

<i>SERFF Tracking Number:</i>	<i>IATH-125349322</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Harco National Insurance Company</i>	<i>State Tracking Number:</i>	<i>NC \$0</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Flex-a-Bill</i>		
<i>Project Name/Number:</i>	<i>/CF-AR-2163-R</i>		

## Filing at a Glance

Company: Harco National Insurance Company

Product Name: Flex-a-Bill

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Rule

SERFF Tr Num: IATH-125349322

SERFF Status: Closed

Co Tr Num:

Co Status:

Author: Jim Breitbach

Date Submitted: 11/06/2007

State: Arkansas

State Tr Num: NC \$0

State Status: FEES NOT RECEIVED

Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Disposition Date: 11/07/2007

Disposition Status: Exempt from Review

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

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

Effective Date (New): 01/01/2008

Effective Date (Renewal): 01/01/2008

## General Information

Project Name:

Project Number: CF-AR-2163-R

Reference Organization:

Reference Title:

Filing Status Changed: 11/07/2007

State Status Changed: 11/06/2007

Corresponding Filing Tracking Number:

Filing Description:

The purpose of Flex-A-Bill is to adjust monthly premium payments based on any changes in reported exposures for each month, rather than at the end of the policy period. Flex-A-Bill uses Harco's currently filed rates and rules. The change in reported exposures is the only basis for any month to month change in premium payments. There is no rate impact associated with this program.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

In the end, the final policy premium developed with Flex-A-Bill would be no different than we have today. A key benefit

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to the insured is not having a significant amount of premium due, or refunded at the end of the policy term as a result of an audit addressing the changes in reported exposures for each month.

## Company and Contact

### Filing Contact Information

Jim Breitbach, Compliance Analyst  
 2850 West Golf Road  
 Rolling Meadows, IL 60008

jbreitbach@iat-harco.com  
 (847) 321-4816 [Phone]  
 (847) 321-4810[FAX]

### Filing Company Information

Harco National Insurance Company  
 2850 West Golf Road  
 9th Floor  
 Rolling Meadows, IL 60008  
 (800) 448-4642 ext. [Phone]

CoCode: 26433  
 Group Code: 225

State of Domicile: Illinois  
 Company Type:

Group Name:  
 FEIN Number: 13-6108721

State ID Number:

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$25.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	11/07/2007	11/07/2007

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## Disposition

Disposition Date: 11/07/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal): 01/01/2008

Status: Exempt from Review

Comment: This filing is contingent on receiving the filing fees the company indicates in the filing that they have sent. (\$25)

This line is exempt from filing rates & rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

Rate data does NOT apply to filing.



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## **Rate Information**

Rate data does NOT apply to filing.

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## Supporting Document Schedules

**Satisfied -Name:** Filing Memorandum **Review Status:** Accepted for Informational 11/07/2007  
Purposes

**Comments:**

**Attachment:**

Flex-A-Bill - CF - Explanatory Memorandum.pdf

**Satisfied -Name:** Excp. Page CF-CW-E-4 **Review Status:** Accepted for Informational 11/07/2007  
Purposes

**Comments:**

**Attachment:**

Final version - Flex-a-bill CF-CW-E-4 0108.pdf

## EXPLANATORY MEMORANDUM

Harco National Insurance Company is subscriber to Insurance Services Office (ISO). We use ISO rules, loss costs, forms and endorsements with certain exceptions. The exceptions we have on file provide us with coverage and rates for our unique commercial countrywide programs.

Currently, a number of our Property Program accounts are written on an audited basis. An estimated premium for the policy is determined at the beginning of the policy period. Monthly premium payments are made throughout the policy term based on that estimate. At the end of the policy period an audit can be performed based on the swing in exposures reported month to month during the policy term. As a result, a significant amount of premium may be due, or refunded as a result of the audit.

The purpose of ***Flex-A-Bill*** is to adjust monthly premium payments based on any changes in reported exposures for each month, rather than at the end of the policy period. ***Flex-A-Bill*** uses Harco's currently filed rates and rules. The change in reported exposures is the only basis for any month to month change in premium payments. There is no rate impact associated with this program.

In the end, the final policy premium developed with ***Flex-A-Bill*** would be no different than we have today. A key benefit to the insured is not having a significant amount of premium due, or refunded at the end of the policy term as a result of an audit addressing the changes in reported exposures for each month.

This program will apply to Commercial Auto and Commercial Property only. An identical rule for Commercial Auto is being submitted under a separate filing.

Attached is Harco Exception Page CF-CW-E-4.

**HARCO NATIONAL INSURANCE COMPANY  
COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTIONS TO GENERAL RULES**

**ADDITIONAL RULES**

**1. FLEX-A-BILL**

This plan consolidates various types of exposure bases and company rates. It ascertains rates and premiums for the various applicable coverages by using the currently filed company rules and rates. It then divides the total applicable premiums obtained for each applicable coverage by the total exposure for each applicable coverage. The resulting rate is divided by the term of the policy in months. This result is the Harco monthly composite rate(s).

The actual earned premium will be collected monthly based on the Harco composite rate times the reported property and casualty exposures. In addition, there will be specific premium charges for coverage(s) not subject to reporting or the Harco composite rate(s).

The Harco composite rate(s) may be adjusted after the effective date of the policy to incorporate changes in premises or operations not calculated in the initial issuance. Such coverage adjustments will be effective at the time of the change. Premium adjustments will be spread over future months.