

SERFF Tracking Number: CUNX-125416444 State: Arkansas
Filing Company: CUMIS Insurance Society, Inc. State Tracking Number: EFT \$50
Company Tracking Number: GL AR0087002F01
TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2004 Contractual Liability
Product Name: Contractual Liability Policy
Project Name/Number: 2007 CFR Endorsement & DC Rating Manual/GL AR0087002F01

Filing at a Glance

Company: CUMIS Insurance Society, Inc.

Product Name: Contractual Liability Policy

TOI: 17.2 Other Liability - Occurrence Only

Sub-TOI: 17.2004 Contractual Liability

SERFF Tr Num: CUNX-125416444 State: Arkansas

SERFF Status: Closed

Co Tr Num: GL AR0087002F01

State Tr Num: EFT \$50

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Author: SPI CUNA

Disposition Date: 02/07/2008

Date Submitted: 01/05/2008

Disposition Status: Approved

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

Effective Date (New):

Effective Date Requested (Renewal): 06/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 2007 CFR Endorsement & DC Rating Manual

Project Number: GL AR0087002F01

Reference Organization:

Reference Title:

Filing Status Changed: 02/07/2008

State Status Changed: 02/07/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

We are filing the following revisions for new business effective on and after March 1, 2008 and renewal business effective on and after June 1, 2008. The following items are included for your review and consideration:

FORMS

Claim Fluctuation Reserve (CFR) Endorsement - CLP-POL-END-CFR-09 07

Claim Fluctuation Reserve (CFR) Advance Endorsement - CLP-POL-END-CFRADV-2007

SERFF Tracking Number: CUNX-125416444 State: Arkansas
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These are new endorsements. Both endorsements are related to the experience refund program, known as the Claim Fluctuation Reserve (CFR) program. The CFR program allows an insured to receive an experience refund for good experience, subject to the establishment of a CFR account. An insured is not required to participate in the experience refund program; therefore, both of these endorsements are optional.

Attached are final printed copies of the forms.

Company and Contact

Filing Contact Information

Laura Theis, Compliance Manager CUMIS.Compliance.Mail@cunamutual.com
 (Administrative Office) Location 5910 2 C6 (800) 356-2644 [Phone]
 Madison, WI 53705 (608) 236-6226[FAX]

Filing Company Information

CUMIS Insurance Society, Inc. CoCode: 10847 State of Domicile: Iowa
 (Administrative Office) Location 5910 2 C6 Group Code: 306 Company Type: Property and
 Casualty

5910 Mineral Point Road
 Madison, WI 53705
 (608) 238-5851 ext. [Phone]

Group Name: State ID Number:
 FEIN Number: 39-0972608

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: Form filing fee.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
CUMIS Insurance Society, Inc.	\$50.00	01/05/2008	17360922

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	02/07/2008	02/07/2008

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Disposition

Disposition Date: 02/07/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	AR - FORM FILING ABSTRACT F-1, AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4/30/03))	Approved	Yes
Form	Claim Fluctuation Reserve (CFR) Advance Endorsement	Approved	Yes
Form	Claim Fluctuation Reserve (CFR) Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Claim Fluctuation Reserve (CFR) Advance Endorsement	CLP-POL-2007 END- CFRADV		Endorsement/Amendment/Conditions		0.00	CLP-POL-END-CFRADV.PDF
Approved	Claim Fluctuation Reserve (CFR) Endorsement	CLP-POL-09 07 END-CFR		Endorsement/Amendment/Conditions		0.00	CLP-POL-END-CFR.PDF

This Endorsement is attached to and made a part of the following Contractual Liability Policy.

Policy Number: _____

Policyholder: _____

Effective Date of this Endorsement: _____

The following terms are added to the DEFINITIONS section of the Policy:

CFR Advance means money paid to You in anticipation of a Positive Settlement Amount.

The following provision is added to the PREMIUM PROVISIONS section of the Policy:

Any CFR Advance We pay to You must be repaid by You, either directly or through disbursement of a Positive Settlement Amount.

Any Positive Settlement Amount will be used to repay a CFR Advance before any amount is paid to You.

Any portion of a CFR Advance that remains unpaid after the earlier of the:

1. [first, second, third, fourth or fifth] Settlement Amount Calculation; or
2. termination of the CFR program

must be repaid by You within 30 days after You receive the final accounting report.

IN WITNESS WHEREOF, CUMIS Insurance Society, Inc. has caused this Endorsement to be signed by its President.



President

I understand the terms of this Endorsement and agree to this Endorsement being made a part of the above referenced Policy.

Signature (Officer of the Policyholder)

Date

This Endorsement is attached to and made a part of the following Contractual Liability Policy.

Policy Number: _____

Policyholder: _____

Effective Date of this Endorsement: _____

The following terms are added to the DEFINITIONS section of the Policy:

Settlement Amount Calculation means Earned Premium for an Accounting Period less:

1. Incurred Claims during the Accounting Period; and
2. Retention for the Accounting Period.

Accounting Period means a twelve (12) month period beginning on the anniversary of the Initial Accounting Period.

Earned Premium means the aggregate amount of CLP premium earned during the Accounting Period.

CLP means Contractual Liability Policy.

CFR Account is an interest bearing reserve account.

Incurred Claims means the amount of claims actually paid during the Accounting Period plus the amount We expect to pay in future claims that have been incurred.

Initial Accounting Period means the twelve (12) month period beginning with the calendar quarter on or after the Effective Date of this Endorsement.

Negative Settlement Amount means any deficit that occurs at the end of an Accounting Period when the sum of Incurred Claims and Retention exceeds the Earned Premium.

Positive Settlement Amount means any excess of Earned Premium over the sum of Incurred Claims and Retention at the end of an Accounting Period.

Retention means the margin necessary to cover Our administrative expenses, risk premium, premium taxes, and contribution to surplus. This amount will be determined by Us annually and communicated to You at the beginning of each Accounting Period.

The following provision is added to the PREMIUM PROVISIONS section of the Policy:

Claims Fluctuation Reserve. We agree to compensate You through an experience refund program referred to as Claims Fluctuation Reserve (CFR).

Participation in CFR requires the establishment of a CFR Account. This CFR Account belongs to You and is retained on deposit with Us for use in offsetting any future Negative Settlement Amounts. The CFR Account is a reserve established through the sharing of a Positive Settlement Amount or through Your deposits. The fund is reduced if there is an Accounting Period with a Negative Settlement Amount. A Settlement amount will be determined for each Accounting Period.

**CLAIM FLUCTUATION RESERVE (CFR) ENDORSEMENT
CONTRACTUAL LIABILITY POLICY**

Claims Fluctuation Reserve - continued

If at the end of an accounting period, a Positive Settlement Amount occurs and the CFR Account is fully funded, as described below, the entire amount will be paid to You. If a Positive Settlement Amount occurs and the CFR Account is not fully funded, as described below, the amount will first be divided with 50% going to the CFR account and 50% going to You. This disposition of the Positive Settlement Amount will continue until the:

1. CFR Account is fully funded; or
2. Positive Settlement Amount is depleted.

If a Negative Settlement Amount occurs, the amount of the Negative Settlement Amount will be subtracted from the CFR Account balance. The new CFR Account balance will not be less than zero. If the CFR Account balance is zero, any remaining Negative Settlement Amount will be a loss to Us.

Full funding of the CFR Account occurs according to the following schedule related to the Accounting Period annual Earned Premium. For Earned Premium amounts between the amounts in column one, the full funding percent will be calculated by interpolation.

Accounting Period CLP Earned Premium	Full Funding Amount	Full Funding Percent of Premium
\$500,000	\$125,000	25%
\$800,000	\$160,000	20%
\$1,000,000	\$180,000	18%
\$1,500,000	\$240,000	16%
\$2,000,000	\$280,000	14%
\$2,500,000	\$300,000	12%
\$3,000,000	\$330,000	11%
\$4,000,000	\$400,000	10%
\$5,000,000 and above	\$450,000	9%

For accounting period earned premium levels below \$500,000, the full funding amount is \$125,000.

Interest shall be paid and credited annually to the CFR Account on the daily balance in the account at the minimum rate of 2% per annum and maximum rate of 8% per annum for the first annual term of this program, and thereafter for successive terms of the program at a rate to be determined annually by Us.

Subject to Your timely payment of premium, We will provide You with an accounting report of premium received, interest credited, Incurred Claims, and Retention for the Accounting Period within five (5) months after the end of each Accounting Period.

In order to remain eligible for CFR, You must have Earned Premium of at least \$200,000 during the most recent Accounting Period.

The experience refund program described by this Endorsement may be terminated at any time by You or Us in accordance with the Nonrenewal or Termination conditions in the Contractual Liability Policy. Seventeen (17) months after the end of the calendar quarter in which the experience refund program terminates for any reason, including termination of the Policy, a final Settlement Amount Calculation will be completed using data through the termination date. The CFR Account balance remaining after the completion of the final Settlement Amount Calculation will be returned to You with a final accounting report.

**CLAIM FLUCTUATION RESERVE (CFR) ENDORSEMENT
CONTRACTUAL LIABILITY POLICY**

IN WITNESS WHEREOF, CUMIS Insurance Society, Inc. has caused this Endorsement to be signed by its President.



President

I understand that the terms of this Endorsement will apply for an indefinite period following the Effective Date of this Endorsement and agree to this Endorsement being made a part of the above referenced Policy.

Signature (Officer of the Policyholder)

Date

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Rate Information

Rate data does NOT apply to filing.

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 02/07/2008

Comments:

Attachment:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF

Satisfied -Name: AR - FORM FILING ABSTRACT F-
1, AR - CERTIFICATE OF
COMPLIANCE - (AID PC SelfCert
(4/30/03)) **Review Status:** Approved 02/07/2008

Comments:

Attachments:

AR - FORM FILING ABSTRACT F-1.PDF

AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4_30_03)).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					

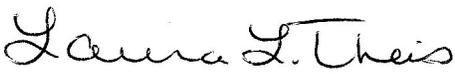
3. Group Name	Group NAIC #
	306

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
CUMIS Insurance Society, Inc.	IA	10847	39-0972608	

5. Company Tracking Number	GL AR0087002F01
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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
	Laura L. Theis, AIS (Administrative Office) Location 5910 2 C6, 5910 Mineral Point Road Madison WI 53705	Compliance Manager	800-356-2644 Ext. 8816	608-236-6226	CUMIS.Compliance.Mail @cunamutual.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Laura L. Theis, AIS

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

9.	Type of Insurance (TOI)	17.2 Other Liability - Occurrence Only
10.	Sub-Type of Insurance (Sub-TOI)	17.2004 Contractual Liability
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Contractual Liability – Debt Cancellation
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" 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: 03/01/2008 Renewal: 06/01/2008
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	January 5, 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 #	GL AR0087002F01
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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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We are filing the following revisions for new business effective on and after March 1, 2008 and renewal business effective on and after June 1, 2008. The following items are included for your review and consideration:

FORMS

- Claim Fluctuation Reserve (CFR) Endorsement - CLP-POL-END-CFR-09 07
- Claim Fluctuation Reserve (CFR) Advance Endorsement - CLP-POL-END-CFRADV-2007

These are new endorsements. Both endorsements are related to the experience refund program, known as the Claim Fluctuation Reserve (CFR) program. The CFR program allows an insured to receive an experience refund for good experience, subject to the establishment of a CFR account. An insured is not required to participate in the experience refund program; therefore, both of these endorsements are optional.

Attached are final printed copies of the forms.

22.	<p>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]</p> <p>Check #: EFT Amount: \$50.00</p> <p>Form filing fee.</p> <p style="text-align: center;">Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>
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***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

ARKANSAS INSURANCE DEPARTMENT

FORM FILING ABSTRACT

ALL QUESTIONS MUST BE ANSWERED

Page 1 of 2

Companies filing for a group may use a consolidated abstract if all forms are identical.

1. Date Filed 01.05.08

2. Company Name(s) CUMIS Insurance Society, Inc.

Group Name _____ NAIC No. 10847 Group No. 306

3. (a) Annual Statement Line of Business Number (Page 14) 17. Other Liability

(b) Class of Business _____

(c) Coverages Affected _____

4. (a) Name of Advisory Organization, if any N/A

(b) Affiliations with Advisory Organization: Member () Subscriber ()

5. Is this a reference filing? Yes () No () If yes, please provide the following:

(a) Name of Advisory Organization (or Affiliated Company) _____

(b) Date of Filing 01.05.08

(c) Filing Designation Number or Description GL AR0087002F01

PROVIDE THE INFORMATION REQUESTED ON PAGE 2 OF THIS FORM

7. Has the form(s) been approved for use in your domiciliary state and/or other states?

yes

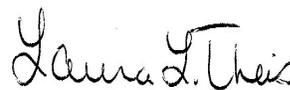
8. Is the form filed in response to or due to legislation? If so, specify legislation.

no

9. Is the form in response to or due to recent court decisions? If so, give citation.

no

THIS INFORMATION IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Signature

Associate Director

Title

800-356-2644

Telephone Number

Page 2 of 2

Old Form No.	Proposed Effective Date of New Form	New Form No.	Title of the Form(s); also Indicate Withdrawals: Provide Synopsis of Coverage
	03.01.08 - new business 06.01.08 - renewal business	CLP-POL-END-CFRADV 2007	Claim Fluctuation Reserve (CFR) Advance Endorsement
	03.01.08 - new business 06.01.08 - renewal business	CLP-POL-END-CFR 09 07	Claim Fluctuation Reserve (CFR) Endorsement

ARKANSAS CERTIFICATE OF COMPLIANCE

(You may print or type the information required by this form)



Vice President
Underwriting, Commercial
Lines

I, Leslie D. Svoboda, Vice President of
(Name) *(Title of Authorized Officer)*

CUMIS Insurance Society, Inc.

(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

- a. Arkansas Code Annotated;
- b. Arkansas Rules and Regulations;
- c. Arkansas Insurance Bulletins, Directives and Orders;
- d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? <i>(Yes or No)</i> •	N/A
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If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number • GL AR0087002F01	
Signature of Authorized Officer •	
Name of Authorized Officer •	Leslie D. Svoboda
Title of Authorized Officer •	Vice President Underwriting, Commercial Lines
Email address of Authorized Officer •	CUMIS.Compliance.Mail@cunamutual.com
Telephone # of Authorized Officer •	800.356.2644
Date •	01.05.08

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us