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State auto insurance program plans to raise rates

Drivers covered through the state's auto insurer of last resort will pay higher premiums starting Nov. 1.

The Texas Automobile Insurance Plan Association plans to increase rates statewide by an average of 2.2 percent. The increase is needed because of the costs to repair damaged vehicles, physicians' fees and hospital services, said Jerry Johns, a spokesman for the association.

Also known as the "assigned auto insurance market," the association assigns drivers who can't get coverage to private companies. The companies issue policies providing basic liability insurance required by Texas law, as well as limited collision and personal injury protection.

Most drivers assigned through the association are considered high risk because of poor driving records or high claims rates. The association assigned 12,000 policies in 2008 and projects it will assign 10,000 this year, Johns said.

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