

SERFF Tracking Number: FARM-125430254 State: Arkansas
First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
Company Tracking Number:
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: R-AR-2008-WC-F
Project Name/Number: /

Filing at a Glance

Companies: Farmers Insurance Exchange, Mid-Century Insurance Company, Truck Insurance Exchange

Product Name: R-AR-2008-WC-F

SERFF Tr Num: FARM-125430254 State: Arkansas

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: #3020018029 \$50

Sub-TOI: 16.0004 Standard WC

Co Tr Num:

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Authors: Oneida Charrett, James

Disposition Date: 02/26/2008

Gebhard, Robert Hill, Mina Villegas,

Kelly Peng, Doris Shi

Date Submitted: 01/15/2008

Disposition Status: Approved

Effective Date Requested (New): 04/01/2008

Effective Date (New): 04/01/2008

Effective Date Requested (Renewal): 04/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 02/26/2008

State Status Changed: 02/21/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Farmers Insurance Group is proposing to include the following two forms to provide the indicated optional coverage when requested by the insured:

Waiver of Our Right to Recover from Others Endorsement – Blanket

Waiver of Our Right to Recover from Others Endorsement – Specific

SERFF Tracking Number: FARM-125430254 State: Arkansas
 First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
 Company Tracking Number:
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: R-AR-2008-WC-F
 Project Name/Number: /

Company and Contact

Filing Contact Information

Robert Hill, Work Comp Staff Actuary
 3041 Cochran Street
 Simi Valley, CA 93065

Robert_C_Hill@farmersinsurance.com
 (805) 306-6571 [Phone]

Filing Company Information

Farmers Insurance Exchange
 4680 Wilshire Blvd.
 Los Angeles, CA 90010
 (323) 932-3056 ext. [Phone]

CoCode: 21652
 Group Code: 212
 Group Name:
 FEIN Number: 95-2575893

State of Domicile: California
 Company Type:
 State ID Number:

Mid-Century Insurance Company
 4680 Wilshire Blvd.
 Los Angeles, CA 90010
 (323) 932-3056 ext. [Phone]

CoCode: 21687
 Group Code: 212
 Group Name:
 FEIN Number: 95-6016640

State of Domicile: California
 Company Type:
 State ID Number:

Truck Insurance Exchange
 4680 Wilshire Blvd.
 Los Angeles, CA 90010
 (323) 932-3056 ext. [Phone]

CoCode: 21709
 Group Code: 212
 Group Name:
 FEIN Number: 95-2575892

State of Domicile: California
 Company Type:
 State ID Number:

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Farmers Insurance Exchange	\$0.00	01/15/2008	
Mid-Century Insurance Company	\$0.00	01/15/2008	
Truck Insurance Exchange	\$0.00	01/15/2008	

SERFF Tracking Number: FARM-125430254

State: Arkansas

First Filing Company: Farmers Insurance Exchange, ...

State Tracking Number: #3020018029 \$50

Company Tracking Number:

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Product Name: R-AR-2008-WC-F

Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	02/26/2008	02/26/2008
Approved	Carol Stiffler	01/16/2008	01/16/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Carol Stiffler (FM)	02/19/2008	02/19/2008	Doris Shi	02/25/2008	02/25/2008

SERFF Tracking Number: FARM-125430254 State: Arkansas
First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
Company Tracking Number:
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: R-AR-2008-WC-F
Project Name/Number: /

Disposition

Disposition Date: 02/26/2008
Effective Date (New): 04/01/2008
Effective Date (Renewal):
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: FARM-125430254 State: Arkansas
 First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
 Company Tracking Number:
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: R-AR-2008-WC-F
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Manual Page	Approved	Yes
Form	Waiver of Our Right to Recover from Others Endorsement – Blanket	Approved	Yes
Form	Waiver of Our Right to Recover from Others Endorsement – Specific	Approved	Yes

SERFF Tracking Number: FARM-125430254 State: Arkansas
First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
Company Tracking Number:
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: R-AR-2008-WC-F
Project Name/Number: /

Disposition

Disposition Date: 01/16/2008

Effective Date (New): 04/01/2008

Effective Date (Renewal):

Status: Approved

Comment: This filing indicates that no filing fee is required. That is incorrect. The fee for a form filing is \$50. The filing is being approved contingent on receiving the filing fee.

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: FARM-125430254 State: Arkansas
 First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
 Company Tracking Number:
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: R-AR-2008-WC-F
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Manual Page	Approved	Yes
Form	Waiver of Our Right to Recover from Others Endorsement – Blanket	Approved	Yes
Form	Waiver of Our Right to Recover from Others Endorsement – Specific	Approved	Yes

SERFF Tracking Number: FARM-125430254 State: Arkansas
First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
Company Tracking Number:
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: R-AR-2008-WC-F
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/19/2008
Submitted Date 02/19/2008
Respond By Date

Dear Robert Hill,

This filing was reopened due to an internal audit which found that there were no filing fees submitted with it. The filing fee for a form filing is \$50. I failed to see that there was no fee information with the filing. You may send a check in the amount of \$50 and can still have the 4/1/08 requested effective date. Please let me know the check number for our records.

Please feel free to contact me if you have questions.

Sincerely,
Carol Stiffler (FM)

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/25/2008
Submitted Date 02/25/2008

Dear Carol Stiffler,

Comments:

Response 1

Comments: We have mailed the check to pay the filing fee. The detailed information of the payment is as follows:

Check Number: 3020018029

Check date: 2/14/2008

The name of company in the check: Truck Insurance Exchange

The Check is received by Alabama DOI on 2/21/2008 and the mailing receipt signed by C. Cosby.

Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: FARM-125430254

State: Arkansas

First Filing Company: Farmers Insurance Exchange, ...

State Tracking Number: #3020018029 \$50

Company Tracking Number:

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Product Name: R-AR-2008-WC-F

Project Name/Number: /

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Doris Shi, James Gebhard, Kelly Peng, Mina Villegas, Oneida Charrett, Robert Hill

SERFF Tracking Number: FARM-125430254 State: Arkansas
 First Filing Company: Farmers Insurance Exchange, ... State Tracking Number: #3020018029 \$50
 Company Tracking Number:
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: R-AR-2008-WC-F
 Project Name/Number: /

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Waiver of Our Right to Recover from Others Endorsement – Blanket	93-6369	9-07	Endorsement/Amendment/Conditions New		0.00	J6369101 blanket.pdf
Approved	Waiver of Our Right to Recover from Others Endorsement – Specific	93-6370	9-07	Endorsement/Amendment/Conditions New		0.00	J6370101.pdf



**WORKERS' COMPENSATION AND EMPLOYERS'
LIABILITY INSURANCE POLICY**

Named •
Insured •
•
•

Agent

Policy Number
of the Company

Policy
Year

Effective
Date _____

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - BLANKET

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization for which you perform work under a written contract that requires you to obtain this agreement from us.

The additional premium for this endorsement shall be _____% of the Workers' Compensation premium otherwise due for the state(s) listed below on such remuneration, subject to a minimum charge of _____.

All written contracts in the state(s) of:

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

Countersigned _____
Authorized Representative



WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

Named •
Insured •
•
•

Agent

Policy Number
of the Company

Policy
Year

Effective
Date _____

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - SPECIFIC

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____ % of the _____ Workers' Compensation premium otherwise due on such remuneration, subject to a minimum charge of _____.

Schedule

Person or Organization

Job Description

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

Countersigned _____
Authorized Representative

SERFF Tracking Number: *FARM-125430254* *State:* *Arkansas*
First Filing Company: *Farmers Insurance Exchange, ...* *State Tracking Number:* *#3020018029 \$50*
Company Tracking Number:
TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0004 Standard WC*
Product Name: *R-AR-2008-WC-F*
Project Name/Number: */*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125430254

State: Arkansas

First Filing Company: Farmers Insurance Exchange, ...

State Tracking Number: #3020018029 \$50

Company Tracking Number:

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Product Name: R-AR-2008-WC-F

Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved

02/26/2008

Comments:

Transmittal Document

Attachment:

industry_rates_PCtransDoc_intelligent.pdf

Satisfied -Name: Cover Letter

Review Status:

Approved

02/26/2008

Comments:

Cover Letter

Attachment:

Cover Letter.pdf

Satisfied -Name: Manual Page

Review Status:

Approved

02/26/2008

Comments:

Manual page

Attachment:

Manual Page.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: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

3. Group Name	Group NAIC #

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

5. Company Tracking Number	
-----------------------------------	--

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
7.	Signature of authorized filer		<i>James J. Melhorn</i>		
8.	Please print name of authorized filer				

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

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

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

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

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

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

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

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
-----------	--	--

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
-----------	---	--

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
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		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

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 #	
-----------	--	--

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

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

4a.	Rate Change by Company (As Proposed)						
------------	---	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

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

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
---	--	--	--

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

6.	Overall percentage of last rate revision	
-----------	---	--

7.	Effective Date of last rate revision	
-----------	---	--

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

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



FARMERS

3041 Cochran St
Simi Valley, CA 93065
Tel. (805) 306-6568
Fax. (805) 306-6667

www.farmersinsurance.com

January 14, 2008

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

SUBJECT: WORKERS COMPENSATION NEW FORMS EFFECTIVE 04/01/08

COMPANY NAME	REFERENCE #	NAIC#	GROUP#
FARMERS INSURANCE EXCHANGE	FARM-125430254	21652	0212
TRUCK INSURANCE EXCHANGE	FARM-125430254	21709	0212
MID-CENTURY INSURANCE COMPANY	FARM-125430254	21687	0212

Dear Commissioner:

We hereby respectfully file to include the following two forms to provide the indicated optional coverage when requested by the insured:

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – BLANKET
WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – SPECIFIC

We also propose the charge for the optional coverage to be 3% of the applicable payroll and a minimum premium of \$250 per endorsement. Our proposed effective date is April 1, 2008.

If you have any further questions, please contact:

James J. Gebhard, FCAS, MAAA
Actuary, Workers Compensation
Tel. (805) 306-6568
Fax. (805) 306-6667
E-Mail: James_Gebhard@farmersinsurance.com

Very truly yours,
FARMERS INSURANCE GROUP OF COMPANIES
Robert Matthews, FCAS
Vice President

By: James J. Gebhard, FCAS, MAAA
Actuary, Workers Compensation

- c. **Vehicles Under Contract:** If vehicles with drivers, chauffeurs or helpers are engaged under contract and the owner of such vehicles has not furnished evidence that the workers' compensation obligation has been insured, the total payroll of such drivers, chauffeurs or helpers shall be included as payroll of the insured employer that contracted for such vehicles. Such payroll shall be assigned to the classification applicable in that risk to drivers. If that payroll cannot be obtained, 1/3 of the total contract price for the vehicles shall be considered as payroll of the drivers, chauffeurs or helpers. If the owner of a vehicle under contract also is a driver and is entitled to workers' compensation benefits, and has not furnished evidence that such workers' compensation obligation has been insured, 1/3 of the contract price for that vehicle shall be included as payroll of the insured employer which contracted for the vehicle.

When the contract price does not include the cost of fuel, maintenance, or other services provided to the owner or owner-operator of a vehicle under contract, the value of such goods and services shall be added to the contract price before determining the 1/3 amount.

- d. If an experience modification has been established for the contractor, such experience modification shall be applied to the premium developed for the uninsured subcontractor.

4. **Piecework**

This rule on subcontractors does not apply to contracts for piecework: The entire amount paid to piece workers shall be the payroll, as provided in Rule V.

D. **WAIVER OF RIGHT TO RECOVER FROM OTHERS**

1. **Explanation**

It is permissible in many states to issue a Standard Policy with the provision that allows the carrier to waive its right of recovery against anyone liable for an injury covered by the policy. Attach the Waiver of Our Right to Recover From Others Endorsement to waive right of recovery where permitted.

★ 2. **Advisory Loss Costs, Rates and Premium**

The premium for this endorsement is based upon a charge to be determined by the carrier from its evaluation of the exposures presented.

The normal charge for addition of the Waiver of Right to Recover From Others will be 3% of the premium charge for the exposure associated with the contract which requires this endorsement subject to any state law which requires a different charge and subject to a minimum of \$250 additional premium per endorsement.

RULE X – CANCELLATION

A. **WHO MAY CANCEL**

The Cancellation Condition of the Standard Policy permits cancellation by the insured or by the insurance carrier. Most states regulate such cancellations.

B. **PREMIUM DETERMINATION – CANCELLATION BY FARMERS INSURANCE GROUP**

Premium for the canceled policy shall be computed as follows:

1. **Rates and Payroll**

Apply authorized rates to the payroll developed during the period the policy was in effect.

2. **Experience Rating**

Apply any experience rating modification in accordance with the rules of the Experience Rating Plan Manual. *Refer to Rule VI-H.*

3. **Expense Constant**

Add the pro-rata portion of the Expense Constant but not less than \$15. *Refer to Rule VI-E.*

4. **Minimum Premium**

The total premium for the canceled policy shall not be less than the pro-rata portion of the minimum premium. *Refer to Rule VI-E.*

C. **PREMIUM DETERMINATION – CANCELLATION BY THE INSURED WHEN RETIRING FROM BUSINESS**

Compute the premium as provided in – above if a policy is canceled by the insured when:

- 1. All the work covered by the policy has been completed, or
- 2. All interest in any business covered by the policy has been sold, or
- 3. The insured has retired from all business covered by the policy.

Note: *For the purpose of this rule, a material change in the ownership of a corporation which results in the elimination of experience under the rules of the Experience Rating Plan Manual does not constitute retiring from the business insured by the policy.*

D. **PREMIUM DETERMINATION – CANCELLATION BY THE INSURED, EXCEPT WHEN RETIRING FROM BUSINESS**

The premium for the canceled policy shall be based on the Short Rate Cancellation Table in this rule and computed as follows:

1. **Actual Payroll**

Determine the payroll developed during the period the policy was in effect.