

SERFF Tracking Number: REGU-125313866 State: Arkansas  
Filing Company: SPARTA Insurance Company State Tracking Number: AR-PC-07-026338  
Company Tracking Number: SPARTA-WC-07  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07

## Filing at a Glance

Company: SPARTA Insurance Company

Product Name: Workers Compensation

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

SERFF Tr Num: REGU-125313866 State: Arkansas

SERFF Status: Closed

Co Tr Num: SPARTA-WC-07

Co Status:

Author: John Battles

Date Submitted: 10/04/2007

State Tr Num: AR-PC-07-026338

State Status:

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

Disposition Date: 10/11/2007

Disposition Status: Approved

Effective Date Requested (New): 11/01/2007

Effective Date Requested (Renewal): 11/01/2007

Effective Date (New): 11/01/2007

Effective Date (Renewal):

## General Information

Project Name: Initial Filing - Adoption of NCCI Loss Costs

Project Number: SPARTA-WC-07

Reference Organization: National Council On Compensation Insurance (NCCI)

Reference Title: Arkansas- Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2007

Filing Status Changed: 10/11/2007

State Status Changed: 10/05/2007

Corresponding Filing Tracking Number:

Filing Description:

SPARTA Insurance Company (SPARTA), a member of the National Council on Compensation Insurance (NCCI) is submitting its initial filing to offer a Workers Compensation Program in Arkansas. This filing adopts the most recent prospective loss costs as contained in the NCCI Approval Circular AR-2007-04. The related rules, rating plans, forms and endorsements that will be used with this program are those filed on behalf of SPARTA by NCCI as part of its affiliation.

Status of Filing in Domicile: Not Filed

Domicile Status Comments:

Reference Number: Approval Circular AR-2007-04

Advisory Org. Circular: Approval Circular AR-2007-04

Deemer Date:

The rates that will be used with this program will be the combination of the NCCI loss costs and the proposed loss cost

<i>SERFF Tracking Number:</i>	<i>REGU-125313866</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Company Tracking Number:</i>	<i>SPARTA-WC-07</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07</i>		

multiplier of 1.510. In addition, various miscellaneous values and retrospective rating values are included on the attached state exception pages.

Enclosed for your review are the following:

- Explanatory Memo
- State Required Filing Forms
- State Exception Pages
- Final Rate Pages

We ask that this filing become effective for all policies effective November 1, 2007.

## Company and Contact

### Filing Contact Information

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

John Battles, President	johnbattles@ircllc.com
50 Broad Street	(941) 926-0144 [Phone]
New York, NY 10004	() -[FAX]

### Filing Company Information

SPARTA Insurance Company	CoCode: 20613	State of Domicile: Massachusetts
CityPlace II	Group Code:	Company Type: Stock Company
185 Asylum Street		
Hartford, CT 06103	Group Name: N/A	State ID Number:
(860) 275-6523 ext. [Phone]	FEIN Number: 04-1027270	
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## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
SPARTA Insurance Company	\$0.00	10/04/2007	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/11/2007	10/11/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Carol Stiffler	10/05/2007	10/05/2007	John Battles	10/11/2007	10/11/2007
Industry Response						

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## Disposition

Disposition Date: 10/11/2007  
 Effective Date (New): 11/01/2007  
 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:
SPARTA 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 (revised)	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document (revised)	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document (revised)	Filing Letter and 3rd Party Filing Authorization Letter	Approved	Yes
Supporting Document	Filing Letter and 3rd Party Filing Authorization Letter	Approved	Yes
Supporting Document	Explanatory Memorandum	Approved	Yes
Rate	Workers Compensation State Exception Pages	Approved	Yes
Rate	Sparta Workers Compensation Final Rate Pages	Approved	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/05/2007

Submitted Date 10/05/2007

Respond By Date

Dear John Battles,

This will acknowledge receipt of the captioned filing.

This filing adopts Circular AR-2007-04 but does not state the Item Filing number which is often different than the Circular number. 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.

As of this date, the name change to Sparta Insurance Company from American Employers has not been entered into our system. I have requested the info on the change from our Legal Division as soon as possible.

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/11/2007

Submitted Date 10/11/2007

Dear Carol Stiffler,

### Comments:

### Response 1

Comments: Dear Ms. Stiffler:

This will confirm receipt of and respond to your "Objection Letter" dated October 5, 2007.

In our initial filing, we inadvertently referenced the National Council on Compensation Insurance's (NCCI's) Approval

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Circular AR-2007-04. The actual Item Filing Number reference should have been as follows:

Item Filing # AR-2007-01

We have revised the following documents that have been attached as replacements to the initial documents within SERFF:

1. Filing Letter
2. Uniform Transmittal Document-Property & Casualty
3. NAIC Loss Cost Filing Document for Workers' Compensation
4. NAIC loss cost data entry document

We trust this has responded to your inquiry and will allow for your further review and approval of this filing.

Thank you.

John Battles  
(941) 926-0144  
johnbattles@ircllc.com

#### **Changed Items:**

##### **Supporting Document Schedule Item Changes**

Satisfied -Name: Uniform Transmittal Document-Property & Casualty  
Comment: Uniform Transmittal Document-Property & Casualty  
Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation  
Comment: NAIC Loss Cost Filing Document for Workers' Compensation  
Satisfied -Name: NAIC loss cost data entry document  
Comment: NAIC loss cost data entry document  
Satisfied -Name: Filing Letter and 3rd Party Filing Authorization Letter  
Comment: Filing Letter  
3rd Party Filing Authorization Letter

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

*SERFF Tracking Number:*      *REGU-125313866*                      *State:*                      *Arkansas*  
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*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*              *Workers Compensation*  
*Project Name/Number:*      *Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07*

Sincerely,  
John Battles

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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:**

**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):
SPARTA 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:
Approved	Workers Compensation State Exception Pages	SPARTA-WC-AR (Edition 08-07)	New	AR-WC-0807.pdf
Approved	Sparta Workers Compensation Final Rate Pages	RATES - Arkansas Pages 1-4	New	AR WC Rates 11-1-07.pdf

WORKER'S COMPENSATION  
STATE EXCEPTION PAGES

A. MISCELLANEOUS VALUES

I. LOSS COST MULTIPLIER

The following loss cost multiplier (LCM) will apply to the National Council on Compensation Insurance (NCCI) Advisory Loss Costs:

1.510

II. EXPENSE CONSTANT Rule 3-A-11

\$200

III. MINIMUM PREMIUMS Rule 3-A-16

**A. Minimum Premium Formula**

Use the loss costs (LC) from the state loss cost pages and the minimum premium multiplier (MPM), expense constant (EC) and loss cost multiplier (LCM) to determine the minimum premium as follows:

$$(LC) \times (LCM) \times (MPM) + (EC) = \text{Minimum Premium}$$

**B. Minimum Premium Multiplier**

100.00

**C. Maximum Minimum Premium**

The Maximum Minimum Premium for all classifications is \$500.

IV. PREMIUM DISCOUNT Rule 3-A-19

Use the following Premium Discount Table - NCCI Table 9 – Stock Insurers

Premium Layer		Discount
First	\$10,000	0.0%
Next	\$190,000	9.1%
Next	\$1,550,000	11.3%
Over	\$1,750,000	12.3%

WORKER'S COMPENSATION  
STATE EXCEPTION PAGES

V. SCHEDULE RATING PLAN

The Company intends to adopt a Schedule Rating Plan as detailed below.

**1. Eligibility**

To be eligible for this Plan, annual manual premium must be at least that shown in the Schedule Rating Table.

**2. Application**

- a. The amount of the schedule rating factor is subject to a maximum of that listed in the Schedule Rating Table.
- b. The amount of the schedule rating factor is applied in a multiplicative manner after the application of the experience rating modification (if an experience rated risk) and before the application of premium discount and expense constant.
- c. The credit or debit must be within the range for a specific risk characteristic as provided in this Plan.
- d. At the time that the schedule rating factor is applied, the carrier must have documentation on file detailing the basis for the credit or debit. This documentation must be provided to the insured on request.
- e. The effective date of the schedule rating factor must be on or after the date of the carrier's receipt of the documentation supporting the basis for the schedule rating factor.
- f. If the insured can correct the reason for any schedule debit to the satisfaction of the carrier, the debit may be removed effective on the date that documentation for the correction is received in the carrier's office.

**3. Schedule Rating Table**

The premium for a risk may be modified according to the Schedule Rating Table to reflect such characteristics of the risk that are not reflected in its experience. Seven categories are considered when determining any credit or debit under this Plan.

		Range		
		Credit		Debit
A	<b>Premises</b>	10%	To	10%
B	<b>Classification Peculiarities</b>	10%	To	10%
C	<b>Medical Facilities</b>	5%	To	5%
D	<b>Safety Devices</b>	5%	To	5%
E	<b>Employees – Selection, Training, Supervision</b>	10%	To	10%
F	<b>Management – Cooperation with Insurance Carrier</b>	5%	To	5%
D	<b>Management – Safety Organization</b>	5%	To	5%

Maximum Modification 25.00%  
Minimum Annual Premium at Manual Rates \$3,000.

WORKER'S COMPENSATION  
STATE EXCEPTION PAGES

VI. WAIVER OF SUBROGATION

Rule: Miscellaneous Rules – Arkansas Worker's Compensation Premium Algorithm

Blanket Waiver Factor: 2.00%  
Specific Waiver Factor: 5.00%

VII. ARKANSAS ALCOHOL AND DRUG FREE WORKPLACE PREMIUM CREDIT  
Rule: Miscellaneous Rules – Arkansas Alcohol and Drug Free Workplace Premium Credit

Premium Credit: 5.00%

VIII. OTHER RATING VALUES

For the following pricing plan elements, the Company will adopt all of the defined rules, procedures and rating values as contained in the NCCI Basic Manual, Arkansas Miscellaneous Rules and Arkansas Miscellaneous Values.

Pricing Plan	Rule Source	Rating Values Source
Deductible Insurance	Arkansas Miscellaneous Rules	Arkansas Miscellaneous Values
Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents (DTEC)	Rule 3-A-24 / Arkansas Miscellaneous Rules – Premium Algorithm	Arkansas Miscellaneous Values
Foreign Terrorism	Rule 3-A-24 / Arkansas Miscellaneous Rules – Premium Algorithm	Arkansas Miscellaneous Values

WORKER'S COMPENSATION  
STATE EXCEPTION PAGES

B. RETROSPECTIVE RATING VALUES

I. EXPECTED LOSS RATIOS

<b>Expected Loss Ratios</b>	
Expected Loss Only	Expected Loss and Allocated Loss Adjustment Expense
0.593	0.648

II. TAX MULTIPLIERS

<b>Tax Multipliers</b>	
State (non-F classifications)	Federal Classes
1.0450	1.1250

# SPARTA INSURANCE COMPANY

## RATES

Original Printing				Effective November 1, 2007				Arkansas			
								Page 1			
CLASS	FOOT-		MINIMUM	CLASS	FOOT-		MINIMUM	CLASS	FOOT-		MINIMUM
CODE	NOTE	RATES	PREMIUM	CODE	NOTE	RATES	PREMIUM	CODE	NOTE	RATES	PREMIUM
0005		5.06	\$500	2001		2.54	\$454	2660		1.65	\$365
0008		3.07	\$500	2002		3.50	\$500	2670		2.48	\$448
0016		6.45	\$500	2003		2.94	\$494	2683		2.14	\$414
0034		4.35	\$500	2014		5.59	\$500	2688		3.05	\$500
0035		2.58	\$458	2016		2.54	\$454	2701		8.15	\$500
0036		4.26	\$500	2021		3.47	\$500	2702	X	28.12	\$500
0037		4.58	\$500	2039		4.82	\$500	2710		8.73	\$500
0042		7.49	\$500	2041		4.20	\$500	2714		5.30	\$500
0050		5.65	\$500	2065		1.27	\$327	2719	X	11.36	\$500
0059	D	0.30	\$230	2070		5.27	\$500	2731		3.87	\$500
0065	D	0.06	\$206	2081		4.55	\$500	2735		3.16	\$500
0066	D	0.06	\$206	2089		2.87	\$487	2759		7.88	\$500
0067	D	0.06	\$206	2095		3.38	\$500	2790		1.48	\$348
0079		3.32	\$500	2105		2.61	\$461	2802		6.84	\$500
0083		8.80	\$500	2110		2.39	\$439	2812		4.61	\$500
0106		14.77	\$500	2111		2.14	\$414	2835		1.77	\$377
0113		4.95	\$500	2112		2.69	\$469	2836		2.51	\$451
0170		2.72	\$472	2114		3.28	\$500	2841		4.36	\$500
0251		5.56	\$500	2121		2.07	\$407	2881		2.40	\$440
0400		8.86	\$500	2130		3.05	\$500	2883		4.56	\$500
0401		12.84	\$500	2131		1.87	\$387	2913		3.19	\$500
0771	N	0.33	\$233	2143		2.30	\$430	2915		4.06	\$500
0908	P	132.88	\$333	2150		—	—	2916		2.57	\$457
0909	P	—	—	2157		3.96	\$500	2923		2.16	\$416
0912	P	—	—	2172		2.22	\$422	2942		2.57	\$457
0913	P	351.83	\$500	2174		2.94	\$494	2960		3.16	\$500
0917		3.93	\$500	2211		5.50	\$500	3004		2.70	\$470
1005	*	9.89	\$500	2220		2.11	\$411	3018		3.25	\$500
1016	*	35.24	\$500	2286		1.56	\$356	3022		3.50	\$500
1164	E	7.43	\$500	2288		4.85	\$500	3027		3.14	\$500
1165	E	7.23	\$500	2300		2.25	\$425	3028		3.34	\$500
1320		2.99	\$499	2302		1.98	\$398	3030		4.39	\$500
1322		12.23	\$500	2305		2.58	\$458	3040		4.35	\$500
1430		5.53	\$500	2361		1.43	\$343	3041		3.76	\$500
1438		2.84	\$484	2362		1.92	\$392	3042		3.44	\$500
1452		1.93	\$393	2380		6.54	\$500	3064		4.86	\$500
1463		11.94	\$500	2386		1.25	\$325	3066		—	—
1472		3.62	\$500	2388		2.02	\$402	3069		7.08	\$500
1624	E	7.97	\$500	2402		2.42	\$442	3076		2.93	\$493
1642		3.97	\$500	2413		1.93	\$393	3081	D	2.69	\$469
1654		8.52	\$500	2416		2.01	\$401	3082	D	4.24	\$500
1655		4.79	\$500	2417		1.84	\$384	3085	D	3.13	\$500
1699		2.20	\$420	2501		1.59	\$359	3110		3.19	\$500
1701		3.67	\$500	2503		1.42	\$342	3111		3.19	\$500
1710	E	6.89	\$500	2534		2.51	\$451	3113		2.30	\$430
1741	E	1.84	\$384	2570		5.07	\$500	3114		2.70	\$470
1745	X	2.99	\$499	2576		—	—	3118		1.51	\$351
1747		2.52	\$452	2578		—	—	3119		1.13	\$313
1748		6.01	\$500	2585		2.79	\$479	3122		1.21	\$321
1803	D	5.71	\$500	2586		1.06	\$306	3126		2.05	\$405
1852	D	2.31	\$431	2587		2.30	\$430	3131		0.95	\$295
1853		2.76	\$476	2589		1.69	\$369	3132		2.17	\$417
1860		1.60	\$360	2600		5.15	\$500	3145		2.02	\$402
1924		3.38	\$500	2623		2.66	\$466	3146		2.73	\$473
1925		2.81	\$481	2651		2.37	\$437	3169		2.78	\$478

\*Refer to the Footnotes Page for additional information on this class code.

# SPARTA INSURANCE COMPANY

## RATES

Original Printing				Effective November 1, 2007				Arkansas				Page 2
CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM	CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM	CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM	
3175	D	3.00	\$500	3830		1.21	\$321	4557		1.93	\$393	
3179		2.51	\$451	3851		3.07	\$500	4558		1.98	\$398	
3180		2.25	\$425	3865		1.36	\$336	4561		1.95	\$395	
3188		1.49	\$349	3881		3.99	\$500	4568		2.79	\$479	
3220		2.13	\$413	4000		7.79	\$500	4581		1.77	\$377	
3223		3.46	\$500	4021		4.77	\$500	4583		4.86	\$500	
3224		2.79	\$479	4024	E	1.78	\$378	4611		1.00	\$300	
3227		1.84	\$384	4034		7.25	\$500	4635		4.09	\$500	
3240		3.53	\$500	4036		2.76	\$476	4653		1.42	\$342	
3241		3.10	\$500	4038		2.25	\$425	4665		7.16	\$500	
3255		2.76	\$476	4053		3.41	\$500	4670		4.56	\$500	
3257		2.85	\$485	4061		4.55	\$500	4683		4.95	\$500	
3270		4.65	\$500	4062		3.31	\$500	4686		1.21	\$321	
3300		3.87	\$500	4101		2.10	\$410	4692		0.39	\$239	
3303		3.84	\$500	4111		2.48	\$448	4693		0.92	\$292	
3307		3.73	\$500	4112		1.01	\$301	4703		2.42	\$442	
3315		2.78	\$478	4113		1.78	\$378	4717		2.58	\$458	
3334		2.61	\$461	4114		2.54	\$454	4720		4.27	\$500	
3336		2.57	\$457	4130		5.90	\$500	4740		1.57	\$357	
3365		10.15	\$500	4131		2.87	\$487	4741		1.89	\$389	
3372		2.88	\$488	4133		2.72	\$472	4751		2.01	\$401	
3373		3.55	\$500	4150		1.39	\$339	4771	N	1.87	\$387	
3383		1.03	\$303	4206		4.17	\$500	4777		1.81	\$381	
3385		0.94	\$294	4207		1.21	\$321	4825		0.80	\$280	
3400		2.73	\$473	4239		1.39	\$339	4828		1.51	\$351	
3507		3.08	\$500	4240		3.08	\$500	4829		1.63	\$363	
3515		2.49	\$449	4243		1.51	\$351	4902		1.81	\$381	
3548		1.30	\$330	4244		2.49	\$449	4923		1.19	\$319	
3559		2.30	\$430	4250		1.56	\$356	5020		5.99	\$500	
3574		1.25	\$325	4251		1.75	\$375	5022		6.61	\$500	
3581		1.28	\$328	4263		2.52	\$452	5037		18.17	\$500	
3612		2.34	\$434	4273		1.71	\$371	5040		20.93	\$500	
3620		6.34	\$500	4279		1.84	\$384	5057		17.11	\$500	
3629		2.01	\$401	4282		2.27	\$427	5059		24.11	\$500	
3632		3.26	\$500	4283		2.46	\$446	5069		23.10	\$500	
3634		2.01	\$401	4299		1.59	\$359	5102		4.47	\$500	
3635		1.87	\$387	4304		2.96	\$496	5146		5.32	\$500	
3638		1.68	\$368	4307		2.87	\$487	5160		4.55	\$500	
3642		0.98	\$298	4308		—	—	5183		3.41	\$500	
3643		3.14	\$500	4351		1.15	\$315	5188		5.68	\$500	
3647		3.40	\$500	4352		1.09	\$309	5190		3.34	\$500	
3648		2.25	\$425	4360		0.85	\$285	5191	X	1.90	\$390	
3681		1.49	\$349	4361		1.43	\$343	5192		4.21	\$500	
3685		1.96	\$396	4362		1.12	\$312	5213		8.08	\$500	
3719		3.56	\$500	4410		3.08	\$500	5215		4.21	\$500	
3724		7.01	\$500	4420		3.65	\$500	5221		4.29	\$500	
3726		3.68	\$500	4431		1.57	\$357	5222		10.54	\$500	
3803		1.92	\$392	4432		1.69	\$369	5223		5.80	\$500	
3807		1.68	\$368	4439		1.96	\$396	5348		4.02	\$500	
3808		2.88	\$488	4452		3.62	\$500	5402		5.29	\$500	
3821		4.42	\$500	4459		2.20	\$420	5403		10.81	\$500	
3822		2.88	\$488	4470		2.39	\$439	5437		4.94	\$500	
3824		5.09	\$500	4484		2.48	\$448	5443		3.91	\$500	
3826		1.09	\$309	4493		2.94	\$494	5445		5.00	\$500	
3827		1.25	\$325	4511		0.72	\$272	5462		6.52	\$500	

\*Refer to the Footnotes Page for additional information on this class code.

# SPARTA INSURANCE COMPANY

## RATES

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CLASS	FOOT-	MINIMUM	CLASS	FOOT-	MINIMUM	CLASS	FOOT-	MINIMUM
CODE	NOTE	PREMIUM	CODE	NOTE	PREMIUM	CODE	NOTE	PREMIUM
	RATES			RATES			RATES	
5472		5.39	5472		\$500	5472		\$500
5473		5.50	5473		\$500	5473		\$500
5474		7.64	5474		\$500	5474		\$500
5478		4.68	5478		\$500	5478		\$500
5479		10.86	5479		\$500	5479		\$500
5480		10.62	5480		\$500	5480		\$500
5491		2.28	5491		\$428	5491		\$428
5506		4.65	5506		\$500	5506		\$500
5507		6.13	5507		\$500	5507		\$500
5508	D	7.79	5508		\$500	5508		\$500
5535		7.08	5535		\$500	5535		\$500
5536		—	5536		—	5536		—
5537		5.87	5537		\$500	5537		\$500
5538		—	5538		—	5538		—
5551		15.36	5551		\$500	5551		\$500
5606		2.07	5606		\$407	5606		\$407
5610		7.34	5610		\$500	5610		\$500
5645		12.19	5645		\$500	5645		\$500
5651		9.92	5651		\$500	5651		\$500
5703		108.63	5703		\$500	5703		\$500
5705		5.32	5705		\$500	5705		\$500
5951		0.39	5951		\$239	5951		\$239
6003		10.87	6003		\$500	6003		\$500
6005		7.20	6005		\$500	6005		\$500
6017		4.48	6017		\$500	6017		\$500
6018		2.27	6018		\$427	6018		\$427
6045		3.08	6045		\$500	6045		\$500
6204		10.12	6204		\$500	6204		\$500
6206		7.84	6206		\$500	6206		\$500
6213		12.22	6213		\$500	6213		\$500
6214		2.90	6214		\$490	6214		\$490
6216		5.50	6216		\$500	6216		\$500
6217		5.12	6217		\$500	6217		\$500
6229		4.29	6229		\$500	6229		\$500
6233		7.91	6233		\$500	6233		\$500
6235		11.79	6235		\$500	6235		\$500
6236		13.50	6236		\$500	6236		\$500
6237		3.78	6237		\$500	6237		\$500
6251	D	8.05	6251		\$500	6251		\$500
6252	D	7.28	6252		\$500	6252		\$500
6260	D	5.50	6260		\$500	6260		\$500
6306		5.78	6306		\$500	6306		\$500
6319		5.75	6319		\$500	6319		\$500
6325		5.36	6325		\$500	6325		\$500
6400		7.28	6400		\$500	6400		\$500
6504		2.57	6504		\$457	6504		\$457
6702	M*	7.67	6702		\$500	6702		\$500
6703	M*	13.79	6703		\$500	6703		\$500
6704	M*	8.52	6704		\$500	6704		\$500
6801	F	15.22	6801		\$500	6801		\$500
6811		5.75	6811		\$500	6811		\$500
6824	F	26.29	6824		\$500	6824		\$500
6826	F	12.65	6826		\$500	6826		\$500
6834		4.48	6834		\$500	6834		\$500
6836		9.91	6836		\$500	6836		\$500
6843	F	17.33	6843		\$500	6843		\$500
6845	F	20.49	6845		\$500	6845		\$500
6854		5.62	6854		\$500	6854		\$500
6872	F	23.56	6872		\$500	6872		\$500
6874	F	41.95	6874		\$500	6874		\$500
6882		6.25	6882		\$500	6882		\$500
6884		13.73	6884		\$500	6884		\$500
7016	M	5.71	7016		\$500	7016		\$500
7024	M	6.34	7024		\$500	7024		\$500
7038	M	6.75	7038		\$500	7038		\$500
7046	M	30.53	7046		\$500	7046		\$500
7047	M	10.27	7047		\$500	7047		\$500
7050	M	12.14	7050		\$500	7050		\$500
7090	M	7.50	7090		\$500	7090		\$500
7098	M	33.93	7098		\$500	7098		\$500
7099	M	54.90	7099		\$500	7099		\$500
7133		3.65	7133		\$500	7133		\$500
7151	M	4.44	7151		\$500	7151		\$500
7152	M	7.99	7152		\$500	7152		\$500
7153	M	4.94	7153		\$500	7153		\$500
7222		10.42	7222		\$500	7222		\$500
7228	X	8.15	7228		\$500	7228		\$500
7229	X	8.09	7229		\$500	7229		\$500
7230		4.00	7230		\$500	7230		\$500
7231		8.92	7231		\$500	7231		\$500
7232		14.74	7232		\$500	7232		\$500
7309	F	28.90	7309		\$500	7309		\$500
7313	F	6.67	7313		\$500	7313		\$500
7317	F	10.75	7317		\$500	7317		\$500
7327	F	23.57	7327		\$500	7327		\$500
7333	M	7.75	7333		\$500	7333		\$500
7335	M	8.61	7335		\$500	7335		\$500
7337	M	13.92	7337		\$500	7337		\$500
7350	F	25.41	7350		\$500	7350		\$500
7360		6.22	7360		\$500	7360		\$500
7370		5.42	7370		\$500	7370		\$500
7380	X	4.35	7380		\$500	7380		\$500
7382		2.97	7382		\$497	7382		\$497
7390		3.74	7390		\$500	7390		\$500
7394	M	15.21	7394		\$500	7394		\$500
7395	M	16.90	7395		\$500	7395		\$500
7398	M	27.35	7398		\$500	7398		\$500
7403	X	3.02	7403		\$500	7403		\$500
7405	N	1.59	7405		\$359	7405		\$359
7409	*	—	7409		—	7409		—
7420	X*	22.23	7420		\$500	7420		\$500
7421		2.37	7421		\$437	7421		\$437
7422		2.52	7422		\$452	7422		\$452
7423	X	3.02	7423		\$500	7423		\$500
7425		3.58	7425		\$500	7425		\$500
7431	N	1.99	7431		\$399	7431		\$399
7445	N	0.86	7445		\$286	7445		\$286
7453	N	1.07	7453		\$307	7453		\$307
7502		3.13	7502		\$500	7502		\$500
7515		1.13	7515		\$313	7515		\$313
7520		3.20	7520		\$500	7520		\$500
7538		10.19	7538		\$500	7538		\$500
7539		6.60	7539		\$500	7539		\$500
7540		4.32	7540		\$500	7540		\$500
7580		2.17	7580		\$417	7580		\$417
7590		4.70	7590		\$500	7590		\$500
7600		3.19	7600		\$500	7600		\$500
7601		12.64	7601		\$500	7601		\$500
7605		3.53	7605		\$500	7605		\$500
7610		0.51	7610		\$251	7610		\$251
7611		6.21	7611		\$500	7611		\$500
7612		17.49	7612		\$500	7612		\$500
7613		4.94	7613		\$500	7613		\$500
7704		—	7704		—	7704		—
7705		2.93	7705		\$493	7705		\$493
7710		7.10	7710		\$500	7710		\$500
7711		7.10	7711		\$500	7711		\$500
7720	X	2.93	7720		\$493	7720		\$493
7855								

# SPARTA INSURANCE COMPANY

## RATES

Original Printing

Effective November 1, 2007

Arkansas

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CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM	CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM	CLASS CODE	FOOT-NOTE	RATES	MINIMUM PREMIUM
8263		9.78	\$500	9015	X	2.94	\$494				
8264		4.33	\$500	9016		5.36	\$500				
8265		10.34	\$500	9019		3.52	\$500				
8279		11.11	\$500	9033		1.92	\$392				
8288		7.25	\$500	9040	*	3.76	\$500				
8291		2.61	\$461	9052		1.89	\$389				
8292		3.17	\$500	9058		1.86	\$386				
8293		8.77	\$500	9059		3.19	\$500				
8295	X	6.51	\$500	9060		1.92	\$392				
8304		7.63	\$500	9061		1.48	\$348				
8350		5.54	\$500	9063		1.18	\$318				
8380		3.73	\$500	9077	F	4.33	\$500				
8381		1.49	\$349	9082		1.77	\$377				
8385		2.87	\$487	9083		1.59	\$359				
8392		3.68	\$500	9084		2.19	\$419				
8393		1.74	\$374	9089		1.39	\$339				
8500		5.39	\$500	9093		1.57	\$357				
8601		0.74	\$274	9101		3.28	\$500				
8606		3.78	\$500	9102		3.22	\$500				
8709	F	8.85	\$500	9154		2.63	\$463				
8719		1.89	\$389	9156		1.51	\$351				
8720		1.27	\$327	9170		2.49	\$449				
8721		0.42	\$242	9178		27.06	\$500				
8726	F	10.52	\$500	9179		46.96	\$500				
8734	M	0.71	\$271	9180		4.64	\$500				
8737	M	0.65	\$265	9182		2.88	\$488				
8738	M	1.15	\$315	9186		58.06	\$500				
8742	X	0.53	\$253	9220		4.05	\$500				
8745		4.98	\$500	9402		5.59	\$500				
8748		0.44	\$244	9403		6.86	\$500				
8755		0.30	\$230	9410		2.10	\$410				
8799		1.04	\$304	9501		5.21	\$500				
8800		1.04	\$304	9505		3.81	\$500				
8803		0.09	\$209	9516		3.00	\$500				
8805	M	0.35	\$235	9519		2.61	\$461				
8810		0.26	\$226	9521		5.59	\$500				
8814	M	0.32	\$232	9522		1.63	\$363				
8815	M	0.56	\$256	9534		7.99	\$500				
8820		0.24	\$224	9554		9.17	\$500				
8824		3.04	\$500	9586		0.79	\$279				
8825		2.54	\$454	9600		1.72	\$372				
8826		2.42	\$442	9620		1.30	\$330				
8829		2.88	\$488								
8831		3.20	\$500								
8832		0.30	\$230								
8833	X*	1.19	\$319								
8835		2.30	\$430								
8842		1.25	\$325								
8864		1.25	\$325								
8868		0.44	\$244								
8869		0.80	\$280								
8871		0.27	\$227								
8901		0.30	\$230								
9012		1.80	\$380								
9014		2.49	\$449								

\*Refer to the Footnotes Page for additional information on this class code.

SERFF Tracking Number: REGU-125313866 State: Arkansas  
 Filing Company: SPARTA Insurance Company State Tracking Number: AR-PC-07-026338  
 Company Tracking Number: SPARTA-WC-07  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: Workers Compensation  
 Project Name/Number: Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/11/2007

**Comments:**

Uniform Transmittal Document-Property & Casualty

**Attachment:**

AR NAIC Trans & RRS Revised 10-11-07.pdf

**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 10/11/2007

**Comments:**

NAIC Loss Cost Filing Document for Workers' Compensation

**Attachment:**

AR State Forms Rev 10-11-07.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Approved 10/11/2007

**Comments:**

NAIC loss cost data entry document

**Attachment:**

AR FORM RF-1 Rate Filing Abstract Rev 10-11-07.pdf

**Satisfied -Name:** Filing Letter and 3rd Party Filing Authorization Letter **Review Status:** Approved 10/11/2007

**Comments:**

Filing Letter

3rd Party Filing Authorization Letter

**Attachments:**

SPARTA Filing Authorization Letter.pdf

AR Revised 10-11-07.pdf

SERFF Tracking Number: REGU-125313866 State: Arkansas  
Filing Company: SPARTA Insurance Company State Tracking Number: AR-PC-07-026338  
Company Tracking Number: SPARTA-WC-07  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07

**Satisfied -Name:** Explanatory Memorandum **Review Status:** Approved 10/11/2007  
**Comments:**  
Explanatory Memorandum  
**Attachment:**  
Exp Memo.pdf



## Property & Casualty Transmittal Document—

**20. This filing transmittal is part of Company Tracking #** SPARTA-WC-07

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

SPARTA Insurance Company (SPARTA), a member of the National Council on Compensation Insurance (NCCI) is submitting its initial filing to offer a Workers Compensation Program in your state. This filing adopts the most recent NCCI prospective loss costs. The related rules, rating plans, forms and endorsements that will be used with this program are those filed on behalf of SPARTA by NCCI as part of its affiliation.

The rates that will be used with this program will be the combination of the NCCI loss costs and the proposed loss cost multiplier as contained in this filing. In addition, various miscellaneous values and retrospective rating values are included on the attached state exception pages.

Enclosed for your review are the following:

- Explanatory Memo
- State Required Filing Forms
- State Exception Pages
- Final Rate Pages

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

**Check #:**  
**Amount:**

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

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

### 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>	SPARTA-WC-07
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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>	
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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)
SPARTA Insurance Company	0	0	0	N/A - NEW	N/A - NEW	N/A - NEW	N/A - NEW

<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 (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)			
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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>	Overall percentage of last rate revision	N/A - NEW
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<b>7.</b>	Effective Date of last rate revision	N/A - NEW
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<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	N/A - NEW
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	SPARTA - Worker's Compensation - State Exception Pages - Edition 08-07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Sparta Workers Compensation Final Rate Pages	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

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

DATE October 4, 2007

Page 1 of 2

1 INSURER NAME SPARTA Insurance Company  
ADDRESS CityPlace II, 185 Asylum Street  
Hartford, CT 06103

PERSON RESPONSIBLE FOR FILING John Battles

TITLE President, IRC TELEPHONE NO. (941) 926-0144

2. INSURER NAIC NO. 20613 GROUP NO. N/A

3. ADVISORY ORGANIZATION National Council on Compensation Insurance

4. ADVISORY ORGANIZATION REFERENCE FILING NO. NCCI Item Filing # AR-2007-01

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

6. A. PROPOSED RATE LEVEL CHANGE N/A - New EFFECTIVE DATE November 1, 2007

B. PROPOSED PREMIUM LEVEL CHANGE N/A - New EFFECTIVE DATE November 1, 2007

7. A. PRIOR RATE LEVEL CHANGE N/A - New EFFECTIVE DATE N/A - New

B. PRIOR PREMIUM LEVEL CHANGE N/A - New EFFECTIVE DATE N/A - New

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 prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

(  ) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

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

INSURER NAME: SPARTA Insurance Company
NAIC NUMBER: 20613

DATE: October 4, 2007
# GROUP NO.: N/A

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

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (CHECK ONE)

[X] Without modification (factor = 1.000).

[ ] With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/o rationale for the modification.)

B. Loss Cost Modification expressed as a Factor. 1.000 (See Examples Below)

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

Table with 2 columns: Expense Category (A-F) and Selected Provisions (13.50%, 6.00%, 6.00%, 4.06%, 1.50%, 31.06%)

\* Explain how investment income is taken into account.

The internal rate of return model procedure derives the amount necessary to achieve SPARTA's rate of return target while contemplating actual cashflows and investment income on reserves and other investments. Because this process was used, the 'profit load' and 'credit for investment income' cannot be separated.

4. A. Expected Loss and Loss Adjustment Expense Ratio: ELR = 1.000 - 3F = 68.94%
B. ELR in Decimal Form = 0.6894

5. Overall Impact of Expense Constant and Minimum Premiums: (A 2.3% impact would be expressed as 1.023) 1.0220

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.67% average discount would be expressed as 0.914.) 0.959

7. Company Formula Loss Cost Multiplier: 2B / [6-3F] x 5] = 1.510

8. Company Selected Loss Cost Multiplier = 1.510
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. ( ) ( X )
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. ( ) ( X )

**NAIC LOSS COST DATA ENTRY DOCUMENT**

1.	This filing transmittal is part of Company Tracking #	<b>SPARTA-WC-07</b>
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	<b>National Council On Compensation Insurance (NCCI) – Item Filing # AR-2007-01</b>
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Company Name		Company NAIC Number	
3.	<b>A.</b>	<b>SPARTA Insurance Company</b>	<b>B.</b> <b>20613</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	<b>A.</b>	<b>16.0 Workers Compensation</b>	<b>B.</b> <b>16.0004 Standard WC</b>

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
<b>Workers Comp.</b>	<b>0.0%</b>	<b>0.0%</b>	<b>68.94%</b>	<b>1.000</b>	<b>1.510</b>	<b>\$200</b>	<b>N/A - New</b>
<b>TOTAL OVERALL EFFECT</b>	<b>0.0%</b>	<b>0.0%</b>					

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

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>13.50%</b>
B. General Expense	<b>6.00%</b>
C. Taxes, License & Fees	<b>6.00%</b>
D. Underwriting Profit & Contingencies	<b>4.06%</b>
E. Other (explain) **	<b>1.50%</b>
F. TOTAL	<b>31.06%</b>

\*\* Residual Market Load

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



**LETTER OF FILING AUTHORIZATION**

This letter will certify that Insurance Regulatory Consultants, LLC (IRC) has given full authorization to submit filings on behalf of **SPARTA Insurance Company**. This authorization extends to all correspondence regarding the filings.

Brian P. Mulroy  
Name

September 26, 2007  
Date

EVP & CUO  
Title

**SPARTA Insurance Company**  
Company Name

A handwritten signature in black ink, appearing to read "Brian P. Mulroy", is written over a horizontal line.

Signature

(860) 275-6523  
Telephone Number

**Re: SPARTA Insurance Company; NAIC #: 000-20613; FEIN#: 04-1027270  
Workers Compensation  
Initial Filing  
Company Filing Designation Number: SPARTA-WC-07**

**IRC**

*filing on behalf of* **SPARTA INSURANCE COMPANY**

October 4, 2007

Honorable Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201

Please be advised that Insurance Regulatory Consultants (IRC) has been appointed to submit this filing on behalf of **SPARTA Insurance Company**. A copy of this authorization is attached to this filing.

**Re: SPARTA Insurance Company; NAIC #: 000-20613; FEIN#: 04-1027270**  
**Workers Compensation**  
**Initial Adoption of NCCI Loss Costs and Rules and Loss Cost Multiplier (LCM) Filing**  
**Company Filing Designation Number: SPARTA-WC-07**  
**Effective Date: November 1, 2007**  
**State of Arkansas**

Dear Commissioner Bowman:

SPARTA Insurance Company (SPARTA), a member of the National Council on Compensation Insurance (NCCI) is submitting its initial filing to offer a Workers Compensation Program in **Arkansas**. This filing adopts the most recent prospective loss costs as contained in the NCCI item Filing # AR-2007-01. The related rules, rating plans, forms and endorsements that will be used with this program are those filed on behalf of SPARTA by NCCI as part of its affiliation.

The rates that will be used with this program will be the combination of the NCCI loss costs and the proposed loss cost multiplier of 1.510. In addition, various miscellaneous values and retrospective rating values are included on the attached state exception pages.

Enclosed for your review are the following:

- Explanatory Memo
- State Required Filing Forms
- State Exception Pages
- Final Rate Pages

We ask that this filing become effective for all policies effective November 1, 2007.

Should you need any additional information or have any questions, please do not hesitate to contact me.

Sincerely,



John Battles  
Insurance Regulatory Consultants, LLC  
(941) 926-0144 (phone) (212) 571-2502 (fax)  
[johnbattles@ircllc.com](mailto:johnbattles@ircllc.com) (e-mail)  
*filing on behalf of* **SPARTA Insurance Company**

**SPARTA Insurance Company** (formerly American Employers' Insurance Company (AEIC)): NAIC # 20613

*Initial Loss Cost Multiplier, Rules and Forms Filing*

Pursuant to a Stock Purchase Agreement dated March 12, 2007, SPARTA Insurance Holdings, Inc. a Delaware corporation with headquarters in Hartford, Connecticut, agreed to acquire all of the issued and outstanding capital stock of American Employers' Insurance Company, a Massachusetts property and casualty insurance company. The Office of Consumer Affairs and Business Regulation – Division of Insurance of The Commonwealth of Massachusetts approved the change in control on July 31, 2007.

Subsequently, SPARTA Insurance Holdings submitted an application to The Office of Consumer Affairs and Business Regulation – Division of Insurance of The Commonwealth of Massachusetts seeking to change the name of AEIC to SPARTA Insurance Company. The name change was approved by Massachusetts on August 31, 2007. Under separate cover and in accordance with state requirements, your state has been notified of this change in control and subsequent name change. SPARTA Insurance Company now wishes to make effective its initial Loss Cost Multiplier, Rules and Forms filings in your state. We ask that these filings become effective for all policies written on or after ASAP, 2007.

SPARTA Insurance Company, a company with no existing policyholders in your state, will write commercial property and casualty insurance offering commercial automobile, property, general liability and workers' compensation. SPARTA is an acronym for Specialty Program and Risk Transfer Alternatives and reflects the focus of the business. The primary focus encompasses two segments: Alternative Risk Transfer ("ART") and Specialty programs. SPARTA will market its insurance products to producers knowledgeable in the program and ART business, national and regional retail brokers, insurance intermediaries, captive managers, and consultants.

The ART program business segment will serve captive reinsurance companies and their owners with an emphasis on three types of captives: group; association or franchise; and agency. SPARTA will provide primary insurance coverage for commercial insureds of automobile, general liability, and property lines of business for exposures typically up to \$1.0 million in policy limits, and statutorily mandated limits for workers' compensation. Such risks will be reinsured by the captive reinsurance companies up to a risk transfer point, and SPARTA will retain coverage above the risk transfer point for each loss occurrence after the loss exceeds the captive's reinsurance retention. SPARTA may retain a quota share portion of the losses within the captive's reinsurance layer for selected programs. In addition, SPARTA will typically provide aggregate stop loss coverage to the captive reinsurance companies.

The Specialty program business will provide such coverage for insureds that are in homogeneous groups that meet SPARTA's underwriting criteria, and such groups will have commonality across a range of dimensions, including size, industry, geography, and risk profiles. Such policies will provide primary insurance coverage for commercial insureds of typically up to \$1.0 million in policy limits for commercial automobile, general liability, and property lines of business, and statutorily mandated limits for workers' compensation.

The average program size will be \$10 to \$15 million in annual gross written premium. SPARTA will work closely with its customers to understand their particular insurance needs, risk appetites, and operational and financial strengths in order to build customized insurance solutions appropriate to the development of long term customer relationships.

*SERFF Tracking Number:* REGU-125313866      *State:* Arkansas  
*Filing Company:* SPARTA Insurance Company      *State Tracking Number:* AR-PC-07-026338  
*Company Tracking Number:* SPARTA-WC-07  
*TOI:* 16.0 Workers Compensation      *Sub-TOI:* 16.0004 Standard WC  
*Product Name:* Workers Compensation  
*Project Name/Number:* Initial Filing - Adoption of NCCI Loss Costs/SPARTA-WC-07

## 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.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Supporting Document	Uniform Transmittal Document-Property & Casualty	10/04/2007	AR NAIC Trans & RRS.pdf
No original date	Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	10/04/2007	AR State Forms.pdf
No original date	Supporting Document	NAIC loss cost data entry document	10/04/2007	
No original date	Supporting Document	Filing Letter and 3rd Party Filing Authorization Letter	10/04/2007	AR.pdf SPARTA Filing Authorization Letter.pdf



## Property & Casualty Transmittal Document—

**20. This filing transmittal is part of Company Tracking #** SPARTA-WC-07

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

SPARTA Insurance Company (SPARTA), a member of the National Council on Compensation Insurance (NCCI) is submitting its initial filing to offer a Workers Compensation Program in your state. This filing adopts the most recent NCCI prospective loss costs. The related rules, rating plans, forms and endorsements that will be used with this program are those filed on behalf of SPARTA by NCCI as part of its affiliation.

The rates that will be used with this program will be the combination of the NCCI loss costs and the proposed loss cost multiplier as contained in this filing. In addition, various miscellaneous values and retrospective rating values are included on the attached state exception pages.

Enclosed for your review are the following:

- Explanatory Memo
- State Required Filing Forms
- State Exception Pages
- Final Rate Pages

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

**Check #:**  
**Amount:**

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

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



# ARKANSAS

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

DATE October 4, 2007

Page 1 of 2

1 INSURER NAME SPARTA Insurance Company  
ADDRESS CityPlace II, 185 Asylum Street  
Hartford, CT 06103

PERSON RESPONSIBLE FOR FILING John Battles

TITLE President, IRC TELEPHONE NO. (941) 926-0144

2. INSURER NAIC NO. 20613 GROUP NO. N/A

3. ADVISORY ORGANIZATION National Council on Compensation Insurance

4. ADVISORY ORGANIZATION REFERENCE FILING NO. NCCI Approval Circular AR-2007-04

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

6. A. PROPOSED RATE LEVEL CHANGE N/A - New EFFECTIVE DATE November 1, 2007

B. PROPOSED PREMIUM LEVEL CHANGE N/A - New EFFECTIVE DATE November 1, 2007

7. A. PRIOR RATE LEVEL CHANGE N/A - New EFFECTIVE DATE N/A - New

B. PRIOR PREMIUM LEVEL CHANGE N/A - New EFFECTIVE DATE N/A - New

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 prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

(  ) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

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

INSURER NAME: SPARTA Insurance Company
NAIC NUMBER: 20613

DATE: October 4, 2007
# GROUP NO.: N/A

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

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (CHECK ONE)

- [X] Without modification (factor = 1.000).
[ ] With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/o rationale for the modification.)

B. Loss Cost Modification expressed as a Factor. 1.000 (See Examples Below)

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

Table with 2 columns: Expense Category (A-F) and Selected Provisions (13.50%, 6.00%, 6.00%, 4.06%, 1.50%, 31.06%)

\* Explain how investment income is taken into account.

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**IRC**

*filing on behalf of* **SPARTA INSURANCE COMPANY**

October 4, 2007

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Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201

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Sincerely,



John Battles  
Insurance Regulatory Consultants, LLC  
(941) 926-0144 (phone) (212) 571-2502 (fax)  
[johnbattles@ircllc.com](mailto:johnbattles@ircllc.com) (e-mail)  
*filing on behalf of* **SPARTA Insurance Company**



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Name

September 26, 2007  
Date

EVP & CUO  
Title

**SPARTA Insurance Company**  
Company Name

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Signature

(860) 275-6523  
Telephone Number

**Re: SPARTA Insurance Company; NAIC #: 000-20613; FEIN#: 04-1027270  
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