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Commercial ERP Reassignments - Ceded Book Transfer Procedures

Rule 13 - Servicing Carrier Requirements of CAR's Rules of Operation, requires that CAR perform a quarterly review of the distribution of ceded commercial written premium among the Servicing Carriers. Periodically, the Governing Committee may approve a realignment of the ceded books of business via a change of Servicing Carrier assignments. CAR's Commercial Automobile Program also requires a realignment of the ceded commercial books with the start of each Servicing Carrier appointment term.

To help mitigate the disruptive impact to reassigned agencies and their insureds, the Commercial Program Oversight Committee reviews existing procedures associated with the transfer of the ceded books of business. The Committee recently enhanced the book transfer procedures to require that the former carrier forward certain information, when available, to the new carrier. This change is intended to alleviate, to the extent possible, certain administrative actions required of the reassigned producer and their insureds. Below is a description of book transfer procedures as amended by the committee.

Policy Listings and Nonrenewal Notices

- CAR will provide a monthly listing to carriers and producers of in-force policies expiring in the next 75-105 days.
- Non-renewal notices will be provided to the producer of record a minimum of 45 days prior to the expiration date for ceded policies that will be rewritten with a new Servicing Carrier.

Carrier-to-Carrier Document Sharing

To assist the new Servicing Carrier in evaluating the risk, the former Servicing Carrier will provide the following underwriting information to the new Servicing Carrier:

- For all risks, the former carrier will provide:
  - Business Application, and Business Description
  - Supplemental Applications
  - Applicable CAR forms
  - Current Declarations Page
- Information to be provided, which may vary by the type of risk, includes the following:
  - Business description
  - Applicable endorsements
  - Affiliated companies and/or corporations with the same ownership
  - DOT and MC numbers
  - Drivers' license information
  - Owner-operator contract agreements
  - School bus/social services/other transportation contracts
  - Office/property/parking lease agreements

- Vehicle leasing agreements
- Trip logs
- Zone codes
- IFTA reports
- Operational territories
- Bills of lading
- Loss runs
- Experience rating worksheets
- Pollution percentages

Additional Requirements

- Any additional or missing information necessary to underwrite the risk will be obtained by the new Servicing Carrier from the producer and/or risk.
- The former Servicing Carrier will transfer the information to the new Servicing Carrier in a secure manner at least 60 days prior to the renewal date (additional time may be allowed during this current redistribution).
- For non-fleet risks only, when the declarations pages and/or supporting documentation are provided in lieu of a new business application, the risk will be treated as renewal business for down-payment purposes.
- The new Servicing Carrier is directed to maintain a log of instances in which their evaluation of the risk results in a different determination of eligibility or classification in order that the information may be used to identify areas where further clarification of rules may improve consistent procedures among carriers.

Note that allowing sufficient time for implementation for the January 1, 2027 reassignments, the procedures described above shall be adopted for this redistribution and will be applied in future redistributions. Questions relative to the book transfer procedures should be directed to the Operations and Residual Market Services Department.

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