

1. The KAIP Manual and Commercial Rating Worksheets are located on the Commercial Auto section of the website.
 - a. Commercial Rating Worksheets
 - i. Select **Garages** along the bottom tabs of the worksheet.
 - ii. This worksheet has **4 parts**.
 1. Parts I. and II. help you calculated the rating units
 2. Part III identifies the number of dealer plates.
 3. Part IV is used to calculate the premium using the rates and rating bases.
 - iii. Fill in green **shaded** areas with the information you get from the Base Rate schedules and Rules (see process below).
 - iv. The **minimum rating bases** are 2 employees and 2 dealer tags

2. Rating Process Using KAIP Manual – Non Franchised Garage Dealers

- a. **Eligibility and Classes Written - Rule 101**
 - i. page 139 of 169 (page C-41 of PDF Manual)
- b. The **basic** liability rates in the manual are for \$60,000. The maximum liability amount is \$750,000 unless State or Federal authorities require higher limits.
- c. **Identify Territory - Rule 19** - Find the county and the territory number.
 - i. General Rules on page 76 of 169 (page G-8 of PDF Manual).
- d. **Base Rate Schedules**
 - i. Page 165 of 169 (Page CR-13 of PDF Manual; Use Chart C).
- e. **PIP Rate Schedule**
 - i. Page 166 of 169 (Page CR-14 of PDF Manual).
- f. **UM & UIM - Rule 58**
 - i. Page 107 of 169 (Page C-9 of PDF Manual).
 - ii. Rate is on page 108 of 169 (Page C-10 of PDF Manual).
- g. **No-Fault - Rule 59**
 - i. Page 108 of 169 (Page C-10 of PDF Manual).
- h. **Rating Units – Rule 102**
 - i. Page 139 of 169 (Page C-41 of PDF Manual)
 - ii. Items C. 2 & 3.
- i. **Increase Limits Factors - Rule 52**
 - i. Page 101 of 169 (Page C-3 of PDF Manual).
- j. **Additional Charges (Penalty Points) - Rule 3**
 - i. Page 71 of 169 (Page G-3 of PDF Manual).
 - ii. Penalty points shall be applied first to the auto generating the highest premium subject to the maximum additional charge factor of 2.50.
- k. **Experience Rating - Rule 54**
 - i. Page 103 of 169 (Page C-5 of PDF Manual).
 - ii. **4 years** loss experience required on submission.

- iii. Utilize the **Experience Rating Help Sheet** located on the Commercial Auto section of the website to assist in the calculation of the experience modifier.

3. The current Kentucky filing **requirement** for limits of liability is \$750,000.

4. Submitting an Application

- a. Print off the application and any supplemental pages required.
 - i. Please complete and submit the **Garage Supplement** form.
 - ii. For risks with **filings**, there is a **15-day waiting period** for the effective date beginning the date received by the KAIP office.
 - b. When submitting the annual premium, a money order, cashier check or bank check is required. **Guaranteed funds must be submitted and no agency or personal checks will be accepted.**
 - c. All questions on the application must be completed. Incomplete applications may be returned as deficiencies and will **delay** issuance and may change the effective date of the policy.
5. The **Producer is responsible** for the estimated premiums generated. The Producer should also be aware that the final premium is determined by the Servicing Carrier based on the completed application and supplements and any inspections that may be performed.