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COMMERCIAL LINES NOTICE NO. 145

2021 Interim Expense Allowance – Taxi/Limousine/Car Service

For ceded taxi, limousine, and car service business, CAR will use the policy year 2021 per exposure allowances for company/ULAE expenses converted to a percentage of premium based on an estimated average premium using policy year 2020 statistical data.

The Policy Year 2021 Expense per Exposure Allowances are as follows:

| | |
|--------------|------------------|
| Taxi: | \$1,172/exposure |
| Limousine: | \$651/exposure |
| Car Service: | \$750/exposure |

The premium tax and commission rate components underlying the approved 2020 CAR rate filing are used for the interim expense allowances. The resulting interim expense ratios are as follows:

| | <u>Taxi</u> | <u>Limousine</u> | <u>Car Service</u> |
|-------------|---------------|------------------|--------------------|
| Premium Tax | 2.30% | 2.30% | 2.3% |
| Commission | 7.69% | 3.61% | 2.37% |
| ULAE/Comp | <u>17.86%</u> | <u>15.69%</u> | <u>15.14%</u> |
| Total | 27.85% | 21.60% | 19.81% |

In the event of a mid-year rate change, the interim expense allowance will be updated as appropriate.

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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