

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Filing at a Glance

Company: Louisiana Retailers Mutual Insurance Company

Product Name: LRMIC AR Initial Rate Filing SERFF Tr Num: SMCG-125433567 State: Arkansas  
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: #? \$150  
Sub-TOI: 16.0004 Standard WC Co Tr Num: 07-WC-AR-0406 State Status: Fees verified  
Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding  
Authors: Liz McCarty, Ethel Lee Disposition Date: 01/17/2008  
Date Submitted: 01/16/2008 Disposition Status: Approved  
Effective Date Requested (New): On Approval Effective Date (New): 01/17/2008  
Effective Date Requested (Renewal): On Approval Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: LRMIC AR Initial Rate Filing Status of Filing in Domicile: Not Filed  
Project Number: 07-WC-AR-0406 Domicile Status Comments: n/a  
Reference Organization: NCCI Reference Number: AR-2007-10  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 01/17/2008  
State Status Changed: 01/17/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
The purpose of this filing is to file initial rates for LRMIC

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - summitconsultinginc)  
Brad Ritter, Vice President & Chief Actuary brad.ritter@summitholdings.com  
P.O. Box 988 (863) 665-6060 [Phone]

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

Lakeland, FL 33802-0988 (863) 667-7218[FAX]

**Filing Company Information**

Louisiana Retailers Mutual Insurance Company CoCode: 10718 State of Domicile: Louisiana  
9489 Interline Avenue Group Code: Company Type: Property &  
Casualty  
Baton Rouge, LA 70809 Group Name: State ID Number:  
(225) 926-3264 ext. [Phone] FEIN Number: 59-2009824  
-----

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation: \$100 per rate filing  
Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
106010	\$150.00	12/21/2007

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
 Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
 Company Tracking Number: 07-WC-AR-0406  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: LRMIC AR Initial Rate Filing  
 Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	01/17/2008	01/17/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Carol Stiffler	01/16/2008	01/16/2008			
Industry Response						

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
check for multiple filings	Note To Filer	Carol Stiffler	01/17/2008	01/17/2008
Response to Filing Fee	Note To Reviewer	Liz McCarty	01/17/2008	01/17/2008

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
 Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
 Company Tracking Number: 07-WC-AR-0406  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: LRMIC AR Initial Rate Filing  
 Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Disposition

Disposition Date: 01/17/2008

Effective Date (New): 01/17/2008

Effective Date (Renewal):

Status: Approved

Comment: The check on this filing also paid for the corresponding form filing. The amount paid is correct for the 2 filings.

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:
Louisiana Retailers Mutual Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
 Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
 Company Tracking Number: 07-WC-AR-0406  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: LRMIC AR Initial Rate Filing  
 Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty		Yes
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for Workers' Compensation		Yes
<b>Supporting Document</b>	NAIC loss cost data entry document		Yes
<b>Supporting Document</b>	Cover Letter		Yes
<b>Supporting Document</b>	Schedule Rating Program		Yes
<b>Supporting Document</b>	Drug Free Workplace Credit Program		Yes
<b>Supporting Document</b>	Premium Stock Discount Table		Yes
<b>Supporting Document</b>	Waiver of Subrogation		Yes
<b>Supporting Document</b>	Advisory Misc. Values		Yes
<b>Rate</b>	Rate/Rule Filing Schedule		Yes
<b>Rate</b>	Manual Rate Pages		Yes

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/16/2008

Submitted Date 01/16/2008

Respond By Date

Dear Brad Ritter,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The filing fee for a loss cost filing is \$100. You have shown that Check #106010 is in the amount of \$150. We have not received this check yet. Is this check being submitted for this filing only or is there a second filing coming?

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

**Note To Filer**

**Created By:**

Carol Stiffler on 01/17/2008 03:42 PM

**Subject:**

check for multiple filings

**Comments:**

As long as I know that they are together, I can handle it. However, most analysts will require separate checks and it really is a "cleaner" way to determine that the fees for each filing are received. It is not unusual for an analyst to receive 20 or more SERFF filings every day so it really does become a problem.

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

**Note To Reviewer**

**Created By:**

Liz McCarty on 01/17/2008 11:35 AM

**Subject:**

Response to Filing Fee

**Comments:**

The check is in the amount of \$150 which is the \$100 rate filing fee and \$50 form filing fee for the corresponding form filing.

Is this a problem that both filing fees are incorporated into one check?

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
 Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
 Company Tracking Number: 07-WC-AR-0406  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: LRMIC AR Initial Rate Filing  
 Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** Initial filing

**Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Louisiana Retailers Mutual Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
 Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
 Company Tracking Number: 07-WC-AR-0406  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: LRMIC AR Initial Rate Filing  
 Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	Rate/Rule Filing Schedule	PC RRFS-1	New	07-WC-AR-0406 - PC RRFS.pdf
	Manual Rate Pages		New	LRMIC-AR 2008-01-01 Filing.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: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

<b>5. Company Tracking Number</b>	
-----------------------------------	--

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

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

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input 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: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input 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 #

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

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.)

PC TD-1 pg 2 of 2

## 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>	
-----------	--	--

<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	
-----------	---	--

Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
-----------	--	--

<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
------------	---

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)

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
------------	--

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

<b>5.</b>	<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>
-----------	--

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

<b>6.</b>	<b>Overall percentage of last rate revision</b>	
-----------	---	--

<b>7.</b>	<b>Effective Date of last rate revision</b>	
-----------	---	--

<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
-----------	---	--

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input 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	

**Louisiana Retailers Mutual Insurance Company (LRMIC)  
Workers Compensation**

Filing Memorandum

**Purpose**

The purpose of this filing is to file initial rates for LRMIC.

**Proposal**

With this filing we are proposing to use the following:

- The National Council on Compensation Insurance loss costs effective January 1, 2008 with a loss cost multiplier of 1.375
- The National Council on Compensation Insurance miscellaneous values effective January 1, 2008
- Minimum premium formula=  
    Class rate x 135 + expense constant, capped at \$750  
    class rate x 135 + 160, capped at \$750
- The National Council on Compensation Insurance rules and forms
- The attached Drug-Free Credit program
- The attached schedule rating plan
- The attached premium discount plan
- The attached waiver of subrogation

**Impact**

As this is an initial filing, there is no overall premium level change.

**Territory**

State of Arkansas

**Proposed Effective Date**

LRMIC proposes to use an effective date for all new and renewal policies as of the date of approval.

**Supporting Exhibits**

Reference Filing Adoption Form

This is a required form.

Calculation of Company Loss Cost Multiplier

This required form summarizes the development of our loss cost multiplier. Exhibits 1 through Exhibit 4 provide back-up and show the results of this calculation.

Exhibit 1 – Expense Derivation

This exhibit summarizes LRMIC's expenses. A three year average was used in determining most of the expenses. The latest available actual taxes and assessments were used in this filing.

Exhibit 2 – Estimated Investment Earnings

This exhibit is used in order to appropriately reflect investment income in the profit and contingencies provision.

Exhibit 3 – Rates Pages

This exhibit shows the proposed rates and minimum premiums.

Exhibit 4 – Deductible Credits

This exhibit shows the proposed deductible credits.

**Louisiana Retailers Mutual Insurance Company  
Workers Compensation**

Expense Derivation

Countrywide Data

<u>Year</u>	<u>Written Standard Premium</u>	<u>Earned Standard Premium</u>	<u>Incurred Losses</u>	<u>Commission and Brokerage</u>	<u>Other Acquisition</u>	<u>General Expense</u>
2004	14,783,921	14,156,390	6,562,000	1,260,000	252,000	1,505,000
2005	15,866,620	15,204,780	7,248,000	1,221,000	264,000	1,565,000
2006	15,460,764	15,551,457	6,591,000	1,481,000	237,000	1,645,000
	46,111,305	44,912,627	20,401,000	3,962,000	753,000	4,715,000

3 Year Countrywide Average 8.6% 1.6% 10.5%

Arkansas Data

<u>Year</u>	<u>Written Standard Premium</u>	<u>Commission and Brokerage</u>	<u>Incurred Losses</u>	<u>ALAE</u>
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
	-	-	-	-

3 Year Arkansas Ave. n/a n/a

Arkansas Taxes and Assessments

Premium Tax	2.5%
Workers Compensation Tax	1.5%
Second Injury Fund	0.4%
Death and PT Disability Trust Fund	1.1%
Guaranty Fund	0.0%
Miscellaneous Taxes	<u>0.3%</u>
Total Taxes	5.8%
Ratio of Discounted Premium to Standard Premium	0.938
Taxes as a % of Standard Premium	5.4%

**Louisiana Retailers Mutual Insurance Company  
Workers Compensation**

Estimated Investment Earnings

A. Unearned Premium Reserve		
(1)	Direct earned premium	\$14,447,437
(2)	Mean Unearned Premium Reserve Ratio	35.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$5,130,318
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable (% of discounted premium)	
	(a) Commission	9.2%
	(b) 50% of Other Acquisition	0.9%
	(c) 50% of General Expense	5.6%
	(d) Taxes, Licenses and Fees	<u>5.8%</u>
	(e) Total Deductions	21.5%
(5)	Unearned Premium Reserve Subject to Investment (3) x [(1.0 - (4e)]	\$4,029,865
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance of Uncollected Premium to Unearned Premium	1.83%
(2)	Delayed Remission (A1) x (B1)	\$263,716
C. Loss and Loss Adjustment Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	75.8%
(2)	Expected Losses and Loss Adjustment Expenses (A-1) x (1)	\$10,951,157
(3)	Percent of Mean Loss & LAE Reserves to Incurred Loss & LAE	
	(a) Current Year Mean Loss & LAE Reserve to Incurred Loss & LAE Ratio	200.6%
	(b) Current Year - 1 Mean Loss & LAE Reserve to Incurred Loss & LAE Ratio	155.7%
	(c) Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	178.1%
(4)	Expected Mean Loss Reserves (2) x (3c)	\$19,509,185
D. Net Subject to Investment		\$23,275,334
(A-5) - (B-2) + (C-4)		
E. Rate of Return		4.2%
F. Average Rate of Return as a % of Direct Earned Premium		6.8%
[(D) x (E)] / (A-1)		
G. Average Rate of Return Including Net Worth		8.5%
(F) + (E) / Premium to Surplus Ratio		
H. Target Rate of Return on Equity		12.0%
I. Target Rate of Return as a % of Direct Earned Premium		4.8%
(H) / Premium to Surplus Ratio		
J. Rate of Return Needed from Underwriting Profit (as a % of discounted premium)		-3.7%
(I) - (G)		
K. Rate of Return Needed from Underwriting Profit (as a % of SP)		-3.5%
(J) x 0.938		

Louisiana Retailers Mutual Insurance Company - Arkansas  
Workers Compensation

Rate Pages

<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>
0005	4.69	750	1747	2.37	480	2402	2.26	465
0008	2.87	547	1748	5.54	750	2413	1.80	403
0016	6.04	750	1803D	5.31	750	2416	1.87	412
0034	4.11	715	1852D	2.17	453	2417	1.73	394
0035	2.39	483	1853	2.59	510	2501	1.47	358
0036	3.97	696	1860	1.49	361	2503	1.32	338
0037	4.30	741	1924	3.15	585	2534	2.34	476
0042	6.97	750	1925	2.60	511	2570	4.74	750
0050	5.31	750	2001	2.35	477	2585	2.61	512
0059D	0.29	-	2002	3.26	600	2586	0.99	294
0065D	0.06	-	2003	2.74	530	2587	2.12	446
0066D	0.06	-	2014	5.16	750	2589	1.57	372
0067D	0.06	-	2016	2.37	480	2600	4.74	750
0079	3.09	577	2021	3.27	601	2623	2.46	492
0083	8.13	750	2039	4.50	750	2651	2.19	456
0106	13.78	750	2041	3.86	681	2660	1.54	368
0113	4.61	750	2065	1.20	322	2670	2.30	471
0170	2.56	506	2070	4.92	750	2683	1.98	427
0251	5.18	750	2081	4.25	734	2688	2.83	542
0400	8.26	750	2089	2.65	518	2701	7.71	750
0401	12.06	750	2095	3.15	585	2702	26.48	750
0771N	0.30	-	2105	2.43	488	2710	8.15	750
0908P	122.00	282	2110	2.19	456	2714	4.91	750
0913P	327.00	487	2111	1.98	427	2719	10.70	750
0917	3.62	649	2112	2.52	500	2731	3.59	645
1005	9.61	750	2114	3.03	569	2735	2.92	554
1016	35.56	750	2121	1.93	421	2759	7.27	750
1164E	7.04	750	2130	2.83	542	2790	1.38	346
1165E	6.71	750	2131	1.73	394	2802	6.34	750
1320	2.83	542	2143	2.15	450	2812	4.25	734
1322	11.41	750	2157	3.71	661	2835	1.62	379
1430	5.14	750	2172	2.10	444	2836	2.31	472
1438	2.64	516	2174	2.74	530	2841	4.03	704
1452	1.82	406	2211	5.14	750	2881	2.23	461
1463	11.30	750	2220	1.95	423	2883	4.22	730
1472	3.44	624	2286	1.44	354	2913	3.04	570
1624E	7.44	750	2288	4.51	750	2915	3.77	669
1642	3.73	664	2300	2.10	444	2916	2.41	485
1654	8.04	750	2302	1.84	408	2923	1.99	429
1655	4.48	750	2305	2.43	488	2942	2.37	480
1699	2.08	441	2361	1.32	338	2960	2.96	560
1701	3.45	626	2362	1.77	399	3004	2.52	500
1710E	6.45	750	2380	6.05	750	3018	3.03	569
1741E	1.72	392	2386	1.18	319	3022	3.25	599
1745	2.83	542	2388	1.87	412	3027	2.94	557

Louisiana Retailers Mutual Insurance Company - Arkansas  
Workers Compensation

Rate Pages

<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>
3028	3.09	577	3373	3.33	610	4061	4.24	732
3030	4.08	711	3383	0.95	288	4062	3.07	574
3040	4.06	708	3385	0.87	277	4101	1.94	422
3041	3.51	634	3400	2.53	502	4111	2.28	468
3042	3.18	589	3507	2.86	546	4112	0.94	287
3064	4.54	750	3515	2.31	472	4113	1.65	383
3069	6.59	750	3548	1.22	325	4114	2.37	480
3076	2.71	526	3559	2.12	446	4130	5.50	750
3081D	2.49	496	3574	1.17	318	4131	2.65	518
3082D	3.95	693	3581	1.18	319	4133	2.53	502
3085D	2.92	554	3612	2.17	453	4150	1.28	333
3110	2.97	561	3620	5.97	750	4206	3.91	688
3111	2.96	560	3629	1.87	412	4207	1.13	313
3113	2.12	446	3632	3.03	569	4239	1.31	337
3114	2.50	498	3634	1.87	412	4240	2.87	547
3118	1.40	349	3635	1.75	396	4243	1.40	349
3119	1.06	303	3638	1.55	369	4244	2.31	472
3122	1.13	313	3642	0.91	283	4250	1.46	357
3126	1.93	421	3643	2.94	557	4251	1.62	379
3131	0.88	279	3647	3.16	587	4263	2.34	476
3132	2.01	431	3648	2.06	438	4273	1.60	376
3145	1.87	412	3681	1.38	346	4279	1.73	394
3146	2.52	500	3685	1.80	403	4282	2.13	448
3169	2.59	510	3719	3.33	610	4283	2.30	471
3175D	2.85	545	3724	6.56	750	4299	1.47	358
3179	2.32	473	3726	3.51	634	4304	2.72	527
3180	2.08	441	3803	1.82	406	4307	2.64	516
3188	1.39	348	3807	1.57	372	4351	1.07	304
3220	1.97	426	3808	2.68	522	4352	1.00	295
3223	3.18	589	3821	4.13	718	4360	0.78	265
3224	2.60	511	3822	2.70	525	4361	1.32	338
3227	1.73	394	3824	4.73	750	4362	1.06	303
3240	3.26	600	3826	1.02	298	4410	2.87	547
3241	2.89	550	3827	1.17	318	4420	3.41	620
3255	2.56	506	3830	1.13	313	4431	1.44	354
3257	2.63	515	3851	2.81	539	4432	1.55	369
3270	4.30	741	3865	1.27	331	4439	1.83	407
3300	3.60	646	3881	3.73	664	4452	3.36	614
3303	3.55	639	4000	7.26	750	4459	2.06	438
3307	3.48	630	4021	4.40	750	4470	2.23	461
3315	2.60	511	4024E	1.66	384	4484	2.30	471
3334	2.48	495	4034	6.75	750	4493	2.76	533
3336	2.41	485	4036	2.59	510	4511	0.67	250
3365	9.50	750	4038	2.08	441	4557	1.79	402
3372	2.67	520	4053	3.16	587	4558	1.84	408

Louisiana Retailers Mutual Insurance Company - Arkansas  
Workers Compensation

Rate Pages

<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>
4561	1.87	412	5223	5.42	750	6252D	6.93	750
4568	2.63	515	5348	3.78	670	6260D	5.25	750
4581	1.65	383	5402	4.96	750	6306	5.43	750
4583	4.50	750	5403	10.11	750	6319	5.43	750
4611	0.92	284	5437	4.63	750	6325	5.05	750
4635	3.77	669	5443	3.69	658	6400	6.78	750
4653	1.32	338	5445	4.69	750	6504	2.37	480
4665	6.70	750	5462	6.11	750	6702M	7.22	750
4670	4.30	741	5472	5.05	750	6703M	12.71	750
4683	4.57	750	5473	5.14	750	6704M	8.02	750
4686	1.13	313	5474	7.15	750	6801F	13.86	750
4692	0.36	209	5478	4.39	750	6811	5.54	750
4693	0.85	275	5479	10.24	750	6824F	23.95	750
4703	2.27	466	5480	10.01	750	6826F	11.59	750
4717	2.38	481	5491	2.15	450	6834	4.14	719
4720	3.89	685	5506	4.39	750	6836	9.08	750
4740	1.47	358	5507	5.73	750	6843F	15.92	750
4741	1.76	398	5508D	7.29	750	6845F	18.74	750
4751	1.87	412	5535	6.59	750	6854	5.23	750
4771N	1.75	437	5537	5.50	750	6872F	21.64	750
4777	1.73	394	5551	14.36	750	6874F	38.45	750
4825	0.74	260	5606	1.94	422	6882	5.98	750
4828	1.40	349	5610	6.81	750	6884	13.13	750
4829	1.53	367	5645	11.37	750	7016M	5.43	750
4902	1.68	387	5651	9.21	750	7024M	6.04	750
4923	1.11	310	5703	99.08	750	7038M	6.45	750
5020	5.65	750	5705	4.99	750	7046M	28.41	750
5022	6.17	750	5951	0.37	210	7047M	9.57	750
5037	17.23	750	6003	10.24	750	7050M	11.36	750
5040	20.13	750	6005	6.75	750	7090M	7.16	750
5057	15.85	750	6017	4.26	735	7098M	31.57	750
5059	22.76	750	6018	2.17	453	7099M	50.04	750
5069	21.88	750	6045	2.92	554	7133	3.45	626
5102	4.21	728	6204	9.52	750	7151M	4.19	726
5146	4.98	750	6206	7.33	750	7152M	7.38	750
5160	4.43	750	6213	11.34	750	7153M	4.66	750
5183	3.20	592	6214	2.74	530	7222	9.85	750
5188	5.34	750	6216	5.17	750	7228	7.71	750
5190	3.12	581	6217	4.83	750	7229	7.67	750
5191	1.75	396	6229	4.04	705	7230	3.75	666
5192	3.93	691	6233	7.43	750	7231	8.29	750
5213	7.56	750	6235	11.23	750	7232	14.11	750
5215	3.96	695	6236	12.83	750	7309F	26.68	750
5221	4.03	704	6237	3.52	635	7313F	6.15	750
5222	9.91	750	6251D	7.65	750	7317F	9.85	750

Louisiana Retailers Mutual Insurance Company - Arkansas  
 Workers Compensation

Rate Pages

<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>
7327F	21.46	750	8006	2.23	461	8381	1.39	348
7333M	7.32	750	8008	1.16	317	8385	2.67	520
7335M	8.13	750	8010	2.13	448	8392	3.44	624
7337M	12.88	750	8013	0.50	228	8393	1.62	379
7350F	23.31	750	8015	0.69	253	8500	5.02	750
7360	5.82	750	8017	1.18	319	8601	0.69	253
7370	5.03	750	8018	2.65	518	8606	3.56	641
7380	4.08	711	8021	1.71	391	8709F	8.11	750
7382	2.76	533	8031	3.09	577	8719	1.77	399
7390	3.49	631	8032	1.60	376	8720	1.18	319
7394M	14.67	750	8033	1.94	422	8721	0.40	214
7395M	16.29	750	8039	1.44	354	8726F	9.64	750
7398M	25.82	750	8044	3.18	589	8734M	0.69	253
7403	2.81	539	8045	0.45	221	8737M	0.62	244
7405N	1.49	469	8046	2.82	541	8738M	1.09	307
7420	21.41	750	8047	1.21	323	8742	0.51	229
7421	2.23	461	8058	2.85	545	8745	4.63	750
7422	2.46	492	8072	0.65	248	8748	0.41	215
7423	2.81	539	8102	2.63	515	8755	0.29	199
7425	3.47	628	8103	4.63	750	8799	0.96	290
7431N	1.93	560	8105	4.69	750	8800	0.96	290
7445N	0.80	268	8106	4.37	750	8803	0.08	171
7453N	1.03	299	8107	4.03	704	8805M	0.33	205
7502	2.92	554	8111	3.14	584	8810	0.25	194
7515	1.07	304	8116	4.54	750	8814M	0.30	201
7520	2.98	562	8203	6.13	750	8815M	0.54	233
7538	9.54	750	8204	6.19	750	8820	0.22	190
7539	6.06	750	8209	3.04	570	8824	2.82	541
7540	4.03	704	8215	5.45	750	8825	2.34	476
7580	2.04	435	8227	4.32	743	8826	2.24	462
7590	4.33	745	8232	6.39	750	8829	2.67	520
7600	2.94	557	8233	4.83	750	8831	2.96	560
7601	11.80	750	8235	4.04	705	8832	0.28	198
7605	3.30	606	8263	9.08	750	8833	1.11	310
7610	0.47	223	8264	4.03	704	8835	2.15	450
7611	5.84	750	8265	9.56	750	8842	1.17	318
7612	16.27	750	8279	10.33	750	8864	1.17	318
7613	4.68	750	8288	6.70	750	8868	0.40	214
7705	2.72	527	8291	2.43	488	8869	0.74	260
7710	6.57	750	8292	2.96	560	8871	0.25	194
7711	6.57	750	8293	8.17	750	8901	0.29	199
7720	2.72	527	8295	5.93	750	9012	1.66	384
7855	5.94	750	8304	7.07	750	9014	2.32	473
8001	2.42	487	8350	5.17	750	9015	2.75	531
8002	3.18	589	8380	3.49	631	9016	4.92	750

Louisiana Retailers Mutual Insurance Company - Arkansas  
 Workers Compensation

Rate Pages

<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>	<u>Code</u>	<u>Rate</u>	<u>Minimum Premium</u>
9019	3.31	607						
9033	1.80	403						
9040	3.48	630						
9052	1.75	396						
9058	1.71	391						
9059	2.93	556						
9060	1.79	402						
9061	1.36	344						
9063	1.09	307						
9077F	3.95	693						
9082	1.64	381						
9083	1.46	357						
9084	2.02	433						
9089	1.31	337						
9093	1.46	357						
9101	3.04	570						
9102	2.98	562						
9154	2.43	488						
9156	1.39	348						
9170	2.32	473						
9178	24.85	750						
9179	43.37	750						
9180	4.30	741						
9182	2.65	518						
9186	54.05	750						
9220	3.75	666						
9402	5.23	750						
9403	6.42	750						
9410	1.95	423						
9501	4.80	750						
9505	3.52	635						
9516	2.81	539						
9519	2.45	491						
9521	5.25	750						
9522	1.53	367						
9534	7.44	750						
9554	8.59	750						
9586	0.73	259						
9600	1.61	377						
9620	1.21	323						
<u>Foreign Terrorism</u>								
	0.03							
<u>DTEC</u>								
	0.01							

**Louisiana Retailers Mutual Insurance Company  
Arkansas Workers' Compensation**

**Deductible Credits**

Production Expense	10.2%
General Expense	10.5%
Taxes, Licenses and Fees	5.4%
P&C including offset for Investment Income	-3.5%
Expense Gradation	6.2%
Total Expenses	28.8%
Expected Loss & LAE Ratio	71.2%
NCCI Loss Elimination Ratio (k)	see below
Safety Factor (f)	0.90
Expected Loss Ratio (E) (on same basis as NCCI loss costs)	71.2%
Variable Expenses (v)	18.3%

Deductible Credit Formula =  $k * f * E / (1 - v)$

Applicable to Total Losses

<u>Per Claim Deductible</u>	<u>NCCI Loss Elimination Ratio*</u>	<u>Deductible Credit</u>
\$ 1,000	7.5%	5.9%
\$ 1,500	9.3%	7.3%
\$ 2,000	10.8%	8.5%
\$ 2,500	12.2%	9.5%
\$ 3,000	13.3%	10.5%
\$ 3,500	14.5%	11.3%
\$ 4,000	15.5%	12.2%
\$ 4,500	16.5%	12.9%
\$ 5,000	17.4%	13.7%
\$ 10,000	25.4%	19.9%
\$ 15,000	31.2%	24.5%
\$ 20,000	35.9%	28.1%
\$ 25,000	39.8%	31.2%

\*Weighted based on Expected Hazard Group Mix of  
A - 2.5%, B - 10.3%, C - 22.8%, D - 11.2%, E - 28.9%, F - 23.0%, and G - 1.3%.

**Louisiana Retailers Mutual Insurance Company  
Arkansas Workers' Compensation**

**Deductible Credits**

Production Expense	10.2%
General Expense	10.5%
Taxes, Licenses and Fees	5.4%
P&C including offset for Investment Income	-3.5%
Expense Gradation	6.2%
Total Expenses	<u>28.8%</u>
Expected Loss & LAE Ratio	71.2%
NCCI Loss Elimination Ratio (k)	see below
Safety Factor (f)	0.90
Expected Loss Ratio (E) (on same basis as NCCI loss costs)	71.2%
Variable Expenses (v)	18.3%

Deductible Credit Formula =  $k * f * E / (1 - v)$

Applicable to Indemnity Losses Only

<u>Per Claim Deductible</u>	<u>NCCI Loss Elimination Ratio*</u>	<u>Deductible Credit</u>
\$ 1,000	1.9%	1.5%
\$ 1,500	2.7%	2.1%
\$ 2,000	3.3%	2.6%
\$ 2,500	4.0%	3.1%
\$ 3,000	4.6%	3.6%
\$ 3,500	5.1%	4.0%
\$ 4,000	5.6%	4.4%
\$ 4,500	6.0%	4.7%
\$ 5,000	6.5%	5.1%

\*Weighted based on Expected Hazard Group Mix of  
A - 2.5%, B - 10.3%, C - 22.8%, D - 11.2%, E - 28.9%, F - 23.0%, and G - 1.3%.

**Louisiana Retailers Mutual Insurance Company  
Arkansas Workers' Compensation**

**Deductible Credits**

Production Expense	10.2%
General Expense	10.5%
Taxes, Licenses and Fees	5.4%
P&C including offset for Investment Income	-3.5%
Expense Gradation	6.2%
Total Expenses	28.8%
Expected Loss & LAE Ratio	71.2%
NCCI Loss Elimination Ratio (k)	see below
Safety Factor (f)	0.90
Expected Loss Ratio (E) (on same basis as NCCI loss costs)	71.2%
Variable Expenses (v)	18.3%

Deductible Credit Formula =  $k * f * E / (1 - v)$

Applicable to Medical Losses Only

<u>Per Claim Deductible</u>	<u>NCCI Loss Elimination Ratio*</u>	<u>Deductible Credit</u>
\$ 1,000	7.2%	5.7%
\$ 1,500	8.8%	6.9%
\$ 2,000	10.1%	7.9%
\$ 2,500	11.2%	8.8%
\$ 3,000	12.1%	9.5%
\$ 3,500	13.0%	10.2%
\$ 4,000	13.8%	10.8%
\$ 4,500	14.5%	11.4%
\$ 5,000	15.2%	11.9%

\*Weighted based on Expected Hazard Group Mix of  
A - 2.5%, B - 10.3%, C - 22.8%, D - 11.2%, E - 28.9%, F - 23.0%, and G - 1.3%.

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

## Supporting Document Schedules

**Review Status:**  
**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty 01/15/2008

**Comments:**

**Attachment:**

07-WC-AR-0406 PC TD-1.pdf

**Review Status:**  
**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation 01/15/2008

**Comments:**

**Attachments:**

07-WC-AR-0406 LC Adoption.pdf

07-WC-AR-0406 PC IRF-WC.pdf

**Review Status:**  
**Satisfied -Name:** NAIC loss cost data entry document 01/15/2008

**Comments:**

**Attachment:**

07-WC-AR-0406 F319.pdf

**Review Status:**  
**Satisfied -Name:** Cover Letter 01/16/2008

**Comments:**

**Attachment:**

07-WC-AR-0406 ltr.pdf

**Review Status:**  
**Satisfied -Name:** Schedule Rating Program 01/16/2008

**Comments:**

**Attachment:**

SCHEDULE RATING PROGRAM.pdf

SERFF Tracking Number: SMCG-125433567 State: Arkansas  
Filing Company: Louisiana Retailers Mutual Insurance Company State Tracking Number: #? \$150  
Company Tracking Number: 07-WC-AR-0406  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: LRMIC AR Initial Rate Filing  
Project Name/Number: LRMIC AR Initial Rate Filing /07-WC-AR-0406

**Review Status:**

**Satisfied -Name:** Drug Free Workplace Credit Program 01/16/2008

**Comments:**

**Attachment:**

drug-free program.pdf

**Review Status:**

**Satisfied -Name:** Premium Stock Discount Table 01/16/2008

**Comments:**

**Attachment:**

Premium Discount Table.pdf

**Review Status:**

**Satisfied -Name:** Waiver of Subrogation 01/16/2008

**Comments:**

**Attachment:**

Waiver of Subrogation.pdf

**Review Status:**

**Satisfied -Name:** Advisory Misc. Values 01/16/2008

**Comments:**

**Attachment:**

Advisory Misc. Values.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

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Louisiana Retailers Mutual Insurance Co.	Louisiana	10718	59-2009824	

<b>5. Company Tracking Number</b>	07-WC-AR-0406
-----------------------------------	---------------

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Mr. Brad M. Ritter Summit Consulting, Inc.	Vice President & Actuary	800-282-7648	863-667-7218	brad.ritter@ summitholdings.com
	P.O. Box 988 Lakeland, FL 33802-0988				<i>Brad M Ritter</i>
<b>7.</b>	Signature of authorized filer				
<b>8.</b>	Please print name of authorized filer		Brad M. Ritter		

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

<b>9. Type of Insurance (TOI)</b>	16.0 Workers Compensation
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	16.0001 Alternative WC
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	n/a
<b>13. 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. Effective Date(s) Requested</b>	New:    Upon Approval                      Renewal:    Upon Approval
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	National Council on Compensation Insurance, Inc. (NCCI)
<b>17. Reference Organization # &amp; Title</b>	
<b>18. Company's Date of Filing</b>	January 15, 2007
<b>19. 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 Transmittal Document—

20. This filing transmittal is part of Company Tracking # 07-WC-AR-0406

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 file initial rates for Louisiana Retailers Mutual Insurance Company (LRMIC).

[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 #: 106010

Amount: 150.00

Rate Filing Fee - \$100.00  
Form Filing Fee - \$50.00

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.)

Date: January 15, 2008

Space Reserved for Insurance Department Use

**WORKERS' COMPENSATION  
LOSS COST FILING DOCUMENT COVER FORM**

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

1. INSURER NAME Louisiana Retailers Mutual Insurance Company  
ADDRESS P.O. Box 80439  
Baton Rouge, LA 70898-0439
2. PERSON RESPONSIBLE FOR FILING Brad M. Ritter  
TITLE Vice President & Chief Actuary TELEPHONE # 800-282-7648
3. INSURER NAIC # 10718
4. ADVISORY ORGANIZATION National Council on Compensation Insurance, Inc.
- 5A. PROPOSED RATE LEVEL CHANGE Initial Filing % EFFECTIVE DATE Initial Filing  
5B. PROPOSED PREMIUM LEVEL CHANGE\* Initial Filing % EFFECTIVE DATE Initial Filing
- 6A. PRIOR RATE LEVEL CHANGE Initial Filing % EFFECTIVE DATE Initial Filing  
6B. PRIOR PREMIUM LEVEL CHANGE\* Initial Filing % EFFECTIVE DATE Initial Filing
7. ATTACH "NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION"  
(Attach this document separately for each insurer selected loss cost multiplier.)

\* The premium level change is the change in the insurer's annual collectible premium.

**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>	07-WC-AR-0406
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	07-WC-AR-0404

**Loss Cost Reference Filing** AR-2007-10     **Independent Rate Filing**

(Advisory Org, & Reference filing #) NCCI - AR-2007-10

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)

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 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	
<b>A.</b>	<b>Total Production Expense</b>	10.2	%
<b>B.</b>	<b>General Expense</b>	10.5	%
<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	5.4	%
<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	-3.5	%
<b>E.</b>	<b>Other (explain)</b>		%
<b>F.</b>	<b>Total</b>	22.6	%
	<b>* Explain how investment income is taken into account</b>		

<b>5.</b>	<b>A. Expected Loss Ratio: ELR = 100% - 4F =</b>	77.4
	<b>B. ELR in Decimal Form =</b>	0.774

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

6.	<b>Overall Impact of Expense Constant and Minimum Premiums:</b> (a 2.3% impact would be expressed as 1.023)	1.022
7.	<b>Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating:</b> (An 8.6% average discount would be expressed as 0.914)	.938
8.	<b>Company Formula Loss Cost Multiplier</b> [3B / ((7 - 4F) X 6)]	1.375
9.	<b>Company Selected Loss Cost Multiplier =</b> (Attach explanation for any differences between 6 and 7)	1.375

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





P.O. Box 80439 • Baton Rouge, LA 70898-0439 • (225) 926-3264 • 1-800-421-2944 • Fax (225) 926-4102

January 15, 2008

Ms. Julie Benafield Bowman, Insurance Commissioner  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

RE: Louisiana Retailers Mutual Insurance Company  
Workers' Compensation Insurance  
Initial Filing for Loss Cost Multiplier, Drug Free Credit,  
Schedule Rating, Premium Stock Discount and Rules  
NAIC #10718  
Filing #07-WC-AR-0406

Dear Ms. Bowman:

Louisiana Retailers Mutual Insurance Company (LRMIC) is a newly licensed insurance company in that state of Mississippi. This letter with enclosures is to be an initial workers compensation filing for a loss cost multiplier, drug free credit, schedule rating, premium stock discount, minimum premium formula, expense constant, waiver of subrogation and rules. With this filing we are proposing to use the National Council on Compensation rules and the attached schedule rating plan. We are also proposing to adopt the National Council on Compensation Insurance loss costs effective January 1, 2008 with a loss cost multiplier of 1.375. This filing contains the following attachments:

1. A filing memorandum along with the following documents:
  - a. Schedule rating program
  - b. Drug free workplace program
  - c. Premium stock discount table
  - d. Waiver of subrogation
  - e. Advisory miscellaneous values
2. The required filing forms
3. The filing fee

LRMIC proposes to use an effective date for all new and renewal policies as of the date of approval.

If you should have any questions, do not hesitate to contact me at 1-800-282-7648.

Sincerely,

Brad M. Ritter  
Vice President & Chief Actuary  
Summit Consulting, Inc.,  
Managing General Agent

BMR:lm

Attachments

## SCHEDULE RATING PROGRAM

1. The premium for a risk may be modified in accordance with the table below to reflect such characteristics of the risk that are not reflected in its experience.
2. The amount of schedule credit or debit shall be applied to an experience rated risk in a multiplicative manner, after application of the experience modification, and before the application of premium discounts and expense constant.
3. There shall be an annual report to the National Council on Compensation Insurance illustrating the total dollar amount of schedule debits and the total dollar amount of schedule credits.
4. Standard earned premium figures reported to the National Council on the aggregate calls for experience (e.g., policy year, calendar year, etc.) must exclude (i.e., be prior to) the effects of schedule rating premium adjustments. Net earned premium reported on these calls must include (i.e., be after) the effects of schedule rating premium adjustments. Schedule rating premium adjustments must be reported under unique statistical codes on unit statistical reports submitted to the National Council.
5. All schedule debits and all schedule credits shall be based on evidence that is contained in the file of the insurer at the time the schedule debit or credit is applied.
6. The effective date of any schedule debit or credit shall not be any date prior to the receipt in the insurer's office of the evidence supporting the debit or credit.
7. The derivation of the schedule factor must be made available to the insured upon request. To the degree that the insured can correct the reason for any schedule debit to the satisfaction of the insurer, the debit may be removed effective the date documentation for the correction is received in the insurer's office.
8. The Schedule Rating Program can be used only on risks which are rated in compliance with the insurer's filed and approved rates without deviation.
9. The policy premium at total limits, after schedule rating is applied must be at least \$6,000.
10. The maximum aggregate debit/credit allowed per policy schedule rated is 25%.
11. The maximum number of risk characteristics which the underwriter can consider is eight.
12. The maximum debit/credit allowed per risk characteristics is 10%.

## SCHEDULE RATING TABLE

				RANGE OF MODIFICATION (Credit to Debit)						
State	Effective Date (New and Renewal Policies)	Maximum Modificati on	Eligibility (Minimum annual premium at total limits after the application of schedule rating)	Premises	Classification Peculiarities	Medical Facilities	Safety Devices	Employees- Selection, Training, Supervision	Manage- ment- Cooper- ation With Carrier	Manage- ment- Safety Organiza- tion
Arkansas	Upon approval	-25% to +25%	\$6,000	-10% to +10%	-10% to +10%	-5% to +5%	-5% to +5%	-10% to +10%	-10% to +10%	-10% to +10%

Includes copyright material of the  
National Council on Compensation Insurance, Inc.

Effective upon approval

## WORKERS COMPENSATION SCHEDULE RATING WORKSHEET

\_\_\_\_\_  
Insured Name

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Policy Effective Date

\_\_\_\_\_  
Effective/Expiration Date of Schedule Rating

\_\_\_\_\_  
Insured's City                      State                      Zip

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
Policy Premium                      Eligibility Level

\_\_\_\_\_  
Account Representative (Underwriter)                      Date

\_\_\_\_\_  
Loss Prevention survey date:

Category**	Available Range	Previous Credit	Previous Debit	Credit Applied	Debit Applied
Premises					
Classification Peculiarities					
Medical Facilities					
Safety Devices					
Employees-Selection, Training, Supervision					
Management-Cooperation w/insurer					
Management - Safety Organization					
	Totals:				

Total Schedule Rating Modification (Current Term) \_\_\_\_\_

\*\* For more information on schedule rating rules, categories, and credit ranges, please refer to the Experience Rating Plan Manual, Appendix section.

Includes copyright material of the National Council on Compensation Insurance, Inc.  
Basic Manual

## **DRUG-FREE WORKPLACE CREDIT PROGRAM**

Louisiana Retailers Mutual Insurance Company is proposing to use a 5% drug-free credit in accordance with Title 11 Chapter 14 Section 112, Arkansas Insurance Related Laws.

**LOUISIANA RETAILERS MUTUAL INSURANCE COMPANY  
PREMIUM STOCK DISCOUNT TABLE  
ARKANSAS**

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

## **WAIVER OF SUBROGATION**

Louisiana Retailers Mutual Insurance Company proposes to offer a provision that allows that Company to waive its right of recovery against anyone liable for an injury covered by the policy. Louisiana Retailers Mutual Insurance Company proposes the following:

- LRMIC proposes to charge a 2% premium charge for blanket waivers for new and renewal business
- LRMIC proposes to charge a flat charge of \$100 per waiver issued for specific waivers for new and renewal business.

Effective January 1, 2008

ADVISORY MISCELLANEOUS VALUES (cont.)

Advisory Loss Elimination Ratios (continued) - The following percentages are applicable by deductible amount and hazard group on a per claim basis\*:

Medical Losses					Indemnity Losses				
Deductible Amount	HAZARD GROUP				Deductible Amount	HAZARD GROUP			
	1	2	3	4		1	2	3	4
\$1,000	10.9%	8.6%	5.3%	3.4%	\$1,000	2.4%	2.1%	1.6%	1.1%
\$1,500	13.1%	10.4%	6.6%	4.2%	\$1,500	3.4%	3.0%	2.3%	1.6%
\$2,000	14.8%	11.9%	7.6%	4.9%	\$2,000	4.2%	3.7%	2.9%	2.0%
\$2,500	16.3%	13.1%	8.5%	5.5%	\$2,500	5.0%	4.4%	3.4%	2.4%
\$3,000	17.5%	14.2%	9.3%	6.1%	\$3,000	5.7%	5.0%	3.9%	2.8%
\$3,500	18.7%	15.2%	10.0%	6.6%	\$3,500	6.4%	5.6%	4.4%	3.1%
\$4,000	19.7%	16.0%	10.7%	7.1%	\$4,000	7.0%	6.2%	4.8%	3.5%
\$4,500	20.6%	16.9%	11.3%	7.5%	\$4,500	7.5%	6.7%	5.2%	3.8%
\$5,000	21.5%	17.6%	11.9%	7.9%	\$5,000	8.1%	7.2%	5.6%	4.1%

\*The values shown for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with Item B-1403.

Basis of premium applicable in accordance with the **Basic Manual** footnote instructions for Code: 7370 -- "Taxicab Co.":

Employee operated vehicle.....	\$46,220.00
Leased or rented vehicle.....	\$30,813.00

7420--"Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew" Maximum payroll per week per employee.....	\$600.00
--	----------

Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents (Advisory Loss Cost)..... \$0.01

Foreign Terrorism (Advisory Loss Cost)..... \$0.02

Maximum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers" and the **Basic Manual** footnote instructions for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," Code 9179 -- "Athletic Sports or Park: Contact Sports," and Code 9186 -- "Carnival--Traveling"..... \$2,400.00

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

Per Passenger Seat Surcharge - In accordance with the **Basic Manual** footnote instructions for Code 7421, the surcharge is:  
Maximum surcharge per aircraft..... \$1,000  
Per passenger seat..... \$100

Premium Determination for Partners and Sole Proprietors and Members of Limited Liability Companies in accordance with **Basic Manual** Rule 2-E-3..... \$30,800.00

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with **Basic Manual** Rule 3-A-4..... 90%

(Multiply a Non-F classification loss cost by a factor of 1.90 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) 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.