

SERFF Tracking Number: ASPX-125916264 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: SC10 PM AR03480ARR01
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: SCO - Watercraft
Project Name/Number: SCO - Watercraft/PM AR03480ARR01

Filing at a Glance

Company: American Reliable Insurance Company

Product Name: SCO - Watercraft	SERFF Tr Num: ASPX-125916264	State: Arkansas
TOI: 09.0 Inland Marine	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations	Co Tr Num: SC10 PM AR03480ARR01	State Status: Fees verified and received
Filing Type: Rate	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi
	Author: SPI AssurantPC	Disposition Date: 12/18/2008
	Date Submitted: 11/21/2008	Disposition Status: Filed
Effective Date Requested (New): 03/01/2009		Effective Date (New): 03/01/2009
Effective Date Requested (Renewal): 04/01/2009		Effective Date (Renewal): 04/01/2009

State Filing Description:

General Information

Project Name: SCO - Watercraft	Status of Filing in Domicile:
Project Number: PM AR03480ARR01	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 12/18/2008	
State Status Changed: 12/02/2008	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

American Reliable Insurance Company proposes the following changes to its currently approved rates in Arkansas. There is a -1.9% rate impact. There is a companion forms filing. We are requesting a 3/1/09 new and 4/1/09 renewal effective dates.

RATE/RULE Clarifications -

SERFF Tracking Number: ASPX-125916264 State: Arkansas
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Page WC.RP.1 - #2 Medical Payments

We removed the wording "Maximum of \$10,000"

Page WC.RP.1 - #4 Boat Trailer

We removed the wording "Maximum of \$10,000"

Page WC.RP.2 - #6 Personal Property Coverage

We added the comment "\$100 Deductible applies to this coverage"

Page WC.RP.2 - #7 Replacement Cost Coverage

We added the comment "in addition to the Personal Property rate listed above"

Page WC.RP.3 - #10.F Premium Factors

We changed the wording to "All Arkansas Counties" for clarification.

Page WC.RP.5 - #11.C Surcharges

We added the comment "Applies to the driver with the highest number of points" for clarification.

Page WC.RP.5 - #11.C Surcharges

We added the comment "Driving after Suspension or Revocation"

Page WC.RP.5 - #11.D Surcharges

We added the comment "Ownership" for clarification

Page WC.RP.5 - #12.A Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.5 - #12.C Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.6 - #12.C Credits

We added the comment "continuous, claim free" for clarification

Page WC.RP.5 - #12.D Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.6 - #12.D Credits

We added the comment "for the previous 3 years" for clarification

Page WC.RP.8 - #14.A Deductibles

We added the comment "Applies to Physical Damage Premium" for clarification

Page WC.RP.8 - #14.A Deductibles

We raised the Deductible Credit by 10% for vessels less than 16 years old and 5% for vessels over 16 years.

Page WC.RP.8 - #14.B Deductibles

We added the comment "Applies to Trailer Premium" for clarification

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Company and Contact

Filing Contact Information

Wendy Sara, Regulatory Analyst wendy.sara@assurant.com
 8655 East Via De Ventura (480) 483-8666 [Phone]
 Scottsdale, AZ 85258 (480) 443-3785[FAX]

Filing Company Information

American Reliable Insurance Company CoCode: 19615 State of Domicile: Arizona
 11222 Quail Roost Dr Group Code: 19 Company Type:
 Miami, FL 33157 Group Name: Assurant, Inc. Group State ID Number:
 (305) 253-2244 ext. [Phone] FEIN Number: 41-0735002

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Reliable Insurance Company	\$100.00	11/21/2008	24104275

<i>SERFF Tracking Number:</i>	<i>ASPX-125916264</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Reliable Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>SC10 PM AR03480ARR01</i>		
<i>TOI:</i>	<i>09.0 Inland Marine</i>	<i>Sub-TOI:</i>	<i>09.0000 Inland Marine Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>SCO - Watercraft</i>		
<i>Project Name/Number:</i>	<i>SCO - Watercraft/PM AR03480ARR01</i>		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	12/18/2008	12/18/2008

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	12/11/2008	12/11/2008

Response Letters

Responded By	Created On	Date Submitted
SPI AssurantPC	12/11/2008	12/11/2008
SPI AssurantPC	12/05/2008	12/05/2008

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Disposition

Disposition Date: 12/18/2008
 Effective Date (New): 03/01/2009
 Effective Date (Renewal): 04/01/2009
 Status: Filed
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
American Reliable Insurance Company	-1.900%	\$0	14	\$18,605	0.000%	-8.200%	12.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Actuarial Memorandum and Exhibits	Filed	Yes
Supporting Document	P&C Transmittal - Rates	Filed	Yes
Supporting Document	AR From RF-1 Rate Filing Abstract	Filed	Yes
Supporting Document	RF-1 Rate Filing Abstract	Filed	Yes
Rate	WC.RP.1 THROUGH WC.RP.8	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/11/2008

Submitted Date 12/11/2008

Respond By Date

Dear Wendy Sara,

This will acknowledge receipt of the captioned filing. The link contained an endorsement. We need the required RF-1 rate/rule filing abstract completed for this submission.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

Response Letter

Response Letter Status Submitted to State

Response Letter Date 12/11/2008

Submitted Date 12/11/2008

Dear Alexa Grissom,

Comments:

Reply.

Response 1

Comments: Please accept my apology for this oversight.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: RF-1 Rate Filing Abstract

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: ASPX-125916264 State: Arkansas
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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/02/2008

Submitted Date 12/02/2008

Respond By Date

Dear Wendy Sara,

This will acknowledge receipt of the captioned filing. Please complete and submit the RF-1 abstract.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

Response Letter

Response Letter Status Submitted to State

Response Letter Date 12/05/2008

Submitted Date 12/05/2008

Dear Alexa Grissom,

Comments:

Objection response.

Response 1

Comments: We have attached Form RF-1 per your request.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: AR From RF-1 Rate Filing Abstract

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: ASPX-125916264
 Filing Company: American Reliable Insurance Company
 Company Tracking Number: SC10 PM AR03480ARR01
 TOI: 09.0 Inland Marine
 Product Name: SCO - Watercraft
 Project Name/Number: SCO - Watercraft/PM AR03480ARR01

State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type:
Overall Percentage of Last Rate Revision: -9.300%
Effective Date of Last Rate Revision: 03/01/2005
Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
American Reliable Insurance Company	12.000%	-1.900%	\$0	14	\$18,605	0.000%	-8.200%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	WC.RP.1 THROUGH WC.RP.8		New	.PDF

**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

1. LIABILITY BODILY INJURY AND PROPERTY DAMAGE

Base Premium \$40

<u>Limit Of Liability</u>	<u>Factor</u>
\$50,000	1.35
\$100,000	1.65
\$300,000	2.30
\$500,000	3.20

“LIABILITY ONLY” POLICIES: Increase above factors by 50%

***2. MEDICAL PAYMENTS**

\$2.00 per each \$1,000

3. UNINSURED BOATOWNERS

Base Premium \$5

<u>Limit of Liability</u>	<u>Factor</u>
\$50,000	2.25
\$100,000	4.00
\$300,000	5.00
\$500,000	7.00

***4. BOAT TRAILER**

\$1.00 per \$100 of value

5. TOWING & ASSISTANCE

Base Premium \$10

<u>Limit of Liability</u>	<u>Factor</u>
\$500	1.00
\$750	1.50
\$1,000	2.50
\$2,000	3.00
\$3,000	3.50
\$4,000	4.00
\$5,000	4.50

**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

***6. PERSONAL PROPERTY COVERAGE (\$100 Deductible applies to this coverage)**

\$1.50 Per \$100 of coverage

*** 7. REPLACEMENT COST COVERAGE – PERSONAL PROPERTY COVERAGE**

.75 Per \$100 of coverage (in addition to the Personal Property rate listed above)

8. REPLACEMENT COST COVERAGE - WATERCRAFT

15% of the Physical Damage Premium

9. AGREED VALUE COVERAGE

10% of the Physical Damage Premium

***10. PREMIUM FACTORS**

A. OPERATOR AGE AND MARITAL STATUS (Applies to Physical Damage and Liability/Property Damage)

<u>Age of First Named Insured</u>	<u>Married Factor</u>	<u>Single Factor</u>
14-20	1.20	1.25
21-24	1.15	1.20
25-30	1.10	1.15
31-35	1.00	1.05
36-46	1.00	1.05
47-57	.90	.95
58-68	.95	1.00
69-79	1.00	1.05
80+	1.10	1.10
If not Operator	1.00	1.00

B. POWER TYPE (Applies to Physical Damage Premium)

<u>Type</u>	<u>Hull Factor</u>
Inboard/Outdrive	1.10
Outboard	.85
Sailboat	.75
Inboard	1.00
Jet	1.20
Outboard Jet Drive	.85
No Engine (not sailboat)	.75

**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

C. FUEL TYPE (Applies only to the Physical Damage Premium)

<u>Fuel</u>	<u>Factor</u>
Gas	1.00
Diesel	.90
Electric	.80
No Engine/Motor	1.00

D. SPEED ABILITY (Applies to the Physical Damage and Liability/Property Damage Premium)

<u>Maximum Vessel Speed</u>	<u>Factor</u>
0 – 20 MPH	.70
21 – 35	.80
36 – 50	.85
51 – 60	1.00
61 – 75	1.20
76+	1.30

E. SPECIAL WATERS FACTOR (Applies only to the Physical Damage Premium)

<u>Water Name</u>	<u>Factor</u>
Ozarks	1.25
Five Great Lakes & Seaways	1.20
Reservoirs and Straits	1.00
Rivers and Bays	1.00
Lakes	1.00
All Others	1.00
Great Salt Lake	.90

***F. COASTAL WATERS FACTOR** (Applies to the Physical Damage and Liability/Property Damage Premium)

Apply the following factor for vessels stored / moored in the listed county or state.

<u>State/ County</u>	<u>Factor</u>
All Arkansas counties	1.00

American Reliable Insurance Company Watercraft Arkansas	WC.RP.3 * Indicates a change	3/1/2009
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**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

G. AGE OF WATERCRAFT (Applies only to the Physical Damage Premium)

<u>Vessel Age</u>	<u>Factor</u>
0	.85
1	.85
2	.88
3	.92
4	.95
5	1.05
6	1.08
7	1.11
8	1.14
9	1.17
10	1.20
11	1.23
12	1.26
13	1.29
14	1.32
15	1.35
16 – 20	1.40
21+	1.45

H. COUNTY FACTOR

Apply the following factor for each county listed.

<u>County</u>	<u>Factor</u>
All counties	1.00

I. BOAT TYPE

<u>Type of Watercraft</u>	<u>Factor</u>
Bass Boat	1.15
Houseboat	1.15

**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

***11. SURCHARGES** (Applies to the Physical Damage and Liability/Property Damage Premium)

A. Corporate Owned Watercraft \$100

B. Multiple Owners

Number of Additional Owners	Factor
0	1.00
1	1.25
2	1.50
3	1.75
4+	3.00

***C. MVR Surcharges**

Applies to the driver with the highest number of points (see point definitions below):

1 – 2 Points	0%
3 – 5 Points	35%
6 – 7 Points	50%
8+ Points	100%

Point Definition

Consider all accidents and violations occurring in automobiles and watercraft.

Major Violations - DWI/Implied Consent, Hit & Run, Eluding an Officer, Felony, Homicide or Manslaughter Involving a Motor Vehicle, Careless or Reckless Driving, **Driving after Suspension or Revocation.**

Minor Violations - All other moving violations.

At-Fault Accidents - All Accidents are considered At-Fault unless the application is accompanied by a police report or insurance company loss report showing Not At-Fault.

Any Minor Violation	1 Point
Any At-Fault Accident	2 Points
Any Major Violation	4 Points

***D. Principal operator with less than 3 years **ownership** experience** **10%**

E. Watercraft loss(es) in the past 3 years

Number of Watercraft Losses	Factor
0	1.00
1	1.10
2	1.75
3+	2.50

American Reliable Insurance Company Watercraft Arkansas	WC.RP.5 * Indicates a change	3/1/2009
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**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

***12. CREDITS**

***A. Boating Course Credit** (Applies to the Physical Damage and Liability/Property Damage Premium)

Only one discount will be given regardless of the number of courses/licenses. In the event of multiple selections, we will apply the highest credit.

<u>Boating Course</u>	<u>Factor</u>
Coast Guard Auxiliary	.95
Coast Guard Course	.98
Captain's License	.95
Chapman Boating School	.98
Marine Pilot's License	.95
Merchant Marine License	.95
Power Squadron Course	.98
State & Federal Accredited Maritime Academy	.98
State Sponsored Course	.98

B. Protective Device Credit (Applies only to the Physical Damage Premium)

A credit is available if the insured watercraft has one of the following devices on their watercraft.

Only one discount will be given regardless of the number of devices. In the event of multiple selections, we will apply the highest credit.

<u>Protective Device</u>	<u>Factor</u>
Automatic Fire Extinguishing Equipment	.95
Central station Monitoring System	.95
Alarm System (High water/Fire/Theft)	.97
No Strike Lightning System	.98

***C. Transfer Credit** (Applies to the Physical Damage and Liability/Property Damage Premium) **10%**

A credit applies if the first named insured has maintained **continuous, claim free**, insurance on a watercraft for the full year preceding the effective date of coverage. This applies to new business only.

***D. Renewal Credit** (Applies to the Physical Damage and Liability/Property Damage Premium) **15%**

A credit will apply if the policy is renewed with American Reliable and is claim free **for the previous 3 years**.

American Reliable Insurance Company Watercraft Arkansas	WC.RP.6 * Indicates a change	3/1/2009
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**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

13. ALL RISK PHYSICAL DAMAGE: BOAT, EQUIPMENT & MOTOR

<u>Value</u>	<u>Premium</u>	<u>Value</u>	<u>Premium</u>
\$1-1,999	74	\$26,000-26,999	408
\$2,000-2,999	97	\$27,000-27,999	420
\$3,000-3,999	112	\$28,000-28,999	431
\$4,000-4,999	128	\$29,000-29,999	442
\$5,000-5,999	144	\$30,000-30,999	452
\$6,000-6,999	158	\$31,000-31,999	462
\$7,000-7,999	171	\$32,000-32,999	472
\$8,000-8,999	185	\$33,000-33,999	481
\$9,000-9,999	199	\$34,000-34,999	490
\$10,000-10,000	212	\$35,000-35,999	499
\$11,000-11,999	226	\$36,000-36,999	506
\$12,000-12,999	240	\$37,000-37,999	513
\$13,000-13,999	252	\$38,000-38,999	520
\$14,000-14,999	265	\$39,000-39,999	526
\$15,000-15,999	277	\$40,000-40,999	534
\$16,000-16,999	289	\$41,000-41,999	542
\$17,000-17,999	301	\$42,000-42,999	550
\$18,000-18,999	314	\$43,000-43,999	558
\$19,000-19,999	326	\$44,000-44,999	566
\$20,000-20,999	338	\$45,000-45,999	574
\$21,000-21,999	351	\$46,000-46,999	582
\$22,000-22,999	363	\$47,000-47,999	590
\$23,000-23,999	374	\$48,000-48,999	598
\$24,000-24,999	385	\$49,000-49,999	606
\$25,000-25,999	397	\$50,000-50,999	614
		Add'l	
		Rate	
		Per	
		\$1,000	9

**AMERICAN RELIABLE INSURANCE COMPANY
ARKANSAS WATERCRAFT PROGRAM**

***14. DEDUCTIBLES**

***A. WATERCRAFT (Applies to Physical Damage Premium)**

<u>AGE</u>	<u>DEDUCTIBLE</u>	<u>FACTOR</u>
When Hull is under 16 years old	Deductible is 1% of Coverage	
	A amount or \$250 minimum	
	1%	1.00
	2%	.85
	3%	.80
When Hull is 16+ years old	Deductible is 2% of Coverage	
	A amount or \$500 minimum	
	2%	1.00
	3%	.90
	5%	.85

***B. TRAILER (Applies to Trailer Premium)**

<u>DEDUCTIBLE</u>	<u>FACTOR</u>
\$250	1.00
\$500	.90

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Supporting Document Schedules

Satisfied -Name: Actuarial Memorandum and Exhibits **Review Status:** Filed 12/18/2008

Comments:

Attachment:

Actuarial Memorandum and Exhibits.PDF

Satisfied -Name: P&C Transmittal - Rates **Review Status:** Filed 12/18/2008

Comments:

Attachment:

P&C Transmittal - Rates.PDF

Satisfied -Name: AR From RF-1 Rate Filing Abstract **Review Status:** Filed 12/18/2008

Comments:

Attachment:

AR From RF-1 Rate Filing Abstract.PDF

Satisfied -Name: RF-1 Rate Filing Abstract **Review Status:** Filed 12/18/2008

Comments:

Attachment:

RF-1 Rate Filing Abstract.PDF

**American Reliable Insurance Company
Arkansas
Watercraft**

Actuarial Memorandum

We are proposing a rate level change of -1.9%. The indicated rate level change is 12%. Please see Exhibit 1 for the rate indication. See the filing memorandum for the specifics of rate changes.

The indicated rate level change is determined using standard actuarial principles, based on 5 years of calendar year premiums and accident year losses. We have brought the premium to current level by using the parallelogram method using prior rate changes. The premium has been trended to account for exposure level changes. Please see Exhibit 2

The losses have been developed to ultimate value with a Loss Development Factor, and have been trended to the average accident date for the effective policy year. Please see Exhibits 3 and 4. In addition, the losses have been offset for salvage and subrogation, are net of catastrophes, and have been capped at \$50,000. A cat factor and an excess loss factor is then included. Please see Exhibits 5 and 6.

Credibility is determined using the square root of P/K limited to 1.0, where P is 5 years of trended on level earned premium, and K is the credibility standard using a full credibility standard of 3000 claims. The credibility complement is the permissible loss ratio trended since date of last rate change.

**American Reliable Insurance Company
Arkansas
Watercraft**

**Rate Indication
Exhibit 1**

Evaluated as of 3/31/2008
Assumed effective date of 4/1/2009

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
Written Premium	0	7,342	12,007	22,516	18,605	60,469
Earned Premium	0	3,935	10,074	18,452	20,131	52,592
Current Rate Level Factor	n/a	0.907	0.931	0.997	1.000	
Premium Trend Factor	n/a	1.338	1.272	1.209	1.150	
Trended, On-Level Earned Premium	0	4,778	11,938	22,246	23,145	62,107
Incurred Limited Loss & LAE @ 1Q2008	0	2,785	2,801	1,947	134	7,667
Loss Development Factor	1.000	1.003	1.006	1.011	1.040	
Pure Premium Trend Factor	n/a	1.620	1.489	1.370	1.259	
Catastrophe Factor	1.000	1.000	1.000	1.000	1.000	
Excess Loss Factor	1.177	1.177	1.177	1.177	1.177	
Trended, Ultimate Loss & LAE	0	5,328	4,939	3,173	207	13,646
Loss & LAE Ratio		111.5%	41.4%	14.3%	0.9%	22.0%
Selected Loss & LAE Ratio	22.0%					
Other Acquisition & General Expenses (% of EP)	0.5%					
Credibility	3.9%					
Complementary Loss & LAE Ratio	40.8%					
Credibility-Weighted Loss & LAE Ratio	40.1%					
Permissible Loss & LAE Ratio	35.7%					
Indicated Rate Level Change	12.0%					
Selected Rate Level Change	-1.9%					

Losses capped at \$50,000.

**American Reliable Insurance Company
Nationwide Watercraft**

Premium Trend Factors
Evaluated as of 12/31/2007

Year Ending	Earned Premium	On Level Factor	On Level Earned Prem	Earned Exposures	Premium/Exposure
2002Q1	587,676	0.963	566,175	1,162	487.10
2002Q2	621,162	0.970	602,372	1,193	504.89
2002Q3	905,659	1.171	1,060,836	1,890	561.35
2002Q4	1,256,630	1.249	1,569,337	2,768	567.03
2003Q1	1,601,591	1.293	2,071,523	3,620	572.18
2003Q2	1,965,687	1.322	2,598,096	4,438	585.46
2003Q3	2,168,339	1.285	2,786,239	4,708	591.78
2003Q4	2,319,043	1.295	3,004,273	4,867	617.23
2004Q1	2,504,972	1.297	3,247,817	5,193	625.38
2004Q2	2,699,762	1.301	3,511,063	5,637	622.86
2004Q3	2,967,475	1.297	3,849,133	6,331	607.99
2004Q4	3,356,651	1.260	4,229,425	7,155	591.12
2005Q1	3,977,270	1.231	4,896,626	8,084	605.72
2005Q2	4,950,270	1.198	5,931,982	9,504	624.13
2005Q3	6,230,475	1.177	7,335,025	11,275	650.59
2005Q4	7,601,998	1.169	8,886,445	13,037	681.63
2006Q1	8,631,027	1.155	9,969,910	14,375	693.58
2006Q2	9,409,417	1.143	10,755,429	15,204	707.43
2006Q3	10,049,570	1.126	11,312,964	15,704	720.39
2006Q4	10,504,975	1.102	11,578,313	15,956	725.63
2007Q1	11,046,193	1.083	11,965,314	16,281	734.92
2007Q2	11,478,882	1.062	12,189,732	16,463	740.45
2007Q3	11,824,539	1.042	12,316,138	16,460	748.26
2007Q4	12,018,735	1.025	12,314,135	16,388	751.40
2002 - 2007					6.9%
2003 - 2007					6.3%
2004 - 2007					7.0%
2005 - 2007					7.9%
2006 - 2007					4.6%
2007					3.1%
Selected					5.2%

**American Reliable Insurance Company
Arkansas
Watercraft**

**Loss Development Factors
Exhibit 3**

Countrywide Data
Case Incurred Losses & LAE
000s omitted

Accident Year	Cumulative Amounts (age in quarters)									
	1	5	9	13	17	21	25	29	33	37
1999	38	833	840	846	854	920	968	968	968	968
2000	96	396	418	420	420	420	420	420	420	
2001	58	389	640	645	646	646	646	646		
2002	15	398	465	475	475	475	475			
2003	51	1,409	1,428	1,426	1,430	1,430				
2004	119	1,295	1,359	1,357	1,357					
2005	326	4,335	4,441	4,447						
2006	427	4,242	4,365							
2007	705	5,042								
2008	498									
Accident Year	Age-Age Factors									
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
1999	22.176	1.009	1.007	1.010	1.077	1.051	1.000	1.000	1.000	
2000	4.138	1.055	1.004	1.000	1.000	1.000	1.000	1.000		
2001	6.709	1.648	1.007	1.002	1.000	0.999	1.000			
2002	27.446	1.167	1.022	1.000	1.000	1.000				
2003	27.867	1.014	0.999	1.002	1.000					
2004	10.923	1.049	0.999	1.000						
2005	13.294	1.025	1.001							
2006	9.929	1.029								
2007	7.151									
2008										
Straight Avg	Age-Age Factors									
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
All Yrs	14.404	1.124	1.006	1.003	1.015	1.013	1.000	1.000	1.000	
5 Yrs	13.833	1.057	1.006	1.001	1.015					
3 Yrs	10.125	1.034	1.000	1.001	1.000	1.000	1.000			
2 Yrs	8.540	1.027	1.000	1.001	1.000	1.000	1.000	1.000		
Weighted Avg	Age-Age Factors									
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
All Yrs	10.003	1.050	1.003	1.003	1.017	1.019	1.000	1.000	1.000	
5 Yrs	10.029	1.032	1.002	1.001	1.017					
3 Yrs	9.338	1.030	1.000	1.001	1.000	1.000	1.000			
2 Yrs	8.199	1.027	1.001	1.001	1.000	1.000	1.000	1.000		
Selected LDF	Age-Age Factors									
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
6.309	1.032	1.017	1.003	1.003	1.000	1.000	1.000	1.000	1.000	
6.661	1.056	1.023	1.006	1.003	1.000	1.000	1.000	1.000	1.000	

**American Reliable Insurance Company
Arkansas
Watercraft**

**Loss Development Factors
Exhibit 3**

Countrywide Data
Capped Case Incurred Losses & LAE *
000s omitted

Accident Year	Cumulative Amounts (age in quarters)									
	1	5	9	13	17	21	25	29	33	37
1999	38	832	834	840	848	865	862	862	862	862
2000	96	396	418	420	420	420	420	420	420	
2001	58	380	404	407	408	408	408	408		
2002	15	398	465	475	475	475	475			
2003	51	1,280	1,295	1,293	1,295	1,295				
2004	119	1,225	1,289	1,287	1,287					
2005	180	3,583	3,633	3,639						
2006	407	3,587	3,679							
2007	540	4,151								
2008	457									
Accident Year	Age-Age Factors									
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
1999	22.169	1.002	1.007	1.010	1.019	0.997	1.000	1.000	1.000	
2000	4.138	1.055	1.004	1.000	1.000	1.000	1.000	1.000		
2001	6.558	1.063	1.007	1.004	1.000	0.999	1.000			
2002	27.446	1.167	1.022	1.000	1.000	1.000				
2003	25.322	1.012	0.999	1.002	1.000					
2004	10.333	1.052	0.998	1.000						
2005	19.874	1.014	1.002							
2006	8.802	1.026								
2007	7.683									
2008										
Straight Avg										
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
All Yrs	14.703	1.049	1.006	1.003	1.004	0.999	1.000	1.000	1.000	
5 Yrs	14.403	1.054	1.006	1.001	1.004					
3 Yrs	12.120	1.030	1.000	1.001	1.000	1.000	1.000			
2 Yrs	8.242	1.020	1.000	1.001	1.000	0.999	1.000	1.000		
Weighted Avg										
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
All Yrs	10.534	1.029	1.003	1.003	1.005	0.999	1.000	1.000	1.000	
5 Yrs	10.658	1.029	1.002	1.001	1.005					
3 Yrs	10.035	1.025	1.000	1.001	1.000	1.000	1.000			
2 Yrs	8.164	1.020	1.001	1.001	1.000	0.999	1.000	1.000		
Selected LDF										
	1-5	5-9	9-13	13-17	17-21	21-25	25-29	29-33	33-37	
Selected	10.534	1.029	1.005	1.003	1.003	1.000	1.000	1.000	1.000	
LDF	10.951	1.040	1.011	1.006	1.003	1.000	1.000	1.000	1.000	

* Losses capped at \$50,000.

**American Reliable Insurance Company
Arkansas
Watercraft**

**Pure Premium Trend
Exhibit 4**

Evaluated as of 3/31/2008

Frequency Trend			
Rolling 4 quarters			
Year Ending	Earned Exposures	Ultimate Claims	Claims/ Exposure
2003Q1	3,620	155	0.0428
2003Q2	4,438	180	0.0406
2003Q3	4,708	194	0.0412
2003Q4	4,867	215	0.0442
2004Q1	5,193	225	0.0433
2004Q2	5,637	236	0.0419
2004Q3	6,331	253	0.0400
2004Q4	7,155	248	0.0347
2005Q1	8,084	266	0.0329
2005Q2	9,504	342	0.0360
2005Q3	11,275	450	0.0399
2005Q4	13,037	552	0.0424
2006Q1	14,375	586	0.0407
2006Q2	15,204	627	0.0413
2006Q3	15,704	667	0.0425
2006Q4	15,956	642	0.0402
2007Q1	16,281	641	0.0394
2007Q2	16,463	623	0.0378
2007Q3	16,460	635	0.0386
2007Q4	16,388	618	0.0377
		2003-2007	-1.4%
		2005-2007	1.9%
		Selected frequency trend	1.9%
Severity Trend			
Rolling 4 quarters			
Year Ending	Ultimate Incurred Losses	Ultimate Claims	Loss/ Claim
2003Q1	587,174	155	3,788
2003Q2	836,190	180	4,646
2003Q3	1,296,694	194	6,684
2003Q4	1,475,492	215	6,863
2004Q1	1,517,442	225	6,744
2004Q2	1,512,142	236	6,407
2004Q3	1,477,646	253	5,840
2004Q4	1,435,090	248	5,787
2005Q1	1,735,840	266	6,526
2005Q2	2,441,986	342	7,140
2005Q3	3,261,156	450	7,243
2005Q4	4,471,583	552	8,094
2006Q1	4,521,088	586	7,719
2006Q2	4,721,348	627	7,525
2006Q3	5,048,581	667	7,570
2006Q4	4,588,454	642	7,145
2007Q1	4,912,687	641	7,662
2007Q2	4,963,792	623	7,967
2007Q3	5,327,143	635	8,393
2007Q4	5,298,611	618	8,575
		2003-2007	11.3%
		2005-2007	6.7%
		Selected severity trend	6.7%
Pure Premium Trend			
		Selected pure premium trend	8.7%

**American Reliable Insurance Company
Arkansas
Watercraft**

**Catastrophe Factor
Exhibit 5**

Non-Modeled Cat Incurred Loss*	0
Non-Cat Incurred Loss*	34,717
Non-Modeled Cat/Non-Cat	0.0%
Model Cat Loss/Premium	0.0%
Permissible Loss & LAE Ratio	55.6%
Catastrophe Factor	1.000
Selected Catastrophe Factor	1.000

* Incurred Losses shown above are from Accident Years 1995 thru 2007.

**American Reliable Insurance Company
Arkansas
Watercraft**

**Excess Loss Factor
Exhibit 6**

Countrywide Data
000s omitted

Year	Capped Incurred Loss & LAE	LDF	Capped Ultimate Loss & LAE	Total Incurred Loss & LAE	LDF	Total Ultimate Loss & LAE	Total/ Capped
1999	803,475	1.000	803,475	1,006,444	1.000	1,006,444	1.253
2000	428,637	1.000	428,637	428,637	1.000	428,637	1.000
2001	217,283	1.000	217,283	311,851	1.000	311,851	1.435
2002	491,399	1.000	491,399	491,399	1.000	491,399	1.000
2003	1,339,902	1.000	1,339,902	1,475,429	1.000	1,475,429	1.101
2004	1,371,944	1.003	1,376,059	1,434,861	1.003	1,439,166	1.046
2005	3,767,216	1.006	3,788,351	4,454,056	1.006	4,480,820	1.183
2006	3,877,655	1.011	3,918,906	4,555,173	1.023	4,660,448	1.189
2007	4,292,891	1.040	4,462,900	5,180,322	1.056	5,469,647	1.226
Total	16,590,401		16,826,912	19,338,171		19,763,840	1.166

2003 - 2007 1.177

Selected XS Loss Factor **1.177**

* Claims are capped at \$50,000.

**American Reliable Insurance Company
Arkansas
Watercraft**

**Expenses
Exhibit 7**

	2005	2006	2007	Average 2005-2007	Selections
Commissions, Brokerage *	50.7%	44.1%	71.6%	55.5%	55.5%
Taxes, Licenses & Fees *	3.1%	4.5%	2.2%	3.3%	3.3%
Other Acquisition Expense **	0.3%	0.4%	0.5%	0.4%	0.4%
General Expenses **	0.1%	0.2%	0.2%	0.2%	0.2%
Profit Provision					5.0%
Total Expense & Profit					64.3%
Permissible Loss & LAE Ratio					35.7%

* Source: Annual Statement, State Page 15 - Line 9

** Source: Insurance Expense Exhibit Part 3 - Line 9

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: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Assurant, Inc. Group	0019

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Reliable Insurance Company	AZ	19615	41-0735002	

5. Company Tracking Number	SC10 PM AR03480ARR01
-----------------------------------	----------------------

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Wendy Sara 8655 East Via De Ventura Scottsdale AZ 85258	Regulatory Analyst	800-535-1333 Ext. 563	480-443-3785	wendy.sara@assurant.com

7. Signature of authorized filer	
---	--

8. Please print name of authorized filer	Wendy Sara
---	------------

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

9.	Type of Insurance (TOI)	09.0 Inland Marine
10.	Sub-Type of Insurance (Sub-TOI)	09.0000 Inland Marine Sub-TOI Combinations
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Watercraft
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 3/1/2009 Renewal: 4/1/2009
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	NA
17.	Reference Organization # & Title	NA
18.	Company's Date of Filing	11/21/2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	SC10 PM AR03480ARR01
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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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American Reliable Insurance Company proposes the following changes to its currently approved rates in Arkansas. There is a -1.9% rate impact. There is a companion forms filing. We are requesting a 3/1/09 new and 4/1/09 renewal effective dates.

RATE/RULE Clarifications -

Page WC.RP.1 - #2 Medical Payments

We removed the wording "Maximum of \$10,000"

Page WC.RP.1 - #4 Boat Trailer

We removed the wording "Maximum of \$10,000"

Page WC.RP.2 - #6 Personal Property Coverage

We added the comment "\$100 Deductible applies to this coverage"

Page WC.RP.2 - #7 Replacement Cost Coverage

We added the comment "in addition to the Personal Property rate listed above"

Page WC.RP.3 - #10.F Premium Factors

We changed the wording to "All Arkansas Counties" for clarification.

Page WC.RP.5 - #11.C Surcharges

We added the comment "Applies to the driver with the highest number of points" for clarification.

Page WC.RP.5 - #11.C Surcharges

We added the comment "Driving after Suspension or Revocation"

Page WC.RP.5 - #11.D Surcharges

We added the comment "Ownership" for clarification

Page WC.RP.5 - #12.A Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.5 - #12.C Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.6 - #12.C Credits

We added the comment "continuous, claim free" for clarification

Page WC.RP.5 - #12.D Credits

We added the comment "Applies to the Physical Damage and Liability/Property Damage Premium" for clarification.

Page WC.RP.6 - #12.D Credits

We added the comment "for the previous 3 years" for clarification

Page WC.RP.8 - #14.A Deductibles

We added the comment "Applies to Physical Damage Premium" for clarification

Page WC.RP.8 - #14.A Deductibles

We raised the Deductible Credit by 10% for vessels less than 16 years old and 5% for vessels over 16 years.

Page WC.RP.8 - #14.B Deductibles

We added the comment "Applies to Trailer Premium" for clarification

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:

EFT

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

Effective March 1, 2007

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

AMERICAN RELIABLE INSURANCE COMPANY

BOATERS EDGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. Section A - Property Damage Coverage, Personal Effects, the coverage amount is amended to a separate limit of \$2,500 for any one occurrence or the amount shown on the Declarations Page for Personal Effects, whichever is greater.

II. Section A – Property Damage Coverage, Limit of Liability is deleted and replaced with the following:

A total loss occurs when Your Insured Watercraft is destroyed or lost. Your Insured Watercraft is considered a constructive total loss when the reasonable expense of recovering and repairing Your Insured Watercraft exceeds the value as shown on the Declarations Page. Your Insured Watercraft is considered lost when it is not found within 30 days of the date it is reported as missing.

In the event of loss or damage to Your insured property, we will pay the lowest of the following amounts:

a. We will pay the amount shown on the Declarations Page for the Insured Watercraft if it is a total loss or a constructive total loss.

b. We will pay the reasonable cost of repair or replacement without deduction for depreciation if Your Insured Watercraft is partially damaged. However, the most we will pay for:

- (1) Batteries, Sails, Canvas, Curtains, Protective Covers
- (2) Outboard motors or outdrive units which are more than (7) years old
- (3) Dinghy/tenders
- (4) Trailers which are more than (7) years old
- (5) Other machinery which is more than (7) years old
- (6) Personal Effects is the lesser of the following:
 - i. the Actual Cash Value at the time of the loss,
 - ii. the cost of repair subject to depreciation,
 - iii. the cost of replacement,
 - iv. or the amount of insurance, if any, shown on the Declarations Page for the specific property.

The cost of repairs shall be determined by yacht repair yards, equipment repairers or surveyors agreeable to us.

The amount we will pay for a total loss shall be reduced by the amount paid for repairs of prior covered damage not completed at the time of the total loss.

III. Trailer Deductible Coverage

In the event of a loss or damage resulting from a covered peril involving the trailer, a \$50 deductible will apply.

IV. Section A - Property Damage Coverage, Emergency Towing and Assistance, the coverage amount is amended to a separate limit of \$2,000 for any one occurrence.

V. Section A – Property Damage Coverage, Exclusions That Apply to Section A, d. is amended to include:

This exclusion is deleted when the Insured Watercraft is moored in a facility protected by a bubbler, water agitator, or similar protective device or system during the winter.

However, should a loss result directly or indirectly from ice and/or freezing directly due to the mooring facilities loss of its primary source of electrical power and no secondary source of electrical power had originally been provided by the mooring facility, then coverage will not be provided for such losses.

VI. Section C – Medical Payments, Limit of Liability coverage amount is amended to:

Our limit of liability in any one accident shall not exceed \$10,000 or the amount shown for Section C: Medical Payments on the Declarations Page, whichever is greater, regardless of the number of persons involved or claims made in the accident.

VII. Hurricane Haulout Coverage

If the National Weather Service issues a hurricane watch or warning for the area where Your Insured Watercraft is located, we will cover the reasonable costs that you incur to protect Your Insured Watercraft from loss or damage caused by tidal surge or hurricane force winds. This includes:

- a. Having Your Insured Watercraft professionally hauled out of the water, stored until the watch or warning has ended and then launched in the same general area; or
- b. Having Your Insured Watercraft moved to a safe harbor, including any docking or mooring fees, by a qualified, unrelated individual.

Expenses for the acquisition of line, anchors and additional equipment to secure Your Insured Watercraft are not included in this coverage.

The most we will pay for any one hurricane is \$500, and for any one policy period is \$1,000. The Section A – Property Damage Coverage deductible amount does not apply to this coverage.

VIII. Electronic Navigational Equipment Deductible Coverage

In the event of a loss or damage resulting from a covered peril involving just electronic navigational equipment installed on Your Insured Watercraft, a \$250 deductible (\$1,000 deductible if the loss occurs in Florida, the Bahamas, or Gulf Coastwise Waters) will apply. For deductible purposes, electronic navigational equipment means equipment that is normally required on board Your Insured Watercraft for its normal

operation and use including ship-to-shore radios, depth-finders, GPS, radar and similar navigation systems. It also includes electronic entertainment that is permanently installed and normally used on board Your Insured Watercraft including, but not limited to televisions, stereo systems and personal computers.

Should a covered loss to both the unscheduled electronic navigation and communication equipment and the Insured Watercraft shown on the Declarations Page exceed the SECTION A: PROPERTY DAMAGE COVERAGE section DEDUCTIBLE AMOUNT, the deductible(s) shown in the endorsement shall not apply.

IX. Guaranteed Repair

If the repairs to Your Insured Watercraft for any covered loss are performed in accordance with a repair method of which we approve and by a Boater's Edge Advantage dealer, we will pay for any additional repairs due to faulty workmanship or damage by that repair facility that is discovered later and is part of the covered loss arising from the accident for which the repairs were required.

This guarantee will remain in effect as long as You own the Insured Watercraft and You continuously maintain the insurance coverage with us.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

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

1.	This filing transmittal is part of Company Tracking #	PM AR03480ARR01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

Company Name		Company NAIC Number	
3.	A. American Reliable Insurance Company	B.	0019-19615

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 09.0 Inland Marine	B.	09.0000 Inland Marine Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
Physical Damage	12.0%	-4.0%				
Liability	12.0%	0.0%				
TOTAL OVERALL EFFECT	12.0%	-1.9%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	152	0.0%		20	0	0.7%	43.0%
2006	138	0.0%		18	2	10.6%	58.5%
2005	81	-9.3%	4/1/2005	10	3	27.8%	63.0%
2004	39	0.0%		4	3	70.8%	48.9%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	55.8%
B. General Expense	0.2%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	5.0%
E. Other (explain)	
F. TOTAL	64.3%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. 0.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -8.2% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): _____