

SERFF Tracking Number: FLWR-125294344 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
Company Tracking Number: 07-9
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Filing at a Glance

Company: Florists' Mutual Insurance Company

Product Name: Workers Compensation

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

SERFF Tr Num: FLWR-125294344 State: Arkansas

SERFF Status: Closed

Co Tr Num: 07-9

Co Status:

Authors: Danielle Milby, Andrea Coalson

Date Submitted: 09/18/2007

State Tr Num: AR-PC-07-026129

State Status:

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

Disposition Date: 10/30/2007

Disposition Status: Approved

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

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

Effective Date (New): 01/01/2008

Effective Date (Renewal):

General Information

Project Name: AR WC Rates 01-01-2008

Project Number: 07-9

Reference Organization: NCCI

Reference Title: Arkansas--Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective January 1, 2008

Filing Status Changed: 10/30/2007

State Status Changed: 09/19/2007

Corresponding Filing Tracking Number: 07-9

Filing Description:

Florists' Mutual Insurance Company is filing to adopt the loss costs referenced in NCCI Approval Circular AR-2007-13 effective January 1, 2008. We would like to keep our current approved loss cost multiplier of 1.289. The overall effect of this change is +1.9%.

Status of Filing in Domicile: Not Filed

Domicile Status Comments:

Reference Number: #AR-2007-10

Advisory Org. Circular: AR-2007-13

Deemer Date:

Company and Contact

Filing Contact Information

SERFF Tracking Number: FLWR-125294344 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
Company Tracking Number: 07-9
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Danielle Milby, Compliance Analyst dmilby@hortica-insurance.com
#1 Horticultural Lane (618) 655-1822 [Phone]
Edwardsville, IL 62025 (618) 655-2519[FAX]

Filing Company Information

Florists' Mutual Insurance Company CoCode: 13978 State of Domicile: Illinois
#1 Horticultural Lane Group Code: 349 Company Type: Parent
PO Box 428
Edwardsville, IL 62025 Group Name: State ID Number:
(800) 851-7740 ext. [Phone] FEIN Number: 37-0277830

SERFF Tracking Number: FLWR-125294344 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
Company Tracking Number: 07-9
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Florists' Mutual Insurance Company	\$100.00	09/18/2007	15683903

SERFF Tracking Number:	FLWR-125294344	State:	Arkansas
Filing Company:	Florists' Mutual Insurance Company	State Tracking Number:	AR-PC-07-026129
Company Tracking Number:	07-9		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation		
Project Name/Number:	AR WC Rates 01-01-2008/07-9		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/30/2007	10/30/2007

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Carol Stiffler	09/21/2007	09/21/2007	Danielle Milby	09/21/2007	09/21/2007
Pending Industry Response	Carol Stiffler	09/21/2007	09/21/2007			
Pending Industry Response	Carol Stiffler	09/19/2007	09/19/2007	Danielle Milby	09/19/2007	09/19/2007

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 Project Name/Number: AR WC Rates 01-01-2008/07-9

Disposition

Disposition Date: 10/30/2007
 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:
Florists' Mutual Insurance Company	1.900%	\$655	9	\$34,471	5.900%	0.000%	3.700%

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 Project Name/Number: AR WC Rates 01-01-2008/07-9

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

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Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/21/2007
Submitted Date 09/21/2007
Respond By Date

Dear Danielle Milby,

My apologies. In my previous objection letter, I failed to attach the Circular referred to in the letter. Below is the objection letter with the attachment.

As I stated in the first objection letter, we can only accept the Item Filing # and we do not accept Circular numbers. The Item Filing # is a number unique to the specific filing. One Item Filing may go out under several circulars. Some circulars refer to multiple item filings. Your response is a perfect example of the problem. You referred to 4 different circulars that had info on the same Item Filing.

Attached is a copy of Circular AR-2007-13. If you look in the 1st paragraph under "Background" you will see the Item filing #. Also in the 4th paragraph it states that you must refer to the Item Filing # and NOT the Circular #.

Please feel free to contact me if you have questions.

Sincerely,
Carol Stiffler



Circular

SEPTEMBER 18, 2007

APPROVAL

AR-2007-13

Arkansas—Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective January 1, 2008

ACTION NEEDED

Please review this circular, which contains information on the approval of Arkansas advisory loss costs, assigned risk rates, and rating values, effective January 1, 2008.

BACKGROUND

NCCI recently submitted an advisory loss cost filing, Item # AR-2007-10, and an assigned risk rate filing, Item # AR-2007-11, both dated August 17, 2007, to the Arkansas Department of Insurance.

These item filings reflected the impact of the enactment of Arkansas Act 1599 and Arkansas Act 1415. Act 1599 increases the carrier liability for the Death and PTD Fund from \$75,000 to nearly \$170,000, and Act 1415 closes the Second Injury Fund. Both Acts become effective January 1, 2008.

On August 30, 2007, the Arkansas Insurance Department approved the changes as outlined in Item # AR-2007-10 and Item # AR-2007-11 for new and renewal policies effective on or after January 1, 2008. The Arkansas Insurance Department disapproved that portion impacting all outstanding policies effective on or after January 1, 2008.

Important: Arkansas law does not allow NCCI to file rules and rates on its members' behalf. Therefore, insurance carriers must make an independent filing with the Arkansas Insurance Department, electing to adopt or not adopt a filing made by NCCI and subsequently approved by the Department. When such a filing is made with the Department, reference NCCI Item Filing # AR-2007-10, NOT the circular number.

The loss costs represent advisory information only. All expenses have been excluded except loss adjustment expense. Carriers may satisfy the Arkansas Insurance Department's rate filing requirements by adopting these loss costs and rating values and providing their own loss cost multiplier. Alternatively, carriers may opt not to adopt these loss costs and rating values and to make an independent filing instead.

All carriers writing assigned risk policies in Arkansas must use the schedule of rates shown in Item # AR-2007-11 without modification.

IMPACT

An overall advisory loss cost level increase of 2.7% for new and renewal policies has been approved.

An overall assigned risk rate level increase of 2.7% for new and renewal policies has been approved.

These changes are to become effective January 1, 2008.

NCCI ACTION

Revised manual pages will be mailed shortly to subscribers of NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance*, *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance*, and *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance*. If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123). We will post this approval circular on ncci.com.

**PERSON TO
CONTACT**

If you have any questions, please contact:
Terri Robinson

State Relations Executive
NCCI, Inc.
2400 Crestwood Drive, Suite 207
North Little Rock, AR 72116
501-753-5180

Technical Contact:
Tom Daley

Director and Actuary
NCCI, Inc.
901 Peninsula Corporate Circle
Boca Raton, FL 33487
561-893-3134

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Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/21/2007
Submitted Date 09/21/2007

Dear Carol Stiffler,

Comments:

Response 1

Comments: Florists' Mutual Insurance Company is withdrawing all references to NCCI Circular AR-2007-13. Florists' Mutual Insurance Company is filing to adopt the rates and rating values in NCCI Item Filing # AR-2007-10 effective January 1, 2008.

I have revised all of the filing forms to reference the Item Filing # instead of the NCCI Circular Number.

Please let me know if you require any other information.

Thank you,
Danielle Milby

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Uniform Transmittal Document-Property & Casualty

Comment:

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation

Comment:

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

SERFF Tracking Number: *FLWR-125294344* *State:* *Arkansas*
Filing Company: *Florists' Mutual Insurance Company* *State Tracking Number:* *AR-PC-07-026129*
Company Tracking Number: *07-9*
TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0004 Standard WC*
Product Name: *Workers Compensation*
Project Name/Number: *AR WC Rates 01-01-2008/07-9*
Andrea Coalson, Danielle Milby

SERFF Tracking Number: FLWR-125294344 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
Company Tracking Number: 07-9
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 09/21/2007

Submitted Date 09/21/2007

Respond By Date

Dear Danielle Milby,

This will acknowledge receipt of the captioned filing.

As I stated in the first objection letter, we can only accept the Item Filing # and we do not accept Circular numbers. The Item Filing # is a number unique to the specific filing. One Item Filing may go out under several circulars. Some circulars refer to multiple item filings. Your response is a perfect example of the problem. You referred to 4 different circulars that had info on the same Item Filing.

Attached is a copy of Circular AR-2007-13. If you look in the 1st paragraph under "Background" you will see the Item filing #. Also in the 4th paragraph it states that you must refer to the Item Filing # and NOT the Circular #.

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

SERFF Tracking Number: FLWR-125294344 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
Company Tracking Number: 07-9
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Rates 01-01-2008/07-9

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 09/19/2007

Submitted Date 09/19/2007

Respond By Date

Dear Danielle Milby,

This will acknowledge receipt of the captioned filing.

This filing adopts AR-2007-13 but I have not approved an item filing by that number. I believe that may be the circular number. We do not receive circulars which are issued after the Item Filing is approved. Often there are Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number. You must state the Item Filing Number.

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

Response Letter

Response Letter Status Submitted to State

Response Letter Date 09/19/2007

Submitted Date 09/19/2007

Dear Carol Stiffler,

Comments:

Response 1

Comments: Dear Ms. Stiffler,

First we received NCCI Circular AR-2007-01 for rates and values effective 7-1-07. Then we received NCCI Circular AR-2007-10 amending the date of AR-2007-01 to 1-1-08. We also received the Rate Revisions sheet from NCCI RR-2007-36 stating that the rate for 1-1-08 were approved. Then we received NCCI Circular AR-2007-13 approving the 1-1-08 rates.

I am confused as to which item number you need for me to reference.

SERFF Tracking Number: *FLWR-125294344* *State:* *Arkansas*
Filing Company: *Florists' Mutual Insurance Company* *State Tracking Number:* *AR-PC-07-026129*
Company Tracking Number: *07-9*
TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0004 Standard WC*
Product Name: *Workers Compensation*
Project Name/Number: *AR WC Rates 01-01-2008/07-9*

Please let me know if you have any questions.

Thank you,
Danielle Milby

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Andrea Coalson, Danielle Milby

SERFF Tracking Number: FLWR-125294344
 Filing Company: Florists' Mutual Insurance Company
 Company Tracking Number: 07-9
 TOI: 16.0 Workers Compensation
 Product Name: Workers Compensation
 Project Name/Number: AR WC Rates 01-01-2008/07-9

State: Arkansas
 State Tracking Number: AR-PC-07-026129
 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: -3.200%
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):
Florists' Mutual Insurance Company	3.700%	1.900%	\$655	9	\$34,471	5.900%	0.000%

SERFF Tracking Number: FLWR-125294344 State: Arkansas
 Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
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 Project Name/Number: AR WC Rates 01-01-2008/07-9

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/30/2007

Comments:

Attachments:

NAIC Property and Casualty Transmittal Document Rev.pdf
 Revised Cover Letter.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 10/30/2007

Comments:

Attachments:

NAIC Expense Constant Supplement.pdf
 WC Loss Cost Filing Document Cover Form.pdf
 NAIC Loss Cost Filing Document - Workers Compensation Rev.pdf

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 10/30/2007

Comments:

Attachment:

NAIC Loss Cost Data Entry Document Rev.pdf

Satisfied -Name: Supporting Documentation **Review Status:** Approved 10/30/2007

Comments:

Attachment:

Supporting Documentation.pdf

Property & Casualty Transmittal Document

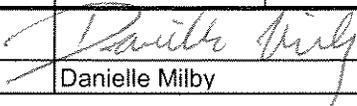
Reset Form

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:	
	<input type="checkbox"/> New Business	
	<input type="checkbox"/> Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3.	Group Name	Group NAIC #			
4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Florists' Mutual Insurance Company	Illinois	13978	370277830	12

5.	Company Tracking Number	07-9
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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
	Danielle Milby #1 Horticultural Lane	Compliance Analyst II	1-800-851-7740 Ext: 1822	1-618-655-2519	dmilby@hortica-insurance.com
7.	Signature of authorized filer 				
8.	Please print name of authorized filer Danielle Milby				

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

9.	Type of Insurance (TOI)	16.0 Workers Compensation
10.	Sub-Type of Insurance (Sub-TOI)	
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12.	Company Program Title (Marketing title)	N/A
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" 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: 01-01-2008 Renewal: 01-01-2008
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	NCCI Item Filing # AR-2007-10
18.	Company's Date of Filing	September 21, 2007
19.	Status of filing in domicile	<input checked="" 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 # 07-9

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

Florists Mutual Insurance Company is filing to adopt the loss costs referenced in NCCI Item Filing # AR-2007-10 effective January 1, 2008. We would like to keep our current approved loss cost multiplier of 1.289. The overall effect of this change is +1.9%.

[View Complete Filing Description](#)

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 #: EFT

Amount: \$100.00

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.)

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 #	07-9
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	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)
FMIC	3.7	1.9	655	9	34,471	5.9	0

4b.	Rate Change by Company (As Accepted) For State Use Only
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Company Name	Overall % Indicated Change (when applicable)	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 indication (when applicable)	3.7	
5b	Overall percentage rate impact for this filing	1.9	
5c	Effect of Rate Filing – Written premium change for this program	655	
5d	Effect of Rate Filing – Number of policyholders affected	9	

6.	Overall percentage of last rate revision	-3.2
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7.	Effective Date of last rate revision	07-01-2007
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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	



September 21, 2007

Honorable Michael Pickens
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

The following material is submitted for your review and approval:

Filing Information:

Company: **Florists' Mutual Insurance Co.
NAIC# 349-13978
Company Filing No. 07-9**

Type: **Rates and Rules**

Lines: **Workers Compensation**

Effective Date: **Policies effective on or after January 1, 2008**

Florists' Mutual Insurance Company is filing to revise rates and rules effective 01/01/2008. We are filing to adopt the NCCI Loss Costs outlined in NCCI Item Filing # AR-2007-10 effective 01/01/08. We would like to keep our current approved loss cost multiplier of 1.289.

If you have questions, you may contact me via email at dmilby@hortica-insurance.com or by telephone at 800-851-7740 extension 1822. Thank you.

Best Regards,

Danielle R. Milby
Compliance Analyst II
Compliance Department

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 #	07-9
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

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	13.6	13.6		%	
	B.	General Expense	10.2	8.6	1.6	%	
	C.	Taxes, License & Fees	2.8	2.8		%	
	D.	Underwriting Profit & Contingencies*	(2.9)	(2.9)		%	
	E.	Other (explain)				%	
	F.	TOTAL	23.7	22.1	1.6	%	
		*Explain how investment income is taken into account.					

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F		76.3	%
	B.	ELR in decimal form =		0.763	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F		77.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =		0.779	

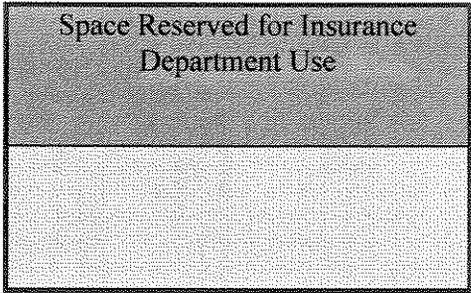
6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]		200	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)		1.289	

7.	A.	Selected Expense Constant =		200	%
	B.	Selected Variable Loss Cost Multiplier =		1.289	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies		1.9	%
----	---	--	-----	---

Date: 09/18/2007



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

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

1. INSURER NAME Florists' Mutual Insurance Company
ADDRESS #1 Horticultural Lane
Edwardsville, IL 62025
2. PERSON RESPONSIBLE FOR FILING Danielle Milby
TITLE Compliance Ana. II TELEPHONE # 1-800-851-7740 Ext: 1822
3. INSURER NAIC # 13978
4. ADVISORY ORGANIZATION NCCI
- 5A. PROPOSED RATE LEVEL CHANGE +1.9 % _ EFFECTIVE DATE 1/1/2008
5B. PROPOSED PREMIUM LEVEL CHANGE* +1.9 % _ EFFECTIVE DATE 1/1/2008
- 6A. PRIOR RATE LEVEL CHANGE -3.2 % EFFECTIVE DATE 7/1/2007
6B. PRIOR PREMIUM LEVEL CHANGE* -3.2 % EFFECTIVE DATE 7/1/2007
7. ATTACH "NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION"
(Attach this document separately for each insurer selected loss cost multiplier.)

* The premium level change is the change in the insurer's annual collectible premium.

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	07-9
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

(X) Loss Cost Reference Filing NCCI Item Filing # 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)
- (X) 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: (See Examples Below) 1.004

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*	%
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. () ()

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **07-9**

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number **NCCI Item Filing # AR-2007-10**

		Company Name			Company NAIC Number
3.	A.	Florists' Mutual Insurance Company	B.		349-13978

		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.	16.0 Workers Compensation	B.		

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	3.7%	1.9%	76.3%	1.004	1.289	200	1.289
TOTAL OVERALL EFFECT		1.9%					

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
2003	17	-1.6	7/1/2003	41,629	245,755	590.3	66.8
2004	23			55,363	14,159	25.6	61.4
2005	14	-1.9	7/1/2005	41,842	2,281	5.5	57.9
2006	10	-7.4	7/1/2006	35,841	9,504	26.5	80.2
2007*	9	-3.2	7/1/2007	22,419	3,000	13.4	40.7
*As of 8/31/2007							

7.

Expense Constants	Selected Provisions
A. Total Production Expense	13.6
B. General Expense	10.2
C. Taxes, License & Fees	2.8
D. Underwriting Profit & Contingencies	(2.9)
E. Other (explain)	
F. TOTAL	23.7

8. Y Apply Lost Cost Factors to Future filings? (Y or N)

9. 5.9% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. 0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**Florists' Mutual Insurance Company
Workers Compensation
Expense Exhibit**

**Relationship of Standard Premium to Direct Premium
(000 Omitted)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>
A. Direct Earned Premium	55	42	36
B. Direct Earned Standard Premium	55	41	35
C. Relationship	1.000	0.976	0.972
D. Selected Value (Mean of 2004-2006)		0.983	

Source: NCCI Call 5

**Development of Total Production Expense
(000 Omitted)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>
A. Direct Written Premium	36,803	24,710	20,811
B. Direct Commissions	709	286	148
C. Other Acquisition	4,239	2,983	2,842
D. Total Production Expense	4,948	3,269	2,990
E. Provision (100*(D/A))	13.4	13.2	14.4
F. Selected Value (Mean of 2004-2006) /	0.983	13.6	

Source: Insurance Expense Exhibit

**Development of General Expenses
(000 Omitted)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>
A. Direct Earned Premium	37,278	29,404	21,320
B. General Expense	3,638	2,931	2,443
C. Provision (100*(B/A))	9.8	10.0	11.5
D. Selected Value (Mean of 2004-2006) /	0.983	10.2	

Source: Insurance Expense Exhibit

Development of Taxes, Licenses, and Fees

A. State Premium Tax	2.5
B. Other Taxes, Licenses, and Fees	0.3
C. Total (A+B)	2.8

Source: A. NAIC Guidebook
B. Companywide Average

Florists' Mutual Insurance Company
Workers Compensation
Underwriting Profit

I. Surplus Allocated to Workers Compensation:	
A. Average Net Workers Compensation Earned Premium for 2004 - 2006	29,333,989
B. Average Net all lines earned premium for 2004 - 2006	79,295,182
C. Surplus as regards policyholders 12-31-2006	51,138,050
D. Surplus Allocated to Workers Compensation (C*A/B)	18,917,707
II. Expected After-tax Return on Surplus:	
A. Expected Return	0.080
B. Surplus allocated to Workers Compensation (I-D)	18,917,707
C. Expected after-tax return on surplus (A*B)	1,513,417
III. After-tax Investment Return on Surplus:	
A. Surplus allocated to Workers Compensation (I-D)	18,917,707
B. Expected Pretax return	0.050
C. Pretax return (A*B)	945,885
D. Federal Tax rate on investments	0.340
E. After-tax return (C*(1-D))	624,284
IV. Development of Unearned Premiums:	
A. Projected Direct Earned Premium	21,426,029
B. Projected Unearned Premium Reserve	7,317,626
C. Deduction for delayed remission of premium:	
1. Direct countrywide earned premium 2006	66,641,637
2. Direct agents' balances at 12-31-2006 less advance premium	21,583,687
3. Direct agents' balances at 12-31-2005 less advance premium	22,794,007
4. Mean agents' balances (1/2 (#2+#3))	22,188,847
5. Ratio (#4/#1)	0.333
6. Deduction for delayed remission of premium (A*#5)	7,133,962
D. Deduction for prepaid expenses:	
1. Commission	1.3
2. Other acquisition costs	12.4
3. 50% of general expenses	5.2
4. Taxes, licenses, and fees	2.3
5. Total prepaid expenses (#2+#3+#4+#5)	21.2
6. Federal Income Taxes Payable	6.8
7. Total Prepays (#5+#6)	28.0
8. Deduction for prepaid expenses ((B*D7)/100)	2,048,935
E. Loss Reserve	
1. Projected direct earned premium	21,426,029
2. Expected incurred loss and LAE (75% x Line E-1)	16,069,522
3. Expected mean loss and LAE reserves (2.57 x Line E-2)	41,232,582
F. Net subject to investment (B - C#6 - D#8 + E#3)	39,367,311
G. After-tax investment return (1-.34*.050)	3.30%
H. After-tax investment return on reserves	1,299,121
VII. Return on Underwriting	
A. Expected after-tax return on equity (II-C)	1,513,417
B. After-tax investment return on surplus (III-E)	624,284
C. After-tax investment return on reserves (IV-H)	1,299,121
D. Expected after-tax return on underwriting (A-(B+C))	(409,989)
E. Tax on underwriting	0.340
F. Expected pre-tax return on underwriting (D/(1-E))	(621,195)
G. Projected earned premium	21,426,029
H. Factor for underwriting profit (F/G)	(0.029)

**Florists' Mutual Insurance Company
Workers Compensation
Underwriting Profit**

Line I-A and I-B

Average Work Comp Direct Earned Premium (DEP)

	Work Comp DEP	Total DEP
2004	37,278,165	91,101,073
2005	29,404,030	80,142,835
2006	21,319,773	66,641,637
Sum	88,001,968	237,885,545
Average	29,333,989	79,295,182

Line IV-A

Planned direct earned premium for calendar year 2007.

Line IV-B

Planned unearned premium reserves for calendar year 2007.

Line IV-D-6

The Tax Reform Act taxes 20% of the unearned premium reserve. At a corporate tax rate of 34%, this tax equals 6.8% of the unearned premium reserve.

Line IV-E-3

Direct W/C Loss and LAE Reserves

	Loss	ALAE	ULAE	Total	IEE	
					Loss /Lae Incurred	Reserve/ Inc. Loss
2003	40,694	5,673	1,734	48,101	24,311	1.98
2004	51,326	7,044	4,178	62,548	34,022	1.84
2005	55,359	7,486	4,325	67,170	23,782	2.82
2006	54,119	7,949	3,898	65,966	18,212	3.62
					Average	2.57

SERFF Tracking Number: FLWR-125294344 State: Arkansas
 Filing Company: Florists' Mutual Insurance Company State Tracking Number: AR-PC-07-026129
 Company Tracking Number: 07-9
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: AR WC Rates 01-01-2008/07-9

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Supporting Document	Uniform Transmittal Document-Property & Casualty	09/18/2007	NAIC Property and Casualty Transmittal Document.pdf Cover Letter.pdf
No original date	Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	09/18/2007	NAIC Expense Constant Supplement.pdf NAIC Loss Cost Filing Document - Workers Compensation.pdf WC Loss Cost Filing Document Cover Form.pdf
No original date	Supporting Document	NAIC loss cost data entry document	09/18/2007	NAIC Loss Cost Data Entry Document.pdf

Property & Casualty Transmittal Document

Reset Form

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

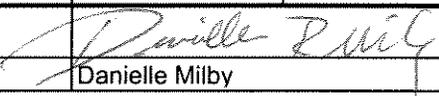
3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Florists' Mutual Insurance Company	Illinois	13978	370277830	12

5. Company Tracking Number	07-9
-----------------------------------	------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Danielle Milby #1 Horticultural Lane	Compliance Analyst II	1-800-851-7740 Ext: 1822	1-618-655-2519	dmilby@hortica-insurance.com

7. Signature of authorized filer 

8. Please print name of authorized filer Danielle Milby

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

9. Type of Insurance (TOI)	16.0 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	N/A
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" 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: 01-01-2008 Renewal: 01-01-2008
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	NCCI
17. Reference Organization # & Title	AR-2007-13 Approved Voluntary Advisory Loss Costs and Rat. Val.
18. Company's Date of Filing	September 18, 2007
19. Status of filing in domicile	<input checked="" 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 # 07-9

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

Florists' Mutual Insurance Company is filing to adopt the loss costs referenced in NCCI Approval Circular AR-2007-13 effective January 1, 2008. We would like to keep our current approved loss cost multiplier of 1.289. The overall effect of this change is +1.9%.

[View Complete Filing Description](#)

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 #: EFT
Amount: \$100.00

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.)

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 #	07-9
-----------	--	------

2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
-----------	--	----------------

4a. Rate Change by Company (As Proposed)							
Company Name	Overall % Indicated Change (when applicable)	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)
FMIC	3.7	1.9	655	9	34,471	5.9	0

4b. Rate Change by Company (As Accepted) For State Use Only							
Company Name	Overall % Indicated Change (when applicable)	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)			
		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)	3.7	
5b	Overall percentage rate impact for this filing	1.9	
5c	Effect of Rate Filing – Written premium change for this program	655	
5d	Effect of Rate Filing – Number of policyholders affected	9	

6.	Overall percentage of last rate revision	-3.2
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7.	Effective Date of last rate revision	07-01-07
-----------	---	----------

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
-----------	--	----------------

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	



September 18, 2007

Honorable Michael Pickens
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

The following material is submitted for your review and approval:

Filing Information:

Company: **Florists' Mutual Insurance Co.
NAIC# 349-13978
Company Filing No. 07-9**

Type: **Rates and Rules**

Lines: **Workers Compensation**

Effective Date: **Policies effective on or after January 1, 2008**

Florists' Mutual Insurance Company is filing to revise rates and rules effective 01/01/2008. We are filing to adopt the NCCI Loss Costs outlined in NCCI Circular AR-2007-13 effective 01/01/08. We would like to keep our current approved loss cost multiplier of 1.289.

If you have questions, you may contact me via email at dmilby@hortica-insurance.com or by telephone at 800-851-7740 extension 1822. Thank you.

Best Regards,

Danielle R. Milby
Compliance Analyst II
Compliance Department

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 #	07-9
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

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	13.6	13.6		%	
	B.	General Expense	10.2	8.6	1.6	%	
	C.	Taxes, License & Fees	2.8	2.8		%	
	D.	Underwriting Profit & Contingencies*	(2.9)	(2.9)		%	
	E.	Other (explain)				%	
	F.	TOTAL	23.7	22.1	1.6	%	
		*Explain how investment income is taken into account.					

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F		76.3	%
	B.	ELR in decimal form =		0.763	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F		77.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =		0.779	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]		200	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)		1.289	

7.	A.	Selected Expense Constant =		200	%
	B.	Selected Variable Loss Cost Multiplier =		1.289	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies		1.9	%
----	---	--	-----	---

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	07-9
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

(X) 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)
- (X) 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: (See Examples Below) 1.004

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*	%
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 =	

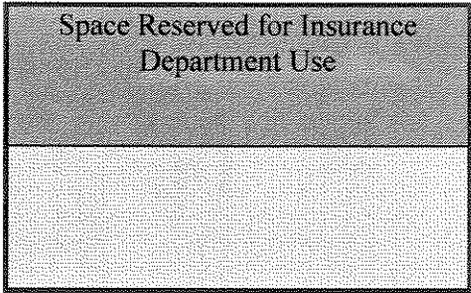
NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION*

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: 09/18/2007



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

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

1. INSURER NAME Florists' Mutual Insurance Company
ADDRESS #1 Horticultural Lane
Edwardsville, IL 62025
2. PERSON RESPONSIBLE FOR FILING Danielle Milby
TITLE Compliance Ana. II TELEPHONE # 1-800-851-7740 Ext: 1822
3. INSURER NAIC # 13978
4. ADVISORY ORGANIZATION NCCI
- 5A. PROPOSED RATE LEVEL CHANGE +1.9 % _ EFFECTIVE DATE 1/1/2008
5B. PROPOSED PREMIUM LEVEL CHANGE* +1.9 % _ EFFECTIVE DATE 1/1/2008
- 6A. PRIOR RATE LEVEL CHANGE -3.2 % EFFECTIVE DATE 7/1/2007
6B. PRIOR PREMIUM LEVEL CHANGE* -3.2 % EFFECTIVE DATE 7/1/2007
7. ATTACH "NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION"
(Attach this document separately for each insurer selected loss cost multiplier.)

* The premium level change is the change in the insurer's annual collectible premium.

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # 07-9

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

		Company Name			Company NAIC Number
3.	A.	Florists' Mutual Insurance Company	B.		349-13978

		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.	16.0 Workers Compensation	B.		

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	3.7%	1.9%	76.3%	1.004	1.289	200	1.289
TOTAL OVERALL EFFECT		1.9%					

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
2003	17	-1.6	7/1/2003	41,629	245,755	590.3	66.8
2004	23			55,363	14,159	25.6	61.4
2005	14	-1.9	7/1/2005	41,842	2,281	5.5	57.9
2006	10	-7.4	7/1/2006	35,841	9,504	26.5	80.2
2007*	9	-3.2	7/1/2007	22,419	3,000	13.4	40.7
*As of 8/31/2007							

7.

Expense Constants	Selected Provisions
A. Total Production Expense	13.6
B. General Expense	10.2
C. Taxes, License & Fees	2.8
D. Underwriting Profit & Contingencies	(2.9)
E. Other (explain)	
F. TOTAL	23.7

8. Y Apply Lost Cost Factors to Future filings? (Y or N)

9. 5.9% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. 0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____