

For ceded commercial business, Servicing Carriers shall receive a credit against their premium written account for the expenses noted in A. and B.

**A. Premium Tax and Commission**

Servicing Carriers will be reimbursed for premium tax and commissions according to the approved CAR commercial rate filing for the corresponding policy year. For policy years where a commercial rate filing is not filed or not approved, the premium tax and commission allowance will remain unchanged from the prior year.

**B. Other Expenses**

On both an interim and final basis, Servicing Carriers will be reimbursed for Other Expenses including, but not limited to, unallocated loss adjustment expenses and general company expenses according to the allowance as determined through the review and selection process associated with the Request for Proposal for Massachusetts Residual Market Commercial Automobile Business.

**C. Interim Ceding Expense Allowances**

Interim expenses will be calculated as a percentage of written premium to be estimated based on the agreed upon per unit allowance and the estimated average written premium.

Annually, interim expenses will be trued-up based on the agreed upon per unit allowance multiplied by the ceded property damage liability exposures statistically reported for the corresponding policy year.