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Updates to the Assigned Risk Company Procedures Manual

Chapter XI – Compliance Audit

At its meeting of April 14, 2025, the Governing Committee approved a modification to Chapter XI – Compliance Audit of the Assigned Risk Company Procedures Manual to codify revised penalty assessment procedures for companies assigned a red-light evaluation with continued noncompliance identified in subsequent follow-up audits. If non-compliance involves data elements with limited impact to quota share or rate making data quality, the ARC is subject to a \$1,000 penalty for each monthly submission that remains uncorrected until a submission with accurate data is reported. Only one penalty is assessed for all companies within the group if noncompliance is consistent for each.

Companies assessed a red-light evaluation due to non-compliance involving data elements that impact quota share or rate making data quality continue to be subject to future monthly accounting statistical data penalties in accordance with the Private Passenger Statistical Plan (VII: 7) until a monthly submission with accurate data is reported.

Chapter XI of the Assigned Risk Company Procedures Manual has been updated and is available on the Manuals page of the Company section of CAR's MAIP website under the Assigned Risk Company Procedures Manual link.

MARK ALVES
Director - Compliance Audit