



# COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110  
www.commauto.com 617-338-4000

RALPH A. IANNACO  
PRESIDENT

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## BULLETIN NO. 922

### 2010 Interim Ceding Expense Allowances

This Bulletin sets forth the interim ceding expense allowances for all ceded private passenger and commercial business reported in calendar year 2010 to Commonwealth Automobile Reinsurers (CAR). Interim allowances for private passenger and commercial ceded business are established under Rule 17 of CAR's Rules of Operation.

Interim expense allowances for private passenger carriers reporting run-off data in calendar year 2010 are based on the calendar year 2009 interim expense allowance percentages reflecting approved 4/1/2008 private passenger residual market rate components adjusted for relative claim frequency. Please reference CAR Bulletin No. 895 for a list of private passenger interim expense allowance percentages by company.

For ceded taxi, limousine, and car service business, CAR will use the policy year 2010 per exposure allowances for company/ULAE expenses converted to a percentage of premium based on an estimated 2010 average premium. The company/ULAE expenses are combined with the most recently approved rate components for commissions and premium tax. The resulting interim expense ratios are as follows:

<u>Taxi</u>	<u>Limousine</u>	<u>Car Service</u>
23.05%	25.83%	19.69%

For calendar year 2010, Commercial Servicing Carriers will be provided an interim expense allowance of 31.32% for liability premium and 36.26% for physical damage premium, based on the approved November 1, 2009 rate components plus one percent.

Questions relative to calendar year 2010 interim ceding expense allowances may be directed to the undersigned via email at [tgalligan@commauto.com](mailto:tgalligan@commauto.com).

TIMOTHY F. GALLIGAN  
Sr. Manager of Actuarial/Statistical Services