Kentucky Automobile Insurance Plan – Rating and Processing Information – Public Transportation

Website access: kyinsplans.org/auto

1) The KAIP **Manual** and **Commercial Rating Worksheets** are located on the Commercial Auto tab on our landing page.

a) Commercial Rating Worksheets

i) Select **Public Transportation** along the bottom tabs of the worksheet.

ii) Fill in green shaded areas with the information you get from the Base Rate schedules and Rules (see process below).

2) Rating Process (Per Rule 92) Using KAIP Manual – Public Transportation

a) **Eligibility (Public Transportation) - Rule 91**

i) Page 117 of 157 (Page C-29 of PDF Manual).

b) **Premium Development Process** – **Not Zone Rated**

i) **Rule 92**, Page 117 of 157 (Page C-29 of PDF Manual)

ii) Identify rating **territory** where insured resides – **Rule 19** on page 66 of 157 (Page G-8 of PDF Manual). Identify the county and territory number.

iii) Follow process in Rule 92 to develop premium using the guidance provided below on where to find information in the manual.

c) **Premium Development Process** – **Zone Rated**

i) **Rule 93**, Page 117 of 157 (Page C-29 of PDF Manual).

ii) Follow process in Rule 93 with guidance on where to find information as follows.

d) **Classifications - Rule 94**

i) Page 118 of 157 (Page C-30 of PDF Manual).

ii) Tables start page 120 of 157 (Page C-32 of PDF Manual)

e) **Base Rate Schedules** start with page 145 of 157 (Page CR-5 of the PDF Manual - use chart C on page CR-6).

f) **UM & UIM - Rule 58**

i) Page 97 of 157 (Page C-9 of PDF Manual).

ii) Rate is on page 97 of 157 (Page C-9 of PDF Manual).

g) **No-Fault - Rule 59**

i) Page 97 of 157 (Page C-9 of PDF Manual)

ii) Rate is on page 144 of 157 (Page CR-4 of PDF Manual)

h) **Increased Limits Factor - Rule 52**

i) Page 91 of 157 (C-3 of PDF Manual).

i) Accident Prevention Discount – Rule 61

i) Page 98 of 157 (Page C-10 of PDF Manual)

j) **Additional Charges (Penalty Points) Rule 3**

i) Page 61 of 157 (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 93 of 157 (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) A completed, signed CAIP **Inspected Units Form** (CW AIP3504 CAIP) must accompany all commercial applications (and policy change requests) submitted for applicants who require Federal Highway Administration (FHWA) or Federal Motor Carrier Safety Administration (Motor Carrier Act of 1980 or Bus Regulatory Act of 1982 – Motor Carrier Endorsement – MCS 90 or 90B) **filings** or endorsements.

4) The liability rates in the manual are for $60,000. The maximum liability amount is $350,000 unless State or Federal authorities require higher limits and this will require a filing.

5) **Submitting an Application -** Applications must now be completed on the EASi system on the aipso.com website. Click on EASi and you will need to register to use the system. Once completed, you will submit and print the application as it will need to be **mailed to AIPSO** as follows:

a) Kentucky Automobile Insurance Plan
PO Box 6530
Providence, RI 02940-6530

b) Supplemental pages are available from the link on Commercial Auto page.

c) If there are filings a **KY Commercial Filing Supplement** must be completed and submitted with the application.

d) For risks with **filings,** there is a **15-day waiting period** for the effective date beginning the date received by the KAIP office.

6) 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.

7) When submitting the annual **premium**, a money order, cashier check or bank check is required. G**uaranteed funds** are required and no agency or personal checks are accepted. We require **40% down** regardless of the payment option. Payment options are as follows:

a) **Full** pay

b) 40% down and **single bill** for the rest
c) **Installment Premium Payment Option –** 40% down, 5 equal installments due in months 2 – 6
d) **Outside finance** – 40% down and remainder financed… **copy** of finance agreement required.

8) Please **double-check** that you have completed the steps above as incomplete/incorrect information may **delay** issuance or the effective date of the coverage.