LIMITED ASSIGNMENT DISTRIBUTION
AGREEMENT WITH SERVICING COMPANIES

In consideration of the agreements of other companies to participate in the Limited Assignment Distribution Procedure and to abide by the terms of Section 5 of the Wisconsin Automobile Insurance Plan attached hereto and made a part hereof, it is mutually agreed among the companies executing these agreements that each such company's obligations as a subscriber to the Plan are modified as indicated in its agreements, and that AIPSO is authorized to perform the functions herein described.

_________[1]SERVICING COMPANY SUBSCRIPTION

The normal additional maximum assignment of a Servicing Company will be equal to its market share[2] times the total statewide Plan premium, subject to further limits for this company as set forth in the attached addendum, if any.

If the aggregate "Buy-Out" premium of the Excused Companies exceeds the maximum total premium offered by the Servicing Companies, a second additional quota not to exceed 50 % of its market share may be offered by a servicing company.

LAD assignments shall commence on January 1, 20__. As compensation for its additional quota, the Servicing Company shall receive a fee distributed to AIPSO from "Buy-Out" fees collected from Excused Companies. The aggregate of the "Buy-Out" fees collected by AIPSO shall be distributed among Servicing Companies in the same proportion that the additional quota premium of the Servicing Companies bears to the total of additional quota premium of all Servicing Companies. Such Fees shall be remitted to the Servicing Companies in quarterly installments when received by AIPSO and shall be subject to adjustment after each calendar year, to reflect the actual premium written by the Servicing Company.

Within thirty (30) days after the Effective Date of this agreement and each anniversary thereof, AIPSO shall notify the Servicing Company in writing of the estimated amount of its additional annual quota percentage and premium. The Servicing Company agrees to furnish necessary statistical data to AIPSO as required and to remit to AIPSO any adjustment in the "Buy-Out" fee when and as same is properly charged and billed to it by AIPSO. Such remittance shall be paid within thirty (30) days of billing. A late payment interest charge of 0.05 percent per day (1.50 percent per month) will be levied on any unpaid remittance.

[1] For this agreement to be properly executed by a company electing to be a Servicing Company, the officer of the company executing the agreement on its behalf must initial each blank.

[2] The Market Share is the percentage that the company's Voluntary Private Passenger Non-Fleet Liability Net Direct Written Car Years in the state bears to that written in the state by all companies during the second prior year.

A. The fee to be paid by the Excused Company Subscribers and distributed among Servicing Company Subscribers shall be a percentage of quota premium calculated in advance for each annual period in accordance with the following formula:

$$\text{Buy - Out Percentage} = \frac{\left[\left(1.0 + \text{Service Fee Percentage}*\right) X \begin{matrix}\text{Statewide Estimated}\\ \text{Loss and Expense}\\ \text{Per Car (Statewide}\\ \text{Indicated Average}\\ \text{Premium)}\end{matrix}\right] - \begin{matrix}\text{Statewide}\\ \text{Current}\\ \text{Average}\\ \text{Premium}\\ \text{Per Car}\end{matrix}}{\text{Statewide Current Average Premium Per Car}}$$

"Buy-Out Fee"=["Buy-Out" Percent] X [Excused Company's Quota Premium]. The "Buy-Out Fee" is evaluated annually as of January 1 of each year utilizing the same formula for both liability and physical damage. The two percentages will be weighted to produce the combined final "buy-out" percent.

The service fee percentage factor in the above formula is set at 15% and will not be changed during the term of this LAD agreement. The values of the other components of the formula will be adjusted annually on the basis of the most current experience available.
The minimum buyout fee is 30% or $500.00, whichever is greater, and is paid annually. In no event shall the buy-out fee be less than 30%. If the buy-out percentage results in a buy-out percentage of less than 30%, the buy-out percentage shall be set at 30%, subject to periodic review by the Governing Committee. However, if the buy-out percentage formula results in a buy-out percentage of greater than 30%, the buy-out fee shall be set at the greater amount as determined by the formula.

Definition of Terms:

1. Statewide Estimated Loss and Expense per car:

   This is the indicated average premium per car that should be adequate to cover losses and expenses expected on the policies written during the twelve months beginning with January 1 of each year. This indicated average premium is based on a review of the latest information available.

2. Statewide Current Average Premium:

   This is the premium per car that is paid by the average insured as of January 1 of each year to purchase the liability coverage, and where available, the physical damage coverage.

3. Information Used to Develop the Rates:

   a. Liability

      The exposures, premiums and losses for up to a 5-year period.

b. Physical Damage

The exposures, premiums, and losses for up to a 5-year period.

Example:

The data used to evaluate the January 1, 20__ "Buy-Out Fee" would include up to the latest five years of data available, and if necessary, a review of the current Plan rate relativity to the nonstandard market rates.

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*This factor will not be changed during the initial term of this agreement. The values for the other components of the formula will be adjusted annually on the basis of the most current experience available. The minimum "Buy-Out" fee is 30% or $500.00, whichever is greater.

B. The initial term of this agreement and all other Limited Assignment Distribution agreements shall be from ______________ to December 31, _____; provided, however, that this agreement may be terminated at any time if the Limited Assignment Distribution Procedure is terminated. The Servicing Company may terminate this agreement at the end of the initial term or any renewal term by giving written notice to the Plan of its intention to do so not less than six (6) months prior to the end of the term. Absent a notice of termination as hereinabove provided, this agreement shall be deemed renewed for successive terms of one year.

This agreement is executed by an officer of the Company this _____ day of _______________, 20__.

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Subscribing Company (or Group)

By:____
Name Title