

**PLAN LETTER 787 — JANUARY 15, 2019**

TO: Members of the Plan

FROM: Jaclyn de Medicci

RE: Limited Assignment Distribution (LAD)

A Limited Assignment Distribution Program (LAD) has been approved for use in the Wisconsin Automobile Insurance Plan (WAIP) since February 1, 2002. State Farm Insurance Company is the LAD carrier for Wisconsin.

New companies interested in participating in the LAD as an excused company must complete the Agreement With Excused Companies (which can be found on the WAIP Web site under Forms) and submit it to WAIP for processing. Agreements must be received by WAIP by the 1<sup>st</sup> of the month prior to the quota quarter to allow sufficient time for processing. The quota dates are February 1, May 1, August 1, and November 1. The expiration date of the Agreements will be December 31, 2019. Companies who are already participating in the LAD are renewed yearly, until the company notifies the Plan in writing of their wish to remove themselves from the program.

Under the LAD program, a company that writes less than 5% of Wisconsin voluntary private passenger net direct written premiums may buy-out from their quota obligation. The Governing Committee may approve a buy-out arrangement for a company writing 5% or greater, subject to biennial review.

Each calendar year, AIPSO, on behalf of WAIP, shall calculate, collect, and distribute the estimated fees in accordance with the provisions of the program. The minimum buy-out fee for Wisconsin for 2019 is 30% or \$500.00, whichever is greater, and is paid annually.