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**ADDITIONAL INFORMATION**

**TO MEMBERS OF THE COMMERCIAL PROGRAM OVERSIGHT COMMITTEE**

**FOR THE MEETING OF:**

**THURSDAY, OCTOBER 15, 2020 AT 10:00 A.M.**

**CPOC**

**20.06 Commercial Program Evaluation – 2021 Request for Proposal**

To provide perspective and assist the Committee in its development of recommendations for the upcoming RFP, attached is a summary document that identifies Servicing Carrier commercial auto residual market plan specifics in states other than Massachusetts. (Docket #CPOC20.06, Exhibit #4)

JOHN METCALFE  
Director – Residual Market Services

Attachment

Boston, Massachusetts  
October 8, 2020

Commonwealth Automobile Reinsurers  
Commercial Program Oversight Committee  
Summary of State Servicing Carrier Selection and Compensation Provisions

<u>State</u>	<u>Component</u>	<u>Specification</u>
CA, CT, DC, GA, IL, NH, NJ, NY(SRP), PA, RI, VT, VA	# of Servicing Carriers	\$0-20M: 2-3 \$20M-50M: 2-4 \$50M-100M: 2-6 \$100M-150M: 2-7 \$150M+: 2-8
MI	# of Servicing Carriers	No less than 3
FL	# of Servicing Carriers	1 or more
NC	# of Servicing Carriers	All Members
CT, DC, GA, IL, NC, NH, NJ, NY(SRP), RI, VT, VA	Expense Allowance	Admin Exp: (Best's + 5%)*WP ULAE: Best's ULAE ratio*(State LR/Best's LR)*EP Premium Tax + Commission
PA	Expense Allowance	As above with general fee may be determined: <ul style="list-style-type: none"> <li>• Consult w/ bidders</li> <li>• Negotiated</li> <li>• Fee proposals</li> <li>• Consult w/ AIPSO</li> <li>• Industry data</li> </ul>
MI	Expense Allowance	As above w/ general fee = 25% of general co expense
FL	Expense Allowance	Established annually
NC	Expense Allowance	Lesser of company or industry
NY PAP	Incentive Plan	SC LR/All SC Avg LR +/- 1%*WP per 10 pt variance
MI	Incentive Plan	Discretion of GC
All, except NC	SC Selection Criteria	Weighting factors established by committee for: <ul style="list-style-type: none"> <li>• Participation in Pool</li> <li>• Financial Rating</li> <li>• Business Plan/Proposal</li> <li>• Performance &amp; Commitment</li> </ul>

<sup>(1)</sup>Reflects states included in the AIPSO report to the JACLC, plus NC

<sup>(2)</sup>"Best's" means A.M. Best's Aggregates and Averages

<sup>(3)</sup>NY SRP means New York Special Risk Program, a plan analogous to the CAR SC program

<sup>(4)</sup> NY PAP means New York Public Auto Program, a plan analogous to the CAR taxi/limo program