

SERFF Tracking Number: TRAX-125282735 State: Arkansas  
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: AR-PC-07-026011  
Company Tracking Number: WC AR0708701R01  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Adoption of NCCI AR WC Voluntary Advisory Loss Cos  
Project Name/Number: Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007/WC AR0708701R01

## Filing at a Glance

Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Product Name: Adoption of NCCI AR WC SERFF Tr Num: TRAX-125282735 State: Arkansas

Voluntary Advisory Loss Cos

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: AR-PC-07-026011

Sub-TOI: 16.0004 Standard WC

Co Tr Num: WC AR0708701R01

State Status:

Filing Type: Rate

Co Status:

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

Author: SPI Transguard

Disposition Date: 09/11/2007

Date Submitted: 09/05/2007

Disposition Status: Approved

Effective Date Requested (New): 10/15/2007

Effective Date (New): 10/15/2007

Effective Date Requested (Renewal):

Effective Date (Renewal):

## General Information

Project Name: Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007

Status of Filing in Domicile:

Project Number: WC AR0708701R01

Domicile Status Comments:

Reference Organization: NCCI - National Council on Compensation Insurance, Inc. (NCCI)

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 09/11/2007

State Status Changed: 09/06/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval. At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2007 as announced in NCCI Circular #AR-2007-04 and Filing Circular AR-2007-01. We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits. This filing is being submitted under your Prior Approval statute.

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We request that this filing be applicable to all policies effective on or after October 15, 2007.

## Company and Contact

### Filing Contact Information

Gloria Goldbranson, Compliance Support Leader  
 Gloria.Goldbranson@Transguard.com  
 215 Shuman Blvd  
 Naperville, IL 60563  
 (800) 796-2480 [Phone]  
 (630) 864-3579[FAX]

### Filing Company Information

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.  
 215 Shuman Blvd  
 Suite 400  
 Naperville, IL 60563  
 (800) 796-2480 ext. [Phone]

CoCode: 28886  
 Group Code: 225  
 Group Name: IAT Reinsurance  
 Company Group  
 FEIN Number: 36-3529298  
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State of Domicile: Illinois  
 Company Type: Property & Casualty  
 State ID Number:

## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	\$100.00	09/05/2007	15440162

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	09/11/2007	09/11/2007

### 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	Carol Stiffler	09/06/2007	09/06/2007	SPI Transguard	09/11/2007	09/11/2007

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## Disposition

Disposition Date: 09/11/2007  
 Effective Date (New): 10/15/2007  
 Effective Date (Renewal):  
 Status: Approved  
 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:
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	1.400%	\$2,853	37	\$203,798	13.100%	-8.100%	%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Arkansas Actuarial Memorandum		Yes
Supporting Document	AR LCM Exhibits		Yes
Supporting Document	AR Rate of Return Exhibits		Yes
Supporting Document	AR - Workers' Comp Abstract WC-1		Yes
Supporting Document	Cover Letter, AR - RATE FILING ABSTRACT RF-1, AR - NAIC LC FILING DOC RF-WC, AR - NAIC P&C TRANSMITTAL DOCUMENT		Yes
Rate	Rate Revision eff 07-01-07 TGIA eff 10-15-07		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/06/2007  
Submitted Date 09/06/2007  
Respond By Date  
Dear Gloria Goldbranson,

This will acknowledge receipt of the captioned filing.

This filing adopts Circular AR-2007-04 and AR-2007-01 but does not state the Item Filing number which is often different than the Circular number. We do not receive circulars which are issued after the Item Filing is approved. Often Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number. You must state the Item Filing Number.

I can approve the filing as soon as you send the item filing number.

Please feel free to contact me if you have questions.

Sincerely,  
Carol Stiffler

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/11/2007  
Submitted Date 09/11/2007

Dear Carol Stiffler,

### Comments:

We are responding to your request for inclusion of the Item Filing approval numbers for our Workers Compensation Filing.

### Response 1

Comments: The Item Filing number is Item AR-2007-01 which corresponds to the final approval circular. We are sending revisions to the cover letter and filing forms to correct the Item Filing Number.

*SERFF Tracking Number:* TRAX-125282735 *State:* Arkansas  
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**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Cover Letter, AR - RATE FILING ABSTRACT RF-1, AR - NAIC LC FILING DOC RF-WC, AR - NAIC P&C TRANSMITTAL DOCUMENT

Comment: Revised to Include Item Filing Number as requested by Objection Received 09/06/07

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your prompt review of this filing.

Sincerely,  
SPI Transguard

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**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 8.600%  
**Effective Date of Last Rate Revision:** 07/01/2006  
**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):
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	%	1.400%	\$2,853	37	\$203,798	13.100%	-8.100%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	Rate Revision eff 07-01-07 TGIA eff 10-15-07	S1 - S6	Replacement	S1 - S6.PDF

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

ARKANSAS

Rates

Page S1

Effective October 15, 2007

Original Printing

CLASS CODE	RATE	MIN	PREM	CLASS CODE	RATE	MIN	PREM	CLASS CODE	RATE	MIN	PREM	CLASS CODE	RATE	MIN	PREM
0005	5.33	693		1852D	2.43	403		2534	2.64	424		3085D	3.29	489	
0008	3.23	483		1853	2.91	451		2570	5.34	694		3110	3.35	495	3635 1.97 357
0016	6.79	750		1860	1.69	329		2576	-	-		3111	3.35	495	3638 1.76 336
0034	4.58	618		1924	3.56	516		2578	-	-		3113	2.42	402	3642 1.03 263
0035	2.72	432		1925	2.96	456		2585	2.94	454		3114	2.85	445	3643 3.31 491
															3647 3.58 518
0036	4.48	608		2001	2.67	427		2586	1.11	271		3118	1.59	319	3648 2.37 397
0037	4.82	642		2002	3.69	529		2587	2.42	402		3119	1.19	279	3681 1.57 317
0042	7.89	750		2003	3.10	470		2589	1.78	338		3122	1.27	287	3685 2.07 367
0050	5.95	750		2014	5.88	748		2600	5.42	702		3126	2.16	376	3719 3.75 535
0059D	0.32	192		2016	2.67	427		2623	2.80	440		3131	1.00	260	3724 7.38 750
0065D	0.06	166		2021	3.66	526		2651	2.50	410		3132	2.29	389	3726 3.88 548
0066D	0.06	166		2039	5.07	667		2660	1.73	333		3145	2.13	373	3803 2.02 362
0067D	0.06	166		2041	4.42	602		2670	2.61	421		3146	2.88	448	3807 1.76 336
0079	3.50	510		2065	1.34	294		2683	2.26	386		3169	2.93	453	3808 3.04 464
0083	9.27	750		2070	5.55	715		2688	3.21	481		3175D	3.16	476	3821 4.66 626
0106	15.55	750		2081	4.79	639		2702X	29.61	750		3179	2.64	424	3822 3.04 464
0113	5.22	682		2089	3.02	462		2710	9.19	750		3180	2.37	397	3824 5.36 696
0170	2.86	446		2095	3.56	516		2714	5.58	718		3188	1.57	317	3826 1.14 274
0251	5.85	745		2105	2.75	435		2719X	11.96	750		3220	2.24	384	3827 1.32 292
0400	9.33	750		2110	2.51	411		2731	4.07	567		3223	3.64	524	3830 1.27 287
0401	13.52	750		2111	2.26	386		2735	3.32	492		3224	2.94	454	3851 3.23 483
0771N	0.35	195		2112	2.83	443		2759	8.30	750		3227	1.94	354	3865 1.43 303
0908P	144.69	305		2114	3.45	505		2790	1.56	316		3240	3.72	532	3881 4.20 580
0909P	116.07	276		2121	2.18	378		2802	7.20	750		3241	3.26	486	4000 8.20 750
0912P	313.23	473		2130	3.21	481		2812	4.85	645		3255	2.91	451	4021 5.02 662
0913P	383.19	543		2131	1.97	357		2835	1.86	346		3257	3.01	461	4024E 1.88 348
0917	4.13	573		2143	2.42	402		2836	2.64	424		3270	4.90	650	4034 7.63 750
1005*	10.41	750		2150	-	-		2841	4.60	620		3300	4.07	567	4036 2.91 451
1016*	37.11	750		2156	4.17	577		2881	2.53	413		3303	4.04	564	4038 2.37 397
1164E	7.82	750		2157	4.17	577		2883	4.80	640		3307	3.93	553	4053 3.59 519
1165E	7.62	750		2172	2.34	394		2913	3.35	495		3315	2.93	453	4061 4.79 639
1320	3.15	475		2174	3.10	470		2915	4.28	588		3334	2.75	435	4062 3.48 508
1322	12.88	750		2211	5.79	739		2916	2.70	430		3336	2.70	430	4101 2.21 381
1430	5.82	742		2220	2.23	383		2923	2.27	387		3365	10.68	750	4111 2.61 421
1438	2.99	459		2286	1.64	324		2942	2.70	430		3372	3.04	464	4112 1.07 267
1452	2.04	364		2288	5.10	670		2960	3.32	492		3373	3.74	534	4113 1.88 348
1463	12.58	750		2300	2.37	397		3004	2.85	445		3383	1.08	268	4114 2.67 427
1472	3.82	542		2302	2.08	368		3018	3.42	502		3385	0.99	259	4130 6.22 750
1624E	8.40	750		2305	2.72	432		3022	3.69	529		3400	2.88	448	4131 3.02 462
1642	4.18	578		2361	1.51	311		3027	3.31	491		3507	3.24	484	4133 2.86 446
1654	8.97	750		2362	2.02	362		3028	3.51	511		3515	2.62	422	4150 1.46 306
1655	5.04	664		2380	6.88	750		3030	4.63	623		3548	1.37	297	4206 4.39 599
1699	2.32	392		2386	1.32	292		3040	4.58	618		3559	2.42	402	4207 1.27 287
1701	3.86	546		2388	2.13	373		3041	3.96	556		3574	1.32	292	4239 1.46 306
1710E	7.25	750		2402	2.54	414		3042	3.63	523		3581	1.35	295	4240 3.24 484
1741E	1.94	354		2413	2.04	364		3064	5.12	672		3612	2.46	406	4243 1.59 319
1745X	3.15	475		2416	2.11	371		3066X	3.37	497		3620	6.68	750	4244 2.62 422
1747	2.66	426		2417	1.94	354		3076	3.02	462		3629	2.11	371	4250 1.64 324
1748	6.33	750		2501	1.67	327		3081D	2.83	443		3632	3.43	503	4251 1.84 344
1803D	6.01	750		2503	1.49	309		3082D	4.47	607		3634	2.11	371	4263 2.66 426

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

\* Refer to Footnotes Page for additional information on this class code.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

ARKANSAS

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Page S2

Rates

Original Printing

Effective October 15, 2007

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4273	1.80	340	4902	1.91	351	6003	11.45	750	7151M	4.67	627	7613	5.20	680
4279	1.94	354	4923	1.26	286	6005	7.58	750	7152M	8.41	750	7704	7.47	750
4282	2.39	399	5020	6.31	750	6017	4.72	632	7153M	5.20	680	7720X	3.08	468
4283	2.59	419	5022	6.96	750	6018	2.39	399	7222	10.97	750	7855	6.65	750
4299	1.67	327	5037	19.13	750	6045	3.24	484	7228X	8.59	750	8001	2.75	435
4304	3.12	472	5040	22.04	750	6204	10.65	750	7229X	8.52	100	8002	3.63	523
4307	3.02	462	5057	18.01	750	6206	8.25	750	7230	4.21	581	8006	2.53	413
4308	-	-	5059	25.39	750	6213	12.86	750	7231	9.40	750	8008	1.32	292
4351	1.21	281	5069	24.33	750	6214	3.05	465	7232	15.52	750	8010	2.42	402
4352	1.14	274	5102	4.71	631	6216	5.79	739	7309F	30.43	750	8013	0.56	216
4360	0.89	249	5146	5.60	720	6217	5.39	699	7313F	7.03	750	8015	0.78	238
4361	1.51	311	5160	4.79	639	6229	4.52	612	7317F	11.32	750	8017	1.35	295
4362	1.18	278	5183	3.59	519	6233	8.33	750	7327F	24.82	750	8018X*	3.01	461
4410	3.24	484	5188	5.98	750	6235	12.42	750	7333M	8.16	750	8021	1.94	354
4420	3.85	545	5190	3.51	511	6236	14.21	750	7335M	9.06	750	8031	3.53	513
4431	1.65	325	5191X	2.00	360	6237	3.98	558	7337M	14.66	750	8032	1.81	341
4432	1.78	338	5192	4.44	604	6251D	8.47	750	7350F	26.76	750	8033	2.19	379
4439	2.07	367	5213	8.51	750	6252D	7.66	750	7360	6.55	750	8039	1.64	324
4452	3.82	542	5215	4.44	604	6260D	5.79	739	7370	5.71	731	8044	3.58	518
4459	2.32	392	5221	4.52	612	6306	6.09	750	7380X	4.58	618	8045	0.51	211
4470	2.51	411	5222	11.10	750	6319	6.06	750	7382	3.13	473	8046	3.21	481
4484	2.61	421	5223	6.11	750	6325	5.64	724	7390	3.94	554	8047	1.38	298
4493	3.10	470	5348	4.23	583	6400	7.66	750	7394M	16.01	750	8050	-	-
4511	0.76	236	5402	5.57	717	6504	2.70	430	7395M	17.79	750	8058	3.26	486
4557	2.04	364	5403	11.38	750	6702M*	8.08	750	7398M	28.79	750	8072	0.73	233
4558	2.08	368	5437	5.20	680	6703M*	14.52	750	7403X	3.18	478	8102	2.99	459
4561	2.05	365	5443	4.12	572	6704M*	8.97	750	7405N	1.67	327	8103	5.29	689
4568	2.94	454	5445	5.26	686	6801F	16.03	750	7409*	-	-	8105	5.18	678
4581	1.86	346	5462	6.87	750	6811	6.06	750	7420X*	23.40	750	8106	4.93	653
4583	5.12	672	5472	5.68	728	6824F	27.68	750	7421	2.50	410	8107	4.53	613
4611	1.05	265	5473	5.79	739	6826F	13.32	750	7422	2.66	426	8111	3.58	518
4635	4.31	591	5474	8.05	750	6834	4.72	632	7423X	3.18	478	8116	5.14	674
4653	1.49	309	5478	4.93	653	6836	10.43	750	7425	3.77	537	8203	6.93	750
4665	7.54	750	5479	11.43	750	6843F	18.25	750	7431N	2.10	370	8204	6.92	750
4670	4.80	640	5480	11.18	750	6845F	21.58	750	7445N	0.91	251	8209	3.43	503
4683	5.22	682	5491	2.40	400	6854	5.91	750	7453N	1.13	273	8215	6.19	750
4686	1.27	287	5506	4.90	650	6872F	24.80	750	7502	3.29	489	8227	4.83	643
4692	0.41	201	5507	6.46	750	6874F	44.17	750	7515	1.19	279	8232	7.20	750
4693	0.97	257	5508D	8.20	750	6882	6.58	750	7520	3.37	497	8233	5.36	696
4703	2.54	414	5536	-	-	6884	14.45	750	7538	10.73	750	8235	4.58	618
4717	2.72	432	5537	6.19	750	7016M	6.01	750	7539	6.95	750	8263	10.30	750
4720	4.50	610	5538X	7.46	750	7024M	6.68	750	7540	4.55	615	8264	4.56	616
4740	1.65	325	5551	16.17	750	7038M	7.11	750	7580	2.29	389	8265	10.89	750
4741	1.99	359	5606	2.18	378	7046M	32.15	750	7590	4.94	654	8279	11.70	750
4751	2.11	371	5610	7.73	750	7047M	10.81	750	7600	3.35	495	8288	7.63	750
4771N	1.97	357	5645	12.83	750	7050M	12.78	750	7601	13.31	750	8291	2.75	435
4777	1.91	351	5651	10.45	750	7090M	7.90	750	7605	3.72	532	8292	3.34	494
4825	0.84	244	5703	114.38	750	7098M	35.73	750	7610	0.54	214	8293	9.24	100
4828	1.59	319	5705	5.60	720	7099M	57.81	750	7611	6.53	750	8295X	6.85	750
4829	1.72	332	5951	0.41	201	7133	3.85	545	7612	18.41	750	8304	8.03	750

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

\* Refer to Footnotes Page for additional information on this class code.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Rates

Effective October 15, 2007

ARKANSAS  
Page S3  
Original Printing

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
8350	5.84	744	9059	3.35	495			
8380	3.93	553	9060	2.02	362			
8381	1.57	317	9061	1.56	316			
8385	3.02	462	9063	1.24	284			
8392	3.88	548	9077F	4.56	616			
8393	1.83	343	9082	1.86	346			
8500	5.68	728	9083	1.67	327			
8601	0.78	238	9084	2.31	391			
8606	3.98	558	9089	1.46	306			
8709F	9.32	750	9093	1.65	325			
8719	1.99	359	9101	3.45	505			
8720	1.34	294	9102	3.39	499			
8721	0.45	205	9110	1.32	292			
8726F	11.08	750	9154	2.77	437			
8734M	0.75	235	9156	1.59	319			
8737M	0.68	228	9178	28.49	750			
8738M	1.21	281	9179	49.45	750			
8742X	0.56	216	9180	4.88	648			
8745	5.25	685	9182	3.04	464			
8748	0.46	206	9186	61.14	750			
8755	0.32	192	9220	4.26	586			
8800	1.10	270	9402	5.88	748			
8803	0.10	170	9403	7.22	750			
8805M	0.37	197	9410	2.21	381			
8810	0.27	187	9501	5.49	709			
8814M	0.33	193	9505	4.01	561			
8815M	0.59	219	9516	3.16	476			
8820	0.25	185	9519	2.75	435			
8824	3.20	480	9521	5.88	748			
8825	2.67	427	9522	1.72	332			
8826	2.54	414	9534	8.41	750			
8829	3.04	464	9554	9.65	750			
8831	3.37	497	9586	0.83	243			
8832	0.32	192	9600	1.81	341			
8833X*	1.26	286	9620	1.37	297			
8835	2.42	402						
8861	1.32	292						
8868	0.46	206						
8869	0.84	244						
8871	0.29	189						
8901	0.32	192						
9012	1.89	349						
9014	2.62	422						
9015X	3.10	470						
9016	5.64	724						
9019	3.70	530						
9033	2.02	362						
9040*	3.96	556						
9052	1.99	359						
9058	1.96	356						

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

\* Refer to Footnotes Page for additional information on this class code.

Effective October 15, 2007

FOOTNOTES

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

Code No.	Specific Disease Loadings	Disease Symbol	Code No.	Specific Disease Loadings	Disease Symbol
0059D	0.20	S	1852D	0.03	Asb
0065D	0.04	S	3081D	0.03	S
0066D	0.04	S	3082D	0.04	S
0067D	0.04	S	3085D	0.04	S
1164E	0.06	S	3175D	0.02	S
1165E	0.03	S	4024E	0.01	S
1624E	0.03	S	5508D	0.02	S
1710E	0.04	S	6251D	0.04	S
1741E	0.17	S	6252D	0.03	S
1803D	0.17	S	6260D	0.02	S

Asb=Asbestos, S=Silica

- 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 \$2.56. (For coverage written separately for federal benefits only, \$2.19. For coverage written separately for state benefits only, \$0.37.)
- 1016 Rate includes a non-ratable disease element of \$10.22 (For coverage written separately for federal benefits only, \$8.73. For coverage written separately for state benefits only, \$1.49.) It also includes a catastrophe loading of \$0.10. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of this classification code.
- 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 rate and elr each x1.215.
- 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 rate x2.184 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 rate and elr each x1.35.
- 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 policies with the effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of 1.36 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 policies with effective dates on or after July 1, 2006 (\$600 payroll limitation). An ELR of 4.16 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 cost for this classification is \$0.41. A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9040 The ex-medical cost for this classification is \$1.20. A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

Effective October 15, 2007

MISCELLANEOUS VALUES

Percentage Premium Reductions - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Total Losses							
Hazard Groups							
Deductible Amount	A	B	C	D	E	F	G
\$ 1,000	12.2%	9.9%	8.5%	7.2%	6.0%	4.2%	3.2%
1,500	14.8%	12.2%	10.5%	8.9%	7.5%	5.4%	4.1%
2,000	16.9%	13.9%	12.1%	10.4%	8.8%	6.4%	4.9%
2,500	18.7%	15.5%	13.5%	11.6%	9.9%	7.2%	5.5%
3,000	20.3%	16.9%	14.8%	12.7%	10.9%	8.0%	6.2%
3,500	21.8%	18.2%	16.0%	13.8%	11.8%	8.8%	6.8%
4,000	23.2%	19.3%	17.1%	14.8%	12.7%	9.5%	7.4%
4,500	24.4%	20.4%	18.1%	15.7%	13.5%	10.3%	7.9%
5,000	25.6%	21.5%	19.1%	16.6%	14.3%	10.9%	8.4%

Indemnity Losses Only							
Hazard Groups							
Deductible Amount	I	II	III	IV	IV	IV	IV
\$ 1,000	11.8%	9.6%	8.3%	6.9%	5.8%	4.0%	3.1%
1,500	14.1%	11.5%	10.0%	8.4%	7.1%	5.0%	0.0%
2,000	15.9%	13.1%	11.4%	9.6%	8.2%	5.8%	0.0%
2,500	17.4%	14.3%	12.5%	10.6%	9.1%	6.5%	0.0%
3,000	18.7%	15.5%	13.5%	11.5%	9.8%	7.2%	0.0%
3,500	19.9%	16.5%	14.4%	12.3%	10.5%	7.7%	0.0%
4,000	20.9%	17.4%	15.3%	13.2%	11.3%	8.3%	0.0%
4,500	21.8%	18.3%	16.0%	13.8%	11.9%	8.8%	0.0%
5,000	22.7%	19.1%	16.7%	14.4%	12.4%	9.3%	0.0%

Medical Losses Only							
Hazard Groups							
Deductible Amount	I	II	III	IV	IV	IV	IV
\$ 1,000	2.6%	2.2%	2.0%	1.8%	1.6%	0.0%	1.0%
1,500	3.6%	3.0%	2.7%	2.5%	2.3%	0.0%	1.5%
2,000	4.5%	3.7%	3.5%	3.2%	2.8%	0.0%	1.8%
2,500	5.3%	4.4%	4.1%	3.8%	3.4%	0.0%	2.2%
3,000	6.0%	5.1%	4.7%	4.4%	3.9%	0.0%	2.5%
3,500	6.7%	5.6%	5.3%	4.9%	4.4%	0.0%	2.8%
4,000	7.3%	6.2%	5.7%	5.4%	4.7%	0.0%	3.2%
4,500	7.9%	6.7%	6.2%	5.8%	5.2%	0.0%	3.5%
5,000	8.4%	7.2%	6.6%	6.2%	5.5%	0.0%	3.7%

Effective October 15, 2007

MISCELLANEOUS VALUES

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

7370 -- Taxicab Co.	
Employee operated vehicles .....	\$46,220.00
Leased or rented vehicles.....	\$30,813.00

7420 -- Aviation - Aerial Applicatin, Seeding, Herding or Scintillometer Surveying - Flying Crew maximum payroll per week per employee .....	\$600.00
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Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents\*\* ..... \$0.02  
 \*\*Effective 7/1/05 per item B-1393

Foreign Terrorism (Voluntary Rate)..... \$0.03

Expense Constant applicable in accordance with **Basic Manual** Rule 3-A-11 for risks developing less than \$4,740.00  
 in Annual Standard Premium ..... \$40.00

Expense Constant applicable in accordance with **Basic Manual** Rule 3-A-11 for risks developing at least \$4,740.00  
 in Annual Standard Premium ..... \$160.00

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 ..... \$2,400.00

Minimum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 - "Executive Officer ..... \$300.00

Per Passenger Seat Surcharge - In accordance with the footnote instructions for Classification Code 7421, the  
 surcharge is..... \$100 per passenger seat  
 ..... \$1,000 maximum surcharge per aircraft

Premium Determination for Partners and Sole Proprietors, and Members of Limited Liability Companies  
 in accordance with Basic Manual Rule Exception 2- ..... \$30,800.00

Premium Discount Percentages - (See **Basic Manual** Rule 3-A-19-a.) The following premium discounts are  
 applicable to Standard Premiums:

			Type A
First	\$5,000		0.0%
Next	95,000		10.9%
Next	400,000		12.6%
Over	500,000		14.4%

United States Longshore and Harbor Workers Compensation Coverage Percentage applicable only in  
 connection with **Basic Manual** Rule 3-A-4 ..... 95%

(Multiply a Non-F classification rate by a factor of 1.95 to adjust for differences in benefits and loss based  
 expenses. This factor is the product of the adjustment for differences in benefits (1.71) and the adjustment for  
 differences in loss-based expenses (1.139).)

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.

SERFF Tracking Number: TRAX-125282735 State: Arkansas  
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: AR-PC-07-026011  
Company Tracking Number: WC AR0708701R01  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Adoption of NCCI AR WC Voluntary Advisory Loss Cos  
Project Name/Number: Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007/WC AR0708701R01

## Supporting Document Schedules

**Review Status:**  
**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty 09/05/2007

**Comments:**

**Attachments:**

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF  
AR - NAIC RATE RULE FILING SCHEDULE.PDF

**Review Status:**  
**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation 09/05/2007

**Comments:**

**Attachment:**

AR - NAIC LC FILING DOC RF-WC.PDF

**Review Status:**  
**Satisfied -Name:** NAIC loss cost data entry document 09/05/2007

**Comments:**

**Attachment:**

AR - RATE FILING ABSTRACT RF-1.PDF

**Review Status:**  
**Satisfied -Name:** Cover Letter 09/05/2007

**Comments:**

**Attachment:**

Cover Letter.PDF

**Review Status:**  
**Satisfied -Name:** Arkansas Actuarial Memorandum 09/05/2007

**Comments:**

**Attachment:**

*SERFF Tracking Number:* TRAX-125282735 *State:* Arkansas  
*Filing Company:* TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. *State Tracking Number:* AR-PC-07-026011  
*Company Tracking Number:* WC AR0708701R01  
*TOI:* 16.0 Workers Compensation *Sub-TOI:* 16.0004 Standard WC  
*Product Name:* Adoption of NCCI AR WC Voluntary Advisory Loss Cos  
*Project Name/Number:* Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007/WC AR0708701R01

Arkansas Actuarial Memorandum.PDF

SERFF Tracking Number: TRAX-125282735 State: Arkansas  
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: AR-PC-07-026011  
Company Tracking Number: WC AR0708701R01  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Adoption of NCCI AR WC Voluntary Advisory Loss Cos  
Project Name/Number: Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007/WC AR0708701R01

**Review Status:**

**Satisfied -Name:** AR LCM Exhibits 09/05/2007  
**Comments:**  
**Attachment:**  
AR LCM Exhibits.PDF

**Review Status:**

**Satisfied -Name:** AR Rate of Return Exhibits 09/05/2007  
**Comments:**  
**Attachment:**  
AR Rate of Return Exhibits.PDF

**Review Status:**

**Satisfied -Name:** AR - Workers' Comp Abstract WC-1 09/05/2007  
**Comments:**  
**Attachment:**  
AR - Workers' Comp Abstract WC-1.PDF

**Review Status:**

**Satisfied -Name:** Cover Letter, AR - RATE FILING ABSTRACT RF-1, AR - NAIC LC FILING DOC RF-WC, AR - NAIC P&C TRANSMITTAL DOCUMENT 09/11/2007  
**Comments:**  
Revised to Include Item Filing Number as requested by Objection Received 09/06/07  
**Attachments:**  
Cover Letter.PDF  
AR - RATE FILING ABSTRACT RF-1.PDF  
AR - NAIC LC FILING DOC RF-WC.PDF  
AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3.</b>	<b>Group Name</b>	<b>Group NAIC #</b>			
	IAT Reinsurance Company Group	0225			
<b>4.</b>	<b>Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>
	TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	IL	28886	36-3529298	

<b>5. Company Tracking Number</b>	WC AR0708701R01
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

<b>6.</b>	<b>Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
	Gloria A. Goldbranson 215 Shuman Blvd, Suite 400 Naperville IL 60563	Compliance Support Leader	800-796-2480 Ext. 3477	630-864-3579	Gloria.Goldbranson@Transguard.com
<b>7.</b>	Signature of authorized filer				
					
<b>8.</b>	Please print name of authorized filer		Gloria A. Goldbranson		

**Filing Information** (see General Instructions for descriptions of these fields)

<b>9.</b>	<b>Type of Insurance (TOI)</b>	16.0 Workers Compensation
<b>10.</b>	<b>Sub-Type of Insurance (Sub-TOI)</b>	16.0004 Standard WC
<b>11.</b>	<b>State Specific Product code(s) (if applicable) [See State Specific Requirements]</b>	
<b>12.</b>	<b>Company Program Title (Marketing Title)</b>	Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007 - TGIA Effective 10-15-07
<b>13.</b>	<b>Filing Type</b>	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14.</b>	<b>Effective Date(s) Requested</b>	New: 10/15/07      Renewal: 10/15/07
<b>15.</b>	<b>Reference Filing?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>16.</b>	<b>Reference Organization (if applicable)</b>	NCCI - National Council on Compensation Insurance, Inc. (NCCI)
<b>17.</b>	<b>Reference Organization # &amp; Title</b>	RI-2007-04/RI-2007-01

Effective March 1, 2007

18.	<b>Company's Date of Filing</b>	09/05/07
19.	<b>Status of filing in domicile</b>	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved



## PROPERTY & CASUALTY RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	WC AR0708701R01
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
                 
  Rate Decrease
                 
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	Prior Approval
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	1.4	1.4	2853	37	203798	13.1	-8.1
		0	0	0	0	0	0

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholder affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

### 5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
<b>5a.</b>	Overall percentage rate indication(when applicable)	1.4	
<b>5b.</b>	Overall percentage rate impact for this filing	1.4	
<b>5c.</b>	Effect of Rate Filing – Written premium change for this program	2853	
<b>5d.</b>	Effect of Rate Filing - Number of policyholders affected	37	

<b>6.</b>	Overall percentage of last rate revision	8.6
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<b>7.</b>	Effective Date of last rate revision	07/01/2006
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<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	S1 - S6 10-07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

<b>This filing transmittal is part of Company Tracking #</b>	WC AR0708701R01
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A

- Loss Cost Reference Filing** NCCI - RI-2007-04/RI-2007-01       **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

**If this is a loss cost filing adopting an advisory organization's loss costs, 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.**

**1. Check one of the following:**

<input checked="" type="checkbox"/>	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. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	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.

**2. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.**

**3. 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 Examples Below) \_\_\_\_\_

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.

**NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.**

**4. Development of Expected 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	
	<b>A. Total Production Expense</b>	18.7	%
	<b>B. General Expense</b>	7.8	%
	<b>C. Taxes, Licenses &amp; Fee</b>	5.9	%
	<b>D. Underwriting profit &amp; Contingencies*</b>	3.3	%
	<b>E. Other (explain)</b>	0.0	%
	<b>F. Total</b>	35.6	%
	* Explain how investment income is taken into account		

<b>5.</b>	<b>A. Expected Loss Ratio: ELR = 100% - 4F =</b>	64.4
	<b>B. ELR in Decimal Form =</b>	.644

**NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

<b>6.</b>	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.011
<b>7.</b>	<b>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)</b>	.976
<b>8.</b>	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	.159
<b>9.</b>	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any difference between 6 and 7)</b>	1.59

- |            |   | Yes                      | No                                  |
|------------|---|--------------------------|-------------------------------------|
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b> If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b> If yes, attach schedules and support, detailing premium or rate level changes.   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT**

1.	This filing transmittal is part of Company Tracking #	WC AR0708701R01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	NCCI - National Council on Compensation Insurance, Inc. (NCCI)

Company Name		Company NAIC Number	
3.	A. TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	B.	0225-28886

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. 16.0 Workers Compensation	B.	16.0004 Standard WC

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
<b>Workers Compensation</b>	<b>+1.4%</b>	<b>+1.4%</b>	<b>.644</b>	<b>1.000</b>	<b>1.59</b>	<b>40</b>	<b>1.494</b>
<b>TOTAL OVERALL EFFECT</b>	<b>+1.4%</b>	<b>+1.4%</b>					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2004	43	+0.5%	07/01/04	124	964	777.4%	90.3%
2005	35	-1.5%	07/01/05	206	(629)	-305.3%	86.0%
20063	37	-0.5%	07/01/06	134	92	68.7%	87.4%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.7%
B. General Expense	7.8%
C. Taxes, License & Fees	5.9%
D. Underwriting Profit & Contingencies	3.3%
E. Other (explain)	0.0%
F. TOTAL	35.6%

8. Y Apply Lost Cost Factors to Future filings? (Y or N)
9. 13.1% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
10. -8.1% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): \_\_\_\_\_



215 Shuman Blvd., Suite 400  
Naperville, IL 60563

September 5, 2007

Commissioner Julie Benafield Bowman  
Attn: Property & Casualty Division  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

**Sent via SERFF**

RE: Workers Compensation  
Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and  
ARR to be effective July 1, 2007  
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.  
NAIC#: 0225-28886 FEIN: 36-3529298  
Filing#: WC AR0708701R01

Dear Property & Casualty Division:

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval.

At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2007 as announced in NCCI Circular #AR-2007-04 and Filing Circular AR-2007-01. We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits.

This filing is being submitted under your Prior Approval statute. We request that this filing be applicable to all policies effective on or after October 15, 2007.

Your prompt attention to this matter is appreciated. If you have any questions or require additional information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink that reads 'Gloria Goldbranson'.

Gloria A. Goldbranson  
Compliance Support Leader  
Phone: 800-796-2480 Ext. 3477  
Fax: 630-864-3579  
Email: Gloria.Goldbranson@Transguard.com

Enclosure(s)

Transguard Insurance Company of America, Inc.

Actuarial Memorandum

I. History

Transguard Insurance Company of America, Inc. began writing direct workers' compensation business in 2004. Our Direct Written Premium for 2006 in [Arkansas](#) was \$126,594.

II. Expense Assumptions

We are filing for an increase in our Loss Cost Multiplier (LCM) to update our expense assumptions.

In our previous LCM filing, we included expense assumptions based, in part, on industry data. In the current filing, we are now using our own expense experience for commissions, other acquisition expense, premium discounts and expense constants. Our expense ratio to Standard Premium is estimated to be 32.3%, which includes a 3.3% Profit & Contingencies assumption.

Our projected expenses for Commission and Taxes are based on [Arkansas](#) specific data. Our projected expenses for Other Acquisition and General Expense are based on our 2004, 2005 & 2006 countrywide Insurance Expense Exhibits. Details of our expense estimates are provided in Exhibit 2.

III. Overall Rate Change

The overall indicated rate change, reflecting the increase in the Loss Cost Multiplier for the new expense assumption and the loss experience is +1.4%. The indications by class code are shown in the table below:

Estimated Impact of Changes in Loss Costs and Changes in Rate

Class	Payroll	Change			Current Rate	Proposed Rate	Change in Rate
		Current Loss Cost	Proposed Loss Cost	in Loss Cost			
7228	63,929	6.08	5.40	-11.2%	9.08	8.59	-5.5%
7229	688,518	5.55	5.36	-3.4%	8.29	8.52	2.8%
8293	632,874	6.73	5.81	-13.7%	10.05	9.24	-8.1%
8742	80,000	0.37	0.35	-5.4%	0.55	0.56	0.7%
8810	485,385	0.16	0.17	6.3%	0.24	0.27	13.1%
Total	1,950,706	4.40	4.01	-4.7%	6.57	6.38	1.4%

We have 37 policyholders affected by this rate change, with premium of approximately \$203,798. The overall dollar impact of the rate change is estimated to be \$2,853.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Development of Pure Premium Multiplier

A. Loss Related Items

1. Loss cost modification factor	1.000	
2. Trend factor	1.000	
3. Loss adjustment expense (LAE)	<u>1.000</u>	
4. Loss factor (A1 x A2 x A3)		1.000

B. Premium Related Items

6. Commission and brokerage	0.131	
7. Other Acquisition	0.056	
8. General Expenses	0.078	
9. Tax, Licenses and Fees	<u>0.059</u>	
10. Total Premium Related Expenses		0.323
11. Underwriting Profit & Contingencies	0.050	
12. Credit for investment income	<u>-0.017</u>	
13. Total premium related expense and profit (B10 + B11 + B12)		0.356
14. Expected loss and LAE ratio (1.00 - B13)		0.644

C. Overall impact of expense constant and minimum premium 1.011

D. Overall impact of size-of-risk discounts 0.976

E. Formula Loss Cost Multiplier (A4/[(D-B13)xC] 1.59

F. Selected Loss Cost Multiplier 1.59

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Calculation of Projected Expenses

<u>Commission</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total/Average</u>	<u>Selected</u>
(1) Direct Written Premium (Page 14 )	191,609	198,308	126,594	516,511	
(2) Commission & Brokerage (Page 14 )	31,440	26,869	9,764	68,073	
(3) Commission & Brokerage as a percent of Direct Written Premium	16.41%	13.55%	7.71%	13.18%	
(4) Ratio of Direct Premium to Standard Premium	0.995	0.991	0.992	0.993	
(5) Commission & Brokerage as a percent of Standard Premium	16.33%	13.42%	7.65%	13.08%	13.1%
<u>Other Acquisition Expense</u>					
(6) Direct Written Premium (IEE)	25,405,000	29,860,000	19,595,000	74,860,000	
(7) Other Acquisition Expenses Incurred (IEE)	151,000	3,219,000	826,000	4,196,000	
(8) Other Acquisition Expense as a percent of Direct Written Premium	0.59%	10.78%	4.22%	5.61%	
(9) Ratio of Direct Premium to Standard Premium	0.995	0.991	0.992	0.993	
(10) Other Acquisition Expense as a percent of Standard Premium	0.59%	10.68%	4.18%	5.56%	5.6%
(11) Total Production Expense as a percent of Standard Premium	16.92%	24.10%	11.83%	18.65%	18.6%
<u>General Expense</u>					
(12) Direct Earned Premium (IEE)	14,782,000	29,300,000	23,627,000	67,709,000	
(13) General Expenses Incurred (IEE)	545,000	2,906,000	1,851,000	5,302,000	
(14) General Expense as a percent of Direct Earned Premium	3.69%	9.92%	7.83%	7.83%	
(15) Ratio of Direct Premium to Standard Premium	0.995	0.991	0.992	0.993	
(16) General Expense as a percent of Standard Premium	3.67%	9.82%	7.77%	7.77%	7.8%
<u>Taxes, Licenses &amp; Fees - Arkansas</u>					
(17) Premium Tax	2.50%	2.50%	2.50%	2.50%	
(18) Combined Fund Allowance	3.00%	3.00%	3.00%	3.00%	
(19) Other Taxes, Licenses & Fees	0.40%	0.40%	0.40%	0.40%	
(20) Total Taxes, Licenses & Fees	5.90%	5.90%	5.90%	5.90%	
(21) Ratio of Direct Premium to Standard Premium	0.995	0.991	0.992	0.993	
(22) Taxes, Licenses & Fees as a percent of Standard Premium	5.87%	5.84%	5.85%	5.86%	5.9%
<u>Total</u>	(23) (11)+(16)+(22)	26.46%	39.77%	25.46%	30.56%

**TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**

## DERIVATION OF TARGET RATE OF RETURN

(1) Historical Annual Return on US Treasury Bills (1926-2003) (a)	3.7%
(2) Historical Annual Return on Large Company Stocks (1926-2003) (a)	10.4%
(3) Historical Margin Over Risk-Free Rate [(2) - (1)]	6.7%
(4) Current Risk-Free Rate (b)	4.6%
(5) Target Rate of Return [(3)+(4)] (c)	11.3%

Notes: (a) From Ibbotson Associates 2004 Yearbook

(b) Current 3 month Treasury Bill Rate (June 2007)

(c) Based on application of the Capital Asset Pricing Model.

Assumes that the  $\beta$  of large company stocks is 1.00

# TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

## CALCULATION OF POST-TAX INVESTMENT YIELD

(1) Historical Average Return Intermediate-Term Government Bonds (1926-2003)	5.4%
(2) Historical Annual Return on US Treasury Bills (1926-2003) (a)	3.7%
(3) Historical Margin Over Risk-Free Rate [(1) - (2)]	1.7%
(4) Current Risk-Free Rate (b)	4.6%
(5) Pre-Tax Investment Yield [(3) + (4)] (c)	6.3%
(6) Assumed Tax Rate on Investments (d)	20.0%
(7) Post-Tax Investment Yield [(5) x {1.0 - (6)}]	5.0%

Notes: (a) From Ibbotson Associates 2004 Yearbook

(b) Current 3 month Treasury Bill Rate (June 2007)

(c) Based on application of the Capital Asset Pricing Model.

Assumes that the  $\beta$  of large company stocks is 1.00

(d) Based on a corporate tax rate of 35% and the assumption that some investment income is not subject to tax.

**TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION  
ARKANSASESTIMATED INVESTMENT INCOME ON  
UNEARNED PREMIUM AND LOSS RESERVES

I. Unearned Premium Reserve	
A. Direct Earned Premium (a)	\$ 1.00
B. Mean Unearned Premium Reserve (b)	0.28
C. Deduction for Prepaid Expenses (c)	
1. Commissions and Brokerage	13.1 %
2. 50% of Remaining Acquisition Costs	5.8
3. 50% of General Expense	3.9
4. Total	22.8 %
D. Deduction for Federal Taxes Payable (35% x 20%)	7.0 %
E. [B x (C + D)]	0.08
F. Net Subject to Investment [B - E]	0.20
II. Delayed Remission of Premiums	
A. Direct Earned Premium (a)	1.00
B. Average Agent's Balances (d)	44.7 %
C. Delayed Remission [A x B]	0.45
III. Expected Loss and Loss Adjustment Expense Reserve	
A. Direct Earned Premium (a)	1.00
B. Expected Loss and LAE Ratio (c)	0.676
C. Reserve to Incurred Ratio (e)	2.59
D. Expected Loss and Loss Adjustment Expense Reserve [B x C]	1.75
IV. Net Subject to Investment [I.F - II.C + III.D]	1.50
V. Average Rate of Return on Invested Assets (post-tax) (f)	5.0 %
VI. Investment Earnings on Net Subject to Investment [IV. x V.]	7.6 %
VII. Average Investment Income as a Percentage of Direct Earned Premium [VI. ÷ I.A]	7.6 %

Notes: See Exhibit A-IV

**TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION  
ARKANSAS

(a) Earned Premium is indexed to 1.00.

(b) From Transguard 2006 Annual Statement, Exhibit of Premiums and Losses, Pages 2,3 & 4  
All Lines of Business

(i) Unearned Premiums, Dec. 31, 2005	\$	16,187,748
(ii) Unearned Premiums, Dec. 31, 2006		17,450,195
(iii) Mean Unearned Premium Reserve $\{[(i) + (ii)] / 2\}$		16,818,972
(iv) Premium Earned During 2006		59,473,496
(v) Mean Unearned Premium Reserve (% of EP)		0.28

(c) Based on Transguard expense loads underlying proposed rates.

(d) From Transguard 2006 Annual Statement all lines

(i) Agent's Balances, Dec. 31, 2005	\$	20,778,987
(ii) Agent's Balance Dec. 31, 2006		32,423,571
(iii) Average Agent's Balances $\{[(i) + (ii)] / 2\}$		26,601,279
(iv) Premium Earned During 2006 (all lines)		59,473,496
(v) Average Agent's Balances (% of EP)		0.45

(e) From Estimated Payout Pattern at Steady State  
(Workers Compensation):

(i) Unpaid losses	\$	2,354,545
(ii) Unpaid LAE,		235,455
(iii) Total Unpaid Losses $[(i) + (ii)]$		2,590,000
(iv) Losses Incurred,		1,000,000
(v) Reserve to Incurred Ratio $[(iii) \div (iv)]$		2.59

**TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION  
ARKANSAS

## DEVELOPMENT OF PROPOSED EXPENSE PROVISIONS

## COUNTRYWIDE HISTORICAL EXPENSE EXPERIENCE

<u>Item</u>	<u>Percent of Direct Earned Premium (a)</u>
Commissions & Brokerage (b)	13.1 %
Other Acquisition Expenses (a)	5.6
General Expenses (a)	7.8
Premium Taxes and Fees (b)	5.9
Total	32.4 %

Notes: (a) Based on 2004, 2005 & 2006 Countrywide Insurance Expense Exhibit.

(b) Based on State experience

# TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

## DERIVATION OF PROPOSED UNDERWRITING PROFIT

(1) Earned Premium (a)	1.000
(2) Imputed Surplus (b)	1.252
(3) Investment Income from Reserves (post-tax) (c)	0.076
(4) Investment Income from Surplus (post-tax) (d)	0.063
(5) Underwriting Profit (pre-tax) (f)	0.8%
(6) Underwriting Profit (post-tax) (g)	0.5%
(7) Total Income (post-tax) [(3) + (4) + (6)]	14.4%
(8) Return on Surplus [(7) ÷ (2)]	11.1%
(9) Underwriting Contingency	2.5%
(10) Underwriting Profit & Contingency [ (5) + (9) ]	3.3%

Notes: (a) Earned Premium is indexed as 1.00

(b) Based on ratio of Surplus to Net Earned Premium

(c) See Exhibit A-III

(d) Calculated as (2) x 4.2 % where 4.2% is the estimated post-tax investment yield (see Exhibit A-II).

(f) Balanced so that total return (Line (8)) equals target rate of return from Exhibit A-I.

(g) [(5) x 65%]

**TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION  
ARKANSASDEVELOPMENT OF PROPOSED EXPENSE LOAD  
ALL CLASSES

<u>Item</u>	<u>Transguard Proposed</u>
(1) Production Expenses	18.7 % (a)
(2) General Expense	7.8 (a)
(3) Taxes, Licenses, and Fees	5.9 (b)
(4) Total	32.4 %
(5) Expected Loss and LAE Ratio [1.0 - (5)]	67.6 %

Notes: (a) See Exhibit A-V.  
(b) Based on State rates

ARKANSAS INSURANCE DEPARTMENT  
WORKERS' COMPENSATION ABSTRACT

Form WC-1  
Rev. 4/96

**INSTRUCTIONS:** All questions must be answered. If the answer is "non" 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 TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.  
NAIC No. 28886 Group No. 0225  
Deviation From N/A Proposed Effective Date N/A

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
<u>N/A</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

2. What, if any, restrictions apply to the deviation? N/A

3. What is the minimum premium requirement for eligibility for the deviation? N/A

4. What was the average percentage of credit given on policies eligible under the deviation? N/A

5. What was the average percentage of debit given on policies eligible under the deviation? N/A

6. State the number of Arkansas policies issued since the approval of your deviation. N/A  
Of these policies, how many received a deviation?

7. Do you allow both schedule rating plans and across-the-board deviations on the same risk? N/A

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. N/A

9. When promulgating an individual policy premium, at what point is the deviation applied? N/A

10. Do plans for the future market provide for:  
(a) A greater market penetration for this type of business N/A  
(b) A lesser penetration N/A  
(c) Status quo N/A

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

*Gloria Goldbranson*

Signature  
Gloria A. Goldbranson  
Title  
Compliance Support Leader  
800-796-2480  
Telephone Number



215 Shuman Blvd., Suite 400  
Naperville, IL 60563

September 10, 2007

**Sent via SERFF in response to Objection for revision to include State Item Filing #.**

Commissioner Julie Benafield Bowman  
Attn: Property & Casualty Division  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

RE: Workers Compensation  
Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and  
ARR to be effective July 1, 2007 – TGIA Effective 10/15/07  
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.  
NAIC#: 0225-28886 FEIN: 36-3529298  
Filing#: WC AR0708701R01

Dear Property & Casualty Division:

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval.

At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2007 as announced in NCCI Circular #AR-2007-04 and Filing Circular AR-2007-01 (**Item Filing #AR-2007-01**). We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits.

This filing is being submitted under your Prior Approval statute. We request that this filing be applicable to all policies effective on or after October 15, 2007.

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Sincerely,

A handwritten signature in black ink that reads 'Gloria Goldbranson'.

Gloria A. Goldbranson  
Compliance Support Leader  
Phone: 800-796-2480 Ext. 3477  
Fax: 630-864-3579  
Email: Gloria.Goldbranson@Transguard.com

Enclosure(s)

**FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT**

1.	This filing transmittal is part of Company Tracking #	WC AR0708701R01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	NCCI - National Council on Compensation Insurance, Inc. (NCCI) Item Filing AR-2007-01

Company Name		Company NAIC Number	
3.	A. TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	B.	0225-28886

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. 16.0 Workers Compensation	B.	16.0004 Standard WC

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
<b>Workers Compensation</b>	<b>+1.4%</b>	<b>+1.4%</b>	<b>.644</b>	<b>1.000</b>	<b>1.59</b>	<b>40</b>	<b>1.494</b>
<b>TOTAL OVERALL EFFECT</b>	<b>+1.4%</b>	<b>+1.4%</b>					

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B. General Expense	7.8%
C. Taxes, License & Fees	5.9%
D. Underwriting Profit & Contingencies	3.3%
E. Other (explain)	0.0%
F. TOTAL	35.6%

8. Y Apply Lost Cost Factors to Future filings? (Y or N)
9. 13.1% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
10. -8.1% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): \_\_\_\_\_

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

<b>This filing transmittal is part of Company Tracking #</b>	WC AR0708701R01
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A

- Loss Cost Reference Filing** Item Filing AR-2007-01  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

**If this is a loss cost filing adopting an advisory organization's loss costs, 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.**

**1. Check one of the following:**

<input checked="" type="checkbox"/>	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. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	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.

**2. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.**

**3. 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 Examples Below) \_\_\_\_\_

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.

**NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.**

**4. Development of Expected 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	
	<b>A. Total Production Expense</b>	18.7	%
	<b>B. General Expense</b>	7.8	%
	<b>C. Taxes, Licenses &amp; Fee</b>	5.9	%
	<b>D. Underwriting profit &amp; Contingencies*</b>	3.3	%
	<b>E. Other (explain)</b>	0.0	%
	<b>F. Total</b>	35.6	%
	* Explain how investment income is taken into account		

<b>5.</b>	<b>A. Expected Loss Ratio: ELR = 100% - 4F =</b>	64.4
	<b>B. ELR in Decimal Form =</b>	.644

**NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

<b>6.</b>	<b>Overall Impact of Expense Constant and Minimum Premiums:</b> <b>(a 2.3% impact would be expressed as 1.023)</b>	1.011
<b>7.</b>	<b>Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating:</b> <b>(An 8.6% average discount would be expressed as 0.914)</b>	.976
<b>8.</b>	<b>Company Formula Loss Cost Multiplier</b> <b>[3B / ((7 - 4F) X 6)]</b>	.159
<b>9.</b>	<b>Company Selected Loss Cost Multiplier =</b> <b>(Attach explanation for any difference between 6 and 7)</b>	1.59

- |   | Yes                      | No                                  |
|---|--------------------------|-------------------------------------|
| <b>10. Are you amending your minimum premium formula?</b> If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11. Are you changing your premium discount schedules?</b> If yes, attach schedules and support, detailing premium or rate level changes.   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
IAT Reinsurance Company Group	0225

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	IL	28886	36-3529298	

<b>5. Company Tracking Number</b>	WC AR0708701R01
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Gloria A. Goldbranson 215 Shuman Blvd, Suite 400 Naperville IL 60563	Compliance Support Leader	800-796-2480 Ext. 3477	630-864-3579	Gloria.Goldbranson@Tra nsguard.com

<b>7.</b> Signature of authorized filer	
<b>8.</b> Please print name of authorized filer	Gloria A. Goldbranson

**Filing Information** (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	16.0 Workers Compensation
10.	Sub-Type of Insurance (Sub-TOI)	16.0004 Standard WC
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Adoption of NCCI AR WC Voluntary Advisory Loss Costs, Rating Values and ARR to be effective July 1, 2007 - TGIA Effective 10-15-07
13.	Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 10/15/07      Renewal: 10/15/07
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI - National Council on Compensation Insurance, Inc. (NCCI)
17.	Reference Organization # & Title	Item Filing AR-2007-01

Effective March 1, 2007

18.	<b>Company's Date of Filing</b>	09/10/07
19.	<b>Status of filing in domicile</b>	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

