

SERFF Tracking Number: REGU-125260199 State: Arkansas
 Filing Company: Arch Insurance Company State Tracking Number: AR-PC-07-025779
 Company Tracking Number: ARCH-07-152
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability
 Product Name: ESIP General Liability Loss Cost Multiplier Revision
 Project Name/Number: /ARCH-07-152

Filing at a Glance

Company: Arch Insurance Company
 Product Name: ESIP General Liability Loss Cost Multiplier Revision SERFF Tr Num: REGU-125260199 State: Arkansas
 TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: AR-PC-07-025779
 Sub-TOI: 17.0001 Commercial General Liability Co Tr Num: ARCH-07-152 State Status:
 Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
 Author: Joanne Sullivan Disposition Date: 08/22/2007
 Date Submitted: 08/13/2007 Disposition Status: Exempt from Review
 Effective Date Requested (New): 09/01/2007 Effective Date (New):
 Effective Date Requested (Renewal): 09/01/2007 Effective Date (Renewal):

General Information

Project Name: Status of Filing in Domicile: Authorized
 Project Number: ARCH-07-152 Domicile Status Comments:
 Reference Organization: ISO Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 08/22/2007
 State Status Changed: 08/14/2007 Deemer Date:
 Corresponding Filing Tracking Number:
 Filing Description:
 Arch Insurance Company (AIC), a subscriber of Insurance Services Office (ISO), is revising its current Commercial General Liability Loss Cost Multiplier (LCM) for its Emergency Services Insurance Program (ESIP). ESIP was designed to service the insurance needs of Fire Departments, Volunteer Ambulance Corps, and similar risks. ESIPs LCM will change as follows:

| Coverage | Current LCM | Proposed LCM | LCM % Change |
|----------|-------------|--------------|--------------|
|----------|-------------|--------------|--------------|

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General Liability 1.160 1.520 31.03%

The rates will be the combination of ISOs loss costs and the loss cost multipliers shown on the attached Summary Information Forms.

In 2003, Arch filed revisions to its LCM for its business in general, but retained its old LCM for ESIP. The purpose of this filing is to again make the ESIP LCM the same as Arch LCM in general.

No changes were necessary to our manual exception pages, which, for the LCM refer to the otherwise applicable Division Six General Liability Rules.

Company and Contact

Filing Contact Information

Joanne Sullivan, joannesullivan@ircllc.com
50 Broad Street (212) 571-3989 [Phone]
New York, NY 10004 () -[FAX]

Filing Company Information

Arch Insurance Company CoCode: 11150 State of Domicile: Missouri
One Liberty Plaza Group Code: 1279 Company Type: P&C
53rd Floor
New York, NY 10006 Group Name: Arch Capital State ID Number:
(212) 651-9863 ext. [Phone] FEIN Number: 43-0990710

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: AR fee is \$100.00 rate/rule
Per Company: No

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| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|------------------------|----------|----------------|---------------|
| Arch Insurance Company | \$100.00 | 08/13/2007 | 15079645 |

State Specific

Check_No: EFT
Check_Amt: 100.00
Check_Rec: EFT

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------------------|---------------|------------|----------------|
| Exempt from Review | Edith Roberts | 08/22/2007 | 08/22/2007 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|---------------------------|---------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending Industry Response | Edith Roberts | 08/22/2007 | 08/22/2007 | Joanne Sullivan | 08/22/2007 | 08/22/2007 |
| Pending Industry Response | Edith Roberts | 08/16/2007 | 08/16/2007 | Joanne Sullivan | 08/21/2007 | 08/21/2007 |

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Disposition

Disposition Date: 08/22/2007
 Effective Date (New):
 Effective Date (Renewal):
 Status: Exempt from Review
 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: |
|------------------------|------------------------|------------------------------------------|------------------------------------------------|----------|------------------------------------|------------------------------------|-----------------------------|
| Arch Insurance Company | 31.030% | \$1,956 | 3 | \$6,303 | 31.030% | 31.030% | 0.000% |

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| Item Type | Item Name | Item Status | Public Access |
|-------------------------------|--------------------------------|----------------------------------------|---------------|
| Supporting Document | Reference Filing Adoption Form | Accepted for Informational Purposes | Yes |
| Supporting Document | Filing Memo | Accepted for Informational Purposes | Yes |
| Supporting Document | Authorization Letter | Accepted for Informational Purposes | Yes |
| Supporting Document (revised) | Form PC RLC | Accepted for Informational Purposes | Yes |
| Supporting Document | Form PC RLC | Accepted for Informational Purposes | Yes |

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TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability
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Project Name/Number: /ARCH-07-152

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/22/2007

Submitted Date 08/22/2007

Respond By Date

Dear Joanne Sullivan,

This will acknowledge receipt of the captioned filing.

You did not complete Sections 1-10 for the filing abstract. Please do so and resubmit.

Thanks.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/22/2007

Submitted Date 08/22/2007

Dear Edith Roberts,

Comments:

Response 1

Comments: Attached please find a completed PC RLC form.

Thanks.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form PC RLC

Comment:

SERFF Tracking Number: *REGU-125260199* *State:* *Arkansas*
Filing Company: *Arch Insurance Company* *State Tracking Number:* *AR-PC-07-025779*
Company Tracking Number: *ARCH-07-152*
TOI: *17.0 Other Liability - Claims Made/Occurrence* *Sub-TOI:* *17.0001 Commercial General Liability*
Product Name: *ESIP General Liability Loss Cost Multiplier Revision*
Project Name/Number: */ARCH-07-152*

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Joanne Sullivan

SERFF Tracking Number: REGU-125260199 State: Arkansas
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Company Tracking Number: ARCH-07-152
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Product Name: ESIP General Liability Loss Cost Multiplier Revision
Project Name/Number: /ARCH-07-152

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/16/2007

Submitted Date 08/16/2007

Respond By Date

Dear Joanne Sullivan,

This will acknowledge receipt of the captioned filing.

Please advise if these rates apply to premises and or operations only or the services (professional liability) of the responders?

We will need for you to complete Form PC-RLC that is required under Rule & Regulation 23. This form may be accessed here:

<http://www.insurance.arkansas.gov/PandC/RR23Forms/FORM%20RF-1%20Rate%20Filing%20Abstract.doc>

Please chose "RF-1" which will direct you to Form PC RLC. Please disregard the title "NAIC Loss Cost Data Entry Document". Under #2, please inform this IS NOT a "Loss Cost" filing.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/21/2007

Submitted Date 08/21/2007

Dear Edith Roberts,

Comments:

Response 1

Comments: In response to your 8/16/07 Objection Letter, we offer the following:

SERFF Tracking Number: REGU-125260199 State: Arkansas
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Project Name/Number: /ARCH-07-152

-These rates apply to premises and operations.
-We have attached form PC RLC.

Thanks.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form PC RLC

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Joanne Sullivan

SERFF Tracking Number: REGU-125260199 State: Arkansas
 Filing Company: Arch Insurance Company State Tracking Number: AR-PC-07-025779
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 Product Name: ESIP General Liability Loss Cost Multiplier Revision
 Project Name/Number: /ARCH-07-152

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

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): |
|------------------------|-----------------------------|------------------------|------------------------------------------|------------------------------------------------|----------|------------------------------------|------------------------------------|
| Arch Insurance Company | 0.000% | 31.030% | \$1,956 | 3 | \$6,303 | 31.030% | 31.030% |

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Supporting Document Schedules

| | | |
|-------------------------------------------------------------|-----------------------------------------------------------|------------|
| Satisfied -Name: Reference Filing Adoption Form | Review Status: Accepted for Informational Purposes | 08/22/2007 |
| Comments: | | |
| Attachment: AR Reference Filing Adoption Form.pdf | | |
| Satisfied -Name: Filing Memo | Review Status: Accepted for Informational Purposes | 08/22/2007 |
| Comments: | | |
| Attachment: Filing Memo GL.pdf | | |
| Satisfied -Name: Authorization Letter | Review Status: Accepted for Informational Purposes | 08/22/2007 |
| Comments: | | |
| Attachment: GL Authorization Letter.pdf | | |
| Satisfied -Name: Form PC RLC | Review Status: Accepted for Informational Purposes | 08/22/2007 |
| Comments: | | |
| Attachment: AR GL PC RLC form.pdf | | |

**INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS REFERENCE
FILING ADOPTION FORM**

Page 1 of 3

1. Insurer Name Arch Insurance Company
 Address One Liberty Plaza
New York, NY 10006

Person Responsible for Filing Joanne Sullivan, Insurance Regulatory Consultants

Title Analyst Telephone No. (212) 571-3989

2. Insurer NAIC No. 11150 Group No. 1279

3. Line of Insurance ESIP General Liability

4. Advisory Organization Insurance Services Office, Inc.,

5. Advisory Organization Reference Filing No. GL-2006-BGL1

6. 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.

7. Proposed Rate Level Change 31.03% % Effective Date 9/1/07

8. Prior Rate Level Change N/A % Effective Date N/A

9. Attach "Summary of Supporting Information Form"
 (Use a separate Summary for each insurer-selected loss cost multiplier.)

10. 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.

Insurer Name: Arch Insurance Company
NAIC No.: 11150

Date: 8/13/07
Group No. 1279

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

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:
ESIP General Liability
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: (See Example Below.) 1.000

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

| | Selected Provisions |
|------------------------------------------------|---------------------|
| A. Total Production Expense | <u>19.00%</u> |
| B. General Expense | <u>5.60%</u> |
| C. Taxes, Licenses & Fees | <u>2.80%</u> |
| D. Underwriting Profit & Contingencies* | <u>12.50%</u> |
| E. Other (explain)(Investment Income) | <u>-5.50%</u> |
| F. TOTAL | <u>34.40%</u> |

* Explain how investment income is taken into account.

*** Investment Income is displayed and included in the Total, see E. Other.**

4. A. Expected Loss Ratio: $ELR = 100\% - 3F=A$. 65.60%
B. ELR in decimal form = 0.6560

5. Company Formula Loss Cost Multiplier: (2B divided by 4B) = 1.520

6. Company Selected Loss Cost Multiplier = 1.520
Explain any differences between 5 and 6:

7. Rate level change for the coverages to which this page applies: 31.03%

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used

**ARCH INSURANCE COMPANY
COMMERCIAL GENERAL LIABILITY**

FILING MEMORANDUM

Arch Insurance Company is filing to revise its Commercial General Liability loss cost multiplier (LCM) for its Emergency Services Insurance Program (ESIP). ESIP was designed to service the insurance needs of Fire Departments, Volunteer Ambulance Corps, and similar risks. This LCM will be applied to ISO's loss costs to determine final rates.

In 2003, Arch filed revisions to its LCM for its business in general, but retained its old LCM for ESIP. The purpose of this filing is to again make the ESIP LCM the same as Arch LCM in general.

While Arch has some historical expense experience countrywide, Arch relied primarily on industry statistics and used the following information in determining the LCM.

- Production Expenses (Commission and Other Acquisition) - Insurance Services Office (ISO) Expense and Tax Circular data for agency writers.
- General Expense - Insurance Services Office (ISO) Expense and Tax Circular data for agency writers.
- Taxes, Licenses and Fees – state tax information from ISO Tax Circular

ARCH INSURANCE COMPANY

LETTER OF FILING AUTHORIZATION

This will certify that Insurance Regulatory Consultants, LLC (IRC) has been given full authorization to submit the captioned filing below on behalf of Arch Insurance Company. This authorization extends to all correspondence regarding this filing.

Carol Kennedy
Name

August, 2007
Date

Vice President
Title

Arch Insurance Company
Company


Signature

(212) 651-9863
Telephone Number

**Re: Arch Insurance Company FEIN # 43-0990710
NAIC Number: 1279-11150
General Liability
Emergency Services Insurance Program
Revision of Loss Cost Multipliers**

NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|----|-------------------------------------------------------|--------------------|
| 1. | This filing transmittal is part of Company Tracking # | ARCH-07-152 |
|----|-------------------------------------------------------|--------------------|

| | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 2. | If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number | We are not adopting any reference filings |
|----|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|

| | | | |
|--------------|-----------|-------------------------------|------------------------|
| Company Name | | Company NAIC Number | |
| 3. | A. | Arch Insurance Company | B. 11150 |

| | | | |
|------------------------------------------------------------------|-----------|-----------------------------------------------------------------------|-----------|
| Product Coding Matrix Line of Business (i.e., Type of Insurance) | | Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance) | |
| 4. | A. | General Liability | 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 |
| General Liability | 31.0 | 31.0 | .656 | 1.000 | 1.520 | N/A | 1.160 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL OVERALL EFFECT | 31.0 | 31.0 | | | | | |

| | | | | | | | |
|------|--------------|----------------|---------------------|----------------------------|-------------------------|------------------|------------------------|
| 6. | | 5 Year History | Rate Change History | | N/A-Initial Rate Change | | |
| 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 | 19.00 |
| B. General Expense | 5.60 |
| C. Taxes, License & Fees | 2.80 |
| D. Underwriting Profit & Contingencies | 12.50 |
| E. Other (Investment Income) | -5.50 |
| F. TOTAL | 34.40 |

8. x Apply Lost Cost Factors to Future filings? (Y or N)
9. 31.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

SERFF Tracking Number: REGU-125260199 *State:* Arkansas
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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.

| Original Date: | Schedule | Document Name | Replaced Date | Attach Document |
|-----------------------|---------------------|----------------------|----------------------|---------------------------------------------|
| No original date | Supporting Document | Form PC RLC | 08/21/2007 | AR FORM RF-1 Rate Filing Abstract.pdf |

