

Filing at a Glance

Company: ACE American Insurance Company

Product Name: 07-CA-279

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Filing Type: Form

SERFF Tr Num: ACEH-125261214 State: Arkansas

SERFF Status: Closed

Co Tr Num: 07-CA-279

Co Status:

Authors: Ginny Boyles, Connie
McFarlane, Jill Kelly

Date Submitted: 08-14-2007

State Tr Num: AR-PC-07-025792

State Status:

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

Disposition Date: 08-15-2007

Disposition Status: Exempt from
Review

Effective Date Requested (New): 10-01-2007

Effective Date Requested (Renewal): 10-01-2007

Effective Date (New): 10-01-2007

Effective Date (Renewal): 10-01-
2007

General Information

Project Name: Revised Carnival Program

Project Number: 07-CA-279

Reference Organization:

Reference Title:

Filing Status Changed: 08-15-2007

State Status Changed: 08-15-2007

Corresponding Filing Tracking Number:

Filing Description:

We are filing revised Schedule Rating Rule and rating methodology for your review and approval. Refer to Filing the Memo for the details of changes.

We are implementing this filing for all policies effective on or after October 1, 2007.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

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Filing Company Information

ACE American Insurance Company

CoCode: 22667

State of Domicile: Pennsylvania

Created by SERFF on 08-15-2007 08:30 AM

PO Box 1000
436 Walnut Street
Philadelphia, PA 19106
(215) 640-5123 ext. [Phone]

Group Code: 626
Group Name:
FEIN Number: 95-2371728

Company Type:
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation:
Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
PS 00304428	\$100.00	08-10-2007

State Specific

Check_No: PS 00304428
Check_Amt: 100.00
Check_Rec: 08-10-07

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	08-15-2007	08-15-2007

Disposition

Disposition Date: 08-15-2007

Effective Date (New): 10-01-2007

Effective Date (Renewal): 10-01-2007

Status: Exempt from Review

Comment: Per Arkansas Code 23-67-206: Property and casualty insurance for commercial risk, excluding workers compensation, employers liability, and professional liability insurance are exempted from rate and rule filing and review. (see actual code site for details)

Rate data does NOT apply to filing.

Created by SERFF on 08-15-2007 08:30 AM

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Accepted for Informational Purposes	Yes
Supporting Document	policy count	Accepted for Informational Purposes	Yes
Supporting Document	FILE MEMO	Accepted for Informational Purposes	Yes
Rate	TRANSITION RATING RULE	Accepted for Informational Purposes	Yes

Rate Information

Rate data does NOT apply to filing.

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Accepted for Informational Purposes	TRANSITION RATINGCARNIVAL RULE	2007-001	Replacement	07-CA-30	CARNIVAL Transition Rating Rule _2_.pdf

**ENTERTAINMENT SERVICES RISK PURCHASING GROUP
CARNIVALS
Transition Rating Rule**

Automobile Liability coverages written in the Entertainment Services Risk Purchasing Group are transitioning from a proprietary rating plan to standard ISO rating.

Eligibility

Policies renewing between 10/01/2007 and 9/30/2008 are subject to transition rating. Transition rating applies for three (3) years beginning 10/01/2007. Experience rating does not apply.

Transition rating applies to the following coverages:

- Automobile Liability
- Personal Injury Protection and all related coverages
- Medical Payments
- Uninsured and Underinsured Motorist

Calculating the Transition Factor

Earned Premium for the coverages listed above and the number of active vehicles on the expiring policy is determined.

Renewal premium for the listed coverages is determined for the **same vehicles** based on the current ISO rate filing.

Change in premium is capped at plus or minus 5% each year.

If the renewal premium exceeds the earned premium by more than 5%, the transition factor is calculated as follows:

$$\frac{\text{Earned Premium} \times 1.05}{\text{Renewal Premium}} = \text{Transition Factor}$$

If the renewal premium is more than 5% below the earned premium, the transition factor is calculated as follows:

$$\frac{\text{Earned Premium} \times .95}{\text{Renewal Premium}} = \text{Transition Factor}$$

If the renewal premium is plus/minus 5% of the earned premium, the transition factor is 1.00

The transition factor applies to all vehicles on the renewal policy.
The transition factor applies to all subsequent transactions.

Supporting Document Schedules

Bypassed -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Accepted for Informational 08-15-2007
Purposes

Bypass Reason: According to Serff, this document is no longer necessary since the information is already included in the General Information Screen.

Comments:

Satisfied -Name: policy count

Review Status: Accepted for Informational 08-15-2007
Purposes

Comments:

Attachment:
Policy Count.pdf

Satisfied -Name: FILE MEMO

Review Status: Accepted for Informational 08-15-2007
Purposes

Comments:

Attachment:
Filing Memorandum.pdf

Entertainment Services Risk Purchasing Group		
Carnival Business		
<u>INFORCE POLICY LIST BY LOB:</u>		
SUMMARY BY STATE		
Carnivals		
STATE	Written Premium	Unit Count
AL	102,037	5
AR	103,520	6
AZ	187,426	12
CA	202,707	12
CO	116,380	9
CT	16,569	1
DE	13,750	1
FL	580,556	76
GA	179,986	6
HI	58,112	1
IA	50,457	5
IL	161,960	10
IN	85,851	6
KS	41,040	3
KY		0
LA	41,667	6
MD	31,562	2
ME	48,392	4
MI	97,252	5
MN	112,266	9
MO	132,627	6
MS	583,773	1
MT	3,834	1
NC	27,423	2
ND	3,213	2
NE		0
NH	17,102	3
NJ	89,655	6
NM		0
NV	7,652	2
NY	175,482	15
OH	133,920	10
OK	41,726	11
OR	136,299	2
PA	141,335	8
RI		0
SC	15,697	2
SD	43,960	4
TN	13,829	2
TX	637,820	44
UT	4,239	1
VA		0
VT		0
WA	15,525	1
WI	255,972	8
WV	4,490	1
WY	8,407	1
TOTAL	4,725,470	312

Filing Memorandum Entertainment Services Risk Purchasing Group-Carnivals

Background:

The purpose of this filing is to move our Carnival book of business from a specific program rating basis to ISO rating. Back in 1995, we had implemented a Carnival Program with specifically designated rates for liability coverages due to the uniqueness of the exposures presented by a carnival operation. Typically, this business was written primarily by surplus lines or non-admitted carriers at the time of our original filing. The physical damage coverages have always been rated using ISO rating. Over time, it has become apparent that specialized liability rating is no longer necessary.

We will continue to keep this program writings confined only to a single company within the ACE-INA Group, ACE American Insurance Company.

This Carnival program is a Risk Purchasing Group structure and that is not being changed by this filing. The current RPG program is filed in ACE American Insurance.

We have determined that due to the long length of time since we have made a rate change filing for this program, the most logical change to updating rates would be to adopt the currently filed and approved ISO liability rates, the same rates that we are using for our other commercial auto (non carnival) book of business. This also includes using the current loss cost multiplier on file for ACE American Insurance Company. This also includes elimination of specialized rating options for On/Off Road and Winter Quarters coverages.

Making this change will of course, result in potential large premium swings for our customers. In order to avoid these large changes and make the transition smooth and seamless for our clients, we wish to institute use of a transition factor, similar to that used when the ISO simplified rating program was implemented which would cap any rate change at +/- 5% each year for a 3 year period. The purpose of this factor is to minimize the rating impact and will be applied to only those coverages that previously were rated using the RPG program rates. The Transition Rating Rule manual page enclosed outlines those coverages for which a transition factor would be applied and the manner by which the factor would be determined for each risk. Only policies renewing between 10/01/2007 and 9/30/2008 are subject to this transition factor. New business is not eligible.

The transition factor would be determined based upon an equal comparison of vehicle exposure from the expiring to the renewal policy.

We also wish to continue an exception to this adoption whereby the liability coverages are not subject to experience rating.

The proposed implementation date for this filing is renewal risks with an effective date 10/01/2007 and after.