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COMMERCIAL LINES NOTICE NO. 126

2019 Interim Expense Allowance – Taxi/Limousine/Car Service

For ceded taxi, limousine, and car service business, CAR will use the policy year 2019 per exposure allowances for company/ULAE expenses converted to a percentage of premium based on an estimated 2019 average premium using policy year 2018 statistical data adjusted for the March, 2019 rate changes.

The Policy Year 2019 Expense per Exposure Allowances are as follows:

Taxi:	\$1,126 per exposure
Limo:	\$ 625 per exposure
Car Service:	\$ 729 per exposure

A weighted average of the premium tax and commission rate components underlying the approved 2018 and 2019 CAR rate filing are used for the interim expense allowances for 2019. The resulting interim expense ratios are as follows:

	<u>Taxi</u>	<u>Limo</u>	<u>Car Service</u>
Premium Tax	2.30%	2.30%	2.30%
Commissions	8.28%	3.62%	2.69%
ULAE/Comp	<u>17.01%</u>	<u>11.27%</u>	<u>13.65%</u>
Total	27.59%	17.19%	18.64%

Policy year expenses will be true-up based on actual reported exposures and will reflect premium tax and commission provisions included in the underlying rates.

Questions may be directed to the undersigned at tgalligan@commauto.com.

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