

SERFF Tracking Number: VANL-125884397 State: Arkansas
Filing Company: Vanliner Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: AR CA 03 09
TOI: 20.0 Commercial Auto Sub-TOI: 20.0001 Business Auto
Product Name: AR CA Rate Filing
Project Name/Number: AR CA Rate Filing/AR CA 03 09

Filing at a Glance

Company: Vanliner Insurance Company

Product Name: AR CA Rate Filing

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Filing Type: Rate

SERFF Tr Num: VANL-125884397

SERFF Status: Closed

Co Tr Num: AR CA 03 09

Co Status:

Author: Chris Carden

Date Submitted: 11/03/2008

State: Arkansas

State Tr Num: EFT \$50

State Status: Fees verified and received

Reviewer(s): Betty Montesi,
Llyweyia Rawlins

Disposition Date: 11/03/2008

Disposition Status: Exempt from Review

Effective Date Requested (New): 03/01/2009

Effective Date Requested (Renewal): 03/01/2009

Effective Date (New): 03/01/2009

Effective Date (Renewal):
03/01/2009

State Filing Description:

General Information

Project Name: AR CA Rate Filing

Project Number: AR CA 03 09

Reference Organization: ISO

Reference Title: ISO

Filing Status Changed: 11/03/2008

State Status Changed: 11/03/2008

Corresponding Filing Tracking Number:

Filing Description:

The Vanliner Insurance Company (Vanliner) hereby files revised Commercial Auto Liability and Physical Damage rates and rules. This filing is for business to be written as Commercial Auto Liability and Physical Damage. Vanliner is an ISO subscriber for Commercial Auto Liability and is adopting the entire ISO program for Commercial Auto Liability and Physical Damage coverages with minimal changes and additions.

Status of Filing in Domicile: Authorized

Domicile Status Comments: approved as filed

Reference Number: CA-2008-BRLA1

Advisory Org. Circular: ISO

Deemer Date:

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Company and Contact

Filing Contact Information

Chris Carden, Compliance Coordinator Chris_Carden@vanliner.com
 One Premier Drive (636) 305-4605 [Phone]
 St. Louis, MO 63026

Filing Company Information

Vanliner Insurance Company CoCode: 21172 State of Domicile: Arizona
 One Premier Drive Group Code: -99 Company Type:
 St Louis, MO 63026 Group Name: State ID Number:
 (636) 343-9889 ext. [Phone] FEIN Number: 86-0114294

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: \$50/ per Arkansas requirements
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Vanliner Insurance Company	\$50.00	11/03/2008	23661118

SERFF Tracking Number: VANL-125884397

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	11/03/2008	11/03/2008

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Disposition

Disposition Date: 11/03/2008

Effective Date (New): 03/01/2009

Effective Date (Renewal): 03/01/2009

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

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:
Vanliner Insurance Company	-7.550%	\$-41,635	14	\$551,457	0.000%	0.000%	-7.550%

SERFF Tracking Number: VANL-125884397 *State:* Arkansas
Filing Company: Vanliner Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: AR CA 03 09
TOI: 20.0 Commercial Auto *Sub-TOI:* 20.0001 Business Auto
Product Name: AR CA Rate Filing
Project Name/Number: AR CA Rate Filing/AR CA 03 09

Item Type	Item Name	Item Status	Public Access
Supporting Document	Supporting Documentation	Accepted for Informational Purposes	Yes
Rate	Vanliner Exception Pages	Accepted for Informational Purposes	Yes

SERFF Tracking Number: VANL-125884397
 Filing Company: Vanliner Insurance Company
 Company Tracking Number: AR CA 03 09
 TOI: 20.0 Commercial Auto
 Product Name: AR CA Rate Filing
 Project Name/Number: AR CA Rate Filing/AR CA 03 09

State: Arkansas
 State Tracking Number: EFT \$50
 Sub-TOI: 20.0001 Business Auto

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 8.950%
Effective Date of Last Rate Revision: 08/01/2006
Filing Method of Last Filing: File and Use

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):
Vanliner Insurance Company	-7.550%	-7.550%	\$-41,635	14	\$551,457	0.000%	0.000%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Vanliner Exception Pages	VAnliner Exception Pages	New	AR CA 03 09 excep page.pdf

Vanliner Exceptions:

Rule 1: Application of this Division

D. Company Rates/ISO Loss Costs

3. Loss Cost Conversion

LCM OTZ (effective 03/01/2009)- Auto Liability 1.532

LCM OTZ (effective 03/01/2009) - Physical Damage - 1.500

LCM ZONE (effective 10/01/2006) - Auto Liability 1.379

LCM ZONE (effective 10/01/2006) - Physical Damage - 1.427

Rounding Rule - Base rates are calculated by multiplying the ISO loss cost times the Vanliner loss cost multiplier no rounding occurs.

4. Expected Loss Ratio

Auto Liability OTZ (effective 03/01/2009) - .653

Physical Damage OTZ (effective 03/01/2009) - .667

Auto Liability ZONE (effective 10/01/2006) - .725

Physical Damage ZONE (effective 10/01/2006) - .701

Rule 8: Policy Writing Minimum Premium

A. Prepaid Policies

Vanliner does not offer prepaid policies.

B. Annual Premium Payment Plan Policies or Continuous Policies

Vanliner does not specify minimum premium on policies.

Rule 9: Additional Premium Changes

B. Waiver of Premium

In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.

Rule 10: Return Premium Changes

B. Waiver of Premium

In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.

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Supporting Document Schedules

Satisfied -Name: Supporting Documentation

Review Status:

Accepted for Informational 11/03/2008
Purposes

Comments:

Arkansas Commercial Auto Rate Filing

Attachments:

AR CA 03 09P &C .pdf

AR CA 03 09 rate sch .pdf

AR CA 03 09 ex memo.pdf

AR CA 0309 ltr.pdf

Property & Casualty Transmittal Document

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: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Vanliner Insurance Company	MO	21172	86-0114294	24

5. Company Tracking Number	AR CRM 0708
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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
	Chris Carden Vanliner Insurance Company One Premier Drive St. Louis, MO 63026	Product Manager	636-305-4605 800-325-3619 ext. 4605	636-305-4270	Chris_Carden@vanliner.com

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

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

9. Type of Insurance (TOI)	020
10. Sub-Type of Insurance (Sub-TOI)	020.0001
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	AR CA 0301
13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 03/01/2009 Renewal: 03/01/2009

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	ISO
17.	Reference Organization # & Title	CA-2008-BRLA1
18.	Company's Date of Filing	11/03/2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	AR CA 0309
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Division 1 - Commercial Auto

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]
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Check #:
Amount:

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

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

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	AR CA 0309
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Not Filed
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4a.	Rate Change by Company (As Proposed)					
Company Name	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)
Vanliner Insurance Co	-7.55	-41,635	14	551,457	0	0

4b.	Rate Change by Company (As Accepted) For State Use Only					
Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate impact for this filing	-7.55	
5b.	Effect of Rate Filing – Written premium change for this program	-41,6350	
5c.	Effect of Rate Filing – Number of policyholders affected	14	

6.	Overall percentage of last rate revision	8.95
7.	Effective Date of last rate revision	8/1/2006
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File and USE

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	CA-2008-BRLA1	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CA-2006-BRLA1
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	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Explanatory Memorandum

The Vanliner Insurance Company (Vanliner) hereby files revised Commercial Auto Liability and Physical Damage rates and rules. This filing is for business to be written as Commercial Auto Liability and Physical Damage. Vanliner is an ISO subscriber for Commercial Auto Liability and is adopting the entire ISO program for Commercial Auto Liability and Physical Damage coverages with minimal changes and additions.

Proposed Effective Date

The following effective date rule is proposed:

“These rates and rules will be used for all policies effective on or after March 1, 2009.”

If approval is not received by the proposed effective date, these changes will become effective upon approval.

Vanliner Insurance Company

The Vanliner Insurance Company (NAIC # 21172) is a commercial lines insurer specializing in the moving and storage industry, Vanliner's state of domicile is Missouri. Vanliner has received an A- rating with a Stable outlook from A.M. Best.

Expense Experience

Exhibit I is a summary of the Commercial Auto and Physical Damage expense experience. This is direct data is taken from Part III of the prior three years' IEE's. The bottom half of Exhibit 1 displays a number of direct expense ratios.

Investment Income

Exhibit II Page 1 is a summary of Vanliner's overall investment income experience as well as Commercial Auto and Physical Damage lines of business. This exhibit displays an allocation of policyholder's surplus to line of business calculation, calculates an investment gain ratio, a prepaid expense ratio and eventually develops an expected investment income by line of business attributable to insurance transactions provision.

Exhibit II Pages 2 and 3 develops Vanliner's selected Profit and Contingency provision. The figures shown reflect our approach to developing the profit provision which is intended to generate the same average return the entire US P&C industry has experienced in the latest three year period (2004-2006) for which data is available. See the notes for details about data sources and calculations. We are subtracting Investment Income Attributable to Insurance Transactions (Exhibit II page 1) from our Target Return as % of Direct Written Premium to get Vanliner's selected Profit & Contingency Provision.

Explanatory Memorandum

Loss Cost Multiplier Calculations

Vanliner's Loss Cost Multiplier calculations are displayed in Exhibit III. Our selected Commission and Brokerage expense provision is based upon our agency commission schedule. The selected Other Acquisition and General Expense provisions three year averages taken from Exhibit I. The Tax provisions listed are a state premium tax plus a miscellaneous taxes, licenses and fees provision to coverage various miscellaneous and payroll taxes. The selected Profit and Contingency provision is developed in Exhibit II Pages 2 and 3.

Historical Experience

Exhibit IV shows Vanliner's historical experience by line of business. Separate exhibits have been provided for Commercial Auto and Physical Damage. This exhibit accurately reports Vanliners last 6 years of experience. This exhibit is calendar year experience and ties to Statutory page 14.

ISO Filings Being Adopted

With this filing Vanliner is adopting the entire current ISO Commercial Auto Manual as currently filed and approved in this state. Exhibit V contains a list of all the manual holder notices, ISO's reference filing numbers and the state filing reference numbers (if any). Vanliner adopts the entire ISO program for Commercial Auto including:

- Multistate State Insurance Manual (including rules, estimated loss potentials, etc.)
- State Insurance Manual (including loss costs, state specific rules, territories, etc.)
- Class table
- Class Table Reference
- Composite Rating Plan
- Retrospective Rating Plan
- Terrorism Supplement to the CLM

Vanliner Exception Pages

Vanliner's proposed state exception pages are attached as Exhibit VI. These are built to work with ISO's Commercial Lines Manual. The Vanliner state exception pages also display the Loss Cost Multiplier developed and supported in this filing. For selected classes that are (a) rated in the ISO manual and are also "refer to company" in the ISO Estimated Loss Potentials supplement we have filed supplemental ELPs. These are in addition to the ELPs shown in the ISO manual.

State Filing Forms

A complete set of state filing forms is attached.

Explanatory Memorandum

Person to Contact

If there any questions about this filing please contact the following:

Chris Carden
Sr. Actuarial Analyst
(636) 305-4605 or (800) 325-3619 ext 4605
Chris_Carden@vanliner.com

Explanatory Memorandum

Table of Contents

Exhibit I Insurance Expense Exhibit Summary

Exhibit II Investment Income

Page 1 – Allocation of Investment Income by Line of Business

Page 2 – Profit and Contingency Exhibit Commercial Auto Liability

Page 3 – Profit and Contingency Exhibit Commercial Auto Physical Damage

Exhibit III Loss Cost Multiplier Development

Page 1 – Selected Expense Provisions

Exhibit IV Commercial Auto and Physical Damage Historical Experience

Page 1 – Commercial Auto Liability

Page 2 – Commercial Auto Physical Damage

Exhibit V ISO / Bureau Reference Filings

Page 1 – Forms, Rules and Loss Costs

Exhibit VI Exception Pages

State Filing Forms

Vanliner Insurance Company
Insurance Expense Exhibit (000) Omitted
Commercial Automobile Liability & Physical Damage Combined

Col.	Item	2003	2004	2005	2006	2007	Latest 3 yr 2005-07
Part III - Allocation to Lines of Direct Business Written							
1	Premiums Written	61,382	65,664	71,564	72,609	76,524	220,697
3	Premiums Earned	57,286	64,434	69,387	73,466	72,792	215,646
5	Dividends to Policyholders	0	0	0	0	0	0
7	Incurred Loss	36,273	43,413	40,280	40,834	43,495	124,609
9	Defense and Cost Containment Expenses Incurred	5,911	4,500	3,877	5,387	4,697	13,961
11	Adjusting and Other Expenses Incurred	3,793	4,200	5,086	6,109	7,236	18,432
13	Unpaid Losses	55,819	68,172	76,096	86,928	99,360	262,384
15	Defense and Cost Containment Expenses Unpaid	6,999	7,738	8,506	10,155	10,926	29,587
17	Adjusting and Other Expenses Unpaid	2,655	2,413	2,763	4,223	5,694	12,580
19	Unearned Premium Reserves	28,442	29,672	31,849	30,991	34,723	97,563
21	Agent's Balances	32,758	35,708	39,619	32,936	35,221	107,776
23	Commission and Brokerage Expenses Incurred	5,173	5,889	6,503	7,426	8,108	22,037
25	Taxes, Licenses & Fees Incurred	1,639	1,631	2,190	1,261	1,139	4,590
27	Other Acquisitions, Field Supervision, and Collection Expenses Incurred	2,063	2,197	2,155	2,727	3,633	8,515
29	General Expenses Incurred	1,446	1,472	1,355	2,535	3,188	7,078
31	Other Income Less Expenses	(125)	(155)	(225)	(218)	(304)	(747)
33	Pre-Tax Profit or Loss Excluding All Investment Gain	863	976	7,716	6,970	991	15,677
	Paid Loss	30,328	31,060	32,356	30,002	31,063	93,421
	Defense and Cost Containment Expenses Paid	3,579	3,761	3,109	3,738	3,925	10,773
	Adjusting and Other Expenses Paid	3,559	4,442	4,736	4,649	5,766	15,151

Direct Expense Ratios

Inc. Loss Ratio	= (7) / (3)	63.3%	67.4%	58.1%	55.6%	59.8%	57.8%
Inc. ALAE Ratio	= (9) / (3)	10.3%	7.0%	5.6%	7.3%	6.5%	6.5%
Inc. ULAE Ratio	= (11) / (3)	6.6%	6.5%	7.3%	8.3%	9.9%	8.5%
Inc. Loss & LAE Ratio	subtotal	80.3%	80.9%	71.0%	71.2%	76.1%	72.8%
Inc LAE / Inc Loss Ratio	= ((9)+(11))/(7)	26.8%	20.0%	22.3%	28.2%	27.4%	26.0%
Inc Loss & LAE / Inc Loss & ALAE Ratio	=(7)+(9)+(11)/((7)+(9))	109.0%	108.8%	111.5%	113.2%	115.0%	113.3%
Inc Loss & LAE / Inc Loss Ratio	=(7)+(9)+(11) / (7)	126.8%	120.0%	122.3%	128.2%	127.4%	126.0%
Paid Loss Ratio to DEP		52.9%	48.2%	46.6%	40.8%	42.7%	63.6%
Paid ALAE Ratio to DEP		6.2%	5.8%	4.5%	5.1%	5.4%	9.8%
Paid ULAE Ratio to DEP		6.2%	6.9%	6.8%	6.3%	7.9%	6.3%
Change in ALAE O/S to DEP		4.1%	1.1%	1.1%	2.2%	1.1%	
Change in ULAE O/S to DEP		0.4%	-0.4%	0.5%	2.0%	2.0%	
Commission Ratio to DWP	= (23) / (1)	8.4%	9.0%	9.1%	10.2%	10.6%	10.0%
T. L. & F Ratio to DWP	= (25) / (1)	2.7%	2.5%	3.1%	1.7%	1.5%	2.1%
Other Acq Ratio to DEP	= (27) / (3)	3.6%	3.4%	3.1%	3.7%	5.0%	3.9%
General Exp Ratio to DEP	= (29) / (3)	2.5%	2.3%	2.0%	3.5%	4.4%	3.3%
U/W Expense Ratio to DEP	sum((23):(29)) / (3)	18.0%	17.4%	17.6%	19.0%	22.1%	19.6%

Vanliner Insurance Company
Allocation of Investment
Income by Line of Business
(000) Omitted

	Overall Total			Line - CAL			Line - CAPHD		
	(a) 2006	(b) 2007	(c) Mean	(g) 2006	(h) 2007	(i) Mean	(j) 2006	(k) 2007	(l) Mean
Allocation of Policyholder Surplus to Line of Business									
Direct Earned Premium	(1)	173,401	165,017	57,132	56,567		16,334	16,226	
Net Earned Premium	(2)	154,199	147,022	56,881	56,332		16,262	16,158	
Net Loss Reserves	(3)	211,597	234,201	222,899	79,504	93,960	86,732	1,661	2,158
Net LAE Reserves	(4)	34,319	40,909	37,614	13,599	16,132	14,866	162	207
Net Loss & LAE Reserves	(5)	245,916	275,110	260,513	93,103	110,092	101,598	1,823	2,365
Net Unearned Premium Reserves	(6)	64,062	69,343	66,703	23,968	27,777	25,873	6,888	6,801
Mean Reserves & Current Premium	(7)						183,802		
Policyholder's Surplus	(8)	112,739	118,555	115,647					25,097
Policyholder Surplus Ratio to Liabilities & Net Earned Prem	(9)					24.39%			24.39%
Allocated Policyholder Surplus	(10)		115,647			44,822			6,120
Net Earned Premium / Surplus Ratio	(11)		1.27			1.257			2.64
Calculation of Investment Gain Ratio									
Net Investment Income Earned	(12)	18,237	21,232						
Net Realized Capital Gains or (Losses)	(13)	49	60						
Net Investment Gain or (Loss)	(14)	18,286	21,292						
Net Loss & LAE & Unearned Premium Reserves	(15)	309,978	344,453	327,216	117,071	137,869	127,470	8,711	9,166
Net Agents' Balances	(16)	62,718	65,958	64,338	25,474	28,202	26,838	7,320	6,903
Funds held by company under reinsurance treaties	(17)								
Policyholder's Surplus	(18)		115,647			44,822			6,120
Total Investable Funds	(19)		378,525			145,454			7,947
Net Investment Gain Ratio	(20)		0.056			0.056			0.056
Calculation Of Prepaid Expense Ratio									
Commissions	(21)	11,871	11,808	6,001	6,564		1,425	1,544	
Taxes, Licenses & Fees	(22)	4,368	4,081	1,012	894		249	245	
Other Acquisition Expense	(23)	5,647	7,143	2,102	2,867		625	766	
General Expense	(24)	5,227	6,360	1,971	2,478		564	711	
Net Prepaid Expense	(25)	24,500	26,212	10,101	11,564		2,581	2,911	
Net Written Premium	(26)	153,091	152,304	55,736	60,142		16,565	16,071	
Prepaid Expense Ratio	(27)	16.00%	17.21%	18.12%	19.23%		15.58%	18.11%	
Investment Gain on Funds Attributable to Insurance Transactions									
Net Unearned Premium Reserves	(28)	64,062	69,343	66,703	23,968	27,777	25,873	6,888	6,801
(1 - Prepaid Expense ratio)	(29)			0.8279			0.8077		0.8189
Unpaid Unearned Premium Reserve	(30)			55,223			20,898		5,805
Net Loss & LAE Reserves	(31)	245,916	275,110	260,513	93,103	110,092	101,598	1,823	2,365
Net Agents' Balances	(32)	62,718	65,958	64,338	25,474	28,202	26,838	7,320	6,903
Investment Funds Attributable to Insurance Transactions	(33)		251,398				95,657		587
Net Investment Gain Ratio	(34)		0.056				0.056		0.056
Investment Gain on Funds Attributable to Insurance Transactions	(35)		14,141				5,381		33
Investment Gain on Funds Attributable to Capital & Surplus									
Total Investable Funds	(36)		378,525				145,454		7,947
Net Investment Gain Ratio	(37)		0.056				0.056		0.056
Total Investment Gain	(38)		21,292				8,182		447
Investment Gain On Funds Attributable to Insurance Transactions	(39)		14,141				5,381		33
Investment Gain on Funds Attributable to Capital & Surplus	(40)		7,151				2,801		414
Inv Gain on Funds Attrib to Capital & Surplus / DEP	(41)		4.3%				5.0%		2.6%
Investment Income Attributable to Insurance Transactions									
(As a % of Net Earned Premium)	(42)		9.6%				9.6%		0.2%
(As a % of Direct Earned Premium) - pre-tax	(43)		8.6%				9.5%		0.2%
Latest Federal Income Tax Rate	(44)		29.0%				29.0%		29.0%
(As a % of Direct Earned Premium) - after-tax	(45)		6.1%				6.7%		0.1%

Vanliner Insurance Company
Profit & Contingency Exhibit
Commercial Auto Liability

#	Item	
1	Direct Earned Premium	56,567
2	Net Earned Premium	56,332
3	Premium / Surplus Ratio	1.26
4	Surplus to Equity Ratio	0.899
5	Equity	49,870
6	Unigroup ROE Objective	9.6%
7	After-Tax Target Return	4,807
8	Federal Income Tax Rate	35.0%
9	Before Tax Target Return	7,396
10	Target Return as % of DWP = Underwriting Profit & Contingencies Provision	13.1%
11	Inv. Income Attributable to Insurance Transactions	<u>9.5%</u>
12	Company Selected Profit & Contingency Provision* *net of Investment Income Attributable to Insurance Transactions	<u><u>3.6%</u></u>

- Notes:
- (1) 2007 Vanliner Insurance Expense Exhibit
 - (2) 2007 Vanliner Insurance Expense Exhibit
 - (3) Exhibit II Line 11
 - (4) Vanliner Statutory Policyholders Surplus / GAAP Equity
 - (5) = ((2) / (3)) / (4)
 - (6) Unigroup ROE Objective
 - (7) = (5) * (6)
 - (9) = (7) / (1.00 - .35)
 - (10) = (9) / (1)
 - (11) = Investment Income Exhibit
 - (12) = (10) - (11)

Vanliner Insurance Company
Profit & Contingency Exhibit
Commercial Auto Physical Damage

#	<u>Item</u>	
1	Direct Earned Premium	16,226
2	Net Earned Premium	16,158
3	Premium / Surplus Ratio	2.64
4	Surplus to Equity Ratio	0.899
5	Equity	6,809
6	Unigroup ROE Objective	9.6%
7	After-Tax Target Return	656
8	Federal Income Tax Rate	35.0%
9	Before Tax Target Return	1,010
10	Target Return as % of DWP = Underwriting Profit & Contingencies Provision	6.2%
11	Inv. Income Attributable to Insurance Transactions	<u>0.2%</u>
12	Company Selected Profit & Contingency Provision* *net of Investment Income Attributable to Insurance Transactions	<u><u>6.0%</u></u>

- Notes:
- (1) 2007 Vanliner Insurance Expense Exhibit
 - (2) 2007 Vanliner Insurance Expense Exhibit
 - (3) Exhibit II Line 11
 - (4) Vanliner Statutory Policyholders Surplus / GAAP Equity
 - (5) = ((2) / (3)) / (4)
 - (6) Unigroup ROE Objective
 - (7) = (5) * (6)
 - (9) = (7) / (1.00 - .35)
 - (10) = (9) / (1)
 - (11) = Investment Income Exhibit
 - (12) = (10) - (11)

Vanliner Insurance Company
Arkansas Commercial Auto Liability
Selected Expense Provisions

<u>Item</u>	<u>Provision</u>
(1) Commission & Brokerage	11.45%
(2) Other Acquisition Expenses	3.95%
(3) General Expenses	4.38%
Taxes, Licenses & Fees	
(4) Premium Tax	2.50%
(5) Miscellaneous Taxes, Licenses and Fees	0.34%
(6) total	<u>2.84%</u>
Other Expenses	
(7) Unallocated Loss Adjustment Expense	8.55%
(8) Residual Market Costs	<u>0.00%</u>
(9) Total	8.55%
(10) Profit & Contingencies	
(11) Required Return on Surplus	13.07%
(12) Expected Investment Income on Insurance Transactions	<u>9.50%</u>
(13) Profit & Contingencies net of Investment Income	3.57%
(14) Expense Ratio	34.74%
(15) Expected Loss and ALAE Ratio	65.26%
(16) Loss Cost Modification	100.0%
(17) Indicated Loss Cost Multiplier	1.532

Notes:

- (1) Per Commission Schedule
- (2) Three year average from Exhibit I
- (3) Three year average from Exhibit I
- (4) Statutory rate per state
- (5) Industry average
- (7) Three year average from Exhibit I
- (13) Net of expected investment income on insurance transactions
- (11) Line 10 Exhibit 2 Page 2
- (12) Line 11 Exhibit 2 Page 2 + Line 12 Exhibit 2 Page 2
- (14) = sum (1) to (13)
- (15) = 100% minus (8)
- (16) Exhibit IV
- (17) = (16) / (15)

Vanliner Insurance Company
Arkansas Commercial Auto Physical Damage
Selected Expense Provisions

<u>Item</u>	<u>Provision</u>
(1) Commission & Brokerage	8.00%
(2) Other Acquisition Expenses	4.05%
(3) General Expenses	3.38%
Taxes, Licenses & Fees	
(4) Premium Tax	2.50%
(5) Miscellaneous Taxes, Licenses and Fees	0.34%
(6) total	2.84%
Other Expenses	
(7) Unallocated Loss Adjustment Expense	9.06%
(8) Residual Market Costs	0.00%
(9) Total	9.06%
(10) Profit & Contingencies	
(11) Required Return on Surplus	6.22%
(12) Expected Investment Income on Insurance Transactions	0.20%
(13) Profit & Contingencies net of Investment Income	6.02%
(14) Expense Ratio	33.35%
(15) Expected Loss and ALAE Ratio	66.65%
(16) Loss Cost Modification	100.0%
(17) Indicated Loss Cost Multiplier	1.500

Notes:

- (1) Per Commission Schedule
- (2) Three year average from Exhibit I
- (3) Three year average from Exhibit I
- (4) Statutory rate per state
- (5) Industry average
- (7) Three year average from Exhibit I
- (13) Net of expected investment income on insurance transactions
- (11) Line 10 Exhibit 2 Page 2
- (12) Line 11 Exhibit 2 Page 2 + Line 12 Exhibit 2 Page 2
- (14) = sum (1) to (13)
- (15) = 100% minus (8)
- (16) Exhibit IV
- (17) = (16) / (15)

Vanliner Insurance Company
Commercial Auto Liability Historical Experience
Direct Results from Statutory Page 14

Col #	2003	2004	2005	2006	2007	3 yr Totals
Arkansas						
(1) Premiums Written	198,614	153,508	193,732	143,187	419,089	756,008
(2) Premiums Earned	176,250	150,416	175,305	174,691	287,658	637,654
(4) Unearned Premium Reserves	92,006	95,098	113,525	82,021	213,452	408,998
(5) Losses Paid	55,736	134,955	116,049	39,975	26,740	182,764
(6) Losses Incurred	159,192	154,730	-16,701	83,492	136,129	202,920
(7) Losses Unpaid	302,083	321,857	189,108	232,625	342,013	763,746
(8) DCC Paid	10,261	20,645	5,888	4,227	2,227	12,342
(9) DCC Incurred	34,470	6,841	-3,205	15,532	15,489	27,816
(10) DCC Unpaid	44,467	30,663	21,569	32,873	46,135	100,577
Loss & DCC Incurred = (6) + (9)	193,662	161,571	-19,906	99,024	151,618	230,736
(11) Commission & Brokerage Expenses	14,544	14,536	17,834	13,848	48,888	80,570
(12) Taxes, Licenses & Fees	5,521	3,797	5,923	3,433	6,962	16,318
Incurred Loss Ratio (6) / (2)	90.3%	102.9%	-9.5%	47.8%	47.3%	31.8%
DCC Incurred / EP Ratio (9) / (2)	19.6%	4.5%	-1.8%	8.9%	5.4%	4.4%
Loss & DCC Incurred / EP Ratio ((6) + (9)) / (2)	109.9%	107.4%	-11.4%	56.7%	52.7%	36.2%
DCC Incurred / Losses Incurred (9) / (6)	21.7%	4.4%	19.2%	18.6%	11.4%	13.7%
Commission & Brokerage Ratio (11) / (1)	7.3%	9.5%	9.2%	9.7%	11.7%	10.7%
Taxes, Licenses & Fees Ratio (12) / (1)	2.8%	2.5%	3.1%	2.4%	1.7%	2.2%
Countrywide						
(1) Premiums Written	46,940,146	50,267,551	55,253,938	54,968,793	59,481,143	169,703,874
(2) Premiums Earned	43,186,596	49,174,118	53,328,783	56,086,976	55,621,998	165,037,757
(4) Unearned Premium Reserves	21,781,018	22,874,454	24,799,609	23,681,426	27,540,571	76,021,606
(5) Losses Paid	25,374,346	23,934,978	24,812,922	21,550,083	22,190,681	68,553,686
(6) Losses Incurred	30,766,828	36,044,517	32,126,592	32,363,317	34,079,831	98,569,740
(7) Losses Unpaid	54,867,947	66,977,540	74,291,213	85,104,449	96,993,325	256,388,987
(8) DCC Paid	3,558,741	3,740,942	3,109,725	3,723,384	3,891,193	10,724,302
(9) DCC Incurred	5,880,061	4,459,230	3,812,318	5,358,582	4,619,285	13,790,185
(10) DCC Unpaid	6,937,234	7,655,525	8,358,117	9,993,312	10,721,396	29,072,825
Loss & DCC Incurred = (6) + (9)	36,646,889	40,503,747	35,938,910	37,721,899	38,699,116	112,359,925
(11) Commission & Brokerage	4,224,066	4,797,472	5,274,949	5,892,455	6,465,498	17,632,902
(12) Taxes, Licenses & Fees	1,336,984	1,327,890	1,779,384	1,007,063	897,383	3,683,830
Incurred Loss Ratio (6) / (2)	71.2%	73.3%	60.2%	57.7%	61.3%	59.7%
DCC Incurred / EP Ratio (9) / (2)	13.6%	9.1%	7.1%	9.6%	8.3%	8.4%
Loss & DCC Incurred / EP Ratio ((6) + (9)) / (2)	84.9%	82.4%	67.4%	67.3%	69.6%	68.1%
DCC Incurred / Losses Incurred (9) / (6)	19.1%	12.4%	11.9%	16.6%	13.6%	14.0%
Commission & Brokerage Ratio (11) / (1)	9.0%	9.5%	9.5%	10.7%	10.9%	10.4%
Taxes, Licenses & Fees Ratio (12) / (1)	2.8%	2.6%	3.2%	1.8%	1.5%	2.2%

Vanliner Insurance Company
Commercial Auto Physical Damage Historical Experience
Direct Results from Statutory Page 14

Col #	2003	2004	2005	2006	2007	3 yr Totals
Arkansas						
(1) Premiums Written	49,085	37,347	46,703	34,800	132,368	213,871
(2) Premiums Earned	44,446	42,886	42,478	42,081	84,080	168,639
(4) Unearned Premium Reserves	28,498	22,959	27,184	19,903	68,191	115,278
(5) Losses Paid	6,275	13,889	13,074	9,795	59,192	82,061
(6) Losses Incurred	6,275	13,889	14,048	14,967	71,745	100,760
(7) Losses Unpaid	0	0	974	6,146	18,700	25,820
(8) DCC Paid	0	0	0	0	0	0
(9) DCC Incurred	0	0	144	21	1,559	1,724
(10) DCC Unpaid	0	0	144	165	1,724	2,033
Loss & DCC Incurred = (6) + (9)	6,275	13,889	14,192	14,988	73,304	102,484
(11) Commission & Brokerage	3,955	3,304	3,986	3,070	15,103	22,159
(12) Taxes, Licenses & Fees	1,607	1,108	1,656	1,006	2,856	5,518
Incurred Loss Ratio (6) / (2)	14.1%	32.4%	33.1%	35.6%	85.3%	59.7%
DCC Incurred / EP Ratio (9) / (2)	0.0%	0.0%	0.3%	0.0%	1.9%	1.0%
Loss & DCC Incurred / EP Ratio (6) + (9) / (2)	14.1%	32.4%	33.4%	35.6%	87.2%	60.8%
DCC Incurred / Losses Incurred (9) / (6)	0.0%	0.0%	1.0%	0.1%	2.2%	1.7%
Commission & Brokerage Ratio (11) / (1)	8.1%	8.8%	8.5%	8.8%	11.4%	10.4%
Taxes, Licenses & Fees Ratio (12) / (1)	3.3%	3.0%	3.5%	2.9%	2.2%	2.6%
Countrywide						
(1) Premiums Written	13,718,384	14,482,069	15,329,171	16,635,426	16,136,818	48,101,415
(2) Premiums Earned	13,486,938	14,382,443	15,086,454	16,333,967	16,225,739	47,646,160
(4) Unearned Premium Reserves	6,274,502	6,374,132	6,616,849	6,918,308	6,829,387	20,364,544
(5) Direct Losses Paid	4,876,668	6,996,277	7,497,242	8,406,496	8,745,419	24,649,157
(6) Losses Incurred	5,345,668	7,261,134	8,116,786	8,430,905	9,241,918	25,789,609
(7) Direct Losses Unpaid	752,359	1,017,216	1,636,761	1,661,171	2,157,670	5,455,602
(8) DCC Paid	16,020	17,172	-3,917	11,258	7,313	14,654
(9) DCC Incurred	23,820	38,561	45,490	37,831	51,769	135,090
(10) DCC Unpaid	39,908	61,297	110,704	137,273	181,731	429,708
Loss & DCC Incurred = (6) + (9)	5,369,488	7,299,695	8,162,276	8,468,736	9,293,687	25,924,699
(11) Commission & Brokerage	868,059	996,168	1,126,259	1,425,514	1,544,035	4,095,808
(12) Taxes, Licenses & Fees	302,960	300,342	401,535	249,044	244,806	895,385
Incurred Loss Ratio (6) / (2)	39.6%	50.5%	53.8%	51.6%	57.0%	54.1%
DCC Incurred / EP Ratio (9) / (2)	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%
Loss & DCC Incurred / EP Ratio (6) + (9) / (2)	39.8%	50.8%	54.1%	51.8%	57.3%	54.4%
DCC Incurred / Losses Incurred (9) / (6)	0.4%	0.5%	0.6%	0.4%	0.6%	0.5%
Commission & Brokerage Ratio (11) / (1)	6.3%	6.9%	7.3%	8.6%	9.6%	8.5%
Taxes, Licenses & Fees Ratio (12) / (1)	2.2%	2.1%	2.6%	1.5%	1.5%	1.9%

Vanliner Insurance Company
Arkansas Commercial Lines Manual
Division One - Commercial Auto
ISO / Bureau Reference Filing Numbers

Manualholder Notice	Filing Reference #
Multistate:	
CA-MU-2006-RU-001	CA-2005-ORU01
CA-MU-2007-RRP-001	RP-2006-RRP06
CA-MU-2007-CRP-001	RP-2006-RCR06
CA-MU-2008-CALES-001	RP-2007-RAL07
CA-MU-2008-CAPDES-001	RP-2007-RPD07
CA-MU-2006-FO-003	CA-2005-OFR01
Arkansas:	
CA-AR-2008-RU-001	CA-2006-RZR1
CA-AR-2007-RRP-001	RP-2006-RRP06
CA-AR-2007-CRP-001	RP-2006-RCR06
CA-AR-2008-CALES-001	RP-2007-RAL07
CA-AR-2008-CAPDES-001	RP-2007-RPD07
CA-AR-2008-LC-001	CA-2008-BRLA1

Vanliner Exceptions:

- Rule 1: Application of this Division
- D. Company Rates/ISO Loss Costs
 - 3. Loss Cost Conversion
 - LCM OTZ (effective 03/01/2009)- Auto Liability 1.532
 - LCM OTZ (effective 03/01/2009) - Physical Damage - 1.500
 - LCM ZONE (effective 10/01/2006) - Auto Liability 1.379
 - LCM ZONE (effective 10/01/2006) - Physical Damage - 1.427
 - Rounding Rule - Base rates are calculated by multiplying the ISO loss cost times the Vanliner loss cost multiplier no rounding occurs.
 - 4. Expected Loss Ratio
 - Auto Liability OTZ (effective 03/01/2009) - .653
 - Physical Damage OTZ (effective 03/01/2009) - .667
 - Auto Liability ZONE (effective 10/01/2006) - .725
 - Physical Damage ZONE (effective 10/01/2006) - .701
- Rule 8: Policy Writing Minimum Premium
- A. Prepaid Policies
 - Vanliner does not offer prepaid policies.
 - B. Annual Premium Payment Plan Policies or Continuous Policies
 - Vanliner does not specify minimum premium on policies.
- Rule 9: Additional Premium Changes
- B. Waiver of Premium
 - In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.
- Rule 10: Return Premium Changes
- B. Waiver of Premium
 - In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.



October 31, 2008

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

RE: Vanliner Insurance Company
Commercial Auto Loss Cost Filing
Reference Filing Number: CA-2008-BRLA1
Requested Effective Date: March 1, 2009

Dear Honorable Benafield Bowman:

Vanliner Insurance Company hereby files to adopt revised ISO loss costs for Commercial Lines – Division One – Automobile. We propose the following effective date rule:
“These rates and rules will be used for all policies effective on or after March 1, 2009.”

Should you have any questions or require additional information, please call me at 800-325-3619 extension 4605 or e-mail me at Chris_Carden@vanliner.com.

Sincerely,

Chris Carden
Product Line Manager

Enc.

cc