



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000

January 8, 2025

COMMERCIAL LINES NOTICE NO. 163

Calendar Year 2025 Interim Commercial Expense Allowance

For policies effective January 1, 2025 – December 31, 2025, commercial Servicing Carriers will be provided an expense allowance of 24.44% of statistically reported written premium based on the following components:

Policy Year 2025 Ceding Expense Allowance

Expense Allowance	13.80%
Premium Tax	2.30%
Commission	<u>8.34%</u>
Total	24.44%

This expense reimbursement applies to all commercial vehicle types, including taxi, limousine, and car service vehicles.

Because CAR's Interim Ceding Expense payment system used in the Quarterly Settlement of Balances pays expense allowances on a calendar year basis, policy years 2023 and 2024 reported in accounting year 2025 will also be provided the 24.44% payment. Therefore, calendar year expenses will be trued up after the close of the calendar year in accordance with the distribution of reported premium by policy effective year and the corresponding policy year expense allowances.

Questions may be directed to the undersigned at tgalligan@commauto.com.

TIMOTHY GALLIGAN
Director of Actuarial & Statistical Services