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COMMERCIAL LINES NOTICE NO. 135

2020 Interim Expense Allowances – Taxi/Limousine/Car Service

For ceded taxi, limousine, and car service business, CAR will use the policy year 2020 per exposure allowances for company/ULAE expenses converted to a percentage of premium based on an estimated average premium using policy year 2019 statistical data.

The Policy Year 2020 Expense per Exposure Allowances are as follows:

Taxi:	\$1,149 per exposure
Limo:	\$ 638 per exposure
Car Service:	\$ 744 per exposure

While awaiting approval of a 2020 rate change, the premium tax and commission rate components underlying the approved 2019 CAR rate filing are used for the interim expense allowances. 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%	3.48%	2.66%
ULAE/Comp	<u>17.32%</u>	<u>11.76%</u>	<u>13.85%</u>
Total	27.90%	17.54%	18.81%

Upon approval of the new rates, the interim expense allowances will be updated to reflect the approved 2020 rate components for premium tax and commission and included in the next monthly accounting shipment after the approval. CAR will inform the industry of the updated estimated expense allowances prior to the updated month of the statistical submission due date.

Policy year expenses will be trued-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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