

SERFF Tracking Number: PERR-125268107 State: Arkansas  
Filing Company: AXIS Insurance Company State Tracking Number: AR-PC-07-025858  
Company Tracking Number: AXIS-OL-ML-AR-0701-F  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
Product Name: AXIS-OL-ML-AR-0701-R  
Project Name/Number: AXIS-OL-ML-AR-0701-R/AXIS-OL-ML-AR-0701-R

## Filing at a Glance

Company: AXIS Insurance Company  
Product Name: AXIS-OL-ML-AR-0701-R SERFF Tr Num: PERR-125268107 State: Arkansas  
TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: AR-PC-07-025858  
Made/Occurrence  
Sub-TOI: 17.0019 Professional Errors & Omissions Liability Co Tr Num: AXIS-OL-ML-AR-0701- State Status: F  
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding  
Disposition Date: 10/03/2007  
Authors: Ines Piquet, Laura Jennette  
Date Submitted: 08/21/2007 Disposition Status: Filed  
Effective Date Requested (New): 09/21/2007 Effective Date (New):  
Effective Date Requested (Renewal): Effective Date (Renewal):

## General Information

Project Name: AXIS-OL-ML-AR-0701-R Status of Filing in Domicile: Pending  
Project Number: AXIS-OL-ML-AR-0701-R Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 10/03/2007  
State Status Changed: 08/22/2007 Deemer Date:  
Corresponding Filing Tracking Number: AXIS-OL-ML-AR-0701-F

### Filing Description:

On behalf of AXIS Insurance Company ("the Company"), we are submitting newly developed independent rates for the Media/Pro Media Liability Program. This filing is the initial submission of this program for AXIS Insurance Company. The program provides errors & omissions and libel/slander insurance coverages, and offers a variety of coverage options to risks in the specialized media and film/entertainment insurance market. Please see the enclosed Explanatory Memorandum for additional details.

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We respectfully request that this filing be implemented on September 21, 2007.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the rates and rules contained in this filing along with the filing memorandum. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company response will be submitted to your attention as soon as we receive it.

We trust you will find this submission acceptable and as such look forward to your approval.

Please do not hesitate to contact us with any questions or comments.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Laura Jennette, State Filings Analyst doi@perrknight.com  
 881 Alma Real Drive Suite 205 (310) 230-9339 [Phone]  
 Pacific Palisades, CA 90272 () -[FAX]

### Filing Company Information

AXIS Insurance Company CoCode: 37273 State of Domicile: Illinois  
 11680 Great Oaks Way Group Code: 3416 Company Type:  
 Ste. 500  
 Alpharetta, GA 30022 Group Name: AXIS Specialty State ID Number:  
 Limited  
 (678) 746-9423 ext. [Phone] FEIN Number: 39-1338397  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No

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Liability  
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*Fee Explanation:* \$100.00 per rate/rule filing.  
*Per Company:* No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AXIS Insurance Company	\$0.00	08/21/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
100963	\$100.00	08/20/2007

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	10/03/2007	10/03/2007

### 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	Edith Roberts	09/05/2007	09/05/2007	Laura Jennette	09/12/2007	09/12/2007

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## Disposition

Disposition Date: 10/03/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

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:
AXIS Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Filing Memorandum, Exhibits & Letter of Authorization	Filed	Yes
Rate	Media/Pro Media Liability Program Rate Manual (Range)	Filed	Yes
Rate	Arkansas Exception Page	Filed	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/05/2007  
Submitted Date 09/05/2007

Respond By Date

Dear Laura Jennette,

This will acknowledge receipt of the captioned filing.

We cannot accept this filing until a rule is made that the minimum of limits of liability available is \$1,000,000 for all coverages. This coverage is written on a defense within the limits basis and may be only written as such on limit of \$1 ml or greater pursuant to AID Order # 2007-049 for Miscellaneous Professional Liability. Also a rule must be made that a signed consent form acknowledging the reduction or exhaustion of the limit of liability by defense costs, must be obtained from the insured.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/12/2007  
Submitted Date 09/12/2007

Dear Edith Roberts,

### Comments:

### Response 1

Comments: Thank you for your letter dated September 5, 2007 and continued consideration of this filing. Please see attached an Arkansas manual page to address your concerns.

Should you have any additional questions or comments, please do not hesitate to contact us. Your time and assistance with this filing are greatly appreciated.

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**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

<b>Exhibit Name</b>	<b>Rule # or Page #</b>	<b>Rate Action</b>	<b>Previous State Filing #</b>
Arkansas Exception Page	MRP-AR (9-07)	New	

Sincerely,  
Ines Piquet, Laura Jennette

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**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** N/A, new program

**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):
AXIS Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Media/Pro Media Liability Program Manual (Range)	Pages 1 through 14	New	MediaPro MediaLiabilityProgram RANGE Rate Manual MM-FE(1) (7-07).pdf
Filed	Arkansas Exception Page	MRP-AR (9-07)	New	MRP-AR (9-07).pdf

I. GENERAL INSTRUCTIONS

These pages contain rules and rates for writing the Multimedia and Film & Entertainment Insurance Policies.

A. COVERAGE

Coverage is available within this program for the following Media exposures:

1. Advertisers
2. Advertising Agencies
3. Authors
4. Broadcasters
5. Cable TV Operators
6. Film and Program Producers
7. Magazine Publishers
8. Multimedia and Book Publishers
9. Newspaper Publishers
10. Public Appearance

B. PREMIUM COMPUTATION

1. Basic rates are for limits of \$100,000 for each annual policy period and a \$5,000 Self-Insured Retention.
2. Premiums are computed at the annual rates in effect at policy inception and at subsequent anniversaries of the policy.
3. The rates in this manual are for a policy that covers claim expense in addition to the policy limit. A claim expense factor of .90 will be applied for a Claim Expense Within Limit (CEWL) policy, if applicable.
4. The minimum policy premium is \$1,500.
5. The policy premium is computed as follows:
  - a. Calculate the basic limits premium using the rate tables found in Section II., Classes of Business. The minimum basic premium will be the respective minimum basic limits premium for each class of business as stated in Section II.
  - b. Multiply the basic limits premium by the following factors, if applicable:
    - 1) .90 for a Claim Expense Within the Limit (CEWL) policy
    - 2) .55 for a damages only policy (Defense Costs Excluded)Result is the basic limits unmodified premium.
  - c. Multiply the basic limits unmodified premium by (1 + sum of Risk Characteristic(s)). Result is the basic limits modified premium.
  - d. Multiply the basic limits modified premium by (1 + sum of Optional Coverage(s)). Result is the basic limits modified premium with Optional Coverage(s).

- e. Multiply the basic limits modified premium with Optional Coverage(s) by (1 + sum of Scheduled Debits and Credits). Result is the basic limits modified premium with Optional Coverage(s) and Scheduled Debits and Credits.
- f. Multiply the basic limits modified premium with Optional Coverage(s) and Scheduled Debits and Credits by the Increased Limit Factor and the Self-Insured Retention factor.

Result is the final annual premium.

C. POLICY LIMIT

1. The minimum policy limit is \$100,000.
2. Increased policy limit will be offered at the discretion of the Company in accordance with the Increased Limit Table.
3. The rates in this guide are for a policy that has an aggregate limit. For removal of the aggregate limit, apply a factor of 1.25 to the coverage premium.

D. SELF-INSURED RETENTION

1. The minimum Self-Insured Retention (SIR) is \$5,000.
2. Increased SIRs will be offered at the discretion of the Company in accordance with the Increased SIR Table.

E. SHORT TERM PREMIUM CALCULATIONS

1. Pro-rate all changes requiring additional or return premium.
2. Waive any additional premium of \$100 or less.
3. Waive any return premium of \$15 or less. Grant any return premium due if requested by the insured.

II. CLASSES OF BUSINESS

A. ADVERTISERS

1. Minimum basic limits premium: \$1,800

2. Basic limit rates:

<u>Advertising Expenditures</u>		<u>Basic Rate</u>
\$ 1 to	\$ 1,000,000	\$ 1,555
1,000,001 to	2,000,000	1,860
2,000,001 to	3,000,000	2,160
3,000,001 to	4,000,000	2,465
4,000,001 to	5,000,000	2,765
		<u>Rate Per Each Additional Million</u>
\$ 5,000,001 to	\$ 50,000,000	\$ 199
50,000,001 to	100,000,000	122
100,000,001 to	150,000,000	90
150,000,001 to	200,000,000	65
200,000,001 to	250,000,000	54
Above	250,000,000	(a) Rated

3. Advertising in more than one medium or with website/Internet exposure may be rated as a Multimedia risk.

B. ADVERTISING AGENCIES

1. Minimum basic limits premium: \$1,600

2. Basic limit rates:

<u>Billings</u>		<u>Basic Rate</u>
\$ 1 to	\$ 1,000,000	\$ 1,195
1,000,001 to	2,000,000	1,425
2,000,001 to	3,000,000	1,660
3,000,001 to	4,000,000	1,890
4,000,001 to	5,000,000	2,125
		<u>Rate Per Each Additional Million</u>
\$ 5,000,001 to	\$ 50,000,000	\$ 153
50,000,001 to	100,000,000	94
100,000,001 to	150,000,000	69
150,000,001 to	200,000,000	50
200,000,001 to	250,000,000	41
Above	250,000,000	(a) Rated

3. Agencies developing advertising in more than one medium or with website/Internet exposure may be rated as a Multimedia risk.

C. AUTHORS

1. Minimum basic limits premium: \$1,500

2. Basic limit rates:

<u>Risk Classification</u>	<u>Loss Potential</u>	<u>Basic Rate</u>
A	Less than 10%	\$ 1,500
B	15%	2,095
C	20%	2,960
D	25%	5,815
E	30%	9,950
F	35%	13,685
G	40%	19,740
H	45%	27,655
I	50%	(a) Rated

Risk classification is established by the underwriter and/or attorney after review of subject matter and supporting information with respect to five exposure areas:

- a. libel
- b. invasion of privacy
- c. infringement of intellectual property rights
- d. contextual errors and omissions
- e. investigative reporting or exposé

3. Renewal of previously published books:

- Second year – 50% of first year's premium
- Third year – 25% of first year's premium
- Fourth year – 15% of first year's premium

4. Books that could have more than one printing, more than one edition or with website/Internet exposure may be rated as a Multimedia risk.

D. BROADCASTERS

1. Minimum basic limits premium: \$1,400

2. Eligible risk classes:

- a. AM and FM radio stations
- b. Television stations

3. Basic limit rates:

a. (1) Radio Broadcast AM or FM station or low power television station.

Highest 60-second spot announcement advertising rate multiplied times 18.

(2) Simulcast Discount – Stations with simulcast programming

AM or FM stations which simulcast during 25% or more of their average program week, or stations which are “fully automated” during 90% or more of their average program week are rated at 50% of the originating station’s premium. (The discount for “fully automated” stations does not apply when automation assist is used during 90% or more of the station’s average program week.)

b. Television Stations

The basic limit rate is based on the highest hourly program-advertising rate multiplied times 1.85.

c. Public Radio

- (1) Transmitting station: \$655
- (2) Independent translator: \$195
- (3) Related translator: \$100

d. Public Television

- (1) Transmitting station: \$1,465
- (2) Independent translator: \$560
- (3) Related translator: \$245

e. Cable Access Corporations and Local Cable Access Origination Channels

<u>Annual Budget, Contributions and Other Income</u>		<u>Basic Rate for first three Access or Local Origination Channels</u>
\$ 1 -	\$ 25,000	\$ 655
25,001 -	50,000	780
50,001 -	100,000	980
100,001 -	250,000	1,565
250,001 -	500,000	2,150
500,001 -	1,000,000	Multiply budget & income by .0049
1,000,001 -	2,000,000	Multiply budget & income by .0042
2,000,001 -	3,000,000	Multiply budget & income by .0035
3,000,001 -	4,000,000	Multiply budget & income by .0030
4,000,001 -	5,000,000	Multiply budget & income by .0025
Over 5,000,000	(a) Rated	
Each additional program channel -	\$540	
Each additional alpha numeric channel -	\$300	

4. Risks with more than one broadcasting station or with website/Internet exposure may be rated as a Multimedia risk.

E. CABLE TV OPERATORS

1. Minimum basic limits premium: \$1,300

2. Basic limit rates:

<u>Number of Subscribers</u>		<u>Basic Rate</u>
1 to	2,500	\$ 585
2,501 to	5,000	780
5,001 to	10,000	1,020
10,001 to	20,000	1,315
20,001 to	30,000	1,510
30,001 to	40,000	1,890
40,001 to	50,000	2,105
50,001 to	60,000	2,325
60,001 to	70,000	2,540
70,001 to	80,000	2,755
80,001 to	90,000	2,970
90,001 to	100,000	3,190
100,001 to	125,000	4,425
125,001 to	150,000	5,060
150,001 to	175,000	5,660
175,001 to	200,000	6,215
200,001 +		(a) Rated

3. Premium applies to originated programming over cable operator's systems, but not to television productions for distribution elsewhere (except for additional premium – submit for quote).
4. Cable operators with more than five systems can be rated as one system using the total number of subscribers for all systems and multiplying the premium by 1.5.
5. Risks with more than one cable system or with website/Internet exposure may be rated as a Multimedia risk.

F. FILM AND PROGRAM PRODUCERS

1. Minimum basic limits premium: \$1,300
2. The minimum retained premium is 100% of the annual premium once aired.
3. Basic limit rates for first showing exposure:

a. Commercial entertainment and television program

<u>Program Type</u>	<u>Basic Rate</u>
Motion picture for theatrical release	\$ 7,020
Made for TV/CATV motion picture	4,430
½ hour TV/CATV feature	1,550
1 hour TV/CATV feature	2,710
½ hour TV/CATV feature – 1 feature – 1 episode per week (usually 13-36) segments	390 each
1 hour TV/CATV feature 1 episode per week	610 each
Daily programs – ½ to 1 hour	240 per week
News, documentaries, public affairs, live stage productions, acquisitions and development of new projects (A&D) or other program types not shown above	(a) Rated

b. Public Television

<u>Program Type</u>	<u>Minimum Basic Rate Per Hour</u>
Educational	\$ 800
Cultural	800
Sports	800
Non-controversial documentary	1,260
Each additional hour over two	165

c. Radio programs

- (1) Weekly programs: \$50 each
- (2) Daily programs: \$100 per week
- (3) News programs, live talk shows, audience participation programs, or other program types not shown above (a) Rated

d. Producers of commercials, industrial and educational films:

<u>Gross Revenues</u>	<u>Basic Rate per \$100</u>
\$ 1 to \$500,000	.298
500,001 to 1,000,000	.198
1,000,001 to 2,000,000	.167
Above 2,000,000	.134

4. Subsequent showing exposures:

- Second year – 50% of first year's premium
- Third year – 25% of first year's premium
- Fourth year – 15% of first year's premium

5. For a multi-year occurrence policy, multiply the final annual premium by a factor selected from the following:

- 2 year policy: 1.05 to 1.10
- 3 year policy: 1.10 to 1.25

6. Film and program producers with more than one production per year may be rated as a multimedia risk.

7. Film and program distributors (including libraries) are rated as multimedia risks.

8. Claims Made Policies:

a. Multiply the annual premium from B.5. of this rate manual by the following factors for a Film & Entertainment Liability claims made policy:

- 1) .85 claims made factor; and
- 2) 1.10 – 1.25 multi-year factor for 3 year policy
- 3) Retroactive coverage factor:

<u>Period</u>	<u>Factor</u>
up to 1 year	+5%
1 year	+10%
2 years	+15%
3 years	+20%
4 years	+25%
5 years	+30%
Over 5 years	(a) Rated

G. MAGAZINE PUBLISHERS

1. Minimum basic limits premium: \$1,500

2. Basic limit rates (per publication):

<u>Monthly Circulation</u>		
1 to	10,000	\$ 1,460
10,001 to	20,000	2,330
20,001 to	30,000	3,050
30,001 to	40,000	3,785
40,001 to	50,000	4,500
50,001 to	60,000	5,055
60,001 to	70,000	5,610
70,001 to	80,000	6,165
80,001 to	90,000	6,720
90,001 to	100,000	7,275
100,001 to	110,000	7,665
110,001 to	120,000	8,065
120,001 to	130,000	8,455
130,001 to	140,000	8,850
140,001 to	150,000	9,235
Above	150,000	(a) Rated

3. For magazines published other than monthly, apply the following factor to the basic limit rate:

<u>Frequency</u>	<u>Factor</u>
Daily	1.70
Weekly	1.25
Bi-Weekly	1.18
Bi-Monthly	.70
Quarterly	.60
Annual	.45
Semi-annual	.50
Bi-annual	.40

4. Risks with more than one publication or with website/Internet exposure may be rated as a Multimedia risk.

H. MULTIMEDIA AND BOOK PUBLISHERS

1. Minimum basic limits premium: \$4,700
2. Multimedia accounts are those with exposures resulting from participation in more than one field of communication.

Basic limit rates:

Revenues		←-----Base Premium Calculation-----→								
\$ 1 to	\$2,500,000	\$ 0	+	1.6733	times	\$1,000	of	revenues	over	\$1
2,500,001	5,000,000	4,183	+	1.4859	times	\$1,000	of	revenues	over	\$2,500,000
5,000,001	7,500,000	7,898	+	1.3659	times	\$1,000	of	revenues	over	\$5,000,000
7,500,001	10,000,000	11,313	+	1.2721	times	\$1,000	of	revenues	over	\$7,500,000
10,000,001	15,000,000	14,493	+	.7812	times	\$1,000	of	revenues	over	\$10,000,000
15,000,001	20,000,000	18,399	+	.7919	times	\$1,000	of	revenues	over	\$15,000,000
20,000,001	30,000,000	22,358	+	.5402	times	\$1,000	of	revenues	over	\$20,000,000
30,000,001	40,000,000	27,760	+	.4529	times	\$1,000	of	revenues	over	\$30,000,000
40,000,001	50,000,000	32,289	+	.4238	times	\$1,000	of	revenues	over	\$40,000,000
50,000,001	75,000,000	36,526	+	.4020	times	\$1,000	of	revenues	over	\$50,000,000
75,000,001	100,000,000	46,575	+	.3705	times	\$1,000	of	revenues	over	\$75,000,000
100,000,001	150,000,000	55,837	+	.3248	times	\$1,000	of	revenues	over	\$100,000,000
150,000,001	200,000,000	72,078	+	.2970	times	\$1,000	of	revenues	over	\$150,000,000
200,000,001	250,000,000	86,927	+	.2768	times	\$1,000	of	revenues	over	\$200,000,000
250,000,001	300,000,000	100,765	+	.2300	times	\$1,000	of	revenues	over	\$250,000,000
300,000,001	350,000,000	112,266	+	.1133	times	\$1,000	of	revenues	over	\$300,000,000
350,000,001	400,000,000	117,929	+	.0735	times	\$1,000	of	revenues	over	\$350,000,000
400,000,001	450,000,000	121,603	+	.0528	times	\$1,000	of	revenues	over	\$400,000,000
450,000,001	500,000,000	124,244	+	.0445	times	\$1,000	of	revenues	over	\$450,000,000
Over	500,000,000	(a) Rated								

I. NEWSPAPER PUBLISHER

1. Minimum basic limits premium: \$1,800
2. Basic limit rates:

Annual basic rate applies to each individual newspaper circulated in a separate community. A newspaper using multiple mastheads circulated in the same general market area and sharing 50% or more in editorial or advertising content is rated as one newspaper.

a. Daily Newspapers (Four or more times a week)

<u>Circulation</u>		<u>Basic Rate</u>
1 to	5,000	\$ 2,000
5,001 to	10,000	2,455
10,001 to	15,000	2,925
15,001 to	20,000	3,855
20,001 to	30,000	4,450
30,001 to	40,000	5,310
40,001 to	50,000	5,790
50,001 to	75,000	9,945
75,001 to	100,000	13,085
Above	100,000	(a) Rated

b. Weekly Newspapers (Three or fewer times a week)

(1)	<u>Circulation</u>	<u>Annual Basic Rate</u>
	1 to 10,000	\$ 735
	10,001 to 20,000	920
	20,001 to 30,000	1,110
	30,001 to 40,000	1,280
	40,001 to 50,000	1,480
	Over 50,000	multiply circulation by .0296

(2) For newspapers published less frequently than weekly, apply the appropriate factor below to the basic limit premium developed from weekly newspaper rates.

<u>Frequency</u>	<u>Factor</u>
Bi-Weekly	.94
Monthly	.80
Bi-Monthly	.56
Quarterly	.48
Annual	.45

c. "Shoppers" and "Advertisers"

- (1) \$100 per publication

3. Risks with more than one newspaper or with website/Internet exposure may be rated as a Multimedia risk.

J. PUBLIC APPEARANCE COVERAGE

1. Minimum basic limits premium: \$4,700
2. Coverage can be written on one or more of the following:
  - a. Public speaking including speeches, press conferences, media interviews, panel discussions and seminars.
  - b. Appearances on radio, television, cable television or the Internet.
  - c. Contributing to articles, books or other publications as a guest or free-lance writer, subject or named source.
  - d. Appearances in advertisements through any medium as an actor, announcer, spokesperson or endorser.
  - e. Other – Related to the above (i.e., specific scheduling of appearances on television, radio, etc., other appearances.)
3. Public Appearances are rated as Multimedia risks.

### III. RISK CHARACTERISTICS

<b>FACTOR</b>		<b>FACTOR</b>
0% to - 50%	Clearance procedures – written and formalized/ no written and formalized clearance procedures	0% to 50%
0% to - 50%	Client reviews media and signs-off/ client does not review media nor sign-off	0% to 50%
0% to - 50%	Comparative advertising campaigns	0% to 50%
0% to - 50%	Copyright and trademark – below average exposure/ above average exposure	0% to 50%
0% to - 50%	Defamation and privacy – below average exposure/ above average exposure	0% to 50%
0% to - 50%	Direct mail services	0% to 50%
0% to - 50%	Duplication of content	0% to 50%
0% to - 50%	Editorial procedures – written and formalized/ no written and formalized editorial procedures	0% to 50%
0% to - 50%	Errors & Omissions – below average exposure/ above average exposure	0% to 50%
0% to - 50%	Established business (3+ years) / new venture (less than 3 years)	0% to 50%
0% to - 50%	Favorable claim experience (55% loss ratio or less in most recent 5 years)/ unfavorable claim experience (greater than 55% loss ratio in most recent 5 years)	0% to 50%
0% to - 50%	Hold harmless and indemnity agreements contained in contracts/ no hold harmless or indemnity agreements in contracts	0% to 50%
	In-house advertising agency	0% to 50%
	International media exposure	0% to 50%
	Investigative, undercover reporting or exposés	0% to 50%
0% to - 50%	Law firm on retainer/ law firm not on retainer	0% to 50%
0% to - 50%	Legal department in-house/ no in-house legal department	0% to 50%
0% to - 50%	Legal review of media prior to distribution/ no legal review of media prior to distribution	0% to 50%
0% to - 50%	Legal vetting procedures – written and formalized/ no written and formalized legal vetting procedures	0% to 50%
0% to - 50%	Local media exposure	0% to 50%
0% to - 50%	Market research services	0% to 50%
0% to - 50%	Multiple exposures insured under one policy	0% to 50%
	National media exposure	0% to 50%
	Non-English language media	0% to 50%
	Printing services or assumes liability for printing	0% to 50%
	Product testing services	0% to 50%
	Public Relations services	0% to 50%
	Regional media exposure	0% to 50%
0% to - 50%	Retraction and correction procedures – written and formalized/ no written and formalized retraction or correction procedures	0% to 50%
0% to - 50%	Statewide media exposure	0% to 50%

IV. OPTIONAL COVERAGES

<u>FACTOR</u>	<u>OPTIONAL COVERAGE</u>	<u>FACTOR</u>
	Additional Insured Endorsement	0% to 10%
	Additional Insured Endorsement-Students and Faculty Advisors	0% to 10%
	Additional Insured Endorsement-Committee Members	0% to 10%
	Additional Insured Endorsement-Matter Furnished by the Additional Insured	0% to 10%
	Advertising Services Errors & Omissions Coverage	0% to 50%
	Advertising Services Errors & Omissions Standard Coverage	0% to 25%
	Business Operations and Personal Injury	0% to 50%
	Commercial Printers Errors & Omissions Coverage	0% to 25%
0% to -40%	Errors & Omissions Coverage Deleted	
0% to -25%	Errors & Omissions Standard Coverage	
0% to -10%	Freelancers/Authors Deleted from Definition of Insured	
	Joint Venture Endorsement	0% to 25%
	Merchandising Endorsement	10% to 25%
	Mitigation Expense	0% to 50%
	Cyber and Technology Errors & Omissions	0% to 25%
0% to -10%	Named Peril Coverage	
	Prior Acts Endorsement	0% to 30%
		Full Prior Acts: (a) rated
	Professional Services Errors & Omissions Coverage	0% to 25%
	Rights Period Term of Insurance	0% to 25%
	Subpoena Defense and Free Expression Legal Expense	0% to 25%
0% to -25%	Trademark Deleted	
0% to -25%	Trademark and Errors & Omissions Deleted	
	Unauthorized Access Endorsement	0% to 25%

V. SCHEDULE OF DEBITS AND CREDITS

<u>CREDIT</u>		<u>DEBIT</u>
0% to -50%	Experienced/Inexperienced Law Firm	0% to 50%
0% to -50%	Experienced/Inexperienced Management and Staff	0% to 50%
0% to -50%	Favorable legal jurisdiction (AL, AZ, AR, CO, CT, DE, DC, GA, ID, IL, IN, IA, KS, KY, ME, MD, MS, MN, MO, MS, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OR, RI, SD, TN, UT, VT, WA, WV, WI, WY)	
0% to -50%	Innocuous/Controversial Content	0% to 50%
0% to -50%	Stable/Weak Financial Condition	0% to 50%
	Unfavorable legal jurisdiction (AK, CA, FL, HI, LA, MI, NY, OK, PA, SC, TX, VA)	0% to 50%

VI. TABLES

A. INCREASED LIMIT TABLE

1. Apply one of the following factors to increase the basic limit of \$100,000.

<u>Limit</u>	<u>Factor</u>
\$ 250,000	1.40
300,000	1.50
500,000	1.70
1,000,000	2.25

2. a. To increase the limit in excess of \$1,000,000 apply the appropriate factor below to the \$1,000,000 limit premium.

<u>Limit</u>	<u>Factor</u>
\$ 2,000,000	1.50
3,000,000	1.70
4,000,000	1.85
5,000,000	2.00

- b. Split Limit

- (1) To increase the limit in excess of \$1,000,000 apply the appropriate factor below to the \$1,000,000 limit premium:

<u>Limit</u> <u>Each Claim/Annual Aggregate</u>	<u>Factor</u>
\$ 1,000,000 / 2,000,000	1.25
1,000,000 / 3,000,000	1.35
1,000,000 / 5,000,000	1.55
2,000,000 / 5,000,000	1.80
3,000,000 / 5,000,000	1.90
3,000,000 / 6,000,000	1.95
5,000,000 / 10,000,000	2.40

3. To increase the limit in excess of \$5,000,000 apply the appropriate factor below to the \$5,000,000 limit premium.

<u>Limit</u>	<u>Low Risk</u>	<u>Medium Risk</u>	<u>High Risk</u>
\$ 6,000,000	1.10	1.15	1.20
7,000,000	1.15	1.25	1.30
8,000,000	1.20	1.30	1.40
9,000,000	1.25	1.35	1.50
10,000,000	1.30	1.45	1.65

B. INCREASED SELF-INSURED RETENTION TABLE

1. Apply the appropriate factor below to adopt an SIR other than the minimum SIR for the coverage class.

<u>Minimum SIR</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$75,000</u>	<u>\$100,000</u>	<u>\$100,000 +</u>
\$5,000	1.00	.85	.75	.65	.50	.45	.40	(a) Rated

## **MANUAL RULE PAGE**

### **ARKANSAS**

#### **MM-FE(1) Rate Manual for Media/Pro Media Liability Program AXIS Insurance Company**

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The following rule supersedes the information contained in item I.C.1. of the Media/Pro Media Liability Program Rate Manual MM-FE(1) (7-07):

Policies written for Arkansas Insureds either as Claim Expense in Addition to the Limit or as Claim Expense Within the Limit will have a minimum limit requirement of \$1,000,000.

Insured Consent for Claim Expense Within the Limit Policy:

All CEWL (Claim Expense Within the Limit) policies written for Arkansas Insureds must have the mandatory form AR-04 (7-07), Arkansas Consent Agreement (CEWL) signed and returned by the Insured prior to binding coverage.

SERFF Tracking Number: PERR-125268107 State: Arkansas  
 Filing Company: AXIS Insurance Company State Tracking Number: AR-PC-07-025858  
 Company Tracking Number: AXIS-OL-ML-AR-0701-F  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
 Product Name: AXIS-OL-ML-AR-0701-R  
 Project Name/Number: AXIS-OL-ML-AR-0701-R/AXIS-OL-ML-AR-0701-R

## Supporting Document Schedules

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

**Comments:**

**Attachments:**

2007 NAIC PCTD-R.pdf  
 2007 NAIC RRFS.pdf

**Bypassed -Name:** NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Filed 10/03/2007

**Bypass Reason:** Not Applicable

**Comments:**

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

**Bypass Reason:** Not Applicable

**Comments:**

**Satisfied -Name:** Filing Memorandum, Exhibits & Letter of Authorization **Review Status:** Filed 10/03/2007

**Comments:**

**Attachments:**

AIC MediaPro Explanatory Memorandum - Rates.pdf  
 AIC Expense Worksheets - Media Pro Media.pdf  
 LOA.pdf

## 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:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

<b>3. Group Name</b>	<b>Group NAIC #</b>
AXIS Specialty Limited	3416

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
AXIS Insurance Company	IL	37273	39-1338397	

<b>5. Company Tracking Number</b>	<b>AXIS-OL-ML-AR-0701-R</b>
-----------------------------------	-----------------------------

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Laura Jennette 881 Alma Real Dr. Suite 205 Pacific Palisades, CA 907272	State Filing Analyst	888.201.5123 X 109	310.230.8529	doi@perrknight.com
7.	Signature of authorized filer		<i>Laura Jennette</i>		
8.	Please print name of authorized filer		Laura Jennette		

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

<b>9. Type of Insurance (TOI)</b>	17.0 Other Liability-Occ/Claims Made
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	17.0019 Professional Errors and Omissions Liability
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	Media/Pro Media Liability Program
<b>13. Filing Type</b>	<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)
<b>14. Effective Date(s) Requested</b>	New: September 21, 2007   Renewal: N/A
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	
<b>17. Reference Organization # &amp; Title</b>	
<b>18. Company's Date of Filing</b>	August 21, 2007
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

**Property & Casualty Transmittal Document—**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>AXIS-OL-ML-AR-0701-R</b>
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<b>21.</b>	<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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On behalf of AXIS Insurance Company (“the Company”), we are submitting newly developed independent rates for the Media/Pro Media Liability Program. This filing is the initial submission of this program for AXIS Insurance Company. The program provides errors & omissions and libel/slander insurance coverages, and offers a variety of coverage options to risks in the specialized media and film/entertainment insurance market. Please see the enclosed Explanatory Memorandum for additional details.

We respectfully request that this filing be implemented on September 21, 2007.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the rates and rules contained in this filing along with the filing memorandum. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company response will be submitted to your attention as soon as we receive it.

We trust you will find this submission acceptable and as such look forward to your approval.

Please do not hesitate to contact us with any questions or comments

<b>22.</b>	<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]
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**Check #:** 100963  
**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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>AXIS-OL-ML-AR-0701-R</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>AXIS-OL-ML-AR-0701-F</b>
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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>	<b>Prior Approval</b>
-----------	--	-----------------------

<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)
AXIS Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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)

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

<b>6.</b>	<b>Overall percentage of last rate revision</b>	N/A, new program
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<b>7.</b>	<b>Effective Date of last rate revision</b>	N/A, new program
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<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	N/A, new program
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Rating Manual – Pages 1 through 14	<input checked="" 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	

# **AXIS INSURANCE COMPANY**

## **EXPLANATORY MEMORANDUM**

### **Media Liability Insurance Program RATES**

With this filing, AXIS Insurance Company is submitting its newly developed independent rates for the Media/Pro Media Liability Program. This filing is the initial submission of this program for AXIS Insurance Company. The program provides errors & omissions and libel/slander insurance coverages, and offers a variety of coverage options to risks in the specialized media and film/entertainment insurance market.

The proposed rates for the program have been determined judgmentally based upon the expertise and knowledge of AXIS/MediaPro underwriters and an analysis of a similar program offered by leading competitor National Casualty Company. In that the competing National Casualty program has not been revised or updated since its original filing in 1993, certain revisions and adjustments have been made by AXIS to reflect the impact of trend, market changes, and coverage enhancements incorporated by AXIS into the policy forms.

Changes to the competitor rating plan include:

- Reflection of “all risk” versus named peril coverage agreement.
- Reflection of E&O Broad Form coverage built into the policy.
- AXIS base rates contemplate a base SIR of \$5,000.
- Reflection of offer of claims made coverage to certain risks.
- Updated base rates to reflect coverage enhancements and trend since 1993.
- Simplified SIR Table.
- Enhanced rule pages to reflect various coverage enhancements and to add clarity to the premium computation section.
- Incorporation of Schedule of Debits & Credits section into the rule pages.

Since there are no current policyholders for AXIS Insurance Company, there is no overall rate impact associated with this filing. The expected loss, expense, LAE, and ULAE ratios have been determined judgmentally. The rate of investment income and various expense components have been developed using industry data from A.M. Best’s Aggregates and Averages, with a view to the limited amount of information publicly available regarding similar programs. AXIS considers the proposed rating structure to be neither excessive or inadequate, nor unfairly discriminatory.

**AXIS Insurance Company  
Media Liability**

**(Assumes Expense Costs include all LAE)**

<u>Expense Component</u> (1)	<u>Industry</u> (2)	<u>Co. Selected</u> (3)
Commission	12.7%	15.0%
Taxes, Licenses, and Fees	1.7%	2.0%
Other Acquisition	4.3%	6.0%
General Expense	4.3%	6.0%
Underwriting Profit & Contingencies ( b )		5.0%
Total		34.0%
Expected Loss (a)		66.0%

(2) uses data from Best's Aggregates & Averages - Property Casualty 2006  
Part III of the IEE pages 355 and 356 (line 17 Other Liability)

(3) selected by AXIS (based on corporate projections)

(a) 1.00 - total of expenses

( b ) Exhibit A

**AXIS Insurance Company**  
All Lines

Exhibit A

**Profit and Contingencies**

Year	Industry NPW	Industry YE Surplus	P/S	Industry ROE
2001	333,988	298,775	1.118	-7.7%
2002	383,301	293,794	1.305	-5.2%
2003	420,116	356,656	1.178	17.8%
2004	438,695	402,405	1.090	13.9%
2005	437,709	438,730	0.998	10.3%
	2,013,809	1,790,360	1.125	7.1%
X Hi Lo			1.129	6.3%
Company Planned			1.2	
Selected			1.2	9.0%
Target Return on Premium (a)				7.5%
Invest Income as % of Premium (b)				3.2%
Indicated Profit & Contingencies (post tax) ( c )				4.3%
Indicated Profit & Contingencies (pre tax) (d)				6.6%
Selected Profit & Contingencies				5.0%

Premium, Surplus and ROE data from Bests' Aggregates and Averages (2006) page 88

(a) (selected ROE)/(P/S)

(b) Exhibit B

( c ) (a) - (b)

(d) assumes a tax rate of 35%

**Rate of Return**

Unearned Premiums

UEPR @ 12/31/05	27,152,782	Bests' 2006 A&A ASLOB 17 page 355
2005 growth estimate	3.0%	selected
UEPR @ 12/31/04 estimate	26,361,924	
Average UEP	26,757,353	= (a)

Prepaid Expense

Commission	12.7%	Bests' 2006 A&A ASLOB 17 page 356
TLF	1.7%	Bests' 2006 A&A ASLOB 17 page 356
50% Other Acq.	2.2%	Bests' 2006 A&A ASLOB 17 page 356
50% GE	2.2%	Bests' 2006 A&A ASLOB 17 page 356
Total	18.7%	= (b)

Deduction for Federal Taxes 7.0% = ( c ) : 20% x 35%

UEP not Sub. to investment 6,881,816 (a)x((b)+( c )) = (d)  
UEP subject to investment 19,875,537 = (a) - (d)

Agents Balances

DEP	52,387,081	Bests' 2006 A&A ASLOB 17 page 355
Agents Balances	9,160,341	Bests' 2006 A&A ASLOB 17 page 355

Loss Reserve

DEP	52,387,081	
Incurred Loss	33,712,883	Bests' 2006 A&A ASLOB 17 page 355
2005 P 2H Sect. 2 (Incurred)	9,835,836	Bests' 2006 A&A 2005 AY page 200 (e) - Claims Made Only
2005 P 3H Sect. 2 (Paid)	437,151	Bests' 2006 A&A 2005 AY page 205 (f) - Claims Made Only
Mean Loss Reserve %	95.6%	1.00 -((f)/(e)) = (g)
Mean Loss Reserves	32,214,523	Incurred loss x (g) = (h)

Surplus

P/S	1.2	
Invested Surplus	43,655,901	DEP/((P/S))
Invested Assets	86,585,621	UEPSI+AB+MLR+IS = (i)
ROR on Investment	3.0%	estimated given current short term interest rate environment (j)
Investment Earnings	2,597,569	(j) x (i) = (k) = IE
ROR on Premium	5.0%	IE/DEP = (l)
ROR after FIT	3.2%	(l) x 0.65 assumes 35% tax



May 16, 2007

Re: **AXIS Insurance Company**  
NAIC Number 3416-37273, FEIN 39-1338397

To Whom It May Concern:

Perr&Knight is hereby authorized to submit rate, rule, and form filings on behalf of **AXIS Insurance Company**. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight at the following address:

State Filings Department  
Perr&Knight  
881 Alma Real Drive, Suite 205  
Pacific Palisades, CA 90272  
Phone: (310) 230-9339  
Fax: (310) 230-8529

Please contact me if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in cursive script that reads "Dave Clark".

Dave Clark, CPCU, ARe  
Vice President  
Underwriting Compliance  
Telephone 678-746-9423  
Fax 678-746-9317  
Dave.clark@axiscapital.com