

Filing at a Glance

Company: American Bankers Insurance Company of Florida

Product Name: Wireless Protector

SERFF Tr Num: ASPX-125255703 State: Arkansas

TOI: 09.0 Inland Marine

SERFF Status: Closed

State Tr Num: AR-PC-07-025726

Sub-TOI: 09.0005 Other Commercial Inland
Marine

Co Tr Num: CM AR02346AIR01

State Status:

Filing Type: Rate

Co Status:

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

Author: SPI AssurantPC

Disposition Date: 08-08-2007

Date Submitted: 08-07-2007

Disposition Status: Exempt from
Review

Effective Date Requested (New): 09-01-2007

Effective Date (New): 09-01-2007

Effective Date Requested (Renewal):

Effective Date (Renewal):

General Information

Project Name: Wireless Protector

Project Number: CM AR02346AIR01

Reference Organization:

Reference Title:

Filing Status Changed: 08-08-2007

State Status Changed: 08-07-2007

Corresponding Filing Tracking Number:

Filing Description:

Re: American Bankers Insurance Company of Florida

NAIC # 0019-10111 / FEIN # 59-0593886

Wireless Protector Program

Line of Business: Commercial Inland Marine

Company Filing # WIP CMAR02346AIR01

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Rate Filing (for Approval)

AB#WP#AR-0807

Enclosed for your review and approval is the above mentioned Wireless Protector rate program revision. This program provides physical damage and loss coverage on a named peril basis for wireless equipment including phones, pagers and personal digital assistants. The last rate approval for this program was on 07/09/2002.

This is a relatively new program and loss data is not yet available, therefore the proposed changes have been based on

actuarial judgment. The proposed changes will only be applied for new business; therefore, there is no rate level impact on any current insured.

The current Wireless Protector filing already includes a base deductible of \$35 and a \$50 optional deductible. We would like to expand the deductible options to include all amounts in the range of \$51 - \$100 for a 7.5% premium credit and the range of \$101 - \$200 for a 10.0% premium credit.

The current base rate contemplates a limit of 1 claim per 12 months per covered device, but we will now offer claim limits of both 2 and 3 per 12 months, as well as unlimited claims. Each option carries the appropriate premium credit as shown on the rate page.

Thank you for your time and attention to this filing. If you have any questions or concerns, please feel free to contact me at toll free (800) 852.2244, ext. 12958 or via email at JoAnna.Miller@assurant.com.

Company and Contact

Filing Contact Information

JoAnna Miller, Contract Compliance Analyst Joanna.Miller@assurant.com
11222 Quail Roost Drive (770) 763-2000 [Phone]
Miami, FL 33157 (770) 859-4296[FAX]

Filing Company Information

American Bankers Insurance Company of CoCode: 10111 State of Domicile: Florida
Florida
11222 Quail Roost Dr Group Code: 19 Company Type:
Miami, FL 33157 Group Name: Assurant, Inc. Group State ID Number:
(305) 253-2244 ext. [Phone] FEIN Number: 59-0593886

Filing Fees

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

Correspondence Summary

Dispositions

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

Disposition

Disposition Date: 08-08-2007

Effective Date (New): 09-01-2007

Effective Date (Renewal):

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)

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:
American Bankers Insurance Company of Florida	0.000%	\$0	0	\$276	0.000%	0.000%	0.000%

Item Type	Item Name	Item Status	Public Access
Supporting Document	Wireless Protector Actuarial Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	Rate Filing Exhibits	Accepted for Informational Purposes	Yes
Rate	Wireless Protector Manual Page	Accepted for Informational Purposes	Yes

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:	07-09-2002
Filing Method of Last Filing:	Prior Approval

Company Rate Information

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:
American Bankers Insurance Company of Florida	0.000%	\$0	0	\$276	0.000%	0.000%	0.000%

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Wireless Protector Manual Page	AB#WP#AR-	Replacement	AB#WP#AR-.PDF

**AMERICAN BANKERS INSURANCE COMPANY
OF FLORIDA**

**Wireless Protector
Manual Page
Arkansas**

A. Applicable Forms

1. Master Policy.....	AL2002PKK-0602
2. Mandatory Amendatory Endorsement.....	AL2033EKK-0903
3. Certificate.....	AL2003CKK-0602
4. Mandatory Amendatory Endorsement.....	AL2034EKK-0903
5. Declarations Page.....	AL2001DKK-0502
6. Level One Coverage Section.....	AL2004EKK-0802
7. Level Two Coverage Section.....	AL2005EKK-0802
8. Level Three Coverage Section.....	AL2006EKK-0802
9. Level Four Coverage Section.....	AL2007EKK-0802
10. Arkansas Consumer Notice.....	N1504-1104

B. Rates

1. Monthly Rates

Coverage Level	Equipment Description			
	Wireless Phones	Pagers	Personal Digital Assistants (PDAs)	Integrated PDA/ Wireless Phone/ Pager Units
1. Exclude Mys Dis, Exclude AD	\$0.75	\$0.50	\$0.75	\$1.25
2. Exclude Mys Dis, Include AD	\$1.00	\$0.75	\$1.25	\$1.75
3. Include Mys Dis, Exclude AD	\$1.50	\$0.75	\$1.50	\$2.25
4. Include Mys Dis, Include AD	\$2.00	\$1.00	\$2.00	\$3.00
Deductible	\$35	\$25	\$35	\$35

2. Annual Rates

Coverage Level	Equipment Description			
	Wireless Phones	Pagers	Personal Digital Assistants (PDAs)	Integrated PDA/ Wireless Phone/ Pager Units
1. Exclude Mys Dis, Exclude AD	\$8.50	\$5.75	\$8.50	\$14.25
2. Exclude Mys Dis, Include AD	\$11.50	\$8.50	\$14.25	\$20.00
3. Include Mys Dis, Exclude AD	\$17.00	\$8.50	\$17.00	\$25.75
4. Include Mys Dis, Include AD	\$22.75	\$11.50	\$22.75	\$34.25
Deductible	\$35	\$25	\$35	\$35

C. Surcharges

- Commercial Use Surcharge – 5%
- Optional Deductibles – Premium Credit/(Debit) applies to All Coverage Levels

		Premium Credit/(Debit) by Equipment Description			
Base Deductible	Optional Deductible	Wireless Phones	Pagers	Personal Digital Assistants (PDAs)	Integrated PDA/Cell Phone/Pager Units
\$35	up to \$50	3.0%	5.0%	3.0%	3.0%
\$35	\$51-\$100	7.5%	7.5%	7.5%	7.5%
\$35	\$101-\$200	10.0%	10.0%	10.0%	10.0%

3. Maximum Number of Replacements in a 12 Month Period

Limit	Premium Credit
1	base
2	-9.0%
3	-10.5%
Unlimited	-11.0%

D. Rules

1. Maximum Replacement Value not to exceed \$2,500.
2. Unrecovered Equipment Fee not to exceed \$100.

Supporting Document Schedules

Satisfied -Name: Wireless Protector Actuarial Memorandum

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

Comments:
Actuarial Memorandum

Attachment:
Wireless Protector Actuarial Memorandum.PDF

Satisfied -Name: Rate Filing Exhibits

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

Comments:
Rate Filing Exhibits

Attachment:
Rate Filing Exhibits.PDF

American Bankers Insurance Company of Florida
Wireless Protector

Actuarial Memorandum

American Bankers Insurance Company of Florida (ABIC) wishes to revise its Wireless Protector program. This program provides physical damage and loss coverage on a named peril basis for wireless equipment including phones, pagers, and personal digital assistants.

This is a relatively new program and loss data is not yet available, therefore the proposed changes have been based on actuarial judgment. The proposed changes will only be applied for new business; therefore there is no rate level impact on any current insured.

The current Wireless Protector filing already includes a base deductible of \$35 and a \$50 optional deductible. We would like to expand the deductible options to include all amounts in the range of \$51 - \$100 for a 7.5% premium credit and the range of \$101 - \$200 for a 10.0% premium credit.

The current base rate contemplates a limit of 1 claim per 12 months per covered device, but we will now offer claim limits of both 2 and 3 per 12 months, as well as unlimited claims. Each option carries the appropriate premium credit as shown on the rate page.

Exhibits 1 and 2 display development of the Permissible Loss Ratio and Underwriting Profit Provision, respectively.

**American Bankers Insurance Company of Florida
Wireless Protector**

Development of Permissible Loss Ratio

	2004		2005		2006		3 Year Average	Selected
	\$\$\$	%%	\$\$\$	%%	\$\$\$	%%		
Written Premium	155,540		139,978		145,898			
Earned Premium	155,688		144,763		138,214			
Commissions & Brokerage (W)	61,934	39.8%	61,561	44.0%	51,547	35.3%	39.7%	0.0%
Other Acquisition Expenses (E)	5,850	3.8%	10,636	7.3%	10,622	7.7%	6.2%	6.5%
General Expenses (E)	10,470	6.7%	5,312	3.7%	4,918	3.6%	4.7%	4.8%
Taxes, Licenses & Fees (W)	3,796	2.4%	1,687	1.2%	2,416	1.7%	1.8%	3.0%
Profit & Contingencies								5.7%
Total Expense Provision								20.0%
Permissible Loss and LAE Ratio								80.0%

	2004		2005		2006		3 Year Average	Selected
	\$\$\$	%%	\$\$\$	%%	\$\$\$	%%		
Incurred Losses	15,381		26,616		21,856			
Incurred ALAE	(43)	-0.3%	162	0.6%	176	10.2%	0.5%	0.3%
Incurred ULAE	(1,185)	-7.7%	2,080	7.8%	(94)	3.3%	1.3%	1.0%
LAE Factor								1.3%

Source: American Bankers Insurance Company of Florida Insurance Expense Exhibit, Part III, Line 9.0

**American Bankers Insurance Company of Florida
Wireless Protector**

Derivation of Underwriting Profit Provision

(1) Target After-Tax Rate of Return on Surplus	15.00%
(2) Ratio of Written Premium to Surplus	2.267
(3) Expected Investment Income on Reserves as a % of Premium	1.9%
(4) Expected Investment Income on Reserves as a % of Surplus = (3) x (2)	4.3%
(5) Expected Investment Income on Surplus as a % of Surplus	5.1%
(6) Total Expected Investment Income as a % of Surplus = (4) + (5)	9.3%
(7) Federal Income Tax on Investment Income as % of Surplus = (6) x 28.7%	2.7%
(8) After-Tax Investment Income on Surplus = (6) - (7)	6.7%
(9) Target After-Tax Underwriting Profit as a % of Surplus = (1) - (8)	8.3%
(10) Target After-Tax Underwriting Profit as a % of Premium = (9) / (2)	3.7%
(11) Target Pre-Tax Underwriting Profit as a % of Premium = (10) / [1-35%]	5.7%

**American Bankers Insurance Company of Florida
Wireless Protector**

Estimated Investment Earnings on Reserves

(1) Direct Earned Premium	100,000
(2) Mean Unearned Premium Reserve	4,167
(3) Prepaid Expenses as a % of Premium	8.7%
(a) Commissions and Brokerage	0.00%
(b) Taxes, Licenses and Fees	3.00%
(c) 50% of Other Acquisition Costs	3.25%
(d) 50% of General Expenses	2.40%
(4) Dollar Amount of Prepaid Expenses = (3) x (2)	360
(5) Unearned Premium Reserve Subject to Investment = (2) - (3)	3,806
(6) Delayed Remission of Premium	0
(7) Expected Loss and Loss Adjustment Expense Ratio as a % of Premium	80.0%
(8) Dollar Amount of Expected Loss and Loss Adj. Expense = (7) x (1)	80,000
(9) Total Loss Reserve to Incurred Loss Ratio	41.8%
(10) Dollar Amount of Expected Loss and LAE Reserves = (9) x (8)	33,453
(11) Total Dollar Amount of Reserves Subject to Investment = (5) - (6) + (10)	37,259
(12) Average Rate of Return on Invested Assets	5.1%
(13) Dollar Amount of Investment Returns on Reserves = (11) x (12)	1,886
(14) Investment Earnings on Reserves as a % of Premium = (13) / (1)	1.9%