



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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**ADDITIONAL INFORMATION**

**TO MEMBERS OF THE COMMERCIAL AUTOMOBILE RESIDUAL MARKET  
STANDARDS SUBCOMMITTEE**

**FOR THE MEETING OF:**

**Tuesday, July 17, 2018 at 10:30 a.m.**

**CRMS**

**18.09 Producer Requirements**

Attached is information relative to CAR's producer application review procedures and current certification and appointment requirements as well as those requirements applicable to residual market plans in other regional states. The information provided may assist the Subcommittee in its continued review of potential enhancements to existing producer requirements. (Docket #CRMS18.09, Exhibit #3)

**CRMS**

**18.12 Radius of Operation and Rating Territory**

The Subcommittee should be prepared to discuss the determination of radius class and rating territory for public automobiles. Proposed modifications to Rule 72 – Public Automobile Classifications of the Commercial Automobile Insurance Manual are attached for the Subcommittee's review. (Docket #CRMS18.12, Exhibit #1)

**CRMS**

**18.13 Review of Coverage Limits**

Attached is information to assist the Subcommittee in its review of the issues related to cedeable limits available in Massachusetts. (Docket #CRMS18.13, Exhibit #1)

WENDY BROWNE  
Vice President – Business Operations

Attachments

Boston, Massachusetts  
July 11, 2018

**Commercial Automobile Residual Market Standards Subcommittee**

**CRMS18.09 – Producer Requirements**

This exhibit provides information relative to the requirements for producer certification and appointment to CAR as well as those requirements applicable to the residual market plans in the states of Connecticut, New Jersey, New York and Pennsylvania.

<u>State</u>	<u>Pages</u>
Massachusetts (CAR)	2 – 45
Connecticut	46 – 54
New Jersey	55 – 82
New York	83 – 97
Pennsylvania	98 – 106

## Metcalfe, John

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**From:** Donovan, Adrienne  
**Sent:** Monday, July 09, 2018 12:05 PM  
**To:** Metcalfe, John  
**Subject:** car/maip application  
**Attachments:** Assignment Check List.DOC; Fraud Instruction.docx

<https://www.commauto.com/maip/forms/producer/ARApplication.pdf> - Application -To apply for Certification as an Assigned Risk Producer – instructions are on the first 2 pgs.

Make sure to include, a picture of your agency sign, screen shot of your RMV access, a letter of your auto insurance experience, agency license.

<https://www.commauto.com/maip/forms/producer/producersecurity.pdf> -Security Form- To designate a new or change an existing Agency Security Administrator. Each agency is required to designate one person who will be responsible for requesting agency employee user IDs, overseeing the agency's MAIP Policy Application access and communicating user IDs that should be terminated.

<https://www.commauto.com/maip/forms/producer/powerOfAttorney.pdf> -To authorize non-licensed agency employee(s) to certify that insurance coverage is in effect via signature on a MAIP stamped Massachusetts RMV form. To be signed by the licensed agency principal.

I've attached the pertinent website links for your review to get familiar with the MAIP application process.  
CAR/MAIP Rules 21-40

<https://www.commauto.com/maip/manuals/rules.asp>

This is a list of places where the *Fraud Certification* can be taken – this course must be taken within 6mos. of MAIP certification and the certificate sent into us. This ensures the employees sign-on with MAIP

<https://www.commauto.com/maip/training/training.asp>

Producer FAQ's

<https://www.commauto.com/maip/faq/producerfaq.asp>

I will place an order for your MAIP stamp once the application is complete, when I receive the stamps I will send them out to your office location, and our Data Operations department will email you instruction on how to set up log-ins, once those are created you will have to go through a 15 minute tutorial before entering your first MAIP application. You can email or fax (617-880-7298) the application back to my attention.

**RMV phone # 857-368-7930 to be set up for registry access**

**Also if the agency is seeking a Commercial Ceded appointment proof of \$10,000 in commercial premium is required & the Commercial Servicing Carrier course has to be taken at MAIA prior to the appointment (contact Emily Oliver 800-742-6363)**

**Rule 14:**

Beginning with evaluations occurring on January 1, 2006 and thereafter, Exclusive Representative Producers appointed for commercial motor vehicle business, who within the first twelve (12)

months after their appointment date fail to develop a minimum book of business of \$10,000 in commercial motor vehicle written premium, those who within twenty-four (24) months after their appointment date fail to develop a minimum book of business of \$20,000 in commercial motor vehicle written premium, those who within thirty-six (36) months after their appointment date fail to develop a book of business of \$30,000 in commercial motor vehicle written premium, and those who subsequently fail to maintain a book of business of at least \$30,000 in commercial motor vehicle written premium as of their evaluation date, will be terminated for commercial motor vehicle business.

**Once the agency is given a ceded commercial appointment can a Taxi/Livery appointment be issued.**

**Adrienne Donovan**

Residual Market Services Liaison

Phone | 617.880.7226

Email | [adonovan@commauto.com](mailto:adonovan@commauto.com) | [www.commauto.com](http://www.commauto.com)



101 Arch Street, Suite 400, Boston, MA 02110

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## CAR RULE 14, Exclusive Representative Producer Requirements

### A. Appointments

#### 4. Eligibility Requirements

Prior to any action being taken on an application for an ERP appointment, the producer must satisfy the following requirements:

- a. Complete a course of study, approved by the Commissioner of Insurance, which concentrates on the commercial Massachusetts Motor Vehicle Insurance system;
- b. Attain a passing grade on a written examination based on material covered in the approved course;

***CAR requires the applicant to take and pass the MAIA – C.A.R. Commercial Auto Limited Servicing Carrier ERP course and provide a copy of the certificate attesting to its successful completion.***

- c. Within the preceding 12 month period, work for a minimum of 6 months with a producer licensed by the Division of Insurance, or with a Member, during which time the applicant's efforts were primarily devoted to the Massachusetts Motor Vehicle Insurance market; and

***CAR requires an applicant to provide documentation from prior employer on the employer's letterhead attesting to the experience, specific involvements and timeframe of required experience. Note: Rule amendment is being proposed to increase the prior experience period from 6 months in the past 12 months to 12 months in the past 24 months. In addition, the experience requirement must be specific to commercial auto insurance.***

- d. Has an existing commercial relationship with a Member other than a Servicing Carrier or can provide letter(s) of intent from insureds identifying commercial policies expected to be written as of the first year of appointment that would satisfy the production criteria pursuant to Section C.1. Continued eligibility is dependent upon compliance pursuant to the provisions of Section C.1.

***CAR requires an applicant to provide documentation supporting the production of commercial auto business during the first year of appointment. This documentation may be in the form of signed letters of intent from a commercial auto insured (listing the name of the insured's business and/or commercial class) or in the form of insured's declarations pages reflective of existing commercial auto insurance coverage with an intent to place the business with the applicant upon renewal.***

Having satisfied the preceding criteria the applicant must conclusively show that such applicant:

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>3 of 11</b>
---	---

be fully serviced through the purchaser until the policy expiration date of each risk, as noted on the declaration page of each policy in force as of these respective dates. "Servicing" shall include, but not be limited to, changing existing vehicles, adding additional insureds, adding named operators onto the existing policy, endorsing coverage limits, providing all notices required by law, processing claims and collecting premium. All other obligations of both Servicing Carrier and producer as set forth pursuant to the Plan and Rules of Operation shall remain in force during the term of this agreement.

#### 4. Eligibility Requirements

Prior to any action being taken on an application for an ERP appointment, the producer must satisfy the following requirements:

- a. Complete a course of study, approved by the Commissioner of Insurance, which concentrates on the commercial Massachusetts Motor Vehicle Insurance system;
- b. Attain a passing grade on a written examination based on material covered in the approved course;
- c. Within the preceding 12 month period, work for a minimum of 6 months with a producer licensed by the Division of Insurance, or with a Member, during which time the applicant's efforts were primarily devoted to the Massachusetts Motor Vehicle Insurance market; and
- d. Has an existing commercial relationship with a Member other than a Servicing Carrier or can provide letter(s) of intent from insureds identifying commercial policies expected to be written as of the first year of appointment that would satisfy the production criteria pursuant to Section C.1. Continued eligibility is dependent upon compliance pursuant to the provisions of Section C.1.

Having satisfied the preceding criteria the applicant must conclusively show that such applicant:

- (1) is applying in good faith;
- (2) will operate from an established location in Massachusetts, except licensed nonresident producers in a state contiguous

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>4 of 11</b>
---	---

to Massachusetts if licensed pursuant to Massachusetts General Laws;

- (3) will maintain regular business hours;
- (4) has not been convicted of a crime related to his occupation as an insurance producer;
- (5) has not had his producer's license to engage as an insurance producer revoked or suspended;
- (6) has not materially or substantially breached a contract with a Member;
- (7) is not in default on the remittance of any Motor Vehicle Insurance premiums due a Member;
- (8) agrees to comply with the provisions of the Plan of Operation, the Rules of Operation, the Manual of Administrative Procedures, the contract between the ERP and the Servicing Carrier, and the applicable regulations of the Division of Insurance;
- (9) agrees to notify CAR and the appointed Servicing Carrier of an agreement to sell the agency 15 days in advance of the proposed closing of any such sale and further agrees to obtain a certification from the Servicing Carrier, which shall be provided to CAR, that the agency does not owe to the Servicing Carrier any past due premium based upon the latest available statement;
- (10) has not been declined an ERP appointment within the preceding 60 days, unless the declination was reversed by the Governing Committee, the Division of Insurance, or a court of competent jurisdiction;
- (11) has not had an ERP appointment terminated by a Servicing Carrier pursuant to Section E., within the preceding 24 months, unless the termination was reversed by the Governing Committee, the Division of Insurance or a court of competent jurisdiction.

**CAR** | **Rules of Operation**  
**Rule 14** | **Exclusive Representative Producer Requirements**  
**Revision Date** | **2014.10.24**  
**Page** | **1 of 11**

**A. Appointments**

**1. New Appointments**

A licensed producer who does not have a commercial Exclusive Representative Producer (ERP) appointment to one of the Member companies appointed as a Servicing Carrier, may apply for an appointment to represent a Servicing Carrier. The producer shall be subject to the eligibility criteria of Section A.4. If CAR determines the applicant has satisfied these criteria, the applicant will be appointed to a Servicing Carrier as an ERP. The Servicing Carrier shall provide service to such ERPs under substantially the same contractual terms and conditions governing its voluntary producer relationships.

An applicant applying as a consequence of a voluntary producer agreement being terminated because the applicant (1) intentionally withdraws from a voluntary agreement to write Motor Vehicle Insurance business on behalf of a Servicing Carrier, or (2) requests cancellation of a voluntary agreement for Motor Vehicle Insurance business, or (3) fails to fulfill any of the producer requirements specified in Section B.1. is ineligible for appointment to a Servicing Carrier as an ERP.

**2. Affiliated Producers**

- a. If a producer applying for appointment as an ERP is found to have a contractual relationship or membership in a so-called producer cluster or network, or a direct or indirect material and continuing proprietary or management interest in another agency or brokerage firm which also has an ERP appointment to a Servicing Carrier such producer is presumed to be an affiliate of the other agency or brokerage firm. A producer who applies for an ERP appointment and who is determined to have an affiliated relationship, will be appointed to the same Servicing Carrier as all members of the affiliated group. Existing ERPs identified as having an affiliated relationship will be appointed to the same Servicing Carrier as all members of the affiliated group.

The formation of an affiliated group for the sole purpose of placing commercial Motor Vehicle Insurance business is prohibited.

- b. A producer applying for an ERP appointment must identify any affiliated relationships that relate to commercial Motor Vehicle



<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>2 of 11</b>
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Insurance business at the point of application. An existing ERP must notify its Servicing Carrier and CAR of any new affiliated relationship, or change in affiliated status within 30 days of such change.

- c. Annually, upon request by a Servicing Carrier, an ERP must furnish updated information relative to its affiliated relationships or change in affiliated status for commercial Motor Vehicle Insurance business.
- d. The Servicing Carrier may terminate an ERP appointment for failure to provide the requested affiliated agency disclosure information. An ERP terminated under the provision of this section shall be provided 30 days written notice, and shall be ineligible for appointment to a Servicing Carrier for a period of two years commencing on the effective date of the termination. If the requested information is provided prior to the expiration of the 30 days, the ERP's appointment will be reinstated.
- e. An applicant or existing ERP aggrieved by CAR's determination of its affiliated status may appeal to the Governing Committee pursuant to Rule 20 and may present evidence to refute that determination. If successful, the applicant will be appointed to a Servicing Carrier pursuant to Rule 13.C.

### 3. Sale of Exclusive Representative Producer Business

If an ERP sells its stock or its book of business to a producer which does not have a Motor Vehicle Insurance relationship with a Servicing Carrier, such appointment will inure to the purchaser subject to the eligibility requirements in Section A.4. and production criteria in Section C. Any probationary status of the ERP appointment, resulting from failure of the ERP to maintain eligibility requirements or failure to develop and maintain the established minimum written premium volume requirement will carry over to the purchaser of the business.

If the sale does not result in the continuation of the appointment to the seller's Servicing Carrier, then that Servicing Carrier shall enter an agreement with the purchaser whereby all risks written by the Servicing Carrier on behalf of the seller, for policies with an effective date as of 90 days subsequent to the date of the sale for renewal business and as of the date of sale for new business, will

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>3 of 11</b>
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be fully serviced through the purchaser until the policy expiration date of each risk, as noted on the declaration page of each policy in force as of these respective dates. "Servicing" shall include, but not be limited to, changing existing vehicles, adding additional insureds, adding named operators onto the existing policy, endorsing coverage limits, providing all notices required by law, processing claims and collecting premium. All other obligations of both Servicing Carrier and producer as set forth pursuant to the Plan and Rules of Operation shall remain in force during the term of this agreement.

#### 4. Eligibility Requirements

Prior to any action being taken on an application for an ERP appointment, the producer must satisfy the following requirements:

- a. Complete a course of study, approved by the Commissioner of Insurance, which concentrates on the commercial Massachusetts Motor Vehicle Insurance system;
- b. Attain a passing grade on a written examination based on material covered in the approved course;
- c. Within the preceding 12 month period, work for a minimum of 6 months with a producer licensed by the Division of Insurance, or with a Member, during which time the applicant's efforts were primarily devoted to the Massachusetts Motor Vehicle Insurance market; and
- d. Has an existing commercial relationship with a Member other than a Servicing Carrier or can provide letter(s) of intent from insureds identifying commercial policies expected to be written as of the first year of appointment that would satisfy the production criteria pursuant to Section C.1. Continued eligibility is dependent upon compliance pursuant to the provisions of Section C.1.

Having satisfied the preceding criteria the applicant must conclusively show that such applicant:

- (1) is applying in good faith;
- (2) will operate from an established location in Massachusetts, except licensed nonresident producers in a state contiguous

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>4 of 11</b>
---	---

to Massachusetts if licensed pursuant to Massachusetts General Laws;

- (3) will maintain regular business hours;
- (4) has not been convicted of a crime related to his occupation as an insurance producer;
- (5) has not had his producer's license to engage as an insurance producer revoked or suspended;
- (6) has not materially or substantially breached a contract with a Member;
- (7) is not in default on the remittance of any Motor Vehicle Insurance premiums due a Member;
- (8) agrees to comply with the provisions of the Plan of Operation, the Rules of Operation, the Manual of Administrative Procedures, the contract between the ERP and the Servicing Carrier, and the applicable regulations of the Division of Insurance;
- (9) agrees to notify CAR and the appointed Servicing Carrier of an agreement to sell the agency 15 days in advance of the proposed closing of any such sale and further agrees to obtain a certification from the Servicing Carrier, which shall be provided to CAR, that the agency does not owe to the Servicing Carrier any past due premium based upon the latest available statement;
- (10) has not been declined an ERP appointment within the preceding 60 days, unless the declination was reversed by the Governing Committee, the Division of Insurance, or a court of competent jurisdiction;
- (11) has not had an ERP appointment terminated by a Servicing Carrier pursuant to Section E., within the preceding 24 months, unless the termination was reversed by the Governing Committee, the Division of Insurance or a court of competent jurisdiction.

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>5 of 11</b>
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**B. Ongoing Exclusive Representative Producer Requirements**

1. It will be the ongoing responsibility of an ERP to fulfill the following requirements and maintain eligibility pursuant to Section A.4.
  - a. Maintain a valid producer's license as issued by the Division of Insurance.
  - b. Collect, process and remit premium due a Servicing Carrier in accordance with the provisions of the Rules of Operation.
  - c. Refrain from engaging in fraudulent activity in connection with the business of Motor Vehicle Insurance.
  - d. Submit for all applicants a new business application for insurance, completed in its entirety, and a signed premium finance application/agreement, if applicable within two business days;
  - e. Provide a reasonable and good faith effort to verify the information provided by the applicant, including rating and licensing data;
  - f. Report all coverage bound and all registrations certified to the Servicing Carrier within two business days after binding coverage or certifying a registration;
  - g. Verify that the applicant has not been in default in the payment of any Motor Vehicle Insurance premiums in the past 24 months;
  - h. Comply with written procedures supplied by the Servicing Carrier for processing claims, remitting premiums and requesting coverage;
  - i. Forward to the insured within 30 days of receipt from the Servicing Carrier, all policies and endorsements if not mailed directly by the Servicing Carrier to the policyholder;
  - j. Forward all premium payments to a Servicing Carrier within two business days of receipt. However, a Servicing Carrier shall extend the payment period for an additional seven days upon sufficient notice that all or part of a premium is being financed by a licensed premium finance company where the premium finance company has given its written assurance to pay the full premium financed directly to the Servicing Carrier. This provision shall not obligate

**CAR** | **Rules of Operation**  
**Rule 14** | **Exclusive Representative Producer Requirements**  
**Revision Date** | **2014.10.24**  
**Page** | **6 of 11**

- a Servicing Carrier to provide such additional time if notwithstanding any written assurances the premium finance company has previously failed to perform its commitment;
- k. Notify the Servicing Carrier of any suspected fraud;
  - l. Cooperate with the Servicing Carrier and CAR during all audits and investigations;
  - m. Properly order endorsements;
  - n. Order only those coverages from the Servicing Carrier that are requested by the insured and for which the insured is eligible;
  - o. Quote proper premiums based on information provided by the applicants for the coverage desired;
  - p. Conduct all monetary transactions with the insured and the Servicing Carrier as required by the Rules of Operation and the ERP contract;
  - q. Notify the premium finance company and the insured that premium checks for all financed accounts are to be made payable to the Servicing Carrier;
  - r. Retain the necessary documentation of Servicing Carrier transactions in accordance with the Manual of Administrative Procedures;
  - s. Notify the applicant for insurance that he has the option of utilizing an Installment Payment Plan;
  - t. Comply with appropriate notification procedures relative to the transfer of Motor Vehicle Insurance coverage to another Member;
  - u. Develop and maintain a book of business pursuant to Section C.;
  - v. Adhere to any directive issued by the Commissioner relative to the charging of service fees.
  - w. Provide the Servicing Carrier and CAR with affiliated agency disclosure information pursuant to Sections A.2.b. and c.

**CAR** | **Rules of Operation**  
**Rule 14** | **Exclusive Representative Producer Requirements**  
**Revision Date** | **2014.10.24**  
**Page** | **7 of 11**

- x. Comply with all of the conditions set forth in the contract between the ERP and the Servicing Carrier.
- y. Comply with all of the provisions of the Rules of Operation and the Manual of Administrative Procedures.

2. Grounds for Termination

a. Immediate Termination

The following shall be cause for a Servicing Carrier to immediately terminate an ERP's contract and the authority to bind coverage on behalf of a Servicing Carrier.

- (1) Failure to maintain a valid producer's license as issued by the Division of Insurance.
- (2) Willful misappropriation of premium due a Servicing Carrier in accordance with the provisions of the Rules of Operation.
- (3) The entry of a finding, by a court of competent jurisdiction that the producer has engaged in fraudulent activity in connection with the business of Motor Vehicle Insurance.

b. Termination with a 30-Day Notice

Failure to fulfill the requirements in Sections B.1.d. through B.1.y. shall be cause for a Servicing Carrier to terminate an ERP's contract and the authority to bind coverage with 30 days written notice of termination.

- 3. An ERP terminated pursuant to Section B.2. shall have its MAIP Assigned Risk Producer certification revoked commencing on the effective date of the termination in accordance with Rule 31.D.3.

**C. Production Criteria**

- 1. An ERP who fails to develop and maintain the following minimum commercial Motor Vehicle Insurance written premium volume requirements will be terminated. Total written premium includes all agency commercial Motor Vehicle Insurance written premium, voluntary and ceded combined.

**CAR** | **Rules of Operation**  
**Rule 14** | **Exclusive Representative Producer Requirements**  
**Revision Date** | **2014.10.24**  
**Page** | **8 of 11**

Months after Appointment	Minimum Volume Requirement (Total Written Premium)
12	\$10,000
24	\$20,000
36	\$30,000
Subsequent Evaluations	\$30,000

An ERP's book of business will be evaluated on an annual basis by the Servicing Carrier with a copy of the evaluation provided to the ERP and to CAR within 15 days of the evaluation date.

The effective date of termination shall be one year after the evaluation date on which the ERP failed to develop or maintain the applicable minimum book of business. If, during that year, the ERP obtains and maintains the applicable minimum book of business, the termination process shall be suspended but the ERP shall continue to be subject to annual evaluations.

2. An ERP terminated under the provisions of Section C. shall be ineligible for appointment to a Servicing Carrier for a period of two years commencing on the effective date of the termination.

The term ERP, for purposes of this paragraph, includes any licensed producer and any other newly emerging producer with whom or which the terminated ERP has a direct or indirect material and continuing proprietary or management interest.

**D. Service Fees**

1. G.L. c. 175, §182, in part, prohibits producers and others in connection with the placing or negotiation of insurance policies or the continuance or renewal thereof from selling or offering to sell anything of value whatsoever not specified in the policy of insurance. See also G.L. c. 176D, §3(8). The following acts and practices are prohibited:
  - a. Charging a fee in addition to the premium for certifying a registration on behalf of a Servicing Carrier;
  - b. Charging a fee in addition to the premium for acting as a producer and placing the applicant's Motor Vehicle Insurance business with a Servicing Carrier;

<b>CAR</b> <b>Rule 14</b> <b>Revision Date</b> <b>Page</b>	<b>Rules of Operation</b> <b>Exclusive Representative Producer Requirements</b> <b>2014.10.24</b> <b>9 of 11</b>
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- c. Charging a fee in addition to the premium for providing assistance to the insured in the completion of forms which are completed in order for the insured to procure or to continue Motor Vehicle Insurance; and
    - d. Charging a fee in addition to the premium for the sale of a service contract which provides for service or advice relating to the issuance, continuance, or renewal of an insured's Motor Vehicle Insurance policy.
  2. Nothing set forth in the provisions of Section D.1. is intended to prohibit producers from charging courier fees and other non-insurance related fees if the following requirements are met;
    - a. The producer provides to the applicant a complete description of the non-insurance related services for which the fee, in addition to the premium rate, is being charged;
    - b. The producer advises the applicant that there is no obligation to purchase the non-insurance related service and that the insured may obtain Motor Vehicle Insurance through the producer, notwithstanding the insured's decision not to purchase the non-insurance related services;
    - c. The applicant, after having been apprised of the information set forth in Sections D.2.a. and D.2.b., agrees to pay the fee; and
    - d. The fee for the services provided is reasonable.
  3. The producer may enter into a contract with the applicant pursuant to which the producer provides non-insurance related services to the applicant if the producer complies with all of the requirements of Sections D.1. and D.2. In the event the producer and applicant execute such a service contract, the producer shall give the applicant an executed copy of the contract and shall retain an executed copy in his file which shall be made available to the Servicing Carrier, Division of Insurance and CAR upon request.



**CAR** | **Rules of Operation**  
**Rule 14** | **Exclusive Representative Producer Requirements**  
**Revision Date** | **2014.10.24**  
**Page** | **10 of 11**

**E. Appointment Ineligibility**

1. An ERP that has had an appointment terminated by a Servicing Carrier for failing to satisfy any of the requirements specified in Section B.1. or for failing to maintain eligibility pursuant to Section A.4. shall be ineligible for reappointment for a period of two years commencing on the effective date of the termination.

A licensed property and casualty producer whose appointment has been terminated by a Member as a consequence of failing to satisfy any of the requirements of Section B.1. or failing to maintain eligibility pursuant to Section A.4. will be ineligible for appointment as an ERP for a period of two years commencing on the effective date of the termination.

2. If the certification of a MAIP Assigned Risk Producer has been revoked by CAR for violations of any obligation(s) delineated in Rule 31 and having exhausted the appeal rights pursuant to Rule 40, the producer is ineligible for the appointment or continuation of its ERP appointment. The producer shall be ineligible to reapply for appointment as an Exclusive Representative Producer until such time as the producer is eligible to reapply for certification as an Assigned Risk Producer.
3. An ERP terminated for failure to meet minimum production criteria pursuant to Section C. shall be ineligible for appointment to represent a Servicing Carrier as an ERP for a period of two years commencing on the effective date of the termination.
4. The term ERP, for purposes of Section E., includes any licensed producer and any other newly emerging producer with whom or which the terminated ERP has a direct or indirect material and continuing proprietary or management interest.

**F. Review/Relief of ERP Termination**

A terminated ERP may request that the termination be reviewed by CAR.

A completed "Request for Review/Relief" form must be received by CAR within 30 calendar days of the delivery of the termination notice. A review by CAR's Market Review Committee will be held within 15 business days of the date of CAR's receipt of the completed "Request for Review/Relief" form unless such requirement is waived by the

<b>CAR</b>	<b>Rules of Operation</b>
<b>Rule 14</b>	<b>Exclusive Representative Producer Requirements</b>
<b>Revision Date</b>	<b>2014.10.24</b>
<b>Page</b>	<b>11 of 11</b>

aggrieved ERP. The receipt by CAR of such form will stay the ERP's termination until the ERP has exhausted all appeal rights pursuant to Rule 20. However, any reviewing committee may lift the stay if such stay is not in the best interests of the motoring public.

During the period of stay, operational procedures identified by the Servicing Carrier in the termination letter will remain in effect until reviewed by the Market Review Committee. The Market Review Committee may approve, modify or disapprove the operational procedures.

**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION**

**Massachusetts Automobile Insurance Plan (MAIP)**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400

BOSTON, MASSACHUSETTS 02110

617-338-4000 617-338-5422 (FAX)

**INSTRUCTIONS**

- A. Complete **ALL** information on the application. The application must be completed in **type or printed** in ink. Incomplete/illegible applications will not be accepted.
- B. **Initial and date** each page as noted.
- C. Use, Sign and Date a separate sheet of paper for explanations, if necessary.
- D. **Attach** a copy of the applicant's Massachusetts **producer's license(s)**. If operating as a corporation, LLC or under a trade (dba) name, that name must appear on the producer's license.
- E. If applying in the name of a corporation, **enclose** a copy of the corporate **Articles of Organization** as approved by the Secretary of State, names and titles of all **corporate officers and directors**, and details of all **corporate stock ownership**.
- F. **Return the application package to the Residual Market Services Department**, at the noted address on the top of the application.

**NOTE:**

- 1 **Provide proof of completion of a Claims Reporting and Fraud Recognition course** as required pursuant to Rule 31 of CAR's Rules of Operation **within six (6) months of the date of certification** as an Assigned Risk Producer.
- 2 Misrepresentation of facts or failure to divulge all pertinent information may disqualify you for certification as an Assigned Risk Producer.
- 3 Current business addresses must be on file with CAR. Subsequent **changes of agency name or address**, any addition of a business office location and or sale of an agency must be **reported to CAR immediately**.

Initial/Date: \_\_\_\_\_

**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION  
Massachusetts Automobile Insurance Plan (MAIP)**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-338-5422 (FAX)

**APPLICATION CHECKLIST**

Please use the checklist below in completing your application package. Inclusion of the items identified below with your application package will prevent delays in processing and expedite issuance of certification as an Assigned Risk Producer (ARP). **RETURN THE INITIALED CHECKLIST ALONG WITH YOUR APPLICATION TO CAR'S RESIDUAL MARKET SERVICES DEPARTMENT.**

**INITIAL/DATE**

- \_\_\_\_\_ 1. **Business telephone installed and manned**, (CAR will verify installation has been completed in the name of the agency with the telephone company. An agency answering machine is acceptable for manning the agency for short periods of time. The machine must identify the agency and calls must be returned promptly.)
- \_\_\_\_\_ 2. **Agency sign installed** in the licensed name of the agency and visible to the public. (Provide picture of agency inclusive of signage)
- \_\_\_\_\_ 3. **Completed entire application.**
- \_\_\_\_\_ 4. **Initialed and dated each application page.**
- \_\_\_\_\_ 5. **Enclosed copies of Producer's License & Resident Business Entity Producer License.**
- \_\_\_\_\_ 6. **Enclosed a copy of corporate Articles of Organization** (if a corporation).
- \_\_\_\_\_ 7. **Enclosed a list of all corporate officers and directors** (if a corporation).
- \_\_\_\_\_ 8. **Enclosed a record of all stock ownership** (if a corporation).
- \_\_\_\_\_ 9. **Enclosed a letter** from an agency or company **from which the experience requirement was met** detailing the applicant's involvement in Massachusetts private passenger automobile insurance.
- \_\_\_\_\_ 10. **Remember to provide verification of completion of an approved Claims Reporting and Fraud Recognition Course within six (6) months of the date of CAR's certification of the agency as an Assigned Risk Producer (ARP) for all agency employees involved in private passenger insurance matters.**
- \_\_\_\_\_ 11. **Electronic access to the MAIP and Registry of Motor Vehicles .**
- \_\_\_\_\_ 12. **Complete Producer Security Access Form.**

Initial/Date: \_\_\_\_\_

**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION  
Massachusetts Automobile Insurance Plan (MAIP)**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-338-5422 (FAX)

Provide all information and materials requested on the instruction page. Incomplete application packages will result in processing delays and possible declination. Complete and return to the **RESIDUAL MARKET SERVICES DEPARTMENT** at the above address.

**I. AGENCY INFORMATION**

**A. AGENCY NAME:**

Provide copy of License. Agency name must be the same as it appears on the producer's license. For corporations and LLCs provide Articles of Organization as filed with the Secretary of State's office, and which include names and titles of all officers and directors as well as details of stock ownership.

**B. Business Address of the Primary Office Location:**

**1. Street:**

**City/Town:**

**State:**

**Zip:**

**Business Telephone(s):**

**Fax:**

**E-mail address (Required):**

**Errors and Omissions Carrier:**

**Amount:**

**Agency Hours:**

**ADDITIONAL AGENCY OFFICE LOCATIONS (Same agency name)**

**2. Street:**

**City/Town:**

**Zip:**

**Licensed producer name(s) at this location:**

**3. Street:**

**City/Town:**

**Zip:**

**Licensed producer name(s) at this location:**

**4. Street:**

**City/Town:**

**Zip:**

**Licensed producer name(s) at this location:**

**5. Street:**

**City/Town:**

**Zip:**

**Licensed producer name(s) at this location:**

**6. Street:**

**City/Town:**

**Zip:**

**Licensed producer name(s) at this location:**

(If more than 6, additional office location information may be provided on a separate sheet of paper)

Initial/Date: \_\_\_\_\_

**I. AGENCY INFORMATION (continued)**

**C. List all employees, with titles, who plan on obtaining access to the MAIP Policy Application:**

<u>Individual</u>	<u>Title</u>	<u>Licensed? (yes/no)</u>	<u>Office Location</u>

(Additional employee information may be provided on a separate sheet of paper)

Note: Any employee requesting access to the MAIP Policy Application is required to complete an approved Claims Reporting and Fraud Recognition course within 6 months of hire and/or certification of the agency.

**D. Does the applicant have electronic access to the Massachusetts Registry of Motor Vehicles for purposes of verification of driving records and any potential outstanding premiums owed by an applicant for insurance to an Assigned Risk Company?**

Check one: YES:  NO:

Comments: \_\_\_\_\_

**E. Indicate whether the applicant has any relationship with any current agency which is owned, operated or managed by the same individual(s) as the applicant or shares space with another broker or agency with a Massachusetts private passenger automobile market. If none, indicate NONE.**

Other Agency                      Association/Details

--	--

**F. Indicate any other agency or group with which the applicant may have an agreement or an ability for placement of private passenger automobile insurance in Massachusetts. If none, indicate NONE.**

Other Agency/Group                      Relationship Details

--	--

**G. Indicate if the applicant is engaged in or associated with any type of business endeavor other than an automobile insurance agency (i.e., other insurance, real estate, tax service, vehicle sales, vehicle repairs, leasing, rental). Indicate if the applicant is employed or receives income in a capacity other than as an automobile insurance agency. If none, indicate NONE.**

Name of Business/Employer                      Type of Business                      Position

--	--	--

Address: \_\_\_\_\_

**II. MARKET EXPERIENCE**

**H. Experience Requirement:** List agencies or companies with which, during the past twelve months, an association existed for placement or writing of private passenger automobile coverage(s). Indicate type of association (employee, brokerage agreement, referral only, servicing of policies, etc.), dates of association, and volume of business with which the applicant was directly involved. Provide documentation from the agency or company confirming experience. If none, indicate **NONE**.

<u>Agency/Company</u>	<u>Association</u>	<u>From/To</u>	<u># of Private Passenger Policies</u>

**I.** Indicate whether the applicant has had an Assigned Risk Producer certification revoked by Commonwealth Automobile Reinsurers (CAR). If none, indicate **NONE**.

Details

\_\_\_\_\_

**J.** Indicate whether there has been a breach of a contract between the applicant or by an employee with an Assigned Risk Company. If none, indicate **NONE**.

Company

Details

\_\_\_\_\_

**K.** Indicate whether there is any premium owed or in dispute with any insurance company. Indicate whether there has ever been a default on any automobile premiums due to any company. If none, indicate **NONE**.

Company

Details

\_\_\_\_\_

**L.** Indicate if any license held by the applicant or by an employee has been suspended or revoked by the Division of Insurance or if any such license has been surrendered in the course of, or as a result of, an investigation by the Division of Insurance or Attorney General's Office. If none, indicate **NONE**.

Details

\_\_\_\_\_

**M.** Indicate if the applicant or an employee has been convicted of a crime related to his/her occupation as a producer. If none, indicate **NONE**.

Details

\_\_\_\_\_

**III. AUTHORIZATION AND SIGNATURE**

**AUTHORIZATION**

I hereby declare that the information on this application is complete and true to the best of my knowledge.

I have read and understand CAR's Rules of Operation and all MAIP procedures and requirements on CAR's website. I hereby agree to comply with the provisions of CAR's Plan and Rules of Operation, the Assigned Risk Producer Procedures Manual, MAIP certification requirements, and the applicable regulations of the Division of Insurance. I also agree to comply with any future changes to the Rules or any directive of CAR's Governing Committee or the companies to which policies may be assigned.

I understand that the MAIP stamp provided to the agency for purposes of certifying coverage with the Massachusetts Registry of Motor Vehicles is the property of CAR and is not to be reproduced. Replacement of a MAIP stamp and/or requests for additional stamps will be authorized only through CAR. I agree that use of the MAIP stamp will be only by a licensed and MAIP authorized representative of the agency.

I understand that I and my employees are required to receive training on claims reporting and fraud recognition. Such training must be completed within six (6) months of certification to immediately submit motor vehicle insurance policies for placement through the MAIP with an Assigned Risk Company. Further, any new agency employees must complete said training within six (6) months of hire.

I agree to notify the MAIP of an agreement to sell the agency fifteen (15) days in advance of the proposed closing of any such sale and agree to notify the MAIP of a change in the agency status (i.e. name change, change in address, ownership, etc.) immediately upon the change.

I hereby authorize the Massachusetts Division of Insurance to release to the Commonwealth Automobile Reinsurers any information pertinent to the producer's license(s), agency location, agency operation, personnel, associates and other business operations.

I hereby authorize CAR to release any and all agency information contained in or supplemental to the completed application for appointment as an Assigned Risk Producer to an Assigned Risk Company or any duly authorized regulatory body upon request, and as approved by CAR.

Date: \_\_\_\_\_ Authorized signature and title: \_\_\_\_\_

Print name of authorized signature: \_\_\_\_\_

Print



## AGENCY SECURITY ADMINISTRATOR FORM

### ASSIGNED RISK PRODUCER COMMUNICATIONS ACCESS AGREEMENT

The \_\_\_\_\_ (hereafter "Agency") hereby agrees to  
(Agency Name)  
the following terms and conditions of gaining and maintaining access to Commonwealth Automobile Reinsurers' (CAR's) secure Massachusetts Automobile Insurance Plan System (MAIP System) on its Website:

1. The Agency will designate an Agency Security Administrator who will perform the following functions:
  - request access for Agency employees
  - reset passwords
  - provide information relative to security audits
  - address security breaches
  - act as a communications liaison between the Agency and CAR relative to all matters of security for access to CAR
2. CAR will assign User IDs for all access to CAR to each individual designated by the Agency Security Administrator.
3. The User ID will be specific to the designated individual and may not be shared. Any change in that individual's status with the agency must be reported to CAR within 5 business days.
4. CAR will disable User IDs that have been inactive for more than 60 consecutive days.
5. User IDs will not be disclosed to any party other than the Agency Security Administrator, the individual User and CAR, unless specifically required by law.
6. The Agency certifies that it will maintain compliance with 201 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth.
7. Any questions or problems with regard to security or operational issues arising out of this agreement must be communicated by the Agency Security Administrator to a member of CAR's Data Operations Department.
8. The Agency agrees that CAR, in its sole discretion, shall have the right to cancel the agency's User ID(s) for failure to comply with any of the above provisions, for misuse of any application, or for attempting to access restricted areas.

#### Agency Security Administrator

<input type="text"/>	<input type="text"/>	<input type="text"/>
First Name	Last Name	Additional Agency Locations (city only required)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Email Address		<input type="text"/>
<input type="text"/>		<input type="text"/>
Telephone No		<input type="text"/>
<input type="text"/>		<input type="text"/>
Street		<input type="text"/>
<input type="text"/>		<input type="text"/>
City		<input type="text"/>

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Please return form to:

Commonwealth Automobile Reinsurers  
Data Operations Department  
101 Arch Street, Suite 400  
Boston, MA 02110

Print



NATALIE A. HUBLEY  
PRESIDENT

## COMMONWEALTH AUTOMOBILE REINSURERS

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

### AGENCY MAIP STAMP INFORMATION

Included in this package are two MAIP stamps for this office location. These stamps are to be used to certify the existence of motor vehicle insurance coverage for risks placed with an Assigned Risk Company by CAR. The Massachusetts Registry of Motor Vehicles will be provided with a list of all certified Assigned Risk Producers and MAIP agency office location numbers.

#### STAMP AUTHORIZATION

Use of MAIP stamps is authorized by CAR specific to this agency and office location. This authorization is valid as long as the producer information on file at CAR remains unchanged, the agency license remains current, and the producer maintains all certification requirements. Unauthorized use of the MAIP stamp may result in the decertification of the producer.

Any change to the agency or producer status, including but not limited to the following, must be reported to CAR.

- ◆ Agency name
- ◆ Address
- ◆ Office location(s) i.e. new, closed, relocated
- ◆ Email address
- ◆ Employees, i.e. new, terminated
- ◆ Agency sale, merger, or acquisition

An Agency Information Change Form can be found in the MAIP section of CAR's website, under Forms. This Form may be completed online, downloaded to a printer, and sent to CAR's Residual Market Services Department via FAX 617-880-7298, email, or regular mail.

#### USAGE

The MAIP Stamp is to be used on RMV-1 and RMV-3 Forms. It is extremely important that the **company name and code number** as assigned by CAR and reflected on the MAIP Policy Application assignment notification are accurate and legibly printed in the space provided.

#### DUPLICATION, REPLACEMENT, ADDITIONAL, RETURN

A request for replacement or additional MAIP stamps must be submitted to CAR for approval. A MAIP Stamp Request Form can be found in the MAIP section of CAR's website, under Forms. Any agency

sale, merger, acquisition, termination, or individual office location closing must be reported to CAR immediately. MAIP stamps must be promptly returned to CAR in such events.

POWER OF ATTORNEY AUTHORIZATION

A Power of Attorney Authorization Form is enclosed. This Form must be completed by the licensed and certified producer and returned to CAR in order for agency employees to be granted the authority to certify the existence of motor vehicle insurance coverage for risks assigned to an Assigned Risk Company by CAR. The Form should also be used for any future revocation of employee authorization.

If you have any questions, please contact the undersigned via email at [jmetcalfe@commauto.com](mailto:jmetcalfe@commauto.com), or by calling 617-880-7291.

JOHN D. METCALFE  
Director - Residual Market Services



# COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

**NATALIE A. HUBLEY**  
PRESIDENT

## AUTHORIZATION TO CERTIFY MOTOR VEHICLE INSURANCE COVERAGE

The

(Agency's Legal Name)

being duly authorized under Chapter 175 of the General Laws of the Commonwealth of Massachusetts as an insurance producer licensed to sell, solicit and negotiate insurance, and further certified as an Assigned Risk Producer (ARP) for the Massachusetts Automobile Insurance Plan (MAIP) pursuant to the Commonwealth Automobile Reinsurers (CAR) Rules of Operation, hereby

(please check the applicable box)

grants

revokes

this limited durable power of attorney, authorizing the following individual(s):

  
Name of Employee (Print)  
Name of Employee (Print)  
Employer  
Employer  
Office Location (Town)  
Office Location (Town)

to certify, through the use of the MAIP stamp provided to the ARP by CAR, the existence of motor vehicle insurance coverage for risks assigned to an Assigned Risk Company by CAR. Such authority is extended only to those policies issued through the Massachusetts Automobile Insurance Plan and produced in the course of the individual's employment agreement with the insurance agency.

This instrument shall be effective upon receipt by CAR. A grant of authority continues until revoked by the agent with notice to CAR.

  
Name - Print full name of agent as licensed  
Email  
Title

Signature

(Completed and signed forms may be faxed to the Residual Market Service Department at 617-880-7298).

Print



Training

**Training**

**Producer**

[Producer Quick Start](#)

Producers use this page to help familiarize yourself with the MAIP.

**Company**

[Company Quick Start](#)

Companies use this page to help familiarize yourself with the MAIP.

**Fraud Training**

Producer Fraud Training is available through the following resources:

- [MAIA](#) - classroom, video, and online formats
- [Insurance Library](#) - classroom format
- [CAPE School](#) - online format
- [CEU.com](#) - online format
- [North American Training Group](#) - online format
- [CEAuthority](#) - online format

[Privacy Policy](#)

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[Contact Us](#)

## Metcalfe, John

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**From:** Emily Oliver <eoliver@massagent.com>  
**Sent:** Wednesday, June 06, 2018 2:43 PM  
**To:** Metcalfe, John  
**Cc:** Kathy Cormier  
**Subject:** FW: CAR Commercial Underwriting Changes  
**Attachments:** CAR\_EXAM\_2018.pdf; TOC\_CARTrainingManual\_2018.pdf

Hi John,

I would be happy to give you more detailed information on MAIA's CAR Certification class that is taught by Bernie Torri. As you noted, our website has a brief description which I've copied and pasted below. I'm also attaching the Table of Contents (TOC) for the book that Bernie developed to teach the 3 -hour class. And I'm attaching the CAR Exam that is given at the end of program which the candidate must pass with a 70% in order to be eligible to submit business to C.A.R. If you have any further questions, please do not hesitate to contact me.

This is the CAR Certification Class. This class is mandatory for anyone who wants to be placed in the Massachusetts commercial automobile insurance as an Exclusive Representative Producer. This class assumes a basic knowledge of the PAP and BAP.

### CLASS TOPICS:

Distinguish between the eligibility for a business (commercial) auto policy vs. personal auto policy

- Review minimum and maximum coverage limits for liability including bodily for uninsured and underinsured motorists, property damage liability and physical damage.
- Review PPT, TTT, Public Auto, Special Operations classes of business and garage eligibility
- Discuss hired car and non – owned auto exposures
- The Taxi / Limo program

Emily Oliver  
Program Coordinator

Massachusetts Association  
of Insurance Agents



91 Cedar Street, Milford, MA 01757

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508-634-7379 (direct)

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## C.A.R- Commercial Auto Limited Servicing Carrier ERP

This is the CAR Certification Class. This class is mandatory for anyone who wants to be placed in the Massachusetts commercial automobile insurance as an Exclusive Representative Producer. This class assumes a basic knowledge of the PAP and BAP.

### CLASS TOPICS:

Distinguish between the eligibility for a business (commercial) auto policy vs. personal auto policy

- Review minimum and maximum coverage limits for liability including bodily for uninsured and underinsured motorists, property damage liability and physical damage.
- Review PPT, TTT, Public Auto, Special Operations classes of business and garage eligibility
- Discuss hired car and non – owned auto exposures
- The Taxi / Limo program

MAIA - C.A.R Commercial Auto Limited Servicing Carrier ERP Course  
Table of Contents

Topic:

1. Eligibility – Individual vs. Corporate or business use PAP Rule 27
  - a. Owned or leased by a corporation, LLC, LLP, Use of vehicle, PPT, TTT, Public auto, special use
  - b. Gross vehicle weight, MA domiciled companies only
2. Antique automobile exclusion
  - a. Explain statute not allowing antique auto classification to CAR
3. The 4 Limited Servicing Carriers
  - a. Assignment of one of the four for all non-taxi limo ceded auto
4. The 2 Servicing Carriers for Taxis, Limos and Car Service classes of public autos for this business only
5. Types of policies BAP and garage eligibility
  - a. Business auto policy,
  - b. Garage policies for new or used dealers only
  - c. Repair plates, GKLL, endorsements
  - d. Non garage policies and how to endorse the BAP for coverage
6. Rules of Operation coverage limits (Rule 6) including hired and non-owned auto, taxi, garage and all other commercial motor vehicles and trailers
  - a. Review coverage limits by line of coverage A1, A2, B, C, U1, U2, CSL, physical damage
7. Coverage Symbols
  - a. Scheduled vehicles, hired car, non-owned auto (symbols 7, 8, 9)
8. Fleet vs. Non-Fleet
  - a. 5 or more motor vehicles
  - b. Experience rating for fleets
9. CAR vs. company rates
  - a. CAR rates and territories NOW EFFECTIVE 02/01/2018
  - b. PPT non-fleet (carrier's voluntary rate)
  - c. All other (CAR rates)
10. Classifications:
  - a. Private passenger
  - b. Truck Tractor Trailer
  - c. Public Auto
  - d. Special types
  - e. Garage franchised and non-franchised auto dealers
11. Pre-inspection
  - a. Review WAIVER of pre-inspection rules for commercial policies
12. License plate numbers and UMS
  - a. Explain the Uninsured Motorist System
  - b. Vehicles must have a MA registration
  - c. Carrier verification electronic notification
13. FEIN or other Federal tax identification
  - a. Important for UMS and verification of eligibility to CAR
14. Review applications
  - a. Acord 125 and Acord 127
15. Down payment deposit
  - a. Direct billing calculation of deposit premium
16. Timely submissions
  - a. Before effective date
  - b. Late penalties



Massachusetts Association  
of Insurance Agents



# C.A.R. - Commercial Auto Limited Servicing Carrier ERP EXAM



2018

CAR CERTIFICATION EXAM 1/1/18 and later

1. Which of the following named insured would not be eligible for a commercial auto policy?
  - a. Jane Doe & John Doe and their Ford Sedan
  - b. Jon Doe & Jane Doe, Limited Partnership and their Ford Sedan
  - c. The Doe Corp. and a Chrysler station wagon
  - d. All of the above
  
2. Which vehicle(s) is **not** eligible for a CAR commercial auto policy?
  - a. 2006 Ford Taurus
  - b. 1956 Ford Thunderbird classified as an antique
  - c. One ton pickup truck with a GVW of 12,000lbs
  - d. ¾ ton pickup truck with a GVW of 9,950lbs
  
3. Which vehicle(s) is eligible for a commercial auto policy?
  - a. 2005 Chevrolet Impala used as a taxicab.
  - b. 2007 Mercedes leased to the company and used by an individual as a real estate agent
  - c. A 15,000 lb pickup truck used by you to deliver product to your clients
  - d. All the above
  
4. The business automobile policy can cover which of the following exposures?
  - a. Owned Auto Exposures
  - b. Non-Owned Auto Exposures
  - c. Hired Auto Exposures
  - d. All of the above
  
5. Available coverage for a Taxi is:
  - a. CSL of \$500,000
  - b. BI limit of \$500/500 and PDL of \$250,000
  - c. A maximum BI limit of 250/500 and PDL of \$50,000
  - d. No coverage restriction
  
6. The definition of a scheduled “**trailer**” for rating would not include?
  - a. The utility trailer with a GVW of 1,000 lbs. to haul a generator
  - b. A Semi Trailer used to haul frozen meat
  - c. A 5,000 lb G.V.W. hay wagon (weight of trailer 400 lbs.)
  - d. All of the above
  
7. A combined single limit (CSL) means:
  - a. Uninsured and underinsured motorist coverages are combined in one limit
  - b. Bodily injury and property damage coverages are combined in one limit
  - c. Collision and comprehensive coverages are combined in one limit
  - d. PIP and medical payments coverages are combined in one limit

CAR CERTIFICATION EXAM 1/1/18 and later

8. Which of the following is/are **true** regarding MA **compulsory** coverage's?
- a. Insureds can pick and choose the coverage parts and limits they want
  - b. PIP is not required on a commercial automobile policy
  - c. Compulsory bodily injury to others pays for property damage accidents in MA only
  - d. None of the above
9. All of the following are true statements regarding PIP **except**:
- a. PIP expenses must be incurred within two years from the accident date
  - b. PIP pays benefits up to \$8,000
  - c. PIP benefits payable are Medical expenses, lost wages and replacement services
  - d. PIP will pay in excess of workers compensation coverage
10. Uninsured Motorist coverage in the BAP will pay benefits for which of the following?
- a. The driver of the truck while delivering packages "on the job"
  - b. A guest in the vehicle that does not have a MA personal auto policy
  - c. I was injured while riding my motorcycle to work by a driver with compulsory limits
  - d. A client in my vehicle that has a MA PAP with compulsory limits
11. Which statement is **false** regarding damage to someone else's property coverage?
- a. Will not cover the garage mechanic when he test drives a clients auto and causes damage to property of others with symbol 7 on the mechanic's policy
  - b. Will cover business use of your 15,000 lb pickup truck
  - c. A deductible is available for you or you and your household members
  - d. None of the above
12. ABC Trucking Company has three tractors and five semi trailers
- a. This is a fleet policy
  - b. This is a garage policy
  - c. This is a non fleet business auto policy
  - d. This is not eligible for any commercial policy
13. The truck that weighs 30,000
- a. Is a light truck
  - b. Is a medium truck
  - c. Is a heavy truck
  - d. Is an extra heavy truck
14. For a vehicle to be classified and rated as public auto you need to know:
- a. The number of seats
  - b. The radius of operation
  - c. A description of type of passengers carried
  - d. All of the above

CAR CERTIFICATION EXAM 1/1/18 and later

15. If an insurance company cancels a policy for non-payment of premium, a notice must be sent
- Certified mail, giving at least 20 days notice
  - Certified mail, giving at least 10 days notice
  - Certificate of mailing with at least 30 days notice
  - Certificate of mailing with at least 20 days notice
16. The inspectors of tunnels are driving through the City of Boston checking for water leaks in a brand new 15,000 pound 4 door pickup truck.
- This is a service class vehicle
  - This is a retail class vehicle
  - This is a commercial class vehicle
  - None of the above
17. Joe's Gas Station & Body Repair, Inc needs a:
- A garage insurance policy with garagekeepers legal liability coverage
  - A business auto policy with a garagekeepers liability endorsement
  - A non franchised dealer garage policy
  - Private passenger type policy with a repair plate endorsement
18. Dave's Oil Company delivers heating oil to single family houses and industrial parks.
- The vehicles delivering to the industrial park are classified as commercial
  - The vehicles delivering to the houses are classified as commercial
  - All the vehicles delivering everywhere are classified as retail
  - The vehicles delivering to the houses are classified as service
19. Which statement best reflects the Safe Driver Insurance Plan regarding a commercial auto policy
- The point value is for major at fault accidents only
  - The point value is for major at criminal violations only
  - Criminal violations follow the driver and are surcharged against the drivers PAP.
  - All of the above
20. Towing and labor coverage:
- Is available for PPT (private passenger type) classified vehicles only
  - Is available for PPT and light truck classified vehicles only
  - Is not available on a commercial auto policy
  - Has a minimum coverage limit of \$25.00

CAR CERTIFICATION EXAM 1/1/18 and later

21. The procedure regarding Pre-Insurance Inspection for physical damage coverage on a Business Auto Policy is?
  - a. 3 days for non fleets, 5 days for fleets
  - b. 10 days for non fleets, fleets are exempt
  - c. Pre-inspection is waived for the commercial auto policy
  - d. all business automobile policies are subject to Pre-Insurance Inspection
  
22. The two servicing carriers for taxi and limousine business are:
  - a. Travelers and Liberty Mutual
  - b. Pilgrim and Safety
  - c. Plymouth Rock and Commerce
  - d. Seaco and Pilgrim
  
23. CAR rates:
  - a. Are subject to review and or change on January 1 of each year
  - b. Are subject to review and or change on December 1 of each year
  - c. Are subject to review and or change on July 1 of each year
  - d. Are currently effective 2/1/2018 and beyond
  
24. The total number of companies in the Commercial Limited Servicing Carrier program:
  - a. Unlimited
  - b. Four
  - c. Seven
  - d. Eleven
  
25. Antique automobiles written through Commonwealth Automobile Reinsurers (CAR):
  - a. Can only be written on a personal auto policy.
  - b. Can only be written on a business automobile policy.
  - c. Can only be written with compulsory coverage's
  - d. Cannot be written through Commonwealth Automobile Reinsurers.

Time	#	Topic
10m	1	Eligibility individual vs corporate or business use PAP rule 27 1. Owned or leased by a corporation, LLC, LLP, Use of vehicle. PPT, TTT, Public auto, special use 2. Gross vehicle weight, MA domiciled companies only
05m	2	Antique automobile exclusion 1. Explain statute not allowing antique auto classification to CAR
05m	3	The 4 Limited Servicing carriers 1. Assignment of one of the four for all non- taxi limo ceded auto
05m	4	The 2 servicing carriers for Taxis, Limos and Car Service classes of public autos for this business only
15m	5	Types of policies BAP and garage eligibility 1. Business auto policy, Garage policies for new or used car <u>dealers only</u> 3. Repair plates, GKLL, endorsements, 4. Non garage policies and how to endorse the BAP for coverage
15m	6	Rules of operation coverage limits (rule 6) including hired and non-owned auto, taxi, garage and all other commercial motor vehicles and trailers 1. Review coverage limits by line of coverage A1, A2, B, C, U1, U2, CSL, physical damage
05	7	Coverage symbols 1. scheduled vehicles, hired car, non-owned auto (symbols 7, 8, 9)
10m	8	Fleet vs non fleet 1. 5 or more motor vehicles 2. Experience rating for fleets
05m	9	CAR. vs company rates 1. CAR rates and territories NOW EFFECTIVE 02/01/2018 2. PPT non fleet (carriers voluntary rate) 3. All other (CAR rates)
60m	10	Classifications: 1. Private passenger 2. Truck Tractor Trailer 3. Public Auto 4. Special types 5. Garage franchised and non-franchised auto dealers
10m	11	Pre- inspection 1. Review WAIVER of pre inspection rules for commercial policies
10m	12	License plate numbers and UMS 1. Explain the Uninsured Motorist System, Vehicles must have a MA registration, 3. Carrier verification electronic notification
05m	13	FEIN or other Federal tax identification 1. Important for UMS and verification of eligibility to CAR
10m	14	Review applications 1. Acord 125 and Acord 127
05m	15	Down payment deposit 1. Direct billing calculation of deposit premium
05m	16	Timely submissions 3. Before effective date 4. Late penalties
180m		Total 3 hours

The course should to be specific to MA and earn 3 CEU credits

The “fraud training” requirement is one that **Commonwealth Auto Reinsurers** (aka “CAR”) requires “assigned risk producers” to take. That requirement can be found in **CAR Rule 31** (page 5 of 8, item 14). Also, below is link the **CAR Rules 21-40** and a link to their main website. Specific questions about the training should be directed to CAR. See the following:

14. The ARP and his employees will be required to receive training on claims reporting and fraud recognition. For current ARPs and employees, such training must be completed within six months of the initial implementation of the MAIP. For new ARPs, such training must be completed within six months of certification by the Governing Committee or its designee to immediately submit Motor Vehicle Insurance policies for placement through the MAIP with an ARC. For new employees, such training must be completed within six months of hire. Any fraud training program that receives three CEU credits from the Massachusetts Division of Insurance will satisfy the claims reporting and fraud recognition training requirement. No other training that an ARC provides to its producers is sufficient to meet the claims reporting and fraud recognition training requirement set in this Section.



Training

**MAIP FAQs - Producer - As of November 3, 2016**

- What steps are necessary for a newly licensed producer to obtain ARP certification?
- Does the MAIP place any market need restrictions relating to agency office locations?
- Are ARPs allowed to expand to additional office locations?
- Are there minimum production requirements to retain ARP certification status?
- How many MAIP certification stamps will each ARP receive?
- Who is required to take the Producer Fraud Training Seminar?
- Are employees who process only commercial policies required to take the Producer Fraud Training Seminar?
- Are out-of-state producers required to attend the Producer Fraud Training Seminar?
- When and where are Producer Fraud Training Seminars held?
- Are CEU credits awarded for taking the Producer Fraud Training Seminar?
- What are the software requirements for producers to access the MAIP in order to submit an application?
- Are ARPs required to forward a photocopy of the license of each listed operator on the MAIP policy?
- How should producers advise ARCs of the existence of a deferred operator on a MAIP policy?
- Should an ARP indicate that a risk will utilize a premium finance option?
- Are ARPs provided with company contact information necessary for the issuance and servicing of assigned risk policies?
- How are the ARP and the insured notified of which ARC a policy has been assigned?
- May an insured request reassignment to another company if he or she is not satisfied with the company to which he or she is assigned?
- At what point in the assignment process is coverage bound?
- I have made an assignment through the MAIP but the applicant has decided not to accept the policy. Whom do I notify?
- How can changes/endorsement be made to a policy assigned through the MAIP?
- Is the deposit amount required for assigned business determined based on the MAIP premium?
- If a risk has been cancelled for non-payment within the last 24 months, what down payment amount should the producer collect?
- If an applicant owes earned premium to their prior carrier, will the assignment automatically be made to the carrier to which the premium is owed?
- Is an ARP required to collect outstanding unpaid premium as part of the premium deposit when placing business through the MAIP?
- What happens once the 3 year assignment period is over?
- Can MAIP policies be written voluntarily at renewal?
- I submitted an application rated with physical damage coverage through the MAIP Policy Application but the ARC to which the policy was assigned issued the policy without the physical damage coverage. Can the ARC do that?
- Can a producer use the MAIP stamp to provide a "courtesy stamp" for a risk?
- Is a motorcycle applicant eligible for the MAIP even if he only holds an active motorcycle permit and not a driver's license?
- Are scooters and restricted motor bikes (i.e. maximum speed is less than 35 mph) eligible for placement through the MAIP?
- Can a motorcycle and a private passenger automobile be written on the same MAIP policy?



Is a vehicle that performs snowplowing eligible for MAIP coverage?

What is the Symbol rating system effective for policies April 1, 2011 and subsequent?

Do VRGs replace the current vehicle symbols?

What is the VRG used for?

What if an invalid VIN is entered or a VRG does not exist for the entered VIN?

**What steps are necessary for a newly licensed producer to obtain ARP certification?**

Rule 31 - Assigned Risk Producer Requirements, details ARP certification requirements. Specific instructions on obtaining ARP certification are located in Chapter II of the ARP Procedures Manual with additional information available in the Producer Quickstart found in the MAIP section of CAR's website in the Getting Started Guide or accessed from the Training section.

**Does the MAIP place any market need restrictions relating to agency office locations?**

There is no market need criteria relating to agency office locations set forth by the MAIP.

**Are ARPs allowed to expand to additional office locations?**

Yes, the establishment of additional office locations by ARPs is not restricted in the MAIP.

**Are there minimum production requirements to retain ARP certification status?**

No, amendments to Rule 31 effective May 16, 2008, eliminated production criteria for ARPs.

**How many MAIP certification stamps will each ARP receive?**

CAR will provide two MAIP stamps for each verified agency office location.

**Who is required to take the Producer Fraud Training Seminar?**

Rule 31.B.14, requires the producer and all agency employees who process Massachusetts private passenger automobile policies and/or claims must successfully complete the CAR Producer Fraud Training Seminar. The requirement applies to all current producers as well as licensed and unlicensed employees.

**Are employees who process only commercial policies required to take the Producer Fraud Training Seminar?**

Rule 31.B.14, provides that the ARP and his or her employees will be required to receive training on claims reporting and fraud recognition.

**Are out-of-state producers required to attend the Producer Fraud Training Seminar?**

Yes, all employees of an out-of-state agency who process Massachusetts private passenger automobile policies/claims are required to take the class. MAIA has arranged with the Independent Insurance Agents of Rhode Island and the New Hampshire Agents Association to conduct the class.

**When and where are Producer Fraud Training Seminars held?**

Producer Fraud Training is available at different times and in various formats. Please visit the [MAIP Training page](#) for a list of vendors and formats available.

**Are CEU credits awarded for taking the Producer Fraud Training Seminar?**

Yes, most courses have been approved for CEU credit by the Massachusetts Division of Insurance. Specific information on course credits should be obtained from the vendor.

**What are the software requirements for producers to access the MAIP in order to submit an application?**

To ensure optimum performance, CAR recommends the latest Windows operating system. In addition, Internet Explorer 10+, Firefox, or a compatible modern web browser is required. More information can be found in the MAIP section of CAR's website under System Recommendations in the Getting Started Guide.

**Are ARPs required to forward a photocopy of the license of each listed operator on the MAIP policy?**

No. Rule 31.B.3.b, requires that the ARP must only submit a photocopy of the license of any operator holding an out-of-state or out-of-country driver's license with the new business application. The ARC will validate a Massachusetts driver's license through the Registry of Motor Vehicles.

**How should producers advise ARCs of the existence of a deferred operator on a MAIP policy?**

The presence of a deferred operator should be noted in the Remarks Section of the MAIP Policy Application. All licensed household operators must be listed on the application.

**Should an ARP indicate that a risk will utilize a premium finance option?**

Yes, the ARP should check the box on the Applicant page of the MAIP Policy Application and also note the name of the finance company in the Remarks Section.

**Are ARPs provided with company contact information necessary for the issuance and servicing of assigned risk policies?**

The Company Directory is found on the first page after the Log-In, and a Company Checklist is also provided once a policy is assigned. The Directory includes company names, addresses, and other specific information necessary for the issuance and servicing of assigned risk policies.

**How are the ARP and the Insured notified of which ARC a policy has been assigned?**

The MAIP will electronically notify the producer of record immediately upon the successful submission of the completed MAIP policy application through the system. The producer will be responsible for notifying the insured.

**May an Insured request reassignment to another company if he or she is not satisfied with the company to which he or she is assigned?**

No, except as provided in [Rule 26.B.1.](#)

**At what point in the assignment process is coverage bound?**

Coverage is not bound until an assignment has been made by the MAIP disclosing the identity of the receiving ARC.

**I have made an assignment through the MAIP but the applicant has decided not to accept the policy. Whom do I notify?**

If an applicant decides not to take a policy after assignment to an Assigned Risk Company, the producer can utilize the Void Assignment function which allows a producer to void assignments that have been made during the last 2 business days. The Void Assignment link is found on the main landing page of the MAIP Policy Application.

If two business days have surpassed, the producer must notify the Assigned Risk Company directly that the policy has not been taken by the applicant.

**How can changes/endorsement be made to a policy assigned through the MAIP?**

Once a MAIP policy is assigned to an Assigned Risk Company, any requests for changes/endorsements to that policy should be made directly to the ARC. Please refer to the Company Directory located on the MAIP website for contact information.

**Is the deposit amount required for assigned business determined based on the MAIP premium?**

Yes, [Rule 28.C.1.](#) provides that a deposit of 25% of the quoted premium based on the MAIP rate is required for new business with policy effective dates on and after April 1, 2009. A deposit of 20% is required for a renewal policy.

**If a risk has been cancelled for non-payment within the last 24 months, what down payment amount should the producer collect?**

If the risk has been cancelled for non-payment of premium within the last 24 months, the producer is required to collect 80% of the calculated MAIP premium or 100% of the Assigned Risk Company's voluntary premium, if known.

**If an applicant owes earned premium to their prior carrier, will the assignment automatically be made to the carrier to which the premium is owed?**

In cases where earned premium is owed, the assignment will automatically be made to the prior carrier only in cases where the prior policy was an assigned risk policy. Owed premium should always be submitted to the carrier to which the premium is due.

**Is an ARP required to collect outstanding unpaid premium as part of the premium deposit when placing business through the MAIP?**

An ARP is not required to collect the outstanding owed premium. However, *the applicant is required* to satisfy any outstanding debt occurring *within the previous 12-month period*, prior to being eligible for placement in the MAIP. An ARP may choose to assist an applicant in resolving this situation.

**What happens once the 3 year assignment period is over?**

If an Assigned Risk Company intends to non-renew the policy at the end of its 3-year assignment period, the ARC is required to notify the producer of its decision at least 120 days in advance of the policy's expiration date. The producer may submit the risk to MAIP for reassignment, as long as the policy is submitted at least 60 days prior to the policy's expiration date and new policy's effective date matches the expiration date of the original policy and the driver's license number on both policies are the same, the MAIP Policy Application will be able to verify that the insured had been assigned for 3 consecutive years to the same ARC and no down payment will be required with the new application.

**Can MAIP policies be written voluntarily at renewal?**

Yes, if an Assigned Risk Company chooses to offer a voluntary policy to a risk that it has insured through the MAIP, it must mail a notification to the producer of record 90 days prior to the expiration date of the MAIP policy. The insured/producer may elect not to accept the offer by notifying the Assigned Risk Company.

**I submitted an application rated with physical damage coverage through the MAIP Policy Application but the ARC to which the policy was assigned issued the policy without the physical damage coverage. Can the ARC do that?**

Under certain circumstances, as outlined in [Rule 27 – Coverages](#) of CAR's Rules of Operation, and pursuant to G.L. c. 175, § 113H, an ARC may charge an extra-risk rate for physical damage insurance, or, in the alternative, may refuse to issue collision, fire, theft or comprehensive coverage. You must inform an applicant that meets the Rule 27 criteria that although his policy may initially be rated with physical damage coverage, the assigned company will ultimately determine whether to issue to policy with this coverage.

**Can a producer use the MAIP stamp to provide a "courtesy stamp" for a risk?**

No, the MAIP stamp may not be used in courtesy stamping. If the producer represents the company insuring the vehicle, then the producer may use that company's stamp to certify a registration on behalf of another producer.

**Is a motorcycle applicant eligible for the MAIP even if he only holds an active motorcycle permit and not a driver's license?**

Yes. [Rule 44 of CAR's Massachusetts Private Passenger Automobile Insurance Manual](#) indicates that the experienced operator class may only be applied if the operator of the motorcycle has been licensed to operate a motorcycle for at least six years, however, the inexperienced operator class may be applied if the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, *or holds a motorcycle permit*.

**Are scooters and restricted motor bikes (i.e. maximum speed is less than 35 mph) eligible for placement through the MAIP?**

Yes. If the vehicle is required to be registered with the Massachusetts Registry of Motor Vehicles, it is eligible for placement through the MAIP as a low speed vehicle.

**Can a motorcycle and a private passenger automobile be written on the same MAIP policy?**

Yes. A motorcycle and a private passenger automobile may be written on the same policy. A separate policy is not needed. A motorcycle may also be endorsed onto a MAIP assigned policy.

**Is a vehicle that performs snowplowing eligible for MAIP coverage?**

The vehicle must meet the definition of private passenger in accordance with [Rule 27 – Private Passenger Definition of the Massachusetts Private Passenger Residual Market Automobile Insurance Manual](#). There is nothing in the definition or policy language which would exclude the snowplow. The vehicle should be assigned to Rate Class 30 – Business Use (unless a higher rated inexperienced operator class applies), and the Assigned Risk Company may choose to increase the symbol or use the Customized Equipment endorsement to develop the appropriate premium to include the snowplow. Information concerning the snowplow should be included in the Remarks section of the application.

**What is the new Symbol rating system effective for policies April 1, 2011 and subsequent?**

The Vehicle Rating Group (VRG) program, assigns vehicles to groups in order to reflect expected cost differences and claims activity arising from the type of vehicle insured.

**Do VRGs replace the current vehicle symbols?**

Yes, VRGs replace current vehicle symbols and are assigned to vehicles as new model years are introduced. Once assigned, a VRG is not subject to change.

**What is the VRG used for?**

This methodology is used to rate the collision, limited collision and comprehensive coverage in order to develop the vehicle's physical damage premium. Upon entering a VIN on the Vehicle page, two VRGs will be returned; one for collision and one for comprehensive.

**What if an invalid VIN is entered or a VRG does not exist for the entered VIN?**

If the MAIP Policy Application system is not able to determine comprehensive or collision VRGs for policy rating purposes you will be prompted to enter the vehicle's base list price, year and make of the vehicle and the system will assign VRGs and rate the policy based upon the entered information.

# COMMONWEALTH AUTOMOBILE REINSURERS

Rev 6/93

## Producer Assignment Checklist and Contract Notification

Assignment Date: 6/19/18

Safety Insurance Company  
 Servicing Carrier Name

COM  
 Line of Business

Donald E. Ludwig Agency  
 Producer/Agency Name

5  
 C.A.R. ID Code

<u>Date Completed</u>	<u>Company Individual</u>
-----------------------	---------------------------

- |    |  |       |                   |
|----|--|-------|-------------------|
| 1. | Initial Contact (telephone, etc.)  | _____ | _____             |
| 2. | Onsite visit of the agency location listed on the application                                      | _____ | _____             |
| 3. | Verify office is established:  |       |                   |
| A. | Is office in home, is it separate from living quarters?  |       | <b>Y / N / NA</b> |
| B. | Does the agency have a sign and is it visible?   |       | <b>Y / N</b>      |
|    | Comments _____   |       |                   |
| C. | Is the office location listed on the application, the primary office location for the agency?      |       | <b>Y / N</b>      |
| D. | Does the agency share space, building access or are other businesses located in the same building? |       | <b>Y / N</b>      |
|    | If yes, describe access, identify names and type of businesses:                                    |       |                   |
|    | _____  |       |                   |
|    | _____  |       |                   |
|    | _____  |       |                   |

- |    |  |          |              |
|----|--|----------|--------------|
| 4. | Names of employees in office:<br>(Identify if employee is a licensed broker) |          |              |
|    | _____  | Licensed | <b>Y / N</b> |
|    | _____  | Licensed | <b>Y / N</b> |
|    | _____  | Licensed | <b>Y / N</b> |

- |     |  |       |       |
|-----|--|-------|-------|
| 5.  | Training and company procedure manual issued       | _____ | _____ |
| 6.  | Contract effective date _____ Date contract signed | _____ | _____ |
| 7.  | Number of manuals issued: _____                    | _____ | _____ |
| 8.  | Number of rate charts issued: _____                | _____ | _____ |
| 9.  | Number of stamps issued: _____                     | _____ | _____ |
| 10. | Provide a picture of the outside of the agency.    |       |       |

11. Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**(\* A stamp should be issued to the applicant only upon verification of the information contained on the application for appointment and that the stamp will be maintained in a secure area. Stamps for additional office locations should be issued only after consulting with C.A.R. Please identify any additional stamps issued, to whom and location. Notify the applicant that the stamp is company property and reproduction without company consent is prohibited..**

**BUSINESS REPORTING REQUIREMENT**

Company #'(s):     773                      Producer Code #'(s): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Cession Backdate Options (Rule 13)  
 (CAR ID Code - 5 ONLY)**

<u>L.O.B.</u>		<u>BACKDATE DESCRIPTION</u>		
<u>PPO</u>	<u>COM</u>			
_____	_____	NO Auto Backdating	(13.B.4.c.i)	(0)
_____	_____	New Business ONLY	(13.B.4.c.iii)	(2)

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Authorized Signature*



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

ASSIGNED RISK PRODUCER CERTIFICATION

Please be advised that pursuant to Rule 31, of CAR's Rules of Operation, your agency is hereby certified as an Assigned Risk Producer.

To maintain your certification, please review the ongoing obligations and responsibilities for an Assigned Risk Producer contained in the above Rule. In addition, each year, immediately upon receipt of your agency's license renewal from the Division of Insurance, a copy must be uploaded to our website in your MAIP Producer Profile to ensure retention of your certification status.

It is important to keep CAR advised of the changes relative to your agency's principal, Security Administrator, or any email addresses. Failure to update email information might result in denial of access to the MAIP Policy Application or may inhibit your timely access to any revisions to the certification requirements.

Please note, all future communication from CAR to your agency location(s) relative to changes or additional certification requirements will be via email only.

JOHN D. METCALFE  
Director – Residual Market Services

# CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED RISK PLAN\* PRODUCER CERTIFICATION APPLICATION

\*hereinafter referred to as the CT AIARP or the Plan

THIS FORM AND ALL NECESSARY DOCUMENTATION MAY BE FAXED TO CT AIARP AT (401) 528-1409

PRINT IN INK OR TYPE APPLICATION - USE DOTTED LINE TO FOLD INTO WINDOW ENVELOPE

MAIL APPLICATION AND COPY OF LICENSE TO:  <p style="text-align: center;"><b>CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED                  RISK PLAN CERTIFICATION UNIT                  302 CENTRAL AVENUE                  JOHNSTON, RI 02919</b></p>		<b>FOR PLAN USE</b>	
		PROCESSED BY AND DATE	
CASUALTY INSURANCE AGENT/BROKER LICENSE NUMBER	EXPIRATION DATE	TAX ID # (IF OTHER THAN INDIVIDUAL) OR SOCIAL SECURITY # (IF INDIVIDUAL)	
LAST NAME/OR AGENCY NAME (AS IT APPEARS ON PRODUCER'S LICENSE AND WILL APPEAR ON PLAN APPLICATIONS)		FIRST NAME	MI
THE PRODUCER NAMED ABOVE IS A (CHECK ONE) <input type="checkbox"/> INDIVIDUAL PERSON <input type="checkbox"/> AGENCY <input type="checkbox"/> BROKERAGE			
CURRENT BUSINESS STREET ADDRESS		CITY	STATE     ZIP CODE
MAILING ADDRESS (P.O. BOX)		CITY	STATE     ZIP CODE
TELEPHONE NUMBER (INCLUDING AREA CODE)	FAX NUMBER (INCLUDING AREA CODE)	E-MAIL ADDRESS	
If this application is for an individual, give the name of the agency of which you are an affiliate* or officer (if applicable)			
NAME OF AGENCY	TADX ID #	LICENSE NUMBER	
* An "affiliate" of, or person "affiliated" with, a specific producer means a person or producer that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the specific producer. A "subsidiary" of a specified producer means an affiliate controlled by such producer directly, or indirectly through one or more intermediaries.			
<b>CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED RISK PLAN MANUAL</b>  All certified producers must maintain access to the internet – based Plan manual.  Do you have access to the internet – based manual? <input type="checkbox"/> Yes <input type="checkbox"/> No  If you answered "No", please visit our website at <a href="http://www.aipso.com/PlanSites/Connecticut.aspx">www.aipso.com/PlanSites/Connecticut.aspx</a> to subscribe to the electronic version of the CT AIARP manual.  Please provide this application and a copy of your current Property and Casualty license to the CT AIARP.			
<b>NOTE:</b>			
If this application is for an entity other than an individual person, each producer who completes and sign applications for the entity named on this application must be certified. These individual persons must complete and submit a separate Application for Certification.			
If more than one office, submit a separate application for each location.			
If you have any questions on the Connecticut Automobile Insurance Assigned Risk Plan Certification Program or the proper completion of this form, please contact Plan staff at (401) 946-2800.			
If additional copies of this form are needed, this form may be photocopied.			

UNDERTAKING

The applicant \_\_\_\_\_ declares that in  
(APPLICANTS NAME AS IT APPEARS ON REVERSE SIDE)  
the event of certification as a producer of the Plan business:

1. the applicant will read and become thoroughly familiar with the Plan, the Plan manual and any revisions, amendments or notices with references to same which are issued hereafter.
2. the applicant will comply with and perform all duties in accordance with the aforementioned Plan, Plan manual, notification and amendments and in addition, comply with any direction received from the Plan staff or Governing Committee or the Department of Insurance with reference thereto or with reference to any applicant for insurance under the Plan, any Plan insured, or any company under the Plan.
3. the applicant agrees and understands the only means to obtain immediate coverage is through the use of the Plan's Electronic Mail Binding Procedure – EASi system under the procedures established and authorized by the Plan.

In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agreed that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend or limit the produces right to do any business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such period of suspension or revocation, the producer may not be entitled to commissions which would otherwise become due for insurance effective during said period and further agrees that the Plan staff or the Governing Committee as the case may be, may in connection with any violation or failure to perform on the part of the Producer, limit the number of identification cards, applications or other Plan forms which may be issued to the Producer.

The Plan shall have the right at any time to demand and receive the return of any identification cards. Producer agrees to promptly comply with any such request. Any notice by the Plan or any of the Plan staff or the Governing Committee in connection with this subsection may be sent by ordinary mail except that in the event of revocation or suspension of the certification of a Producer, notice shall be sent by both first class and certified mail, return receipt requested.

I (We) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the undertakings made in the UNDERTAKING section and I (we) agree thereto and subscribe thereto.

\_\_\_\_\_  
NAME OF INDIVIDUAL APPLICANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF INDIVIDUAL APPLICANT

**See Rules of Operation, Connecticut Producer Certification Program  
for detailed instructions. ([www.aipso.com/ct/producer.htm](http://www.aipso.com/ct/producer.htm))**



**RULES OF OPERATION PRODUCER  
CERTIFICATION PROGRAM  
CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED RISK PLAN**

1. **Introduction** - As provided in Section 53. of the Connecticut Plan, the Governing Committee of the Plan shall certify those agents and brokers (hereinafter producer) licensed to transact automobile insurance business in Connecticut who are qualified to submit applications to the Plan on behalf of their clients. All producers requesting certification must specify in writing that they hold a valid Connecticut agents and/or brokers license and must agree that they will abide by the Performance Standards for Producers and the rules and procedures of the Connecticut Automobile Insurance Assigned Risk Plan. The producer must include a copy of one of his/her Connecticut licenses with the Application for Certification. Any subsequent changes of address must also be submitted to the Plan. The certification of the producer shall not be construed as constituting the producer as an agent of the Connecticut Automobile Insurance Assigned Risk Plan nor of any insurance carrier to which an applicant of the producer is assigned.
2. **Application for Certification** - All producers who are licensed to transact automobile insurance business in Connecticut must first complete the Application for Certification and be certified in order submit an application for coverage through the Connecticut Automobile Insurance Assigned Risk Plan, and purchase identification cards and/or other supplies from the Plan. All such licensed producers who have not already purchased a Connecticut Plan Manual must either purchase such Manual, or acquire access to the Internet-based Plan Manual as a prerequisite to certification. The burden of proof shall lie with the producer in demonstrating that the producer has either purchased a paper-based Plan Manual or has access to the Internet-based Plan Manual. An Application for Certification may be obtained by accessing the Connecticut's Plan's website at [www.aipso.com](http://www.aipso.com).
3. **Certification Process** - The Plan's staff shall review all Applications for Certification to confirm that each such application: (1) has been properly and full completed, (2) has been properly signed by all authorized persons as required in the application, and (3) has a complete copy of the required license(s) with the application. Any applications that are not properly and fully completed or are received without a copy of the producer's license shall be returned to the producer. Applications which are satisfactorily completed shall be approved on behalf of the Governing Committee, unless the producer has an adverse performance record (See Item 13).
4. **Acknowledgment of Certification** - An Acknowledgment of Certification shall be forwarded to each producer who has satisfactorily fulfilled the certification process outlined above. Each producer so certified shall thereafter be permitted, as prescribed in the rules of the Connecticut Automobile Insurance Assigned Risk Plan, to purchase temporary identification cards, and any other supplies required, to submit applications to the Plan, and issue the Plan's temporary identification cards.

## PRODUCER PERFORMANCE COMPLAINT FORM

(FOR USE ONLY IF A PRODUCER HAS FAILED TO PERFORM IN ACCORDANCE WITH THE TERMS LISTED BELOW)

**CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED RISK PLAN (CT AIARP)**  
**MAINE AUTOMOBILE INSURANCE PLAN (ME AIP)**  
**NEW HAMPSHIRE AUTOMOBILE INSURANCE PLAN (NH AIP)**  
**PENNSYLVANIA ASSIGNED RISK PLAN (PA ARP)**  
**VERMONT AUTOMOBILE INSURANCE PLAN (VT AIP)**

<b>SECTION 1. PLAN</b> Check appropriate box(es):	<b>SECTION 2. COMPLAINT DATE</b>
<input type="checkbox"/> CONNECTICUT <input type="checkbox"/> MAINE <input type="checkbox"/> NEW HAMPSHIRE <input type="checkbox"/> VERMONT <input type="checkbox"/> PENNSYLVANIA <input type="checkbox"/> COMMERCIAL	(mm/dd/yyyy)

SECTION 3. PRODUCER/COMPLAINANT/INSURED INFORMATION				
<b>a.</b>	Producer Name/Agency Name	Telephone Number (include area code)	Extension	
	Mailing Address	City	State	Zip Code
	Producer License Number			
<b>b.</b>	Complainant Name	Telephone Number (include area code)	Extension	
	Mailing Address	City	State	Zip Code
<b>c.</b>	Insured Name	Policy Effective Date (mm/dd/yyyy)	Policy Number	Assignment Number (APN)

**SECTION 4. VIOLATIONS** (Complainant should refer to the Performance Standards For Producers in the applicable state Plan Manual)

<p><b>ORIGINAL APPLICATION</b>                  Application failed to include or comply with Performance Standard</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility or motor carrier filings.</li> <li><input type="checkbox"/> Name, address, and Tax ID Number of Producer</li> <li><input type="checkbox"/> Estimated premium individually listed per coverage (ME, NH, only)</li> <li><input type="checkbox"/> Supporting documentation (PA only)</li> <li><input type="checkbox"/> Premium Comparison Form, where premium financed (PA only)</li> <li><input type="checkbox"/> Applications requiring immediate coverage shall have the immediate coverage section of the application completed and be mailed in accordance with the Plan rules (PA only)</li> <li><input type="checkbox"/> Acceptance/Rejection Forms mandated by Act 6 (PA only)</li> <li><input type="checkbox"/> Application mailed in accordance with Plan rules</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Signature of Applicant and Producer certify date and time that application was completed.</li> <li><input type="checkbox"/> DEPOSIT PREMIUM (was not submitted in accordance with Plan rules)</li> <li><input type="checkbox"/> RETURN COMMISSION/COMPENSATION Return commissions shall be paid within 45 calendar days from the date of notice to the producer.</li> <li><input type="checkbox"/> RENEWAL PREMIUM (submitted gross to company/servicing carrier) (NH, VT only)</li> <li><input type="checkbox"/> POLICY CHANGE REQUEST (producer did not submit prescribed form)</li> <li><input type="checkbox"/> CANCELLATION OF POLICY (PA only) Producer cannot cancel policy and rewrite to avoid rate increase.</li> <li><input type="checkbox"/> CLAIMS When an insured reports an accident or claim to the producer, the producer shall report it to the company within one (1) working day in accordance with the instructions of the insurer.</li> </ul>	<p><b>For CT:</b> When an insured reports an accident or claim to the producer, the producer shall report it to the company within one (1) working day for bodily injury or death claims and (3) working days for all other claims in accordance with the instructions of the insurer.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> PAYMENTS                         <ul style="list-style-type: none"> <li><input type="checkbox"/> Producer failed to remit all payments received from insureds to the company/servicing carrier by the due date.</li> <li><input type="checkbox"/> Producer submitted a dishonored check.</li> </ul> </li> <li><input type="checkbox"/> FRAUD &amp; MISREPRESENTATIVE (CT &amp; NH only)</li> <li><input type="checkbox"/> OTHER ISSUES (specify in Section 5.)</li> </ul>
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<b>SECTION 5. COMPLAINANT REMARKS</b> (If necessary, attach additional documentation.)	
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SECTION 6. PRODUCER RESPONSE			
Producer Respondent	Telephone Number (include area code)	Extension	
<input type="checkbox"/> VALID <input type="checkbox"/> INVALID (If invalid, provide a full explanation and attach appropriate documentation.)			
SECTION 7. PLAN DETERMINATION			
<input type="checkbox"/> VALID <input type="checkbox"/> INVALID	Date Entered (mm/dd/yyyy)	Date Resolved (mm/dd/yyyy)	Plan Staff Initials
SECTION 8. COMPLAINANT AND PRODUCER INSTRUCTIONS			
<u>Complainant:</u> Complete Sections 1 – 5, retain a copy, mail a copy to the Plan and to the producer.			
<u>Producer:</u> Complete Section 6, retain a copy, and mail a copy to the Plan <u>within 20 days of the complaint date.</u>			
<u>Mail Plan copy to</u>			
<b>NORTHEAST REGION            302 CENTRAL AVENUE            JOHNSTON, RI 02919</b>			
Telephone: (401) 528-1488 (401) 946-2800      Fax: (401) 528-1409      Email: Northeast@aipso.com			

5. **Obligations of Certified Producers** - Each producer who is certified under this program agrees, by signing the Application for Certification, to abide by the Performance Standards for Producers and the rules and procedures of the Connecticut Automobile Insurance Assigned Risk Plan. The Acknowledgment of Certification forwarded by the Plan to each such producer shall remain in full force and effect provided the producer does not develop an adverse record for violations of the Performance Standards for Producers or other Plan rules and procedures.
  
6. **Maintenance of Complaint Records**
  - A. **Performance Standards for Producers** - All complaints of a producer's failure to comply with the Performance Standards for Producers shall be filed with the Plan by assigned companies. Copies of such complaints shall be forwarded by the assigned companies to the producer, who shall have the opportunity to challenge the validity, of the complaint. The Plan's staff shall review all such complaints and shall, after investigation, determine whether the complaint is valid. When staff determines whether the complaint is valid or invalid, notification of either determination shall be sent to the producer and to the assigned company.  
  
Records of all such complaints shall be maintained separately for each producer by the Plan's staff and where warranted, appropriate actions taken by the Plan's staff to impose limitations on offending producers in conformance with the Governing Committee decisions under the Producer Performance Standards Complaints Procedure.
  
  - B. **Other Plan Rules and Procedures** - The Plan's staff shall also maintain, separately for each producer, complaints by assigned companies of (1) a producer's failure to comply with all other Plan rules and procedures, and (2) a producer's failure to comply with other Plan rules as determined by staff under procedures established by the Governing Committee, i.e., deficient applications, continued use of non-certified check when certified checks are required, etc. Where warranted, limitations may be imposed against the offending producer when recommended by the Review Panel and approved by the Governing Committee.
  
7. **Review of Producer Performance** - Complaints alleging that a certified producer has willfully violated the Plan's rules, procedures or Performance Standards, or has failed to perform in accordance with Plan rules and procedures with such frequency as to indicate a general business practice shall, on the basis of the records maintained by the Plan as required in Section 15, be referred to a Review Panel appointed by the Insurance Commissioner for review and investigation. The Review Panel shall consist of two producers, one of which being a producer on the Governing Committee, one representative of a company and their alternates. Each producer member of the Panel shall be compensated at the rate of \$100.00 per diem when attending Panel meetings and shall be reimbursed for travel expenses. Referrals of affiliated producers, as defined in Section 15. of the Connecticut Automobile

Insurance Assigned Risk Plan, shall be based on the total complaints of all producers so affiliated.

The producer shall be notified at least 15 days prior and shall be given an opportunity to be heard by the Panel. The Panel shall thereafter make its recommendation to the Governing Committee either that no action is taken against the producer or that the producer's certification be conditioned, suspended or revoked. The Committee may accept, reject or modify the recommendation of the panel, and either take no action or condition, suspend or revoke the certification of the producer.

Violation Categories	
Area:	Category/description
<b>EASi Compliance</b>	<b>Category A</b> Unmatched EASi Submissions (2 or more unmatched/unresolved)
<b>Application Deficiencies</b>	<b>Category B</b> Applications with missing/incomplete information
<b>Producer Performance Standard Complaints</b>	<b>Category C</b> performance standard violations & weighted deficiencies (valid complaints)
<b>Violations noted by the Governing Committee, or Insurance Department</b>	<b>Category D</b> Governing Committee recommended violations Insurance Department recommended violations

For Category A, B and/or C violations, Plan staff will monitor the producer's performance. Appropriate letters will be issued to inform the producer of his/her violations based upon a continued pattern of violating Plan rules. The Producer will be required to immediately rectify the matter. Any matter not appropriately addressed will be referred to the Plan Manager for appropriate action including referral to the Review Panel.

Producers with a Category D violation will be immediately referred to the Plan Manager for appropriate action.

8. **Fraud or misrepresentation** - No producer shall knowingly make or allow any fraud, misrepresentation or any inaccurate or incomplete statements with regard to the contents of an application, the necessary information to rate or write a policy, a claim or any other information material to underwriting a risk.

If the Governing Committee determines from the evidence that a producer has engaged either in fraud or misrepresentation with regard to the contents of an application, the necessary information to rate or write a policy, a claim or any other information material to underwriting a risk, the Plan will notify the Insurance Department immediately for such action that the Department deems appropriate.

9. **Notice of Decertification** - A producer whose certification is suspended or revoked shall be notified of the Committee's decision in writing. Such decision shall be accompanied by a written statement of the reasons for the action, and shall state the producer's right to appeal to the Insurance Commissioner within 20 days from the date of mailing. Such notice, which shall be forwarded to the producer by first class and certified mail, return receipt requested, shall be effective 12:01 a.m. of the 30th day following the date of mailing.
10. **Decertified Producers** - During the period of the suspension or revocation, producers who are decertified may not issue the Plan's temporary identification cards or submit new applications to the Plan. Should the suspension or revocation so provide, such producer will not be permitted to receive premium on behalf of the Plan or assigned companies nor handle any transactions on behalf of the Plan insured. Such producer, additionally, may not purchase identification cards or other supplies from the Plan during the period of the suspension or revocation. All such Plan forms or supplies in the possession of the decertified producer shall be returned to the Plan.
11. **Appeal Procedure** - The decision of the Governing Committee to condition, suspend or revoke a producer's certification may be appealed to the Insurance Commissioner within 20 days of the date of mailing of such decision and, on such terms as may be just; the Commissioner may issue a stay of the Committee's decision pending the Commissioner's written decision. The Commissioner may elect to hold a hearing on the decertified producer's appeal. In the event a stay is granted by the Commissioner, it shall take effect on the same date that the decertification was to originally be in effect.
12. **Uncertified Producers** - Any producer duly licensed to transact automobile insurance business in Connecticut who fails to submit the Application for Certification, after having been give an opportunity to do so, shall not be permitted to purchase temporary identification cards, or other supplies, nor will such producer be permitted to submit applications to the Plan, or issue the Plan's temporary identification cards.
13. **Unqualified Producers** - No producer who, prior to his/her request to become certified through the Plan, has already established an adverse performance record which has resulted in a disciplinary action of the Governing Committee, shall be certified by the Plan Manager until authorized to do so by the Governing Committee. The records of all such producers shall be investigated by the Committee which shall make its determination either to approve full certification of the producer, to conditionally approve the certification or to withhold such producer's certification pending further review of such producer's performance. In such event the producer shall be notified, in writing, of the decision. Such notice shall also refer to the producer's right to appeal to the Insurance Commissioner.
14. **New Application From Decertified/Uncertified Producer** - Should any producer whose certification has been suspended or revoked continue to submit new applications to the Plan or should new applications be submitted by an uncertified producer, such applications shall be assigned to companies as required by the rules of the Plan. In such event, the decertified/uncertified producer is not recognized as the producer of record

under any such assignment and is not entitled to any commissions under policies written for such assignments.

When such application is assigned, the Plan will notify the assigned company that the submitting producer has either been decertified or has not been certified and is not to be recognized as the producer of record, and is not entitled to any commissions under that assignment. Copies of such notice shall be forwarded to the insured and the producer. The insured will be required to designate another agent or broker as producer of record and to notify both the assigned company and the Plan of such designation. In the event the newly designated producer has not been certified as a producer of Plan business, the Plan will immediately notify the insured and company accordingly.

In the event a decertified or uncertified producer submits an application and retains any portion of the deposit premium as commission on Plan business, the Plan and/or the assigned company may take action only against the producer to recover the retained portion of the premium.

15. **Notification to Assigned Companies of Decertified/Uncertified Producers** - In the event the conditions of the suspension or revocation provide that the decertified producer shall not be entitled to commission on renewal policies or any other transactions, the Plan shall notify assigned companies.

If the decertified producer appeals the Committee's decision of the Commissioner and the Commissioner grants a stay of such decision subsequent to the release of the above notice, the Plan will immediately advise the assigned companies of the stay of the Committee's decision.

16. **Eligibility of Decertified Producers to Reapply for Certification** - A producer whose certification has been revoked will be eligible to reapply for certification six months following the effective date of an initial revocation, and one year following the effective date of such subsequent revocation, unless the Governing Committee, upon the recommendation of the Review Panel, establishes a greater period of time before reapplication. A producer whose certification is suspended shall be reinstated automatically effective as of the calendar date following the period of suspension.

If a producer is recertified or a producer's certification is automatically reinstated, the Plan shall, within 10 business days, so advise the assigned companies.

# *NEW JERSEY* COMMERCIAL AUTOMOBILE INSURANCE PLAN

FRANK J. PENSABENE, AIS, API  
Vice President, Field Operations

## **NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN INFORMATION BULLETIN-APPLICATION FOR CERTIFICATION**

Pursuant to NJSA 17:33B-13 and NJAC 11:3-34, the New Jersey Commercial Automobile Insurance Plan (NJCAIP) was established effective January 1, 1984 to make commercial automobile insurance coverage available for motor vehicles owned or operated by qualified applicants.

The Procedure and Manual of Rules and Rates for the NJCAIP was approved by the New Jersey Department of Banking & Insurance.

As filed, the NJCAIP requires that producers must be certified by the Governing Committee of the CAIP in order to transact business through the Plan. Only certified producers are permitted to purchase applications, ID cards and other NJCAIP forms.

This bulletin provides the instructions for certification as currently filed. Should there be any change to these rules, producers will be notified immediately.

### **Certification Requirements**

To become a certified producer one must:

- Hold a valid New Jersey Property/Casualty license:
- Subscribe to the electronic version of the NJCAIP Manual (e-manual) at [www.aipso.com/nj](http://www.aipso.com/nj) (see page 2 for Manual requirement information)
- Complete the Producer Procedures course prior to applying for certification (see page 2 for further clarification on the Producer Procedures Course Requirement)
- Complete the Application for Certification and submit to the Plan with all necessary documents as indicated

### **How to complete the Application for Certification**

Clearly type or print the information requested in each section of page 1. Depending on whether the producer is applying as an individual producer, an agency, or as an agency with branch offices, certain sections of the application apply specifically to that producer or entity. Should one of these sections not apply to you, simply print "N/A" or leave the space blank.

Answer each of the 11 questions on Page 2 of the application. Should any of your answers require further information, make sure to include such documentation with the application.

Complete page 3, the Undertaking Section, by listing all individuals who will transact business in the appropriate spaces. Each of these individuals should affirm that the statements made in the application are true and that they understand and agree with the Undertaking section by signing the application next to their printed name. If further space is provided, the supplemental page may be used.

**Any application for certification pertaining to an entity that is other than an individual cannot be processed until the Plan receives written verification of their agency principals from the Department of Banking & Insurance. Verification must be requested by the entity requesting certification. Please contact the Producer Licensing and Education Department at the Department of Banking & Insurance. Upon your receipt of the verification, please include it with the completed certification application.**



Upon completion of the above, mail application and required documents to the address listed below or fax to 856-722-9382. Should you have any questions, feel free to contact customer service at 856-722-0030, extension 5.

**Who must obtain the NJCAIP Plan of Operation and Manual of Rules and Rates**

- Each person seeking certification as an individual.
- Each agency seeking certification.
- Each branch office of a certified agency.

An individual, agency or branch office applying for certification MUST subscribe to the electronic version of the NJCAIP Manual (e-manual). An individual who is an employee producer of a certified agency may, but is not required to, subscribe to obtain a manual subscription.

**Who is Required to Complete the Producer Procedures Course?**

In addition to the following, all producers must attend the Producer Procedures Course before applying for certification and prior to submitting the Application for Certification to the Plan:

- A) All employee producers added to an agency's certification must take the course prior to be added to the certification of the agency, if such employee producer has not previously completed the course, and has not had more than a consecutive six month period where they were not considered an employee producer for a certified Plan Producer
- B) All principals of agencies who will transact business on behalf of Plan applicants/insureds must complete the course prior to the agency's request for certification being approved

The "producer" referred to above is the individual or entity seeking certification who is licensed to transact automobile insurance in the State of New Jersey. In all cases where the producer is an entity other than an individual, the above requirements, as applicable to employee producers, shall also apply to all principals of said entity.

## NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN APPLICATION FOR CERTIFICATION

THIS FORM AND ALL NECESSARY DOCUMENTATION MAY BE FAXED TO NJCAIP AT (856) 722-9382

PRINT IN INK OR TYPE APPLICATION

MAIL APPLICATION AND COPY OF LICENSE TO:			<b>FOR PLAN USE</b>			
<b>NJCAIP CUSTOMER SERVICE DEPARTMENT 10000 MIDLANTIC DR., STE 403W MT. LAUREL, NJ 08054</b>			RECEIVED  / /		PROCESSED BY AND DATE	
			AFFILIATE # □ □ □ □ □		CERTIFICATION NUMBER	
PROPERTY/CASUALTY INSURANCE PRODUCER LICENSE NUMBER		EXPIRATION DATE		TAX ID # OR SOCIAL SECURITY # (IF INDIVIDUAL)		
LAST NAME/OR AGENCY NAME (AS IT APPEARS ON PRODUCER LICENSE AND WILL APPEAR ON PLAN APPLICATIONS)				FIRST NAME	MI	
TRADE NAME OF APPLICANT (IF APPLICABLE AND IF IT APPEARS ON ATTACHED LICENSE)						
CURRENT BUSINESS ADDRESS (IF PO BOX, STREET ADDRESS REQUIRED)			CITY	STATE	ZIP CODE	
PRINCIPAL/OWNER HOME ADDRESS (USE SUPPLEMENTAL FORM IF NECESSARY)			CITY	STATE	ZIP CODE	
LICENSE DESIGNATOR (CHECK ONE) <input type="checkbox"/> IP <input type="checkbox"/> OP <input type="checkbox"/> BO			E-MAIL ADDRESS			
BUSINESS TELEPHONE # (INCLUDE AREA CODE)		FAX # (INCLUDE AREA CODE)		PRINCIPAL/OWNER HOME TELEPHONE # (INCLUDE AREA CODE)		
If this application is for an individual, give the names and license numbers of any other producers or agencies of which you are an officer or affiliate*. (If necessary, use attached Supplemental Page.)						
NAME OF ENTITY		LICENSE DESIGNATOR (IP OR OP)		LICENSE #		
NAME OF ENTITY		LICENSE DESIGNATOR (IP OR OP)		LICENSE #		
If this application is for an entity other than individual, give the name, license number and title of any agency Affiliate(s)* of this entity, any principals of this entity who are also individually licensed, and any affiliates of this entity's principals. (If necessary, use attached Supplemental Page.)						
NAME		LICENSE #		TAX ID # OR SOCIAL SECURITY # (IF INDIVIDUAL)		
NAME		LICENSE #		TAX ID # OR SOCIAL SECURITY # (IF INDIVIDUAL)		
Give the license number and tax identification number of all branch offices. (If necessary, use attached Supplemental Page.)						
LICENSE #		DESIGNATOR (BO ONLY)		TAX IDENTIFICATION #		
LICENSE #		DESIGNATOR (BO ONLY)		TAX IDENTIFICATION #		
Give the names and license numbers of all employee producers (producers listed below will be employee producers of your office and cannot be certified as individual producers. (If necessary, use attached Supplemental Page.)						
NAME		LICENSE #				
NAME		LICENSE #				

\* An Affiliate is defined as:

- 1) A certified producer who is listed as an officer of another certified producer, as indicated by (New Jersey) Department of Insurance Records. and/or
- 2) A certified producer who directly or indirectly controls, or is controlled by, or under common control with, another certified producer.

**ADDITIONAL QUESTIONS  
ALL QUESTIONS MUST BE ANSWERED**

1. Does the applicant hold a valid New Jersey insurance producer license, and have two years experience writing property/casualty insurance in New Jersey? (If yes, attach valid copy of license). YES  NO
2. Will the applicant abide by the Performance Standards for Producers and the rules and procedures of the New Jersey CAIP, applicable regulations of the New Jersey Department of Banking & Insurance and Insurance laws of the State of New Jersey? YES  NO
3. Does the applicant have any outstanding valid CAIP complaints? (If yes, attach a description of such documents). YES  NO
4. Has the applicant ever been the subject of any administrative action instituted in any other involuntary automobile insurance mechanism in New Jersey or any other state that resulted in the revocation or suspension of the producer's license or certification privileges or similar authority to conduct business in the mechanism? (If yes, attach a description of such judgment, conviction, suspension or revocation as described above). YES  NO
5. Has the applicant ever been the subject within the last five (5) years of any administrative action instituted by the Department of Banking & Insurance of New Jersey, (that is, issuance of an Order to Show Cause, issuance of an Order pursuant to N.J.S.A. 17:22A-20d, etc.) resulting in a fine in excess of \$2,500, including a fine imposed by a Consent Order? (If yes, attach a description of such action or a copy of such documentation). YES  NO
6. Has the applicant ever been the subject of any administrative action instituted by any other licensing authority of New Jersey or any other state or federal government that resulted in the revocation or suspension of license privileges of the applicant? (If yes, attach a description of such suspension or revocation). YES  NO
7. Has the applicant ever been the subject of a Plan or Servicing Carrier Complaint to a State Department of Insurance or to a state or federal investigative authority or a named defendant in a civil action brought by the Plan or a Servicing Carrier alleging fraud, misrepresentation or gross negligence with regard to the contents of an application, the necessary information to rate or write a policy, a claim, or any other information material to underwriting a risk? (If yes, attach a description of such complaint(s)). YES  NO
8. Does the applicant have any unsatisfied indebtedness to any New Jersey involuntary automobile insurance mechanism, including balances on commission accounts? (Including the AFIUA, MTF, NJCAIP). (If yes, attach a description of such indebtedness). YES  NO
9. Does the applicant have any unsatisfied judgments against him/her that arise out of the production of insurance business, or that otherwise adversely reflect on the producer's ability to meet the fiduciary responsibilities of a Plan certified producer? (If yes, attach a description of such judgment, conviction, suspension or revocation as described above). YES  NO
10. Is the applicant owned, operated, or controlled, either directly or indirectly by any person, partnership, or corporation, who has had an insurance license suspended or revoked by New Jersey or any other state, or who has been convicted of any crime adversely reflecting on his/her ability to meet the fiduciary responsibilities of a Plan certified producer? (If yes, attach a description of such judgment, conviction, suspension or revocation as described above). YES  NO
11. I understand that the applicant cannot become certified until all principals and employee producers have completed the Producer Procedures Course. Have all Principals and Employee Producers of the applicant completed the required Producer Procedures Course? (Include copies of all Certificates of Attendance). YES  NO

**CAIP MANUAL REQUIREMENT**

Pursuant to the NJCAIP Plan Manual, producers are required to maintain a manual subscription for the duration of their certification. In order to subscribe to the manual you must do so at [www.aipso.com/nj](http://www.aipso.com/nj) and click "register" to create your aipso.com user name and password. Once registered, select the "manuals" then select the state (New Jersey CAIP).

Attached is a copy of email verification (obtained by subscribing online at [www.aipso.com/nj](http://www.aipso.com/nj))

## UNDERTAKING

The applicant \_\_\_\_\_ undertakes that in the event of certification as a producer of Plan business, the applicant will:

1. Read and become thoroughly familiar with the New Jersey Commercial Automobile Insurance Plan of Operation, the Manual and any revisions, amendments or notices with reference to same, which are issued hereafter.
2. Comply with and perform all duties in accordance with the aforementioned Plan of Operation, Plan Manual, notifications and amendments and in addition, comply with any directive received from Plan staff or the Governing Committee or the Department of Banking & Insurance with reference thereto or with reference to any applicant for insurance under the Plan, any Plan insured, or any company under the Plan.
3. In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agreed that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend or condition the Producer's right to do business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such period of suspension or revocation, the Producer may not be entitled to compensation, which would otherwise become due for insurance effective during said period.
4. The Plan shall have the right at any time to demand and receive the return of any identification cards, applications and Plan forms. Producers agree to promptly comply with any such request. Any notice by the Plan or any of the Plan's staff or the Governing Committee in connection with this subsection may be sent by ordinary mail except that in the event of a revocation or suspension of the certification of a Producer, notice shall be sent by certified mail, return receipt requested.

The undertaking shall apply if the action(s) charged against the applicant are due to acts of any subsidiary or affiliate of the applicant as defined in the Plan of Operation. Certification shall not be construed as constituting the producer as an agent of the New Jersey Commercial Automobile Insurance Plan (CAIP) or of any insurer to which an applicant is assigned.

Under the penalty of perjury, I (we) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the undertaking made in the UNDERTAKING section and I (we) agree thereto and subscribe thereto.

### INDIVIDUAL PRODUCERS

PRINT NAME OF INDIVIDUAL APPLICANT	SIGNATURE OF INDIVIDUAL	DATE

In the event that this is an application of an entity other than an individual, all officers of the producer shall individually sign and subscribe to the foregoing application and undertaking with the same force and effect as if each of the following persons was the applicant.

### AGENCIES

PRINT PRINCIPAL NAME	SIGNATURE	TITLE	DATE

All licensed employee producers that will transact CAIP business must sign this application. Use space provided below for the names, signatures and titles of all employee producers and additional principals. Use the supplemental page for additional signatures.

PRINT EMPLOYEE PRODUCER NAME	SIGNATURE	TITLE	DATE

**SUPPLEMENTAL PAGE**

This page may be photocopied if additional space is needed.

<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE
<input type="checkbox"/> PRINCIPAL <input type="checkbox"/> EMPLOYEE PROD <input type="checkbox"/> BRANCH OFFICE <input type="checkbox"/> AFFILIATE	LICENSE #	DESIGNATOR	PRINT NAME	TITLE
SOCIAL SECURITY #		SIGNATURE		DATE

## NEW JERSEY AUTOMOBILE INSURANCE PLAN RECERTIFICATION APPLICATION

Please review carefully the following information. If any of the information is incorrect or incomplete/missing, please document the correct information in the corresponding section on the supplemental page. If there are no changes, please check the box indicating such. Answer all questions. An agency principal must sign the form in the undertaking section, and return all pages.

### AGENCY/INDIVIDUAL PRODUCER INFORMATION:

Changes/Corrections

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Plan records indicate the following certifications for license number \_\_\_\_\_ as evidenced by the following:

NJPAIP

NJCAIP

Plan records indicate the following producers able to transact business under the certification for license number \_\_\_\_\_:

**PRINCIPALS** - (delete a principal by checking the box next to their name and following the instructions on page 6)

<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

**EMPLOYEE PRODUCERS** - (Any employee listed below may be deleted by checking the box next to their name)

<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

### BRANCH OFFICES:

Changes/Corrections

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**PLEASE CHECK THE APPROPRIATE BOX:**

- THE CERTIFICATION INFORMATION IS CORRECT AS DOCUMENTED ABOVE.
- CORRECTIONS/ADD'L INFORMATION IS GIVEN ON THE SUPPLEMENTAL PAGE.
- I DO NOT WISH TO RECERTIFY. ATTACHED ARE MY UNUSED SUPPLIES.

## NEW JERSEY AUTOMOBILE INSURANCE PLAN RECERTIFICATION APPLICATION

1. Are you affiliated with any other individual producer or producers(agencyies)?  YES  NO

If yes, please list each individual's and/or agency's specific information on the supplemental page. An affiliate is defined as any other producer or entity under substantially the same financial ownership and/or managerial control, or any other entity of which you are a principal and/or owner.

2. Are you an officer/principal, owner, or major stockholder with any other agency(ies)?  YES  NO

If yes, please list each agency's(ies') specific information on the supplemental page.

3. Are any producers working in your office who hold a valid New Jersey property/casualty license that currently transact NJPAIP/NJCAIP, which are not listed on this form?  YES  NO

If yes, please list each producer's specific information on the supplemental page. You must also attach a copy of their current license and they must sign the supplemental page. Any producers added to your certification are required to complete the producer procedures course prior to being added to your certification, unless you can provide a copy of a producer procedures course completion certificate verifying the course has been completed.

4. Do you have any branch office(s) which are not listed on this form?  YES  NO

If yes, please list the branch office(s) information on the supplemental page and attach the branch office(s) license. If the branch office(s) should be certified either in PAIP or CAIP, please subscribe to the electronic version of the manual (e-manual). See the first paragraph of MANUAL SUBSCRIPTION REQUIREMENTS for instruction on subscribing to the e-manual.

5. Do you have errors and omissions coverage?  YES  NO

If yes, please list the carrier's name and your policy deductible: \_\_\_\_\_

6. Do you have a voluntary automobile insurance company?  YES  NO

If yes, please list the company's(ies) name(s): \_\_\_\_\_

7. Do you or your agency have a business website?  YES  NO

If yes, please list the website address: \_\_\_\_\_

### MANUAL SUBSCRIPTION REQUIREMENTS

The New Jersey Rules and Rates Manuals are NO LONGER available as a paid paper based subscription service. Pursuant to the NJPAIP and NJCAIP Plan Manuals, producers are required to maintain a manual subscription for the duration of their certification. Please provide the e-mail address associated with your manual subscription. If you are not subscribed you must do so at [www.aipso.com/nj](http://www.aipso.com/nj) and click "register" to create your aipso.com user name and password. Once registered, select the "manuals" then select the state (New Jersey PAIP, New Jersey SAIP, or New Jersey CAIP).

E-MAIL: \_\_\_\_\_

**FAILURE TO MAINTAIN YOUR SUBSCRIPTION TO THE ELECTRONIC VERSION OF THE MANUAL (E-MANUAL) WILL PROHIBIT YOU FROM BEING RECERTIFIED IN NJPAIP AND/OR NJCAIP AND WILL RESULT IN YOUR CERTIFICATION STATUS BEING CHANGED TO FORMERLY CERTIFIED IN PAIP AND/OR CAIP.**

### SPECIAL INVESTIGATIONS UNIT ACKNOWLEDGMENT

By checking this box, the producer acknowledges the obligation to cooperate with the Special Investigations Unit in compliance with Article 23 of the NJPAIP, Article 24 of the NJSAIP, and Article 24 of the NJCAIP Manuals.

**NJPAIP CERTIFIED PRODUCERS ONLY ADDITIONAL QUESTIONS - ALL QUESTIONS MUST BE ANSWERED**

1. Does the applicant hold a valid New Jersey insurance producer license?  YES  NO
2. Will the applicant abide by the Performance Standards for Producers and the rules and procedures of the New Jersey PAIP, applicable regulations of the New Jersey Department of Banking and Insurance, and Insurance laws of the State of New Jersey?  YES  NO
3. Does the applicant have any outstanding valid PAIP complaints?  YES  NO
4. Has the applicant ever been the subject of any administrative action instituted in any other involuntary automobile insurance mechanism in New Jersey or any other state that resulted in the revocation or suspension of the producer's license or certification privileges or similar authority to conduct business in the mechanism?  YES  NO
5. Has the applicant ever been the subject within the last five (5) years, of any administrative action instituted by the New Jersey Department of Banking and Insurance, (that is, issuance of an Order to Show Cause, issuance of an Order pursuant to N.J.S.A. 17:22A-20d, etc.) resulting in a fine in excess of \$2,500, including a fine imposed by a Consent Order?  YES  NO
6. Has the applicant ever been the subject of any administrative action instituted by any other licensing authority of New Jersey or any other state or federal government that resulted in the suspension or revocation of license privileges of the applicant?  YES  NO
7. Has the applicant ever been the subject of a Plan or Assigned Carrier Complaint to a State Department of Insurance or to a state or federal investigative authority, or a named defendant in a civil action brought by the Plan or an Assigned Carrier alleging fraud, misrepresentation or gross negligence with regard to the contents of an application, the necessary information to rate or write a policy, a claim, or any other information material to underwriting a risk?  YES  NO
8. Does the applicant have any unsatisfied indebtedness to any New Jersey involuntary automobile insurance mechanism, including balances on commission accounts? (including AFIUA, MTF, and NJCAIP.)  YES  NO
9. Does the applicant have any unsatisfied judgments against him/her that arise out of the production of insurance business, or that otherwise adversely reflect on the producer's ability to meet the fiduciary responsibilities of a Plan certified producer?  YES  NO
10. Is the applicant owned, operated, or controlled, either directly or indirectly by any person, partnership, or corporation, who has had an insurance license suspended or revoked by New Jersey or any other state, or who has been convicted of any crime adversely reflecting on his/her ability to meet the fiduciary responsibilities of a Plan certified producer?  YES  NO

**If you answered YES to any question from 3 thru 10, you must submit appropriate documentation in order to be considered for RECERTIFICATION**

**UNDERTAKING**

The applicant \_\_\_\_\_ undertakes that in the event of certification as a producer of Plan business, the applicant will:

1. Read and become thoroughly familiar with the New Jersey Personal Automobile Insurance Plan of Operation, the manual and any revisions, amendments or notices with reference to same, which are issued hereafter.
2. Comply with and perform all duties in accordance with the aforementioned Plan of Operation, Plan Manual, notifications and amendments, and in addition, comply with any directive received from the Plan staff or Governing Committee or the New Jersey Department of Banking and Insurance with reference thereto or with reference to any applicant for insurance under the Plan, any Plan insured, or any company under the Plan.
3. In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agreed that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend, or condition the producer's right to do business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such period of suspension or revocation, the producer may not be entitled to compensation, which would otherwise become due for insurance effective during said period.
4. The Plan shall have the right at any time to demand and receive the return of any identification cards, applications and Plan forms. Producers agree to promptly comply with any such request. Any notice by the Plan or any of the Plan's staff or the Governing Committee in connection with this subsection may be sent by ordinary mail except that in the event of a revocation or suspension of the certification of a Producer, notice shall be sent by certified mail, return receipt requested.

The undertaking shall apply if the action(s) charged against the applicant are due to acts of any subsidiary or affiliate of the applicant as defined in the Plan of Operation. Certification shall not be construed as constituting the producer as an agent of the New Jersey Personal Automobile Insurance Plan (PAIP) or of any insurer to which an applicant is assigned.

Under the penalty of perjury, I (we) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the undertaking made in the UNDERTAKING section and I (we) agree thereto and subscribe thereto.

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Print Name of Individual Applicant	Signature of Individual	Date
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In the event that this is an application of an entity other than an individual, all officers of the producer shall individually sign and subscribe to the foregoing application and undertaking with the same force and effect as if each of the following persons was the applicant.

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Print Agency Principal Name	Signature	Title	Date
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Print Agency Principal Name	Signature	Title	Date
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**NJCAIP CERTIFIED PRODUCERS ONLY ADDITIONAL QUESTIONS - ALL QUESTIONS MUST BE ANSWERED**

1. Does the applicant hold a valid New Jersey insurance producer license, and have two years experience writing property/casualty insurance in New Jersey?  
 YES  NO
2. Will the applicant abide by the Performance Standards for Producers and the rules and procedures of the New Jersey CAIP, applicable regulations of the New Jersey Department of Banking and Insurance, and Insurance laws of the State of New Jersey?  
 YES  NO
3. Does the applicant have any outstanding valid CAIP complaints?  
 YES  NO
4. Has the applicant ever been the subject of any administrative action instituted in any other involuntary automobile insurance mechanism in New Jersey or any other state that resulted in the revocation or suspension of the producer's license or certification privileges or similar authority to conduct business in the mechanism?  
 YES  NO
5. Has the applicant ever been the subject within the last five (5) years of any administrative action instituted by the New Jersey Department of Banking and Insurance, (that is, issuance of an Order to Show Cause, issuance of an Order pursuant to N.J.S.A. 17:22A-20d, etc.) resulting in a fine in excess of \$2,500, including a fine imposed by a Consent Order?  
 YES  NO
6. Has the applicant ever been the subject of any administrative action instituted by any other licensing authority of New Jersey or any other state or federal government that resulted in the suspension or revocation of license privileges of the applicant?  
 YES  NO
7. Has the applicant ever been the subject of a Plan or Servicing Carrier Complaint to a State Department of Insurance, or to a state or federal investigative authority, or a named defendant in a civil action brought by the Plan or an Servicing Carrier alleging fraud, misrepresentation, or gross negligence with regard to the contents of an application, the necessary information to rate or write a policy, a claim, or any other information material to underwriting a risk?  
 YES  NO
8. Does the applicant have any unsatisfied indebtedness to any New Jersey involuntary automobile insurance mechanism, including balances on commission accounts? (including AFIUA, MTF, and NJPAIP.)  
 YES  NO
9. Does the applicant have any unsatisfied judgments against him/her that arise out of the production of insurance business, or that otherwise adversely reflect on the producer's ability to meet the fiduciary responsibilities of a Plan certified producer?  
 YES  NO
10. Is the applicant owned, operated, or controlled, either directly or indirectly by any person, partnership, or corporation, who has had an insurance license suspended or revoked by New Jersey or any other state, or who has been convicted of any crime adversely reflecting on his/her ability to meet the fiduciary responsibilities of a Plan certified producer?  
 YES  NO

**If you answered YES to any question from 3 thru 10, you must submit appropriate documentation in order to be considered for RECERTIFICATION**

**UNDERTAKING**

The applicant \_\_\_\_\_ undertakes that in the event of certification as a producer of Plan business, the applicant will:

1. Read and become thoroughly familiar with the New Jersey Commercial Automobile Insurance Plan of Operation, the manual and any revisions, amendments or notices with reference to same, which are issued hereafter.
2. Comply with and perform all duties in accordance with the aforementioned Plan of Operation, Plan Manual, notifications and amendments, and in addition, comply with any directive received from the Plan staff or the Governing Committee or the New Jersey Department of Banking and Insurance with reference thereto or with reference to any applicant for insurance under the Plan, any Plan insured, or any company under the Plan.
3. In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agreed that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend, or condition the producer's right to do business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such period of suspension or revocation, the producer may not be entitled to compensation, which would otherwise become due for insurance effective during said period.
4. The Plan shall have the right at any time to demand and receive the return of any identification cards, applications and Plan forms. Producers agree to promptly comply with any such request. Any notice by the Plan or any of the Plan's staff or the Governing Committee in connection with this subsection may be sent by ordinary mail except that in the event of a revocation or suspension of the certification of a producer, notice shall be sent by certified mail, return receipt requested.

The undertaking shall apply if the action(s) charged against the applicant are due to acts of any subsidiary or affiliate of the applicant as defined in the Plan of Operation. Certification shall not be construed as constituting the producer as an agent of the New Jersey Commercial Automobile Insurance Plan (CAIP) or of any insurer to which an applicant is assigned.

Under the penalty of perjury, I (we) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the undertaking made in the UNDERTAKING section and I (we) agree thereto and subscribe thereto.

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Print Name of Individual Applicant	Signature of Individual	Date
------------------------------------	-------------------------	------

In the event that this is an application of an entity other than an individual, all officers of the producer shall individually sign and subscribe to the foregoing application and undertaking with the same force and effect as if each of the following persons was the applicant.

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Print Agency Principal Name	Signature	Title	Date
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Print Agency Principal Name	Signature	Title	Date
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## SUPPLEMENTAL PAGE

### PRINCIPAL(S)

Principal : \_\_\_\_\_ License No. : \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SS/FE: \_\_\_\_\_ Signature: \_\_\_\_\_

### PRINCIPAL(S)

Principal : \_\_\_\_\_ License No. : \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SS/FE: \_\_\_\_\_ Signature: \_\_\_\_\_

### AFFILIATE(S)/BRANCH OFFICE(S)

Affiliates: \_\_\_\_\_ License No.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SS/FE: \_\_\_\_\_ Telephone #: \_\_\_\_\_

### AFFILIATE(S)/BRANCH OFFICE(S)

Affiliates: \_\_\_\_\_ License No.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SS/FE: \_\_\_\_\_ Telephone #: \_\_\_\_\_

## ADDITION(S)/DELETION(S)

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Agency License Number

**Request the addition/deletion of the following representatives to/from our certification:**

\_\_\_\_\_  
Employee Producer Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Employee Producer Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Employee Producer Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Agency Principal Signature

### **Addition/Deletion of Principals**

If an agency principal is being added and/or deleted, you must first notify the Department of Banking and Insurance. Once the change has been recorded with DOBI, please contact the Licensing Division at the DOBI and request a copy of the "Manual Certification of License Status" and include with your request. The telephone number for the DOBI is (609) 292-4337. Please note, that agency principals cannot be added or deleted to your certification list without first notifying the DOBI.

Please be advised all employee producers and principals are required to attend the PAIP/CAIP Producer Procedure Course, prior to being added to the certification.

**Request the addition/deletion of the following principals to/from our certification:**

\_\_\_\_\_  
Principal Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Principal Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Principal Name

\_\_\_\_\_  
License Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Agency Principal Signature

**\* Please be reminded, the Plan must receive the Manual Certification of License Status from the Department of Banking & Insurance when adding/deleting agency principals.**

**NJCAIP  
NJPAIP**

# CIRCULAR

December 11, 2017

Laurel Corporate Center, 10000 Midlantic Drive, Suite 403W • Mount Laurel, New Jersey 08054 • (800) 652-2471 (856) 722-0030 • fax (856) 722-9382  
Frank J. Pensabene, Vice President, Field Operations

**PCP (NJ) 17-01  
PCP (JP) 17-01**

**Distribution**

**Contents**

## 2018 NJPAIP/NJCAIP Producer Procedures Course Dates

All New Jersey Commercial and Personal Automobile Insurance Plan Certified Producers

**Certified producers, principals, and their employees who transact Plan business must complete the Producer Procedures Course every four years prior to the expiration date of the producer's license, unless the producer, principal, or employees have completed the course during the four-year period coinciding with their license expiration date.**

The New Jersey Automobile Insurance Plan (NJAIIP) offers a combined NJCAIP and NJPAIP **Producer Procedures Course** at the NJAIIP office in Mount Laurel, New Jersey. This course is open to all licensed producers and those attending will receive 4 Continuing Education Credits.

To register for a Plan instructed course, complete and return the attached registration form. The cost of this Plan instructed course is \$50.00. Please remember to enclose a check or money order for this amount made payable to NJAIIP. You will receive confirmation of your registration upon processing. ***Please register as early as possible due to the limited availability of spaces. Kindly, select an alternate course date in the event that the first course date is filled.***

Producers may also attend the NJCAIP and NJPAIP **Producer Procedures Course** through several Approved Insurance Schools. For a current listing of these schools, please visit [www.aipso.com/nj](http://www.aipso.com/nj).

Please direct any questions with regard to the course to the Customer Service Department at (800) 652-2471, extension 5.

**Attachment(s)**

1. NJPAIP/NJCAIP Registration Form.

**NEW JERSEY AUTOMOBILE INSURANCE PLAN  
PRODUCER PROCEDURES COURSE  
2018 REGISTRATION FORM**

Select NJAIP Office in Mount Laurel, NJ on the following dates:

(9:00 AM to 1:00 PM)

- |   |   |
|---|---|
| <input type="checkbox"/> July 12, 2018    | <input type="checkbox"/> June 7, 2018       |
| <input type="checkbox"/> October 11, 2018 | <input type="checkbox"/> September 13, 2018 |
|   | <input type="checkbox"/> November 8, 2018   |

Alternate date: \_\_\_\_\_

\_\_\_\_\_  
(Name as it appears on your license)

\_\_\_\_\_  
License Reference #

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone Fax

\_\_\_\_\_  
Signature

Our check is enclosed for \$ \_\_\_\_\_ (\$50 per person)

If you are unable to attend your scheduled seminar date, please notify the Plan in writing prior to that date or the registration fees will be forfeited. Request for refunds will incur a \$35.00 processing fee.

Please mail the completed form with check, payable to NJAIP, at least ten days in advance to:

New Jersey Automobile Insurance Plan, 10000 Midlantic Drive, Suite 403 West  
Mount Laurel, New Jersey 08054  
Attention: Customer Service Department  
[www.aipso.com/nj](http://www.aipso.com/nj)  
(800) 652-2471 ext. 5



## **AUTHORIZED INSTRUCTORS OF THE REQUIRED PRODUCER PROCEDURES COURSE**

As provided by the Articles and Rules of the New Jersey Commercial Automobile Plan (NJCAIP) and the New Jersey Personal Automobile Insurance Plan (NJPAIP), all producers seeking certification to conduct business through the Plans must comply with Producer Procedures Course Requirements.

The Governing Committees have agreed that only Instructors, Companies and Producer Associations who are authorized by the Governing Committees shall be sponsors of these courses.

The following is a list of those schools and associations who are authorized to conduct the NJCAIP/NJPAIP Procedures Course. Please contact the associations below to determine the date and location of the course most convenient for you.

---

### **Alexander Institute for Risk Management, Inc.**

95 Skyline Dr.  
Watchung, NJ 07069  
Telephone Number: (908) 769 – 3391  
Alternate Number: (908) 391 - 2229  
Fax Number: (908) 769 - 3392

### **American Institute of Financial Studies, LLC**

1092 St. Georges Ave., Suite 200  
Rahway, NJ 07065  
Telephone Number: (732) 710 – 8066  
[www.njinsuranceschool.com](http://www.njinsuranceschool.com)

### **American School of Business, Inc.**

194 – 198 Route 46 East  
Fairfield, NJ 07004  
Telephone Number: (973) 244 – 0333  
Fax Number: (973) 244 – 0246  
[www.americanschoolnj.com](http://www.americanschoolnj.com)

### **Other authorized locations:**

Hackensack, Bedminster, Freehold, and  
North Brunswick  
Telephone Number: (973) 244 – 0333

### **ARC School of Insurance**

78 Diamond Springs Rd.  
Denville, NJ 07834  
Telephone Number: (973) 627 – 8338  
Fax Number: (973) 627 - 2155  
[www.arcschool.com](http://www.arcschool.com)

### **Atlantic School of Insurance**

1410 Hooper Ave. 2nd Floor  
Toms River, NJ 08753  
Telephone Number: (732) 505 - 8111  
Fax Number: (732) 505 – 0565  
[www.atlanticschool.com](http://www.atlanticschool.com)

### **Designed Benefits Plans**

P.O. Box 2003  
West Paterson, NJ 07424 – 2003  
Alternate Number: (973) 641 - 1046  
Telephone Number: (973) 881 – 8414

### **Diversified Marketing Techniques**

300 Broad Acres Drive  
Bloomfield, NJ 07003  
Telephone Number: (973) 779 – 2907 Ext. 20

### **Financial Supermarkets, Inc.**

PO Box 3066  
Paterson, NJ 07509-3066  
Telephone Number: (973) 427 - 0065  
Fax Number: (973) 427 – 0181  
[www.financialsupermarketsinc.net](http://www.financialsupermarketsinc.net)

75 Lincoln Ave.  
Fair Lawn, NJ 07410  
Telephone Number: (973) 427 - 0065  
Fax Number: (973) 427 – 0181

### **Garden State School of Business**

1049 Clinton Ave.  
Irvington, NJ 07111  
Telephone Number: (973) 373 – 3900  
Alternate Number: (973) 373 - 3300  
Fax Number: (973) 375 - 5995  
[www.gssob.org](http://www.gssob.org)

### **George Weiss Insurance School**

1816 Englishtown Rd.  
Old Bridge, NJ 08857  
Telephone Number: (732) 251 – 2900  
Fax Number: (732) 251 – 3890  
[www.insuranceschoolnj.com](http://www.insuranceschoolnj.com)

**Sheldon Hansen CIC CRM**

1230 Orlando Dr.  
Forked River, NJ 08731  
Telephone Number: (609) 971 – 1002  
sheldonhansencic@verizon.net

**Independent Insurance Agents of NJ, Inc.**

2211 White Horse - Mercerville Rd.  
Trenton, NJ 08619  
Telephone Number: (609) 587 – 4333  
Fax Number: (609) 587 - 4515  
www.IIABNJ.org

**International School of Commerce**

899 Lincoln Ave.  
Glen Rock, NJ 07452  
Telephone Number: (201) 652 – 0407, Ext 24  
Alternate Number: (973) 519 - 4976  
Fax Number: (201) 652 – 0721  
Jean\_Huber@dsayles.com

**KM Associates**

PO Box 358  
Allenhurst, NJ 07711  
Telephone Number: (732) 988 - 2409  
Fax Number: (732) 869 – 1441  
www.kymmartellassociates.com

**Liberty Insurance Associates**

525 Route #33  
Millstone Township, NJ 08535  
Telephone Number: (732) 446 – 9100  
Alternate Number: (732) 446 - 7100  
Fax Number: (732) 446 – 5300  
www.libertyinsurance.com

**Lyon Consulting Services, LLC**

43 Greenview Dr.  
Pequanock, NJ 07440  
Telephone Number: (973) 686 – 0433  
Fax Number: (973) 686 - 0976

**NJPAIP/NJCAIP**

10000 Midlantic Drive  
Suite 403 West  
Mt Laurel, NJ 08054  
(800)-652-2471 ext 5  
www.aipso.com/nj

**On-Site Insurance School**

4057 Highway 9 North  
Howell, NJ 07731  
Telephone Number: (800) 481 – 6755  
Alternate Number: (732) 370 -7600  
Fax Number: (732) 370 – 7715  
www.onsiteschool.com

**Professional Insurance Agents of NJ, Inc.**

25 Chamberlain St., PO Box 997  
Glenmont, NY 12077-0997  
Telephone Number: (800) 424 - 4244  
Alternate Number: (518) 434 - 3111  
Fax Number: (888) 225 – 6935  
[www.pia.org](http://www.pia.org)

**Ringwood Consulting Group**

PO Box 17  
Pompton Lakes, NJ 07442  
Telephone Number: (973) 616-1800

**Robert S. Cohen Agency**

159 Saratoga Court  
Somerset, NJ 08873  
Telephone Number: (732) 356 – 1013  
Fax Number: (732) 356 - 1014

**Stephen Tague – PIA Instructor**

22 Roberts St.  
Rockaway, NJ 07866  
Telephone Number: (973) 948 – 3200 ext 15

**The Professional School of Business**

22 East Willow St.  
Millburn, NJ 07041  
Telephone Number: (973) 564 - 8686  
Fax Number: (973) 564 – 8982  
www.proschool.com

**Wise Education Inc. (Various locations in NJ)**

80 Stanhope Rd.  
Sparta, NJ 07871  
Telephone Number: (800) 577 - 9888  
Alternate Number: (973) 729 - 8828  
Fax Number: (856) 384-8414  
www.wiseeducation.com

## PRODUCER PERFORMANCE COMPLAINT FORM

(FOR USE ONLY IF A PRODUCER HAS FAILED TO PERFORM IN ACCORDANCE WITH THE TERMS LISTED BELOW)

### NEW JERSEY PERSONAL AUTOMOBILE INSURANCE PLAN (NJPAIP) NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN (NJCAIP) NEW JERSEY SPECIAL AUTOMOBILE INSURANCE POLICY (NJSaip)

**SECTION 1. PLAN (Check one)**

NJPAIP     NJCAIP     NJSaip

**SECTION 2. COMPLAINT DATE**

(mm/dd/yyyy)

**SECTION 3. PRODUCER/COMPLAINANT/INSURED INFORMATION**

<b>a.</b>	Producer Name/Agency Name	Telephone No. (incl. area code)	Extension	
	Mailing Address	City	State	Zip Code
	Producer License No.	Producer Tax ID No.		
<b>b.</b>	Complainant Name	Telephone No. (incl. area code)	Extension	
	Mailing Address	City	State	Zip Code
<b>c.</b>	Insured Name	Policy Effective Date (mm/dd/yyyy)	Policy No.	Assignment No. (APN)

**SECTION 4. VIOLATIONS (Complainant should refer to the Producer Performance Standards in the applicable Plan Manual/Plan of Operation.)**

<input type="checkbox"/> ORIGINAL APPLICATION Application should be fully completed and include: <input type="checkbox"/> Producer Name, Address, Tax ID No. <input type="checkbox"/> Signatures of Applicant and Producer <input type="checkbox"/> Deposit Premiums <input type="checkbox"/> Legible copy of Applicant and Operator(s) valid driver's license <input type="checkbox"/> Registration for each vehicle on the application. <input type="checkbox"/> Application completed and mailed properly.	<input type="checkbox"/> CLAIMS When an Insured reports an accident or claim to the Producer, the Producer shall report it to the company within one (1) working day in accordance with the instructions of the Insurer.  <input type="checkbox"/> PAYMENTS <input type="checkbox"/> Producer shall remit all payments received from insureds to the company by the date due. <input type="checkbox"/> Dishonored checks shall be reported to the Plan.	<input type="checkbox"/> RETURN COMMISSION <input type="checkbox"/> POLICY CHANGE REQUEST <input type="checkbox"/> OTHER (Specify in Section 5)
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**SECTION 5. COMPLAINANT REMARKS (if necessary, attach additional documentation.)**

**SECTION 6. PRODUCER RESPONSE**

Producer Respondent	Telephone No. (incl. area code)	Extension
---------------------	---------------------------------	-----------

VALID     INVALID (if invalid, provide a full explanation and complete documentation.)

**SECTION 7. PLAN DETERMINATION**

<input type="checkbox"/> VALID <input type="checkbox"/> INVALID <input type="checkbox"/> NO RESPONSE FROM PRODUCER	Date Entered	Suspense Date	Date Resolved	Plan Staff Initials
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**SECTION 8. COMPLAINANT AND PRODUCER INSTRUCTIONS**

**Complainant:** Complete Sections 1 – 5, retain a copy, and mail a copy to the Plan and to the producer.  
**Producer:** Complete Section 6, retain a copy, and mail a copy to the Plan within 20 days of the complaint date.

Mail Plan copy to    **NEW JERSEY AUTOMOBILE INSURANCE PLAN**  
**P.O. BOX 6530**  
**Providence, RI 02940-6530**



NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

1. The insured must be a legal resident of the state of New Jersey.
2. The insured must hold a valid New Jersey operator's license.
3. All of the vehicles registered by the insured must be garaged in the state of New Jersey.
4. The insured must hold auto insurance coverage from a voluntary market carrier at the time the request for financial responsibility filings is submitted to the financial responsibility servicing company.

**C. Procedures**

1. The filing request will be submitted directly to the Plan's financial responsibility servicing company by the voluntary carrier. Each such request will be accompanied by documentation furnishing proof of coverage with the voluntary insurer.
2. If acceptable, the financial responsibility servicing company will issue the requested filings. The requested limits will not exceed those provided by the insurer making the request\*. The insurer making the request will provide an automobile policy for all owned, nonowned, and hired vehicles of the insured. The insurer making the request will collect all premiums and settle all claims for which the insured is legally responsible.

The insurers making the request will agree to indemnify and hold harmless the New Jersey Commercial Automobile Insurance Plan from any automobile claim, loss, suit, or expense incurred by the issuance of the financial responsibility servicing company's issuance of a filing on behalf of the named insured, except for a claim, loss, suit, or expense incurred by the errors or omissions of the financial responsibility servicing company.

\* Voluntary carrier

**D. Consideration**

The insurer making the request shall reimburse the financial responsibility servicing company as follows:

For PUC filings, the reimbursement fee shall be a fee mutually agreed upon by the financial responsibility servicing company and the insurer who requested the filing.

**Article 23. DUTIES OF SERVICING CARRIERS, PRODUCERS, AND INSURED**

Servicing carriers shall establish effective procedures for promptly communicating with insureds on questions of coverage and other factors relevant to their policy. The Governing Committee of the Plan will vigorously investigate complaints against servicing carriers and producers and will report to the Commissioner of Banking and Insurance any situation that indicates that a servicing carrier or producer is not complying in good faith with the provisions.

Producers shall impress upon insureds the need for fulfilling all obligations under the policy and for compliance with the rules of the Plan, and they shall safeguard the rights of the insureds by obtaining accurate and complete rating information.

**Note:** A producer of record may telephone the Plan Office to obtain answers to questions pertaining to Plan eligibility, interpretation of Plan rules, and status of assignments.

An 800 telephone number is available for producers to call the Plan Office without charge. The 800 telephone number is

1-800-652-2471

**Article 24. SPECIAL INVESTIGATIONS UNIT**

The purpose of the Special Investigations Unit (SIU) is to detect, investigate, and prevent fraudulent insurance activities affecting policies assigned under the New Jersey Commercial Automobile Insurance Plan.

The members of this unit, in conjunction with Plan staff and insurer companies, may

- A. inspect and copy records and interview witnesses, parties, and any person listed as an owner, operator, claimant, or provider of services for repairs or replacement of parts, on any application, document, or claim, either on site or at the Plan offices;
- B. obtain signed statements, documents, and reports of fraud or misrepresentations with regard to
  1. applications or documentation for insurance coverage and policies issued or issuable in connection therewith, or claims pursuant to such policies; and
  2. any violation of Plan rules or procedures.
- C. perform any other activities and/or duties necessary to pursue fraudulent activities pertaining to the Plan.

All persons who

- are certified to conduct business with the Plan;
- have applied for certification to conduct business with the Plan;
- have been decertified or suspended from conducting business with the Plan;
- are agents and/or employees or persons representing or affiliated with the above;

shall cooperate with members of the Plan's SIU.

**Articles 25–29. RESERVED FOR FUTURE USE**

**Article 30. PRODUCER CERTIFICATION**

**A. Certification Eligibility**

The Governing Committee, in accordance with standards and procedures approved by the Commissioner, shall certify licensed insurance producers to submit applications on behalf of their clients to the Plan. Any producer wishing to become certified with the Plan shall, prior to submission of an Application for Certification, be required to complete the Producer Procedures Course as described in Article 30.F below. Upon completion of

## NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN PLAN OF OPERATION

the Producer Procedures Course, the producer shall complete and submit to the Plan an Application for Certification and include therewith a copy of the Certificate of Attendance for the Producer Procedures Course signed by the authorized instructor and a copy of the producer's New Jersey insurance producer license. Copies of all subsequent renewal licenses must also be submitted to the Plan to maintain certification status. In addition, the producer must either purchase a paper-based Plan Manual or acquire access to the internet-based Plan Manual.

As part of the Application for Certification, the producer shall be required to certify in writing that they

1. hold a valid New Jersey insurance producer license and have two years' experience writing property/casualty insurance in New Jersey. All licensed insurance producers applying for certification as an entity other than an individual (agency or corporation) shall be qualified for certification if at least one of the principals listed on the application for certification holds a valid insurance producer license and has two years' experience writing property/casualty insurance in New Jersey;
2. will abide by the performance standards for producers as provided in the Plan Manual and any rules and procedures of the Plan, applicable regulations of the New Jersey Department of Banking and Insurance, and insurance laws of the state of New Jersey;
3. do not have any outstanding valid CAIP complaints;
4. have not been the subject of any administrative action instituted in any other involuntary automobile insurance mechanism in New Jersey or any other state that resulted in the revocation or suspension of the producer's license or certification privileges or similar authority to conduct business in that mechanism;
5. have not been the subject within the last five years of any administrative action instituted by the Department of Banking and Insurance of New Jersey (that is, issuance of an Order to Show Cause, issuance of an Order pursuant to N.J.S.A. 17:22A-20d, etc.) resulting in a fine in excess of \$2,500, including a fine imposed by a Consent Order;
6. have not been the subject of any administrative action instituted by any other licensing authority of New Jersey or any other state or federal government that resulted in the revocation or suspension of license privileges of the applicant;
7. have not been the subject of a Plan or servicing carrier complaint to a state Department of Insurance or to a state or federal investigative authority or a named defendant in a civil action brought by the Plan or a servicing carrier alleging fraud, misrepresentation, or gross negligence with regard to
  - a. the contents of an application;
  - b. the necessary information to rate or write a policy;
  - c. a claim; or
  - d. any other information material to underwriting a risk.

8. have satisfied all outstanding indebtedness to any New Jersey involuntary automobile insurance mechanism, including balances on commission accounts. The Plan will not be responsible for the collection of funds relating to a producer's alleged indebtedness to any New Jersey involuntary automobile insurance mechanism. In the event a producer disputes the validity of his or her indebtedness, said dispute will be forwarded to the Department of Banking and Insurance for resolution. The producer's outstanding indebtedness will be determined by the Department of Banking and Insurance;
9. have no unsatisfied judgments against him or her that arise out of the production of insurance business, or that otherwise adversely reflect on the producer's ability to meet the fiduciary responsibilities of a Plan certified producer;
10. shall not be owned, operated, or controlled, either directly or indirectly, by any person, partnership, or corporation who has had an insurance license suspended or revoked by New Jersey or any other state, or who has been convicted of any crime adversely reflecting on his or her ability to meet the fiduciary responsibilities of a Plan certified producer.

All producers, including affiliates, seeking certification shall be required to affirm compliance with the above standards on the Application for Certification. Such non-compliance shall be considered in evaluating the producer's and affiliate's eligibility for certification.

Any producer who makes or causes to be made any deceptive or fraudulent statement on the Application for Certification, or in any accompanying document, or who intentionally withholds information pertinent to the Plan's evaluation of the Application for Certification, shall be denied certification.

All licensed insurance producers applying for certification shall be responsible to include in their Application for Certification the names of only those producers in their employ who will transact business on behalf of Plan applicants/insureds. Any licensed producer in the applicant's employ who is not listed on the application shall be strictly prohibited from transacting business on behalf of any Plan applicant/insured.

All employee producers listed on the application shall be granted limited certification, thereby designating such persons as employee producers. Employee producers shall only be permitted to transact business on behalf of the Plan, under the name, license, and certification of their certified employer and shall be required to complete the Producer Procedures Course.

The above certification shall not be construed as constituting the producer as an agent of the Plan or of any servicing carrier to which an applicant is assigned.

A producer who receives an adverse decision concerning eligibility for NJCAIP certification shall be notified by the Plan in writing of such decision. The notification shall include the following:

- (1) A statement specifying the reasons for the adverse decision.
- (2) A notice that the producer may request review by the Peer Review Panel and that such request must be made in writing within 10 days of the date of mailing of the adverse decision notification.

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

- (3) A statement that the Peer Review Panel shall make a recommendation to the Governing Committee that the producer's Application for Certification be granted or denied. The Governing Committee shall accept, reject, or modify the recommendation of the Peer Review Panel.
- (4) A statement that the producer shall have the right of appeal from any adverse decision of the Governing Committee to the Commissioner.

The usual procedures of the Peer Review Panel as set forth in Article 31 shall apply in the review of producer eligibility.

A producer whose Application for Certification has been denied may reapply if there is a material change in the circumstances which resulted in the adverse decision.

**B. Certification Process**

**1. Producers**

The Plan shall review all Applications for Certification to confirm that each such application

- a. has been properly and fully completed;
- b. has been properly signed by all licensees as required in the application;
- c. is accompanied by a copy of the required producer license(s);
- d. includes a copy of the Certificate of Attendance for the Producer Procedures Course which Certificate shall be valid for a period of six months from the date indicated by the duly authorized instructor.
- e. includes proof that the producer has either purchased a paper-based Plan Manual or has access to the Internet-based Plan Manual. The burden of proof shall lie with the producer in demonstrating that the producer has either purchased a paper-based Plan Manual or has access to the Internet-based Plan Manual.

Any applications that are not properly and fully completed and/or do not include all the documentation required above shall be returned to the producer.

Applications which are satisfactorily completed shall be submitted to the Plan Manager who shall verify the information and grant certification to each producer applicant on behalf of the Governing Committee. Each producer for whom certification has been granted, shall be assigned a Certification Number.

**2. Employee Producers**

An employee producer is a licensed employee of a certified producer and as such shall not be considered a certified producer. Employee producers are not permitted to transact business through the Plan, purchase Plan supplies, receive compensation or utilize the Electronic Application Submission Interface (EASI) using his or her individual license.

The Plan shall maintain records of all employee producers. Employee producers may become fully certified producers by complying with all requirements for certification and providing proof of release from the contract of their producer employer.

Employee producers are also required to provide the Plan with copies of all renewal licenses, address changes, and employment changes.

**C. Acknowledgment of Certification**

An Acknowledgment of Certification shall be forwarded to each producer who has satisfactorily fulfilled the certification process. The Certification Number shall be recorded in the Acknowledgment of Certification. Each producer, so certified; shall thereafter be permitted to purchase Plan application forms, temporary identification cards, and any other supplies required to properly perform in accordance with the requirements of the Plan Manual, and to thereafter submit applications to the Plan, issue the Plan's temporary identification cards as prescribed in the Plan Manual, and utilize the Electronic Application Submission Interface (EASI).

**D. Permission to Use the Electronic Application Submission Interface (EASI)**

The Governing Committee has approved the Electronic Application Submission Interface (EASI) to transmit new applications to the Plan. Only producers who are certified will be allowed to use this procedure. Each certified producer will be provided with the rules and prescribed procedures which must be followed to utilize this process and will be provided with the prescribed procedures to be followed to retract an EASI submission. The Plan is authorized to restrict a certified producer's access to EASI and temporary identification card distribution privileges pursuant to procedures approved by the Governing Committee and the Commissioner of Banking and Insurance. Any subsequent changes to such procedures shall be subject to approval by the Governing Committee and the Commissioner of Banking and Insurance.

Producers must maintain a log of all EASI transactions, applications and temporary identification cards. The log must include the insured's name and address, the EASI reference number, transmittal date, the vehicle VIN number(s), mailing date of application to the Plan, the number of temporary identification card reference number. A sample log is contained within the Appendix of the Manual of Rules and Rates. However, producers may utilize their own format provided that it meets the minimum requirements set forth above.

**E. Failure to Submit Proper Documentation**

Any producer who fails to properly and fully complete the Application for Certification and/or fails to submit all required documents shall not be permitted to purchase applications, temporary identification cards, or other supplies from the Plan, nor may such producer submit applications to the Plan or issue the Plan's temporary identification cards until such time as the Application for Certification and/or missing documentation is received by the Plan and an Acknowledgment of Certification is received from the Plan.

**F. Annual Recertification**

Annual recertification shall be required of every producer who has been certified, according to procedures established by the Governing Committee. Such procedures established by the Governing Committee shall include, but need not be limited to, a provision that the producer must continue to meet all qualifications for certification, including satisfaction of all outstanding indebtedness to any New Jersey involuntary automobile insurance mechanism, including balances on commission accounts, in

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

order to be recertified. The Plan will not be responsible for the collection of funds relating to a producer's alleged indebtedness to any New Jersey involuntary automobile insurance mechanism. In the event a producer disputes the validity of his or her indebtedness, said dispute will be forwarded to the Department of Banking and Insurance for resolution. The producer's outstanding indebtedness will be determined by the Department of Banking and Insurance.

**G. Producer Procedures Course**

**1. Course and Manual**

The Governing Committee, or its designated subcommittee, shall be responsible for creating and establishing the approved Producer Procedures Course and instructor's manual. Such manual shall generally describe the subjects to be covered and the curriculum of the course. The Producer Procedures Course shall be any course approved by the Governing Committee.

**2. Attendance Requirement**

In addition to the following, all producers must attend the Producer Procedures Course before applying for certification and prior to submitting the Application for Certification to the Plan:

- a. All employee producers added to an agency's certification must take the course prior to being added to the certification of the agency, if such employee producer has not previously completed the course, and has not had more than a consecutive six-month period where they were not considered an employee producer for a certified Plan producer.
- b. All principals of agencies who will transact business on behalf of Plan applicants/insured must complete the course prior to the agency's request for certification being approved.

The "producer" referred to above is the individual or entity seeking certification who is licensed to transact automobile insurance in the state of New Jersey. In all cases where the producer is an entity other than an individual, the above requirements, as applicable to employee producers, shall also apply to all principals of said entity.

Any producer whose certification has been suspended, conditioned, revoked, or who is required to use EASi for submission of all Plan business for which EASi is available, and for whom completion of the Producer Procedures Course is a prerequisite for recertification, or becomes eligible for reinstatement of certification following the termination of the suspension/revocation period, must attend and complete the Producer Procedures Course prior to recertification or reinstatement. Any producer for whom completion of the Producer Procedures Course is a prerequisite for recertification as determined by the Governing Committee shall not be eligible to receive continuing education credits for the Producer Procedures Course for recertification.

Producer Procedures Course Certificates of Attendance shall be valid for a period of six months from the date indicated by the duly authorized instructor.

3. All certified producers, including employee producers and principals of agencies, must complete the

Producer Procedures Course every four years following certification.

**H. Obligations of Certified Producers and Employee Producers**

Each producer who is certified under this program has agreed, by having signed the Application for Certification, to abide by the performance standards for producers as provided in the Plan Manual, any rules and procedures of the Plan, applicable regulations of the New Jersey Department of Banking and Insurance, and the insurance laws of the state of New Jersey. The Acknowledgment of Certification forwarded by the Plan to each such producer shall remain in full force and effect provided the producer does not develop an adverse record of complaints or violations of the performance standards for producers as provided in the Plan Manual or any other Plan rules and procedures, and the producer maintains a current subscription for updates to either a paper-based Plan Manual or to the Internet-based Plan Manual for the duration of the period of certification. The burden of proof shall lie with the producer in demonstrating that the producer either maintains a current subscription to either the paper-based Plan Manual or has access to the Internet-based Plan Manual. Any certified producer who has failed to maintain a current Plan Manual subscription to either the paper-based Plan Manual or has access to the Internet-based Plan Manual, shall be notified in writing that the certification has been changed to formerly certified.

All certified producers shall be responsible to provide the Plan, within 30 days, with any changes in the information pertaining to their employee producers.

All certified producers shall be responsible to notify the Plan of any change of their affiliation. The Plan shall maintain records of all affiliated producers and employee producers and shall issue a notice to all such affiliates whenever a change in that group record has occurred.

Under no circumstances shall the Plan or the servicing carrier be liable for refunding misappropriated or converted funds because the certified producer is not the agent of either the Plan or the servicing carrier. Notwithstanding the above, the good faith applicant/insured will be entitled to coverage in accordance with the Plan.

The Plan reserves the right that any restriction as may be imposed on any producer shall apply to any other producer which is an affiliate or subsidiary of such producer, as those terms are defined in Article 2.

**I. Applications and Temporary Identification Cards**

The applications and temporary identification cards referred to in this Plan must be purchased from the Plan by use of a special order form. All Plan applications and temporary identification cards shall be preprinted by the Plan to include thereon the producer's name, address, and license number. Such preprinted matter may not be altered by the producer. Orders received from the Plan which contain any printing errors, or are blank, must be returned to the Plan for correction.

Issuance of an application and/or temporary identification card and any other documents in connection therewith is authorized only in accordance with the provisions of the Plan, and the rules and regulations there under, and the producer is deemed to so warrant by the issuance of same. ANY BREACH THEREOF ON THE PART

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

OF THE PRODUCER MAY SUBJECT THE PRODUCER TO SUCH CIVIL AND CRIMINAL PENALTIES AS ARE PROVIDED BY LAW AND ADMINISTRATIVE REGULATIONS OF THE PLAN.

The Plan is authorized to restrict a certified producer's temporary identification card distribution privileges pursuant to procedures approved by the Governing Committee and Commissioner. Any subsequent changes to such procedures shall be subject to approval by the Governing Committee and the Commissioner.

None of the provisions of this Article shall be construed as limiting or in any way affecting the authority of the Plan to conditionally or otherwise reject applications submitted to the Plan by a particular producer, except as same may be modified by the Governing Committee. However, in no event shall any failure on the part of a NJ CAIP certified producer to properly perform under Plan rules or Plan directives prejudice the rights of a good faith applicant/insured to coverage through the Plan.

**Article 31. REVIEW OF PRODUCER PERFORMANCE**

Complaints alleging, or violations indicating, that a certified producer has willfully violated the performance standards as provided in the Plan Manual or any rules and procedures of the Plan, or has failed to perform in accordance with the performance standards as provided in the Plan Manual or any rules and procedures of the Plan with such frequency as to indicate a general business practice, shall be reviewed by the Plan. The Plan shall base its review on the records maintained by the Plan as required in Article 32, and in accordance with criteria established by the Governing Committee and approved by the Commissioner. The producers whose records meet the established criteria shall be referred to a Peer Review Panel appointed by the Commissioner for such review and investigation. Referrals of affiliated producers, as defined in Article 2, shall be based on the total complaints of all producers so affiliated. A certified producer shall be presumed to be an affiliate or subsidiary on any application for producer certification. This presumption may be rebutted by showing that control does not exist in fact.

A producer who has been requested to appear before the Peer Review Panel shall not be permitted to voluntarily surrender producer certification prior to the Peer Review Panel hearing. A written request to voluntarily surrender producer certification must be submitted to the Plan for inclusion in those matters to be reviewed by the Peer Review Panel. The Peer Review Panel at the hearing will review the producer's request to voluntarily surrender his or her producer certification, and provide a recommendation to the Governing Committee.

**A. Peer Review Panel**

The members of the Peer Review Panel shall consist of four producers and one representative of a company or their alternate, and shall be appointed for a term of two years. In the event a vacancy occurs on the Panel, the Plan shall poll subscriber companies and producer trade associations to determine if a subscriber company or producer is interested in filling the vacancy. If the response is not positive, a public member or alternate, as defined in Article 4.A.6, may be appointed in lieu of another panel member. A quorum of the Peer Review Panel shall be three members of the panel. The Peer Review

Panel shall not conduct hearings or vote unless a quorum is present.

Each producer and public member of the Peer Review Panel shall be compensated at the rate of \$250 per diem when attending Peer Review Panel meetings and in addition shall be reimbursed for reasonable travel expenses. Reimbursement of travel expenses shall be in accordance with the AIPSO Travel Policy. Members of the Peer Review Panel and any person who provides information to such Peer Review Panel, shall be entitled to indemnification as provided in Article 19 of the Plan.

**B. Peer Review Panel Procedures**

Producers referred to the Peer Review Panel shall be given at least 15 days' prior written notice (certified return receipt requested) of the date and time of the hearing by the Panel. Affiliates shall receive a separate notice of such hearing and an opportunity to be heard. A stenographer shall make a transcript of the hearing. Producers may obtain a copy of the transcript at their own expense. The producer has the right to have counsel present at the hearing. The producer should notify the Plan that he or she will be represented by counsel at least five days in advance of the hearing.

The Peer Review Panel, acting as the fact finder for the Governing Committee, shall review the evidence of producer performance standards violations presented by the Plan and the testimony of the producer and its affiliates.

The Peer Review Panel shall make a recommendation to the Governing Committee within 30 days. The recommendation shall be in writing with the findings of fact and conclusions of law and shall be based upon credible evidence in the hearing record including the testimony and any documents entered into the record.

The Peer Review Panel may recommend to the Governing Committee that no action be taken against the producer's certification or that the producer's certification be conditioned, suspended, or revoked. The Panel may also recommend to the Committee that the producer be required to use EASi for submission of all Plan business for which EASi is available.

**C. Governing Committee Procedures**

At the first meeting of the Governing Committee after receipt of the Peer Review Panel recommendations, the Governing Committee shall accept, reject, or modify the recommendation of the Peer Review Panel.

The Governing Committee shall advise the producer and the Commissioner, in writing, of its decision and the reasons thereof. The decision shall be forwarded to the producer by certified mail, return receipt requested.

The revocation, suspension, conditioning of certification of a producer, or the requirement to use EASi for submission of all Plan business for which EASi is available, shall be effective 12:01 A.M. on the day following receipt of the Governing Committee's decision, or 12:01 A.M. five days following the date of mailing, whichever occurs first.

**D. Summary Suspension Procedures**

If the Plan determines that immediate action is required to protect the public interest prior to a hearing in accordance with the usual procedures of the Peer Review

## NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN PLAN OF OPERATION

Panel, it may immediately suspend a producer's certification and Electronic Application Submission Interface (EASi) privileges. The Plan will provide a written statement of allegations against the producer which clearly evidence that delay until a full hearing will pose harm to the public interest. A full hearing on the merits before the Peer Review Panel shall take place within 10 days of the notice of suspension, in accordance with the usual procedures of the Peer Review Panel. Within seven days of the hearing, the Peer Review Panel shall render a decision and make appropriate recommendations to the Governing Committee. The Governing Committee shall accept, reject, or modify the recommendation of the Peer Review Panel as soon as practicable after receipt of the Peer Review Panel's recommendation. The Plan shall notify the producer immediately in writing of the Governing Committee's decision.

The summary suspension provisions shall also apply to any producer whose license and/or certification has been suspended or revoked through the administrative action of any other state or involuntary automobile insurance mechanism authority as a result of the producer's failure to remit premium or the producer's improper withholding of any funds.

### E. Appeal Procedures

The decision of the Governing Committee may be appealed to the Commissioner by the filing of a written notice of appeal with the Commissioner within 20 days of the date of mailing of said decision. The written notice of appeal to the Commissioner shall briefly describe the subject of the hearing, the Governing Committee's decision, and the basis for the appeal. For good cause shown, the Commissioner may extend the time in which to file an appeal.

The Commissioner shall review the written record of the Governing Committee's decision and shall issue a written order approving, disapproving, or modifying the decision of the Governing Committee or direct it to reconsider its decision. The Commissioner's review shall be de novo on the record made before the Peer Review Panel with no additional evidence unless the Commissioner seeks such additional evidence.

### F. Plan Applications and Supplies

#### 1. Suspended Producers

During the period of the suspension of certification, producers who are suspended may not submit new applications to the Plan nor receive compensation on new business. Should the suspension so provide, such producer will not be permitted to receive premium on behalf of the Plan or servicing carriers. Such producer, additionally, may not purchase any applications from the Plan or use the Electronic Application Submission Interface (EASi) during the suspension. All such Plan applications in the possession of the suspended producer shall be returned to the Plan within 10 days of the receipt of the notification of suspension.

Suspended producers may be called before the Peer Review Panel to address complaints or violations and subsequently be found in violation of the Plan Manual or any rules or procedures of the Plan. For such producers, the Peer Review Panel may recommend that the producer's certification status be changed to revoked. Suspended producers whose certification status is changed to revoked

shall be subject to all conditions imposed or revoked producers.

#### 2. Revoked Producers

During the period of the revocation of certification, producers who are revoked may not issue the Plan's temporary identification cards, submit new applications to the Plan, use EASi, complete policy change requests, or conduct any other Plan business. Such producer will not be permitted to receive premium on behalf of the Plan or servicing carriers, handle any transactions on behalf of any Plan insured, or receive compensation on new and renewal business. Such producer, additionally, may not purchase any applications, temporary identification cards, or other supplies from the Plan or use EASi during the revocation. All such Plan forms or supplies in the possession of the revoked producer shall be returned to the Plan within 10 days of the receipt of the notification of revocation.

Revoked producers may be called before the Peer Review Panel to address complaints or violations and subsequently be found in violation of the Plan Manual or any rules and procedures of the Plan. For such producers, the Peer Review Panel may recommend that the producer's certification status be changed to permanent revocation.

#### 3. Formerly Certified Producers

Formerly certified producers include any producer previously certified with the Plan who has had their certification status changed to formerly certified for failure to fulfill any Plan requirement for certified producers, including providing the Plan with renewal licenses, completing the Producer Procedures Course, completing the Plan's annual recertification, or due to the producer's prior request for a change in certification status to formerly certified. Formerly certified producers shall be subject to all conditions imposed on suspended producers, and, if applicable, may be called before the Peer Review Panel to address complaints and violations of the Plan Manual or any rules and procedures of the Plan in accordance with Article 31.

Formerly certified producers shall not be permitted to purchase Plan application forms, temporary identification cards, or other supplies, nor will such producers be permitted to submit applications to the Plan, use EASi, receive compensation on Plan new business, or issue the Plan's temporary identification cards.

#### 4. Never Certified Producers

Any producer who is duly licensed to transact automobile insurance business in the state of New Jersey who fails to submit the Application for Certification shall be considered a never certified producer.

A producer who has never been certified shall not be permitted to purchase Plan application forms, temporary identification cards, or other supplies, nor will such producer be permitted to submit applications to the Plan, use EASi, receive compensation on Plan new business, or issue the Plan's temporary identification cards.

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

**G. New Applications from Revoked/Suspended/ Formerly Certified Producers**

Should any revoked/suspended/or formerly certified producer continue to submit new applications to the Plan, such applications shall be assigned to a servicing carrier as required by the Plan Manual. In such event, the revoked/suspended/or formerly certified producer is not to be recognized as the producer of record under any such assignment and is not entitled to any compensation under policies written for such assignments.

At the time of assignment of each such application, the Plan will notify the servicing carrier that the designated producer has been revoked/suspended/or formerly certified and is, therefore, not to be recognized as the producer of record, and is not entitled to any compensation under that assignment. Copies of such notice shall be forwarded to the insured and the producer. The insured will be required to designate a certified producer as producer of record and to notify both the servicing carrier and the Plan of such designation. In the event the newly designated producer has not been certified as a producer of Plan business, the Plan will immediately notify the insured, producer, and servicing carrier accordingly.

**H. Eligibility of Revoked Producers to Reapply for Certification**

A producer whose certification has been revoked will not be eligible to reapply for certification prior to six months following the effective date of revocation of each subsequent revocation unless the Governing Committee, upon the recommendation of the Peer Review Panel, establishes a greater period of revocation.

A Governing Committee decision of permanent revocation shall render the producer ineligible to reapply for certification.

As a prerequisite to certification, all revoked producers must first complete the Producer Procedures Course at a location designated by the Plan, subsequent to the effective date of their revocation, and must provide the Plan with all documentation referred to in Article 30.

Producers with outstanding violations, whose license is suspended or revoked by the Department of Banking and Insurance or surrendered voluntarily, shall be prohibited from reapplying for certification upon restoration of their license until such time as the producer appears before the Peer Review Panel and resolves all outstanding violations.

In the event a revoked producer has their certification restored in accordance with the aforementioned paragraphs of this section, the Plan shall so advise the servicing carriers by indicating such on the listing provided to all servicing carriers.

**I. Reinstatement of Suspended Producers**

A producer whose certification is suspended shall automatically be reinstated effective the day following the termination date of the period of suspension provided they have completed the Producer Procedures Course and has resolved all outstanding violations.

In the event a suspended producer has their certification restored in accordance with the aforementioned paragraphs of this section, the Plan shall so advise the servicing carriers by indicating such on the listing provided to all servicing carriers.

**J. Breach of the Terms and Conditions of Revocation and Suspension**

**1. Revocation**

If a producer has been revoked (other than permanent revocation) and

- a. transacts business on behalf of a Plan applicant, either with regard to new business or existing policies; or
- b. submits applications to the Plan which are transmitted after the effective date of revocation; or
- c. fails to return to the Plan within 10 days after the effective date of revocation
  - (1) any unused temporary identification cards; or
  - (2) any imprinted applications; or
  - (3) any policy request forms; or
  - (4) any Plan forms or supplies issued by the Plan not enumerated above;

then such producer shall be ineligible to reapply for certification until 60 days after the end of the initial revocation period. Any additional breaches of the aforementioned terms and conditions of revocation shall be referred to the Peer Review Panel.

**2. Suspension**

If a producer has been suspended and

- a. submits new business applications to the Plan which are transmitted after the effective date of the suspension; or
- b. fails to return to the Plan within 10 days after the effective date of suspension any imprinted applications;

then such producer's suspension shall be extended an additional 60 days after the end of the initial suspension period. Any additional breaches of the aforementioned terms and conditions of suspension shall be referred to the Peer Review Panel.

**K. Notification to Servicing carriers of Suspended/ Revoked Producers**

On a regular basis, not less than monthly, the Plan shall distribute to all servicing carriers a listing of all producers who have been suspended or revoked as producers of Plan business.

In the event the conditions of the suspension or revocation as directed by the Governing Committee provide that the suspended/revoked producer shall not be entitled to compensation on renewal policies or any other transactions, the Plan shall produce a list of all assignments of applications submitted by the suspended/revoked producer during the three-year period immediately preceding the suspension/ revocation. Assignment listings shall be separately printed and mailed by the Plan within 10 business days of the date of suspension or revocation to each servicing carrier assigned any of the suspended/revoked producer's applications. Each carrier will be required to notify each assigned applicant whose coverage is still in effect that the designated producer of record has



## NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN PLAN OF OPERATION

been suspended/revoked and can no longer be recognized as the producer. Such notice shall include a toll free telephone number to enable the insured to contact the servicing carrier for temporary service on their policy until they have designated a certified producer as their producer of record.

Such notice must be issued to all insureds 30 days after each servicing carrier's receipt of the list of assignments from the Plan, allowing the producer 30 days to submit an appeal and possibly obtain a stay of the suspension/revocation. Servicing carriers will be provided with a sample letter to be used for this purpose.

Should an assigned applicant fail to designate a certified producer of record, the servicing carrier shall maintain the suspended/revoked producer as producer of record for 30 days after which time the servicing carrier's records will be amended to remove the suspended/revoked producer with no designation of a producer of record.

Sixty days prior to the issuance of the renewal notice, the servicing carrier will notify the insured that a renewal will not be issued unless the insured designates a certified producer of record within 60 days of the date of notice. If the insured has not provided the servicing carrier with the name of a certified producer of record by the date requested, the servicing carrier will issue a notice of non-renewal for the reason that a certified producer had not been designated. If the newly designated producer is suspended/revoked subsequent to designation but following issuance of the renewal quotation, the servicing carrier's records will be amended to remove the suspended/revoked producer with no designation of a producer of record.

Should the insured reapply to the Plan following the non-renewal of the policy because the insured had not designated a certified producer, and the application does not indicate a certified producer, the servicing carrier shall issue the policy and the proper notification of intent to cancel.

In the event the suspended/revoked producer appeals the Governing Committee's decision to the Commissioner, and the Commissioner grants a stay of such decision subsequent to the release of the above notice, the Plan will immediately advise the servicing carriers of the stay of the Governing Committee's decision. Each insured is to be notified that, as a result of the stay granted by the Commissioner, the servicing carrier's earlier letter is withdrawn pending the final outcome of the producer's appeal to the Commissioner.

### L. Revocation or Suspension of Producer Licenses

In the event the Commissioner revokes or suspends the license of a certified producer, the certification of such producer shall be automatically revoked by the Plan without prior notice, and all conditions provided in Article 31.F shall apply.

## **Article 31A. RECIPROCAL PROCEDURE FOR PRODUCER PERFORMANCE**

In the event a producer's certification is revoked, suspended, or condition in the New Jersey Personal Automobile Insurance Plan (NJPAIP), the producer's certification will automatically be revoked, suspended, or conditioned in the New Jersey Commercial Automobile Insurance Plan (NJCAIP). In addition to the foregoing, a producer required to use EASI for

submission of all NJ CAIP business for which EASI is available is subject to these reciprocal provisions and will automatically be required to use EASI for submission of all NJPAIP business for which EASI is available.

A NJCAIP revoked producer shall not be eligible for certification until such time as the producer has

- certification reinstated by the NJPAIP;
- reapplied for NJCAIP certification in accordance with applicable Plan procedures;
- resolved any outstanding violations with NJCAIP; and
- completed the combined NJCAIP/NJPAIP Producer Procedures Course at the Plan Office.

Upon compliance with all of the above conditions, the producer's application for certification will be submitted to the Peer Review Panel. The Peer Review Panel shall review the request for certification, and make the recommendation in accordance with its normal procedures as provided herein.

A NJCAIP suspended or conditioned producer shall continue to be suspended or conditioned until such time as the producer has

- the suspension or conditioned certification lifted by the NJPAIP;
- resolved any outstanding violations with NJCAIP; and
- completed the combined NJCAIP/NJPAIP Producer Procedures Course.

Upon compliance with all of the above conditions, the producer's certification shall no longer be suspended or conditioned in the NJCAIP.

In the event a producer is revoked, suspended, or conditioned in the NJCAIP, the affiliate, as defined in Article 2, may also be revoked, suspended, or conditioned. The affiliate is entitled to a hearing by the Peer Review Panel for determination of their affiliate status. If the affiliate fails to appear at the hearing, they shall be revoked, suspended, or conditioned in accordance with the affiliated producer's status.

## **Article 32. PERFORMANCE STANDARDS FOR PRODUCERS WRITING NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN RISKS**

### A. Performance Standards

The performance standards listed below set forth the specific requirements that producers must meet in the servicing of Plan business. Servicing carriers and the Plan shall report all infractions of the rules and procedures of this Plan to the Governing Committee who, in turn, shall refer offenders to the Department of Banking and Insurance.

1. Original Applications
  - a. Applications shall be fully complete and must include
    - (1) necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility or motor carrier filings;



NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
PLAN OF OPERATION

- (2) name, address, and tax identification number of producer which must be the same for all applications submitted;
  - (3) signature of applicant and producer;
  - (4) all required documents to be submitted with the application;
  - (5) a properly completed Payment Comparison Form where the premium is financed.
- b. Premium for desired coverages shall be individually listed and the deposit premium shall be submitted with the application in accordance with Plan rules.
  - c. Applications shall be completed and mailed in accordance with Plan rules. A copy of the completed application will be provided to the applicant.
  - d. All statements of fact submitted to the Plan or an assigned servicing carrier must be to the best of the producer's knowledge.
  - e. For those applications where the Electronic Application Submission Interface (EASi) has been used to transmit the application to the Plan in accordance with Article 9.B.6, the producer of record and applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was completed.

2. Return Commissions

Return commissions shall be paid within 45 calendar days from the date of notice to the producer.

3. Policy Change Request

Producers must use the prescribed Policy Change Request form or the one provided by the servicing carrier when making a policy change request. The form shall be fully completed and mailed to the servicing carrier no later than the third working day after the Policy Change Request form is completed, accompanied by an appropriate deposit, where applicable, in accordance with Plan rules.

4. Claims

When claims are reported to the producer by the insured, the producer will report them to the servicing carriers by mail, telephone, or facsimile transmission.

All claims must be reported to the servicing carrier by the producer no later than three working days following receipt of notification of a claim by the producer.

5. Payments

- a. Producers shall remit all payments received from insureds in accordance with the Plan.

Once a policy has been issued by the servicing carrier, subsequent payments should be made in accordance with the instructions contained in the servicing carrier's billing notice. However, if such payments are made to the producer of record, this constitutes payment to the servicing carrier provided such payments are received by the producer of record prior to the cancellation

date or renewal date of the policy. The producer of record shall retain all pertinent documentation necessary to establish the date of receipt of payments. Such documentation shall include, but not be limited to

- sequentially numbered, dated, and verifiable receipts, as required by New Jersey Department of Banking and Insurance regulations, specifically, N.J.A.C. 11:17C, Articles 2.4 and 2.5; and
- sequentially numbered and dated cancelled checks, as applicable.

All payments received by the producer of record shall be forwarded to the servicing carrier no later than two working days. Notwithstanding the above, the producer is not acting as an agent of the Plan or any servicing carrier for the purpose of this insurance.

- b. Producer's checks justifiably dishonored by the bank shall be considered a violation of the performance standards. Any producer who submits to the Plan or carriers three checks within a 12-month period that are subsequently justifiably dishonored by the bank when presented for payment shall become subject to the Plan's certified check requirement. Such requirement shall equally apply to all producers affiliated. All producers subject to the certified check requirement shall be restricted to submitting only bank checks, money orders, or insured's checks.

Producers who are subject to the provisions of the certified check requirement may be removed from this requirement after one calendar year from its imposition provided the producer has met the following terms:

- (1) The Plan has received no additional notices of checks which were justifiably dishonored by the producer's bank after the producer was placed on the certified check requirement.
- (2) The producer has resolved all justifiably dishonored checks.
- (3) The producer has received no deficiencies for failure to submit certified checks since the producer was placed on the certified check requirement.

Should the producer be removed from the certified check requirement upon fulfilling the above referenced terms, and the Plan receive any additional notice(s) of checks which were justifiably dishonored by the producer's bank, the producer shall immediately become subject to the certified check restriction, and the producer's records shall be forwarded to the Peer Review Panel for Review.

In addition, any producer who is subject to the provisions of the certified check requirement for a second time shall not be eligible, at any time, for removal from the requirement in accordance with the provisions hereof. Instead, any such producer seeking removal from the provisions of the certified check requirement shall be required to petition the Peer Review Panel for

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
 PLAN OF OPERATION

such relief. Any such petition heard by the Peer Review Panel shall be subject to and shall be reviewed in accordance with the applicable procedural and other substantive requirements as detailed in Article 31.

6. Deficient Applications

Following is a list of violations which will be recorded by the Plan:

Code	NJ CAIP Deficiency Description
50	Producer is required to submit a certified check, bank check, money order, or the applicant's check
51	Insufficient deposit
52	Applicant's name/address is missing on the application
53	Applicant is not the registered owner or lessee of the vehicle listed on the application/name of vehicle's registered owner missing
54	Occupation/nature of business missing
55	Applicant's and/or other operator's information incomplete on application
56	Applicant's and/or other operator's driver's license missing or expired
57	Vehicle identification number missing or incomplete for one or more vehicles
58	Cost of/use of vehicle missing for one or more vehicles
59	Principal place of garaging/state of registration missing for one or more vehicles
60	NJ CAIP approved addendum not submitted with application or signature missing on addendum/Section 12 on the application
61	Premium information missing on the application for one or more vehicles
62	Prior insurance record is missing or incomplete on the application
63	Installment premium payment option is not available if any portion of the annual premium is financed
64	Model year/make/model name and body style missing for one or more vehicles
65	When requesting a liability limit in excess of the maximum combined single limits offered by the Plan, proper documentation is required
66	Territory/rate class/symbol missing for one or more vehicles
67	Weight of vehicle is missing for one or more vehicles
68	Limits of coverage not given/unavailable under Plan rules
69	Physical damage deductible is not indicated/unavailable under Plan rules
70	Vehicles with gross vehicle weight in excess of 10,000 pounds are ineligible for physical damage coverage
71	Physical damage coverage not available for this class
72	Garagekeepers legal liability coverage is not available
73	Fleets of 10 or more vehicles are ineligible for physical damage coverage
74	Comprehensive without collision coverage not available unless liability coverage is provided
75	Collision without comprehensive coverage not available
76	Effective date is missing or incomplete
77	Producer's signature missing
★78	Auto dealers supplement form is missing or incomplete❖
79	Nonowner information is missing or incomplete
80	More than one limit of liability indicated
81	One or more vehicles ineligible for physical damage coverage
83	Salvage yard is not eligible for coverage
84	Application has five or more deficiencies
85	Requested effective date could not be assigned in accordance with Article 9
86	Acknowledgment of Requirement for Insurance Inspection form is missing or incomplete and/or is a photocopy
87	Vehicle registration documentation and/or license copies not provided, application effective date delayed in accordance with Plan rules

NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN  
 PLAN OF OPERATION

Code	NJ CAIP Deficiency Description
83	Certified mail receipt number missing on application. Requested effective date not assigned
89	Pursuant to Article 8.D of the NJ CAIP Plan of Operation, only 20% of the total deposit can be in the form of the applicant's check, including the applicant's business check, unless the check is certified
90	Temporary identification card missing/other than 1/96 NJ CAIP edition submitted
91	Photocopy of vehicle ownership documentation missing
92	Application Addendum for 10 or more vehicles not submitted with application
93	Payment Comparison Form was not submitted with the application
97	Registration expired or missing
98	Insufficient proof of ownership
100	Premium Finance Contract was not submitted with the application
101	Foreign Driver's License, International Driving Permit or other acceptable English translation of the foreign license and supporting documentation (valid passport, alien registration receipt card, valid employment authorization card, proof of nonimmigrant classification) not submitted with the application

7. Business Practices

Producers must maintain proper business records in accordance with N.J.A.C. 11:17C-2.5.

B. Maintenance of Complaint Records

1. Performance standards for Producers

All complaints of a producer's failure to comply with the performance standards for producers shall be filed with the Plan by servicing carriers. The Plan may issue a producer complaint for noncompliance with producer performance standards. The Plan shall forward a copy of the complaint to the producer requesting a written response within 20 days. The Plan shall review any producer's challenge of the validity of a complaint and shall, after investigation, determine whether or not the complaint is valid. If the Plan, after investigation, determines that the complaint is valid, notification shall be sent to the producer together with an explanation of such determination.

Records of all such complaints shall be maintained separately for each producer by the Plan.

2. Other Plan Rules and Procedures

The Plan shall maintain, separately for each producer, complaints from servicing carriers of a producer's failure to comply with all other Plan rules and procedures, and records of each producer's failure to properly complete applications to the Plan and comply with other Plan rules and procedures as determined by the Plan as established by the Governing Committee.

**Articles 33–39. RESERVED FOR FUTURE USE**

**Article 40. PERFORMANCE STANDARDS FOR SERVICING CARRIERS WRITING NEW JERSEY COMMERCIAL AUTOMOBILE INSURANCE PLAN RISKS**

A. Performance Standards

The performance standards listed below set forth the specific time periods during which servicing carriers must perform in accordance with the Plan Manual. Producers and the Plan shall report infractions of the rules and procedures of this Plan to the Governing Committee who, in turn, shall refer offenders to the Department of Banking and Insurance. A PRODUCER MAY CALL A SERVICING CARRIER COLLECT OR ON ITS TOLL FREE NUMBER FOR AN ITEM where performance standards have not been met.

1. Issuance of Original Policy

Upon receipt of the notice of designation for private passenger and commercial risks, and as of the effective date of coverage for those CAIP applicants requiring a filing or a limit in excess of \$500,000 combined single limit, and the premium or deposit from the Plan, the servicing carrier shall

- a. within three working days make such motor carrier filings as might be required. A copy of the filing or notice of the same shall be issued to the insured and producer of record provided all information necessary is contained in the application form.
- b. within 30 calendar days issue a policy if all information necessary for the servicing carrier to fix the proper rate is contained in the application form and the Plan Manual contains the applicable rate, such policy to become effective 12:01 A.M. on the date specified by the Plan in the notice of designation.
- c. within 30 calendar days issue a policy if all underwriting information necessary is available and request that AIPSO make the necessary individual risk filing with the Commissioner of Banking and Insurance. Policies shall be accompanied by an explanation that the rating of this policy is provisional.

# NEW YORK AUTOMOBILE INSURANCE PLAN

22 CORTLANDT STREET, SUITE 1500, NEW YORK, NY 10007-3151  
212-943-5100

## HOW TO APPLY FOR CERTIFICATION

If you are a licensed producer seeking to become certified with the New York Automobile Insurance Plan, you must become a registered user on [www.AIPSO.com/ny](http://www.AIPSO.com/ny) to access the forms and documents required to complete the process (See step 1 below). The certification process requires you to:

- ✓ Subscribe to the NYAIP manual and to receive subsequent updates on [www.AIPSO.com/ny](http://www.AIPSO.com/ny)
- ✓ Submit an application for certification with a copy of your license,
- ✓ Complete the NYAIP producer procedures course with Independent Insurance Agents and Brokers of NY (IIBNY) or Professional Insurance Agents of NY (PIANY),
- ✓ Establish an account with LexisNexis to receive MVRs in PASS

Here is a check list for you to use to help you complete the Application for Certification process:

1. **Subscribe to the NYAIP Manual and Updates:** 
  - Login to [www.AIPSO.com/ny](http://www.AIPSO.com/ny),
  - If you are not already registered, simply follow the one time registration process.
  - Under "For Registered Users" on the left; click on "Email Alerts",
  - Under "E-mail Alerts" look for "Electronic Manuals E-mail Alerts"; place a check mark in the box for the NY Manuals & NY Manuals-Circulars.
  - At the bottom of the screen select "Submit Changes"
  - When prompted select "Licensed Producer", as your status for authorization, then click submit.
  - You will receive an email confirmation at the email address you provided in the registration process. (You must include a copy of this email when submitting your application for certification)
2. **Application for Certification** 

After you login to [www.AIPSO.com/ny](http://www.AIPSO.com/ny), download/print the "Producer Application for Certification" and the "Certification Plan of Operations" located in the Plan Documents section at the bottom of the screen. Read the Plan of Operations, complete all applicable sections of the Application for Certification, and then sign and date the form.
3. **PC or BR License from New York State Department of Financial Services (DFS)** 

(Include a copy when submitting your application for certification)
4. **New York Electronic Manual Confirmation E-mail** 

(Include a copy when submitting your application for certification)
5. **Producer Procedures Course Completion Certificate.** 

(You will have 60 days to complete the required course. If you have already completed the course include a copy of the completion certificate. The Course Provider's Name and Date of completion are also acceptable, however will be subject to verification) (Contact either [www.IIABNY.org](http://www.IIABNY.org) (800-962-7950 or [www.PIANY.org](http://www.PIANY.org) 800-424-4244 or 518-434-3111 to register for the course).
6. **Submit all Documents to the NYAIP** 

Fax all required documents to the Plan at the Fax # provided on your Application for Certification. Following verification of your eligibility, the NYAIP will notify LexisNexis and you will receive an email from LexisNexis to complete your account setup. Upon receipt of confirmation from LexisNexis that your account set up is complete, the NYAIP will provide you with your Certification Number which you will need to register for PASS to submit applications and generate ID cards.

**NEW YORK  
 AUTOMOBILE  
 INSURANCE PLAN**

**APPLICATION FOR CERTIFICATION**

FAX to 212-742-2116 or Mail to NYAIP-22 Cortlandt St New York NY 10007

**Section I. APPLICANT INFORMATION**

(Changes to any of the information provided below must be reported to NYAIP)

Full Name of Applicant (as it appears on your license): (Abbreviate only if more than 25 characters) (If licensed as DBA, insert DBA name only as it appears on the license)

Telephone Number (incl. area code):	Fax number:	E-Mail Address (For use in PASS and Plan Communications)
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**Section II. PRIMARY BUSINESS ADDRESS**

Current Business Address (If PO Box, you must include a street address)

Street:	City:	State:	ZIP Code:
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**Section III. CURRENT HOME ADDRESS** (If same as above please check box)

Current Home Address

Street:	City:	State:	ZIP Code:
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**Section IV. TAX IDENTIFICATION NUMBER**

If Individual, Provide Social Security #:	If Other than Individual, Give Federal Employers Identification #:
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**Section V. LICENSING INFORMATION**

If you are licensed as both a Property Casualty Agent (PC) and a Broker (BR), under the same number, please indicate the license for which you are applying for certification (PC or BR). Attach a copy of the license to this application.

Agent (PC License): <input type="checkbox"/>	Broker (BR License): <input type="checkbox"/>	License #:																	
Please Check Applicable																			
Lines of Authority: Property Casualty <input type="checkbox"/> Property Casualty /Personal Lines <input type="checkbox"/> Personal Lines (Only) <input type="checkbox"/> Expiration Date: Month, Day, Year																			

**Section VI. SUB-LICENSEES, AFFILIATION & OTHER ENTITIES**

List all Property and Casualty licenses you hold, including Individual licenses, TBA licenses and any other licenses of which you are a sub-licensee: (Use space below for Supplemental Information regarding this section (Sec VI) additional licenses, sublicensees and affiliations):

Name:	License #:																		
Name:	License #:																		
Name:	License #:																		

Give the Names, addresses and license numbers of any other Agent or Broker with which you are an affiliate or subsidiary but are not included on the license: (Use space at the end for Supplemental Information if more room is needed):

Agent or Broker Name:	License #:																		
Street:	City:	State:	ZIP Code:																

Agent or Broker Name:	License #:																		
Street:	City:	State:	ZIP Code:																

Agent or Broker Name:	License #:																		
Street:	City:	State:	ZIP Code:																

Supplemental License and Affiliate Information:
---

**Section VII. PLAN MANUAL**

Certified Producers are required to subscribe to the NYAIP Manual and to receive subsequent updates. You may subscribe by registering at [www.aipso.com/ny](http://www.aipso.com/ny) Please provide the e-mail address under which you are subscribed to receive E-Manual updates:

E-mail Address  
 Registered at  
[www.aipso.com/ny](http://www.aipso.com/ny) :

**Producers must establish and maintain an account with a NYAIP authorized vendor to receive/obtain MVR's and C.L.U.E. reports in PASS. LexisNexis (LN) is the vendor selected to provide electronic MVRs in PASS, the certification process will include having producers register with LN, and signing State required forms certifying compliance with regulatory and legal requirements regarding their intended use of the MVR information made available in PASS. Therefore, please submit your signup package, license and cover sheet to LN as soon as possible. Producers must establish a separate registration for each certified license and satellite office. Note: The Plan May investigate producers who orders MVRs through PASS that are not submitted for assignments.**

**Section VIII. UNDERTAKING**

The applicant \_\_\_\_\_ undertakes that in the event of certification as a producer of Plan business the applicant will:

1. Read and become thoroughly familiar with all Plan Rules, the Plan Manual and any revisions, amendments or notices with reference to same, which are issued hereafter.
2. Comply with and perform all duties in accordance with the aforementioned Plan Rules, Plan Manual, notifications and amendments and in addition, comply with any direction received from the Plan staff or Governing Committee or the Department of Financial Services with any reference thereto or with reference to any application for insurance under the Plan, any Plan insured, or any company under the Plan.
3. In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agrees that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend, or limit the Producer's right to do any business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such period of suspension or revocation, the producer may not be entitled to commissions which would otherwise become due for insurance effective during said period and further agrees that the Plan staff or the Governing Committee as the case may be, may in connection with any violation or failure to perform on the part of the producer, limit the number of identification cards, application or other Plan forms which may be issued to the Producer.
4. Any notice by the Plan or any of the Plan staff or the Governing Committee in connection with this subsection four (4) may be sent by ordinary mail or e-mail except that in the event of a revocation or suspension of the certification of a Producer, notice shall be sent by certified mail, return receipt requested.
5. Agree to notify the Plan of any license changes, affiliations, and satellite offices.

**This undertaking and any civil and/or criminal liabilities and penalties shall apply if the action(s) charged against the applicant are due to acts of any subsidiary or affiliate of applicant as defined in Insurance law, and/or any individual for whom the applicant conducts ("fronts") any business operations.**

**Under penalty of perjury, I (we) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the undertaking made in Section VIII UNDERTAKING and I (we) agree thereto and subscribe thereto.**

Name of Individual Applicant: (As it appears in Sec. I above)	Signature of Individual Applicant:	Date:
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In the event that this is an application of an entity other than an individual, all sub-licensees of the producer shall individually sign and subscribe to the foregoing application and undertaking with the same force and effect as if each of the following persons was the applicant. All sub-licensees must sign this application. (Use Supplemental Information space at the end for additional signatures)

Name of Applicant: By: (print name) (As it appears in Sec. I above)	Sub-licensee: By: (print name):
Signature:	Signature:
Office or Title	Sub-licensee: By: (print name):
Date:	Signature:

**Section IX. Supplemental Information** (Use this space for additional information or for additional signatures of sub-licensees):

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<b>FOR PLAN USE ONLY:</b>	Date Rec'd:	Processed By:	Cert #:	Temporary Certification <input type="checkbox"/>
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## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

#### **TABLE OF CONTENTS**

<b><u>Section</u></b>	<b><u>Title</u></b>	<b><u>Page(s)</u></b>
1.	Introduction	1
2.	Application For Certification	2-3
	a. Certification of Producers Who Become Licensed Subsequent to June 1, 1990	
	b. Failure to Submit the Application	
	c. Who is required to complete the Producer Procedures Course?	
	(1) Newly Certified Producers	
	(2) Additional Licensees	
	(3) Additional Sublicensees	
	(4) Decertified Producers	
	(5) Continued Certification	
	(6) Confirmation of Attendance	
	d. PASS Requirements	
3.	Certification Process	4
4.	Acknowledgment of Certification	4
5.	Permission to Use, (PASS) Producer Application Submission System	4
6.	Obligations of Certified Producers	5
	a. Producers with multiple offices/business	
	b. Supervising Producer of a Satellite Office	
7.	Maintenance of Complaint Records	6
	a. Performance Standard for Producers	
	b. Other Plan Rules and Procedures	
8.	Review of Producer's Performance	6
9.	Notice of Automatic Suspension of Certification	7
10.	Suspended Producers	7
11.	Automatic Suspension Procedure	7
12.	Notice of Uncertification/Revocation/Suspension	8
13.	Suspended/Revoked/Uncertified	8
14.	Producers Whose Certification Is Conditioned	8
15.	Appeal Procedure	9
16.	Uncertified Producers	9
17.	Unqualified Producers.	9
18.	New Applications From Suspended/Revoked/Uncertified Producers	9
19.	Notification to Assigned Companies of Suspended, Revoked and Uncertified Producers	10
20.	Eligibility of Suspended/Revoked Producers to Reapply for Certification	10
21.	Change of Producer of Record	11
22.	Breach of the Terms and Conditions of Revocation	11

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

**- 1 -**

**Introduction** – As provided in Section 15A of the rules of the New York Automobile Insurance Plan (NYAIP): “the Governing Committee in accordance with standards and procedures approved by the Superintendent of Insurance, shall certify qualifying agents and brokers licensed to transact automobile insurance business in New York State to submit applications on behalf of their clients to the New York Automobile Insurance Plan. All agents and brokers holding such a valid license must, prior to submitting applications to the Plan, certify, in writing, that they hold a valid New York agent’s or broker’s license, by submitting a copy of the agent’s or broker’s New York license and must certify in writing that they will abide by the Performance Standards for Producers and the rules and procedures of the New York Automobile Insurance Plan”.

1. Producers who are licensed as both an agent (PC) and a broker (BR) under the same license number will be eligible to apply (or reapply) for certification under only one of these licenses. An agent or broker certifying such in writing to the Plan will be granted temporary certification for a period of 60 days during which he or she must attend the "New York Automobile Insurance Plan Producer Procedures Course". During this interim period producers would be allowed to submit applications and obtain from the Plan temporary identification cards.

Please note producers who are licensed and authorized by the New York State Department of Financial Services to write “Personal Lines only” will be limited to private passenger business only.

Additional conditions of certification include; all eligible applications must be submitted through PASS (Producer Application Submission System), and all NYAIP ID cards must be obtained through the Plan ID card facilities. Additionally, producers must comply with all application submission requirements as determined by the Plan, including but not limited to:

- (a) Establish and maintain their eligibility with a vendor(s) selected by the Plan to obtain MVRs and CLUE reports in PASS,
- (b) Submit printed quotes from a Plan authorized vendor(s) with every Commercial Application submitted to the Plan.

It is intended that the requirement to submit all PASS eligible applications through PASS shall apply in the case of producers seeking certification who are not actively certified under another license and producers whose certification is revoked and who make an application for recertification following the termination of the revocation period.

Upon completion of the Producer Procedures Course, a copy of the agent’s or broker’s New York license and a certificate of completion by the sponsor of the course, must accompany the application for full producer certification. Copies of all subsequent renewal and, if applicable, amended licenses, must also be submitted to the Plan.

Failure to provide the Plan with copies of all amended and/or renewal licenses, within 10 days of the effective date of the amendment and/or renewal, will render the producer as uncertified until such time as the required license is received by the Plan. Reinstatement of certification will be effective upon the Plan's receipt of the license provided such license is received by the Plan within one year of the expiration/amendment. Additionally, as a condition of continuing certification, producers will be required to complete the Producers Procedures Course within every four year cycle (See Section 6. Note 1).

The Producer Procedures Course shall be any course approved by the Education Task Force of the Plan. The Education Task Force shall be responsible for creating and establishing the approved "New York



## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

**- 2 -**

Automobile Insurance Plan Producer Procedures Course" and for developing an instructor's manual for use in presentation of the course. Such manual shall generally describe the subjects to be covered and the curriculum of the course. An approved course must qualify to meet all requirements for a minimum of four continuing Education credits, which the producer can utilize for licensing requirements. The requirement of attending this course shall also apply in the case of producers whose certification is revoked or suspended, producers who make an application for recertification following the termination of the revocation or suspension period, and as a condition for eligibility for continued certification. It is further understood that the Governing Committee may require any producers and/or their staff/employees, to attend this course.

The above Certification shall not be construed as constituting the producer as an agent of the New York Automobile Insurance Plan or of any carrier to which an applicant is assigned.

#### **2. Application For Certification**

**a. Certification of Producers Who Become Licensed Subsequent to June 1, 1990.**

All producers who become licensed and/or seek to become certified subsequent to June 1, 1990 must apply for certification by completing the prescribed application for certification, submit proof of licensing and subscribe to the New York Automobile Insurance Plan manual. The application for certification, copy of valid license and confirmation of subscription to the NYAIP Electronic manual must be received and approved by the Plan, prior to temporary certification becoming effective.

All such producers will be given 60 days temporary certification during which time they must complete the Producer Procedures Course. Failure to maintain a subscription to AIPSO.com to access the current manual will disqualify the producer from being certified and will render the producer "uncertified." Also, producers may use only one Tax Identification number per license. Additionally, failure to submit all required applications and endorsements through PASS will disqualify the producer from being certified and will render the producer "uncertified."

Any producer who is already certified by the Plan, and is seeking certification under another license (replacement or additional) will not be required to complete the Producer Procedures Course provided that such certification has been in force without lapse.

Producers with multiple offices/business locations must notify the Plan of the address and licensed supervising producer at each location and must comply with the requirements of New York State Insurance Regulation 125.

- b. Failure to Submit the Application - Should any producer fail to submit the Application for Certification with all other required documents, such producer will not be permitted to obtain applications or purchase other supplies from the Plan, nor may such producer submit applications to the Plan obtain or issue the Plan's temporary identification cards or utilize the Plan's electronic submission procedures until such time as the Application for Certification is received by the Plan and an Acknowledgment of Certification is received from the Plan.**

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

**- 3 -**

- c. Who is required to complete the Producer Procedures Course
- (1) Newly Certified Producers:
- (a) All producers seeking certification (including recertification following a suspension or revocation) shall be required to complete the in-person Producer Procedures Course during their 60-day temporary certification. Producers seeking new certification will be allowed to take the online Producer Procedures Course providing there is no in-person course available within a 50 mile distance of the producer's office, within 60 days of the date of certification.
  - (b) When there are more than 5 sublicensees, at least five sublicensees seeking certification under one license must complete the Producer Procedures Course.
  - (c) Any producer becoming an additional sublicensee of a certified license must complete the Producer Procedures Course if such producer is not currently certified under another license, unless five sublicensees under that license have already completed the Producer Procedures Course.
  - (d) Any producer whose certification has been suspended or revoked must complete the in-person Producer Procedures Course as a prerequisite to recertification.
  - (e) The designated supervising producer of any satellite office seeking certification (in compliance with the requirements of New York State Insurance Regulation 125) must complete the Producer Procedures Course.
- (2) Continued Certification:
- (a) Any producer seeking to continue his/her certification as of November 1, 2000 and thereafter will be required to complete the Producer Procedures Course once within every four-year cycle.
  - (b) Effective January 1, 2009, only one sublicensee for any license for which there is more than one sublicensee is required to take the Producer Procedures Course. For individual licensees, the producer must complete the course.
  - (c) Upon completion of the Producer Procedures Course, the Plan copy of the certificate of completion, signed by the sponsor of the course, must be forwarded to the Plan for full certification, continued certification or recertification. All proper certificates of completion of the Producer Procedures Course shall be valid proof for certification purposes for a period of six months from the date indicated by the duly authorized sponsor.
- (3) The NYAIP may require any producer and /or his staff/employees to take the Producer Procedures Course and may suspend that producer's ID card privileges until the course requirements are met.
- d. Who is Required to Submit all Applications through PASS (Producer Application Submission System)

As a condition of certification, producers must register for PASS, all applications must be submitted through PASS and all NYAIP ID cards must be obtained through the Plan ID card facilities.

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

- 4 -

3. **Certification Process** – The Plan shall review all Applications for Certification to confirm that each such application: 1) has been properly and fully completed, 2) has been properly signed by all sub-licensees as required in the application, 3) is accompanied by a complete copy of the required producer license(s) and 4) the producer has subscribed to AIPSO.com and the NYAIP Electronic Manual. Any applications that fail to meet all requirements shall result in a delay in processing.

Applications, which are satisfactorily completed, shall be submitted to the Plan Manager who shall approve the certification of each producer applicant on behalf of the Governing Committee.

Each producer for which certification is approved shall be assigned a Certification Number. In addition, the assignment of the Certification Number shall permit the certified producer to use the electronic ID Card facility, Effective Date Program and PASS (Producer Application Submission System) provided in Section 5 of this Plan of Operations and Sections 11 and 12 of the NYAIP manual.

4. **Acknowledgment of Certification** - An Acknowledgment of Certification shall be forwarded to each producer who has satisfactorily fulfilled the certification process outlined above. Producers who have met all requirements for certification, except having completed the Producer Procedures Course, shall be issued an Acknowledgment of Temporary Certification, with a reminder of the Plan's requirement to complete the Producer Procedures Course within 60 days. An Acknowledgment of Certification will be issued when the producer completes all requirements for certification. The producer Certification Number shall be recorded in the Certification Acknowledgment. Each producer, so certified, shall thereafter be permitted to obtain New York Automobile Insurance Plan application forms, temporary identification cards, and any other supplies required to properly perform in accordance with the rules of the New York Automobile Insurance Plan, and to thereafter submit applications to the Plan and issue the Plan's temporary identification cards as prescribed in the rules of the New York Automobile Insurance Plan, and to utilize the electronic Effective Date Program and (PASS) Producer Application Submission System to effect coverage on new applications to the Plan under certain prescribed circumstances.

The Plan shall maintain a pending file for all temporarily certified producers who have not yet completed the required Producer Procedures Course. Should the temporarily certified producer fail to meet all requirements for certification within the 60-day temporary certification, the producer shall become uncertified until all requirements are satisfied. Reinstatement of certification will become effective upon the Plan's receipt of proof that all requirements for certification have been satisfied.

5. **Permission to Use the NYAIP ID CARD Facilities, Electronic Effective Date Program and (PASS) Producer Application Submission System Mail** - The Governing Committee has approved an electronic Effective Date Program and (PASS) Producer Application Submission System to effect coverage under certain circumstances (as outlined in Section 11.A.2 of the rules of the NYAIP) and electronic bar coded ID cards prescribed by the Department of Motor Vehicles (as outlined in Section 11 of the rules of the NYAIP). Only producers who are certified will be allowed to use these procedures. Each certified producer will be provided with the rules and prescribed procedures, which must be followed to utilize these processes and will be provided with the prescribed procedures to be followed to retract an electronic Effective Date submission or PASS application.

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

**- 5 -**

6. **Obligations of Certified Producers** - Each producer who is certified under this program has agreed, by having signed the Application for Certification, to abide by the Performance Standards for Producers and the rules and procedures of the New York Automobile Insurance Plan.
- a. Producers with multiple offices/business locations must notify the Plan of the address and licensed supervising producer at each location and must comply with the requirements of New York State Insurance Regulation 125.
  - b. Supervising Producer of a Satellite Office – The designated supervising producer, of any satellite office certified pursuant to Section 6 of this Plan of Operation, and in compliance with the requirements of New York State Insurance Regulation 125, must complete the Producer Procedures Course.

The Acknowledgment of Certification forwarded by the Plan to each such producer shall remain in full force and effect provided the producer does not develop an adverse record of complaints of violations of the Performance Standards for Producers or other Plan rules and procedures and provided the producer completes the required Producer Procedures Course within the required time period. Any temporarily certified producer who has failed to complete the required Producer Procedures Course or to submit all eligible applications through PASS shall be notified in writing that the temporary certification has expired rendering such producer as Uncertified. The certification of an Uncertified producer may be reinstated upon the Plan's receipt of proof of that producer having completed the required Producer Procedures Course and shall become effective as of the date of the Plan's receipt of such proof providing all other certification requirements are met.

Failure to provide the Plan with copies of all amended and/or renewal licenses, within 30 days of the effective date of the amendment and/or renewal, will render the producer as uncertified until such time as the required license is received by the Plan. Reinstatement of certification will be effective upon the Plan's receipt of the license providing all other certification requirements are met and such license is received within one year of the expiration.

All certified producers are required to complete the Producer Procedures Course as a Continuing Education requirement and condition for continued certification. The course must be completed once within every four-year cycle. Producers shall be required to complete the course as per Section 2.c. of this Plan of Operations. Failure to meet the Producer Procedures Course Continuing Education Requirements will render the producer uncertified.

Producers who become uncertified for failure to meet the course requirement shall be eligible for reinstatement for 1 year following their becoming uncertified providing the producer fulfills ALL of the following requirements:

- a. submits written request for reinstatement,
- b. provides proof of completion of the course within a year after becoming uncertified,
- c. has met the licensee/sublicensee course attendance requirements for continued certification,
- d. has resolved any pending /unresolved violations, and
- e. is eligible for certification

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

- 6 -

Recertification will require the current course completion be credited to satisfy the producer past course obligation, and the producer must complete the course again by the end of the current four-year cycle to satisfy his/her current course completion obligation.

In the event a producer is Uncertified for more than 1 year, the reinstatement provisions will not apply and the producer will be required to reapply for certification and take the Procedures Course within 60 days of the reapplication as detailed in Sections 1 and 2 of this Plan of Operations.

Note 1: effective January 2009, the four year cycle shall be redefined as 1/1/2009 through 12/31/2012 and every four year cycle thereafter.

Note 2: to obtain credit for the Course, the producer must be on time. Producers who arrive late will be permitted to audit the Course but will not receive credit or the certificate.

#### **7. Maintenance of Complaint Records-**

- a. Performance Standard for Producers - All complaints of a producer's failure to comply with the Performance Standards for Producers shall be filed with the Plan by assigned companies. The assigned companies shall forward copies of all such complaints to the producer who shall have the opportunity to challenge the validity of the complaint. The Plan shall also review any producer's challenge of the validity of a complaint and shall, after investigation, determine whether or not the complaint is valid. If the Plan, after investigation, determines that the complaint is valid, notification shall be sent to the producer together with an explanation of such determination.

Records of all such complaints shall be maintained separately for each producer by the Plan and, where warranted, appropriate actions taken by the Plan to impose identification card restrictions on producers who failed to conform with guidelines as established by the Governing Committee under the Producer Performance Standards Complaint Procedure.

- b. Other Plan Rules and Procedures - The Plan shall also maintain, separately for each producer, complaints from assigned companies of a producer's failure to comply with all other Plan rules and procedures, and of each producer's failure to properly complete applications to the Plan and comply with other Plan rules as determined by staff under procedures established by the Governing Committee. Where warranted, identification card restrictions may be imposed against offending producers in conformance with guidelines as established by the Governing Committee.
8. Review of Producer's Performance - Complaints alleging or violations indicating, that a certified producer has willfully violated the Plan rules, procedures or Performance Standards, or has failed to perform in accordance with Plan rules and procedures with such frequency as to indicate a general business practice shall, on the basis of the records maintained by the Plan as required in Section 7 of this Plan of Operations, and in accordance with criteria established by the Governing Committee and approved by the Superintendent of the Department of Financial Services, be reviewed by the Plan. The certification of those producers, whose records meet the established criteria, shall be automatically suspended for 90 days. Those producers whose records do not require automatic suspension, but do require investigation, shall be referred to the Producer Certification Peer Review Panel (the Panel) appointed by the Superintendent of Insurance for such review and investigation. The Panel shall consist of four producers, one representative of a company and their alternates. Each producer member of the Panel shall be

## PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS

### New York Automobile Insurance Plan

- 7 -

compensated at the per diem rate as approved by the Governing Committee when attending panel meetings and shall be reimbursed for travel expenses.

Referrals of affiliated producers, as defined in Section 11 of the New York Automobile Insurance Plan, shall be based on the total complaints of all producers so affiliated.

The producer shall be notified in writing at least 15 days prior to the date of the review to be conducted by the Panel and shall be given an opportunity to be heard by the Panel. The Panel shall thereafter make its recommendation to the Governing Committee that either no action be taken against the producer or that the producer's certification be conditioned, suspended or revoked. The Governing Committee may accept, reject or modify the recommendation of the Panel, take no action or condition, suspend or revoke the certification of the producer.

9. Notice of Automatic Suspension of Certification - Any producer whose certification has been automatically suspended shall be notified in writing and shall be referred to the Panel for review. Such notice shall be accompanied by a written statement of the reasons for suspension and the date the Panel's review of his/her records shall be conducted. Such notice shall be sent via certified mail, return receipt requested, and shall be effective 12:01 A.M. of the day following the producer's receipt of same, or 12:01 A.M. of the 6th day following the date of mailing, whichever occurs first. Such notice shall be accompanied by a copy of the Producer Certification Plan of Operations. The producer shall be notified in writing at least 15 days prior to the date of the review to be conducted by the Panel and shall be given an opportunity to be heard by the Panel. The Panel shall thereafter make its recommendation to the Governing Committee that either no action be taken against the producer or that the producer's certification be conditioned, suspended or revoked. The Governing Committee may accept, reject or modify the recommendation of the Panel, take no action or condition, suspend or revoke the certification of the producer.
10. Suspended Producers - During the period of automatic or approved suspension of certification, producers may not obtain or issue the Plan's temporary identification cards, the Plan's applications, use Electronic Effective Date Program and (PASS) Producer Application Submission System, issue new business to the Plan, be recognized as producer of record or receive commission on any new business submitted to the Plan. The producer will be permitted to service his/her existing NYAIP accounts. Any producer who satisfactorily resolves all outstanding violations during the suspension period and attended the Panel's review of his/her records shall be advised the suspension will continue in effect for the remainder of the suspension period.

The producer's failure to attend the Panel's review and satisfactorily resolve all outstanding violations during the automatic suspension period shall result in the automatic revocation of his/her certification. Said revocation of certification shall be in effect for a period of six months, less the period of automatic suspension and will additionally preclude the producer from transacting any Plan business and from receiving commission on existing policies, as further set forth in Section 13 of this Plan of Operations.

11. Automatic Suspension Procedure - The producer whose certification has been automatically suspended shall be required to attend a hearing before the Producer Certification Peer Review Panel. The producer shall be notified in writing of the review to be conducted by the Panel by notice sent to the producer by certified mail, return receipt requested at least 15 days prior to the date of review.

The Panel shall thereafter make its recommendation to the Governing Committee that either no action be taken against the producer or that the producer's certification be conditioned, suspended or revoked. The

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

- 8 -

Governing Committee may accept, reject or modify the recommendation of the Panel, take no action or condition, suspend or revoke the certification of the producer. Any decertification action approved by the Governing Committee shall be in effect for the period determined by the Governing Committee, less the period of automatic suspension.

12. Notice of Uncertification/Revocation/Suspension - A producer whose certification is suspended or revoked shall be notified of the Governing Committee's decision in writing. Such notice shall be accompanied by a written statement of the reasons for suspension or revocation. Such notice shall be sent to the producer by certified mail, return receipt requested and shall be effective 12:01 A.M. of the day following the producer's receipt of same, or 12:01 A.M. of the 6th day following the date of mailing, whichever occurs first, except when a producer who becomes uncertified.

Producers who become uncertified shall be notified in writing via regular mail. The uncertified status and any reinstatement thereof shall become effective in accordance with the provisions set forth in Sections 1 and 2 of this Plan of Operations.

A producer who has failed to comply with the continuing education requirement will be given Notice via regular mail that they are on a Temporary Certification status and must, within 60 days, submit proof they have completed the required course or their certification will expire. If they complete the course within 60 days of the notice from the Plan their certification will continue without lapse.

If the Plan does not receive, within 60 days of the Notice, proof that the producer has completed the course, the producer's certification shall expire and the producer will become uncertified. Producers who become uncertified may reapply for certification (with lapse) providing they submit proof they have completed the course and meet all other certification requirements.

13. Suspended/Revoked/Uncertified Producers - During any period of suspension, revocation or uncertification, such producers may not issue the Plan's temporary identification cards or submit new applications to the Plan. Should the suspension, revocation or uncertification so provide, such producer will not be permitted to receive premium on behalf of the Plan or assigned companies nor handle any transactions on behalf of any Plan insured. Such producer, additionally, may not purchase supplies from the Plan, obtain applications, issue NYAIP identification cards, or use the electronic Effective Date Program or PASS during the period the producer is not certified. When applicable, all such Plan forms or supplies in the possession of the suspended/revoked/uncertified producer shall be returned to the Plan. Producers shall not be permitted to use the electronic Effective Date or PASS programs described in Section 5 above during the period of the suspension/ revocation/ uncertification.
14. Producers Whose Certification Is Conditioned - Should the Governing Committee "condition" the certification of a producer, said producer shall be immediately notified by certified mail, return receipt requested of the "condition(s)" imposed by the Governing Committee. Such "conditions" shall be effective 12:01 a.m. the day following the producer's receipt of same, or 12:01 a.m. of the 6th day following the date of mailing, whichever occurs first.

## PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS

### New York Automobile Insurance Plan

- 9 -

15. Appeal Procedure - The decision of the Governing Committee to condition, suspend or revoke a producer's certification may be appealed by the producer by sending a written appeal signed by the producer to the Superintendent of Insurance and to counsel for the New York Automobile Insurance Plan, mailed or delivered within 30 days of the date of mailing of such decision. On such terms as may be just, a stay of the Governing Committee's decision may be issued by the Superintendent pending the Superintendent's written decision. The Superintendent may elect to hold a hearing on the producer's appeal. The decision of the Committee shall be accompanied by a notice that the producer has this right of appeal to the Superintendent.

The "stay," if granted, shall be effective retroactively to the effective date of the Committee's decision.

16. Uncertified Producers - Any producer who is duly licensed to transact automobile insurance business in New York State who fails to submit the Application for Certification, or who fails to provide the Plan with copies of his/her renewal or amended license, and / or fails to submit proof of having completed the Producer Procedures Course, after having been given an opportunity to do so, shall not be permitted to obtain NYAIP application forms, or purchase other supplies, nor will such producer be permitted to submit applications to the Plan, obtain or issue the Plan's temporary identification cards, or use the electronic Effective Date Program and PASS procedures.
17. Unqualified Producers - No producer who has, already established an adverse performance record under procedures effected by the Governing Committee, which has resulted in an action of the Governing Committee to preclude such producer from the obtaining or issuing any of the Plan's temporary identification cards, shall be certified by the Plan Manager until authorized to do so by the Governing Committee. The records of such producers shall be investigated by the Governing Committee which shall make its determination to either approve full certification of the producer, to conditionally approve the certification or to suspend such producer's certification pending further review of such producer's performance. In the event the producer shall be notified, in writing, of such decision. Such notice shall also include advices of the producer's right of appeal to the Superintendent of Insurance.

An unqualified producer may also be any producer who is already certified or applying for certification and is found to be an affiliate of a producer who has already established an adverse performance record.

18. New Applications From Suspended/Revoked/Uncertified Producers - Should any producer whose certification has been suspended or revoked, but who is duly licensed, continue to submit new applications to the Plan or should new applications be submitted by an uncertified producer, such applications shall be assigned to companies as required by the rules of the Plan. In such event, the suspended/ revoked/ uncertified producer is not to be recognized as the producer of record under any such assignment and is not entitled to any commissions under policies written for such assignments. At the time of assignment of each such application, the Plan will notify the assigned company that the designated producer is not certified and is, therefore, not to be recognized as the producer of record, and is not entitled to any commission under that assignment. Copies of such notice shall be forwarded to the insured and the producer. The insured will be required to designate another agent or broker as producer of record and to notify both the assigned company and the Plan of such designation. In the event the newly designated producer has not been certified as a producer of Plan business, the Plan will immediately notify the insured and company accordingly.



## PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS

### New York Automobile Insurance Plan

- 10 -

19. Notification to Assigned Companies of Suspended/Revoked/Uncertified Producers - The Plan shall monthly distribute to all companies receiving assignments, a listing of all producers who have not been certified as producers of Plan business and of those producers whose certification has been suspended or revoked.

In the event the conditions of the suspension, revocation or uncertification provide that the producer shall not be entitled to commission on renewal policies or any other transactions, the Plan shall produce a computer printout of all assignments of applications submitted by that producer during the immediate preceding three-year period. Assignment listings shall be separately printed and mailed by the Plan within 10 business days of the date of the revocation or, if applicable, suspension or uncertification, to each company assigned any of the producer's applications. Each company will be required to notify each assigned applicant whose coverage is still in effect that the designated producer of record is no longer certified and can no longer be recognized as the producer. Such notice must be issued to all insureds within 10 business days of each company's receipt of the list of assignments from the Plan. Companies will be provided with a sample letter to be used for this purpose.

In the event the revoked producer appeals the Governing Committee's decision to the Superintendent and the Superintendent grants a stay of such decision subsequent to the release of the above notice, the Plan will immediately advise the assigned companies of the stay of the Governing Committee's decision. Each insured is to be notified that, as a result of the stay granted by the Superintendent, the company's earlier letter is withdrawn pending the final outcome of the producer's appeal to the Superintendent.

Companies shall recognize only notices issued by the Plan that a producer's certification has been reinstated by either a stay or by recertification.

20. Eligibility of Suspended/Revoked Producers to Reapply for Certification - A producer whose certification has been suspended/revoked will not be eligible to reapply for certification prior to the expiration date of the suspension/revocation, as determined by the Governing Committee and effected in accordance with Sections 11 and 12 of this Plan of Operations.

As a prerequisite to recertification, all suspended/revoked producers and their affiliates must, subsequent to the effective date of their suspension/revocation, resolve all outstanding violations and meet all conditions set by the Governing Committee, complete the Producer Procedures Course, and must provide the Plan with all documentation referred to in Section 2 of the Plan of Operations.

A producer whose certification was suspended shall automatically be reinstated effective as of the calendar date following the termination date of the period of suspension, provided he/she has completed the Producer Procedures Course, has resolved all outstanding violations and has met all conditions set by the Governing Committee.

If a producer fails to attend a Peer Review Panel's review of his or her records and such producer's certification has been suspended or revoked, such suspension or revocation shall not be terminated until the producer applies for reinstatement and the application is considered by the Peer Review Panel.

All applications for reinstatement must be sent by certified mail and shall be considered at the next scheduled meeting of the Peer Review Panel, if received by the Plan at least 20 days prior to such scheduled meeting date. If received less than 20 days before the next scheduled Peer Review Panel meeting date, such application shall be considered at the next following scheduled meeting date. The Plan shall send notice to the producer, setting the date of the producer's reinstatement review by certified mail at least 15 days prior to the date such reinstatement shall be considered.

## **PRODUCER CERTIFICATION PROGRAM- PLAN OF OPERATIONS**

### **New York Automobile Insurance Plan**

- 11 -

In the event a producer is recertified or a producer's certification is automatically reinstated, the Plan shall, within 10 business days, so advise the assigned companies. Each company will be required to notify each assigned applicant whose coverage is still in force and who had previously been notified that the producer was not certified, that such producer has been recertified or reinstated. Such notice must be issued to all such insureds within 10 business days of each company's receipt of notification from the Plan. Companies shall recognize only notices issued by the Plan that a producer's certification has been reinstated by either a stay, or by recertification.

Producers whose certification is revoked and who make an application for recertification following the termination of a revocation period shall be required to submit all eligible applications through PASS (Producer Application Submission System).

21. Change of Producer of Record - A producer who is revoked or uncertified shall not be recognized as producer of record on any existing Plan business. Each applicant of such producer whose coverage is still in effect, must provide the carrier with written authorization to change their producer of record and must provide the carrier with the name and license number of the newly designated certified producer.

In the event the revoked/uncertified producer becomes recertified, and the insured has not designated a new producer, the recertified producer shall not be automatically reinstated as the producer of record. Such producer must obtain and provide the carrier with written authorization from the applicant in order to be designated as the producer of record. Such authorization for reinstatement as producer of record shall not be retroactive to the date of revocation/uncertification.

22. Breach of the Terms and Conditions of Revocation - In the event that a producer whose certification has been revoked shall, during the period of revocation:
- a. fail to return to the Plan within 10 days after the effective date of revocation, any Plan forms or supplies issued by the Plan;
  - b. transact business on behalf of a Plan applicant, either with regard to new business or existing policies;
  - c. submit applications to the Plan which are transmitted after the effective date of revocation,

then such producer shall be assessed an additional 60 days revocation per violation, subject to a maximum of 180 days. The producer would be required to appear before the Peer Review Panel to request recertification.

## PENNSYLVANIA ASSIGNED RISK PLAN\* PRODUCER CERTIFICATION APPLICATION

\*hereinafter referred to as the "PA ARP" or "the Plan"

**THIS FORM AND ALL NECESSARY DOCUMENTATION MAY BE FAXED TO PA ARP AT (401) 528-1409**

PRINT IN INK OR TYPE APPLICATION

MAIL APPLICATION AND COPY OF LICENSE TO:

**PENNSYLVANIA ASSIGNED RISK PLAN  
CERTIFICATION UNIT  
302 CENTRAL AVENUE  
JOHNSTON, RI 02919**

FOR PLAN USE	
PROCESSED BY AND DATE	
AFFILIATION #	

<u>CASUALTY INSURANCE AGENT/BROKER LICENSE NUMBER</u>	EXPIRATION DATE	TAX ID # (IF OTHER THAN INDIVIDUAL) OR SOCIAL SECURITY # (IF INDIVIDUAL)
LAST NAME/OR AGENCY NAME (AS IT APPEARS ON PRODUCER'S LICENSE AND WILL APPEAR ON PLAN APPLICATIONS)	FIRST NAME	MI

D B A (If Applicable)

THE PRODUCER NAMED ABOVE IS A (CHECK ONE)				<input type="checkbox"/> INDIVIDUAL PERSON	<input type="checkbox"/> AGENCY
CURRENT BUSINESS STREET ADDRESS		CITY	STATE	<input type="checkbox"/> BROKERAGE	
MAILING ADDRESS (P.O. BOX)		CITY	STATE	ZIP CODE	
TELEPHONE NUMBER (INCLUDING AREA CODE)	FAX NUMBER (INCLUDING AREA CODE)	E-MAIL ADDRESS			

If this application is for an individual, give the names and license numbers of all producers and agencies of which you are an affiliate\* or officer.  
(If necessary, use attached Supplemental Page )

NAME OF ENTITY	LICENSE DESIGNATOR <input type="checkbox"/> IP <input type="checkbox"/> B <input type="checkbox"/> A	LICENSE #
NAME OF ENTITY	LICENSE DESIGNATOR <input type="checkbox"/> IP <input type="checkbox"/> B <input type="checkbox"/> A	LICENSE #

If this application is for an entity other than individual, give the name, license number and title of any agency Affiliate(s)\* of this entity, any principals of this entity who are

NAME	LICENSE #	TAX ID # OF SOCIAL SECURITY # (IF INDIVIDUAL)
NAME	LICENSE #	TAX ID # OF SOCIAL SECURITY # (IF INDIVIDUAL)

Give the license number and tax identification number of all branch offices (If necessary, use attached Supplemental Page )

LICENSE #	DESIGNATOR (BO ONLY)	TAX IDENTIFICATION #
LICENSE #	DESIGNATOR (BO ONLY)	TAX IDENTIFICATION #

\* An Affiliate is defined as:  
 1. a certified producer who is listed as an officer or director of another certified producer  
 2. a certified producer who directly or indirectly controls, or is controlled by, or under common control with, another certified producer.

**PENNSYLVANIA ASSIGNED RISK PLAN**

All Certified producers must maintain access to the internet – based Plan manual.

Do you have access to the internet based Plan manual?  Yes  No

If you answered "No", please visit our website at [www.aipso.com/PlanSites/Pennsylvania.aspx](http://www.aipso.com/PlanSites/Pennsylvania.aspx), to subscribe to the electronic version of the PA ARP manual.

Please provide this application and a copy of your current Property and Casualty license to the PA ARP.

**NOTE:**

If this application is for an entity other than an individual person, each producer who completes and sign applications for the entity named on this application must be certified. These individual persons must complete and submit a separate Application for Certification.

If more than one office, submit a separate application for each location.

If you have any questions on the Pennsylvania Assigned Risk Plan Certification Program or the proper completion of this form, please contact Plan staff at (401) 946-2800.

If additional copies of this form are needed, this form may be photocopied.

**DECLARATION**

The applicant \_\_\_\_\_ declares that in  
(APPLICANT'S NAME AS IT APPEARS ON REVERSE SIDE)  
the event of certification as a producer of Plan business, the applicant will:

1. read and become thoroughly familiar with the Plan, the Plan manual and any revisions, amendments or notices with references to same which are issued hereafter.
2. comply with and perform all duties in accordance with the aforementioned Plan, Plan manual, notification and amendments and in addition, comply with any direction received from the Plan staff or Governing Committee or the Department of Insurance with reference thereto or with reference to any applicant for insurance under the Plan, any Plan insured, or any company under the Plan.
3. In the event the Producer violates or fails to perform any of the above undertakings, it is understood and agreed that the Plan and/or Governing Committee and/or their duly constituted representatives or committees may revoke, suspend or limit the producer's right to do any business with the Plan or in connection with any insurance written through the Plan or renewals thereof. During such periods of suspension or revocation, the producer may not be entitled to commissions which would otherwise become due for insurance effective during said period and further agrees that the Plan staff or the Governing Committee as the case may be, may in connection with any violation or failure to perform on the part of the Producer, limit the number of applications or other Plan forms which may be issued to the Producer.
4. Any notice by the Plan or any of the Plan staff or the Governing Committee in connection with this subsection four (4) may be sent by ordinary mail except that in the event of revocation or suspension of the certification of a Producer, notice shall be sent by both first class and certified mail, return receipt requested.

The declaration shall apply if the action(s) charged against the applicant are due to acts of any subsidiary or affiliate of the applicant as defined in the Plan of Operation. Certification shall not be construed as constituting the producer as an agent of the Pennsylvania Assigned Risk Plan (PA ARP) or of any insurer to which an applicant is assigned.

I (We) affirm that the statements made in the foregoing application are true and hereby subscribe thereto and that I (we) fully understand the declarations made in the DECLARATION section and I (we) agree thereto and subscribe thereto.

**INDIVIDUAL PRODUCER**

\_\_\_\_\_  
NAME OF APPLICANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF APPLICANT/COMPANY OFFICER

In the event that this is an application of an entity other than an individual, all officers of the entity shall individually sign and subscribe to the foregoing application and declaration with the same force and effect as if each of the following persons was the applicant.

**AGENCIES**

PRINT PRINCIPAL NAME	SIGNATURE	TITLE	DATE
PRINT PRINCIPAL NAME	SIGNATURE	TITLE	DATE
PRINT PRINCIPAL NAME	SIGNATURE	TITLE	DATE

See Rules of Operation, Pennsylvania Producer Certification Program  
for detailed instructions. ([www.aipso.com/pa/producer.htm](http://www.aipso.com/pa/producer.htm))

**SUPPLEMENTAL PAGE**

This page may be photocopied if additional space is needed

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## PRODUCER PERFORMANCE COMPLAINT FORM

(FOR USE ONLY IF A PRODUCER HAS FAILED TO PERFORM IN ACCORDANCE WITH THE TERMS LISTED BELOW)

**CONNECTICUT AUTOMOBILE INSURANCE ASSIGNED RISK PLAN (CT AIARP)**  
**MAINE AUTOMOBILE INSURANCE PLAN (ME AIP)**  
**NEW HAMPSHIRE AUTOMOBILE INSURANCE PLAN (NH AIP)**  
**PENNSYLVANIA ASSIGNED RISK PLAN (PA ARP)**  
**VERMONT AUTOMOBILE INSURANCE PLAN (VT AIP)**

**SECTION 1. PLAN** Check appropriate box(es)

CONNECTICUT    MAINE    NEW HAMPSHIRE    VERMONT    PENNSYLVANIA    COMMERCIAL

**SECTION 2. COMPLAINT DATE**

(mm/dd/yyyy)

**SECTION 3. PRODUCER/COMPLAINANT/INSURED INFORMATION**

<b>a.</b>	Producer Name/Agency Name	Telephone Number (include area code)	Extension	
	Mailing Address	City	State	Zip Code
	Producer License Number			
<b>b.</b>	Complainant Name	Telephone Number (include area code)	Extension	
	Mailing Address	City	State	Zip Code
<b>c.</b>	Insured Name	Policy Effective Date (mm/dd/yyyy)	Policy Number	Assignment Number (APN)

**SECTION 4. VIOLATIONS** (Complainant should refer to the Performance Standards For Producers in the applicable state Plan Manual.)

**ORIGINAL APPLICATION**

Application failed to include or comply with Performance Standard

- Necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility or motor carrier filings.
- Name, address, and Tax ID Number of Producer
- Estimated premium individually listed per coverage (ME, NH, only)
- Supporting documentation (PA only)
- Premium Comparison Form, where premium financed (PA only)
- Applications requiring immediate coverage shall have the immediate coverage section of the application completed and be mailed in accordance with the Plan rules (PA only)
- Acceptance/Rejection Forms mandated by Act 6 (PA only)
- Application mailed in accordance with Plan rules

- Signature of Applicant and Producer certify date and time that application was completed.
- DEPOSIT PREMIUM (was not submitted in accordance with Plan rules)
- RETURN COMMISSION/COMPENSATION Return commissions shall be paid within 45 calendar days from the date of notice to the producer.
- RENEWAL PREMIUM (submitted gross to company/servicing carrier) (NH, VT only)
- POLICY CHANGE REQUEST (producer did not submit prescribed form)
- CANCELLATION OF POLICY (PA only) Producer cannot cancel policy and rewrite to avoid rate increase.
- CLAIMS When an insured reports an accident or claim to the producer, the producer shall report it to the company within one (1) working day in accordance with the instructions of the insurer.

**For CT:** When an insured reports an accident or claim to the producer, the producer shall report it to the company within one (1) working day for bodily injury or death claims and (3) working days for all other claims in accordance with the instructions of the insurer.

- PAYMENTS
  - Producer failed to remit all payments received from insureds to the company/servicing carrier by the due date.
  - Producer submitted a dishonored check.
- FRAUD & MISREPRESENTATIVE (CT & NH only)
- OTHER ISSUES (specify in Section 5.)

**SECTION 5. COMPLAINANT REMARKS** (If necessary, attach additional documentation.)

**SECTION 6. PRODUCER RESPONSE**

Producer Respondent	Telephone Number (include area code)	Extension
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VALID  INVALID (If invalid, provide a full explanation and attach appropriate documentation.)

**SECTION 7. PLAN DETERMINATION**

<input type="checkbox"/> VALID <input type="checkbox"/> INVALID	Date Entered (mm/dd/yyyy)	Date Resolved (mm/dd/yyyy)	Plan Staff Initials
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**SECTION 8. COMPLAINANT AND PRODUCER INSTRUCTIONS**

Complainant: Complete Sections 1 – 5, retain a copy, mail a copy to the Plan and to the producer.

Producer: Complete Section 6, retain a copy, and mail a copy to the Plan within 20 days of the complaint date.

Mail Plan copy to  
**NORTHEAST REGION**  
**302 CENTRAL AVENUE**  
**JOHNSTON, RI 02919**

Telephone: (401) 528-1488 (401) 946-2800

Fax: (401) 528-1409

Email: [Northeast@ajpso.com](mailto:Northeast@ajpso.com)



## PENNSYLVANIA ASSIGNED RISK PLAN ADMINISTRATIVE PROVISIONS

an attempt to resolve a dispute directly with an assigned company has been made on behalf of the applicant or the insured prior to referral to Plan management and Plan staff.

A quorum of the Governing Committee may hear and decide any appeal from an applicant, insured, producer of record, or insurer on a matter pertaining to the proper administration of the Plan. Matters pertaining to the proper administration of the Plan shall not include premium or rating disputes, unless they involve the interpretation of Plan rules or the denial of insurance. Each notice of cancellation, rescission or other denial of insurance under the provisions of the Plan shall contain or be accompanied by a statement that the insured or applicant has a right of appeal to the Committee. The action of the Committee may be appealed to the Insurance Commissioner.

At any formal appeal heard by the Governing Committee, parties to the appeal may present any evidence deemed relevant by the Governing Committee. Each party will have the right to hear the evidence presented by the other party to the appeal.

Any matter submitted to the Plan later than one year after the occurrence resulting in the written formal appeal will not be heard by the Committee. The amount of time taken in the formal complaint process set forth in this section will not be included in the calculation of the one year after the occurrence. An "occurrence" is an incident or event giving rise to an appealable matter, i.e., a matter pertaining to the proper administration of the Plan. A person or entity has notice of such an occurrence when: (a) it has actual knowledge; or (b) it has received a notice or notification.

In the event a formal appeal to the Governing Committee involves either: (a) a denial of coverage; or (b) a determination that the consumer is ineligible for coverage under the Plan, then such formal appeal will be heard by the Governing Committee no later than 10 days after all pertinent information regarding the appeal is obtained by the Plan. All other formal appeals to the Governing Committee will be heard no later than 30 days after all pertinent information regarding the appeal is obtained by the Plan.

An appeal shall not operate as a stay of cancellation, rescission or other denial of insurance. However, if either the Committee or the Insurance Commissioner refuses to sustain the cancellation, rescission or other denial of insurance, the company which either (a) cancelled or rescinded the policy or binder, or (b) denied coverage shall within two working days after receipt of any required premium either (a) reinstate the cancelled or rescinded policy with no lapse in coverage, or (b) issue a new policy or binder. The effective date of the new policy or binder shall be established by either the Committee or the Insurance Commissioner. **There shall be no lapse in coverage from the established effective date.** The company must receive the initial remittance of any required premium within 30 calendar days after determination of the appeal. The balance of any required premium shall be payable as provided in Sections 16, 30, and 44.

An appeal of cancellation resulting from the failure to respond to two documented written requests to schedule a preliminary premium audit, or not permitting the auditor to complete the preliminary premium audit, shall not act as a stay of cancellation, providing the servicing carrier has made proper written notification regarding the scheduling of the preliminary premium audit.

The Plan shall promptly notify the company, the insured or the applicant, and the producer of record of the disposition of the appeal, which notification in the case of refusal to sustain a cancellation shall include notice that, upon payment of the

deposit premium to the company, a policy or binder will be issued.

Within 20 calendar days of the date of receipt of the decision of the Governing Committee, the company or producer of record effected by such decision must: (a) notify the Plan it has complied with the Governing Committee's decision and what action has been taken; or (b) file an appeal to the Insurance Commissioner. The insurance Department representative will not participate in deciding any appeals to the Insurance Commissioner pursuant to this Section if the representative takes part in the hearing before the Governing Committee.

### **Sec. 63. INDEMNIFICATION**

The Plan shall indemnify each individual or insurer against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses, including attorney's fees, and any other liabilities (hereinafter, "liability") incurred by, imposed upon, or suffered by such individual or insurer in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened (hereinafter, "claim") arising out of and in connection with the performance of duties on any committee or on the Governing Committee of the plan or predecessor organization or arising out of and in connection with the performance of duties as an officer or employee of the Plan or predecessor organization, provided such individual or insurer

- A. acted in good faith;
- B. reasonably believed the performance of duties was in accordance with the objective of the Plan;
- C. had no reasonable cause to believe the performance of duties was improper or illegal;
- D. shall have promptly notified the plan of any claim in writing at its main office.

Indemnification as described in this section shall be provided whether or not the individual or the insurer is still serving on the Governing Committee or on any committee of the Plan or is still an officer or employee of the Plan at the time of the commencement of any claim, and whether or not any possible liability is incurred through the performance of duties prior to the adoption of this Section.

Any settlement of any claim must be made with the prior approval of the Governing Committee in order for the indemnification under this Section to be available.

Whenever an individual or insurer seeks indemnification under this Section, entitlement to indemnification shall be determined by the Governing Committee which shall also determine the time and manner of indemnification including reimbursement with interest.

The Plan may elect to defend, pay, or otherwise dispose of any claims, at its own cost, and will promptly advise the individual or insurer seeking indemnification whether it so elects.

The cost of fulfilling the Plan's obligations under this section shall be a cost of administration as provided in Section 50.

### **Sec. 64. PRODUCER CERTIFICATION PROGRAM**

- A. The Governing Committee, in accordance with standards and procedures approved by the Commissioner,

PENNSYLVANIA ASSIGNED RISK PLAN  
ADMINISTRATIVE PROVISIONS

shall certify qualifying agents and brokers who hold certificates or licenses to transact automobile insurance business in Pennsylvania to submit applications on behalf of applicants to the Pennsylvania Assigned Risk Plan.

All agents holding such a valid certificate and all brokers holding such a valid license must, prior to submitting applications to the Plan, certify, in writing, that they hold a valid Pennsylvania agent's certificate or valid Pennsylvania broker's license and that they will abide by the performance standards for producers and the rules and procedures of the Plan. A copy of the agent's Pennsylvania certificate or broker's Pennsylvania license must accompany the Application for Certification. Any change in the agent's or broker's address must also be submitted to the Plan. All producers must have access to a Pennsylvania Plan Manual as a prerequisite to certification.

The above certification shall not be construed as constituting the producer as an agent of the Pennsylvania Assigned Risk Plan or any company to which an applicant is assigned.

**B. Producer Affiliate**

"Affiliate" means a certified producer who is listed as an officer or director of another certified producer. Affiliate also means a certified producer who directly or indirectly controls, or is controlled by, or under common control with, another certified producer.

"Control" as used in the affiliate definition means the power to direct the management and policies of a certified producer. Such power may be direct or indirect and financial or managerial in nature.

"Subsidiary" means an affiliate controlled directly or indirectly by a certified producer.

**C. Rules of Operation**

For all known producers who are on the Plan's mailing records on the effective date of the Producer Certification Program, the Plan shall forward an Application for Certification and a copy of the Rules of Operation for the Producer Certification Program.

All producers who become authorized by the Pennsylvania Insurance Department must first complete the Application for Certification and be certified by the Plan in order to transact business. The Application for Certification and the Rules of Operation for the Producer Certification Program will be provided to each newly-authorized producer as soon as the Plan is made aware of the issuance of the agent's certificate or broker's license.

Each producer, including affiliates, who is certified under the Producer Certification Program has agreed by signing the Application for Certification to abide by the performance standards for producers and the rules and procedures of the Plan. The Acknowledgment of Certification forwarded by the Plan to each such producer and affiliate shall remain in full force and effect provided the producer does not develop an adverse record for violations of the performance standards for producers or other Plan rules and procedures.

In the event the Pennsylvania Insurance Commissioner revokes or suspends the agent's certificate or broker's license of a certified producer, the certification of such producer shall be automatically revoked without notice.

If the agent's certificate or broker's license of a certified producer expires, the producer's certification shall be revoked by the Plan.

In order to reinstate certification, such producer shall be required to complete and submit a new Application for Certification in accordance with the provisions of the Plan.

**D. Investigation of Producer's Performance**

The producers whose records meet the criteria established shall be referred to a Review Panel appointed by the Governing Committee for such review and investigation.

A hearing shall be conducted by a Review Panel, whose members will be appointed by the Committee for a term of two years. The Review Panel will be comprised of three producers, two company representatives, and their alternates. Each producer member of the Panel shall be compensated at the rate of \$250 per diem (the same per diem amount stipulated in Section 49 for producer and consumer representatives attending Governing Committee and subcommittee meetings), when attending Review Panel meetings and shall be reimbursed for travel expenses.

The Review Panel, after notice and opportunity to be heard is given to the producer, may recommend to the Committee that no action be taken or that the producer's certification be suspended or revoked. The Panel may also recommend to the Committee that the producer be required to use EASi for submission of all Plan business.

The producer shall be notified in writing at least 15 days prior to the date of the review to be conducted by the Review Panel and shall be given an opportunity to be heard by the Review Panel.

The Committee may accept, reject, or modify the recommendation of the Review Panel and take no action, or suspend or revoke the certification of the producer, or require the producer use EASi for submission of all Plan business.

The Committee shall advise the producer and the Commissioner in writing of its decision and the reasons therefore. Such decisions, which shall be forwarded to the producer by first class and certified mail, return receipt requested, shall be effective 12:01 A.M. of the tenth day following the date of mailing and shall notify the producer of his right to appeal the decision to the Commissioner.

The producer shall not be entitled to any commission on new assignments during the suspension or revocation of certification.

Producers' actions which result in a loss of continuous coverage for the applicant in accordance with Section 9.A.3, 24.A.5, or 38.B.5 will result in an immediate referral to the Review Panel.

**E. Appeal to the Commissioner**

The decision of the Committee may be appealed to the Commissioner within 20 days from the date of mailing of said decision and, on such terms as may be just, the Commissioner may issue a stay of the Committee's decision pending the Commissioner's written decision. The Commissioner may elect to hold a hearing on the decertified producer's appeal or rely on the record developed before the Review Panel. In the event a stay is granted by the Commissioner, it shall take effect on the same

PENNSYLVANIA ASSIGNED RISK PLAN  
ADMINISTRATIVE PROVISIONS

date that the decertification was to originally be in effect. The Committee shall be responsible for defending its actions in any decision that has been appealed to the Commissioner.

**F. Applications Submitted by Producer Whose Certification Is Suspended or Revoked or by a Producer Who Has Not Been Certified**

Should any producer whose certification has been suspended or revoked continue to submit new applications to the Plan or should new applications be submitted by an uncertified producer, such application shall be assigned to companies as required by the rules of the Plan. In such event, the decertified/uncertified producer is not recognized as the producer of record under any such assignment and is not entitled to any commissions under policies written for such assignments.

When such application is assigned, the Plan will notify the assigned company that the submitting producer has either been decertified or has not been certified and is not to be recognized as the producer of record, and is not entitled to any commissions under that assignment. A policy will be issued and a 20-day Notice of Cancellation shall be forwarded to the insured and the producer. The assigned company will be instructed to cancel the policy pro rata, forgo the mailing of an insurance identification card to the insured, and provide the insured with the following information furnished by the Plan:

1. An explanation of the Producer Certification Program and the cancellation
2. Instructions to seek auto insurance coverage through a certified producer
3. A toll free 800 telephone number to the Plan with which the insured can verify that his or her new producer is certified
4. An explanation of the Plan's premium payment options

## Commercial Automobile Residual Market Standards Subcommittee

### CRMS18.12 – Radius of Operation and Rating Territory

#### Memorandum of Changes – July 17, 2018

##### Description:

CAR staff is recommending modifications to the Commercial Automobile Insurance Manual to enhance consistency in the determination of radius of operation and rating territory for public classes. Suggested modifications are noted below.

##### Impact to Commercial Automobile Insurance Manual:

###### Section V – Public Transportation

###### Rule 72 – Public Automobile Classifications

Section B.2. addresses the determination of radius class. The rule currently defines radius of operation based on a straight line from the street address of the automobile's registration. The Subcommittee should consider whether another alternative, such as garaging or gateway, offers a more realistic representation of a public automobile's radius of operation.

Section C.2. addresses the determination of rating territory for non-zone rated risks (i.e. local or intermediate radius class). The Subcommittee should consider the attached modifications to clarify that rating territory assignment may be to a territory other than the highest rated territory in the event that 80% or more of the automobile's operation is in a single lower rated territory.

**CAR** | **Commercial Automobile Insurance Manual**  
**Section V** | **Public Transportation**  
**Effective Date** | **2018.02.01**  
**Page** | **8 of 18**

(2) Automobiles that are owned or leased for one year or more by a person or organization who is in the business of transporting employees of one or more employers shall be classified and rated in accordance with Rule 72 – Public Automobile Classifications and Rule 73 – Premium Development – Other than Zone Rated Automobiles for automobiles described as a Bus Not Otherwise Classified in Section B.1.f.(8) of this Rule.

2. Radius Class

Determine radius on a straight line from the street address of the automobile’s motor vehicle registration. For leased automobiles, use the street address of the lessee’s business to determine radius.

Determine radius on a straight line from the street address of the automobile’s motor vehicle registration. For leased automobiles, use the street address of the lessee’s business to determine radius.

- a. Local – up to 50 miles – the automobile is not operated beyond a radius of 50 miles from the street address where such automobile is registered.
- b. Intermediate – 51-200 miles – the automobile is operated beyond a radius of 50 miles but not beyond a radius of 200 miles from the street address where such automobile is registered.
- c. Long distance – over 200 miles – the automobile is operated beyond a 200 mile radius from the street address where such automobile is registered. Apply zone rates for all autos other than taxis, limousines, school, church and urban buses and van pools.

C. Geographic Classification

Risks with a primary classification of Other Buses described in Section B.1.f.(1), or Sections B.1.f.(3) – (8) of this Rule are subject to zone rating if the automobile is regularly operated beyond a 200 mile radius from the street address of principal garaging where place of principal garaging is defined in this Rule.

**CAR** | **Commercial Automobile Insurance Manual**  
**Section V** | **Public Transportation**  
**Effective Date** | **2018.02.01**  
**Page** | **9 of 18**

1. Zone Rated Risks – Determination~~ing~~ of Zone or Zone Combination ~~for Zone Rated Risks~~

Determine the zone or zone combination and code for each automobile as follows:

- a. Use the Long Distance Zone Definitions in the Rate Section to determine the appropriate zone combination as described in Sections C.1.b. and C.1.c. of this Rule.
- b. When an automobile is principally garaged in a regional zone and operates in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the metropolitan zone farthest away.
- c. In all other situations, the zone combination is the zone of the automobile's registration and the zone included in the automobile's operations farthest from that point.

**Examples:**

- a. The automobile is registered in Worcester, Massachusetts (regional zone 49) and operates in Utica, New York (regional zone 48) and Hartford, Connecticut (metropolitan zone 12). The proper zone combination is 49 and 12.
- b. The automobile is registered in Springfield, Massachusetts (regional zone 49) and operates in Bangor, Maine (regional zone 49). The proper zone combination is 49.
- c. The automobile is registered in Boston, Massachusetts (metropolitan zone 03) and operates in New York City (metropolitan zone 26) and Utica, New York (regional zone 48). The proper zone combination is 03 and 48.

Refer to the Long Distance Zone Definitions and the Zone Rating Tables in the Rate Section.

2. Non-Zone Rated Risks – Determination~~ing~~ of Rating Territory ~~Principal Place of Garaging for Non-Zone Rated Risks~~

For risks that are not subject to zone rating, the rating territory shall be determined by the highest rated territory through or in which the public automobile operates. The highest rated territory is the territory with the highest manual premiums for compulsory

**CAR** | **Commercial Automobile Insurance Manual**  
**Section V** | **Public Transportation**  
**Effective Date** | **2018.02.01**  
**Page** | **10 of 18**

and optional bodily injury liability at \$20,000 per person, \$40,000 per accident and \$5,000 property damage as shown on the Public Automobiles Liability rate pages in the Rate Section. A rating territory other than the highest rated territory ~~may apply~~ will be assigned only if the risk supplies credible documentation that 80% or more of ~~a public~~ the automobile's operation is ~~outside the highest in a single lower~~ rated territory. Refer to the Territory Schedule in the Rate Section.

D. Secondary Classifications

A secondary classification is assigned to risks with a primary classification of Other Buses and described in Section B.1.f. of this Rule that do not qualify for zone rating, and to risks with a primary classification of School Bus as described in Section B.1.d. or Church Bus as described in Section B.1.e. of this Rule. The secondary classification is based on the seating capacity of the automobile.

Apply the following criteria to determine the seating capacity of the automobile:

1. Use the seating capacity specified by the manufacturer of the automobile unless a public authority rules otherwise.
2. Do not include the driver's seat when determining seating capacity.
3. If a truck, tractor or trailer is classified as a public automobile, determine the seating capacity from the size class as follows:

<u>Size Class</u>	<u>Seating Capacity</u>
Light	1 to 8
Medium	9 to 20
Heavy	21 to 60
Extra-Heavy	Over 60

**RULE 73. PREMIUM DEVELOPMENT – OTHER THAN ZONE RATED AUTOMOBILES**

This Rule shall apply to all classifications described in Rule 72 – Public Automobile Classifications except for the classifications described in Section B.1.h.(1) of Rule 72.

## ***LIABILITY LIMIT ANALYSIS REPORT - Bodily Injury Split Limit Policy Years 2016 to 2017 at December 2017***

<b>Eff Year</b>	<b>Bodily Injury Split Limit</b>	<b>EXP CAR Years</b>	<b>Percent of Total</b>	<b>Bodily Injury</b>		<b>Large Losses &gt; \$500,000</b>	
				<b>Premium</b>	<b>Incurred Losses</b>	<b>Cnt</b>	<b>Incurred Losses</b>
2016	20/40 Statutory	64	0%	\$35,348	\$30,896		
2016	20/40 Optional	9,393	32%	\$6,770,702	\$5,017,865		
2016	20/50	95	0%	\$58,571	\$80,110		
2016	25/50	1,175	4%	\$623,363	\$623,162		
2016	25/60	25	0%	\$12,339	\$165,717		
2016	30/70	4	0%	\$2,302	\$0		
2016	35/80	869	3%	\$552,148	\$232,580		
2016	50/100	4,083	14%	\$3,478,109	\$1,846,108		
2016	100/300	6,593	22%	\$6,377,591	\$3,468,243		
2016	250/500	2,236	8%	\$2,946,752	\$3,026,812		
2016	500/500	194	1%	\$265,690	\$661,753	1	\$525,000
2016	500/1000	383	1%	\$681,340	\$1,362,521	1	\$513,446
<b>2016</b>	<b>1000/1000</b>	<b>458</b>	<b>2%</b>	<b>\$1,062,231</b>	<b>\$68,139</b>		
2016	AO	4,031	14%	\$2,460,638	\$340,733		
<b>Year Total</b>		<b>29,603</b>		<b>\$25,327,124</b>	<b>\$16,924,639</b>	<b>2</b>	<b>\$1,038,446</b>

Note: 1.Exposure excludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR



## ***LIABILITY LIMIT ANALYSIS REPORT - Bodily Injury Split Limit Policy Years 2016 to 2017 at December 2017***

<b>Eff Year</b>	<b>Bodily Injury Split Limit</b>	<b>EXP</b>	<b>Percent</b>	<b>Bodily Injury</b>		<b>Large Losses &gt; \$500,000</b>	
		<b>CAR Years</b>	<b>of Total</b>	<b>Premium</b>	<b>Incurred Losses</b>	<b>Cnt</b>	<b>Incurred Losses</b>
2017	20/40 Statutory	51	0%	\$34,755	\$17,500		
2017	20/40 Optional	10,735	38%	\$7,884,554	\$2,598,212		
2017	20/50	510	2%	\$255,358	\$131,886		
2017	25/50	1,123	4%	\$685,446	\$319,834		
2017	25/60	35	0%	\$18,755	\$35,078		
2017	30/70	6	0%	\$3,306	\$0		
2017	35/80	847	3%	\$543,865	\$144,195		
2017	50/100	4,103	15%	\$3,538,558	\$1,018,392		
2017	100/300	7,196	26%	\$7,055,845	\$1,444,170		
2017	250/500	2,532	9%	\$3,392,690	\$644,093		
2017	500/500	178	1%	\$239,325	\$15,251		
2017	500/1000	343	1%	\$595,200	\$1,838		
<b>2017</b>	<b>1000/1000</b>	<b>405</b>	<b>1%</b>	<b>\$858,337</b>	<b>\$101,421</b>		
2017	AO	138	0%	\$197,194	\$15,600		
<b>Year Total</b>		<b>28,202</b>		<b>\$25,303,188</b>	<b>\$6,487,470</b>		

Note: 1.Exposure excludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR

***LIABILITY LIMIT ANALYSIS REPORT - Property Damage Split Limit  
Policy Years 2016 to 2017 at December 2017***

<i>Eff Year</i>	<i>Property Damage Split Limit</i>	<i>EXP CAR Years</i>	<i>Percent of Total</i>	<i>Property Damage</i>		<i>Large Losses &gt; \$500,000</i>	
				<i>Premium</i>	<i>Incurred Losses</i>	<i>Cnt</i>	<i>Incurred Losses</i>
2016	5,000	496	2%	\$277,611	\$145,682		
2016	10,000	112	0%	\$88,597	\$38,341		
2016	15,000	18	0%	\$7,963	\$5,507		
2016	25,000	626	2%	\$335,414	\$338,451		
2016	35,000	60	0%	\$32,872	\$19,344		
2016	50,000	1,544	5%	\$1,884,830	\$1,455,665		
2016	100,000	23,383	79%	\$13,099,201	\$10,449,182		
2016	250,000	2,583	9%	\$1,467,302	\$953,188		
<b>2016</b>	<b>500,000</b>	<b>450</b>	<b>2%</b>	<b>\$286,232</b>	<b>\$108,891</b>		
2016	750,000	6	0%	\$4,098	\$3,444		
2016	1,000,000	9	0%	\$7,032	\$3,580		
2016	Property Damage Deductible	0	0%	\$10	\$0		
2016	All Other	338	1%	\$202,801	\$164,505		
<b>Year Total</b>		<b>29,625</b>		<b>\$17,693,963</b>	<b>\$13,685,780</b>		

Note: 1.Exposure excludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR

## ***LIABILITY LIMIT ANALYSIS REPORT - Property Damage Split Limit Policy Years 2016 to 2017 at December 2017***

<i>Eff Year</i>	<i>Property Damage Split Limit</i>	<i>EXP CAR Years</i>	<i>Percent of Total</i>	<i>Property Damage</i>		<i>Large Losses &gt; \$500,000</i>	
				<i>Premium</i>	<i>Incurred Losses</i>	<i>Cnt</i>	<i>Incurred Losses</i>
2017	5,000	584	2%	\$354,984	\$152,807		
2017	10,000	59	0%	\$57,650	\$30,504		
2017	15,000	12	0%	\$5,435	\$10,520		
2017	25,000	485	2%	\$264,891	\$141,403		
2017	35,000	10	0%	\$5,413	\$916		
2017	50,000	1,996	7%	\$2,182,668	\$915,830		
2017	100,000	21,876	78%	\$13,425,928	\$4,647,598		
2017	250,000	2,429	9%	\$1,470,413	\$279,008		
<b>2017</b>	<b>500,000</b>	<b>403</b>	<b>1%</b>	<b>\$272,845</b>	<b>\$84,205</b>		
2017	750,000	8	0%	\$7,465	\$0		
2017	1,000,000	4	0%	\$3,659	\$0		
2017	All Other	324	1%	\$197,799	\$58,869		
<b>Year Total</b>		<b>28,190</b>		<b>\$18,249,150</b>	<b>\$6,321,660</b>		

Note: 1.Exposure excludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR

## ***LIABILITY LIMIT ANALYSIS REPORT - Combined Single Limit Policy Years 2016 to 2017 at December 2017***

<i>Eff Year</i>	<i>CSL Limits</i>	<i>EXP</i>	<i>Percent</i>	<i>Bodily Injury</i>		<i>Property Damage</i>		<i>Large Losses &gt; \$500,000</i>	
		<i>CAR Years</i>	<i>of Total</i>	<i>Premium</i>	<i>Incurred Losses</i>	<i>Premium</i>	<i>Incurred Losses</i>	<i>Cnt</i>	<i>Incurred Losses</i>
2016	\$45,000	3	0%	\$10,307	\$24,250	\$2,236	\$0		
2016	\$50,000	10	0%	\$9,076	\$112,700	\$5,159	\$0		
2016	\$75,000	1	0%	\$3,479	\$0	\$1,213	\$11,873		
2016	\$100,000	167	1%	\$163,282	\$65,838	\$74,810	\$51,559		
2016	\$150,000	2	0%	\$896	\$0	\$439	\$0		
2016	\$200,000	14	0%	\$22,048	\$0	\$12,454	\$0		
2016	\$250,000	27	0%	\$24,598	\$0	\$11,287	\$4,726		
2016	\$300,000	211	1%	\$259,042	\$51,468	\$129,075	\$100,728		
2016	\$400,000	6	0%	\$7,820	\$0	\$3,442	\$0		
2016	\$500,000	1,208	4%	\$1,785,463	\$1,415,193	\$632,584	\$494,998	1	\$500,028
2016	\$750,000	232	1%	\$362,215	\$138,564	\$201,018	\$148,810		
<b>2016</b>	<b>\$1,000,000</b>	<b>25,884</b>	<b>80%</b>	<b>\$41,473,888</b>	<b>\$26,033,654</b>	<b>\$17,973,141</b>	<b>\$14,282,065</b>	<b>8</b>	<b>\$6,581,341</b>
2016	\$1,500,000	996	3%	\$2,017,596	\$2,188,662	\$484,487	\$403,571	2	\$1,601,564
2016	\$2,000,000	2	0%	\$1,779	\$0	\$416	\$0		
2016	\$5,000,000	3,733	11%	\$10,687,596	\$16,673,946	\$2,772,923	\$2,520,655	8	\$11,241,767
2016	\$7,500,000	4	0%	\$16,714	\$0	\$8,652	\$0		
<b>Year Total</b>		<b>32,500</b>		<b>\$56,845,799</b>	<b>\$46,704,275</b>	<b>\$22,313,336</b>	<b>\$18,018,985</b>	<b>19</b>	<b>\$19,924,700</b>

Note: 1.Exposure excludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR

## ***LIABILITY LIMIT ANALYSIS REPORT - Combined Single Limit Policy Years 2016 to 2017 at December 2017***

<i>Eff Year</i>	<i>CSL Limits</i>	<i>EXP</i>	<i>Percent</i>	<i>Bodily Injury</i>		<i>Property Damage</i>		<i>Large Losses &gt; \$500,000</i>	
		<i>CAR Years</i>	<i>of Total</i>	<i>Premium</i>	<i>Incurred Losses</i>	<i>Premium</i>	<i>Incurred Losses</i>	<i>Cnt</i>	<i>Incurred Losses</i>
2017	\$45,000	7	0%	\$6,946	\$47,250	\$5,445	\$1,474		
2017	\$50,000	12	0%	\$12,937	\$15,750	\$6,319	\$0		
2017	\$75,000	8	0%	\$24,146	\$0	\$14,524	\$0		
2017	\$100,000	148	1%	\$215,542	\$0	\$97,513	\$12,615		
2017	\$200,000	10	0%	\$20,040	\$0	\$8,018	\$0		
2017	\$250,000	15	0%	\$14,063	\$0	\$7,131	\$0		
2017	\$300,000	209	1%	\$293,617	\$28,992	\$146,534	\$25,711		
2017	\$400,000	4	0%	\$6,381	\$0	\$2,892	\$0		
2017	\$500,000	987	3%	\$1,852,107	\$125,851	\$709,635	\$437,295		
2017	\$750,000	210	1%	\$406,912	\$11,400	\$237,264	\$96,802		
<b>2017</b>	<b>\$1,000,000</b>	<b>23,522</b>	<b>80%</b>	<b>\$46,535,612</b>	<b>\$8,788,847</b>	<b>\$22,912,679</b>	<b>\$7,129,165</b>	<b>3</b>	<b>\$3,100,000</b>
2017	\$1,500,000	1,122	4%	\$2,483,071	\$1,725,686	\$978,752	\$216,018	1	\$512,493
2017	\$3,000,000	0	0%	\$761	\$0	\$0	\$0		
2017	\$5,000,000	3,043	10%	\$9,038,123	\$684,372	\$4,480,557	\$576,454		
2017	\$7,500,000	0	0%	\$602	\$0	\$368	\$4,936		
<b>Year Total</b>		<b>29,297</b>		<b>\$60,910,860</b>	<b>\$11,428,148</b>	<b>\$29,607,631</b>	<b>\$8,500,470</b>	<b>4</b>	<b>\$3,612,493</b>

Note: 1.Exposure exludes Class Types 42, 43, 61, 62, 71, 72

2.Losses reflect statistically reported data only, and include NO development or IBNR