

**LIMITED ASSIGNMENT DISTRIBUTION
AGREEMENT WITH EXCUSED COMPANIES**

STATE of MINNESOTA

In consideration of the Agreements of other companies to participate in the Limited Assignment Distribution Procedure and to abide by the terms of the Limited Assignment Distribution Procedure in the Minnesota Automobile Insurance Plan (Plan) attached hereto and made a part hereof, it is mutually agreed among the companies executing these agreements that each company's obligations as a subscriber to the Plan are modified as indicated in its agreements, and that AIPSO is authorized to perform the functions herein described.

¹ EXCUSED COMPANY SUBSCRIPTION

In lieu of assignments under its normal quota, the Excused Company shall pay a fee based upon its estimated annual quota of private passenger non-fleet AIP premium as determined by AIPSO. AIPSO shall bill the Excused Company for its estimated fee. The Excused Company shall remit the estimated fee to AIPSO in quarterly installments in advance. If the estimated annual fee is less than \$10,000 it shall be paid within thirty (30) days of said billing. After the end of each calendar year, no later than sixty (60) days after distribution of the annual quota reports, the estimated fee shall be adjusted to reflect the Excused Company's actual share of premium written. A late payment interest charge of 0.05 percent per day (1.50 percent per month) will be levied on any unpaid estimated fee installment or final fee. In the event the Excused Company shall fail to pay when due any estimated fee installment or final fee, the Excused Company shall be responsible for all collection costs incurred by the Plan, including reasonable attorney's fees.

Annually thereafter, AIPSO shall bill the Excused Company the exact amount of its fee or refund, as the case may be, which shall be due and payable within thirty (30) days of the billing date. Adjustments in the estimated fee shall be made no later than sixty (60) days after distribution of the Plan annual quota reports at which time the Excused Company's actual premium data becomes available.

The Excused Company shall non-renew all policies covering private passenger non-fleet automobiles which expire on and after the effective date of this Agreement (_____), assigned to it through the Plan. Not less than forty-five (45) days prior to the expiration date of such policies, the Excused Company shall provide the insured with a letter of non-renewal. Such letter of non-renewal shall be in a form approved by the Governing Body of the Plan.

¹ For this agreement to be properly executed by a company electing to be an Excused Company, the officer of the Company executing the agreement on its behalf must initial this blank.

- A. The fee to be paid by Excused Company Subscribers and distributed among Servicing Company Subscribers shall be a percentage of quota premium calculated annually in accordance with the formula shown in the Limited Assignment Distribution Procedure in the Minnesota Automobile Insurance Plan or a minimum fee set by the Plan, whichever is greater.
- B. Nothing in this agreement shall be construed to relieve any company of its obligation to continue in force, to completion of the current annual policy term, policies assigned prior to the effective date of this agreement. Premium for each policy will be credited against assignment quotas in calculating fees.
- C. The initial term of this agreement and all other Limited Assignment Distribution agreements shall be from _____ to December 31, ____; provided, however, that this agreement may be terminated at any time if the Limited Assignment Distribution Procedure is terminated. In such event, the Excused Company shall be given written notice of such termination by the Plan.

When the "Buy-Out" fee percentage is announced, the Excused Company may within thirty (30) days of such announcement elect to terminate this agreement. The effective date of such termination shall coincide with the August quota distribution. The Excused Company shall be billed at the new annual "Buy-Out" rate pro-rated for the six months coinciding with the February and May quota periods.

The Excused Company may terminate this agreement for any successive term ("calendar year") by giving written notice to the Plan no later than December 31 prior to the year it elects not to participate in the Limited Assignment Distribution Procedure.

Absent notice of termination as herein provided above, this agreement shall be deemed renewed for successive terms of one year.

This agreement is executed by an officer of the Company this ___ day of _____, 20 _____.

Subscribing Company (or Group) Print Name

By: _____
Print Name Title

Signature