

SERFF Tracking Number: PENM-125320637 State: Arkansas  
Filing Company: Penn Millers Insurance Company State Tracking Number: AR-PC-07-026405  
Company Tracking Number: 2007-033  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR WC Loss Cost Adoption 1/1/08  
Project Name/Number: AR WC Loss Cost Adoption 1/1/08/2007-033

## Filing at a Glance

Company: Penn Millers Insurance Company

Product Name: AR WC Loss Cost Adoption 1/1/08 SERFF Tr Num: PENM-125320637 State: Arkansas

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: AR-PC-07-026405

Sub-TOI: 16.0004 Standard WC

Co Tr Num: 2007-033

State Status:

Filing Type: Rate

Co Status:

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

Author: Tracy Yokimishyn

Disposition Date: 10/16/2007

Date Submitted: 10/11/2007

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: AR WC Loss Cost Adoption 1/1/08

Status of Filing in Domicile: Not Filed

Project Number: 2007-033

Domicile Status Comments:

Reference Organization: NCCI

Reference Number: AR-2007-10

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/16/2007

State Status Changed: 10/12/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Penn Millers wishes to adopt revised loss costs released by NCCI in circular AR-2007-10. We will maintain our current loss cost multiplier of 1.294.

## Company and Contact

### Filing Contact Information

Stanley Balut, Senior Analyst

sbalut@pennmillers.com

PO Box P

(800) 233-8347 [Phone]

Wilkes-Barre, PA 18773-0016

(570) 829-2060[FAX]

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**Filing Company Information**

Penn Millers Insurance Company CoCode: 14982 State of Domicile: Pennsylvania  
PO Box P Group Code: -99 Company Type:  
72 North Franklin Street  
Wilkes-Barre, UNK 18773-0016 Group Name: State ID Number:  
(800) 233-8347 ext. [Phone] FEIN Number: 24-0686200  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: Loss cost adoption with no change to current multiplier  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Penn Millers Insurance Company	\$50.00	10/11/2007	16071680

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/16/2007	10/16/2007

### 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	10/15/2007	10/15/2007	Tracy Yokimishyn	10/16/2007	10/16/2007

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State: Arkansas  
 State Tracking Number: AR-PC-07-026405  
 Sub-TOI: 16.0004 Standard WC

## Disposition

Disposition Date: 10/16/2007  
 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:
Penn Millers Insurance Company	2.100%	\$2,245	3	\$109,453	5.900%	1.800%	2.100%

*SERFF Tracking Number:* PENM-125320637      *State:* Arkansas  
*Filing Company:* Penn Millers Insurance Company      *State Tracking Number:* AR-PC-07-026405  
*Company Tracking Number:* 2007-033  
*TOI:* 16.0 Workers Compensation      *Sub-TOI:* 16.0004 Standard WC  
*Product Name:* AR WC Loss Cost Adoption 1/1/08  
*Project Name/Number:* AR WC Loss Cost Adoption 1/1/08/2007-033

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
<b>Supporting Document</b>	NAIC loss cost data entry document	Approved	Yes

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Product Name: AR WC Loss Cost Adoption 1/1/08  
Project Name/Number: AR WC Loss Cost Adoption 1/1/08/2007-033

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/15/2007

Submitted Date 10/15/2007

Respond By Date

Dear Stanley Balut,

This will acknowledge receipt of the captioned filing.

The filing description adopts Circular AR-2007-10. The Reference # in the header shows Item Filing AR-2007-10. Item Filing #AR-2007-10 has nothing to do with Circular AR-2007-10. We do not receive circulars which are issued after the Item Filing is approved. Often 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. I believe you are trying to adopt Item #AR-2007-10 which are the loss costs that NCCI has filed to become effective 1/1/08. Please confirm which Item Filing Number you are adopting.

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/16/2007

Submitted Date 10/16/2007

Dear Carol Stiffler,

### Comments:

### Response 1

Comments: Carol,

We intended to adopt Item #AR-2007-10. Sorry for the confusion.

Thank you,

Tracy Yokimishyn

*SERFF Tracking Number:* PENM-125320637      *State:* Arkansas  
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**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Tracy Yokimishyn

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 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:** 6.300%  
**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):
Penn Millers Insurance Company	2.100%	2.100%	\$2,245	3	\$109,453	5.900%	1.800%

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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/16/2007

**Comments:**

**Attachments:**

naic\_pc\_transmittal\_header - AR WC.pdf  
naic\_pc\_rate-rule\_schedule - AR WC.pdf

**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 10/16/2007

**Comments:**

**Attachments:**

AR WC Filing Forms.pdf  
AR WC Manual.pdf  
AR WC Experience.pdf

**Bypassed -Name:** NAIC loss cost data entry document **Review Status:** Approved 10/16/2007  
**Bypass Reason:** This information is included in the exhibits "AR WC Filing Forms," "AR WC Manual," and "AR WC Experience," which were attached in the previous requirement. Also, we have not changed our multiplier since 1/1/03, so our expense information is already on file.

**Comments:**

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
Penn Millers Group	125

4. Company Name(s)	Domicile	NAIC #	FEIN #
Penn Millers Insurance Company	Pennsylvania	14982	24-0686200

<b>5. Company Tracking Number</b>	2007-033
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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
	Tracy Yokimishyn P.O. Box P 72 N. Franklin St. Wilkes-Barre, PA 18773-0016	Actuarial Analyst	800-233-8347 X1359	570-822-2165	<a href="mailto:tyokimishyn@penmillers.com">tyokimishyn@penmillers.com</a>

7. Signature of authorized filer	<i>Tracy Yokimishyn</i>
8. Please print name of authorized filer	Tracy Yokimishyn

**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)	16.0004 Standard Workers Compensation
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 checked="" 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: 1/1/2008      Renewal: 1/1/2008

## Property & Casualty Transmittal Document---

15.	<b>Reference Filing?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	<b>Reference Organization</b> (if applicable)	NCCI
17.	<b>Reference Organization # &amp; Title</b>	NCCI – Arkansas - Item #AR-2007-10 – Amendment to Item #AR-2007-01
18.	<b>Company's Date of Filing</b>	October 11, 2007
19.	<b>Status of filing in domicile</b>	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	<b>This filing transmittal is part of Company Tracking #</b>	2007-033
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21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Penn Millers wishes to adopt revised loss costs released by NCCI in Item AR-2007-10. We wish to maintain our current loss cost multiplier of 1.294, resulting in an overall increase of +2.1% to our book of business.

Your consideration and approval for both new and renewal business effective January 1, 2008 would be appreciated.

22.	<b>Filing Fees</b> (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]
<p><b>Check #:</b> EFT  <b>Amount:</b> \$50.00                  Loss cost adoption with no change in current multiplier</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

**\*\*\*Refer to 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.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	2007-033
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A
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Rate Increase                       Rate Decrease                       Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	Prior Approval
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
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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)
Penn Millers Insurance Company	N/A	+2.1%	+\$2,245	3	\$109,453	+5.9%	+1.8%

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
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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)**

		COMPANY USE	STATE USE
<b>5a.</b>	<b>Overall percentage rate indication (when applicable)</b>	N/A	
<b>5b.</b>	<b>Overall percentage rate impact for this filing</b>	N/A	
<b>5c.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>	N/A	
<b>5d.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>	N/A	

<b>6.</b>	<b>Overall percentage of last rate revision</b>	+6.3%
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<b>7.</b>	<b>Effective Date of last rate revision</b>	7/1/2007 N & R
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<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	Prior Approval
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<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or Withdrawn?</b>	<b>Previous State Filing Number, If Required By State</b>
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	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

SUMMARY OF SUPPORTING INFORMATION FORM  
 WORKERS COMPENSATION – INSURER RATE FILING  
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS

Date: October 11, 2007  
 Insurer Name: Penn Millers  
 Insurance Company  
 NAIC#: 125-14982

CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. 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

2. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.  
 (Attach exhibit detailing insurer expense data and other supporting information)

PROJECTED Expenses: (Compared to Standard Premium at Company Rates)

A. Total Production Expense	<u>15.2 %</u>
B. General Expense	<u>7.0 %</u>
C. Taxes, Licenses and Fees	<u>3.9 %</u>
D. Profit and Contingencies including offset for Investment Income	<u>-3.4 %</u>
E. Other (explain)	<u>0.0 %</u>
F. Total	<u>22.7 %</u>

3. Expected Loss and Loss Adjustment Expense (Target cost) Ratio; 0.773  
 ELR = 1.000 – 2F (expressed in decimal form)

4. Overall impact of expense constant and minimum premiums: 1.000  
 (A 2.3% impact would be expressed as 1.023)

5. Overall impact of premium discount (size of risk) plus expense gradation recognition in retrospective rating: (An average discount of 8.6% would be expressed as 0.914) 1.000

6. Company Formula Loss Cost Multiplier 1.294  
 (1B) / {[ (5) – (2F) ] \* (4)}

7. Company Selected Loss Cost Multiplier: 1.294  
 Attach exhibit explaining any difference between (6) and (7).

8. Deviation from Advisory Loss Costs (expressed as a factor): (1B) \* [(7) / (6)] 1.000

9. Are you amending your minimum premium formula or expense constant?  Yes  No  
 If yes, attach documentation including rate level impact as well as changes in multipliers, expense constants, maximum minimums etc.

10. Are you amending your premium discount schedule?  Yes  No  
 If yes, attach schedules and support detailing premium or rate level change.

Date: October 11, 2007

Reserved for Insurance Department Use

**Arkansas Workers Compensation  
Insurer Rate Filing Adoption of  
Workers Compensation  
Loss Costs  
Reference Filing Adoption Form**

1. INSURER NAME Penn Millers Insurance Company  
ADDRESS 72 North Franklin Street  
PO Box P  
Wilkes-Barre, PA 18773-0016

PERSON RESPONSIBLE FOR FILING Tracy Yokimishyn

TITLE Actuarial Analyst TELEPHONE # 800-233-8347 x1359

2. INSURER NAIC # 125-14982

3. ADVISORY ORGANIZATION National Council on Compensation Insurance, Inc.

4. ADVISORY ORGANIZATION REFERENCE FILING AR-2007-10

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rate service 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.

6A. PROPOSED RATE LEVEL CHANGE	<u>+2.1</u>	<u>%</u>	EFFECTIVE DATE	<u>1/1/2008 N &amp; R</u>
6B. PROPOSED PREMIUM LEVEL CHANGE	<u>+2.1</u>	<u>%</u>	EFFECTIVE DATE	<u>1/1/2008 N &amp; R</u>
7A. PRIOR RATE LEVEL CHANGE	<u>+6.3</u>	<u>%</u>	EFFECTIVE DATE	<u>7/1/2007 N &amp; R</u>
7B. PRIOR PREMIUM LEVEL CHANGE	<u>+6.3</u>	<u>%</u>	EFFECTIVE DATE	<u>7/1/2007 N &amp; R</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use a 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 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 equivalent state official), or 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.

<b>WORKERS COMPENSATION</b>	<b>PENN MILLERS INSURANCE COMPANY - ARKANSAS</b>
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<b>1. LOSS COST MULTIPLIER</b>	<b>PENN MILLERS – ARKANSAS – 1/1/2003</b>
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Loss Cost Multiplier = 1.294

<b>2. EXPENSE CONSTANT</b>	<b>PENN MILLERS – ARKANSAS – 1/1/2003</b>
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Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 is \$160.00

<b>3. MINIMUM PREMIUM</b>	<b>PENN MILLERS – ARKANSAS – 1/1/2003</b>
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Basic Manual Rule 3-A-16 is deleted and replaced by the following

Calculation Of Minimum Premium:

Class Code	Times (x)	1.294	Times (x)	135	Plus (+)	\$160
Loss Cost		(a)		(b)		(c)
(a) Penn Millers Loss Cost Multiplier						
(b) Minimum Premium Multiplier						
(c) Expense Constant						

1. Minimum premium amounts of \$.50 or greater shall be rounded to the next whole dollar.
2. Maximum Minimum Premium = \$750

<b>4. PREMIUM DISCOUNT PERCENTAGES</b>	<b>PENN MILLERS – ARKANSAS – 1/1/2003</b>
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Premium Discount Percentages are applicable in accordance with Basic Manual Rule 3-A-19. The following premium discounts are applicable to standard premiums:

Total Standard Premium	Stock
First \$5,000	None
Next \$95,000	10.9%
Next \$400,000	12.6%
Over \$500,000	14.4%

<b>5. DEDUCTIBLE PERCENTAGE CREDITS</b>	<b>PENN MILLERS – ARKANSAS – 7/1/2007</b>
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The following deductible credits are applicable by hazard group for the elective deductible as designated below:

Applicable to TOTAL LOSSES:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	13.4	10.9	9.4	7.9	6.6	4.6	3.5
\$1,500	16.3	13.4	11.6	9.8	8.3	5.9	4.5
\$2,000	18.6	15.3	13.3	11.4	9.7	7.0	5.4
\$2,500	20.6	17.1	14.9	12.8	10.9	7.9	6.1
\$3,000	22.4	18.6	16.3	14.0	12.0	8.8	6.8
\$3,500	24.0	20.0	17.6	15.2	13.0	9.7	7.5
\$4,000	25.5	21.3	18.8	16.3	14.0	10.5	8.1
\$4,500	26.9	22.5	19.9	17.3	14.9	11.3	8.7
\$5,000	28.2	23.7	21.0	18.3	15.8	12.0	9.3

**WORKERS COMPENSATION****PENN MILLERS INSURANCE COMPANY -  
ARKANSAS****5. DEDUCTIBLE PERCENTAGE CREDITS - continued****PENN MILLERS – ARKANSAS – 7/1/2007**

Applicable to INDEMNITY LOSSES ONLY:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	2.9	2.4	2.2	2.0	1.8	1.5	1.1
\$1,500	4.0	3.3	3.0	2.8	2.5	2.1	1.6
\$2,000	5.0	4.1	3.8	3.5	3.1	2.7	2.0
\$2,500	5.8	4.9	4.5	4.2	3.7	3.2	2.4
\$3,000	6.6	5.6	5.2	4.8	4.3	3.6	2.8
\$3,500	7.4	6.2	5.8	5.4	4.8	4.1	3.1
\$4,000	8.0	6.8	6.3	5.9	5.2	4.5	3.5
\$4,500	8.7	7.4	6.8	6.4	5.7	4.8	3.8
\$5,000	9.3	7.9	7.3	6.8	6.1	5.2	4.1

Applicable to MEDICAL LOSSES ONLY:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	13.0	10.6	9.1	7.6	6.4	4.4	3.4
\$1,500	15.5	12.7	11.0	9.3	7.8	5.5	4.2
\$2,000	17.5	14.4	12.5	10.6	9.0	6.4	4.9
\$2,500	19.2	15.8	13.8	11.7	10.0	7.2	5.5
\$3,000	20.6	17.1	14.9	12.7	10.8	7.9	6.1
\$3,500	21.9	18.2	15.9	13.6	11.6	8.5	6.6
\$4,000	23.0	19.2	16.8	14.5	12.4	9.1	7.1
\$4,500	24.0	20.1	17.6	15.2	13.1	9.7	7.5
\$5,000	25.0	21.0	18.4	15.9	13.7	10.2	7.9

**PENN MILLERS AGRI BUSINESS  
WORKERS COMPENSATION**

Accident Year Premium and Losses  
As of December 31, 2006

**Nationwide**

<u>Accident Year</u>	<u>Written Premium</u>	<u>Earned Premium</u>	<u>Total Incurred Loss &amp; LAE</u>	<u>Underwriting Expenses</u>	<u>Investment &amp; Other Income</u>	<u>Operating Income</u>	<u>Loss &amp; LAE Ratio</u>	<u>Underwriting Ratio</u>	<u>Investment Ratio</u>	<u>Operating Ratio</u>
2002	2,407,118	2,129,726	2,366,055	445,544	(137,227)	(544,647)	111.1%	20.9%	-6.4%	125.6%
2003	3,672,487	3,060,122	4,778,147	664,847	(136,184)	(2,246,688)	156.1%	21.7%	-4.5%	173.4%
2004	5,750,161	4,803,917	4,298,424	952,111	(206,830)	(239,788)	89.5%	19.8%	-4.3%	105.0%
2005	5,884,172	5,805,001	5,402,393	1,288,372	(252,893)	(632,871)	93.1%	22.2%	-4.4%	110.9%
2006	6,610,323	5,927,424	5,997,518	1,202,539	(299,438)	(973,195)	101.2%	20.3%	-5.1%	116.4%
<b>Total</b>	<b>24,324,261</b>	<b>21,726,190</b>	<b>22,842,537</b>	<b>4,553,413</b>	<b>(1,032,571)</b>	<b>(4,637,189)</b>	<b>105.1%</b>	<b>21.0%</b>	<b>-4.8%</b>	<b>121.3%</b>

**Arkansas**

<u>Accident Year</u>	<u>Written Premium</u>	<u>Earned Premium</u>	<u>Total Incurred Loss &amp; LAE</u>	<u>Underwriting Expenses</u>	<u>Investment &amp; Other Income</u>	<u>Operating Income</u>	<u>Loss &amp; LAE Ratio</u>	<u>Underwriting Ratio</u>	<u>Investment Ratio</u>	<u>Operating Ratio</u>
2002	129,694	108,564	6,542	22,415	(6,995)	86,602	6.0%	20.6%	-6.4%	20.2%
2003	54,364	105,295	28,231	23,739	(4,686)	58,011	26.8%	22.5%	-4.5%	44.9%
2004	64,355	52,557	68,222	10,362	(2,263)	(23,764)	129.8%	19.7%	-4.3%	145.2%
2005	66,074	58,758	11,279	12,965	(2,560)	37,074	19.2%	22.1%	-4.4%	36.9%
2006	90,097	70,499	13,740	14,159	(3,561)	46,161	19.5%	20.1%	-5.1%	34.5%
<b>Total</b>	<b>404,584</b>	<b>395,672</b>	<b>128,013</b>	<b>83,640</b>	<b>(20,065)</b>	<b>204,084</b>	<b>32.4%</b>	<b>21.1%</b>	<b>-5.1%</b>	<b>48.4%</b>