

SERFF Tracking Number: APPU-125297138 State: Arkansas  
Filing Company: Continental Indemnity Company State Tracking Number: AR-PC-07-026165  
Company Tracking Number: WC-AR-07-02  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: /

## Filing at a Glance

Company: Continental Indemnity Company

Product Name: Workers Compensation

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

SERFF Tr Num: APPU-125297138 State: Arkansas

SERFF Status: Closed

Co Tr Num: WC-AR-07-02

Co Status: In Progress

Author: Joan Klucarich

Date Submitted: 09/21/2007

State Tr Num: AR-PC-07-026165

State Status:

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

Disposition Date: 11/05/2007

Disposition Status: Approved

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

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

Effective Date (New): 01/01/2008

Effective Date (Renewal):

## General Information

Project Name:

Project Number:

Reference Organization: NCCI

Reference Title:

Filing Status Changed: 11/05/2007

State Status Changed: 09/24/2007

Corresponding Filing Tracking Number:

Filing Description:

Continental Indemnity Company wishes to adopt the NCCI loss costs effective January 1, 2008 along with a change to our loss cost multiplier from 1.379 to 1.397. The total rate change of +4.0% is a combination of the pure premium change of +2.7% and the LCM change of +1.3%.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number: AR-2007-10

Advisory Org. Circular:

Deemer Date:

## Company and Contact

### Filing Contact Information

Joan Klucarich, Actuary  
950 Tower Lane, 14th Floor  
Foster City, CA 94404

jkluucarich@applieduw.com  
(415) 656-5000 [Phone]  
(415) 656-5020[FAX]

SERFF Tracking Number: APPU-125297138 State: Arkansas  
Filing Company: Continental Indemnity Company State Tracking Number: AR-PC-07-026165  
Company Tracking Number: WC-AR-07-02  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: /

**Filing Company Information**

Continental Indemnity Company  
1010 Ground Transportation Center  
425 Second Street, S.E.  
Cedar Rapids, IA 52401  
(402) 827-3424 ext. [Phone]

CoCode: 28258 State of Domicile: Iowa  
Group Code: 31 Company Type:  
Group Name: Berkshire Hathaway State ID Number:  
FEIN Number: 31-1191023

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TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: /

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
5897	\$50.00	09/20/2007
	\$0.00	

SERFF Tracking Number: APPU-125297138

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Sub-TOI: 16.0004 Standard WC

Product Name: Workers Compensation

Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	11/05/2007	11/05/2007

*SERFF Tracking Number:*

*APPU-125297138*

*State:*

*Arkansas*

*Filing Company:*

*Continental Indemnity Company*

*State Tracking Number:*

*AR-PC-07-026165*

*Company Tracking Number:*

*WC-AR-07-02*

*TOI:*

*16.0 Workers Compensation*

*Sub-TOI:*

*16.0004 Standard WC*

*Product Name:*

*Workers Compensation*

*Project Name/Number:*

*/*

## **Disposition**

Disposition Date: 11/05/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

*SERFF Tracking Number:*    *APPU-125297138*                      *State:*                      *Arkansas*  
*Filing Company:*            *Continental Indemnity Company*                      *State Tracking Number:*    *AR-PC-07-026165*  
*Company Tracking Number:*    *WC-AR-07-02*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                *Workers Compensation*  
*Project Name/Number:*        /

**An error occurred rendering Disposition 125296213: null.**

SERFF Tracking Number: APPU-125297138  
 Filing Company: Continental Indemnity Company  
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 TOI: 16.0 Workers Compensation  
 Product Name: Workers Compensation  
 Project Name/Number: /

State: Arkansas  
 State Tracking Number: AR-PC-07-026165  
 Sub-TOI: 16.0004 Standard WC

## Rate Information

Rate data applies to filing.

**Filing Method:** prior approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** -5.400%  
**Effective Date of Last Rate Revision:** 07/01/2007  
**Filing Method of Last Filing:** prior approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Continental Indemnity Company	%	4.000%		3	\$25,000	12.900%	-29.600%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	rate pages		Replacement	AR-PC-07-024137 rate pages.pdf

Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate
0005	4.76	1699	2.11	2286	1.47	2835	1.65	3179	2.36
0008	2.92	1701	3.51	2288	4.58	2836	2.35	3180	2.11
0016	6.13	1710	E 6.55	2300	2.14	2841	4.09	3188	1.41
0034	4.18	1741	E 1.75	2302	1.87	2881	2.26	3220	2.00
0035	2.43	1745	X 2.88	2305	2.47	2883	4.29	3223	3.23
0036	4.04	1747	2.40	2361	1.34	2913	3.09	3224	2.64
0037	4.37	1748	5.63	2362	1.80	2915	3.83	3227	1.76
0042	7.08	1803	D 5.39	2380	6.15	2916	2.44	3240	3.31
0050	5.39	1852	D 2.21	2386	1.20	2923	2.03	3241	2.93
0059	D 0.29	1853	2.63	2388	1.90	2942	2.40	3255	2.60
0065	D 0.06	1860	1.51	2402	2.29	2960	3.00	3257	2.67
0066	D 0.06	1924	3.20	2413	1.83	3004	2.56	3270	4.37
0067	D 0.06	1925	2.64	2416	1.90	3018	3.07	3300	3.66
0079	3.14	2001	2.39	2417	1.76	3022	3.30	3303	3.60
0083	8.26	2002	3.31	2501	1.49	3027	2.99	3307	3.53
0106	14.00	2003	2.78	2503	1.34	3028	3.14	3315	2.64
0113	4.68	2014	5.24	2534	2.37	3030	4.15	3334	2.51
0170	2.60	2016	2.40	2570	4.82	3040	4.12	3336	2.44
0251	5.27	2021	3.32	2585	2.65	3041	3.56	3365	9.65
0400	8.40	2039	4.57	2586	1.01	3042	3.23	3372	2.71
0401	12.25	2041	3.93	2587	2.15	3064	4.61	3373	3.38
0771	N 0.31	2065	1.22	2589	1.59	3069	6.69	3383	0.96
0908	P 124.33	2070	5.00	2600	4.82	3076	2.75	3385	0.88
0913	P 332.49	2081	4.32	2623	2.50	3081	D 2.53	3400	2.57
0917	3.67	2089	2.70	2651	2.22	3082	D 4.01	3507	2.91
1005	Z 9.77	2095	3.20	2660	1.56	3085	D 2.96	3515	2.35
1016	Z 36.13	2105	2.47	2670	2.33	3110	3.02	3548	1.24
1164	E 7.15	2110	2.22	2683	2.01	3111	3.00	3559	2.15
1165	E 6.82	2111	2.01	2688	2.88	3113	2.15	3574	1.19
1320	2.88	2112	2.56	2701	7.84	3114	2.54	3581	1.20
1322	11.60	2114	3.07	2702	X 26.91	3118	1.42	3612	2.21
1430	5.22	2121	1.96	2710	8.28	3119	1.08	3620	6.06
1438	2.68	2130	2.88	2714	4.99	3122	1.15	3629	1.90
1452	1.84	2131	1.76	2719	X 10.87	3126	1.96	3632	3.07
1463	11.48	2143	2.18	2731	3.65	3131	0.89	3634	1.90
1472	3.49	2157	3.77	2735	2.96	3132	2.04	3635	1.77
1624	E 7.56	2172	2.14	2759	7.39	3145	1.90	3638	1.58
1642	3.79	2174	2.78	2790	1.40	3146	2.56	3642	0.92
1654	8.17	2211	5.22	2802	6.44	3169	2.63	3643	2.99
1655	4.55	2220	1.98	2812	4.32	3175	D 2.89	3647	3.21

Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate
3648	2.10	4243	1.42	4686	1.15	5443	3.74	6252	D 7.04
3681	1.40	4244	2.35	4692	0.36	5445	4.76	6260	D 5.34
3685	1.83	4250	1.48	4693	0.87	5462	6.20	6306	5.52
3719	3.38	4251	1.65	4703	2.31	5472	5.13	6319	5.52
3724	6.66	4263	2.37	4717	2.42	5473	5.22	6325	5.13
3726	3.56	4273	1.62	4720	3.95	5474	7.26	6400	6.89
3803	1.84	4279	1.76	4740	1.49	5478	4.46	6504	2.40
3807	1.59	4282	2.17	4741	1.79	5479	10.41	6702	MZ 7.33
3808	2.72	4283	2.33	4751	1.90	5480	10.17	6703	MZ 12.91
3821	4.19	4299	1.49	4771	N 1.77	5491	2.18	6704	MZ 8.14
3822	2.74	4304	2.77	4777	1.76	5506	4.46	6801	F 14.08
3824	4.81	4307	2.68	4825	0.75	5507	5.83	6811	5.63
3826	1.03	4351	1.09	4828	1.42	5508	D 7.40	6824	F 24.34
3827	1.19	4352	1.02	4829	1.55	5535	6.69	6826	F 11.78
3830	1.15	4360	0.80	4902	1.70	5537	5.59	6834	4.20
3851	2.85	4361	1.34	4923	1.13	5551	14.58	6836	9.22
3865	1.29	4362	1.08	5020	5.74	5606	1.97	6843	F 16.18
3881	3.79	4410	2.92	5022	6.27	5610	6.92	6845	F 19.04
4000	7.38	4420	3.46	5037	17.50	5645	11.55	6854	5.31
4021	4.47	4431	1.47	5040	20.45	5651	9.36	6872	F 21.99
4024	E 1.69	4432	1.58	5057	16.11	5703	100.67	6874	F 39.06
4034	6.86	4439	1.86	5059	23.12	5705	5.07	6882	6.08
4036	2.63	4452	3.41	5069	22.23	5951	0.38	6884	13.34
4038	2.11	4459	2.10	5102	4.27	6003	10.41	7016	M 5.52
4053	3.21	4470	2.26	5146	5.06	6005	6.86	7024	M 6.13
4061	4.30	4484	2.33	5160	4.50	6017	4.33	7038	M 6.55
4062	3.12	4493	2.81	5183	3.26	6018	2.21	7046	M 28.86
4101	1.97	4511	0.68	5188	5.42	6045	2.96	7047	M 9.72
4111	2.32	4557	1.82	5190	3.17	6204	9.67	7050	M 11.54
4112	0.95	4558	1.87	5191	X 1.77	6206	7.45	7090	M 7.28
4113	1.68	4561	1.90	5192	4.00	6213	11.53	7098	M 32.08
4114	2.40	4568	2.67	5213	7.68	6214	2.78	7099	M 50.84
4130	5.59	4581	1.68	5215	4.02	6216	5.25	7133	3.51
4131	2.70	4583	4.57	5221	4.09	6217	4.90	7151	M 4.26
4133	2.57	4611	0.94	5222	10.07	6229	4.11	7152	M 7.50
4150	1.30	4635	3.83	5223	5.50	6233	7.54	7153	M 4.74
4206	3.97	4653	1.34	5348	3.84	6235	11.41	7222	10.00
4207	1.15	4665	6.80	5402	5.04	6236	13.03	7228	X 7.84
4239	1.33	4670	4.37	5403	10.27	6237	3.58	7229	X 7.80
4240	2.92	4683	4.64	5437	4.71	6251	D 7.77	7230	3.81

Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate	Class Code	Rate
7231	8.42	7611	5.94	8232	6.50	8815	M 0.54	9178	25.24
7232	14.33	7612	16.53	8233	4.90	8820	0.22	9179	44.06
7309	F 27.10	7613	4.75	8235	4.11	8824	2.86	9180	4.37
7313	F 6.24	7705	2.77	8263	9.22	8825	2.37	9182	2.70
7317	F 10.00	7710	6.68	8264	4.09	8826	2.28	9186	54.92
7327	F 21.81	7711	6.68	8265	9.71	8829	2.71	9220	3.81
7333	M 7.43	7720	X 2.77	8279	10.49	8831	3.00	9402	5.31
7335	M 8.26	7855	6.04	8288	6.80	8832	0.28	9403	6.52
7337	M 13.09	8001	2.46	8291	2.47	8833	XZ 1.13	9410	1.98
7350	F 23.68	8002	3.23	8292	3.00	8835	2.18	9501	4.88
7360	5.91	8006	2.26	8293	8.30	8842	1.19	9505	3.58
7370	5.11	8008	1.17	8295	X 6.02	8864	1.19	9516	2.85
7380	X 4.15	8010	2.17	8304	7.18	8868	0.41	9519	2.49
7382	2.81	8013	0.50	8350	5.25	8869	0.75	9521	5.34
7390	3.55	8015	0.70	8380	3.55	8871	0.25	9522	1.55
7394	M 14.91	8017	1.20	8381	1.41	8901	0.29	9534	7.56
7395	M 16.55	8018	XZ 2.70	8385	2.71	9012	1.69	9554	8.73
7398	M 26.24	8021	1.73	8392	3.49	9014	2.36	9586	0.74
7403	X 2.85	8031	3.14	8393	1.65	9015	X 2.79	9600	1.63
7405	N 1.51	8032	1.62	8500	5.10	9016	5.00	9620	1.23
7420	XZ 21.75	8033	1.97	8601	0.70	9019	3.37		
7421	2.26	8039	1.47	8606	3.62	9033	1.83		
7422	2.50	8044	3.23	8709	F 8.24	9040	Z 3.53		
7423	X 2.85	8045	0.46	8719	1.80	9052	1.77		
7425	3.52	8046	2.86	8720	1.20	9058	1.73		
7431	N 1.96	8047	1.23	8721	0.41	9059	2.98		
7445	N 0.81	8058	2.89	8726	F 9.79	9060	1.82		
7453	N 1.05	8072	0.66	8734	M 0.70	9061	1.38		
7502	2.96	8102	2.67	8737	M 0.63	9063	1.10		
7515	1.09	8103	4.71	8738	M 1.10	9077	F 4.01		
7520	3.03	8105	4.76	8742	X 0.52	9082	1.66		
7538	9.70	8106	4.44	8745	4.71	9083	1.48		
7539	6.16	8107	4.09	8748	0.42	9084	2.05		
7540	4.09	8111	3.19	8755	0.29	9089	1.33		
7580	2.07	8116	4.61	8799	0.98	9093	1.48		
7590	4.40	8203	6.23	8800	0.98	9101	3.09		
7600	2.99	8204	6.29	8803	0.08	9102	3.03		
7601	11.99	8209	3.09	8805	M 0.34	9154	2.47		
7605	3.35	8215	5.53	8810	0.25	9156	1.41		
7610	0.47	8227	4.39	8814	M 0.31	9170	2.36		

FOOTNOTES

D Rate for classification already includes the specific disease loading shown in the table below. See Basic Manual Rule 3-A-7.

E Rate for classification already includes the specific disease loading shown in the table below.

Code No.	Disease Loading	Symbol	Code No.	Disease Loading	Symbol	Code No.	Disease Loading	Symbol
0059D	0.29	S	1710E	0.06	S	3175D	0.03	S
0065D	0.06	S	1741E	0.24	S	4024E	0.01	S
0066D	0.06	S	1803D	0.24	S	5508D	0.03	S
0067D	0.06	S	1852D	0.04	Asb	6251D	0.06	S
1164E	0.08	S	3081D	0.04	S	6252D	0.04	S
1165E	0.04	S	3082D	0.06	S	6260D	0.03	S
1624E	0.04	S	3085D	0.06	S			

S = Silica, Asb = Asbestos

F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate contains a provision for federal assessment.

M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL& HW assessment is included for those classifications under Program II USL Act.

N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

P Classification is computed on a per capita basis.

X Refer to special classification phraseology in these pages which is applicable in this state.

**\*Class Codes with Specific Footnotes**

1005	Rate includes a non-ratable disease element of	\$3.98
	For coverage written separately for federal benefits only	\$3.00
	For coverage written separately for state benefits only	\$0.98
1016	Rate includes a non-ratable disease element of	\$15.93
	For coverage written separately for federal benefits only	\$12.00
	For coverage written separately for state benefits only	\$3.93
	It also includes a catastrophe loading of	\$0.14
	Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of this classification code.	

**FOOTNOTES**

- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code loss cost and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.14 and elr x 1.982.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.
- 7409 Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005. The ELR on the rate page should be applied to the policies with effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of 15.87 should be applied to policies with effective dates prior to January 1, 2005 (\$300 payroll limitation).
- 7420 Payroll is subject to a maximum of \$600 per week per employee effective July 1, 2006. The ELR on the rate page should be applied to the policies with effective dates on or after July 1, 2006 (\$600 payroll limitation). An ELR of 5.81 should be applied to policies with effective dates prior to July 1, 2006 (uncapped payroll).
- 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.
- 8833 The ex-medical rate for this classification is \$0.60  
A charge of \$0.14 is to be added to this rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Company for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9040 The ex-medical rate for this classification is \$1.73  
A charge of \$0.14 is to be added to this rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Company for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.

**MISCELLANEOUS VALUES**

LCM	1.397
Account Minimum Premium	\$ 5,000
Waiver of Subrogation	
Minimum	\$ 150
Maximum	\$ 2,500
Foreign Terrorism	0.03
Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents	0.01

Premium Reductions - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis for employers electing deductibles as designated below:

**MISCELLANEOUS VALUES**

Deductible   Amount Per Claim	Premium Reductions - Total Losses Hazard Group			
	I	II	III	IV
\$1,000	7.3%	5.7%	3.6%	2.3%
\$1,500	8.9%	7.1%	4.5%	2.9%
\$2,000	10.2%	8.2%	5.3%	3.5%
\$2,500	11.3%	9.1%	6.0%	3.9%
\$3,000	12.3%	10.0%	6.7%	4.4%
\$3,500	13.2%	10.8%	7.3%	4.8%
\$4,000	14.1%	11.6%	7.8%	5.2%
\$4,500	14.9%	12.3%	8.4%	5.6%
\$5,000	15.6%	13.0%	8.9%	6.0%

Deductible   Amount Per Claim	Premium Reductions - Indemnity Losses Hazard Group			
	I	II	III	IV
\$1,000	1.6%	1.4%	1.0%	0.7%
\$1,500	2.2%	1.9%	1.5%	1.0%
\$2,000	2.7%	2.4%	1.9%	1.3%
\$2,500	3.2%	2.8%	2.2%	1.6%
\$3,000	3.7%	3.3%	2.5%	1.8%
\$3,500	4.1%	3.6%	2.8%	2.0%
\$4,000	4.5%	4.0%	3.1%	2.2%
\$4,500	4.9%	4.3%	3.4%	2.4%
\$5,000	5.2%	4.6%	3.6%	2.6%

Deductible   Amount Per Claim	Premium Reductions - Medical Losses Hazard Group			
	I	II	III	IV
\$1,000	7.0%	5.5%	3.4%	2.2%
\$1,500	8.5%	6.7%	4.3%	2.7%
\$2,000	9.6%	7.6%	4.9%	3.2%
\$2,500	10.5%	8.4%	5.5%	3.6%
\$3,000	11.3%	9.1%	6.0%	3.9%
\$3,500	12.0%	9.8%	6.5%	4.2%
\$4,000	12.7%	10.3%	6.9%	4.5%
\$4,500	13.3%	10.9%	7.3%	4.8%
\$5,000	13.8%	11.4%	7.6%	5.1%

MISCELLANEOUS VALUES

Basis of premium applicable in accordance with the footnote instructions for Code:

7370 -- "Taxicab Co.":

Employee operated vehicle	\$ 46,220
Leased or rented vehicle	\$ 30,813

7420 -- "Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew"

Maximum payroll per week per employee	\$ 600
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Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers" and the footnote instructions for Code 9178 -- "Athletic Team: Non-Contact Sports," Code 9179 -- "Athletic Team: Contact Sports," and Code 9186 -- "Carnival--Traveling".....

\$ 2,400

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers"

\$ 300

Per Passenger Seat Surcharge - In accordance with the footnote instructions for classification Code 7421, the surcharge is

maximum surcharge per aircraft.....	\$ 1,000
per passenger seat.....	\$ 100

Premium Determination for Partners and Sole Proprietors, Executive Officers, and Members of Limited Liability Companies in accordance with **Basic Manual** Rule 2-E-3.....

\$ 30,800

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with **Basic Manual** Rule 3-A-4

90%

Multiply a Non-F classification loss cost by a factor of 1.90 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and the adjustment for differences in loss-based expenses (1.139).

1.90

**Experience Rating Eligibility**

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest approved eligibility amounts by state.

**1. Hazard Group Differentials**

I	II	III	IV
1.52	1.22	0.88	0.59

**2. Tax Multipliers**

a. State (Non-F Classes)	1.062
b. Federal Classes, or Non-F classes where rate is increased by the USL&HW Act Percentage	1.169

**3. Expected Loss Ratio**

0.636

**Expected Loss and Allocated Expense Ratio**

0.697

**4. Expense Ratio**

0.313

**Expense Ratio Loaded for ALAE Option**

0.253

**5. 2008 Table of Expected Loss Ranges**

6.

Per Accident Limitation	<u>Excess Loss Factors Hazard Groups</u>				<u>Excess Loss and Allocated Expense Factors Hazard Groups</u>			
	I	II	III	IV	I	II	III	IV
\$25,000	0.309	0.351	0.414	0.468	0.360	0.404	0.470	0.526
\$30,000	0.287	0.329	0.394	0.452	0.336	0.381	0.451	0.510
\$35,000	0.268	0.310	0.378	0.439	0.316	0.361	0.433	0.496
\$40,000	0.251	0.293	0.362	0.425	0.298	0.344	0.417	0.482
\$50,000	0.224	0.266	0.336	0.402	0.268	0.314	0.389	0.459
\$75,000	0.178	0.217	0.286	0.357	0.216	0.260	0.336	0.412
\$100,000	0.149	0.185	0.251	0.324	0.183	0.224	0.297	0.376
\$125,000	0.129	0.162	0.225	0.298	0.159	0.198	0.268	0.347
\$150,000	0.115	0.146	0.205	0.278	0.142	0.178	0.246	0.324
\$175,000	0.103	0.132	0.189	0.260	0.127	0.162	0.227	0.305
\$200,000	0.094	0.122	0.175	0.245	0.117	0.150	0.211	0.288
\$225,000	0.087	0.113	0.164	0.232	0.107	0.139	0.198	0.274
\$250,000	0.081	0.106	0.155	0.222	0.100	0.130	0.187	0.262
\$275,000	0.076	0.100	0.146	0.212	0.094	0.122	0.176	0.251
\$300,000	0.071	0.094	0.138	0.203	0.089	0.116	0.168	0.241
\$325,000	0.067	0.089	0.132	0.195	0.084	0.110	0.160	0.231
\$350,000	0.064	0.085	0.126	0.188	0.079	0.105	0.152	0.223
\$375,000	0.061	0.082	0.121	0.182	0.076	0.100	0.147	0.215
\$400,000	0.058	0.079	0.116	0.176	0.072	0.097	0.141	0.209
\$425,000	0.056	0.075	0.112	0.170	0.069	0.092	0.136	0.203
\$450,000	0.054	0.073	0.108	0.166	0.067	0.089	0.131	0.197
\$475,000	0.052	0.070	0.105	0.161	0.064	0.086	0.127	0.192
\$500,000	0.050	0.068	0.101	0.157	0.062	0.083	0.123	0.187
\$600,000	0.044	0.061	0.090	0.142	0.055	0.074	0.110	0.170
\$700,000	0.040	0.055	0.082	0.132	0.049	0.067	0.099	0.157
\$800,000	0.037	0.052	0.076	0.123	0.047	0.063	0.092	0.147
\$900,000	0.035	0.048	0.071	0.115	0.043	0.059	0.086	0.137
\$1,000,000	0.033	0.045	0.067	0.109	0.040	0.055	0.081	0.130
\$2,000,000	0.020	0.028	0.043	0.072	0.025	0.035	0.052	0.087
\$3,000,000	0.014	0.021	0.032	0.056	0.018	0.026	0.039	0.068
\$4,000,000	0.011	0.016	0.026	0.046	0.014	0.020	0.031	0.056
\$5,000,000	0.009	0.013	0.021	0.039	0.011	0.016	0.026	0.047
\$6,000,000	0.006	0.010	0.017	0.032	0.009	0.013	0.021	0.040
\$7,000,000	0.006	0.009	0.014	0.028	0.007	0.011	0.019	0.035
\$8,000,000	0.005	0.008	0.013	0.025	0.006	0.010	0.016	0.031
\$9,000,000	0.005	0.007	0.011	0.022	0.006	0.009	0.014	0.028
\$10,000,000	0.004	0.006	0.010	0.020	0.005	0.008	0.013	0.025

7.

Retrospective Development Factors

<u>With Loss Limit</u>			<u>Without Loss Limit</u>			<u>4th &amp; Subsequent Adjustment</u>
1st Adj	2nd Adj	3rd Adj	1st Adj	2nd Adj	3rd Adj	
0.06	0.04	0.04	0.15	0.11	0.11	0.00

SERFF Tracking Number: APPU-125297138 State: Arkansas  
Filing Company: Continental Indemnity Company State Tracking Number: AR-PC-07-026165  
Company Tracking Number: WC-AR-07-02  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: /

## Supporting Document Schedules

**Review Status:**  
**Bypassed -Name:** Uniform Transmittal Document- Property & Casualty **Approved** 11/05/2007  
**Bypass Reason:** general instructions indicate that transmittal is not required for SERFF filings  
**Comments:**

**Review Status:**  
**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation **Approved** 11/05/2007  
**Comments:**  
**Attachment:**  
RFWC.pdf

**Review Status:**  
**Satisfied -Name:** NAIC loss cost data entry document **Approved** 11/05/2007  
**Comments:**  
**Attachment:**  
abstract.pdf

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

DATE September 24, 2007 \_\_\_\_\_

Page 1 of 2

1. INSURER NAME Continental Indemnity Company \_\_\_\_\_

ADDRESS 950 Tower Lane, 14<sup>th</sup> Floor, Foster City, CA 94404 \_\_\_\_\_

PERSON RESPONSIBLE FOR FILING Joan Klucarich \_\_\_\_\_

TITLE Actuary \_\_\_\_\_ TELEPHONE NO. 415-656-5000 x2360 \_\_\_\_\_

2. INSURER NAIC NO. 28258 \_\_\_\_\_ GROUP NO. 0031 \_\_\_\_\_

3. ADVISORY ORGANIZATION NCCI \_\_\_\_\_

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

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

6. A. PROPOSED RATE LEVEL CHANGE +4.0% EFFECTIVE DATE 1/1/08 \_\_\_\_\_

B. PROPOSED PREMIUM LEVEL CHANGE +4.0% EFFECTIVE DATE 1/1/08 \_\_\_\_\_

7. A. PRIOR RATE LEVEL CHANGE -5.4% EFFECTIVE DATE 7/1/07 \_\_\_\_\_

B. PRIOR PREMIUM LEVEL CHANGE -5.4% EFFECTIVE DATE 7/1/07 \_\_\_\_\_

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 COST MULTIPLIER

INSURER NAME Continental Indemnity Company \_\_\_\_\_ DATE September 24, 2007 \_\_\_\_\_

NAIC NO. 28258 \_\_\_\_\_ GROUP NO. 0031 \_\_\_\_\_

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?  
 Yes  No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.
2. Loss Cost Modification:
- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):  
 Without modification (factor = 1.000).  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_
- B. Loss Cost Modification expressed as a Factor 1.000.
3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)  
 PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	13.2 _____ %
B. General Expense	4.9 _____ %
C. Taxes, Licenses and Fees	5.8 _____ %
D. Underwriting Profit and Contingencies*	4.5 _____ %
E. Other (explain)	0.0 _____ %
F. TOTAL	28.4 _____ %

\* Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:  
 ELR = 100% - 3F = 71.6 \_\_\_\_\_ %  
 B. ELR in decimal form = .716 \_\_\_\_\_
5. Overall Impact of Expense Constant and Minimum Premiums:  
 (A 2.3% impact would be expressed as 1.023.) 1.000 \_\_\_\_\_
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation  
 Recognition in Retrospective Rating:  
 (An 8.6% average discount would be expressed as 0.914.) 1.000 \_\_\_\_\_
7. Company Formula Loss Cost Multiplier:  
 (2B / [(6 - 3F) x 5] = 1.397 \_\_\_\_\_
8. Company Selected Loss Cost Multiplier = 1.397 \_\_\_\_\_  
 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. Yes No
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.

## ARKANSAS INSURANCE DEPARTMENT

## WORKERS' COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable," so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name Continental Indemnity Company \_\_\_\_\_  
 NAIC Number 28258 \_\_\_\_\_ Group Number 0031 \_\_\_\_\_  
 Deviation From Manual Rates \_\_\_\_\_ Proposed Effective Date 1/1/08 \_\_\_\_\_

1. What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the-board deviation.)

TYPE	APPROVED	PERCENTAGE
Schedule Rating Plan _____	8/3/06 _____	Various scheduled credits _____ and debits, with aggregate _____ max +/- 25% _____
_____	_____	_____
_____	_____	_____

2. What, if any, restrictions apply to the deviation? Each scheduled characteristic has a credit/debit range. There is an aggregate maximum debit and credit of 25%.
3. What is the minimum premium requirement for eligibility for the deviation? none
4. What was the average percentage of credit given on policies eligible under the deviation? 0% \_\_\_\_\_
5. What was the average percentage of debit given on policies eligible under the deviation? 7% \_\_\_\_\_
6. State the number of Arkansas policies issued since the approval of your deviation. 4 \_\_\_\_\_  
 Of these policies, how many received a deviation? 1 \_\_\_\_\_
7. Do you allow both schedule rating plans and across-the-board deviations on the same risk? no \_\_\_\_\_
8. Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount paid in dividends for the preceding calendar year. No. \_\_\_\_\_
9. When promulgating an individual policy premium, at what point is the deviation applied? After experience modification (if applicable) and before premium discount or expense constant.
10. Do plans for the future market provide for:  
 (a) A great market penetration for this type of business no \_\_\_\_\_  
 (b) A lesser penetration no \_\_\_\_\_  
 (c) Status quo yes \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Joe M. Garcia  
 Signature  
Actuary  
 Title  
415-656-5000 x2360  
 Telephone Number

RATE FILING ABSTRACT

Insurer Name Continental Indemnity Company Contact Person Joan Klucarich  
 NAIC Number #0031-28258 Signature *Joan Klucarich*  
 Name of Advisory Organization Whose Filing You Are Referencing NCCI Telephone No. 415-656-5000  
 Co. Affiliation to Advisory Organization: Member  Subscriber \_\_\_\_\_ Service Purchaser \_\_\_\_\_  
 Reference Filing # AR-2007-10 Proposed Effective Date 1/1/08

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	(4) Expected Loss Ratio	FOR LOSS COSTS ONLY				(8) Co. Current Loss Cost Multiplier		
				(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (if Applicable)	(8) Co. Current Loss Cost Multiplier			
Workers Compensation	n/a	+4.0%	71.6	1.000	1.397	\$0	1.379			
TOTAL OVERALL EFFECT				n/a	+4.0%	71.6	1.000	1.397	\$0	1.379

Y Apply Lost Cost Factors to Future Filings? (Y or N)  
+12.9% Maximum Rate Increase for any Arkansas Insured (%)  
-29.6% Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History

Year	Rate Change History		AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio	Selected Provisions
	Policy Count	% Eff. Date					
2006	2	n/a	\$5	\$1	20%	83%	A. Total Production Expense 13.2%
2007	3	-5.4	\$13	\$4	31%	74%	B. General Expense 4.9
n/a,	New Co.						C. Taxes, License & Fees 5.8
n/a,	New Co.						D. Underwriting Profit & Contingencies 4.5
n/a,	New Co.						E. Other (explain) 0.0
n/a,	New Co.						F. TOTAL 28.4%