

PLAN LETTER 782—January 29, 2018

TO: Members of the Plan

FROM: Jaclyn de Medicci

RE: Limited Assignment Distribution (LAD)

The purpose of this circular is to announce the 2018 LAD Buy-Out Fee and advise you of changes to the AIPSO Administered LAD Program.

The 2018 buy-out fee percentage for this Plan has been calculated at 30.0%. Effective January 1, 2018, an annual minimum buy-out fee of \$500 has been implemented. Your company's buy-out fee will be either the amount calculated using the LAD formula or \$500, whichever is greater. For further information, see Wisconsin Plan of Operation – Section 44.

Each subscriber company with a private passenger quota may elect to be excused from all private passenger assignments by subscribing to a Wisconsin LAD agreement and paying the prescribed fee by the following specified dates: February 1, May 1, August 1, and November 1. In accordance with Plan rules, companies that write less than 5% percent of the voluntary private passenger nonfleet liability car years in the state are eligible to buy-out. In addition, companies with market shares exceeding the eligibility requirement may buy out by seeking an annual exception from the governing committee.

Effective January 1, 2018, a new excused company eligibility requirements waiver procedure is in effect. When the estimated Plan private passenger premium volume is less than \$1 million, the buy-out eligibility requirement is waived. The estimated Plan private passenger premium volume for 2018 is \$1,606 and the waiver is in effect. All companies with quotas are eligible to buy-out. For further information, see Plan of Operation – Section 44.

You may view and print a Wisconsin LAD Agreement with Excused Companies from our website at www.waip.org under Forms, or if you prefer, you may contact us by phone, fax, or e-mail auto.plan@wcrb.org to have a LAD information packet sent to you.

If you have any questions or require further information pertaining to LAD, please contact the Plan.