the vehicle deletion; and
- Any applicable classification changes which may apply to the remaining vehicles.

## VEHICLE SUBSTITUTION

Write the insurer to request the substitution of vehicle.

Include the following:

- The requested effective date;
- The year and make of the vehicle to be deleted;
- The year, make, model, serial number of the new vehicle;
- The date of purchase of the new vehicle;
- The name of the registered owner;
- The principal place of garaging; and
- How the new vehicle is to be used.

If the use of the vehicle has changed, show the change in the request.

## ADDRESS CHANGE

Write the insurer advising them of:

- The new, complete address, zip code (show both the residence and mailing address if they differ) and principal address of garaging; and
- The requested effective date
- Producer address change, **sent to each company with which you have TAIPA assignments**

## **POLICY TERMINATION**

A request for termination must be in writing and signed by the insured. **The insurer shall retain the earned premium for the period of coverage, subject to a minimum premium of \$25.00 for Personal Auto policy and \$50.00 for all other policies. The balance will be returned to the insured (Rule 3 TAIPA Rules and Rating Manual).**

NOTE: Companies are required to issue TAIPA [PAP](#) for personal assignments, a copy of which is located on the TAIPA website.

## **PREMIUM FOR POLICY CHANGES**

If Option 3, Installment Premium Payment, is being used, the premium resulting from the changes to the policy will be divided among the remaining installments, if any.



# SECTION VI

## PERFORMANCE STANDARDS FOR INSURERS WRITING ASSOCIATION PRIVATE PASSENGER ASSIGNMENTS

(Excerpt, TAIPA Plan of Operation Sec. 14)

### A. Performance Standards

Insurers will provide insureds assigned under this Plan of Operation with the same level of service provided to customers in the voluntary market. The Performance Standards listed below set forth the specific time during which insurers must perform in accordance with the rules of this Plan of Operation.

#### 1. ISSUANCE OF ORIGINAL POLICY

*Upon receipt from the Association of the Notice of Designation and the premium deposit Prescribed by Section 6 the designated insurer shall:*

- a. *within two working days following the effective date of coverage or receipt of Notice of Designation, whichever occurs last, make filings on policies and Financial Responsibility Certificates (for states other than Texas) as may be required, provided all information necessary is contained in the application form. Such filings will indicate the effective date specified by the Association in the Notice of Designation.*

*However, if the applicant or spouse is required to file a form SR-22A with the Texas Department of Public Safety, the insurer will issue the SR-22 and SR-22A only upon receipt of the full annual policy premium*

*The day the Notice of Designation and premium or deposit are received from the Association shall be deemed the first working day, regardless of the time of such receipt. No Saturday, Sunday or legal holiday in the place of receipt, shall be deemed a working day.*

- b. *Within thirty calendar days issue a policy if all information necessary for the insurer to fix the proper rate is contained on the application form. The policy will become effective in accordance with the provisions of Section 7.*

#### 2. Policy Term

*Policies assigned through the Association shall be written for a 12 month period only.*

*If a policy is being issued to comply with Section 1.F (e) of the Texas Motor Vehicles Safety-Responsibility Act, the insurer will issue a certificate by which it is bound to issue a renewal policy so that the current policy and the commitment for renewal together cover a period of at least two years. In the event Section 5.B.3 will control.*

*Exception: Policies written to provide proof of financial responsibility, after a second subsequent conviction under Section 601.262, Texas Transportation Code, must be written for a term of two years.*

#### 3. Policy Fee

*A policy fee may not be charged by an insurer.*

#### 4. Renewal Policies or Certificates

*At least 30 calendar days (60 days for risks written on a Business Auto Coverage form) prior to the inception date of renewals, the designated insurer shall notify the insured that:*

- a. a renewal will be issued, provided the premium is received, as outlined in Section 6, is received on or before the inception date*
- b. a renewal will not be issued for the reason that the insured is not entitled to Insurance under the Plan of Operation.*

*If an insurer is unable to quote rates to be effective on renewal, it must notify the insured of a possible rate change. Using language authorized by the Association shall be deemed sufficient notice.*

*A copy of such notice shall be filed with the producer.*

*Renewal policies must be mailed within 30 days of the insurer's receipt of the renewal premium specified under a. of sub-section 14.A.4. above.*

*NOTE: Policies may be renewed by renewal certificates. When renewal certificates are used, they must conform in every respect with current rules, rates and forms at the time of renewal.*

#### **5. END OF ASSIGNMENT PERIOD**

*At least 30 days prior to the expiration date of the final renewal of the assignment period, the insurer shall notify the insured that the period of assignment under the Plan of Operation will terminate on said expiration date. A copy of such notice shall be sent to the producer.*

#### **6. ENDORSEMENTS**

*Any endorsement requested by the insured shall be issued and mailed within 30 days.*

#### **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.*

#### **8. COLLECTION OF PREMIUM**

*Insurers are to follow rules outlined in Section 6 of this Plan of Operation.*

#### **9. PRODUCER COMPENSATION**

*Within 40 days of receipt of the gross premium, the insurer must issue the proper compensation check except if the producer fails to provide his/her proper identification number. Compensation shall be paid by the insurer on the full annual premium. A producer accounting system may be utilized by an insurer in its payment of producer compensation. Compensation will not be paid on instalment charges. Final compensation adjustment will be in accordance with Section 13. Only an insurer which issues producer compensation statements on personal auto policies reporting all activity for that producer for no more than the preceding 31 days may file producer complaints concerning repayment of unearned compensation.*

#### **10. CLAIM HANDLING**

*Insurers shall provide policyholders and producers with information on how and where to report claims. Claim adjustment practices and procedures of each insurer shall correspond with those followed for voluntary business.*

#### **11. ADDITIONAL CHARGES**

*At the time of the initial application of an additional charge based on a driving record, the insurer will furnish to the insured and producer a listing of the undisclosed accidents/convictions which determined the additional charge(s).*

## 12. MISCELLANEOUS

*The Manager may evaluate a complaint not clearly within any of the preceding standards to determine whether the action complained of was reasonable within the purpose and intent of the Plan of Operation. If the action is deemed unreasonable, it may be considered as a valid complaint against the insurer.*

### B. PROCEDURES FOR COMPLIANCE WITH PERFORMANCE STANDARDS

1. *A copy of the complaint mailed to the insurer is to be sent to the Association. Such complaint is to be based upon non-compliance with Insurer Performance Standards.*

*The insurer must give a written response to the producer and the Association within 20 days of receipt of the complaint.*

2. *Upon receipt by the Association of the producer complaint:*
  - a. *The type of complaint for each insurer is logged;*
  - b. *The Association copy is to be filed, and*
  - c. *A copy shall be forwarded to the insurer with a request for written response within 20 days.*
3. *If the complaint is determined to be invalid, the Association shall so record it and advise the insurer and the producer.*
4. *In the absence of an acknowledgment from the insurer stating resolution of the complaint within 20 days, a follow-up letter will be sent to the insurer giving ten days to respond.*
5. *If after 10 days the insurer does not respond, the Association will contact an executive of the insurer and notify the producer.*
6. *If after an executive of the insurer is contacted, the matter is not resolved, the files will be turned over to the Governing Committee for further action, and the producer will be advised of such action.*
7. *If, in a single month, the number of valid complaints against an insurer exceeds the greater of two or 1/10 or 1% of the most recent three month total of assignments of the insurer, then the Association will send a letter to the insurer asking for an explanation as to why these monthly limits were exceeded. The insurer must respond in writing within 20 days. The response must include its intended plans to resolve any problems.*

*If an insurer fails to timely or adequately respond, or exceeds the prescribed limits in three consecutive months, it will be referred to the Governing Committee for further action.*

*Once an insurer is referred to the Governing Committee, the Manager will report any subsequent valid complaint during the 12-month period following referral. If any valid complaints are reported during this period, the Governing Committee may take further action, including action under Section 14.B.8 below.*

8. *If the Governing Committee finds that any insurer without good cause is not complying with the provisions of this Section, it shall notify the Commission of Insurance.*

# PRODUCER PERFORMANCE STANDARDS

## (Excerpt, TAIPA Plan of Operation Section 15.A. 1)

1. *Performance Standards*
  - a. *Original applications shall be fully completed and must include:*
    - (1) *necessary information to rate and write the policy, prepare a bill, and make any required filings;*
    - (2) *name, address, Texas license number, and tax identification number of producer;*
    - (3) *signature of applicant and producer; and*
    - (4) *premium payment submitted gross with the application in accordance with the Association rules. The premium payment or deposit shall be either by producer's check, applicant's check, certified check, cashier's check, premium finance company check, or money order payable to the Texas Automobile Insurance Plan Association.*
  - b. *A Producer may not charge an administrative or other service charge to an applicant for completion of an application for insurance under the Association.*
2. *Renewals*
  - a. *The renewal premium shall be submitted gross to the assigned insurer in accordance with Association rules.*
  - b. *The renewal premium must be in the form of a producer's check, insured's check, certified check, cashier's check, premium finance company check, or money order payable to the assigned insurer.*
3. *Return Compensation*
  - a. *Return compensation shall be paid within 40 days from the date of notice to the producer.*
4. *Policy Change Request*

*Producers must submit policy change requests in writing to the assigned company*
5. *Claims*

*When an insured reports an accident or claim to the producer, the producer shall report it to the insurer within one working day in accordance with the instructions of the insurer.*
6. *Payments*
  - a. *Additional premium payments shall be submitted gross by producer's check, insured's check, certified check, cashier's check, premium finance company check, or money order payable to the assigned insurer.*
  - b. *Dishonored producer checks shall be reported to the Association*
7. *Fraud or Misrepresentation*

*A producer shall not engage either in fraud or misrepresentation with regard to the contents of an application, the necessary information to rate and write a policy, a claim, or any other information material to underwriting a risk*
8. *Take-out Offers*

*When an insured receives a take-out offer pursuant to Section 10 of this Plan of Operation and contacts the producer, the producer shall inform the insured of his or her options pursuant to the take-out offer. A producer shall not engage in misrepresentation with regard to the contents of the take-out offer letter or the take-out program.*

**(Excerpt, TAIPA Plan of Operation Section 6.E)**

**F. Dishonored Producer and Finance Company Checks**

*If the producer or premium finance company check is not paid upon presentation, the Manager shall immediately notify the Commissioner of Insurance of such fact for disciplinary action.*

*Producers who have submitted dishonored checks issued by the agency or by the producer individually, on more than one occasion during a one-year period, must submit future payments by applicant's check, premium finance company check, certified check, cashier's check or money order. This shall not negate any rights of the Association to pursue action against a producer.*

*The Manager may refuse to accept checks from a premium finance company if its checks have been dishonored on more than one occasion during a one-year period.*

**(Excerpt, TAIPA Plan of Operation Section 11)**

**Sec 11. Cancellation/Termination**

- A. *If the premium remittance, which accompanies the application is dishonored, the insurer must resubmit the check to the institution before proceeding with termination of the policy.*



# SECTION VII PRIVATE PASSENGER DRIVER CLASSIFICATIONS

<p><b>CLASS 1A</b> There is no male operator under 25 years of age. There is no unmarried female operator under 21 years of age. There is no operator 65 years of age or over. The vehicle is not used for business nor driven to or from work.</p>	<p><b>Class 6B</b> There is no male operator under 25. There is no unmarried female operator under 21. There is an operator 65 or over. The vehicle is not used for business but is driven to or from work more than 50% of the time.</p>
<p><b>CLASS 1B</b> There is no male operator under 25 years of age. There is no unmarried female operator under 21 years of age. There is no operator 65 years of age or over. The vehicle is not used for business. The vehicle is driven to or from work more than 50% of the time.</p>	<p><b>CLASS 6C</b> There is no male operator under 25. There is no unmarried female operator under 21. There is an operator 65 or over. The automobile is not used for business, but is driven to or from work 50% or less of the time.</p>
<p><b>CLASS 1C</b> There is no male operator under 25 years of age. There is no unmarried female operator under 21 years of age. There is no operator 65 years of age or over. The vehicle is not used for business, but is driven to or from work 50% or less of the time.</p>	<p><b>CLASS 8</b> There is no male operator under 25. There is no female operator under 21. There is an operator 65 or over. The automobile is used for business.</p>
<p><b>CLASS 2A-1</b>  There are one or more male operators under 21. Each male operator is either married or not an owner or principal operator of the vehicle.</p>	<p><b>CLASS 8A</b> There is an individually owned utility type vehicle under 25,000 GVW, not used for the delivery or transportation of goods, materials or supplies other than samples, unless the delivery of goods, materials or supplies is not the primary use (i.e. carpenter). There is no male operator under 25 years of age, no unmarried female operator under 21 years of age and there is an operator over 65 years of ages.</p>
<p><b>CLASS 2A-2</b> There is one or more male operators 21 years of age, but less than 25 and each is either married or not an owner or principal operator of the vehicle.</p>	<p><b>CLASS 1 AF</b> The vehicle is a farm vehicle. There is no male operator under 25. No unmarried female operator under 21. No operator 65 or over.</p>
<p><b>CLASS 2C-1</b> There is an unmarried male operator under 21. He is the owner or principal operator of the vehicle.</p>	<p><b>CLASS 2AF-1</b> The vehicle is a farm vehicle with one or more male operators under 21, each male operator is either married or not an owner or principal operator.</p>
<p><b>CLASS 2C-2</b> There is an unmarried male operator of the vehicle: 21 years of age, but less than 25 years of age, who is the owner or principal operator of the vehicle.</p>	<p><b>CLASS 2AF-2</b> The vehicle is a farm vehicle. There are one or more male operators 21, but less than 25. Each operator is either married or not an owner or principal operator.</p>
<p><b>CLASS 2D</b> There is an unmarried female operator under 21 years of age. There is no male operator under 25 years of age: The vehicle is not used for business.</p>	<p><b>CLASS 2CF-1</b> The vehicle is a farm vehicle. There is an unmarried male operator under 21 who is the owner or principal operator of the vehicle.</p>
<p><b>CLASS 3</b> There is no male operator under 25 years of age. There is no unmarried female operator under 21. There is no operator 65 years of age or over. The vehicle is used in business.</p>	<p><b>CLASS 2CF-2</b> The vehicle is a farm vehicle. There is an unmarried male operator over 21, but less than 25 who is the owner or principal operator of the vehicle.</p>
<p><b>CLASS 3A</b> There is an individually owned utility type vehicle under 25,000 GVW, not used for the delivery or transportation of goods, materials or supplies other than samples, unless the delivery of goods, materials or supplies is not the primary use (i.e. carpenter). There is no male operator under 25 years of age, no unmarried female operator under 21 years of age and no operator over 65 years of age.</p>	<p><b>CLASS 2DF</b> The vehicle is a farm vehicle. There is no male operator under 25. There is an unmarried female operator under 21</p>
<p><b>CLASS 6A</b> There is no male operator under 25 years of age. There is no unmarried female operator under 21 years of age. There is an operator 65 years of age or over. The vehicle is not used in business or driven to and from work.</p>	<p><b>CLASS 6AF</b> The vehicle is a farm vehicle. There is no male operator under 25. There is no unmarried female operator under 21. There is an operator 65 or over.</p>

**Exceptions:** (1) A private passenger vehicle owned by a member of the clergy and used principally in church related duties must be rated according to the age of the operators, but will not be considered as used for business nor driven to and from work. (2) A private passenger vehicle subject to class 3, 3A, 8 or 8A used in the business of the United States Government by an employee of the government may be classified and rated for liability only as 1A, 1B, 1C, 6A, 6B, or 6C. (3) Private passenger vehicles owned by a corporation, partnership or unincorporated association shall be rated as class 3.

# SECTION VIII Rating Examples

Association staff will help only those producers with an updated Texas Automobile Insurance Plan Association Rules and Rating Manual which can be found on our website at <http://www.taipa.org>

The rates displayed are at the \$20/40/15 limits. Increased limits factors need not be applied. The limits available are Financial Responsibility Requirements only.

\$20/40/15 BI & PD,  
 \$2,500 P.I.P. (based on the \$20/40 BI class rate)  
 \$20/40/15 UM/UIIM  
 PRIVATE PASSENGER (RATING):

### REFERENCES FOR RATING PRIVATE PASSENGER VEHICLES

Definition Rule 30	Page P-1
P.A.P. Eligibility Rule 30	Page P-1
Classification Rule 32	Page P-2
Rules and Rating Methods	Pages P-5 to P-7
37 Motorhomes	P-5
38 Motorcycles	P-5
40 All-Terrain Vehicles	P-6
41 Dune Buggies	P-6
42 Golf Carts	P-7
Rates	Pages R-2 to R-5
P.I.P. (Table A-Vehicle 1 Table B-Vehicle 2)	Pages R-6 to R-9
UM/UIIM	Pages R-10
Additional Charges Rule 9	Page G-4
Financial Responsibility Laws (SR-22) Rule 10	Page G-5

### SUMMARY

- Total the surcharges for all drivers up to a maximum 100% per assignment.
- Include an additional \$20.00 premium charge if an SR-22 is required.
- Apply the surcharge to the highest rated vehicle.
- Other vehicles in the same assignment do not take the Rule 9 surcharge.
- Add \$1.00 for the 1<sup>st</sup> vehicle when requesting Uninsured/Underinsured Motorist Coverage

1. A married male operator 23 years of age and his 20-year-old wife own two vehicles. Both vehicles are used to go to and from work. The wife has had two speeding tickets within last three years.

<b>Vehicle No. 1</b>		<b>Vehicle No. 2</b>	
Class 2A-2	Territory 23	Class 1B	Territory 23
BI 300 + 30%	= 390	BI	= 213
PD 489 + 30%	= 636	PD	= 347
PIP 521 + 30%	= 677 (Table A for vehicle 1)	PIP	= 406 (Table B for vehicle 2)
UM/UIIM/BI	= 84 (83 + 1)	UM/UIIM BI	= 83
UM/UIIM PD	= <u>86</u>	UM/UIIM PD	= <u>86</u>
Total	= 1873	Total	= 1135

\$3008.00 less \$601.60 down payment = \$2406.40 divided into 8 monthly payments \$300.80 + \$8.50 installment charge = \$309.30 first payment due the insurer.

2. A single, 20 year old male with a Driver's Education Certificate has five speeding tickets and one DWI within the last three years. Travis County rates apply.

Class 2C-1	Territory 23
BI 616 - 10% + 100%	= 1109
PD 1003 - 10% + 100%	= 1805
PIP 569 - 10% + 100%	= 1024
UM/UIM BI	= 84 (83+1)
PD	= <u>86</u>
Total	= 4108

\$4108.00 less \$821.60 Down Payment = \$3286.40 divided into 8 payments equals \$410.80 plus \$11.50 installment charge = \$422.30 first Installment Due the Company.

3. The parents of an 18 year-old son have one speeding ticket each. The son has a clear record. There are two vehicles in the household. The son is the principal operator of one vehicle. Travis County rates apply.

<b>Vehicle No. 1</b>		<b>Vehicle No. 2</b>	
Class 2C-1	Territory 23	Class 1B	Territory 23
BI 616 + 30%	= 801	BI	= 213
PD 1003 + 30%	= <u>1304</u>	PD	= <u>347</u>
Total	= 2105	Total	= 560

\$2665 less \$533.00 Down Payment = \$2132.00 divided into 8 installments equals \$266.50 plus \$7.50 installment charge = \$274.00. First Installment due the insurer = \$274.00

## NON-OWNER COVERAGE (RATING)

### RULE 45 - SECTION I

REFERENCES FOR RATING NON-OWNER COVERAGE		
Definitions of Non-Owner Classifications	Page	P-7
Class 3 rates	Pages	R-2 to R-5
Rating Method and factors	Page	P-7
PIP	Pages	R-6 to R-7
UM/UIM	Pages	R-10

#### NON-OWNER RATING EXAMPLES:

#### SUMMARY

Class 3 rate **X** Factor = Non-Owner Class Rate

1. A 19-year-old male who does not own a vehicle has furnished, for his regular (pleasure) use, a vehicle that is insured. He has two speeding tickets and one ticket for no liability insurance in the last three years. His occupation does not involve the use of a vehicle. An SR-22 is required. Harris County rates apply.

CLASS N-5	Territory 1	
BI = 369 X 50% = 184.50 + 30%	= 240	\$1365.00 less \$273.00 Down Payment = \$1092.00 divided into 8 payments equals \$136.50 plus \$5.00 installment charge = \$141.50 first Installment due the company.
PD = 396 X 50% = 198.00+ 30%	= 257	
PIP= 492+ 30%	= 640	
UM/UIM BI (121 +1 See Rule 26B)	= 122	
PD	= 86	
SR-22 Premium Charge	= <u>20</u>	
Total	= 1365	

2. A Single male, age 19, attends school in Houston. He lives at home, is furnished a vehicle for his regular use, and is excluded from his parent's policy. He has one speeding ticket. The classification is 2C-1 per Rule 40.A.1.

**NOTE: Exception Applies** (page P-7 Texas Automobile Insurance Plan Association Rules and Rating Manual). Harris County rates apply.

Class 2C-1	Territory 1	
BI 1026 + 15%	= 1180	\$3451 less \$690.20 Down Payment = \$2760.80 divided into 8 payments equals \$345.10 plus \$9.00 installment charge = \$354.10 first Installment due the company.
PD 1101 + 15%	= 1266	
PIP 693 + 15%	= 797	
UI/UIM BI	= 122 (121+1)	
UI/UIM PD	= <u>86</u>	
Total	= 3451	

3. Single male under 25 does not own a vehicle; however, his employer provides a pick-up for his use in his occupation as a plumber. His Driving record shows one accident and one red light ticket. Harris County rates apply.

CLASS N-2	Territory 1	\$2163 less \$432.60 down
BI = 369 X 1.25 = 461.25 + 35%	= 623	payment = \$1730.40 divided
PD = 396 X 1.25 = 495.00 + 35%	= 668	into 8 monthly payments =
PIP = 492 + 35%	= 664	\$216.30 + \$6.50 installment
UM/UIM	= 122 (121+1)	charge = \$222.80 first payment
PD	= <u>86</u>	due insurer.
Total	= 2163	

## RULE 45 - SECTION II

Description of Coverage	Page P-8
Rating Method	Page P-8
CLASS 3 RATES	Page R-2 to R-5
P.I.P.	Page R-6 to R-7
UM/UIM	Pages R-10

**NOTE:** If the operator is underage, use the applicable class 2 private passenger rates. This rule is not available for policies certified under an SR-22 filing.

4. A 25-year-old Policeman is employed by the City of Houston. The city requires that he carry liability coverage. His driving record is clear.

Named Operator II-Government Employee Territory 1 Base on Class 3 Private Passenger Rates

BI = 369 X .50	= 185
PD = 396 X .50	= <u>198</u>
Total	= 383

\$383 less \$76.60 down payment = \$306.40 divided into 8 monthly payments = \$38.30 + \$3.00 installment charge = \$41.30 first payment due insurer.

5. A 24-year-old City of Houston employee who is married drives city trucks and is required to carry liability. He has no tickets. Harris county rates apply.

Based on 2A-2 Private Passenger Rates

BI = 501 X .50	= 251
PD = 537 X .50	= <u>269</u>
Total	= 520

\$520 less \$104.00 down payment = \$416.00 divided into 8 monthly payments = \$52.00 + \$3.50 = \$55.50 first payment due insurer.

## MOTORHOME AND MOTORCYCLE RATING

(Motorhomes, Motorcycles, etc.)

### REFERENCES FOR MISCELLANEOUS TYPE VEHICLES

(Individually owned, not used in business)

Definition-Rule 30	Page P-1
PAP Eligibility -Rule 30	Page P-1
Class description	Pages P-5 to P-6
Rule 37 Motorhomes	P-5
Rule 38 Motorcycles	P-5 and P-6
Private Passenger Rates	Pages R-2 to R-5
P I P	Page R-6 to R-9
UM/UIM	Page R-10

### SUMMARY

Private Passenger rate x Factor (Rule 37) = Class Rate

1. A family with an 18-year-old son owns a motor home, which is used for pleasure only. All drivers have a clear record. Travis County rates apply.

Rule 37 (Page P-5)

Code 9437

Class 1A X Factor      Territory 23

BI = 213 X .50      = 107

PD = 347 X .50      = 174

PIP (Table B)      = 312

Total      = 593

\$593.00 less \$118.60 down payment = \$474.40 divided into 8 monthly payments = \$59.30 + \$3.50 installment charge = \$62.80 first payment due insurer.

2. An 18-year-old male owns an 1100 CC motorcycle. It is not used in business. He has one speeding ticket. Harris County rates apply.

Rule 38 (Page P-5 and P-6). **Note:** PIP and UM/UIM X 2

Code 9226      Territory 1

Class 1A X Factor

BI = 355 X 1.55 = 550.25 + 15%      = 633

PD = 381 X 1.55 = 590.55 + 15%      = 679

PIP = (Table A, pg R-6 to R-9) 447 x 2 = 894 + 15%      = 1028

UM/UI = BI (121 + 1) = 122 x 2 = 244 + PD (86 x 2)      = 416

Total      = 2756

\$2756.00 less \$551.20 down payment = \$2204.80 divided into 8 monthly payments = \$275.60 + \$8.00 installment charge = \$283.60 first payment due insurer.

## SPECIAL TYPES VEHICLES (RATING)

### REFERENCES FOR FIRE TRUCKS AND POLICE VEHICLES

Rules	Pages
FIRE TRUCKS RULE 75	CR-34
POLICE VEHICLES RULE 77	CR-34
Rates (based on Private Passenger)	Pages R-2 to R-5
Rates (based on commercial rates)	Page CR-1
PIP	Pages R-6 TO R-9
UM/UIM	Page R-10

**★ Government owned vehicles or volunteer fire department owned vehicles are not eligible as they are not required to carry insurance under Chapter 601 Transportation Code.**

### SUMMARY

Base Rate X Factor = Class Rate

### SPECIAL TYPES RATING EXAMPLES:

1. Two Fire Trucks with two employees have one speeding ticket each. Williamson county rates apply. Insured elected Advance Premium Payment method.

#### Number 1 Fire Truck

<b>Code 7909</b>	Territory 52
BI = 161 X 1.60 = 257.60 + 30%	= 335
PD = 248 X 1.60 = 396.80 + 30%	= <u>516</u>
Total	= 851

#### Number 2 Fire Truck

<b>Code 7909</b>	Territory 52
BI = 161 X 1.60	= 258
PD = 248 X 1.60	= <u>397</u>
Total	= 655

Total Premium (851 + 655) = \$1506

\$1506 annual less \$376.50 (25%) down payment = \$1129.50 due in 30 days from date of billing

2. A Policeman owns his own 1200 CC motorcycle, which he uses in his job. He has a clear driving record. Harris County rates apply. (Rule 79 pg. 212, 116j)

Code 7942	Territory 1
BI 369 X .95	= 351
PD 396 X .95	= 376
PIP (Table C) (22 x 2)	= <u>44</u>
Total	= 771

\$771 less \$154.20 down payment = \$616.80 divided by 8 payments = \$77.10 + \$4.00 installment charge = \$81.10 monthly installment.

## COMMERCIAL VEHICLES (RATING)

### REFERENCES FOR RATING COMMERCIAL VEHICLES

Size class-Rule 50	Page C-1
Business Use Class Rule 53	Page C-9
Radius Class	Page C-10
Primary Codes and Factors	Pages C-11 to C-12
Secondary Codes and Factors	Pages C-13 to C-14
Base Bodily Injury & Property Damage Rates	Page CR-1
Truckers-Rule (Rule 54)	Page C-15
Zone Rating-Premium Development (Rule 52)	Pages C-2 to C-4
P.I.P.	Page CR-1
UM/UIM (Voluntary)	Pages CR-1
Commission (Sec 31 Compensation to Producer of Record)	Page C-5 of TAIPA Plan of Operation
Zone Rating Tables	Pages C-6 to C-8

### SUMMARY

Base Commercial Rate X (Primary Factor + Secondary Factor) = Commercial Class Rate

**NOTE:** On a commercial assignment, if the application has tractors and trailers, the surcharge applies to both the highest rated tractor and trailer. Tractors and trailers are considered a combinable unit.

### RATING EXAMPLES

1. A 22-year-old male is a self-employed carpenter with a 1/2-ton pickup titled in his business name. The vehicle is used within a fifty-mile radius to carry tools and equipment. His driving record is clear. Harris County rates apply.

Primary Code 011	Page C-11	BI = 357 X 1.00	= 357
Primary Factor 1.00	Page C-11	PD = 374 X 1.00	= 374
Secondary Code 83	Page C-14	PIP	= <u>26</u>
Secondary Factor 0.00	Page C-14	Total	= 757
Base Rates = Territory 1	Page CR-1		
Commercial Factor	= 1.00		
Commercial Code	= 011830		

\$757 less \$151.40 down payment = \$605.60 divided into 8 installments = \$75.70  
 + \$4.00 installment charge = \$79.70 first payment due insurer.

2. A 26-year-old male is a self-employed carpenter with a 1/2-ton pickup titled in his individual name. The vehicle is used within a fifty-mile radius to carry tools and equipment. His driving record is clear. Harris County rates apply.

**Classified as Private Passenger 3A, see Rule 32.A.2, eligible for Personal Auto Policy.**

Class 3A	Territory 1
BI	= 465
PD	= <u>499</u>
Total	= 964

\$964.00 less \$192.80 down payment = \$771.20 divided into 8 monthly payments = \$96.40 + \$4.00 installment charge = \$100.40 first payment due insurer.

3. A 35-year-old male owns a Dump Truck with a GVW (loaded weight) of 24,000 lb. He is under contract with two pits to haul sand and gravel within a fifty-mile radius. He has four speeding tickets and one ticket for no liability. Use rates for territory 52.

Primary Code 331	Page C-11	Commercial Code	= 331290
Primary Factor 1.34	Page C-11	Commercial Factor 1.34 + 1.50	= 2.84
Secondary Code 29	Page C-13 to C-14	BI = 161 X 2.84 = 457.24 + 60%	= 732
Secondary Factor 1.50	Page C-13 to C-14	PD = 248 X 2.84 = 704.32 + 60%	= <u>1127</u>
Base Rates Territory 52	Page CR-1	Total	= 1859

\$1859 less \$371.80 down payment = \$1487.20 divided into 8 monthly payments = \$185.90 + \$6.00 installments charge = \$191.90 first payment due insurer.

## PUBLIC VEHICLES

Classification descriptions-	Pages C-19
Primary Factors & Codes	Page C-28 to C-29
Secondary Factors & Codes (when applicable) (Secondary factors are based on Seating Capacity)	Page C-30 Section E
Base Rates	Page CR-1
P.I.P. (\$2500)-	Page CR-1
UM/UIM Voluntary (\$20/40/15)	Pages CR-1
Zone Rates	Pages C-23 to C-25
Commission (Section 31 Producer Compensation)	Page C-5 TAIPA Plan of Operation

**NOTE: The territory used for rating public is the highest rated territory through which the vehicle travels**

### SUMMARY

Base Rate X [Primary + Secondary factors (if applicable)] = Class Rate

### PUBLIC VEHICLE RATING EXAMPLES:

1. A Taxi Cab is garaged in Galveston and used within a fifty-mile radius. The applicant has a clear driving record. The taxi travels to Houston airport. (**territory 1**)

Public Class Code 4159	Page C-28	BI = 1689 X 1.00	= 1689
Primary Factor 1.00	Page C-28	PD = 1769 X 1.00	= 1769
		PIP (Table C)	= <u>34</u>
		Total	= 3492

\$3492 less \$698.40 down payments = \$2793.60 divided into 8 installments = \$349.20 + \$9.00 installment charge = \$358.20 first installment due insurer

2. A 15 passenger Church Bus used within a fifty-mile radius for church related activities. The driver has one accident and one Failure to Yield ticket. Harris county rates apply.

Primary Code = 635 (Church Bus)	Page C-28	Church Bus class code 6352	Factor = 1.10
Primary Factor = 1.00	Page C-28	BI 139 X 1.10 = 152.90 + 35%	= 206
Secondary Code = 2 (Rule 63.E)	Page C-30	PD 146 X 1.10 = 160.60 + 35%	= 217
Secondary Factor = .10	Page C-30	PIP (Table C) = 13 X 35%	= <u>18</u>
		Total	= 441

\$441 less \$88.20 down payment = \$352.80 divided into 8 installments = \$44.10 + \$3.00 installment charge = \$47.10 first installment due insurer.

3. A Day Care 15 passenger van (employee operated) is used to pick up children from school for after school care. It operates within a fifty-mile radius of Houston. The driver is an employee and has a clean record. Harris County rates apply.

Primary Code (Social Service) = 645	Page C-28
Primary Factor = .50	Page C-28
Secondary Code (Rule 63.E) = 2	Page C-30
Secondary factor = .15	Page C-30

Code = 6452	Factor = .65
BI 1014 X .65	= 659
PD 1062 x .65	= 690
PIP (Pg. CR-3)	= <u>34</u>
Total	=1383

\$1383 less \$276.60 down payment = \$1106.40 divided into 8 installments =  
 \$138.30 + \$5.00 installment fee = \$143.30 first installment due insurer.

4. A 15-passenger school van is used to transport children to and from school and is also used for after school related activities. It is operated within a fifty-mile radius of Houston. This facility is accredited by the Texas Education Agency. The driver has a clean record. Harris County rates apply.

Primary Code = 625 (Other School Bus)	Page C-28
Primary Factor = 1.00	Page C-28
Secondary Code = 2 (Rule 63.E)	Page C-30
Secondary Factor = .15	Page C-30

Code = 6252	Factor = 1.10
BI = 139 X 1.10	= 153
PD = 146 X 1.10	= 161
PIP (Pg. CR-3)	= 8
Total	= 322

\$322.00 less \$64.40 down payment = \$257.60 divided into 8 installments =  
 \$32.20 + \$3.00 installment fee = \$35.20 first installment due insurer.

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## SECTION IX SUPPLEMENTS

Included in this section are the:

TAIPA Application and Binder Order Form

ESP User's Guide

ESP Retraction Form

EASi Users Guide

EASi Retraction Form

Deficiency Codes

Application Supplemental Application

Policy Change Form

Company Performance Complaint Form

Producer Performance Complaint Form

Installment Fee Calculation Chart