

SERFF Tracking Number: MADC-125458335 State: Arkansas
 Filing Company: Advantage Workers Compensation Insurance State Tracking Number: EFT \$50
 Company
 Company Tracking Number: AWCIC-2008-001
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation Program
 Project Name/Number: 2008 Rate Filing/AWCIC-2008-001

Filing at a Glance

Company: Advantage Workers Compensation Insurance Company

Product Name: Workers Compensation Program SERFF Tr Num: MADC-125458335 State: Arkansas

TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$50
 Sub-TOI: 16.0004 Standard WC Co Tr Num: AWCIC-2008-001 State Status: Fees verified and received

Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Authors: Tina Gill, Margaret Lovejoy Disposition Date: 01/28/2008

Date Submitted: 01/28/2008 Disposition Status: Approved

Effective Date Requested (New): 03/01/2008 Effective Date (New): 03/01/2008

Effective Date Requested (Renewal): 03/01/2008 Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 2008 Rate Filing

Project Number: AWCIC-2008-001

Reference Organization: NCCI

Reference Title:

Filing Status Changed: 01/28/2008

State Status Changed: 01/28/2008

Corresponding Filing Tracking Number:

Filing Description:

The purpose of this filing is to revise the Company's current loss cost multiplier of 1.40 to 1.30. In addition, the Company would like to adopt the NCCI 1/1/2008 advisory loss costs and rating values. The Companies current rates are based on the NCCI 7/1/2006 advisory loss costs.

The estimated rate impact of this filing is -9.7% calculated as [(1.30 / 1.40) x 0.972] with 1.30 representing the

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proposed loss cost multiplier, 1.40 representing the current loss cost multiplier and 0.972 representing the cumulative revision in advisory loss costs.

We request an effective date of March 1, 2008.

Company and Contact

Filing Contact Information

(This filing was made by a third party - madisonconsultinggroup)

Tina Gill, Analyst tina@madisoninc.com
 200 North 2nd Street (706) 342-7750 [Phone]
 Madison, GA 30650 (706) 342-7775[FAX]

Filing Company Information

Advantage Workers Compensation Insurance CoCode: 40517 State of Domicile: Indiana
 Company
 1100 East 6600 South Group Code: Company Type: Property &
 Casualty
 Suite 280
 Murray, UT 84121 Group Name: State ID Number:
 (801) 288-8750 ext. [Phone] FEIN Number: 13-3088732

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Advantage Workers Compensation Insurance Company	\$50.00	01/28/2008	17692285

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	01/28/2008	01/28/2008

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Disposition

Disposition Date: 01/28/2008
 Effective Date (New): 03/01/2008
 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:
Advantage Workers Compensation Insurance Company	-9.700%	\$-321	10	\$3,311	%	%	-9.700%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Authorization Letter	Approved	Yes
Supporting Document	Filing Memo	Approved	Yes
Rate	Exhibits	Approved	Yes
Rate	Small Deductibles	Approved	Yes

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 Product Name: Workers Compensation Program
 Project Name/Number: 2008 Rate Filing/AWCIC-2008-001

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -0.500%
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):
Advantage Workers Compensation Insurance Company	-9.700%	-9.700%	\$-321	10	\$3,311	%	%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Exhibits	1 - 8	Replacement	Filing Exhibits.PDF
Approved	Small Deductibles	1	Replacement	Small Deductible.PDF

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

WORKERS' COMPENSATION
ARKANSAS

SUMMARY OF PROPOSED RATES

Proposed Manual Rates:

Rates are calculated as the 1/01/2008 NCCI
advisory loss costs multiplied by:
1.30 All Classes

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

**WORKERS' COMPENSATION
ARKANSAS**

**DEVELOPMENT OF PROPOSED EXPENSE LOAD
ALL CLASSES**

<u>Item</u>	<u>Advantage Proposed</u>	
(1) Production Expenses	11.0 %	(a)
(2) General Expense	6.5	(a)
(3) Premium Taxes	6.0	(b)
(4) Profit & Contingency	0.0	(c)
(5) Premium Discount	3.0	
(6) Total	26.5 %	
(7) Expected Loss and LAE Ratio [1.0 - (6)]	73.5 %	
(8) Loss Cost Modification Factor	0.957	(d)
(9) Selected Loss Cost Multiplier (8) / (7)	1.30	

- Notes: (a) Based on review of actual Advantage expense levels.
 (b) Based on actual tax rate in the state.
 (c) See Exhibit IV, Sheet 1.
 (d) Based on Advantage management decision.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

WORKERS' COMPENSATION ARKANSAS

REVIEW OF RATE OF RETURN ON IMPUTED SURPLUS INDICATED BY PROPOSED UNDERWRITING PROFIT LOAD

1.	Earned Premium (a)	1.000
2.	Imputed Surplus (b)	0.670
3.	Investment Income from Reserves (post-tax) (c)	0.055
4.	Investment Income from Surplus (post-tax) (d)	0.034
5.	Underwriting Profit (pre-tax) (e)	0.000
6.	Underwriting Profit (post-tax) (f)	0.000
7.	Total Income (post-tax) [(3) + (4) + (6)]	0.089
8.	Return on Surplus [(7) ÷ (2)]	13.3 %

- Notes: (a) Earned Premium is indexed as 1.00.
(b) Based on insurance industry average surplus levels
(A.M. Best Commercial Casualty Predominating).
(c) See Sheet 2.
(d) Calculated as (2) x 5.0%, where 5.0% is the estimated
post-tax investment yield.
(e) Included in Advantage's rates.
(f) (5) x 65%

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

WORKERS' COMPENSATION ARKANSAS

ESTIMATED 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)	0.10
C. Deduction for Prepaid Expenses (c)	
1. Commissions and Brokerage	8.0 %
2. 50% of Other Acquisition Cost	1.5
3. 50% of General Expense	3.3
4. Total	12.8 %
D. Deduction for Federal Taxes Payable (35% x 20%)	7.0 %
E. [B x (C + D)]	0.02
F. Net Subject to Investment [B - E]	0.08
II. Delayed Remission of Premiums	
A. Direct Earned Premium (a)	1.00
B. Average Agent's Balances (b)	10.0 %
C. Delayed Remission [A x B]	0.10
III. Expected Loss and Loss Adjustment Expense Reserve	
A. Direct Earned Premium (a)	1.00
B. Expected Loss and LAE Ratio (c)	0.74
C. Reserve to Incurred Ratio (b)	1.50
D. Expected Loss and Loss Adjustment Expense Reserve [B x C]	1.11
IV. Net Subject to Investment [I.F - II.C + III.D]	1.09
V. Average Rate of return on Invested Assets (post-tax) (d)	5.0 %
VI. Investment Earnings on Net Subject to Investment [IV. x V.]	5.5 %
VII. Average Investment Income as a Percentage of Direct Earned Premium [VI. ÷ I.A]	5.5 %

Notes: See Sheet 3.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

WORKERS' COMPENSATION
ARKANSAS

NOTES TO SHEET 2

- (a) Earned Premium is indexed to 1.00.
- (b) Based on insurance industry data and estimated prospective conditions
- (c) Based on Advantage expense loads underlying proposed rates (adjusted to reflect impact of premium discounts and expense gradation).
- (d) Based on estimated prospective yields.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

DEVELOPMENT OF DEDUCTIBLE CREDITS
WORKERS COMPENSATION
(DEDUCTIBLES IN RANGE \$1000 - 5,000)
APPLICABLE TO TOTAL LOSSES

A: Expected Loss Ratio	0.740
B: Tax Multiplier	1.064
C: Overhead Expense [1/B - A]	0.200

Deductible Amount	D: Loss Elimination Ratios (a) Hazard Groups							E: Excess Loss Ratios [A x (1-D)] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
	1,000	0.134	0.109	0.094	0.079	0.066	0.046	0.035	0.641	0.659	0.670	0.682	0.691	0.706
1,500	0.163	0.134	0.116	0.098	0.083	0.059	0.045	0.619	0.641	0.654	0.667	0.679	0.696	0.707
2,000	0.186	0.153	0.133	0.114	0.097	0.070	0.054	0.602	0.627	0.642	0.656	0.668	0.688	0.700
2,500	0.206	0.171	0.149	0.128	0.109	0.079	0.061	0.588	0.613	0.630	0.645	0.659	0.682	0.695
3,000	0.224	0.186	0.163	0.140	0.120	0.088	0.068	0.574	0.602	0.619	0.636	0.651	0.675	0.690
3,500	0.240	0.200	0.176	0.152	0.130	0.097	0.075	0.562	0.592	0.610	0.628	0.644	0.668	0.685
4,000	0.255	0.213	0.188	0.163	0.140	0.105	0.081	0.551	0.582	0.601	0.619	0.636	0.662	0.680
4,500	0.269	0.225	0.199	0.173	0.149	0.113	0.087	0.541	0.574	0.593	0.612	0.630	0.656	0.676
5,000	0.282	0.237	0.210	0.183	0.158	0.120	0.093	0.531	0.565	0.585	0.605	0.623	0.651	0.671

Deductible Amount	F: Loss and Expense Ratios [(E+C)xB] Hazard Groups							G: Deductible Credits [1-F] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.895	0.914	0.926	0.938	0.948	0.964	0.972	0.105	0.086	0.074	0.062	0.052	0.036	0.028
1,500	0.871	0.895	0.909	0.922	0.935	0.953	0.965	0.129	0.105	0.091	0.078	0.065	0.047	0.035
2,000	0.853	0.880	0.896	0.911	0.924	0.945	0.958	0.147	0.120	0.104	0.089	0.076	0.055	0.042
2,500	0.838	0.865	0.883	0.899	0.914	0.938	0.952	0.162	0.135	0.117	0.101	0.086	0.062	0.048
3,000	0.824	0.853	0.871	0.890	0.905	0.931	0.947	0.176	0.147	0.129	0.110	0.095	0.069	0.053
3,500	0.811	0.843	0.862	0.881	0.898	0.924	0.942	0.189	0.157	0.138	0.119	0.102	0.076	0.058
4,000	0.799	0.832	0.852	0.871	0.890	0.917	0.936	0.201	0.168	0.148	0.129	0.110	0.083	0.064
4,500	0.788	0.824	0.844	0.864	0.883	0.911	0.932	0.212	0.176	0.156	0.136	0.117	0.089	0.068
5,000	0.778	0.814	0.835	0.857	0.876	0.905	0.927	0.222	0.186	0.165	0.143	0.124	0.095	0.073

Notes: (a) Based on NCCI advisory loss elimination ratios.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

DEVELOPMENT OF DEDUCTIBLE CREDITS
WORKERS COMPENSATION
(DEDUCTIBLES IN RANGE \$1000 - 5,000)
APPLICABLE TO MEDICAL LOSSES

A: Expected Loss Ratio	0.740
B: Tax Multiplier	1.064
C: Overhead Expense [1/B - A]	0.200

Deductible <u>Amount</u>	D: Loss Elimination Ratios (a) Hazard Groups							E: Excess Loss Ratios [A x (1-D)] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
	1,000	0.130	0.106	0.091	0.076	0.064	0.044	0.034	0.644	0.662	0.673	0.684	0.693	0.707
1,500	0.155	0.127	0.110	0.093	0.078	0.055	0.042	0.625	0.646	0.659	0.671	0.682	0.699	0.709
2,000	0.175	0.144	0.125	0.106	0.090	0.064	0.049	0.611	0.633	0.648	0.662	0.673	0.693	0.704
2,500	0.192	0.158	0.138	0.117	0.100	0.072	0.055	0.598	0.623	0.638	0.653	0.666	0.687	0.699
3,000	0.206	0.171	0.149	0.127	0.108	0.079	0.061	0.588	0.613	0.630	0.646	0.660	0.682	0.695
3,500	0.219	0.182	0.159	0.136	0.116	0.085	0.066	0.578	0.605	0.622	0.639	0.654	0.677	0.691
4,000	0.230	0.192	0.168	0.145	0.124	0.091	0.071	0.570	0.598	0.616	0.633	0.648	0.673	0.687
4,500	0.240	0.201	0.176	0.152	0.131	0.097	0.075	0.562	0.591	0.610	0.628	0.643	0.668	0.685
5,000	0.250	0.210	0.184	0.159	0.137	0.102	0.079	0.555	0.585	0.604	0.622	0.639	0.665	0.682

Deductible <u>Amount</u>	F: Loss and Expense Ratios [(E+C)xB] Hazard Groups							G: Deductible Credits [1-F] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.898	0.917	0.929	0.941	0.950	0.965	0.974	0.102	0.083	0.071	0.059	0.050	0.035	0.026
1,500	0.878	0.900	0.914	0.927	0.938	0.957	0.967	0.122	0.100	0.086	0.073	0.062	0.043	0.033
2,000	0.863	0.886	0.902	0.917	0.929	0.950	0.962	0.137	0.114	0.098	0.083	0.071	0.050	0.038
2,500	0.849	0.876	0.892	0.908	0.921	0.944	0.957	0.151	0.124	0.108	0.092	0.079	0.056	0.043
3,000	0.838	0.865	0.883	0.900	0.915	0.938	0.952	0.162	0.135	0.117	0.100	0.085	0.062	0.048
3,500	0.828	0.857	0.875	0.893	0.909	0.933	0.948	0.172	0.143	0.125	0.107	0.091	0.067	0.052
4,000	0.819	0.849	0.868	0.886	0.902	0.929	0.944	0.181	0.151	0.132	0.114	0.098	0.071	0.056
4,500	0.811	0.842	0.862	0.881	0.897	0.924	0.942	0.189	0.158	0.138	0.119	0.103	0.076	0.058
5,000	0.803	0.835	0.855	0.875	0.893	0.920	0.938	0.197	0.165	0.145	0.125	0.107	0.080	0.062

Notes: (a) Based on NCCI advisory loss elimination ratios.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

DEVELOPMENT OF DEDUCTIBLE CREDITS
WORKERS COMPENSATION
(DEDUCTIBLES IN RANGE \$1000 - 5,000)
APPLICABLE TO INDEMNITY LOSSES

A: Expected Loss Ratio	0.740
B: Tax Multiplier	1.064
C: Overhead Expense [1/B - A]	0.200

Deductible Amount	D: Loss Elimination Ratios (a) Hazard Groups							E: Excess Loss Ratios [A x (1-D)] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
	1,000	0.029	0.024	0.022	0.020	0.018	0.015	0.011	0.719	0.722	0.724	0.725	0.727	0.729
1,500	0.040	0.033	0.030	0.028	0.025	0.021	0.016	0.710	0.716	0.718	0.719	0.722	0.724	0.728
2,000	0.050	0.041	0.038	0.035	0.031	0.027	0.020	0.703	0.710	0.712	0.714	0.717	0.720	0.725
2,500	0.058	0.049	0.045	0.042	0.037	0.032	0.024	0.697	0.704	0.707	0.709	0.713	0.716	0.722
3,000	0.066	0.056	0.052	0.048	0.043	0.036	0.028	0.691	0.699	0.702	0.704	0.708	0.713	0.719
3,500	0.074	0.062	0.058	0.054	0.048	0.041	0.031	0.685	0.694	0.697	0.700	0.704	0.710	0.717
4,000	0.080	0.068	0.063	0.059	0.052	0.045	0.035	0.681	0.690	0.693	0.696	0.702	0.707	0.714
4,500	0.087	0.074	0.068	0.064	0.057	0.048	0.038	0.676	0.685	0.690	0.693	0.698	0.704	0.712
5,000	0.093	0.079	0.073	0.068	0.061	0.052	0.041	0.671	0.682	0.686	0.690	0.695	0.702	0.710

Deductible Amount	F: Loss and Expense Ratios [(E+C)xB] Hazard Groups							G: Deductible Credits [1-F] Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.978	0.981	0.983	0.984	0.986	0.988	0.992	0.022	0.019	0.017	0.016	0.014	0.012	0.008
1,500	0.968	0.975	0.977	0.978	0.981	0.983	0.987	0.032	0.025	0.023	0.022	0.019	0.017	0.013
2,000	0.961	0.968	0.970	0.972	0.976	0.979	0.984	0.039	0.032	0.030	0.028	0.024	0.021	0.016
2,500	0.954	0.962	0.965	0.967	0.971	0.975	0.981	0.046	0.038	0.035	0.033	0.029	0.025	0.019
3,000	0.948	0.957	0.960	0.962	0.966	0.971	0.978	0.052	0.043	0.040	0.038	0.034	0.029	0.022
3,500	0.942	0.951	0.954	0.958	0.962	0.968	0.976	0.058	0.049	0.046	0.042	0.038	0.032	0.024
4,000	0.937	0.947	0.950	0.953	0.960	0.965	0.972	0.063	0.053	0.050	0.047	0.040	0.035	0.028
4,500	0.932	0.942	0.947	0.950	0.955	0.962	0.970	0.068	0.058	0.053	0.050	0.045	0.038	0.030
5,000	0.927	0.938	0.943	0.947	0.952	0.960	0.968	0.073	0.062	0.057	0.053	0.048	0.040	0.032

Notes: (a) Based on NCCI advisory loss elimination ratios.

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

SMALL DEDUCTIBLE PROGRAM

ARKANSAS

		Hazard Group													
		A	B	C	D	E	F	G							
		Premium Reduction Percentages													
Total Losses	\$ 1,000	10.5	%	8.6	%	7.4	%	6.2	%	5.2	%	3.6	%	2.8	%
Applicable by deductible amount	1,500	12.9		10.5		9.1		7.8		6.5		4.7		3.5	
and hazard group on a per claim basis	2,000	14.7		12.0		10.4		8.9		7.6		5.5		4.2	
	2,500	16.2		13.5		11.7		10.1		8.6		6.2		4.8	
	3,000	17.6		14.7		12.9		11.0		9.5		6.9		5.3	
	3,500	18.9		15.7		13.8		11.9		10.2		7.6		5.8	
	4,000	20.1		16.8		14.8		12.9		11.0		8.3		6.4	
	4,500	21.2		17.6		15.6		13.6		11.7		8.9		6.8	
	5,000	22.2		18.6		16.5		14.3		12.4		9.5		7.3	

		Hazard Group													
		A	B	C	D	E	F	G							
		Premium Reduction Percentages													
Medical Losses	\$ 1,000	10.2	%	8.3	%	7.1	%	5.9	%	5.0	%	3.5	%	2.6	%
Applicable by deductible amount	1,500	12.2		10.0		8.6		7.3		6.2		4.3		3.3	
and hazard group on a per claim basis	2,000	13.7		11.4		9.8		8.3		7.1		5.0		3.8	
	2,500	15.1		12.4		10.8		9.2		7.9		5.6		4.3	
	3,000	16.2		13.5		11.7		10.0		8.5		6.2		4.8	
	3,500	17.2		14.3		12.5		10.7		9.1		6.7		5.2	
	4,000	18.1		15.1		13.2		11.4		9.8		7.1		5.6	
	4,500	18.9		15.8		13.8		11.9		10.3		7.6		5.8	
	5,000	19.7		16.5		14.5		12.5		10.7		8.0		6.2	

		Hazard Group													
		A	B	C	D	E	F	G							
		Premium Reduction Percentages													
Indemnity Losses	\$ 1,000	2.2	%	1.9	%	1.7	%	1.6	%	1.4	%	1.2	%	0.8	%
Applicable by deductible amount	1,500	3.2		2.5		2.3		2.2		1.9		1.7		1.3	
and hazard group on a per claim basis	2,000	3.9		3.2		3.0		2.8		2.4		2.1		1.6	
	2,500	4.6		3.8		3.5		3.3		2.9		2.5		1.9	
	3,000	5.2		4.3		4.0		3.8		3.4		2.9		2.2	
	3,500	5.8		4.9		4.6		4.2		3.8		3.2		2.4	
	4,000	6.3		5.3		5.0		4.7		4.0		3.5		2.8	
	4,500	6.8		5.8		5.3		5.0		4.5		3.8		3.0	
	5,000	7.3		6.2		5.7		5.3		4.8		4.0		3.2	

Note: If the desired deductible is not shown but is less than the highest limit shown, calculate the credit for the desired limit by interpolating between the nearest amounts shown.

SERFF Tracking Number: MADC-125458335 State: Arkansas
 Filing Company: Advantage Workers Compensation Insurance State Tracking Number: EFT \$50
 Company
 Company Tracking Number: AWCIC-2008-001
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation Program
 Project Name/Number: 2008 Rate Filing/AWCIC-2008-001

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 01/28/2008

Comments:

Attachment:

P & C Transmittal.PDF

Satisfied -Name: NAIC Loss Cost Filing Document
for Workers' Compensation **Review Status:** Approved 01/28/2008

Comments:

Attachments:

NAIC Loss Cost Filing Doc.PDF
 NAIC Expense Constant Supplement.PDF
 LC Reference Filing Adoption.PDF

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 01/28/2008

Comments:

Attachment:

NAIC Loss Cost Data Entry.PDF

Satisfied -Name: Cover Letter **Review Status:** Approved 01/28/2008

Comments:

Attachment:

Cover Letter.PDF

Satisfied -Name: Authorization Letter **Review Status:** Approved 01/28/2008

Comments:

SERFF Tracking Number: MADC-125458335 State: Arkansas
Filing Company: Advantage Workers Compensation Insurance State Tracking Number: EFT \$50
Company
Company Tracking Number: AWCIC-2008-001
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation Program
Project Name/Number: 2008 Rate Filing/AWCIC-2008-001

Satisfied -Name: Filing Memo **Review Status:** Approved 01/28/2008
Comments:
Attachment:
Filing Memo.PDF

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only**2. Insurance Department Use only**

- a. Date the filing is received:
- b. Analyst:
- c. Disposition:
- d. Date of disposition of the filing:
- e. Effective date of filing:
- | | |
|------------------|--|
| New Business | |
| Renewal Business | |
- f. State Filing #:
- g. SERFF Filing #:
- h. Subject Codes

3.	Group Name				Group NAIC #
4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Advantage Workers Compensation Ins. Co.	IN	40517	13-3088732	

5. Company Tracking Number

AWCIC-2008-001

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Tina Gill Madison Consulting Company, Inc. 200 North 2nd Street Madison, GA 30650	Analyst	(706)342-7750	(706)342-7775	tina@madisoninc.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Tin Gill		

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)	
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: 3/1/08 Renewal: 3/1/08
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	AR-2007-10 & AR-2007-13
18.	Company's Date of Filing	1/25/08
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # AWCIC-2008-001

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

The purpose of this filing is to revise the Company's current loss cost multiplier of 1.40 to 1.30. In addition, the Company would like to adopt the NCCI 1/1/2008 advisory loss costs and rating values. The Companies current rates are based on the NCCI 7/1/2006 advisory loss costs.

The estimated rate impact of this filing is -9.7% calculated as $[(1.30 / 1.40) \times 0.972]$ with 1.30 representing the proposed loss cost multiplier, 1.40 representing the current loss cost multiplier and 0.972 representing the cumulative revision in advisory loss costs

We request an effective date of March 1, 2008.

[View Complete Filing Description](#)

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

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.)

1.	This filing transmittal is part of Company Tracking #	AWCIC-2008-001
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
-----------	---	--

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

4a. Rate Change by Company (As Proposed)							
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)
Advantage	-9.7	-9.7	-321	10	3311		

4b. Rate Change by Company (As Accepted) For State Use Only							
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	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)	-9.7	
5b	Overall percentage rate impact for this filing	-9.7	
5c	Effect of Rate Filing – Written premium change for this program	-321	
5d	Effect of Rate Filing – Number of policyholders affected	10	

6.	Overall percentage of last rate revision	- 0.5
7.	Effective Date of last rate revision	7/1/06
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Small Deductible	<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	

NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	AWCIC-2008-001
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

(X) Loss Cost Reference Filing AR-2007-10 & AR-2007-13 () **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:

- 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. **Note: Some states have statutes that prohibit this option for some lines of business.**
- 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)

(X) 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) .957

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 and 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
A.	Total Production Expense	11.0%
B.	General Expense	6.5%
C.	Taxes, Licenses & Fee	6.0%
D.	Underwriting profit & contingencies*	%
E.	Other (explain)	%
F.	Total	23.5%
	* Explain how investment income is taken into account	

5.	A.	Expected Loss Ratio: $ELR = 100\% - 4F =$	76.5
	B.	ELR in Decimal Form =	.765

NAIC EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	AWCIC-2008-001
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

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

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	12.0	11.0	1.0	%
	B.	General Expense	7.5	6.5	1.0	%
	C.	Taxes, License & Fees	6.0	6.0	0.0	%
	D.	Underwriting Profit & Contingencies*	0.0	0.0	0.0	%
	E.	Other (explain) Premium Discount	3.0	3.0	0.0	%
	F.	TOTAL	28.5	26.5	2.0	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: $ELR = 100\% - \text{Overall } 4F$				
	B.	ELR in decimal form =			.715	%
	C.	Variable Expected Loss Ratio: $VELR=100\% - \text{Variable } 4F$.735	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =			.735	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]				
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)			200	
					1.30	

7.	A.	Selected Expense Constant =				
	B.	Selected Variable Loss Cost Multiplier =			230	%
					1.30	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies					
					-9.7	%

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 01/25/2008

1. INSURER NAME Advantage Workers Compensation Insurance Company
ADDRESS 1100 East 6600 South, Suite 280
Murray, UT 84121

PERSON RESPONSIBLE FOR FILING Tina Gill
TITLE Analyst TELEPHONE NO. (706) 342-7750

2. INSURER NAIC NO. 40517 GROUP NO. 1147

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2007-10 & AR-2007-13

5. 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, expense constants specified in the attachments.

6. A.	PROPOSED RATE LEVEL CHANGE	<u>-9.7</u>	%	EFFECTIVE DATE	<u>3/1/08</u>
B.	PROPOSED PREMIUM LEVEL CHANGE	<u>-9.7</u>	%	EFFECTIVE DATE	<u>3/1/08</u>
7. A.	PRIOR RATE LEVEL CHANGE	<u>-0.5</u>	%	EFFECTIVE DATE	<u>7/1/06</u>
B.	PRIOR PREMIUM LEVEL CHANGE	<u>-0.5</u>	%	EFFECTIVE DATE	<u>7/1/06</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer-selected loss cost multiplier.)

9. 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.

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # **AWCIC-2008-001**

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number **NCCI AR-2007-10 & AR-2007-13**

3. A. **Advantage Workers Compensation Ins. Co.** Company Name
 B. **40517** Company NAIC Number

4. A. **Workers Compensation** Product Coding Matrix Line of Business (i.e., Type of Insurance)
 B. **Standard** Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)

5. FOR LOSS COSTS ONLY

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(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
Workers Comp	-9.7	-9.7	73.5	-960	1.30	230	1.40
TOTAL OVERALL EFFECT	-9.7	-9.7					

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
2006	9			167	561	335.93	56.64
2005	11			198	426	215.15	52.92
2004	9			275	481	174.91	63.58
2003	8			356	11	3.09	44.81
2002	0			186	157	84.41	94.87

7.

Expense Constants	Selected Provisions
A. Total Production Expense	11.0
B. General Expense	6.5
C. Taxes, License & Fees	6.0
D. Underwriting Profit & Contingencies	0.0
E. Other (explain) Prem. Disc.	3.0
F. TOTAL	26.5

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



MADISON CONSULTING GROUP

Actuaries • Property/Casualty Consulting Services

January 25, 2008

Honorable Julie Benefield Bowman
Insurance Commissioner
Arkansas Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Advantage Workers Compensation Insurance Company
NAIC# 1147-40517
Workers Compensation Program
Rate Filing

Dear Commissioner Bowman:

In accordance with Arkansas rate regulatory law, we wish to make the enclosed loss cost multiplier filing for Advantage Workers Compensation Insurance Company's (the Company's) workers compensation program in Arkansas.

Purpose of Filing

The purpose of this filing is to revise the Company's current loss cost multiplier of 1.40 to 1.30. In addition, the Company would like to adopt the NCCI 1/1/2008 advisory loss costs and rating values. The Companies current rates are based on the NCCI 7/1/2006 advisory loss costs.

Impact of Filing

The estimated rate impact of this filing is -9.7% calculated as $[(1.30 / 1.40) \times 0.972]$ with 1.30 representing the proposed loss cost multiplier, 1.40 representing the current loss cost multiplier and 0.972 representing the cumulative revision in advisory loss costs.

Requested Effective Date

We request an effective date of March 1, 2008.

200 North Second Street • Madison, Georgia 30650

Honorable Julie Benefield Bowman
January 25, 2008
Page 2

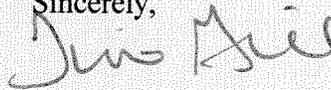
Contact

Please direct any technical questions related to this filing to:

Tina Gill
Madison Consulting Group, Inc.
200 North Second Street
Madison, Georgia 30650
706-342-7750 FAX 706-342-7775
e-mail: tina@madisoninc.com

Thank you for your consideration and assistance.

Sincerely,



Tina Gill
Analyst

TG/ml
Attachments

Cc: NCCI



ADVANTAGE
WORKERS COMPENSATION INSURANCE CO.

January 7, 2008

To Whom It May Concern:

Madison Consulting Group, Inc. is authorized to make workers compensation filings on behalf of Advantage Workers Compensation Insurance Company. The NAIC number for the company is 40517.

Sincerely,



Teresa J. Mareck
Vice President & General Counsel

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY
RATE FILING MEMORANDUM

WORKERS COMPENSATION PROGRAM
STATE OF ARKANSAS
EFFECTIVE MARCH 1, 2008

Advantage Workers Compensation Insurance Company is pleased to present this workers' compensation rate filing to be effective March 1, 2008. With this filing, the Company proposes to adopt the NCCI January 1, 2008 advisory loss costs and rating values with a loss cost multiplier of 1.30 for all classes. The attached exhibits document the expenses and loss cost multiplier being used in this filing.

Manual Rates

The proposed manual rates will be determined by multiplying the NCCI advisory loss costs effective January 1, 2008 by a loss cost multiplier of 1.30 for all classes. This multiplier is calculated on Exhibit II as well as the Calculation of Company Loss Cost Multiplier Form attached.

Minimum Premium

The Company will continue to use its currently approved minimum premium of \$750 for all classes.

Expense Constant

The Company is proposing to file an expense constant of \$230. They do not currently have an expense constant filed.

Premium Discount Plan

The Company will continue to use the NCCI Premium Discount Table 7.

Expense Provisions – Supporting Information

A total production expense of 11.0% was selected on Exhibit II, Sheet 1. This was based on a discussion with Advantage management.

The general expense provision of 6.5% includes general expenses as well as all other expenses (excluding commissions and taxes).

The proposed tax provision of 6.0% was based on actual Arkansas tax rates.

Workers' Compensation Loss Cost Filing
Filing Memorandum
Page 2

The underwriting profit load of 0.0% on Exhibit II was selected so the total return to the company after consideration of investment income is reasonable. The expected total return on statutory surplus is calculated on Exhibit III based on industry averages and the Company's specific expense loads.

The premium discount provision of 3.0% was based on the target size of risk accounts that the Company believes they will be writing.