

## INTRODUCTION

## AVAILABILITY OF APPLICATIONS, FORMS, AND MANUALS

The fourth bullet is amended as follows:

Application forms to be used when applying to the California Automobile Assigned Risk Plan are available at no charge from AIPSO – Mail Order Management Department by calling (401) 942-9799. The following materials are available at no charge:

- Electronic Effective Date Procedure Retraction Request (referenced in ~~Title 10, California Code of Regulations, Section 2434.2~~ CAARP Manual Section 20.A.5 as the form shown in Appendix B)

Sec. 4. COST OF ADMINISTRATION

Paragraph A is amended as follows:

## A. Assessment

The reasonable costs of administering this Program for each year shall be determined annually by the Manager and approved by the Advisory Committee. Such costs shall be apportioned and assessed to all insurers in the same proportion as their obligations pursuant to this Program. The minimum annual assessment shall be the same as that set forth in ~~Title 10, California Code of Regulations, Section 2490~~ CAARP Manual Section 4.B.

The remainder of paragraph A is unchanged.

Sec. 14. GENERAL PROVISIONS

Paragraph I is amended as follows:

## I. Insurer Failure to Subscribe to Program

If an insurer admitted to transact liability insurance fails to subscribe to the LCA or any amendments thereto, the Commissioner shall, ~~in accordance with California Insurance Code Section 11625,~~ give 10 days' written notice to the insurer to subscribe. If the insurer fails to comply with such notice, the Commissioner may, after noticed hearing, suspend the certificate of authority of the insurer to transact liability insurance in this state until the insurer subscribes. Proceedings under this Section shall be conducted in accordance with Chapter 5, Part 1, Division 3, Title 2 of the Government Code.

The remainder of paragraph I is unchanged.

Sec. 19. PRODUCER CERTIFICATION

This section is amended as follows:

Broker-agents licensed to transact automobile insurance in California may apply to the California Automobile Assigned Risk Plan to become a CAARP certified producer. This certification makes the producer eligible

to submit applications and transact business through both CAARP and the LCA.

For further information pertaining to CAARP producer certification, refer to ~~Title 10, California Code of Regulations, Section 2434.4~~ CAARP Manual Section 19.

Sec. 20. PERFORMANCE STANDARDS FOR PRODUCERS WRITING CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM RISKS

The first paragraph is amended as follows:

Producers writing California Low Cost Automobile Insurance Program risks shall comply with the producer performance standards set forth in ~~Title 10, California Code of Regulations, Section 2434.2~~ CAARP Manual Section 20. This section sets forth additional producer performance standards applicable only to the LCA. For the purpose of assessing performance for the CAARP producer certification, violations assessed for the servicing of LCA and CAARP business shall be combined.

The remainder of Section 20 is unchanged.

Sec. 26. PREMIUM PAYMENT OPTIONS

The Note at the end of paragraph C.3.b is amended as follows:

## C. Installment Premium Payment Options

3. Option #3
  - b. Installments

Note: For the purposes of the installment premium payment options shown above, the installment charge will be the same as the installment charge for California Automobile Assigned Risk Plan insureds electing the installment premium payment option under ~~Title 10, California Code of Regulations, Section 2443.4~~ CAARP Manual Section 26.C.2.

**Sec. 28. APPLICATION FOR ASSIGNMENT,  
DESIGNATION OF INSURER,  
EVIDENCE OF INSURANCE, AND  
EFFECTIVE DATE OF COVERAGE**

*The last paragraph of C.2.d is amended as follows:*

**C. Effective Date of Coverage**

**2. Electronic Effective Date Procedure (EEDP)**

**d. Retraction Procedure**

The producer of record shall retract or void an unwanted EEDP reference number by completing an Electronic Effective Date Retraction Request Form within 24 hours of when the producer first makes the EEDP telephone call. The producer must forward the completed Electronic Effective Date Retraction Request Form to the Plan within the next four days. Failure to mail the retraction form in accordance with this subsection will result in assessment of a violation against the producer if the producer has failed to return such forms at least three times in six months, consistent with Title 10, CCR Section 2431.2 CAARP Manual Section 20.A.5.

*The last paragraph of C.3.d is amended as follows:*

**3. Electronic Application Submission Interface (EASI)**

**d. Retraction Procedure**

The producer of record shall retract or void an unwanted EASI reference number by completing an Electronic Effective Date Retraction Request Form within 24 hours of the date and time of transmittal of the electronic application to the Plan Office. The producer must forward the completed Electronic Effective Date Retraction Request Form to the Plan within the next four days. Failure to mail the retraction form in accordance with this subsection will result in assessment of a violation against the producer if the producer has failed to return such forms at least three times in six months, consistent with Title 10, CCR, Section 2431.2 CAARP Manual Section 20.A.5.

*Paragraph F is amended as follows:*

**F. Applicant Refusal to Accept Policy**

If for any reason the applicant refuses to accept the policy, or coverage is terminated pursuant to Section 33.B, the return premium shall be the pro rata unearned premium for the period of coverage, subject to a minimum premium as set forth in Title 10, California Code of Regulations, Section 2444.5 CAARP Manual Section 28.F.

**Sec. 33. CANCELLATIONS**

*Paragraph A is amended as follows:*

**A. Cancellation at Request of Insured**

If for any reason the insured requests a cancellation, the return premium shall be the pro rata unearned premium for the period of coverage, subject to a minimum premium as set forth in Title 10, California Code of Regulations, Section 2444.5 CAARP Manual Section 33.A.

*Paragraph B.2 is amended as follows:*

**B. Cancellation by Insurer**

2. Each such cancellation shall be on a pro rata basis subject to a minimum premium as set forth in Title 10, California Code of Regulations, Section 2444.5 CAARP Manual Section 33.B.3, with the balance returned to the insured or his or her assignee. A copy of each such cancellation notice shall be furnished to the producer. A statement of facts in support of each such cancellation shall be sent to the insured and to the producer prior to the effective date of cancellation in accordance with the following procedures:

*The remainder of paragraph B.2 is unchanged.*

**Sec. 34. COMMISSION TO PRODUCER OF RECORD**

*Paragraph A is amended as follows:*

A. The designated insurer to which an LCA assignment has been made shall pay the producer a commission for the producer's services in accordance with the following:

12% of the annual policy premium, subject to a minimum earned commission of \$35, as set forth in Title 10, California Code of Regulations, Section 2462(a)(2) CAARP Manual Section 34.A

*Paragraphs B through J are unchanged.*

**Sec. 37. PERFORMANCE STANDARDS FOR  
INSURERS WRITING CALIFORNIA  
LOW COST AUTOMOBILE INSURANCE  
PROGRAM RISKS**

*Paragraph B is amended as follows:*

**B. Violations of Insurer Performance Standards**

For information pertaining to violations of insurer performance standards, refer to ~~Title 10, California Code of Regulations, Section 2431.3~~ CAARP Manual Section 37.