

50
AIPSA

Annual
REPORT
2023





AIPSO is an organization committed to
efficient, value-added service
with a team of dedicated employees
responsive to the many customer groups
within the residual market.



Annual REPORT 2023



Serving the Insurance Industry

home office
302 Central Avenue
Johnston, Rhode Island 02919

(401) 946-2310
fax: (401) 528-1350
email: info@aipso.com
internet: www.aipso.com

Johnston RI
Mayfield Heights OH
Mt. Laurel NJ
New York NY

©2023 AIPSO. all rights reserved.



AIPSO's philosophy of serving the insurance industry is to affirmatively respond to our customers' requests, while simultaneously focusing on efficient management and cost containment.

AIPSO BOARD OF DIRECTORS

Thirteen major insurers comprise the Board of Directors who are responsible for AIPSO's strategic policy and direction, as well as the strategic direction of national issues affecting the insurance residual market. **Carol Berthold** of GEICO General Insurance Company was elected by the Board to serve as its chair in 2023.

Each state residual market mechanism is administered in a similar fashion from a local perspective by a Governing Committee (or Board of Governors, Advisory Committee, etc.), subject to final approval from that state's insurance regulator.

AIPSO works with these governing committees and regulators as manager of the mechanism(s) in thirty-seven states and the District of Columbia, and provides various other services in all but one of the remaining states.

BOARD COMPOSITION 2023

ALLSTATE INSURANCE COMPANY

Lee Rodrigues

AMICA MUTUAL INSURANCE COMPANY

Peter Drogan

Chair-Operations Committee

FARMERS INSURANCE EXCHANGE

Ron Wiest

GEICO GENERAL INSURANCE COMPANY

Carol Berthold

Chair-Board of Directors

HANOVER INSURANCE COMPANY

Gavin Blair

Chair-Audit Review Committee

INTERINSURANCE EXCHANGE OF THE AUTO CLUB

Brett Schurter

NATIONWIDE MUTUAL INSURANCE COMPANY

Chris Migliozi

NEW JERSEY MANUFACTURERS INSURANCE COMPANY

Johnathan Kloc

PROGRESSIVE CASUALTY INSURANCE COMPANY

Brian Courtney

SELECTIVE INSURANCE COMPANY

Jeffrey Beck

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Les Willis

Chair-Executive Committee

THE TRAVELERS COMPANIES

Amber King

UNITED SERVICES AUTO ASSOCIATION/USAA

Bruce Lee

AIPSO MANAGEMENT

AIPSO provides services to its customers in the insurance industry through a team approach. Eight individuals comprise our Senior Management Team:

Joseph Agresta
Vice President
and Chief Information Officer
INFORMATION SYSTEMS & PROCESSING SERVICES

Michelle Cunniff
Director
HUMAN RESOURCE SERVICES

Mary Farnum
Director
AUDIT SERVICES

Amy Hicks
Vice President
and Chief Actuary
ACTUARIAL SERVICES

Charles Kwolek
President
and Chief Executive Officer

Kevin Leeman
Director
FINANCIAL & INVESTMENT SERVICES

Frank Pensabene
Senior Vice President
and Chief Operating Officer

Robert Powers
Vice President
and General Counsel & Secretary
LEGAL & COMPLIANCE SERVICES

AIPSO's customer-focused service is facilitated by our regional offices located throughout the country. Eight individuals comprise the regional management team:

Tom Assad
*Director and
Field Operations Team Leader
& Manager*
MARYLAND IAIA
Operations Manager
IN, KY, LA, OK, WI

Jim Chrones
*Director and
Field Operations Team Leader
& Regional Manager*
CENTRAL REGION
IL, IA, MN, MO, ND, NE, SD
NORTHEAST REGION
CT, ME, NH, NHARF, VT

Donna Carr
Regional Manager
AAIPSC, AR, PA
SOUTHEASTERN REGION
AL, GA, MS, SC CAIP, TN

Susan Buonviaggio
Regional Manager
NEW YORK

Sandra Crayton
Regional Manager
MID-ATLANTIC REGION
DE, DC, VA, WV

Mary Seenarine
*Regional Operations
Plan Manager*
NEW JERSEY

Lisa Simone
Regional Manager
WESTERN REGION
AK, AZ, CA, CO, ID, MT, NM,
NV, OR, UT, WA, WY

Tracy Walsh
*Director and
Field Operations Team Leader
& Regional Manager*
RHODE ISLAND

AIPSO's Insurance Operations provide services to 44 CAIPs, 22 PAIPs, 2 PPPs, and 2 JUAs. Three individuals lead these services:

Matt Mayfield
Director
Commercial Auto

Tracy Walsh
Director
Personal Auto

Doug Beck
Director
Operations Enablement Team

PRESIDENT'S MESSAGE



In 2023, AIPSO celebrated fifty years of service to the insurance industry. Our organization originated as a department within the Mutual Insurance Rating Bureau of New York City, servicing the needs of the automobile insurance residual market. As demand for those services grew, that department evolved into a separate organization on January 1, 1973.

AIPSO spent the next four decades steadily expanding the range of services provided to Automobile Insurance Plans and residual market mechanisms, becoming the national entity serving the insurance industry today as the service provider of choice.

Throughout the majority of 2023, AIPSO efforts were focused on enhancing and stabilizing our Insurance Operations services and Policy Management systems. We have been successful in sustaining the viability of the automobile insurance residual market, continuing to deliver all of core services to our customers while taking on additional services that address our customers needs.

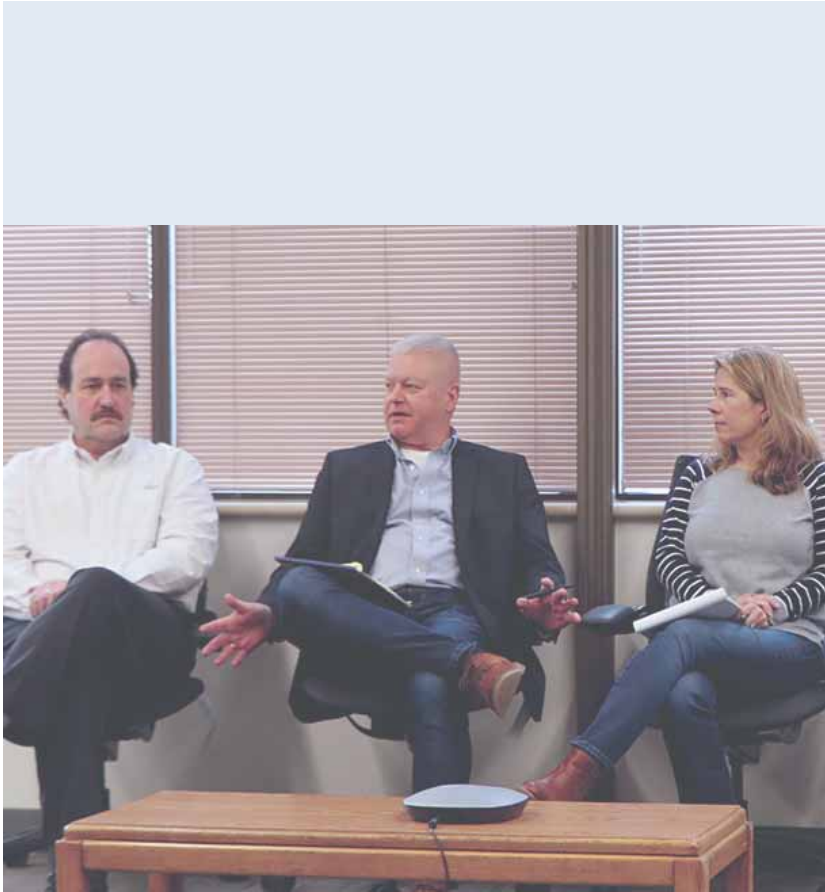
Our goal is to sustain the level of services that align with our updated Mission, Vision, and Values statements, so that we continue “to provide high-quality value-added services to the insurance residual market in an efficient, effective manner” as we evolve to meet that market’s growing needs.

AIPSO’s workforce continues to evolve as we pursue the transition into an insurance operations company functioning within a hybrid work environment. We project our headcount will reach 526 by the end of 2024. We have been able to maintain the level and quality of services our customers expect and demand by transferring experienced employees’ knowledge to new staff members, and welcoming new employees’ ideas and strategies where appropriate. With all the staffing changes we have undergone in the past year, it is a significant reflection of our workplace culture that AIPSO was still able to achieve the Great Place to Work designation for the sixth consecutive year.

While we continue to pursue the service provider of choice initiative, we have not lost sight of the critical services we have provided to the industry over the past fifty years and continue to provide today – plan management and administration, manual revisions, rate filings, member participation, and statistical analysis, to name a few. We continuously seek to revise our operations to achieve greater efficiencies where possible, and monitor developments in the overall property and casualty insurance marketplace, watching for changes that impact the auto residual market.

I and the rest of the Senior Management team are pleased with the achievements we have accomplished over the past year, and remain confident that the organization is well prepared to continue to be a value-added, cost-effective provider to the insurance industry.

Chuck Kwolek
November 2023



The leadership, innovative
decision making, flexibility,
and commitment to
customer service of
AIPSO employees will continue
to enhance our service
to Governing Committees
and other AIPSO customers.

AIPSO SERVICES

AIPSO is a management organization and service provider for various insurance industry groups responsible for administering the residual market. Being a nonprofit corporation, the revenues AIPSO receives from automobile insurers generally cover only its operating costs. These costs are shared among the insurers on a market share basis for each of forty-nine states (as well as District of Columbia) in which AIPSO provides services. Many AIPSO services are provided directly to or on behalf of Governing Committees representing residual market mechanisms in each state. Service components are frequently subject to the prior approval of the respective state insurance regulators.

AIPSO is a national organization that serves local customer needs. Centralization and standardization are key to many AIPSO services because of the inherent economies of scale and other efficiencies. The organization is based on customer focus and recognizes the need for flexibility in serving customer groups with divergent interests. Services are tailored to meet local state residual market needs where appropriate. AIPSO's home office departments, remote and regional offices work together to serve the industry. While the home office is organized functionally, teams share responsibility for providing all services to AIPSO customers throughout the country.

Our customers—the many and varied segments of the insurance industry—are the reason why AIPSO exists. This customer base is continually challenging our organization to provide services at higher levels of excellence. In accepting these challenges, AIPSO's philosophy of serving the insurance industry is to affirmatively respond to our customers' requests, while simultaneously focusing on efficient management and cost containment.

The services that AIPSO provides to the auto insurance residual market will be offered to industry-supported residual market mechanisms for lines of insurance other than automobile, but only when there is an opportunity to add economies of scale through avoidance of redundancies and costs borne by the same industry segments that are assessed by AIPSO. AIPSO services are customer-focused and include the following:

PLAN MANAGEMENT SERVICES

Residual market mechanisms' governing bodies appoint AIPSO as Plan Manager to provide all necessary services, support, and/or products that are needed for the effective and efficient administration of an auto insurance plan, joint underwriting association, or reinsurance facility. AIPSO currently serves as Plan Manager of residual market mechanisms in thirty-seven states and the District of Columbia, and

- provides all the services described in this services listing, along with management of a local support office. Bundling all the services enables AIPSO to apply economies of scale and other efficiencies attained through team management
- employs experienced professionals as individual Plan Managers to work closely with their governing bodies. These Plan Managers and support staff are knowledgeable with regard to their

local jurisdiction's residual market requirements, enhancing AIPSO's ability to be flexible in serving customer groups with diverse interests

- assigns a team leader to each mechanism to facilitate and coordinate all communication and delivery of services to ensure that the expectations and needs of the governing body will be understood and satisfied
- provides the same level of support to the local offices as it does at to the AIPSO home office. This includes all employee-related services, such as compensation programs, training, and benefits, as well as legal compliance, audit services, facilities support (office design, lease management), and budget/plan programs. This allows local offices, despite their size, to receive the benefits of a large organization while serving as a local operation with close proximity to policyholders providing optimal customer service
- provides complete administrative support for all industry meetings, enabling them to proceed efficiently with maximum decision-making ability
- provides project planning, and project management services

AIPSO INSURANCE OPERATIONS SERVICES

AIPSO functions as a service provider to private passenger and commercial risks in support of the auto insurance residual market's Commercial Automobile Insurance Procedures (CAIPs), Joint Underwriting Associations (JUAs), Personal Automobile Insurance Procedures (PAIPs) and Private Passenger Pools (PPPs). We

- utilize a fronting company vendor in jurisdictions where Plan paper is not currently approved for use
- underwrite and issue policies assigned via contract with specific state Plan mechanisms
- provide customer service to producers and policyholders
- work with a claims vendor to service and settle all claims arising from issued policies
- report premium and loss statistical data to the mechanism's statistical agents

APPLICATION PROCESSING SERVICES

AIPSO processes insurance applications and provides customer support for any residual market mechanism. We

- review applications received from producers for completeness and eligibility
- collect key information for creating data bases
- assign and deliver applications to insurance companies or servicing carriers
- provide an electronic binding system
- offer customer service for answering inquiries from insureds, producers, and insurance companies
- provide electronic coverage verification

AUTOMATED INFORMATION SYSTEMS SERVICES

AIPSO provides and supports information systems for any residual market mechanism. We

- provide systems planning and design
- coordinate telecommunications, networking, and data transmission
- implement, monitor, and maintain data and systems security
- offer programming expertise
- provide and maintain software, systems, and equipment

FINANCIAL SERVICES

AIPSO provides accounting and investment services for any residual market organization. We

- process account receivables/payables
- maintain general ledgers
- prepare GAAP/statutory financial statements, reports, and tax filings in accordance with state requirements
- maintain and reconcile bank accounts
- prepare, distribute, and collect assessments
- oversee mechanisms' investments based on the respective investment policy
- prepare cash flow projections and budgets to ensure prospective cash needs are met
- ensure purchasing of goods and services is performed in compliance with company policy

FRAUD CONTAINMENT SERVICES

AIPSO takes measures on both a national and state level to identify and combat premium diversion and other types of fraud in connection with insurance coverage provided through auto insurance residual market mechanisms and Producer involvement. We

- enhance industry's awareness of auto insurance residual market fraud through seminars
- pursue fraud cases through legal action or internal administrative action through Peer Review
- implement measures to deter premium diversion fraud in state assignment mechanisms, i.e. edit systems, 15-day delays, ineligible applicants etc.
- investigate complex application fraud and other policy activity, including application and premium transactions, as requested
- encourage the sharing of intelligence gathered from underwriting investigations among auto insurance residual market mechanisms, insurance companies, National Insurance Crime Bureau (NICB), and regulatory authorities

LEGAL AND COMPLIANCE SERVICES

AIPSO provides all necessary legal counsel and support for automobile residual market organizations managed by AIPSO. This includes compliance services to ensure operations comply with federal and state laws and regulations.

MANAGEMENT CONSULTING SERVICES

AIPSO team leaders, managers, and other professional employees provide management expertise on a consulting basis to residual market mechanisms that are supported, but not managed, by our organization. This includes employee/team management, information management, facilities management, and any other expertise or program associated with managing an office.

MEMBERS PARTICIPATION SERVICES

AIPSO collects data and performs calculations for insurers to equitably participate in the operating results of pooling mechanisms such as PAIP, CAIP, JUA, and RF. We

- collect and analyze residual market data written by the servicing providers of the pooling mechanisms, and settle cash balances with the service providers
- collect company voluntary data from the NAIC and statistical agents, and from companies directly, to determine market shares
- calculate company participation ratios, adjusting for depopulation credits where applicable
- develop and issue ratio reports and participation reports that reflect each company's share of the pooling mechanism
- settle cash with each insured based on their share of the pool's operating results

POOLING MECHANISM SUPPORT SERVICES

AIPSO provides analysis and administrative support for residual market organizations (e.g., CAIPs, PAIPs, joint underwriting associations, reinsurance facilities). AIPSO also functions as a liaison for servicing carriers, residual market organizations, and member companies. We

- analyze insurance data and operating results, and identify issues that influence the results
- develop Uniform Plan of Operation rule changes
- develop and maintain uniform accounting and statistical rules
- prepare and distribute management information reports and post mechanism experience online

POLICY FORMS SERVICES

AIPSO develops automobile insurance policies designed specifically for the residual market. We

- develop and maintain policy forms, endorsements, applications, technical manuals, and related policy writing forms

- monitor and analyze law changes to assure legally sufficient contract language
- provide policy forms, applications, and related policy writing forms to producers in online formats, in addition to bulk supplies for producers

PRODUCER CERTIFICATION SERVICES

AIPSO provides support for producer licensing and certification for residual market organizations. We

- maintain an automated system for tracking producer compliance
- support Peer Review Panels
- maintain producer licensing

QUOTA SHARING SERVICES

AIPSO develops and adjusts quota ratios for insurers to maintain equitable sharing of insurance applications. We

- prepare and distribute AIPSO's statistical call for residual market participation, quota determination, and fulfillment data
- determine quota shares based on company voluntary writings, depopulation credits, and quota fulfillment
- distribute applications to insurers through a random assignment system
- maintain company information such as affiliate groupings and LAD/CLAD buy-out contracts and apply the appropriate adjustments to quota
- analyze the effect of any proposed changes to the calculation of quotas

RATING & ACTUARIAL SERVICES

AIPSO is a licensed rating and/or advisory organization in more than forty-five states and the District of Columbia. We

- collect, evaluate, and edit insurance premium, loss, and expense data received from statistical organizations that collect the data from insurance companies
- develop rates and rating rules designed specifically for the residual market
- develop individual rates for unique risks not specifically rated from the rating manuals
- present rate indications to governing committees
- file rates and rules with regulators on behalf of state residual market organizations
- provide rates and rules in both print and online formats

REGULATORY AFFAIRS SERVICES

AIPSO communicates with state insurance regulatory agencies on various filings and regulatory issues. The involvement of both home office and regional office personnel enhances the filing approval process. We

- act as liaison with regulators and the National Association of Insurance Commissioners (NAIC) on behalf of governing committees
- collaborate with the Legal & Compliance Services staff and other AIPSO personnel to ensure the organization's compliance with applicable regulations and laws
- represent AIPSO at NAIC National Meetings and other industry related organizations to maintain effective relationships and stay abreast of current regulatory and industry trends
- clarify intent and need for various filings as issues arise

SERVICING CARRIER AUDIT SERVICES

AIPSO Audit Services conducts compliance audits (remotely or on-site) of residual market servicing carriers.

UNIFORM OPERATING RULES SERVICES

AIPSO develops uniform operating rules for residual market organizations. We

- present and interpret uniform rules to governing committees
- draft final rules as adopted
- file rules with regulators

RATE REVISION ACTIVITY

AIPSO achieved a 99% success ratio on 265 rate, rule, and form filings acted on by regulators during the twelve months ending September 30, 2023. Average rate changes for all states approved during the same twelve month period were 5.1% for private passenger and 14.5% for commercial; a combined total of 12.1%. These changes represent a \$46 million increase in revenues on a premium base in excess of \$383 million. The estimated annualized changes resulting from approved rate revisions for the twelve months ending September 30, 2022 and September 30, 2023 are displayed in the Rate Revision Activity chart on page 12.

APPLICATION VOLUME

For the twelve months ending September 30, 2023, the auto insurance residual markets reporting to AIPSO processed 173,222 new applications for coverage. This represents a 47.5% increase from the twelve-month period ending September 30, 2022.

Automobile Insurance Plans and other residual market mechanisms processed 166,937 new private passenger applications (including applications for voluntary auto insurance programs), accounting for 96.4% of the total countrywide new application volume. This represents a 47.9% increase in the number of new private passenger applications processed in the twelve months ending September 30, 2023 when compared to the prior twelve-month period.

AIPSO calculates that 96.7% of the total (commercial and private passenger) new applications processed by the auto insurance residual market during this latest twelve-month period is the result of new application volume in California, New Jersey, New York, Rhode Island, and Texas.

APPLICATION VOLUME CHART

	Twelve Months Ending September 2022	Twelve Months Ending September 2023	% Change 2023 vs. 2022
Private Passenger	112,899	166,937	47.9
Private Passenger excluding CA LCA and NJ SAIP*	32,237	76,038	135.9
Commercial Auto	4,543	6,285	38.3
Total**	117,442	173,222	47.5

* The California Low Cost Auto Insurance Program and New Jersey Special Auto Insurance Policy Program are voluntary market programs administered by AIPSO at the request of the respective state auto insurance regulators.

**Including CA LCA and NJ SAIP applications

APPLICATION VOLUME - TOP FIVE STATES

State	Total New App Volume 12 Months Ending 9/30/2022	% of Countrywide Total 12 Months Ending 9/30/2022	Total New App Volume 12 Months Ending 9/30/2023	% of Countrywide Total 12 Months Ending 9/30/2023
California*	10,301	8.8%	19,654	11.3%
New Jersey**	78,343	66.9%	89,759	51.8%
New York	18,212	15.5%	50,121	28.9%
Rhode Island	5,189	4.4%	6,373	3.7%
Texas	1,389	1.2%	1,570	0.9%
Total	113,434	96.8%	167,477	96.7%

* Total includes new applications processed for the CA LCA program: 9,953 for twelve months ending 9/30/2022, and 17,313 for twelve months ending 9/30/2023

** Total includes new applications processed for the NJ SAIP program: 70,709 for twelve months ending 9/30/2022, and 73,586 for twelve months ending 9/30/2023

COMBINED OPERATING COSTS

In 2022, the auto insurance residual market generated approximately \$1.86 billion in written premium. This amount includes voluntary market premium managed by AIPSO for the California Low Cost Auto Insurance Program and the New Jersey Special Auto Insurance Policy program. The need to manage this market of last resort and its various mechanisms remains substantial, and AIPSO continues as a participating partner with others in the industry to provide this management. Our efforts and costs contribute to the ability of insurance companies, producers, and others to manage their business expenses generated through the residual market. AIPSO's combined costs (home office and regional

offices) represent 0.018% of premiums for the total automobile line. AIPSO continues to achieve a high level of customer satisfaction at a very reasonable investment by the insurance industry.

The combined operating costs for AIPSO's home and regional offices in 2022 were \$18,220,628, or 32.3%, more than 2021 costs. Operating costs through eight months of 2023 are 99.4% of year-to-date budgeted costs.

RATE REVISION ACTIVITY CHART

Rate Revision Activity	9/30/22 Estimated Annual Changes*	9/30/22 Approved Percent Changes	9/30/23 Estimated Annual Changes*	9/30/23 Approved Percent Changes
Private Passenger				
Liability	- \$ 15	0.0%	\$ 4,715	+ 5.2%
Physical Damage	- \$ 24	- 0.4%	\$ 274	+ 3.7%
Commercial				
Liability	\$ 36,036	+ 11.3%	\$ 41,264	+ 14.8%
Physical Damage	- \$ 2	- 0.1%	\$ 18	+ 0.3%
Private Passenger and Commercial Combined				
Total	\$ 35,995	+ 8.7%	\$ 46,270	+ 12.1%

*(\$000 omitted) 9/30/22 Revisions Include:

Private Passenger - Liability

4 increases for 4 jurisdictions
1 decrease for 1 jurisdiction
0 no changes

Commercial - Liability

22 increases for 21 jurisdictions
1 decrease for 1 jurisdiction
0 no changes

Private Passenger - Physical Damage

0 increases for 0 jurisdictions
5 decreases for 5 jurisdictions
0 no changes

Commercial - Physical Damage

6 increases for 5 jurisdictions
2 decreases for 2 jurisdictions
10 no changes

The 2024 budgets for both home office and many regional offices have not yet been finalized. They are currently in the process of being reviewed and finalized with AIPSO's Board of Directors and the various governing committees.

AIPSO's proposed 2024 consolidated budget of \$112,335,657 reflects an increase of \$14,989,592, or 15.4%, from 2023 projected year-end expenses. The increase is a

combination of a \$16,742,032 increase in home office expenses and a \$1,752,440 decrease in regional office expenses. The 2024 home office budget reflects an increase of 119.0% over the prior year. Excluding AIPSO Insurance Operations, the home office budget is decreasing \$1,671,403, or 3.5%.

AIPSO's proposed budget for 2024 represents a commitment from the insurance industry to support our efforts to be more proactive as previously directed by the AIPSO Board and referenced in our mission statement. This includes the continuation of systems products and other strategies and programs identified in our budget report and other AIPSO plans. In return for that commitment, AIPSO will continue to dedicate itself to the customer focus that has served us so well for decades. All the different industry groups that make up our customer base can be assured that their needs will be heard by AIPSO staff, who in turn will enhance our current products and services, as well as develop new products and services to meet those needs.

YEAR TO DATE EXPENSES

Y-T-D Expenses as of:	12/31/21	12/31/22	8/31/23	8/31/23 Budget
(\$000 omitted)	\$56,417	\$74,638	\$65,066	\$65,440

AIPSO

RESPONDING TO A CHANGING RESIDUAL MARKET

AIPSO continues to meet the challenge of containing expenses while at the same time responding to the demands from our customers that are not necessarily driven by application volume.

In the past two years, we have responded by

- Extending our service provider and policy administration services to forty-four Commercial Automobile Insurance Procedures (CAIP) mechanisms, twenty-two Personal Automobile Insurance Procedures (PAIP) mechanisms, two Private Passenger Pool (PPP) mechanisms, and two Joint Underwriting Association (JUA) mechanisms.
- Converting from an unincorporated association to a Rhode Island non-profit corporation in order to enable AIPSO to provide additional cost-effective, efficient services that benefit the insurance industry.
- Providing operations and administration services to special voluntary insurance programs, such as California's Low Cost Auto Insurance Program, Hawaii's Certified Public Assistance Insureds

(CPAI) program, and New Jersey's Special Automobile Insurance Policy (SAIP) program.

- Providing Plan Paper model services to 16 residual market mechanisms, and expanding mandatory use of Commercial EASi to 16 mechanisms.
- Continuing to provide information technology security, data protection, fraud containment, and regulatory compliance services that meet our customer's expectations.

AIPSO continues to recruit staff to meet the needs of our expanding operations and contractual obligations, and will continue to do so throughout 2023. We have eliminated positions through retirements and advances in technology while using that capacity to meet operational needs in expanding areas. This adaptability has allowed us to maintain our level of service to our customers. AIPSO's management team continues to consider ways in which our organization can be more efficient for our subscribers while maintaining the level of service our customers expect.

Where practicable, we have transitioned our regional staff in the Western, Mid-Atlantic, Central and Southern Regions to operate remotely, reducing overall costs to those mechanisms while maintaining high levels of efficient and effective service to those regions' state Plans.

As similar opportunities arise in the future, we will propose cost-effective and efficient solutions to our Board of Directors, as well as to the appropriate states' auto insurance mechanism governing bodies and insurance regulators.

AIPSO

FINANCIAL STATEMENTS AND FUNDING

AIPSO's combined operating costs are funded by a national assessment to insurers, state assessments to insurers, and allocation to pooling mechanisms (CAIPs, JUAs, etc.). AIPSO and the residual market mechanisms it manages are not-for-profit entities with no capital or revenue. All excess cash is returned to the funding insurers in accordance with an annual true-up procedure. The assessments are the only means for recovering necessary operating costs.

Direct costs that are for the exclusive benefit of a specific state mechanism and clearly identifiable are recovered from insurers writing business in that state. Indirect costs for the mutual benefit of several or all state mechanisms, including costs that cannot be clearly identified with a particular state, are shared among the states based on the relativity of residual market volume of those states. Equitable allocation is based on the fact that value and benefit are received by the state mechanism in direct proportion to the residual market volume. Like direct costs, the indirect costs are subsequently shared among the insurers writing insurance in a particular state on a voluntary market basis. The 2022 combined operating costs for AIPSO home office and regional offices were funded as shown in the chart on page 15.

AIPSO financial statements, including statements of operation and cash flow, are regularly reviewed with the AIPSO Board of Directors. Operating costs and service fees directly related to AIP-

SO regional offices are also reviewed by the Governing Committees associated with those offices. The AIPSO financial statements for years ending December 31, 2022 and 2021 were audited by KPMG, which issued unqualified audit opinions.

Financial statements for the individual state mechanisms and pooling mechanisms have also been audited by KPMG. These statements are distributed to or otherwise available to the state mechanism governing committees and individual insurers funding AIPSO.

FUNDING SOURCES

	Amount*	% of total
AIP (Plan) Assessments‡	\$ 10,552	14.1%
National (AIPSO) Assessment‡	\$ 39,254	52.6%
Pool Allocation and Miscellaneous Charges	\$ 24,832	33.3%
Total	\$ 74,638	100.0%

*000 omitted ‡assessments are adjusted by a true-up performed Sept. 2023



AIPSO's vision is to become and remain the service provider of choice for the insurance residual market. We will enhance the quality of the value added management, technical, and support services and we will pursue new opportunities which will benefit the insurance residual market.

DATA INITIATIVE

Actuarial Services and Information Systems and Processing Services (ISPS) have made substantial progress on AIPSO's data initiative. ISPS continues to develop a data warehousing platform which is already providing real benefit to analysts in enabling a more "self-service" view of data. An organizational data governance framework has been established. The Data Governance Committee has been setting the strategy and priorities for extending the capabilities of the data warehouse, planning the roll-out to all states and programs for which AIPSO is the servicing provider, and overseeing that best practices are always used in managing and governing our data.

KANSAS PLANS

The Governing Committees of the Kansas Assigned Claims Plan (KACP) and Kansas Automobile Insurance Plan (KAIP) appointed AIPSO to assume management of the KACP and KAIP effective January 1, 2024. The office has begun the transition process, and AIPSO will utilize the Five Region Service Team (FiRST) to manage the mechanism out of the Johnston home office. A team has been formed to address the specific plan requirements that are identified by the Governing Committees.

HAWAII JUP COMMERCIAL

The Hawaii Insurance Department recently approved AIPSO's alternative transition plan for HJUP Commercial, where State Farm will become the sole service provider with assistance provided by AIPSO. EASi has been implemented and will provide State Farm with application information. Contracts are in the process of being finalized.

MARYLAND INSUFFICIENCY ASSESSMENT

AIPSO, on behalf of the Maryland Industry Auto Insurance Association, is preparing its systems for a Maryland Auto Insurance Fund insufficiency assessment that is expected in 2024 for the first time since 1989. Programming, Data Services, Financial & Investment Services and Field Operations are all involved in preparations surrounding the insufficiency assessment. In addition, staff is working with the Maryland Insurance Department to answer questions regarding residual market alternatives for a mandated report to the legislature due by the end of the year.

AIPSO INSURANCE OPERATIONS

AIPSO Insurance Operations (AIO) service 44 CAIPs, 22 PAIPs, 2 PPPs, and 2 JUAs through our AIO units, which recently completed the final stages of a realignment process implemented on June 1, 2023:

- **Commercial Auto** - consolidated CAIP services in Mayfield Heights and Johnston into one unit.
- **Personal Auto** - consolidated PAIP services in Mayfield Heights and Johnston, along with mechanisms formerly serviced by Special Insurance Operations (NJ SAIP, HI CPAI, CA Low

Cost) into one unit.

- **Operations Enablement Team** - consolidated Support Services, CAIP/SIO Billing Teams in Mayfield Heights and Johnston, PAIP Billing, PAIP Analyst team, and AIO Data Analytics team into one unit.

AIO leadership is currently enhancing their operations to stabilize the business and firm up policies and procedures. Management is also evaluating the implementation of distinctive email addresses for AIO business to provide producers, insureds, and companies with servicing access that avoids confusion with Plan emails and communications.

AIO has experienced a 68% increase in Commercial application volume over the September 2021-August 2022 fiscal year. About 28% of all assignments are insureds that were previously non-renewed in the CAIP market by Progressive/National Continental which represents a significant share of the application growth.

Through August 31, AIO wrote \$132,033,290 commercial written premium (an average of \$16.5 million/month), trending to end the year at approximately \$198 million. CAIP ended the fiscal year with 4,350 policies-in-force. The AIO team recently shifted their focus from new business to processing renewals.

AIO is also developing a Data Analysis Unit, and added a Senior AIO Data Analyst, one of three positions filled so far. Staffing has reached 87 employees in the Commercial Auto group, 38 employees in the Personal Auto group, and 22 employees in the Operations Enablement Team.

AIO continues to develop its phone support model throughout our operations, with staff working to reduce hold times, establish service levels, and other areas of improvement. AIO has engaged a Foreign Language Interpreter Service to support customer service staff on active telephone calls and provide translation services on demand.

PLAN PAPER

AIPSO continues to pursue transitioning Plans from the Fronting Company model to the Plan Paper model where it is feasible and appropriate to do so. Mississippi AIP transitioned to Plan Paper on June 1, 2023, bringing the total to 16 mechanisms issuing policies utilizing Plan Paper.

North Dakota AIP will transition to Plan Paper on April 1, 2024. AIPSO Legal and Compliance Services has identified the regulatory filing requirements that could impact the Plan. The identification of these requirements allowed AIPSO to confirm with the North Dakota Insurance Department the regulatory filing requirements that the Plan will be required to comply with.

EASI

Mandatory use of Commercial EASi is now effective in additional jurisdictions, with Delaware, District of Columbia, Indiana, Kentucky, Oklahoma, and West Virginia effective September 1, 2023, and Virginia effective October 1, 2023.

POLICY ADMINISTRATION SYSTEMS

ISPS and AIO management are focused on stabilizing and enhancing each of the policy administration systems (GALAXY, ATLAS), with special emphasis on streamlining processes, and making systems more efficient. Financial & Investment Services has assigned three Financial Analyst Project Specialists to work with Programmers and PMO to resolve data issues and reporting with the Policy Administration Systems.

AIO management is looking at implementing a Workflow product that would allow them to track policy work in progress, manage work processes, and identify where resources are needed or overextended. The product would work with the GALAXY system as an add on service.

GALAXY: Actuarial Services is working with Data Services and Information Systems to resolve questions regarding proper reporting of policy results from Galaxy to Insurance Services Office (ISO) using ISO-specific coding.

ONLINE INVOICES PROJECT

AIPSO continues to expand the availability of online invoices provided to our customers on AIP-SO.com. The Maryland IAIA Administrative Assessment and the Hawaii Assigned Claims Assessment are scheduled for migration later in 2023. This is in addition to invoices already provided for AIPSO and Plans Assessments, CAIP Cash Settlements, FAJUA membership fees, JUA Cash Activity invoices, PAIP Assessments, and New York MVR invoices. In early 2024, the Maryland Auto Insurance Fund Insufficiency Assessment and related recoupment reporting forms will be made available.

RESOURCE REALIGNMENT

We continue to review and evaluate our operating structure, and will proactively realign resources to improve consistency of service delivery and achieve operational efficiencies. We recently realigned units in the following areas:

Data Services

AIPSO's Data Services unit moved from Information Systems and Processing Services to the Actuarial Services department on June 1, 2023. The move consolidated resources dedicated to statistical data with data analytics within the department, with our Data Services Manager now reporting to Chief Actuary and Vice President of Actuarial Services.

Legal and Compliance Services

Legal and Compliance Services has reorganized its functions and attorney resources around five service areas: Claims Counsel, Plan Counsel, AIO Counsel, General Counsel, and Compliance Counsel. Under this plan, dedicated attorneys will handle and be responsible for specific topic areas. This will result in more efficient, focused and consistent service to the business. An additional attorney has been brought on, bringing the number of in-house counsel to seven.



The industry recognizes the value our organization provides, and turns to us to develop and implement cost-effective, efficient initiatives that address the needs of our customers.

2023 ACHIEVEMENTS

AIPSO is a management organization and service provider for various industry groups responsible for administering the residual market. As the residual market is composed of entities created at the state level, we differentiate the mechanisms we serve by these four categories:

AIPSO-Managed Mechanisms (Auto): AIPSO provides all necessary services for the effective and efficient administration of auto insurance residual market mechanisms in thirty-seven states and the District of Columbia, the majority of which are Automobile Insurance Plans. Their management, administrative, and operations functions are performed by AIPSO employees.

AIPSO-Supported Mechanisms (Auto): There are currently sixteen auto insurance residual market mechanisms in thirteen states that are not managed by AIPSO staff, but contract with AIPSO as a vendor for services that support the mechanisms' operations.

Industry-Supported Residual Market Mechanisms for Lines of Insurance Other Than Automobile: There are nineteen property insurance residual market mechanisms in seventeen states, plus one national entity, that have in the past or are now using AIPSO services to facilitate their operations. Our organization offers services to these mechanisms only when there is an opportunity to add economies of scale through avoidance of redundancies and costs borne by the same industry segments that are assessed by our organization.

State Automobile Insurance Programs Administered by AIPSO Staff: In two states, auto insurance residual market governing bodies have directed AIPSO to administer special voluntary auto insurance programs pursuant to those states' insurance regulations.

See the chart on page 30 for additional detail on each of these categories.

AIPSO's strategic goals provide our organization with the direction required to successfully address future challenges offered by each of the residual market mechanisms in these four categories. AIPSO's efforts on behalf of any of our customers (including AIPSO employees, our internal customers) are aligned with one or more of its strategic goals.

To illustrate this, AIPSO's achievements during the twelve months covering November 2022 - October 2023 are grouped under the AIPSO strategic goal most appropriate to the satisfactory result for one or more of our organization's customer groups. These achievements represent AIPSO's continuing awareness that sustained success is predicated on team effort that places top priority on the expectations of our customers.

I. RATE ADEQUACY

"We will strive to contain losses to subscribers by pursuing rate adequacy."

AIPSO's activity in pursuit of rate adequacy during the twelve month period ending September 30, 2023 is provided in detail in the REVIEW of AIPSO OPERATIONS (see pages 11-12).

II. QUALITY SERVICE

“We will deliver cost-effective quality services of optimum value to our customers whose needs are continually changing.”

Legal and Compliance Services have implemented several compliance initiatives for the organization, including:

- The **updating of AIPSO’s Office of Foreign Asset Control (OFAC) policies and procedures** implemented within the department and Data Services. These updates resulted in capturing current operations and documentation necessary to establish compliance with governing laws and regulations.
- Implementing **mandatory new policy and procedures** that establish the necessary actions **for the preservation of records, information, and data** when there is a reasonable anticipation of litigation or when a subpoena or discovery request is received (a “Legal Hold”). The policy and procedures are designed to ensure that AIPSO complies with court rules and case law that require a party to take steps to preserve potentially relevant evidence when litigation has been filed or is reasonably anticipated or foreseeable.
- Working with AIPSO’s Information Security Steering Committee to **update the policies that form AIPSO’s information security program** to comply with established and emerging laws and regulations governing data privacy and security.
- Working with AIPSO’s Business Continuity/Disaster Recovery (BCDR) Team in **updating the BCDR Plan to bring it up to date**, and to include provisions for AIO and regional offices.

These efforts are being undertaken in order to comply with established and emerging laws and regulations that govern business continuity and disaster recovery. AIO staff is exploring redundancies for their operations, such as backup services located in regional offices or with third-party services.

Actuarial Services started **rate implementation testing** in mid-2023. The testing ensures that when a rate change goes through the policy administration systems, it is being implemented in the system. It also tests various scenarios for quality assurance. Work continues on a systems compliance project with reviewing of outward facing systems to ensure compliance with statutory and regulatory requirements. As different states have different requirements, it has been a challenge to implement the solution, but progress toward compliance is steadily improving. The **IBNR reserves for CAIPs** drawn from the data generated by the Galaxy system were prepared and issued by Actuarial Services for the first time in December 2022. This initial IBNR analysis contained CAIP business written from September to November of 2022 and will be prepared on a quarterly basis going forward.

III. EFFICIENT OPERATIONS

"We will ensure that the cost of AIPSO services and operations are as low as possible. We will ensure that operations are streamlined and monitored for effectiveness."

The recruiting process to **fill the position of Plan Manager for the Rhode Island AIP** was recently completed with the addition of a new manager to the FiRST management team. **Tracy Walsh** will continue in this role until January 1, 2024, when **Heather Cordiero** will assume the role. The FiRST group will begin servicing the Rhode Island AIP, effective January 1, 2024. Staff that were members of the RI Service Center have been incorporated into the PAIP unit that services the Personal Auto mechanisms.

A project to **modernize the Plan of Operation for all states** has been an ongoing initiative led by Policy Products and Plan Services (PPPS). A new Residual Market Committee (RMC) workgroup is reviewing the simplified and modernized uniform plan of operations, with a final 2.0 draft expected to be completed by December 31, 2023. The team is currently developing a list of items for a 3.0 version.

In 1997, the Board of Directors recommended AIPSO move away from ISO and draft residual market specific private passenger policies. Over the course of five years, PPPS drafted six AIPSO Authored policies. **Due to changed circumstances, it is no longer efficient or effective for us to maintain AIPSO Authored policies.** In 2021, the Connecticut AIPSO authored policy was converted back to an ISO based policy. PPPS is preparing a proposal to transition South Carolina from AIPSO-authored personal auto policy and endorsements to ISO. In October, PPPS will begin to transition the following AIPSO-authored states policies and endorsements to ISO: California, New Jersey, New York, and Pennsylvania.

Financial & Investment Services is working on enhancements including the **replacement of the MAS-500 System**. A request for Proposal was issued, and four companies selected to provide demonstrations of their software solutions. Financial & Investment Services will begin evaluating the demo systems later this year, with the goal of finalizing the replacement of the MAS-500 System by the end of 2024.

Additional check fraud prevention measures have been deployed at AIPSO's banking partners due to fraud with claims checks. Fraudsters have been stealing claims checks from insureds, cashing and then closing accounts. The new measures now check the dollar amounts as well as payee information, with the result that the level of fraudulent checks has dropped significantly in the past few months.

New Escheat software has been installed to streamline the review process in the Policy Administration Systems. The system automates the process, providing improved tracking and contacting of payees, and remitting funds to the specific state, resulting in time and cost savings. **Fifteen staff positions were added to the department between 2021-2022 in support of services provided to CAIP, PAIP, and Special Insurance Operations** mechanisms.

All members of the Claims unit are seeking to become fully licensed in all 50 states by the end of 2023. Unit director **Rachel Holmes** is already licensed to examine claims in all fifty states. The unit is currently staffed with four commercial line examiners and three personal lines examiners. The Claims Unit oversees review of claims for 44 CAIPs, and 22 PAIPs, and the New Jersey SAIP, California Low Cost, and Hawaii CPAI mechanisms. The unit has also taken on processing Escheat for claims checks issued by these mechanisms. One year into the CAIP expansion, the unit continues to grow, with an additional commercial claims examiner to be added by the end of 2023, and one each of commercial and personal claims examiners to be added in 2024.

Audit Services has conducted all 2023 compliance audits and internal audits remotely, and will continue to perform future compliance audits remotely as well. A comparison of the March 2020 through December 2022 travel-related expenses of 55 compliance audits to the January 2017 through December 2019 travel-related expenses of 55 compliance audits, revealed a savings of approximately \$349,300 (or approximately 80% reduction). For 2024, 15 internal audits and 17 compliance audits have been scheduled. **The Audit Portal has been implemented and is being used to conduct audits.** Other measures undertaken to improve efficiencies included streamlining audit scope to reduce duplication of effort (e.g. reviewing both compliance and internal controls in the same audit), converting manual processes and steps into automated processes, analyzing and revising the audit testing process (execution and steps) to achieve more efficient access and analysis of insurance data (policy/premium/losses), and integrating and cross-training of staff to enable each staff member to become knowledgeable in conducting different types of audits, improving staff capabilities.

IV. MAINTENANCE & EXPANSION OF SERVICES

“We will continuously evaluate current services to ensure that they meet the needs of our customers; investigate and pursue opportunities to provide new or additional services to the industry; and utilize a proactive approach to the competitive bid process.”

Using our economies of scale, **AIPSO has provided Information Technology (IT) management services to smaller FAIR Plans for a more reasonable cost than what they could obtain individually.** We began providing IT management services to the Pennsylvania FAIR Plan on January 1, 2023. We are in phase two of a three phase process to provide services to the Michigan AIPF. They are currently revising their data transfer systems to comply with our security requirements.

PPPS has been reorganized into five operational units: Company Forms, Manuals & Policy Forms, Output Testing, Plan Services, and Publishing. Output Testing reviews current ATLAS and GALAXY system generated forms, including daily reviews of New Business, Endorsement and Renewal outputs. The Publishing unit, encompassing manual distributions, approvals, typesetting, bookreading, and reviews, will streamline operations and permit additional analysis.

Effective January 1, 2023 we are now providing full financial and accounting services to the Connecticut FAIR Plan (excluding policy billing and processing related services). This expands upon

the limited services (financial statements and loading of data on PIPSO website) that were being performed for the FAIR Plan.

E-Pay Installment Payments were enabled for New Jersey SAIP on April 1, 2023 and for Hawaii JUP private passenger on May 1, 2023. This feature allows consumers to pay using credit/debit card in addition to check by mail (similar to California Low Cost).

V. EMPLOYEE DEVELOPMENT, RECOGNITION AND TEAM BUILDING

“Our continued success rests with the ongoing development of our employees. Every employee must be challenged and developed to the greatest extent possible. We will recognize that our employees are an asset and value their input while enabling them to realize their goals for AIPSO’s success.”

Family-oriented benefits are a vital element of our employee benefits package that supports our current recruitment and retention strategies. **AIPSO added new family-oriented benefits**, including parental leave and adoption assistance in 2023. These benefits add to our existing package of work schedule flexibility, maternal health support, new parents support, and Dependent Care Assistance Plan (DCAP) tax-free child-care payments.

Human Resources Services (HRS) dedicated a newly hired staff member to focus on **coordinating AIPSO’s training programs and learning efforts**. Multiple sessions held in-person and online over the year focused on four major topic areas: management training, staff training, unit/department workshops, and financial wellness sessions.

With the volume of new hires experienced over the past few years, HRS has worked with management to **ensure a good fit of talent and skills within the filled positions**. Managers/supervisors have been effectively managing performance, and working with HRS to take appropriate action where necessary. The overall turnover rate at AIPSO is 8% as of the end of September, which is below the insurance industry turnover rate and is less than it was in 2022 at 9%. From January 2021 to September 2023, AIPSO hired a total of 309 employees, and has retained 84% of those new hires.

AIPSO is **utilizing recent retirees whose extensive knowledge and experience can be applied** to train new hires and supplement expanding operations as part-time temporary workers. We are also using a vendor that hires workers who must have at least 15 years of insurance experience and are assigned for longer term engagements. Work At Home Vintage Experts (WAHVE) is a valued resource to source experienced talent with insurance knowledge.

V. COMPREHENSIVE & CONSISTENT COMMUNICATIONS

“Our success depends upon our ability to communicate our messages clearly and concisely to our various internal and external audiences.”

Communication Services assumed responsibility for **organizing and planning corporate events, which are used to reinforce AIPSO’s strategic goals and mission/vision/values statements** through team building and morale-boosting activities. Measures were employed to include remote workers and regional offices in events whenever possible. A series of events were held over the summer, and the fiftieth anniversary celebratory event was coordinated between the home office and Ohio, New Jersey and New York offices.

Ten AIPSO Orientation Program (AOP) sessions were conducted over 2023, delivering key messages and information on AIPSO to attendees, the majority of which were new Board of Directors members. A majority of the sessions were conducted virtually over Microsoft Teams, which provided maximum flexibility to accommodate attendees’ busy schedules.

Initiatives that provided a **comprehensive overview of AIPSO operations, key messages, and onboarding** of “new to AIPSO” staff were implemented in 2023, including: delivery of ‘AIPSO 101’ training sessions presented by subject matter experts; a training site on the intranet with on-demand videos; creation of a New Employee Resources website providing a single-source location for organizational resources; and a Home Office Tour Booklet providing new employees with a self-guided tour to each department’s functions and location.

We have **enabled hybrid (combined in-person and virtual) presentation tools** at AIPSO meetings where feasible. These tools have allowed for expanded participation capacity, and scheduling flexibility for participants. Our March Info Sharing session held at home office was attended by 50 employees in-person and more than 230 watching virtually across the country, while April’s Residual Market Forum was attended by 85 in-person participants along with 17 remote attendees.

MISSION

AIPSO's mission is to provide high-quality value-added services to the insurance residual market in an efficient, effective manner. AIPSO will build on its successes as the leader in managing, servicing, and stabilizing the insurance residual market. We will continually rise to the challenge of being a national organization that serves local customer needs. We will remain flexible and will proactively meet the need of our divergent customer groups at both national and state levels.

VALUES

AIPSO values and listens to its employees who are guided by our shared values of integrity, honesty, fairness, respect, teamwork, communication, and excellence. The leadership, innovative decision making, flexibility and commitment to customer service of AIPSO employees will continue to enhance our service to all AIPSO customers and stakeholders.

VISION

AIPSO's vision is to lead in managing, servicing, and stabilizing the insurance residual market. We will expand our knowledge, skillsets, and capabilities, evolve to meet the growing needs of the insurance residual market, and excel in all we do as the leader and service provider of choice.

STRATEGIC GOALS

RATE ADEQUACY

Strive to contain losses to subscribers by pursuing rate adequacy along with supporting rules and forms in jurisdictions of responsibility.

QUALITY SERVICE

Provide cost effective quality services that maximize the value to customers in line with the ever changing needs of the residual market.

EFFICIENT OPERATIONS

Ensure that the cost of AIPSO services and operations are as low as possible; ensure that operations are streamlined and monitored for effectiveness.

MAINTENANCE/EXPANSION OF SERVICES

Continuously evaluate current services to ensure that they meet the needs of our customers; investigate and pursue opportunities to provide new or additional services to the industry; utilize a proactive approach to the competitive bid process.

EMPLOYEE DEVELOPMENT, RECOGNITION AND TEAM BUILDING

Continued success rests with the ongoing development of our employees; every employee must be challenged and developed to the greatest extent possible; we shall recognize that our employees are an asset and value their input while enabling them to realize their goals.

COMPREHENSIVE AND CONSISTENT COMMUNICATION

Success depends upon our ability to communicate our messages clearly and concisely to our various internal and external audiences.

STRATEGIC INITIATIVES

AIPSO's Senior Management Team regularly reviews and updates our organization's strategic initiatives. These initiatives, which are aligned with our strategic goals, address key operational issues and needs within the organization, and provide appropriate direction for other more specific departmental and individual objectives. They generally cover a period of three to five years, and are more developmental than operational.

The current strategic initiatives, which are aligned with AIPSO's mission, values, and strategic goals, are as follows:

- Provide effective budget management
- Ensure the viability of CAIP, JUA, AIPSO-administered LAD, RISC, and other programs as directed by AIPSO's Board of Directors by leveraging the AIPSO Insurance Operation (AIO) business model
- Ensure that AIPSO's residual market basedata systems (Quota, Members' Participation, and Assessments) efficiently address both current and future business needs of the industry
- Upgrade application processing to eliminate dual data processing systems and to take advantage of the benefits of automation to improve turnaround time, decrease costs, improve quality, and reduce fraud
- Transition AIPSO into a dedicated insurance operations company in a hybrid work environment

AIPSO-MANAGED STATE AUTO INSURANCE MECHANISMS

Alabama AIP (1,2)
Alaska AIP (1,2)
Arizona AIP (2)
Arkansas AIP (1,2)
California AARP (2,3)
Colorado AIP (2)
Connecticut AIARP (2)
Delaware AIP (2)
District of Columbia AIP (2)
Georgia AIP (1,2)
Idaho AIP (2)
Illinois AIP (1,2)
Iowa AIP (1,2)

Kansas AIP (1,2,7)
Maine AIP (2)
Maryland (4)
Minnesota AIP (1,2)
Mississippi AIP (1,2)
Missouri AIP (1,2)
Montana AIP (2)
Nebraska AIP (1,2)
Nevada AIP (2)
New Hampshire (2,5)
New Jersey AIP (2)
New Mexico AIP (2)
New York AIP (2)

North Dakota AIP (1,2)
Oregon AIP (2)
Pennsylvania ARP (2)
Rhode Island AIP (1,2)
South Carolina (2,6)
South Dakota AIP (1,2)
Tennessee AIP (1,2)
Utah AIP (2)
Vermont AIP (2)
Virginia AIP (1,2)
Washington AIP (2)
West Virginia AIP (2)
Wyoming AIP (2)

- (1) AIPSO serves as the PAIP service provider for this state's Automobile Insurance Plan.
- (2) AIPSO serves as a CAIP service provider for this state's Automobile Insurance Plan.
- (3) A PAIP structure is in place as a back up for both the Personal Auto AIP and California Low Cost
- (4) The Maryland Industry Auto Insurance Association
- (5) Two mechanisms: the New Hampshire Automobile Reinsurance Facility and the New Hampshire Automobile Insurance Plan

AIPSO-SUPPORTED STATE AUTO INSURANCE MECHANISMS

Florida Automobile Joint Underwriting Association (8)
Hawaii Assigned Claims Plan (9)
Hawaii Joint Underwriting Plan (9)
Indiana AIP (1, 2, 10)
Kentucky Assigned Claims Plan
Kentucky AIP (1, 2, 10)
Louisiana AIP (1, 2, 10)
Maryland Automobile Insurance Fund

Michigan Assigned Claims Plan
Michigan Automobile Insurance Placement Facility
North Carolina Reinsurance Facility
Ohio AIP (1, 2)
Oklahoma AIP (1, 2, 10)
Texas AIPA
Wisconsin AIP (1, 2, 10)

- (6) Two mechanisms: the Associated Auto Insurers Plan of South Carolina and the South Carolina Commercial Automobile Insurance Plan
- (7) AIPSO also manages the Kansas Automobile Assigned Claims Plan, an industry supported assignment mechanism
- (8) AIPSO serves as the policy administrator for the Florida AJUA's private passenger and commercial auto business
- (9) AIPSO is the service provider for Hawaii ACP, JUP's private passenger and Certified Public Assistance Insureds (CPAI) program
- (10) AIPSO serves as the operations manager for this state's Automobile Insurance Plan

STATE AUTO INSURANCE PROGRAMS ADMINISTERED BY AIPSO STAFF

California Low Cost Automobile Insurance Program
New Jersey Low-Speed Vehicle Program

New Jersey Special Automobile Insurance Policy Program

INDUSTRY-SUPPORTED RESIDUAL MARKET MECHANISMS, FOR LINES OF INSURANCE OTHER THAN AUTOMOBILE

Property Insurance Plans Service Office (PIPSO)

FAIR Plans:

Connecticut FAIR Plan
Delaware Insurance Placement Facility
Georgia Underwriting Association
Illinois FAIR Plan Association
Illinois Mine Subsidence Insurance Fund
Indiana Basic Property Insurance Underwriting Association
Kansas All-Industry Placement Facility
Kentucky Arbitration Association
Kentucky Reinsurance Association
Minnesota FAIR Plan

Missouri Property Insurance Placement Facility
New Jersey Underwriting Insurance Association
New Mexico Property Insurance Program
Ohio FAIR Plan Underwriting Association
Oklahoma Insurance Placement Facility of Oklahoma
Oregon FAIR Plan
Pennsylvania Insurance Placement Facility
Virginia Property Insurance Association
West Virginia Essential Property Insurance Association
Wisconsin Insurance Plan

©2023 AIPSO
All Rights Reserved
302 Central Avenue
Johnston, RI 02919
(401) 946-2310
fax: (401) 528-1350
info@aipso.com
www.aipso.com
CS20231101

