

A. Servicing Carrier Terminations

1. Voluntary Terminations

A company may petition the Governing Committee requesting termination as a commercial Servicing Carrier. The Servicing Carrier shall be required to provide advance notice in writing to the Governing Committee. Such notice shall be sent to the Chairman of the Governing Committee in care of CAR's President. The President of CAR shall confirm in writing to the sender the receipt of the notice of termination as a Servicing Carrier.

The advance notice of termination shall specify a date, no sooner than 12 months from the date notice is received by CAR or such earlier time as the parties shall mutually agree, when the terminating Servicing Carrier will cease accepting new applications.

The terminating Servicing Carrier will, in its notice of termination, affirm its commitment to continue to provide service as required by the Plan and Rules of Operation, and the Manual of Administrative Procedures, on all existing policies and those policies written in the notice period until the expiration following the effective date of termination, unless the parties shall have mutually agreed to other arrangements for the servicing of such policies.

2. Terminations by CAR

An appointment as a Servicing Carrier for commercial Motor Vehicle Insurance business will be for the time period specified in the letter of appointment, and will automatically terminate on the date specified in the original appointment, unless extended or sooner terminated by the Governing Committee.

In the event that it becomes necessary for the Governing Committee to terminate a Member as a Servicing Carrier, such notice shall be given in writing by the Chairman of the Governing Committee to the Chief Executive Officer of the Servicing Carrier. Such notice shall specify a date no sooner than 12 months from the date of the notice or such earlier time as the parties may mutually agree, at which time the Servicing Carrier will no longer be authorized to accept new business on behalf of CAR. The notice to the terminating Servicing Carrier will further state that the Servicing Carrier will be expected, in good faith, to the best of its ability to continue to provide service on existing

policies as required under the Plan and Rules of Operation and the Manual of Administrative Procedures until the expiration date following the effective date of the termination notice unless the parties shall have mutually agreed to other arrangements for the service of such policies.

The Governing Committee shall determine whether there will be an equitable distribution of the terminated Servicing Carrier's commercial business among the remaining Servicing Carriers, or if it will be necessary to select a new Servicing Carrier through the Request for Proposal for Massachusetts Residual Market Commercial Automobile Business process, pursuant to the provisions of Rule 13.A.

In the event any Servicing Carrier experiences unanticipated or unusual operational difficulties that would impair its ability to continue to meet the established Servicing Carrier commercial performance standards, the Governing Committee, subject to the approval of the Commissioner, may take such action as it may deem appropriate to alleviate the difficulties. Such actions by the Governing Committee shall be taken when it is evident the interest of the motoring public and the industry would be better served.

Nothing in this Section shall in any manner be deemed to act to modify or reduce a Servicing Carrier's responsibilities or obligations under the Plan and Rules of Operation or the Manual of Administrative Procedures.

3. Terminations by the Commissioner

The Commissioner may terminate any Servicing Carrier which he determines to have violated the standards established for Servicing Carriers in these Rules, or the Plan, or if he finds that the operation or financial stability of such Servicing Carrier presents a danger to the interests of policyholders or the continued operation of CAR or will create substantial market disruption.

4. Commissioner Approval of Servicing Carrier Terminations

No termination of a Servicing Carrier will become effective until approved by the Commissioner. In granting approval, the Commissioner will consider the impact of such termination on policyholders, producers, and the commercial Motor Vehicle Insurance market.

B. Producer Terminations

1. Voluntary Terminations

A producer requesting termination as an Exclusive Representative Producer (ERP) of a Servicing Carrier shall be required to provide 30 days advance written notice to the Servicing Carrier and CAR.

The terminating ERP shall return all Servicing Carrier forms, manuals and certification stamp(s), as well as all materials supplied by a Servicing Carrier at such time as the termination becomes effective.

2. Producer Terminations by a Servicing Carrier

Termination of an ERP shall be governed by Rules 13 and 14.