

SERFF Tracking Number: FFDC-125323292 State: Arkansas
First Filing Company: American Automobile Insurance Company, ... State Tracking Number: AR-PC-07-026476
Company Tracking Number: FARWC0207
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Adoption of AR Loss Costs and Rating Values
Project Name/Number: Adoption of AR Loss Costs and Rating Values /FARWC0207

Filing at a Glance

Companies: American Automobile Insurance Company, Associated Indemnity Corporation, Fireman's Fund Insurance Company, National Surety Corporation, The American Insurance Company

Product Name: Adoption of AR Loss Costs and SERFF Tr Num: FFDC-125323292 State: Arkansas

Rating Values

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: AR-PC-07-026476

Sub-TOI: 16.0004 Standard WC

Co Tr Num: FARWC0207

State Status:

Filing Type: Rate

Co Status: Pending

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Authors: Gina Bondanza, Lilia Francisco

Disposition Date: 10/19/2007

Date Submitted: 10/18/2007

Disposition Status: Approved

Effective Date Requested (New): 01/01/2008

Effective Date (New): 01/01/2008

Effective Date Requested (Renewal): 01/01/2008

Effective Date (Renewal):

General Information

Project Name: Adoption of AR Loss Costs and Rating Values

Status of Filing in Domicile: Not Filed

Project Number: FARWC0207

Domicile Status Comments:

Reference Organization: NCCI

Reference Number: AR-2007-10

Reference Title: Arkansas- Approved Voluntary Advisory Loss Costs and Rating Values

Advisory Org. Circular: AR-2007-13

Filing Status Changed: 10/19/2007

State Status Changed: 10/19/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We would like to notify the Department of our intention to adopt NCCI's revised Workers' Compensation Loss Costs filed on our behalf under Reference NCCI Item Filing # AR-2007-10 (Approval Circular # AR-2007-13), effective January 1, 2008.

Our overall rate level change is 2.7%.

The following items are enclosed in support of this filing:

SERFF Tracking Number: FFDC-125323292 State: Arkansas
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Arkansas's State Filing Forms

- Reference Filing Adoption Forms
- Calculation of Company Loss Cost Multiplier
- NAIC Loss Cost Data Entry Document
- Rate/Rule Filing Schedule

Filing Support Exhibits

- Explanatory Memorandum and Support Exhibits

We look forward to the Department's approval, with a proposed effective date of January 1, 2008.

Sincerely,

Lilia B. Francisco
Regulatory Filings Analyst
Fireman's Fund Insurance Company
(800) 227-1700 x 4537 (office)
(866) 290-0671 (fax)
lfranci1@ffic.com

Company and Contact

Filing Contact Information

Lilia Francisco, Regulatory Analyst
777 San Marin Drive
Novato, CA 94998
lilia_francisco@ffic.com
(415) 899-4537 [Phone]
(866) 290-0671[FAX]

Filing Company Information

American Automobile Insurance Company
777 San Marin Drive
Novato, CA 94998
(415) 899-2817 ext. [Phone]

CoCode: 21849
Group Code: 761
Group Name:
FEIN Number: 22-1608585

State of Domicile: Missouri
Company Type:
State ID Number:

Associated Indemnity Corporation

CoCode: 21865

State of Domicile: California

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777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 22-1708002

Fireman's Fund Insurance Company CoCode: 21873 State of Domicile: California
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-3290 ext. [Phone] FEIN Number: 94-1610280

National Surety Corporation CoCode: 21881 State of Domicile: Illinois
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 36-2704643

The American Insurance Company CoCode: 21857 State of Domicile: Nebraska
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 22-0731810

SERFF Tracking Number: FFDC-125323292 State: Arkansas
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Product Name: Adoption of AR Loss Costs and Rating Values
Project Name/Number: Adoption of AR Loss Costs and Rating Values /FARWC0207

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: Adopting NCCI Loss Cost with no changes to the multiplier, the filign fee is only \$50.00

Check will come from different area.

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Automobile Insurance Company	\$0.00	10/18/2007	
The American Insurance Company	\$0.00	10/18/2007	
Associated Indemnity Corporation	\$0.00	10/18/2007	
Fireman's Fund Insurance Company	\$0.00	10/18/2007	
National Surety Corporation	\$0.00	10/18/2007	

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Product Name: Adoption of AR Loss Costs and Rating Values
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/19/2007	10/19/2007

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Disposition

Disposition Date: 10/19/2007
 Effective Date (New): 01/01/2008
 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:
American Automobile Insurance Company	2.700%	\$414	38	\$53,271	3.550%	0.000%	2.700%
Associated Indemnity Corporation	2.700%	\$965	59	\$73,445	4.580%	0.000%	2.700%
Fireman's Fund Insurance Company	2.700%	\$578	45	\$148,892	4.840%	0.000%	2.700%
National Surety Corporation	2.700%	\$208	32	\$16,404	3.010%	0.000%	2.700%
The American Insurance Company	2.700%	\$1,939	166	\$340,560	1.900%	0.000%	2.700%

<i>SERFF Tracking Number:</i>	<i>FFDC-125323292</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Automobile Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026476</i>
<i>Company Tracking Number:</i>	<i>FARWC0207</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Adoption of AR Loss Costs and Rating Values</i>		
<i>Project Name/Number:</i>	<i>Adoption of AR Loss Costs and Rating Values /FARWC0207</i>		

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	2.700%
Overall Percentage Rate Impact For This Filing	2.700%
Effect of Rate Filing-Written Premium Change For This Program	\$4,104
Effect of Rate Filing - Number of Policyholders Affected	340

SERFF Tracking Number: FFDC-125323292 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Explanatory Memorandum and Filing Support Exhibits	Approved	Yes

SERFF Tracking Number: FFDC-125323292
 First Filing Company: American Automobile Insurance Company, ...
 Company Tracking Number: FARWC0207
 TOI: 16.0 Workers Compensation
 Product Name: Adoption of AR Loss Costs and Rating Values
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State: Arkansas
 State Tracking Number: AR-PC-07-026476
 Sub-TOI: 16.0004 Standard WC

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -1.700%
Effective Date of Last Rate Revision: 07/01/2007
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):
American Automobile Insurance Company	2.700%	2.700%	\$414	38	\$53,271	3.550%	0.000%
Associated Indemnity Corporation	2.700%	2.700%	\$965	59	\$73,445	4.580%	0.000%
Fireman's Fund Insurance Company	2.700%	2.700%	\$578	45	\$148,892	4.840%	0.000%
National Surety Corporation	2.700%	2.700%	\$208	32	\$16,404	3.010%	0.000%
The American Insurance	2.700%	2.700%	\$1,939	166	\$340,560	1.900%	0.000%

<i>SERFF Tracking Number:</i>	<i>FFDC-125323292</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Automobile Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026476</i>
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<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Adoption of AR Loss Costs and Rating Values</i>		
<i>Project Name/Number:</i>	<i>Adoption of AR Loss Costs and Rating Values /FARWC0207</i>		
Company			

<i>SERFF Tracking Number:</i>	<i>FFDC-125323292</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Automobile Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026476</i>
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<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
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<i>Project Name/Number:</i>	<i>Adoption of AR Loss Costs and Rating Values /FARWC0207</i>		

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	2.700%
Overall Percentage Rate Impact For This Filing:	2.700%
Effect of Rate Filing - Written Premium Change For This Program:	\$4,104
Effect of Rate Filing - Number of Policyholders Affected:	340

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/19/2007

Comments:

Attachment:

PCTD.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 10/19/2007

Comments:

Attachment:

RefilingAdoptionForm.pdf

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 10/19/2007

Comments:

Attachment:

Naic Loss Cost Data Entry Document.pdf

Satisfied -Name: Explanatory Memorandum and Filing Support Exhibits **Review Status:** Approved 10/19/2007

Comments:

Attachments:

Explanatory Memorandum.pdf

Filing Support Exhibits.pdf

Property & Casualty Transmittal Document

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
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3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
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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

7. Signature of authorized filer	
8. Please print name of authorized filer	

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

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input 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: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

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]

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

ARKANSAS INSURANCE DEPARTMENT
 WORKERS COMPENSATION INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
 LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 10/18/2007

Page 1 of 2

1. INSURER NAME Fireman's Fund Insurance Company
 ADDRESS 777 San Marin Drive
Novato, CA 94998
- PERSON RESPONSIBLE FOR FILING Lilia Francisco
 TITLE Regulatory Analyst TELEPHONE NO. 415-899-4537
2. INSURER NAIC NO. 761-21873 GROUP NO. _____
3. ADVISORY ORGANIZATION NCCI
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2007-10

5. 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.

6. A. PROPOSED RATE LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
7. A. PRIOR RATE LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use separate Summary for each insurer-selected loss cost multiplier.)

9. 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.
- 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.

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Fireman's Fund Insurance Company DATE 10/18/2007
NAIC NO. 761-21873 GROUP NO. _____

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. 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.)

- B. Loss Cost Modification expressed as a Factor
- 0.800
- (see examples below)

3. 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	10.2	
B. General Expense	9.4	
C. Taxes, Licenses and Fees	5.7	%
D. Underwriting Profit and Contingencies*	8.8	%
E. Other	0.0	%
F. TOTAL	34.1	%

* Explain how investment income is taken into account. See Exhibit III & IV

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =

65.9 %

- B. ELR in decimal form =

0.659

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023.)

1.029

6. Overall Impact of Size-of-Risk Discounts plus Expense Gradation

Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.)

0.900

7. Company Formula Loss Cost Multiplier:

(2B / [6-3F] x 5) =

1.391

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

1.319

The company was restructured and we are expected a lower internal expense ratio.

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT
 WORKERS COMPENSATION INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
 LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 10/18/2007

Page 1 of 2

1. INSURER NAME National Surety Corporation
 ADDRESS 777 San Marin Drive
Novato, CA 94998

PERSON RESPONSIBLE FOR FILING Lilia Francisco
 TITLE Regulatory Analyst TELEPHONE NO. 415-899-4537

2. INSURER NAIC NO. 761-21881 GROUP NO. _____

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2006-10

5. 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.

6. A. PROPOSED RATE LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
7. A. PRIOR RATE LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use separate Summary for each insurer-selected loss cost multiplier.)

9. 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.
- 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.

ARKANSAS INSURANCE DEPARTMENT

Page 2 of 2

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME National Surety Corporation DATE 10/18/2007
NAIC NO. 761-21873 GROUP NO. _____

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. 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.)

- B. Loss Cost Modification expressed as a Factor 0.900 (see examples below)

3. 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	<u>10.2</u>	
B. General Expense	<u>9.4</u>	
C. Taxes, Licenses and Fees	<u>5.7</u>	%
D. Underwriting Profit and Contingencies*	<u>8.8</u>	%
E. Other (Companywide LAEs differential to industrywide LAEs)	<u>0.0</u>	%
F. TOTAL	<u>34.1</u>	%

* Explain how investment income is taken into account. See Exhibit III & IV

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =

65.9 %

- B. ELR in decimal form =

0.659

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023.)

1.029

6. Overall Impact of Size-of-Risk Discounts plus Expense Gradation

Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.)

0.900

7. Company Formula Loss Cost Multiplier:

(2B / [6-3F] x 5) =

1.565

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

1.483

The company was restructured and we are expected a lower internal expense ratio.

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT
 WORKERS COMPENSATION INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
 LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 10/18/2007

Page 1 of 2

1. INSURER NAME Associated Indemnity Corporation
 ADDRESS 777 San Marin Drive
Novato, CA 94998
- PERSON RESPONSIBLE FOR FILING Lilia Francisco
 TITLE Regulatory Analyst TELEPHONE NC 415-899-4537
2. INSURER NAIC NO. 761-21865 GROUP NO. _____
3. ADVISORY ORGANIZATION NCCI
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2006-10

5. 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.

- | | | | | |
|----------------------------------|-------------|---|----------------|-------------------|
| 6. A. PROPOSED RATE LEVEL CHANGE | <u>2.7</u> | % | EFFECTIVE DATE | <u>1/1/2008</u> |
| B. PROPOSED PREMIUM LEVEL CHANGE | <u>2.7</u> | % | EFFECTIVE DATE | <u>1/1/2008</u> |
| 7. A. PRIOR RATE LEVEL CHANGE | <u>-1.7</u> | % | EFFECTIVE DATE | <u>07/18/2007</u> |
| B. PRIOR PREMIUM LEVEL CHANGE | <u>-1.7</u> | % | EFFECTIVE DATE | <u>07/18/2007</u> |

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use separate Summary for each insurer-selected loss cost multiplier.)

9. 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.

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.

ARKANSAS INSURANCE DEPARTMENT

Page 2 of 2

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Associated Indemnity Corporation DATE 10/18/2007
NAIC NO. 761-21865 GROUP NO. _____

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. 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.) _____

- B. Loss Cost Modification expressed as a Factor
- 1.150
- (see examples below)

3. 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	<u>10.2</u>	
B. General Expense	<u>9.4</u>	
C. Taxes, Licenses and Fees	<u>5.7</u>	%
D. Underwriting Profit and Contingencies*	<u>8.8</u>	%
E. Other (Companywide LAEs differential to industrywide LAEs)	<u>0.0</u>	%
F. TOTAL	<u>34.1</u>	%

* Explain how investment income is taken into account. See Exhibit III & IV

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =

65.9 %

- B. ELR in decimal form =

0.659

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023.)

1.029

6. Overall Impact of Size-of-Risk Discounts plus Expense Gradation

Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.)

0.900

7. Company Formula Loss Cost Multiplier:

(2B / [6-3F] x 5) =

1.999

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

1.896The company was restructured and we are expected a lower internal expense ratio.

- | | | |
|--|---------------------------------|---|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT
 WORKERS COMPENSATION INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
 LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 10/18/2007

Page 1 of 2

1. INSURER NAME American Automobile Insurance Company
 ADDRESS 777 San Marin Drive
Novato, CA 94998

PERSON RESPONSIBLE FOR FILING Lilia Francisco
 TITLE Regulatory Analyst TELEPHONE 415-899-4537

2. INSURER NAIC NO. 761-21849 GROUP NO. _____

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2007-10

5. 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.

6. A. PROPOSED RATE LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
7. A. PRIOR RATE LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use separate Summary for each insurer-selected loss cost multiplier.)

9. 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.

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.

ARKANSAS INSURANCE DEPARTMENT

Page 2 of 2

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME American Automobile Insurance Company DATE 10/18/2007
NAIC NO. 761-21849 GROUP NO. _____

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. 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.)

- B. Loss Cost Modification expressed as a Factor
- 1.000
- (see examples below)

3. 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	10.2	
B. General Expense	9.4	
C. Taxes, Licenses and Fees	5.7	%
D. Underwriting Profit and Contingencies*	8.8	%
E. Other (Companywide LAEs differential to industrywide LAEs)	0.0	%
F. TOTAL	34.1	%

* Explain how investment income is taken into account. See Exhibit III & IV

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F = 65.9 %B. ELR in decimal form = 0.659

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023.) 1.029

6. Overall Impact of Size-of-Risk Discounts plus Expense Gradation

Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.) 0.900

7. Company Formula Loss Cost Multiplier:

(2B / [6-3F] x 5) = 1.738

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

The company was restructured and we are expected a lower internal expense ratio. 1.648

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 10/18/2007

Page 1 of 2

1. INSURER NAME The American Insurance Company
 ADDRESS 777 San Marin Drive
Novato, CA 94998
- PERSON RESPONSIBLE FOR FILING Lilia Francisco
 TITLE Regulatory Analyst TELEPHONE NO. 415-899-4537
2. INSURER NAIC NO. 761-21857 GROUP NO. _____
3. ADVISORY ORGANIZATION NCCI
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2007-10

5. 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.

6. A. PROPOSED RATE LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/2008</u>
7. A. PRIOR RATE LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-1.7</u>	%	EFFECTIVE DATE	<u>07/18/2007</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use separate Summary for each insurer-selected loss cost multiplier.)

9. 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.

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.

ARKANSAS INSURANCE DEPARTMENT

Page 2 of 2

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME The American Insurance Company DATE 10/18/2007
NAIC NO. 761-21857 GROUP NO. _____

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. 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.) _____

- B. Loss Cost Modification expressed as a Factor
- 1.000
- (see examples below)

3. 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	<u>10.2</u>	
B. General Expense	<u>9.4</u>	
C. Taxes, Licenses and Fees	<u>5.7</u>	%
D. Underwriting Profit and Contingencies*	<u>8.8</u>	%
E. Other (Companywide LAEs differential to industrywide LAEs)	<u>0.0</u>	%
F. TOTAL	<u>34.1</u>	%

* Explain how investment income is taken into account. See Exhibit III & IV

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =

65.9 %

- B. ELR in decimal form =

0.659

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023.)

1.029

6. Overall Impact of Size-of-Risk Discounts plus Expense Gradation

Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.)

0.900

7. Company Formula Loss Cost Multiplier:

(2B / [6-3F] x 5) =

1.738

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

1.648The company was restructured and we are expected a lower internal expense ratio.

- | | | |
|--|---------------------------------|---|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # FARWC0207

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number NCCI

Company Name	Company NAIC Number
3. A. Fireman's Fund Insurance Company	B. 21873

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4. A. 05.2 Commercial Multiple Peril - Liability	B. CMP-Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers' Compensation	26.3%	2.7%	65.9%	0.800	1.319	160	1.319
TOTAL OVERALL EFFECT	26.3%	2.7%					

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
2002	5	0.0		1,384	1,177	85.0%	98.3%
2003	5	24.5	9/15/2003	-7	-1,626		108.2%
2004	7	0.5	7/1/2004	43	-443		54.6%
2005	8	-1.5	9/1/2005	55	1,160	2094.9%	63.5%
2006	6	-0.5	7/1/2006	45	109	241.4%	41.9%
2007		-1.7	7/1/2007				

7.

Expense Constants	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	9.4%
C. Taxes, License & Fees	5.7%
D. Underwriting Profit & Contingencies	8.8%
E. Other (explain)	
F. TOTAL	34.1%

8. Yes Apply Loss Cost Factors to Future Filings? (Y or N)

9. 4.8% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # FARWC0207

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number NCCI

	Company Name	Company NAIC Number
3.	A. National Surety Corporation	B. 21881

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	A. 05.2 Commercial Multiple Peril - Liability	B. CMP-Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers' Compensation	26.3%	2.7%	65.9%	0.900	1.483	160	1.483
TOTAL OVERALL EFFECT	26.3%	2.7%					

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
2002	1	0.0		79	-245		98.3%
2003	3	24.5	9/15/2003	0	140		108.2%
2004	7	0.5	7/1/2004	7	-226		54.6%
2005	3	-1.5	9/1/2005	3	-88		63.5%
2006	5	-0.5	7/1/2006	5	13	274%	41.9%
2007		-1.7	7/1/2007				

7.

Expense Constants	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	9.4%
C. Taxes, License & Fees	5.7%
D. Underwriting Profit & Contingencies	8.8%
E. Other (explain)	
F. TOTAL	34.1%

8. Yes Apply Loss Cost Factors to Future Filings? (Y or N)

9. 3.0% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # FARWC0207

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number NCCI

Company Name	Company NAIC Number
3. A. Associated Indemnity Corporation	B. 21865

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4. A. 05.2 Commercial Multiple Peril - Liability	B. CMP-Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers' Compensation	26.3%	2.7%	65.9%	1.150	1.896	160	1.896
TOTAL OVERALL EFFECT	26.3%	2.7%					

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
2002	7	0.0		158	174	110.2%	98.3%
2003	10	24.5	9/15/2003	139	432	311.6%	108.2%
2004	13	0.5	7/1/2004	149	38	25.8%	54.6%
2005	9	-1.5	9/1/2005	171	58	34.1%	63.5%
2006	8	-0.5	7/1/2006	126	364	287.5%	41.9%
2007		-1.7	7/1/2007				

7.

Expense Constants	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	9.4%
C. Taxes, License & Fees	5.7%
D. Underwriting Profit & Contingencies	8.8%
E. Other (explain)	
F. TOTAL	34.1%

8. Yes Apply Loss Cost Factors to Future Filings? (Y or N)

9. 4.6% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # FARWC0207

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number NCCI

	Company Name	Company NAIC Number
3.	A. The American Insurance Company	B. 21857

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	A. 05.2 Commercial Multiple Peril - Liability	B. CMP-Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers' Compensation	26.3%	2.7%	65.9%	1.000	1.648	160	1.648
TOTAL OVERALL EFFECT	26.3%	2.7%					

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
2002	28	0.0		788	283	35.9%	98.3%
2003	27	24.5	9/15/2003	272	-4		108.2%
2004	31	0.5	7/1/2004	64	-324		54.6%
2005	35	-1.5	9/1/2005	181	213	117.3%	63.5%
2006	26	-0.5	7/1/2006	199	111	55.9%	41.9%
2007		-1.7	7/1/2007				

7.

Expense Constants	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	9.4%
C. Taxes, License & Fees	5.7%
D. Underwriting Profit & Contingencies	8.8%
E. Other (explain)	
F. TOTAL	34.1%

8. Yes Apply Loss Cost Factors to Future Filings? (Y or N)

9. 4.9% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # FARWC0207

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number NCCI

	Company Name	Company NAIC Number
3.	A. American Automobile Insurance Company	B. 21849

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	A. 05.2 Commercial Multiple Peril - Liability	B. CMP-Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers' Compensation	26.3%	2.7%	65.9%	1.000	1.648	160	1.648
TOTAL OVERALL EFFECT	26.3%	2.7%					

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
2002	4	0.0		14	-14		98.3%
2003	4	24.5	9/15/2003	5	-28		108.2%
2004	5	0.5	7/1/2004	3	-50		54.6%
2005	5	-1.5	9/1/2005	4	21	542.4%	63.5%
2006	6	-0.5	7/1/2006	11	-25		41.9%
2007		-1.7	7/1/2007				

7.

Expense Constants	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	9.4%
C. Taxes, License & Fees	5.7%
D. Underwriting Profit & Contingencies	8.8%
E. Other (explain)	
F. TOTAL	34.1%

8. Yes Apply Loss Cost Factors to Future Filings? (Y or N)

9. 3.6% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**FIREMAN'S FUND INSURANCE COMPANIES
ARKANSAS
WORKERS' COMPENSATION**

Explanatory Memorandum

The attached exhibits support a revision to Workers' Compensation rates for the Fireman's Fund Group. We are filing to adopt various loss cost multipliers as follows, to apply to the approved 1/1/2008 Bureau loss costs, effective 1/1/2008: 1.319 for Fireman's Fund, 1.483 for National Surety, 1.896 for Associated Indemnity, 1.648 for The American, and 1.648 for American Automobile. The impact on current rates indicated below reflect the effects of both the NCCI loss cost change of 2.7% ,and the change in Fireman's Fund Group loss cost multipliers.

Company	Portion of 2006 Written Premium	Current Multiplier	Proposed Multiplier	Loss Cost Change	LCM Change	Total Impact
1 Fireman's Fund	14.0%	1.319	1.319	2.7%	0.0%	2.7%
7 National Surety	3.0%	1.483	1.483	2.7%	0.0%	2.7%
13 Associated Indemnity	16.4%	1.896	1.896	2.7%	0.0%	2.7%
15 American Automobile	3.7%	1.648	1.648	2.7%	0.0%	2.7%
18 The American	63.0%	1.648	1.648	2.7%	0.0%	2.7%
All Companies	100%	1.638	1.638	2.7%	0.0%	2.7%

New minimum premiums will be set using our current expense constant of \$160 and the following formulas, subject to a maximum of \$750:

All Classifications, excluding Per Capita classes: Minimum Premium = Rate x 135 + 160

Per Capita classes: * Minimum Premium = Rate + 160

ARKANSAS
FIREMAN'S FUND INSURANCE COMPANIES
NATIONWIDE/COMPANYWIDE WORKERS' COMPENSATION

CALENDAR YEAR EXPENSES

	<u>2004</u>	<u>2005</u>	<u>2006</u>
1. C/W Collected Direct Written Premiums (IEE)	\$192,796,000	\$220,048,000	\$199,411,000
2. C/W Collected Direct Earned Premiums (IEE)	\$181,783,000	\$217,535,000	\$215,541,000
4. C/W Collected Direct Written Premiums (NCCI CY Call)	\$191,717,000	\$219,033,529	\$198,799,854
5. C/W Standard Direct Written Premiums (NCCI CY Call)	\$227,502,000	\$256,940,712	\$225,143,739
6. Ratio Standard/Collected	1.187	1.173	1.133
7. C/W Standard Direct Written Premiums	\$228,782,401	\$258,130,753	\$225,835,871
8. C/W Standard Direct Earned Premiums	\$215,713,766	\$255,182,839	\$244,103,331
9. Expense Constant Premium	\$6,673,710	\$7,529,818	\$6,587,759
10. C/W Standard Direct Written Premiums w/o line 9.	\$222,108,691	\$250,600,935	\$219,248,112
11. C/W Standard Direct Earned Premiums w/o line 9.	\$209,040,055	\$247,653,021	\$237,515,573

		<u>% of SPW (line 7)</u>		<u>% of SPW (line 7)</u>		<u>% of SPW (line 7)</u>	Selection
12. Commission & Brokerage	\$13,878,000	6.1%	\$15,292,000	5.9%	\$14,665,000	6.5%	6.2%
13. Other Acquisition	\$9,044,000	4.0%	\$9,649,000	3.7%	\$9,094,000	4.0%	4.0%
14. General	\$21,104,000	9.2%	\$22,515,000	8.7%	\$21,220,000	9.4%	9.4%
15. Taxes, Licenses & Fees	\$5,547,000	2.4%	\$6,232,000	2.4%	\$5,549,000	2.5%	5.7%
16. Effect of Expense Gradation	\$22,159,798	10.0%	\$25,002,471	10.0%	\$21,874,398	10.0%	10.0%
17. Total Underwriting Expenses	71,732,798	31.6%	78,690,471	30.8%	72,402,398	32.4%	35.3%
18. Investment Income Offset							8.8%
19. Target Loss Ratio							55.9%

**FIREMAN'S FUND INSURANCE COMPANIES
NATIONWIDE WORKERS' COMPENSATION
STOCK COMPANIES
Effect of Expense Gradation
(\$ in 000's)**

Premium Size	Number of Risks	MP	Distribution of Premium				Total
			1st \$5,000	Next \$95,000	Next \$400,000	Over \$500,000	
0 - 4,999	6,930	\$8,242	\$8,242	xx	xx	xx	\$8,242
5,000 - 99,999	3,889	\$87,020	\$19,445	\$67,575	xx	xx	\$87,020
100,000 - 499,999	414	\$79,313	\$2,070	\$39,330	\$37,913	xx	\$79,313
500,000 and over	32	\$30,466	\$160	\$3,040	\$12,800	\$14,466	\$30,466
Total	11,265	\$205,040	\$29,917	\$109,945	\$50,713	\$14,466	\$205,040
Premium Discount Rates			.000	.109	.126	.144	.100

**FIREMAN'S FUND INSURANCE COMPANIES
ARKANSAS WORKERS' COMPENSATION**

Exhibit III

Underwriting Income (Profit) Calculation Summary

	(a) Nominal Value	(b) Percentage of Prem	(c) Duration (Years)	(d) Avg Underwriting Cash Balance
1. Target Premium	156.75		0.40	94.05
Underwriting Costs				
2. Loss & LAE	100.00	63.8%	0.51	49.05
3. Commissions	9.66	6.2%	0.27	7.05
4. Internal Expense	24.30	15.5%	0.20	19.44
5. TL&F	8.93	5.7%	0.40	5.36
6. Total Underwriting Costs	142.89	91.2%		13.15
7. Underwriting Income [1. - 6.]	13.86	8.84%		
Selected Profit Load		8.84		

Column Notes

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- (a) Underwriting component, undiscounted, as a percent of premium
 - (b) Underwriting percentage with respect to premium
 - (c) Average CY duration until payment or collection of the underwriting component, in years
 - (d) Average UW cash balance: investable income

**ARKANSAS Workers Compensation
FIREMAN'S FUND INSURANCE COMPANIES**

Effect of Using Expense Constants

1. 2006 Policy Count	<u>60</u>
2. Expense Constant	<u>\$160</u>
3. Premium Produced by Expense Constant [1. X 2.]	<u>\$9,600</u>
4. 2006 Standard Earned Premium (ex/ Expense Constant Premium)	<u>\$329,099</u>
5. Effect of Using Expense Constants [3. ÷ 4.]	<u>2.9%</u>
Selected	<u>2.9%</u>