

SERFF Tracking Number: BRTN-125307571 State: Arkansas
Filing Company: Brotherhood Mutual Insurance Company State Tracking Number: AR-PC-07-026295
Company Tracking Number: AR WC RR 2007 01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Comp Annual Filing
Project Name/Number: Workers Comp Annual Rate Filing/ WC RR 2007 01

Filing at a Glance

Company: Brotherhood Mutual Insurance Company

Product Name: Workers Comp Annual Filing SERFF Tr Num: BRTN-125307571 State: Arkansas
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: AR-PC-07-026295
Sub-TOI: 16.0004 Standard WC Co Tr Num: AR WC RR 2007 01 State Status:
Filing Type: Rate Co Status: Submitted Reviewer(s): Betty Montesi, Carol
Stiffler, Brittany Yielding
Authors: Linda Emenhiser, Karen Miller Disposition Date: 10/03/2007
Date Submitted: 10/03/2007 Disposition Status: Approved
Effective Date Requested (New): 02/01/2008 Effective Date (New): 02/01/2008
Effective Date Requested (Renewal): 02/01/2008 Effective Date (Renewal):

General Information

Project Name: Workers Comp Annual Rate Filing
Project Number: WC RR 2007 01
Reference Organization: NCCI
Reference Title:
Filing Status Changed: 10/03/2007
State Status Changed: 10/03/2007
Corresponding Filing Tracking Number:
Filing Description:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:
Deemer Date:

We are adopting the revised prospective loss costs in NCCI's filing # AR-2007-10. Our loss cost multiplier and expense constant will remain 1.460 and \$140 respectively.

The adoption of the revised NCCI loss costs applied to our filed loss cost multiplier results in a 1.3% rate increase and a 1.1% premium increase.

Company and Contact

Filing Contact Information

Linda Emenhiser, Sr. Rate & Filing Coordinator lemenhiser@brotherhoodmutual.com

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P. O. Box 2227 (260) 482-8668 [Phone]
Fort Wayne, IN 46801 (260) 483-7525[FAX]

Filing Company Information

Brotherhood Mutual Insurance Company CoCode: 13528 State of Domicile: Indiana
PO Box 2227 Group Code: -99 Company Type:
6400 Brotherhood Way
Fort Wayne, IN 46801-2227 Group Name: State ID Number:
(260) 482-8668 ext. 9972[Phone] FEIN Number: 35-0198580

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Filing Fees

Fee Required? Yes
Fee Amount: \$0.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Brotherhood Mutual Insurance Company	\$100.00	10/03/2007	15924565

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/03/2007	10/03/2007

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Disposition

Disposition Date: 10/03/2007
 Effective Date (New): 02/01/2008
 Effective Date (Renewal):
 Status: Approved
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Brotherhood Mutual Insurance Company	1.100%	\$4,700	274	\$467,466	4.000%	0.000%	-2.600%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	No
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	No
Supporting Document	NAIC loss cost data entry document	Approved	No

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -5.800%
Effective Date of Last Rate Revision: 08/01/2007
Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Brotherhood Mutual Insurance Company	-2.600%	1.100%	\$4,700	274	\$467,466	4.000%	0.000%

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/03/2007

Comments:

Attachment:

uniform_trans_AR020108.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 10/03/2007

Comments:

Attachments:

lc_filing_document020108.PDF

wc_lc_cover020108.PDF

lc_exp_const_supplement020108.PDF

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 10/03/2007

Comments:

Attachment:

loss_cost_data_entry020108.PDF

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name				Group NAIC #
4. Company Name(s)	Domicile	NAIC #	FEIN #	
Brotherhood Mutual Insurance Company	IN	13528	35 0198580	

5. Company Tracking Number	AR WC RR 2007 02
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Scott Allen 6400 Brotherhood Way Fort Wayne, IN 46825	Associate Actuary	800-333-3735 x9974	800-228-8613	sallen@brotherhoodmutual.com
	Linda Emenhiser 6400 Brotherhood Way Fort Wayne, IN 46825	Senior Rate & Filing Coordinator	800-333-3735 x9972	800-228-8613	lemenhiser@brotherhoodmutual.com
7.	Signature of authorized filer		<i>Scott Allen</i>		
8.	Please print name of authorized filer		Scott Allen		

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	16.0000
10.	Sub-Type of Insurance (Sub-TOI)	16.0004
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	Church and Related Ministries Vehicle Program
13.	Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 2/1/2008 Renewal: 2/1/2008
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	NCCI #AR-2007-10
18.	Company's Date of Filing	10/05/2007
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	AR WC RR 2007 02
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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We are adopting the revised prospective loss costs in NCCI's filing # AR-2007-10. Our loss cost multiplier and expense constant will remain 1.460 and \$140 respectively.

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22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	AR WC RR 2007 02
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Brotherhood	+1.1%	\$4,700	274	\$467,466	+4%	0%

4b.	Rate Change by Company (As Accepted) For State Use Only
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)
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		COMPANY USE	STATE USE
5a	Overall percentage rate impact for this filing		
5b	Effect of Rate Filing – Written premium change for this program		
5c	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	-5.8%
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7.	Effective Date of last rate revision	8/1/2007
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

NAIC LOSS COST FILING DOCUMENT— WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	WC AR RR 2007 02
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Loss Cost Reference Filing NCCI #AR-2007-10 **Independent Rate Filing**
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. **Note: Some states have statutes that prohibit this option for some lines of business.**
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

Without Modification (factor = 1.000)

With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) +3%

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.03

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

		Selected Provisions
A.	Total Production Expense	
B.	General Expense	
C.	Taxes, Licenses & Fee	
D.	Underwriting profit & contingencies*(net of investment income)	
E.	Other (explain)	
F.	Total	
	* Explain how investment income is taken into account	

5.	A.	Expected Loss Ratio: ELR = 100% - 4F =	
	B.	ELR in Decimal Form =	

NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION*

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	
8.	Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	

Yes No

10. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc.

() ()

11. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level changes.

() ()

Date: 10/03/2007

Space Reserved for Insurance
Department Use

**WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

**INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS**

1. INSURER NAME Brotherhood Mutual Insurance Company
ADDRESS 6400 Brotherhood Way
Fort Wayne, IN 46825
2. PERSON RESPONSIBLE FOR FILING Scott Allen
TITLE Associate Actuary TELEPHONE # 800-333-3735
3. INSURER NAIC # 13528
4. LINE OF INSURANCE Workers Compension
5. ADVISORY ORGANIZATION NCCI
6. PROPOSED RATE LEVEL CHANGE +1.1 % EFFECTIVE DATE 1/1/08
7. PRIOR RATE LEVEL CHANGE -5.8 % EFFECTIVE DATE 8/1/07
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

NAIC EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	AR WC RR 2007 02
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	14.76	13.96	0.80	%
	B.	General Expense	15.76	10.56	5.20	%
	C.	Taxes, License & Fees	2.95	2.95		%
	D.	Underwriting Profit & Contingencies* (net)	2.00	2.00		%
	E.	Other (explain)				%
	F.	TOTAL	35.47	29.47	6.00	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	64.53	%
	B.	ELR in decimal form =	0.6453	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	70.53	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.7053	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]	140	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	1.460	

7.	A.	Selected Expense Constant =	140	%
	B.	Selected Variable Loss Cost Multiplier =	1.460	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	+1.1	%
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NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	WC AR RR 2007 02
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	NCCI #AR-2007-10
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		Company Name			Company NAIC Number
3.	A.	Brotherhood Mutual Insurance Company	B.	13528	

		Product Coding Matrix Line of Business (i.e., Type of Insurance)			Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	16.0000	B.	16.0004	

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Workers Comp	-2.6	+1.1%	64.4	1.03	1.460	140	1.460
TOTAL OVERALL EFFECT							

6.		5 Year History						Rate Change History	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio		
2007	278	-6.8	8/1/06	474,067	63,418	13%	38%		
2006	274	-5.9	8/1/06	474,067	63,418	13%	38%		
2005	277	1.0	7/1/05	440,397	222,887	51%	41%		
2004	272	5.7	9/1/04	418,136	83,480	20%	39%		
2003	289	0.5	8/15/03	401,057	393,554	98%	47%		
2002	307	6.6	9/1/02	385,004	59,778	16%	49%		

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	14.8
B. General Expense	15.8
C. Taxes, License & Fees	3.0
D. Underwriting Profit & Contingencies	2.0
E. Other (explain)	
F. TOTAL	35.6

8. Y Apply Lost Cost Factors to Future filings? (Y or N)
9. +4 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____