

SERFF Tracking Number: SCTT-125857661 State: Arkansas  
Filing Company: National Casualty Company State Tracking Number: EFT \$100  
Company Tracking Number: PU AR04154NCR01  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0021 Personal Umbrella and Excess  
Product Name: Personal Umbrella/Excess Liability  
Project Name/Number: 4154 Personal Umbrella/Excess Liability/PU AR04154NCR01

## Filing at a Glance

Company: National Casualty Company  
Product Name: Personal Umbrella/Excess Liability  
TOI: 17.0 Other Liability - Claims Made/Occurrence  
Sub-TOI: 17.0021 Personal Umbrella and Excess  
Filing Type: Rate  
Effective Date Requested (New): 01/01/2009  
Effective Date Requested (Renewal): 01/01/2009

SERFF Tr Num: SCTT-125857661 State: Arkansas  
SERFF Status: Closed State Tr Num: EFT \$100  
Co Tr Num: PU AR04154NCR01 State Status: Fees verified and received  
Co Status: Reviewer(s): Becky Harrington, Betty Montesi  
Author: Kristin Abbott Disposition Date: 10/24/2008  
Date Submitted: 10/14/2008 Disposition Status: Filed  
Effective Date (New): 01/01/2009  
Effective Date (Renewal): 01/01/2009

State Filing Description:

## General Information

Project Name: 4154 Personal Umbrella/Excess Liability  
Project Number: PU AR04154NCR01  
Reference Organization: n/a  
Reference Title: n/a  
Filing Status Changed: 10/24/2008  
State Status Changed: 10/15/2008  
Corresponding Filing Tracking Number:  
Filing Description:  
National Casualty Company is submitting rate changes for our Personal Umbrella/Excess Liability program. We request an effective date of January 1, 2009.

Status of Filing in Domicile: Pending  
Domicile Status Comments:  
Reference Number: n/a  
Advisory Org. Circular: n/a  
Deemer Date:

Please find attached revised manual pages which will replace the (8-03) edition. The manual page changes are as follows:

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Project Name/Number: 4154 Personal Umbrella/Excess Liability/PU AR04154NCR01

N-PUEX-R-1 (1-09) Increase base rates by 10% (1M-4M) and 5% (5M), add rates for vacant land 201-300 acres and 301 + acres.

N-PUEX-R-2 (1-09) Amend Minimum Premiums.

N-PUEX-R-3 (1-09) Add Quadriplex rates, amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

N-PUEX-R-4 (1-09) Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres, below "Minimum Underlying Limits" delete Auto Liability condition that under 21 driver has min. \$1M CSL.

N-PUEX-R-5 (1-09) Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

N-PUEX-R-8 (1-09) Item #4 – Each Additional Res. – add "& 4".

N-PUEX-R-9 (1-09) Item #5 – Apt. Houses – delete "each unit".

N-PUEX-R-10 (1-09) Item #5 – Apt. Houses – delete "each unit".

In addition, please find attached an Actuarial Memorandum and several actuarial exhibits in support of the rate changes being proposed.

## Company and Contact

### Filing Contact Information

Kristin Abbott, Filings Analyst II  
PO Box 4110  
Scottsdale, AZ 85261  
abbottk@scottsdaleins.com  
(800) 423-7675 [Phone]

### Filing Company Information

National Casualty Company  
PO Box 4110  
Scottsdale, AZ 85261  
(800) 423-7675 ext. [Phone]  
CoCode: 11991  
Group Code: 140  
Group Name:  
FEIN Number: 38-0865250  
State of Domicile: Wisconsin  
Company Type:  
State ID Number:  
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## Filing Fees

SERFF Tracking Number: SCTT-125857661 State: Arkansas  
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Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation: Rate Filing - \$100.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Casualty Company	\$100.00	10/14/2008	23170796

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/24/2008	10/24/2008

### 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	Becky Harrington	10/15/2008	10/15/2008	Kristin Abbott	10/22/2008	10/22/2008

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## Disposition

Disposition Date: 10/24/2008

Effective Date (New): 01/01/2009

Effective Date (Renewal): 01/01/2009

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SCTT-125857661 State: Arkansas  
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Actuarial Memorandum	Filed	Yes
Supporting Document	Actuarial Exhibits	Filed	Yes
Supporting Document	Cover Letter	Filed	Yes
Rate	Manual Pages	Filed	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/15/2008

Submitted Date 10/15/2008

Respond By Date

Dear Kristin Abbott,

This will acknowledge receipt of the captioned filing.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: This for is required for all rate filings in AR. It is not specific to loss cost filings.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/22/2008

Submitted Date 10/22/2008

Dear Becky Harrington,

**Comments:**

### Response 1

Comments: Dear Ms. Harrington,

Thank you for your inquiry regarding this filing.

Please find attached the NAIC loss cost data entry document you have requested.

In addition, thank you for returning my phone call. I did not get a chance to call you back, however, I have been able to find my answer.

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Thank you for your further consideration of this filing and please let me know if you need additional information.

Sincerely,  
Kristin Abbott

#### **Related Objection 1**

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

This for is required for all rate filings in AR. It is not specific to loss cost filings.

#### **Changed Items:**

##### **Supporting Document Schedule Item Changes**

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Kristin Abbott

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## Rate Information

Rate data does NOT apply to filing.

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Pages	N-PUEX-R-AR (1-09)	Replacement	N-PUEX-R-AR (1-09).pdf

**NATIONAL CASUALTY COMPANY**  
**PERSONAL LINES**  
**PERSONAL UMBRELLA RATES**  
**ARKANSAS**

**PRODUCT LINE: PRIMARY PERSONAL UMBRELLA NON TARGET**

**RATES:**

	<u><b>1MM</b></u>	<u><b>2MM</b></u>	<u><b>3MM</b></u>	<u><b>4MM</b></u>	<u><b>5MM</b></u>
Basic Charge (including 1 Res. & 2 Veh.)	\$198	\$358	\$470	\$583	\$667
Additional Charges:					
1. Each Additional Vehicle (including Motorcycles, Snowmobiles, ATV's)	\$25	\$40	\$50	\$60	\$70
2. Driving Record Surcharge (per household)					
First 3 moving convictions past 36 mo.		<b>No Surcharge</b>			
Each Additional moving conviction in past 36 mo. per household.	\$75	\$75	\$75	\$75	\$75
First chargeable accident past 36 mo.		<b>No Surcharge</b>			
Each additional chargeable accident per household past 36 mo. – surcharge per accident.	\$75	\$75	\$75	\$75	\$75
First major conviction in past 36 mo.	\$250	\$300	\$350	\$400	\$450
One (1) major conviction plus any moving conviction <b>(Refer to Company)</b>	\$300	\$350	\$400	\$450	\$500
3. Each Youthful Driver under age 22.	\$25	\$40	\$50	\$60	\$70
Each Driver 76 & older.	\$25	\$40	\$50	\$60	\$70
4. Underlying Auto Limit \$250/500/100	\$50	\$50	\$50	\$50	\$50
Underlying Auto Limit \$250/500/100 with youthful driver under 22	\$100	\$100	\$100	\$100	\$100
Underlying Auto Limit \$250/500/100 with driver 76 & older.	\$100	\$100	\$100	\$100	\$100
5. Motor Homes	\$55	\$75	\$100	\$125	\$150
6. Each Additional Res. Occupied by Insured	\$20	\$30	\$40	\$50	\$60
7. Rental Units (Agents Authority up to 8) Each Unit <b>(Max 8 Units)</b> Example – Duplex is 2 units Apt. House with 6 units Total units is 8	\$15	\$25	\$30	\$35	\$40
8. Apt. Houses (6 units or less) each unit <b>(Refer to Company)</b>	\$15	\$25	\$30	\$35	\$40
9. Vacant Land <b>(Refer to Company)</b> Charge for all acreage combined					
0 – 25 Acres	\$40	\$60	\$70	\$75	\$80
26 – 100 Acres	\$45	\$70	\$80	\$85	\$90
101 – 200 Acres	\$50	\$80	\$95	\$100	\$105
201 – 300 Acres	\$55	\$90	\$110	\$115	\$120
301+ Acres	\$83	\$135	\$165	\$173	\$180
10. Farms – <b>(Refer to Company)</b>	\$60	\$100	\$140	\$155	\$165

**NATIONAL CASUALTY COMPANY**  
**PERSONAL LINES**  
**PERSONAL UMBRELLA RATES**  
**ARKANSAS**

**(RATES CONTINUED):**

11. Watercraft – Including Personal Watercraft

Up to 100 HP	\$50	\$75	\$100	\$110	\$120
101 HP to 150 HP	\$75	\$115	\$150	\$160	\$170
151 HP to 200 HP	\$113	\$173	\$218	\$228	\$238
201 HP to 300 HP	\$150	\$230	\$285	\$295	\$305
301 HP to 400 HP	\$198	\$304	\$371	\$381	\$391
401 HP to 500 HP	\$261	\$401	\$482	\$492	\$502
Over 500 HP	Surcharge 500 HP rate 50%				

**(Refer Over 300 HP)**

12. Sailboats

0 – 25'	\$50	\$75	\$100	\$110	\$120
26' and higher	\$88	\$131	\$175	\$193	\$210

Minimum Premium for \$1 Million: \$198

Minimum Premium for \$2 Million: \$358

**NATIONAL CASUALTY COMPANY**  
**PERSONAL LINES**  
**PERSONAL UMBRELLA RATES**  
**ARKANSAS**

PRODUCT LINE: **EXCESS PERSONAL UMBRELLA (NON TARGET)**

<b>RATES:</b>	1MM XS <u>ALL</u>	2MM XS <u>ALL</u>	3MM XS <u>ALL</u>	4MM XS <u>ALL</u>	5MM XS <u>ALL</u>
Basic Charge (1 Residence & 2 Vehicles)	\$155	\$206	\$412	\$513	\$618
Additional Charges					
Vehicles (each)	\$25	\$36	\$40	\$45	\$50
Each youthful driver under 22	\$25	\$36	\$40	\$45	\$50
Each driver 76 years & older	\$25	\$36	\$40	\$45	\$50
Watercraft -					
under 100 HP	\$45	\$65	\$75	\$85	\$95
100 – 300 HP	\$70	\$100	\$120	\$130	\$140
301 – 500 HP	\$105	\$155	\$190	\$200	\$210
Over 500 HP		Surcharge 500 HP 50%			
Sailboats					
0 – 25'	\$45	\$65	\$75	\$85	\$95
26' & higher	\$78	\$114	\$131	\$148	\$166
Residences (each)	\$20	\$29	\$35	\$40	\$45
Duplex**	\$20	\$29	\$35	\$40	\$45
Triplex**	\$25	\$36	\$40	\$45	\$50
Quadriplex**	\$40	\$64	\$100	\$120	\$140
Apartments** (1 only) (Max. 1; 6 units, 2 stories)					
Rate per unit	\$10	\$16	\$25	\$30	\$35
Farm*	\$30	\$43	\$55	\$65	\$75
Vacant Land					
0 - 25 Acres	\$30	\$36	\$50	\$62	\$76
26 - 100 Acres	\$35	\$43	\$58	\$70	\$81
101 - 200 Acres	\$40	\$50	\$66	\$81	\$92
201 - 300 Acres	\$46	\$58	\$76	\$93	\$106
300+ Acres	\$69	\$87	\$114	\$140	\$159

Aircraft Unacceptable

\* Refer to Company for approval

\*\*Subject to Following Form Personal Injury

Minimum Underlying Limits

At least \$1,000,000 Underlying Personal Umbrella Policy which is excess of underlying CPL and Private Passenger Auto Liability.

# NATIONAL CASUALTY COMPANY

## PERSONAL LINES PERSONAL UMBRELLA RATES ARKANSAS

**(ALL TARGET RISKS REFER TO COMPANY)**

PRODUCT LINE: TARGET PERSONAL UMBRELLA - TARGET

	<b>(Excluding Personal Injury)</b>			
	<b>2MM</b>	<b>3MM</b>	<b>4MM</b>	<b>5MM</b>
<b>NOTE: 1 MILL LIMIT NOT AVAILABLE – MIN. 2 MILL ONLY</b>				
Basic Charge (1 Residence & 2 Vehicles)	\$2060	\$2884	\$3605	\$4223
Additional Charges				
Vehicles (each)	\$400	\$560	\$700	\$820
Each youthful driver under 22	\$400	\$560	\$700	\$820
Each driver 76 & older	\$400	\$560	\$700	\$820
Underlying auto limits 250/500/100	\$125	\$125	\$125	\$125
Watercraft -				
under 100 HP	\$320	\$448	\$560	\$656
100 – 300 HP	\$480	\$672	\$840	\$984
301 – 500 HP	\$640	\$896	\$1220	\$1312
Over 500 HP			Surcharge 500 HP 50%	
Sailboats				
0 – 25'	\$320	\$448	\$560	\$656
26' & higher	\$560	\$784	\$980	\$1148
Residences	\$160	\$224	\$280	\$328
Duplex**	\$160	\$224	\$280	\$328
Triplex**	\$232	\$325	\$406	\$475
Quadriplex** (not included)	\$320	\$448	\$560	\$656
Apartments** (1 only)				
(Max. 6 units, 2 stories; Min. U/L 500,000 CSL)	\$320	\$448	\$560	\$656
Farm*	\$320	\$448	\$560	\$656
Vacant Land*				
0 - 25 Acres	\$64	\$90	\$112	\$131
26 - 100 Acres	\$80	\$112	\$140	\$164
101 - 200 Acres	\$96	\$134	\$168	\$197
201 - 300 Acres	\$115	\$161	\$202	\$236
301+ Acres	\$173	\$242	\$303	\$354
Extension Amending Personal Injury to Following Form	\$2000	\$2800	\$3500	\$4100
Aircraft Unacceptable				

\* Refer to Company for approval

\*\*Subject to Following Form Personal Injury

**MODIFIERS**

	<b><u>Local Personality</u></b>	<b><u>National Personality</u></b>
Name Only Recognition	40%	70%
Name and Visual Recognition	60%	100%

Modifiers are applied to the total premium before policy fee.

**Minimum Underlying Limits**

CPL	\$300,000
Auto Liability	500/500/250 or 500 CSL
Watercraft	500/500/250 or 500 CSL
Minimum Policy Premium	Equal to basic charge for each limit

# NATIONAL CASUALTY COMPANY

## PERSONAL LINES PERSONAL UMBRELLA RATES ARKANSAS

PRODUCT LINE: **(EXCESS)** PERSONAL UMBRELLA - TARGET

### TARGET

**(Excluding Personal Injury)**

	1MM XS <u>ALL</u>	2MM XS <u>ALL</u>	3MM XS <u>ALL</u>	4MM XS <u>ALL</u>	5MM XS <u>ALL</u>
Basic Charge (1 Residence & 2 Vehicles)	\$775	\$1390	\$2112	\$2730	\$3348
Additional Charges					
Vehicles (each)	\$160	\$288	\$416	\$524	\$632
Each youthful driver under 22	\$160	\$288	\$416	\$524	\$632
Each driver 76 & older	\$160	\$288	\$416	\$524	\$632
Watercraft -					
under 100 HP	\$200	\$280	\$360	\$420	\$460
100 – 300 HP	\$300	\$400	\$500	\$600	\$700
301 – 500 HP	\$400	\$520	\$640	\$780	\$940
Over 500 HP		Surcharge 500 HP 50%			
Sailboats					
0 – 25'	\$200	\$280	\$360	\$420	\$460
26' & higher	\$350	\$490	\$630	\$735	\$805
Residences (owner Occupied)	\$80	\$144	\$416	\$524	\$632
Duplex**	\$80	\$144	\$416	\$524	\$632
Triplex**	\$120	\$216	\$312	\$392	\$462
Quadriplex** (not included)	\$130	\$234	\$335	\$425	\$500
Apartments** (1 only) (Max. 6 units, 2 stories; Min. U/L 500,000 CSL)	\$130	\$234	\$335	\$425	\$500
Farm*	\$150	\$270	\$390	\$495	\$580
Vacant Land* (Min. U/L 500,000 CSL)					
0 - 25 Acres	\$30	\$54	\$78	\$98	\$118
26 - 100 Acres	\$40	\$72	\$104	\$128	\$146
101 - 200 Acres	\$50	\$90	\$125	\$155	\$180
201 – 300 Acres	\$63	\$113	\$150	\$186	\$221
300+ Acres	\$95	\$170	\$225	\$279	\$332
Extension Amending Personal Injury to Following Form	\$850	\$1600	\$2350	\$3050	\$3650
Aircraft Unacceptable					

\* Refer to Company for approval

\*\*Subject to Following Form Personal Injury

### **MODIFIERS**

### **Local Personality**

### **National Personality**

Name Only Recognition

40%

70%

Name and Visual Recognition

60%

100%

Modifiers are applied to the total premium before policy fee.

### Minimum Underlying Limits

\$1,000,000 Underlying Personal Umbrella Policy which is excess of underlying CPL and Private Passenger Auto Liability.

Minimum Policy Premium Equal to basic charge for each limit.

**NATIONAL CASUALTY COMPANY**  
**PERSONAL LINES**  
**PERSONAL UMBRELLA RATES**  
**ARKANSAS**

EXCESS PERSONAL UMBRELLA                      \$6-\$10 million

**Basic rates for limits over \$5mil -(including 2 res & 3 vehicles):**

\$6mil    \$2,150  
\$7 mil    \$2,425  
\$8 mil    \$2,700  
\$9 mil    \$2,975  
\$10 mil   \$3,250

**Additional Charges may be applied to the basic rate:**

	<u>\$6</u>	<u>\$7</u>	<u>\$8</u>	<u>\$9</u>	<u>\$10</u>
1. Each Additional Vehicle (including Motorcycles, Snowmobiles, ATV's)	\$80	\$85	\$90	\$95	\$100
2. Each Youthful Driver under age 22.	\$80	\$85	\$90	\$95	\$100
Each Driver 76 & older.	\$80	\$85	\$90	\$95	\$100
3. Each Additional Res. (1 or 2 family)	\$70	\$75	\$80	\$85	\$90
4. Each Additional Res. (3 & 4 family)	\$80	\$85	\$90	\$95	\$100
5. Apt. Houses (6 units or less) each unit	\$80	\$85	\$90	\$95	\$100
6. Vacant Land – all acreage combined					
0 – 25 Acres	\$100	\$112	\$124	\$138	\$152
26 – 100 Acres	\$116	\$128	\$140	\$150	\$162
101 – 200 Acres	\$132	\$146	\$162	\$173	\$184
201+ Acres	Surcharge 101-200 rate +50%				
7. Farms	\$110	\$120	\$130	\$140	\$150
8. Watercraft – Including Personal Watercraft					
Up to 100 HP	\$150	\$160	\$170	\$180	\$190
101 HP to 300 HP	\$240	\$250	\$260	\$270	\$280
301 HP to 500 HP	\$360	\$375	\$390	\$405	\$420
Over 500 HP (Surcharge 50%)	\$540	\$563	\$585	\$608	\$630
<b>(Refer Over 300 HP)</b>					
9. Sailboats					
0 – 25'	\$150	\$160	\$170	\$180	\$190
26' and higher	\$263	\$280	\$298	\$315	\$335

**NATIONAL CASUALTY COMPANY**  
**PERSONAL LINES**  
**PERSONAL UMBRELLA RATES**  
**ARKANSAS**

TARGET (PRIMARY) PERSONAL UMBRELLA \$6-\$10 million

**Basic rates for limits over \$5mil, excluding PI-(including 2 res & 3 vehicles):**

\$6mil \$4,700  
 \$7 mil \$5,400  
 \$8 mil \$6,100  
 \$9 mil \$6,800  
 \$10 mil \$7,500

**Basic rates for limits over \$5mil, including PI-(including 2 res & 3 vehicles):**

\$6mil \$9,500  
 \$7 mil \$11,000  
 \$8 mil \$12,500  
 \$9 mil \$14,000  
 \$10 mil \$15,500

**Additional Charges may be applied to the basic rate:**

	<u>\$6</u>	<u>\$7</u>	<u>\$8</u>	<u>\$9</u>	<u>\$10</u>
1. Each Additional Vehicle (including Motorcycles, Snowmobiles, ATV's)	\$1120	\$1260	\$1400	\$1520	\$1640
2. Each Youthful Driver under age 22. Each Driver 76 & older.	\$1120 \$1120	\$1260 \$1260	\$1400 \$1400	\$1520 \$1520	\$1640 \$1640
3. Each Additional Res. (1 or 2 family)	\$448	\$504	\$460	\$608	\$656
4. Each Additional Res. (3 family)	\$650	\$731	\$812	\$881	\$950
5. Apt. Houses (6 units or less)	\$896	\$1008	\$1120	\$1216	\$1312
6. Vacant Land – all acreage combined					
0 – 25 Acres	\$180	\$202	\$224	\$243	\$262
26 – 100 Acres	\$224	\$252	\$280	\$304	\$328
101 – 200 Acres	\$268	\$302	\$336	\$365	\$394
201+ Acres		Surcharge 101-200 rate +50%			
7. Farms	\$896	\$1008	\$1120	\$1216	\$1312
8. Watercraft – Including Personal Watercraft					
Up to 100 HP	\$896	\$1008	\$1120	\$1216	\$1312
101 HP to 300 HP	\$1344	\$1512	\$1680	\$1824	\$1968
301 HP to 500 HP	\$2015	\$2270	\$2520	\$2735	\$2950
Over 500 HP (Surcharge 50%)	\$3023	\$3405	\$3780	\$4105	\$4425
9. Sailboats					
0 – 25'	\$896	\$1008	\$1120	\$1216	\$1312
26' and higher	\$1568	\$1764	\$1960	\$2128	\$2296

# NATIONAL CASUALTY COMPANY

## PERSONAL LINES PERSONAL UMBRELLA RATES ARKANSAS

TARGET (EXCESS) PERSONAL UMBRELLA \$6-\$10 million

**Basic rates for limits over \$5mil, excluding PI**-(including 2 res & 3 vehicles):

\$6mil \$4,700  
 \$7 mil \$5,400  
 \$8 mil \$6,100  
 \$9 mil \$6,800  
 \$10 mil \$7,500

**Basic rates for limits over \$5mil, including PI**-(including 2 res & 3 vehicles):

\$6mil \$9,500  
 \$7 mil \$11,000  
 \$8 mil \$12,500  
 \$9 mil \$14,000  
 \$10 mil \$15,500

**Additional Charges may be applied to the basic rate:**

	<u>\$6</u>	<u>\$7</u>	<u>\$8</u>	<u>\$9</u>	<u>\$10</u>
1. Each Additional Vehicle (including Motorcycles, Snowmobiles, ATV's)	\$832	\$940	\$1048	\$1156	\$1264
2. Each Youthful Driver under age 22. Each Driver 76 & older.	\$832 \$832	\$940 \$940	\$1048 \$1048	\$1156 \$1156	\$1264 \$1264
3. Each Additional Res. (1 or 2 family)	\$416	\$166	\$516	\$546	\$576
4. Each Additional Res. (3 family)	\$624	\$704	\$784	\$854	\$924
5. Apt. Houses (6 units or less)	\$670	\$760	\$850	\$925	\$1000
6. Vacant Land – all acreage combined					
0 – 25 Acres	\$156	\$176	\$196	\$216	\$236
26 – 100 Acres	\$208	\$232	\$256	\$274	\$292
101 – 200 Acres	\$250	\$280	\$310	\$335	\$360
201+ Acres		Surcharge 101-200 rate +50%			
7. Farms	\$780	\$885	\$990	\$1075	\$1160
8. Watercraft – Including Personal Watercraft					
Up to 100 HP	\$720	\$780	\$840	\$880	\$920
101 HP to 300 HP	\$1000	\$1100	\$1200	\$1300	\$1400
301 HP to 500 HP	\$1300	\$1430	\$1560	\$1690	\$1820
Over 500 HP (Surcharge 50%)	\$1950	\$2145	\$2340	\$2535	\$2730
9. Sailboats					
0 – 25'	\$720	\$780	\$840	\$880	\$920
26' and higher	\$1260	\$1365	\$1470	\$1540	\$1610

SERFF Tracking Number: SCTT-125857661 State: Arkansas  
Filing Company: National Casualty Company State Tracking Number: EFT \$100  
Company Tracking Number: PU AR04154NCR01  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0021 Personal Umbrella and Excess  
Product Name: Personal Umbrella/Excess Liability  
Project Name/Number: 4154 Personal Umbrella/Excess Liability/PU AR04154NCR01

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Filed 10/24/2008

**Comments:**

**Attachment:**

PU AR4154ncrpctd.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Filed 10/24/2008

**Comments:**

**Attachment:**

FORM RF-1 Rate Filing Abstract.pdf

**Satisfied -Name:** Actuarial Memorandum **Review Status:** Filed 10/24/2008

**Comments:**

**Attachment:**

AR PU NCC 2009 01 01 Memo.pdf

**Satisfied -Name:** Actuarial Exhibits **Review Status:** Filed 10/24/2008

**Comments:**

**Attachment:**

AR PU NCC 2009 01 01 Exhibits.pdf

**Satisfied -Name:** Cover Letter **Review Status:** Filed 10/24/2008

**Comments:**

**Attachment:**

PU 04154ncrcvrltr.pdf

## Property & Casualty Transmittal Document (Revised 1/1/06)

<b>1. Reserved for Insurance Dept. Use Only</b>
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<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>
Nationwide	140

4. Company Name(s)	Domicile	NAIC #	FEIN #
National Casualty Company	WI	11991	38-0865250

<b>5. Company Tracking Number</b>	PU AR04154NCF01
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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
	Kristin Abbott PO Box 4110 Scottsdale, AZ 85261-4110	Filings Analyst I	800 423-7675 x3140	480-368-5820	abbottk@scottsdaleins.com

7. Signature of authorized filer	<i>Kristin Abbott</i>
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8. Please print name of authorized filer	Kristin Abbott
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**Filing information** (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.0 Other Liability
10. Sub-Type of Insurance (Sub-TOI)	None
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	17.0021
12. Company Program Title (Marketing title)	Personal Umbrella/Excess Liability Program
13. Filing Type	[ ] Rate/Loss Cost [ ] Rules [ ] Rates/Rules [X] Forms [ ] Combination Rates/Rules/Forms [ ] Withdrawal [ ] Other (give description)
14. Effective Date(s) Requested	New: January 1, 2009 Renewal: January 1, 2009
15. Reference Filing?	[ ] Yes [x] No
16. Reference Organization (if applicable)	None
17. Reference Organization # & Title	None
18. Company's Date of Filing	October 14, 2008
19. Status of filing in domicile	[ ] Not Filed [X] Pending [ ] Authorized [ ] Disapproved

**Property & Casualty Transmittal Document—**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	PU AR04154NCF01
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<b>21.</b>	<b>Filing Description</b> [This area should be similar to the body of a cover letter and is free-form text]
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National Casualty Company is submitting rate changes for our Personal Umbrella/Excess Liability program. We request an effective date of January 1, 2009.

Please find attached revised manual pages which will replace the (8-03) edition. The manual page changes are as follows:

**N-PUEx-R-1 (1-09)** Increase base rates by 10% (1M-4M) and 5% (5M), add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-2 (1-09)** Amend Minimum Premiums.

**N-PUEx-R-3 (1-09)** Add Quadriplex rates, amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-4 (1-09)** Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres, below "Minimum Underlying Limits" delete Auto Liability condition that under 21 driver has min. \$1M CSL.

**N-PUEx-R-5 (1-09)** Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-8 (1-09)** Item #4 – Each Additional Res. – add "& 4".

**N-PUEx-R-9 (1-09)** Item #5 – Apt. Houses – delete "each unit".

**N-PUEx-R-10 (1-09)** Item #5 – Apt. Houses – delete "each unit".

<b>22.</b>	<b>Filing Fees</b> (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]
<p><b>Check #: EFT</b> <b>Amount: \$100.00</b></p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

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

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>PU AR04154NCR01</b>
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	<b>N/A</b>
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	Company Name		Company NAIC Number
<b>3.</b>	<b>A.</b>	<b>National Casualty Company</b>	<b>B.</b> <b>140-11991</b>

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
<b>4.</b>	<b>A.</b>	<b>17.0 Other Liability – Claims Made/Occurrence</b>	<b>B.</b> <b>17.0021 Personal Umbrella/Excess Liability</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(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
<b>Personal Umbrella/Excess Liab.</b>	<b>+5.0%</b>	<b>+5.0%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>+5.0%</b>	<b>+5.0%</b>					

<b>6.</b>		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
<b>2003</b>	<b>20</b>	<b>14.3%</b>	<b>7-31-2003</b>	<b>8,000</b>	<b>0</b>	<b>2.5%</b>	<b>5.4%</b>
<b>2004</b>	<b>31</b>	<b>n/a</b>	<b>n/a</b>	<b>13,000</b>	<b>0</b>	<b>5.8%</b>	<b>59.2%</b>
<b>2005</b>	<b>36</b>	<b>n/a</b>	<b>n/a</b>	<b>19,000</b>	<b>0</b>	<b>9.5%</b>	<b>32.6%</b>
<b>2006</b>	<b>44</b>	<b>n/a</b>	<b>n/a</b>	<b>32,000</b>	<b>0</b>	<b>20.3%</b>	<b>76.7%</b>
<b>2007</b>	<b>52</b>	<b>n/a</b>	<b>n/a</b>	<b>35,000</b>	<b>0</b>	<b>31.6%</b>	<b>70.3%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>21.3%</b>
B. General Expense	<b>2.5%</b>
C. Taxes, License & Fees	<b>2.5%</b>
D. Underwriting Profit & Contingencies	<b>N/A</b>
E. Other (explain)	<b>ULAE 1.5%</b>
F. TOTAL	<b>N/A</b>

**8.**      N   Apply Lost Cost Factors to Future filings? (Y or N)

9. +5.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_ N/A \_\_\_\_\_

**State of Arkansas  
National Casualty Company  
Personal Umbrella**

**Actuarial Memorandum**

**Summary of Changes**

With this filing, we propose to modify our Personal Umbrella program rates, as described below, and as supported in the attached exhibits. Based on this information, we propose a rate change of +10.0% on Primary Non-Target policies with limits from \$1M to \$4M, and a rate change of +5.0% on Primary Non-Target policies with a \$5M limit. The overall rate change impact for Arkansas is +5.0%. The supporting exhibits use data evaluated as of March 31, 2008 and assume an effective date of January 1, 2009.

**Rate Differentiation Justification**

Due to the low level of credibility at an individual state level, we examine our countrywide loss experience by policy type, which helps us determine where to take the indicated rate change.

<b>Experience by Policy Type</b>	<b>AR Inforce Premium Distr.</b>	<b>CW 5-yr Rptd. Loss &amp; ALAE Ratio</b>	<b>CW 5-yr L&amp;A Ratio Relativity to Total</b>
Primary Non-Target, \$1M-\$4M Limit	46%	49.6%	1.19
Primary Non-Target, \$5M Limit	8%	45.4%	1.09
Other	46%	6.3%	0.15
Total	100%	41.5%	1.00

We also feel that we are being responsive to the current competitive market conditions by only increasing rates for the segments of business that are most responsible for the loss activity.

**Statewide Rate Level Indication (Exhibit 1)**

We use calendar/accident year data in calculating the statewide indicated rate level need. Per the Bornhuetter Ferguson method, we develop our ultimate losses and ALAE from a blend of actual incurred and a priori expected ultimate losses and ALAE. We then trend and project our ultimate losses and ALAE and compare to projected on-level earned premium for several years to develop experience period loss and ALAE ratios. We compare these to our permissible loss and ALAE ratio to get an indicated rate change. We then use credibility to weigh the indicated rate change against the trend factor. We base our credibility on the number of incurred claims, assigning partial credibility using the "square root" rule.

**State of Arkansas  
National Casualty Company  
Personal Umbrella**

**Actuarial Memorandum**

**A Priori Ultimate Losses and ALAE (Exhibits 2 and 3)**

We use countrywide calendar/accident year data and industry data in calculating the a priori ultimate loss and ALAE ratio. We determine ultimate losses and ALAE using appropriate actuarial methods, and supplementing our experience with industry development factors from our parent company, Nationwide, and some of its competitors (Exhibit 3). The selected to-ultimate loss and ALAE development factors are shown in Exhibit 2, (7). We then trend and project our ultimate losses and ALAE and compare to projected on-level earned premium, taking a weighted average to develop the a priori loss and ALAE ratio (Exhibit 2, (13)). We weight mature accident years more heavily than the recent years due to the long-tailed nature of this line of business.

We adjust the countrywide earned premiums to current rate levels using the following rate history. The corresponding on-level factors are in Exhibit 2, (3), calculated via the parallelogram method.

<u>Effective Date</u>	<u>Countrywide Rate Impact</u>	<u>Rate Change / Description</u>
6/1/2003	+5.3%	8.0% / CA SIN
10/1/2003	+2.1%	18.5% / SIC excluding FL & TX
10/1/2003	+2.0%	35.5% / FL SIC
10/1/2003	+1.4%	37.0% / TX SIC
3/1/2004	+1.7%	14.3% / NCC
6/1/2004	+13.9%	21.0% / CA SIN
11/1/2007	-0.5%	-18.2% / TX SIC

Note: SIC = Scottsdale Insurance Company, SIN = Scottsdale Indemnity Company,  
NCC = National Casualty Company

**Premium**

We adjust the Arkansas earned premiums in Exhibit 1, (2), to current rate levels using the following rate history. The corresponding on-level factors are in Exhibit 1, (3), calculated via the parallelogram method. Note, we have not taken any rate changes since March 1, 2004.

<u>Effective Date</u>	<u>Rate Change</u>
3/1/2004	+14.3%

Aligning with the industry trend assumption, we select zero premium trend, so amounts of insurance purchased are assumed to be approximately constant over time.

**State of Arkansas  
National Casualty Company  
Personal Umbrella**

**Actuarial Memorandum**

**Losses and ALAE**

We determine loss and ALAE development factors, and thus the percent of losses and ALAE unreported (Exhibit 2, (8)), from countrywide and industry data as discussed in the "A Priori Ultimate Losses and ALAE" section above. We apply that percent unreported to the a priori ultimate, and add in the state-specific incurred losses and ALAE (Exhibit 1, (10)). We further adjust these losses and ALAE using a projection factor (Exhibit 4, (15)) to reflect changes that have occurred in the average loss and ALAE cost levels. Exhibit 1, (12), shows the resulting projected ultimate losses and ALAE. These ultimate losses and ALAE represent the ultimate cost expected when all claims are finally closed. Exhibit 1, (13), shows the corresponding loss and ALAE ratios, with our selected weighted average projected ultimate loss and ALAE ratio in Exhibit 1, (15).

We use the square-root rule to calculate credibility, as in Exhibit 1, (18). We compare the total incurred claim counts used in the indication to a count we would consider fully credible. Here, full credibility is given to 1,537 claims. We use the trend factor projected out to the midpoint of the effective period (see Exhibit 1, (19)) as the complement of credibility.

**Trends**

The annual pure premium trend factor reflects changes in both the frequency and severity of losses. We select the annual pure premium trend factor of 4.5%, which aligns with the personal auto industry trend. We assume the personal umbrella pure premium trend is most comparable to personal auto since the majority of our personal umbrella claims are auto.

**Permissible Loss and ALAE Ratio (Exhibits 5, 6 and 7)**

We calculate the permissible loss and ALAE ratio (PLR) as the complement of the anticipated underwriting expenses and the underwriting profit and contingencies provision. We select the anticipated underwriting expenses from a review of historical expense ratios as well as any anticipated change in operations that we expect will have an impact. Exhibit 5 shows the selected underwriting expense provision.

The underwriting profit and contingencies provision is determined using a discounted cash-flow approach (see Exhibits 6 and 7). We calculate a target after-tax operating gain based on the selected after-tax return on equity, premium-to-surplus ratio, effective tax rates on investment and underwriting income, and loss and ALAE payout patterns.

**Arkansas Indication: Bornhuetter-Ferguson Method**  
**National Casualty Company**  
**Personal Umbrella**  
**Determination of Indicated Rate-Level Change Assumed Effective January 1, 2009**  
**Data Evaluated as of March 31, 2008**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Direct Earned Premium (000's)	On-Level Factor	Premium Projection Factor	Projected Direct On-Level Earned Premium	Direct Incurred Loss & ALAE (000's)	Direct Loss & ALAE "To Ultimate" Development Factor	Percent Unreported	Detrended A Priori Ultimate Loss & ALAE	Implied Ultimate Loss & ALAE with Incurred	Loss & ALAE Projection Factor	Projected Direct Ultimate Loss & ALAE	Projected Direct Ultimate Loss & ALAE Ratio	Claim Count
2003	\$ 8	1.143	1.000	\$ 9	\$ -	1.091	8.3%	\$ 4	\$ 0	1.331	\$ 0	4.6%	0
2004	\$ 13	1.089	1.000	\$ 14	\$ -	1.161	13.9%	\$ 6	\$ 1	1.274	\$ 1	8.0%	0
2005	\$ 19	1.002	1.000	\$ 19	\$ -	1.233	18.9%	\$ 10	\$ 2	1.219	\$ 2	11.8%	0
2006	\$ 32	1.000	1.000	\$ 32	\$ -	1.427	29.9%	\$ 17	\$ 5	1.167	\$ 6	18.8%	0
2007	\$ 35	1.000	1.000	\$ 35	\$ -	3.194	68.7%	\$ 20	\$ 14	1.117	\$ 15	43.2%	0
Multi-Yr Total:	\$ 107			\$ 109	\$ -			\$ 57	\$ 22		\$ 25	23.0%	0
(15)	Weighted Ultimate Loss and ALAE Ratio (Accident Yr Wts: 30%, 25%, 20%, 15%, 10%):												12.9%
(16)	Selected Period Ultimate Loss and ALAE Ratio:												12.9%
(17)	Permissible Loss and ALAE Ratio:												63.5%
(18)	Credibility:												0.0%
(19)	Complement of Credibility (Loss & ALAE Ratio Trend factor):												11.7%
(20)	Credibility-Weighted Indicated Rate Level Need:												+11.7%
(21)	Selected Rate Level Change:												+5.0%

Notes:

- (5) (2) x (3) x (4)
- (7) See Exhibit 2 for details.
- (8)  $1 - 1 / (7)$
- (9) Based on selected A Priori Ultimate Loss and ALAE Ratio (Exhibit 2, (13)) = 62.9% x (2) ÷ (11)
- (10) (6) + (8) x (9)
- (11) Loss and ALAE amounts are trended from the mid-point of the accident year to one year beyond the proposed effective date of 1/1/2009. Annual Pure Premium trend = 4.5%. See Exhibit 4 for details.
- (12) (10) x (11)
- (13) (12) / (5)
- (17) See Exhibit 5 for details.
- (18) Based on a standard for full credibility of 1,537, with partial credibility calculated via the square-root rule =  $\min\{\sqrt{(14) \div 1,537}, 100\%$
- (19)  $(1 + 4.5\%) ^ 2.504 - 1$ . Years of Trend from average earned date underlying the current rates, 7/1/2007, to the midpoint of the effective period, 1/1/2010, = 2.504. Annual Loss & ALAE Ratio trend = 4.5%.
- (20)  $((16) / (17) - 1) \times (18) + (1 - (18)) \times (19)$
- (21) Proposing +10.0% on Primary Non-Target policies with limits from \$1M to \$4M, which is 46% of the book, and +5.0% on Primary Non-Target policies with a \$5M limit, which is 8% of the book.

**Countrywide  
Scottsdale Insurance Group  
Personal Umbrella**

**Determination of A Priori Ultimate Loss & ALAE Ratio Assumes Effective Date January 1, 2009  
Data Evaluated as of March 31, 2008**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Year	Direct Earned Premium (000's)	On-Level Factor	Premium Projection Factor	Projected Direct On-Level Earned Premium	Direct Reported Loss & ALAE (000's)	Direct Loss & ALAE "To Ultimate" Development Factor	Loss & ALAE Projection Factor	Projected Direct Ultimate Loss & ALAE	Projected Direct Ultimate Loss & ALAE Ratio	Claim Count
2003	\$ 19,965	1.269	1.000	\$ 25,331	\$ 6,460	1.091	1.331	\$ 9,385	37.0%	32
2004	\$ 21,055	1.142	1.000	\$ 24,053	\$ 10,215	1.161	1.274	\$ 15,110	62.8%	32
2005	\$ 22,260	1.006	1.000	\$ 22,401	\$ 10,893	1.233	1.219	\$ 16,370	73.1%	32
2006	\$ 22,846	0.995	1.000	\$ 22,741	\$ 13,073	1.427	1.167	\$ 21,762	95.7%	25
2007	\$ 22,459	0.995	1.000	\$ 22,358	\$ 4,466	3.194	1.117	\$ 15,926	71.2%	11
Multi-Yr Total:	\$ 108,584			\$ 116,884	\$ 45,108			\$ 78,553	67.2%	132
(12)	Weighted Ultimate Loss and ALAE Ratio (Accident Yr Wts: 30%, 25%, 20%, 15%, 10%):									62.9%
(13)	Selected A Priori Ultimate Loss and ALAE Ratio:									62.9%

- Notes:
- (5) (2) x (3) x (4)
  - (7) See Exhibit 3 for details. Derived using Scottsdale Insurance Group experience supplemented with industry development factors.
  - (8) Loss and ALAE amounts are trended from the mid-point of the accident year to one year beyond the proposed effective date of 1/1/2009. Annual Pure Premium trend = 4.5%. See Exhibit 4 for details.
  - (9) (6) x (7) x (8)
  - (10) (9) / (5)



Arkansas Indication  
National Casualty Company  
Personal Umbrella  
Determination of Loss Projection Factors  
Data Evaluated as of March 31, 2008

Exhibit 4

Fiscal Calendar Year Ending	Dec 03	Dec 04	Dec 05	Dec 06	Dec 07
<b>Past-to-Present Adjustments</b>					
1. Average Loss Date for Fiscal Calendar Year	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007
2. Average Loss Date for Latest Fiscal Calendar Year	7/1/2007	7/1/2007	7/1/2007	7/1/2007	7/1/2007
3. Years of Trend = (2) - (1)	4.000	3.000	2.000	1.000	-
4. Selected Severity Trend	4.5%	4.5%	4.5%	4.5%	4.5%
5. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
6. Selected Pure Premium Trend = [1+(4)] × [1+(5)] - 1	4.5%	4.5%	4.5%	4.5%	4.5%
7. Past-to-Present Factor = [1+(6)] ^ (3)	1.193	1.141	1.092	1.045	1.000
<b>Present-to-Future Adjustments</b>					
8. Average Loss Date for Latest Fiscal Calendar Year	7/1/2007	7/1/2007	7/1/2007	7/1/2007	7/1/2007
9. Average Loss Date for Assumed Effective Period	1/1/2010	1/1/2010	1/1/2010	1/1/2010	1/1/2010
10. Years of Trend = (9) - (8)	2.504	2.504	2.504	2.504	2.504
11. Selected Severity Trend	4.5%	4.5%	4.5%	4.5%	4.5%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = [1+(11)] × [1+(12)] - 1	4.5%	4.5%	4.5%	4.5%	4.5%
14. Present-to-Future Factor = [1+(13)] ^ (10)	1.117	1.117	1.117	1.117	1.117
<b>Past-to-Future Adjustments</b>					
15. Loss Projection Factor = (7) × (14)	1.331	1.274	1.219	1.167	1.117

Countrywide  
Scottsdale Insurance Group  
Personal Umbrella  
**Determination of Permissible Loss and ALAE Ratio**  
Data Evaluated as of March 31, 2008

Exhibit 5

	Calendar Year						
	2003	2004	2005	2006	2007	5 Yr. Total	Select
<b>Written Premium</b>	\$20,543	\$21,636	\$22,288	\$22,655	\$22,422	\$109,544	\$109,544
<b>Earned Premium</b>	\$19,965	\$21,055	\$22,260	\$22,846	\$22,459	108,584	108,584
<b>Commission</b>	\$4,507 21.9%	\$4,580 21.2%	\$4,729 21.2%	\$4,824 21.3%	\$4,777 21.3%	23,417 21.4%	23,417 21.4%
<b>Other Acquisition</b>	\$503 2.4%	\$603 2.8%	\$770 3.5%	\$844 3.7%	\$637 2.8%	3,357 3.1%	3,357 3.1%
<b>General Expense</b>	\$666 3.2%	\$800 3.7%	\$1,021 4.6%	\$1,119 4.9%	\$845 3.8%	4,450 4.1%	4,450 4.1%
<b>Tax, License, Fees</b>	\$157 0.8%	\$217 1.0%	\$219 1.0%	\$195 0.9%	\$194 0.9%	982 0.9%	982 0.9%
<b>ULAE</b>	\$568 2.8%	\$936 4.4%	\$777 3.5%	\$1,361 6.0%	\$1,046 4.7%	4,687 4.3%	4,687 4.3%
<b>Profit &amp; Contingencies</b> Ex. 6, (2i)	\$580 2.8%	\$611 2.8%	\$629 2.8%	\$640 2.8%	\$633 2.8%	3,093 2.8%	3,093 2.8%
<b>Total Expense</b>	\$6,981 34.0%	\$7,747 35.8%	\$8,145 36.5%	\$8,983 39.7%	\$8,132 36.3%	39,988 36.5%	39,988 36.5%

Permissible Loss and ALAE Ratio ( = 100% - Select Total Expense)

63.5%

**Note:**

1. All dollar amounts are in thousands
2. 'Tax, License, Fees' is a countrywide average tax rate.

Arkansas Indication  
National Casualty Company  
Personal Umbrella  
**Determination of Profit and Contingencies Provision**  
Data Evaluated as of March 31, 2008

Exhibit 6

(1) Total Expenses		33.7%
(2) Profit and Contingencies Provision		
(2a) Selected Target Return on Surplus		15.0%
(2b) Selected Premium to Surplus Ratio (Based on S&P AA Rating)		1.675
(2c) Target Return on Premium = (2a) ÷ (2b)		9.0%
(2d) Investment Income on Surplus		1.8%
= Interest Rate, Projected from Nationwide Mutual Ins Co & its Affiliated Fire and Casualty Insurers AS, Page 2, Line 8a	4.1%	
÷ (2b)	1.675	
× (1 - Effective Tax Rate), from Nationwide Mutual Ins Co and Its Affiliated Fire and Casualty Insurers AS, Page 6, Part 1, Column (8)	74.3%	
(2e) Return on Operations = (2c) - (2d)		7.1%
(2f) Profit and Contingencies = Ex. 7, (8)		2.8%
(2g) Risk Load Adjustment		0.0%
= Risk Load in Increased Limits Factors	0.0%	
× [1 - (1)]	66.3%	
(2h) Adjusted Pre-tax Underwriting profit = (2f) - (2g)		2.8%
(2i) Capped, Adjusted Pre-tax Underwriting profit = min(5%, (2h))		2.8%

Arkansas Indication  
National Casualty Company  
Personal Umbrella  
Profit and Contingencies Provision Calculation Discounted Cash Flow  
Data Evaluated as of March 31, 2008

Exhibit 7

Assumptions:

Interest Rate (from Ex. 6, 2d)	4.1%
Loss & ALAE Ratio to Meet Required Return (Ex. 6, [1.0 - (1) - (2f)])	63.5%

Year	(1) % of Premium Received	(2) UW Expense Received (Ex. 6, (1))	(3) Assumed Payment Pattern	(4) Paid Loss and ALAE Ratio	(5) Net Cashflow	(6) Discount Factors	(7) PV of Net Cashflow
1	100.0%	33.7%	2.4%	1.5%	64.8%	0.980	63.5%
2	0.0%		16.8%	10.6%	-10.6%	0.941	-10.0%
3			30.1%	19.1%	-19.1%	0.903	-17.3%
4			16.4%	10.4%	-10.4%	0.867	-9.0%
5			12.4%	7.9%	-7.9%	0.833	-6.6%
6			9.9%	6.3%	-6.3%	0.800	-5.0%
7			6.2%	3.9%	-3.9%	0.768	-3.0%
8			3.2%	2.0%	-2.0%	0.737	-1.5%
9			0.9%	0.6%	-0.6%	0.708	-0.4%
10			0.9%	0.5%	-0.5%	0.680	-0.4%
11+			0.9%	0.5%	-0.5%	0.653	-0.4%
Total	100.0%	33.7%		63.5%	2.8%		9.9%
				(8) Pre-tax Underwriting Income			2.8%
				(9) After-tax Underwriting Income			1.8%
				(10) Pre-tax Investment Income			7.1%
				(11) After-tax Investment Income			5.3%
				(12) PV of Operating Income			9.9%
				(13) After-Tax Operating Income			7.1%

Notes:

- (5) = (1) - (2) - (4)
- (6) = (1 + Interest Rate) ^ (0.5 - Year)
- (7) = (5) x (6)
- (8) = (5)
- (9) = (8) x (1 - 35%)
- (10) = (7) - (5)
- (11) = (10) x [(1 - Effective Tax Rate from Ex. 6, (2d))]
- (12) = (7)
- (13) = (9) + (11)

# NATIONAL CASUALTY COMPANY

8877 North Gainey Center Drive  
Scottsdale, Arizona 85258

Reply to:

Post Office Box 4110  
Scottsdale, AZ 85261-4110

Telephone

800 423-7675 x3140

October 13, 2008

**Re: National Casualty Company**  
**NAIC # 140-11991**  
**FEIN No.: 38-0865250**  
**Personal Umbrella/Excess Program - Rate Filing**  
**Company File Number: PU 04154NCR01**

Dear Commissioner:

National Casualty Company is submitting rate changes for our Personal Umbrella/Excess Liability program. We request an effective date of January 1, 2009.

Please find attached revised manual pages which will replace the (8-03) edition. The manual page changes are as follows:

**N-PUEx-R-1 (1-09)** Increase base rates by 10% (1M-4M) and 5% (5M), add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-2 (1-09)** Amend Minimum Premiums.

**N-PUEx-R-3 (1-09)** Add Quadriplex rates, amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-4 (1-09)** Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres, below "Minimum Underlying Limits" delete Auto Liability condition that under 21 driver has min. \$1M CSL.

**N-PUEx-R-5 (1-09)** Amend 100-200 range to show 101-200 (correcting typo); add rates for vacant land 201-300 acres and 301 + acres.

**N-PUEx-R-8 (1-09)** Item #4 – Each Additional Res. – add "& 4".

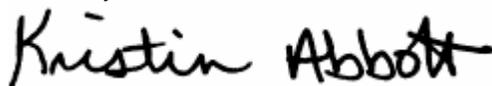
**N-PUEx-R-9 (1-09)** Item #5 – Apt. Houses – delete "each unit".

**N-PUEx-R-10 (1-09)** Item #5 – Apt. Houses – delete "each unit".

In addition, please find attached an Actuarial Memorandum and several actuarial exhibits in support of the rate changes being proposed.

We hope you will be in a position to grant favorable consideration to this filing submission, however, should you need further information, please feel free to contact me on the toll free number or e-mail address listed below.

Sincerely,



Kristin Abbott  
State Filings Analyst II  
abbottk@scottsdaleins.com  
(800) 423-7675 x3140  
Encl.

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# NATIONAL CASUALTY COMPANY

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8877 North Gainey Center Drive  
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*SERFF Tracking Number:* SCTT-125857661      *State:* Arkansas  
*Filing Company:* National Casualty Company      *State Tracking Number:* EFT \$100  
*Company Tracking Number:* PU AR04154NCR01  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0021 Personal Umbrella and Excess  
*Product Name:* Personal Umbrella/Excess Liability  
*Project Name/Number:* 4154 Personal Umbrella/Excess Liability/PU AR04154NCR01

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Supporting Document	NAIC loss cost data entry document	10/14/2008	