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COMMERCIAL LINES NOTICE NO. 138

Updated Calendar Year 2020 Interim Commercial Expense Allowance

The interim expense allowance has been updated to reflect the rate components for premium tax and commission as approved in the July, 2020 CAR Rates. The updated interim expense allowance will apply to the July – December 2020 monthly accounting shipments. The resulting interim expense allowance is as follows:

	<u>Interim Allowance</u>
Expense per Exposure	\$420
Expense Per Exposure %	9.94%
Premium Tax	2.30%
Commission	8.34%
Total	20.58%

Ceding expenses will be trued-up after the close of each calendar year, 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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