

SERFF Tracking Number: CMPX-125513591 State: Arkansas
Filing Company: Companion Property & Casualty Insurance State Tracking Number: EFT \$25
Company
Company Tracking Number: 08018
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
Portion Only
Product Name: Commercial Package Policy
Project Name/Number: MU CPP Equipment Breakdown Coverage/08018

Filing at a Glance

Company: Companion Property & Casualty Insurance Company

Product Name: Commercial Package Policy SERFF Tr Num: CMPX-125513591 State: Arkansas

TOI: 05.1 Commercial Multi-Peril - Non-Liability SERFF Status: Closed State Tr Num: EFT \$25

Portion Only

Sub-TOI: 05.1003 Commercial Package Co Tr Num: 08018 State Status: Fees verified and received

Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Author: SPI CompanionPCGroup Disposition Date: 03/06/2008
Date Submitted: 02/28/2008 Disposition Status: Exempt from Review

Effective Date Requested (New): 03/30/2008 Effective Date (New): 03/30/2008

Effective Date Requested (Renewal): Effective Date (Renewal): 04/30/2008

State Filing Description:

General Information

Project Name: MU CPP Equipment Breakdown Coverage

Project Number: 08018

Reference Organization:

Reference Title:

Filing Status Changed: 03/06/2008

State Status Changed: 03/06/2008

Corresponding Filing Tracking Number:

Filing Description:

We are filing a rule and a form broadening property coverage to provide mechanical, electrical and pressure systems breakdown coverage through the attachment of an enhancement endorsement.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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Company and Contact

Filing Contact Information

Will Davis, Manager of Actuarial Services willie.davis@companiongroup.com
 P.O. Box 100165 (803) 264-5303 [Phone]
 Columbia, SC 29202 (803) 865-3155[FAX]

Filing Company Information

Companion Property & Casualty Insurance CoCode: 12157 State of Domicile: South Carolina
 Company
 P.O. Box 100165 Group Code: 661 Company Type:
 Columbia, SC 29202 Group Name: State ID Number:
 (800) 845-2724 ext. [Phone] FEIN Number: 57-0768836

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Companion Property & Casualty Insurance Company	\$25.00	02/28/2008	18219124

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	03/06/2008	03/06/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
MANUAL PAGES REVISED 2/29/08	Supporting Document	SPI CompanionPCGro up	03/03/2008	03/03/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Correction to manual page	Note To Reviewer	SPI CompanionPCGr oup	03/03/2008	03/03/2008

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Disposition

Disposition Date: 03/06/2008

Effective Date (New): 03/30/2008

Effective Date (Renewal): 04/30/2008

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.

Just for future reference if you decide to file your rates and rules, the filing fee for rates are \$100 and rules are \$25.

Thank You

Llyweyia Rawlins

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:
Companion Property & Casualty Insurance Company	0.000%	\$0	96	\$178,655	%	%	%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Cover Letter, AR - NAIC P&C	Accepted for	Yes
	TRANSMITTAL DOCUMENT, AR - RATE	Informational Purposes	
	FILING ABSTRACT RF-1, AR - NAIC		
	RATE RULE FILING SCHEDULE, MANUAL PAGES		
Supporting Document	MANUAL PAGES REVISED 2/29/08	Accepted for	Yes
		Informational Purposes	
Rate	EQUIPMENT BREAKDOWN	Accepted for	Yes
		Informational Purposes	
Rate	EQUIPMENT BREAKDOWN	Accepted for	Yes
		Informational Purposes	

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Amendment Letter

Amendment Date:

Submitted Date: 03/03/2008

Comments:

MANUAL PAGES REVISED TO SHOW CORRECT FACTORS FOR EQUIPMENT BREAKDOWN OPTIONAL INCREASED LIMITS.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: MANUAL PAGES REVISED 2/29/08

Comment:

MANUAL PAGES REVISED 2_29_08.PDF

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Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: Neutral
Effective Date of Last Rate Revision:
Filing Method of Last Filing:

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):
Companion Property & Casualty Insurance Company	%	0.000%	\$0	96	\$178,655	%	%

SERFF Tracking Number: *CMPX-125513591* State: *Arkansas*
 Filing Company: *Companion Property & Casualty Insurance Company* State Tracking Number: *EFT \$25*
 Company Tracking Number: *08018*
 TOI: *05.1 Commercial Multi-Peril - Non-Liability Portion Only* Sub-TOI: *05.1003 Commercial Package*
 Product Name: *Commercial Package Policy*
 Project Name/Number: *MU CPP Equipment Breakdown Coverage/08018*

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	EQUIPMENT BREAKDOWN	EQUIPMENT BREAKDOWN	New	
Accepted for Informational Purposes	EQUIPMENT BREAKDOWN	EQUIPMENT BREAKDOWN	New	EQUIPMENT BREAKDOWN.PDF

**COMPANION PROPERTY & CASUALTY
ARKANSAS
EXCEPTIONS TO ISO COMMERCIAL LINES MANUAL
DIVISION FIVE - FIRE AND ALLIED LINES**

LOSS COSTS AND MULTIPLIER

New business and renewals effective 7/01/06 and later, use ISO 6/04 Loss Cost pages with our 1.35 multiplier.

Prior: New business and renewals effective 1/01/06 and later, use ISO 6/04 Loss Cost pages with our 1.510 multiplier.

Replace the following manual rules with:

8. POLICY WRITING MINIMUM PREMIUM

- A. Prepaid Policies \$100
- B. Annual Premium Payment Policies \$100
- Continuous Policies Not Available

9. ADDITIONAL PREMIUM CHANGES

- B. Waive additional premium of:..... \$15 or less

10. RETURN PREMIUM CHANGES

- B. Waive return premium of : \$15 or less
- However, any return premium due must be granted if requested by the insured.

**51. BUSINESS INCOME OPTIONS of the Commercial Lines Manual is amended to add the following:
TWELVE MONTH ACTUAL LOSS SUSTAINED COVERAGE:**

- A. Description of Coverage. Under this coverage option, the coinsurance clause of the Business Income (and Extra Expense) Coverage Form CP 0030 is suspended and the limit of insurance is changed to the actual loss sustained during the 365 days immediately following the beginning of the "period of restoration".
- B. Eligibility.
 - Restaurant occupancies
 - Motels
- C. Form. Use endorsement CPP 108
- D. Rate Modification.
 - 1. Restaurants: Apply the 80% coinsurance business income rate times 45% of the restaurant's estimated gross annual receipts figure divided by 100.
 - 2. Motels: Apply the 80% coinsurance business income rate times 80% of the motel's estimated gross annual receipts figure divided by 100.

81. DEDUCTIBLES Table 4. Table of Factors for deductibles is deleted and replaced by the following:

DEDUCTIBLE AMOUNT	DEDUCTIBLE CODE	DEDUCTIBLE FACTORS ALL PERILS	
		MIN CR	MAX CR
\$ 250	04	1.08	1.08
500	05	1.00	.91
1,000	07	.89	.69
2,500	08	.85	.66
5,000	09	.80	.62
10,000	10	.79	.61
25,000	11	.78	.60
50,000	90	.71	.54
75,000	90	.69	.53

The range of deductible factors must be applied by the company in recognition of the causes of loss involved (Basic, Broad or Special), the physical features affecting Probable Maximum Loss, and the total amount of all contributing insurance.

**COMPANION PROPERTY & CASUALTY
ARKANSAS
EXCEPTIONS TO ISO COMMERCIAL LINES MANUAL
DIVISION FIVE - FIRE AND ALLIED LINES**

- 85. BASIC GROUP I CLASS RATES**
B. ELIGIBILITY
2. HOTELS AND MOTELS WITHOUT RESTAURANTS
b. Total Floor Area: 35,000 square feet or less

ADDITIONAL RULES

TERRORISM PRICING

B.2. Certified Acts Of Terrorism - Premium Determination

LOSS COSTS FOR CERTIFIED ACTS OF TERRORISM

Building	Contents
.001	.001

Table B.2. Loss Costs For Certified Acts Of Terrorism

EQUIPMENT BREAKDOWN

The Commercial Property coverage forms are modified to include loss resulting from Equipment Breakdown.

Rates and Premium

This coverage is applicable to all insured locations except for metal recycling risks. For insured locations, calculate the total insured value, divide by 100 and multiply this amount times 0.016.

Optional Increased Limits

Limits can be increased for Spoilage, Refrigerant Contamination, Pollutant Clean Up and Removal, and Expediting Expense using the following modifiers to determine the additional annual premium.

Increased Limit Factors for Optional Sublimits			
	Spoilage	Refrigerant Contamination	Pollutant Cleanup and Removal
Sublimit	Factor	Factor	Factor
<i>\$250,000</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>
<i>\$500,000</i>	1.36	0.27	0.41
<i>\$1,000,000</i>	1.66	0.33	0.50

**COMPANION PROPERTY & CASUALTY
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DIVISION FIVE - FIRE AND ALLIED LINES**

METAL RECYCLING: *The following apply only to Metal Recycling.*

<u>Equipment Breakdown CSP</u>	<u>Description</u>	<u>Building and Personal Property Rate</u>	<u>Business Interruption Rate</u>
160	<i>General Heavy Mfg.</i>	0.023	0.029
230	<i>Heavy Metal Working</i>	0.146	0.159
240	<i>Primary Metal Working</i>	0.043	0.201
259	<i>Mining</i>	0.039	0.089
330	<i>Rubber Products</i>	0.022	0.106
420	<i>Scrap Metal Baling</i>	0.013	0.027

Premiums may be modified by the application of an Individual Risk Premium Modifier. See the attached table. An Individual Risk Premium Modifier may be used when the risk deviates from the Average according to the company's Average Risk Model. The total modifier will not exceed +/-50% for the property portion of the premium. The total modifier will not exceed +/-25% for the business interruption portion of the premium. The total modifier will not exceed the maximum modification allowed by state law.

Metal Recycling Individual Risk Premium Modification	
Risk Modifier	Risk Factor
<i>Age</i>	<i>+ or - 10%</i>
<i>Protection</i>	<i>+ or - 10%</i>
<i>Maintenance of Equipment</i>	<i>+ or - 10%</i>
<i>Accessibility and ease of repairing or replacing</i>	<i>+ or - 10%</i>
<i>Condition of Equipment</i>	<i>+ or - 20%</i>
<i>Unique Equipment</i>	<i>+ or - 20%</i>

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REDUCED ACQUISITION COST MODIFICATION PLAN

All other rate modification plans contemplate the standard allowance for expenses. If the expenses are less than standard, such rates may be decreased by the amount of reduction in expenses.

Range of Reduction
1% to 15%

This plan is available for all Commercial Protector policies.

The maximum credit under this plan will be 15%. When used in combination with other rating plans (Experience or Schedule), the reciprocals are combined by multiplication.

EXAMPLE: RACM = 10% EXPENSE REDUCTION

Package Modification Factor		IRPM Factor		RACM Factor		Final PMF
.60	X	.60	X	.90	=	.324

**COMPANION PROPERTY & CASUALTY
ARKANSAS
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INDIVIDUAL RISK PREMIUM MODIFICATION PLAN (IRPM) (6/98 Edition)

Replace 3. Rating Modification with the following:

RATING MODIFICATION

The company rates for the risk may be modified in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits (debits) under the following table shall not exceed 40% (40%) (excluding any modification from the Reduced Acquisition Cost Modification Plan.)

IRPM RATING TABLE				
Risk Characteristics		Range of Modifications		
		Credit	to	Debit
A	Management Co-operation in matters of safeguarding and proper handling of property covered	13%	to	13%
B	Location Accessibility, congestion and exposure	11%	to	11%
C	Building Features Age, condition and unusual structural features	8%	to	8%
D	Premises and Equipment Care, condition and type	8%	to	8%
E	Employees Selection, training, supervision and experience	5%	to	5%
F	Protection Not otherwise recognized	3%	to	3%

* MAXIMUM CREDIT NOT TO EXCEED 40%
MAXIMUM DEBIT NOT TO EXCEED 40%
(excluding any modification from the Reduced Acquisition Cost Modification Plan)

The credits (debits) developed under this plan should be combined by addition. When used in combination with the Reduced Acquisition Cost Modification Plan, the reciprocals of the two credits are combined by multiplication.

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Supporting Document Schedules

Satisfied -Name: Cover Letter, AR - NAIC P&C
TRANSMITTAL DOCUMENT, AR -
RATE FILING ABSTRACT RF-1,
AR - NAIC RATE RULE FILING
SCHEDULE, MANUAL PAGES

Review Status:
Accepted for Informational 03/06/2008
Purposes

Comments:

Attachments:

Cover Letter.PDF
AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - RATE FILING ABSTRACT RF-1.PDF
AR - NAIC RATE RULE FILING SCHEDULE.PDF
MANUAL PAGES.PDF

Satisfied -Name: MANUAL PAGES REVISED
2/29/08

Review Status:
Accepted for Informational 03/06/2008
Purposes

Comments:

Attachment:

MANUAL PAGES REVISED 2_29_08.PDF



P.O. Box 100165 | Columbia, South Carolina 29202-3165
(803) 735-0672 | (800) 845-2724
www.CompanionGroup.com

February 28, 2008

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

Attn: Property & Casualty Division

RE: Rate and Rule Filing - MU CPP Equipment Breakdown Coverage
Commercial Property
Company Filing#: CP AR0801801R01
Companion Property & Casualty Insurance Company NAIC#: 661-12157
FEIN#: 57-0768836

Dear Commissioner Benafield Bowman:

Companion is submitting new rule Equipment Breakdown which permits the use of a new form, submitted under a separate filing. The rule states the rating procedure for equipment breakdown as a property coverage.

Our rate of \$0.016 /\$100 TIV was derived using ISO loss costs for the classes of business that we currently write under our commercial property program. The table that follows shows the boiler & machinery class descriptions, percentage of total insured value (TIV) and the ISO 2004 prospective loss cost (LC):

<u>Description</u>	<u>% of TIV</u>	<u>ISO LC PD</u>	<u>ISO LC BI</u>
Main Street	58.1%	0.011	0.007
Restaurants	16.6%	0.009	0.023
Hotel/Motel	4.5%	0.032	0.037
Public Assembly	4.0%	0.003	0.024
Light Mfg	3.6%	0.009	0.021
Food Processing	2.8%	0.047	0.048
Warehouse	2.3%	0.029	0.020
Textile Mfg	1.5%	0.020	0.085
General Mfg	1.5%	0.018	0.022
Habitational	1.4%	0.010	0.020
Health Care Facility	1.3%	0.005	0.006
Printing	0.8%	0.025	0.027
Plastic Products	0.8%	0.032	0.044
Low Hazard Chemical	0.7%	0.008	0.039

These loss costs when weighted by class yield an average loss cost of \$0.0130/ \$100 for the above Classes of Business. Using a modified loss cost multiplier of 1.23 yields an average rate of \$0.0160/\$100 TIV, representing 4.1% of property premium.

The premium for the risk may be modified by the attached Individual Risk Premium Modifier, Property Damage Deductible, Business Income Deductible and the Increased Limit Factors for Optional Sublimit tables. These modification tables are to be used in recognition of the special characteristics of a risk that may not be fully recognized in the basic company rate or premium.

In the future we will pursue business throughout the Scrap Metal industry. We contemplate the Scrap Metal industry to not only sort and bale metals but also shred, smelt and melt into ingots. The equipment that further processes recycled metals has higher exposure units than those occupancy classes used in our overall rate. For these Classes of Business we will charge the following rates. The rates below reflect the Loss Cost Rate times the Loss Cost Multiplier.

<u>Eq. Brkdn CSP</u>	<u>Description</u>	<u>ISO LC PD</u>	<u>ISO LC BI</u>	<u>Rate PD</u>	<u>Rate BI</u>
160	Gen'l Heavy Mfg.	0.018	0.022	0.022	0.027
230	Heavy Mtl. Wrkg	0.119	0.129	0.146	0.159
240	Primary Mtl. Wrkg.	0.035	0.164	0.043	0.202
259	Mining	0.032	0.072	0.039	0.089
330	Rubber Products	0.018	0.086	0.022	0.106
420	Scrap Metal Baling	0.010	0.021	0.012	0.026

We derived the loss cost multiplier by viewing our own expenses as well as industry expenses for this line of business. We expect our expenses, inclusive of profit to be 48.7% of the premium. Below is the calculation of our loss cost multiplier.

COMPARISON LCM DEVELOPMENT

DEVELOPMENT OF EXPECTED LOSS RATIO

A. Commission	15.9%
B. General Expenses	20.8%
C. Taxes, Licenses and Fees	6.1%
D. Profit & Contingencies	3.0%
E. Inspection Expense	<u>3.0%</u>
Total (A+B+C+D+E)	48.7%

Expected Loss Ratio (ELR=100%-Total) 51.3%

LCM without modification 1.95

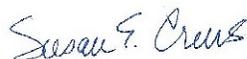
Modification* 0.63

Final LCM 1.23

* Modification contemplates the spread of risk over all of the insured locations.

Your approval of this filing with an effective date of March 30, 2008 for new business and April 30, 2008 for renewals would be greatly appreciated.

Yours truly,



Susan Crews, CIC, CPIW
 Product Development Analyst
 Phone: 803-264-5655

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 #
	661

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Companion Property & Casualty Insurance Company	SC	12157	57-0768836	

5. Company Tracking Number	08018
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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
	Will Davis P.O. Box 100165 Columbia SC 29202	Manager of Actuarial Services	800-845-2724	803 865-3155	willie.davis@companiongroup.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Will Davis		

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

9.	Type of Insurance (TOI)	05.1 Commercial Multi-Peril - Non-Liability Portion Only		
10.	Sub-Type of Insurance (Sub-TOI)	05.1003 Commercial Package		
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: _____	Renewal: _____	
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 #	08018
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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 a rule and a form broadening property coverage to provide mechanical, electrical and pressure systems breakdown coverage through the attachment of an enhancement endorsement.

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

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

1.	This filing transmittal is part of Company Tracking #	CP AR0801801R01
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. Companion Property & Casualty Insurance Company	B.	661-12157

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. 05.1 Commercial Multi-Peril - Non-Liability Portion Only	B.	05.1003 Commercial Package

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)	(H) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT							

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

7.

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

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

PROPERTY & CASUALTY 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 #	08018
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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.)	File and Use
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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)
Companion Property & Casualty Insurance Company		0	0	96	178655	0	0

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 policyholder affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

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	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	AR-CF-2 2/6/08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	AR-CF-3 2/6/08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

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LOSS COSTS AND MULTIPLIER

New business and renewals effective 7/01/06 and later, use ISO 6/04 Loss Cost pages with our 1.35 multiplier.

Prior: New business and renewals effective 1/01/06 and later, use ISO 6/04 Loss Cost pages with our 1.510 multiplier.

Replace the following manual rules with:

8. POLICY WRITING MINIMUM PREMIUM

- A. Prepaid Policies \$100
- B. Annual Premium Payment Policies \$100
- Continuous Policies Not Available

9. ADDITIONAL PREMIUM CHANGES

- B. Waive additional premium of: \$15 or less

10. RETURN PREMIUM CHANGES

- B. Waive return premium of : \$15 or less
- However, any return premium due must be granted if requested by the insured.

**51. BUSINESS INCOME OPTIONS of the Commercial Lines Manual is amended to add the following:
TWELVE MONTH ACTUAL LOSS SUSTAINED COVERAGE:**

- A. Description of Coverage. Under this coverage option, the coinsurance clause of the Business Income (and Extra Expense) Coverage Form CP 0030 is suspended and the limit of insurance is changed to the actual loss sustained during the 365 days immediately following the beginning of the "period of restoration".
- B. Eligibility.
 - Restaurant occupancies
 - Motels
- C. Form. Use endorsement CPP 108
- D. Rate Modification.
 - 1. Restaurants: Apply the 80% coinsurance business income rate times 45% of the restaurant's estimated gross annual receipts figure divided by 100.
 - 2. Motels: Apply the 80% coinsurance business income rate times 80% of the motel's estimated gross annual receipts figure divided by 100.

81. DEDUCTIBLES Table 4. Table of Factors for deductibles is deleted and replaced by the following:

DEDUCTIBLE AMOUNT	DEDUCTIBLE CODE	DEDUCTIBLE FACTORS ALL PERILS	
		MIN CR	MAX CR
\$ 250	04	1.08	1.08
500	05	1.00	.91
1,000	07	.89	.69
2,500	08	.85	.66
5,000	09	.80	.62
10,000	10	.79	.61
25,000	11	.78	.60
50,000	90	.71	.54
75,000	90	.69	.53

The range of deductible factors must be applied by the company in recognition of the causes of loss involved (Basic, Broad or Special), the physical features affecting Probable Maximum Loss, and the total amount of all contributing insurance.

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- 85. BASIC GROUP I CLASS RATES**
B. ELIGIBILITY
2. HOTELS AND MOTELS WITHOUT RESTAURANTS
b. Total Floor Area: 35,000 square feet or less

ADDITIONAL RULES

TERRORISM PRICING

B.2. Certified Acts Of Terrorism - Premium Determination

LOSS COSTS FOR CERTIFIED ACTS OF TERRORISM

Building	Contents
.001	.001

Table B.2. Loss Costs For Certified Acts Of Terrorism

EQUIPMENT BREAKDOWN

The Commercial Property coverage forms are modified to include loss resulting from Equipment Breakdown.

Rates and Premium

This coverage is applicable to all insured locations except for metal recycling risks. For insured locations, calculate the total insured value, divide by 100 and multiply this amount times 0.016.

Optional Increased Limits

Limits can be increased for Spoilage, Refrigerant Contamination, Pollutant Clean Up and Removal, and Expediting Expense using the following modifiers to determine the additional annual premium.

Increased Limit Factors for Optional Sublimits			
	Spoilage	Refrigerant Contamination	Pollutant Cleanup and Removal
Sublimit	Factor	Factor	Factor
<i>\$250,000</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>
<i>\$500,000</i>	1.36	0.27	0.41
<i>\$1,000,000</i>	1.66	0.33	0.50

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METAL RECYCLING: *The following apply only to Metal Recycling.*

<u>Equipment Breakdown CSP</u>	<u>Description</u>	<u>Building and Personal Property Rate</u>	<u>Business Interruption Rate</u>
160	General Heavy Mfg.	0.023	0.029
230	Heavy Metal Working	0.146	0.159
240	Primary Metal Working	0.043	0.201
259	Mining	0.039	0.089
330	Rubber Products	0.022	0.106
420	Scrap Metal Baling	0.013	0.027

Premiums may be modified by the application of an Individual Risk Premium Modifier. See the attached table. An Individual Risk Premium Modifier may be used when the risk deviates from the Average according to the company's Average Risk Model. The total modifier will not exceed +/-50% for the property portion of the premium. The total modifier will not exceed +/-25% for the business interruption portion of the premium. The total modifier will not exceed the maximum modification allowed by state law.

Metal Recycling Individual Risk Premium Modification	
Risk Modifier	Risk Factor
Age	+ or - 10%
Protection	+ or - 10%
Maintenance of Equipment	+ or - 10%
Accessibility and ease of repairing or replacing	+ or - 10%
Condition of Equipment	+ or - 20%
Unique Equipment	+ or - 20%

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REDUCED ACQUISITION COST MODIFICATION PLAN

All other rate modification plans contemplate the standard allowance for expenses. If the expenses are less than standard, such rates may be decreased by the amount of reduction in expenses.

Range of Reduction
1% to 15%

This plan is available for all Commercial Protector policies.

The maximum credit under this plan will be 15%. When used in combination with other rating plans (Experience or Schedule), the reciprocals are combined by multiplication.

EXAMPLE: RACM = 10% EXPENSE REDUCTION

Package Modification Factor		IRPM Factor		RACM Factor		Final PMF
.60	X	.60	X	.90	=	.324

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INDIVIDUAL RISK PREMIUM MODIFICATION PLAN (IRPM) (6/98 Edition)

Replace 3. Rating Modification with the following:

RATING MODIFICATION

The company rates for the risk may be modified in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits (debits) under the following table shall not exceed 40% (40%) (excluding any modification from the Reduced Acquisition Cost Modification Plan.)

IRPM RATING TABLE				
Risk Characteristics		Range of Modifications		
		Credit	to	Debit
A	Management Co-operation in matters of safeguarding and proper handling of property covered	13%	to	13%
B	Location Accessibility, congestion and exposure	11%	to	11%
C	Building Features Age, condition and unusual structural features	8%	to	8%
D	Premises and Equipment Care, condition and type	8%	to	8%
E	Employees Selection, training, supervision and experience	5%	to	5%
F	Protection Not otherwise recognized	3%	to	3%

* MAXIMUM CREDIT NOT TO EXCEED 40%
MAXIMUM DEBIT NOT TO EXCEED 40%
(excluding any modification from the Reduced Acquisition Cost Modification Plan)

The credits (debits) developed under this plan should be combined by addition. When used in combination with the Reduced Acquisition Cost Modification Plan, the reciprocals of the two credits are combined by multiplication.

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LOSS COSTS AND MULTIPLIER

New business and renewals effective 4/01/08 and later, use ISO 6/04 Loss Cost pages with our 1.35 multiplier.

Prior: New business and renewals effective 7/01/06 and later, use ISO 6/04 Loss Cost pages with our 1.35 multiplier.

Replace the following manual rules from the ISO Commercial Lines Manual Division Five – Commercial Fire & Allied Lines/Glass with:

8. POLICY WRITING MINIMUM PREMIUM

- A. Prepaid Policies \$100
- B. Annual Premium Payment Policies..... \$100
- Continuous Policies Not Available

9. ADDITIONAL PREMIUM CHANGES

- B. Waive additional premium of:..... \$15 or less

10. RETURN PREMIUM CHANGES

- B. Waive return premium of:..... \$15 or less
- However, any return premium due must be granted if requested by the insured.

51. BUSINESS INCOME OPTIONS of the Commercial Lines Manual is amended to add the following:

ACTUAL LOSS SUSTAINED COVERAGE:

- A. Description of Coverage. Under this coverage option, the coinsurance clause of the Business Income (and Extra Expense) Coverage Form CP 0030 or Business Income (Without Extra Expense) Coverage Form CP 0032 is suspended and the limit of insurance is changed to the actual loss sustained.
- B. Eligibility.
 - Restaurant occupancies
 - Motels
 - Retail, wholesale, processing/service
- C. Form. Use endorsement CPP 115 Business Income and Extra Expense – Actual Loss Sustained Endorsement or CPP 117 Business Income (Without Extra Expense) – Actual Loss Sustained Endorsement.
- D. Rate Modification.
 - 1. Restaurants: Apply the 80% coinsurance business income rate times 45% of the restaurant's estimated gross annual receipts figure divided by 100.
 - 2. Motels: Apply the 80% coinsurance business income rate times 80% of the motel's estimated gross annual receipts figure divided by 100.
 - 3. Retail, wholesale and processing/service: Apply the 80% coinsurance business income rate times 40% of the retail, wholesale or processing/service estimated gross annual receipts figure divided by 100.

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81. DEDUCTIBLES Table 4. Table of Factors for deductibles is deleted and replaced by the following:

DEDUCTIBLE AMOUNT	DEDUCTIBLE CODE	DEDUCTIBLE FACTORS ALL PERILS	
		MIN CR	MAX CR
\$ 250	04	1.08	1.08
500	05	1.00	.91
1,000	07	.89	.69
2,500	08	.85	.66
5,000	09	.80	.62
10,000	10	.79	.61
25,000	11	.78	.60
50,000	90	.71	.54
75,000	90	.69	.53

The range of deductible factors must be applied by the company in recognition of the causes of loss involved (Basic, Broad or Special), the physical features affecting Probable Maximum Loss, and the total amount of all contributing insurance.

85. BASIC GROUP I CLASS RATES

B. ELIGIBILITY

2. HOTELS AND MOTELS WITHOUT RESTAURANTS

b. Total Floor Area: 35,000 square feet or less

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ADDITIONAL RULES

TERRORISM PRICING - FEDERAL BACKSTOP - VERSION L33 EXCEPTION TO ISO

B.2. Certified Acts Of Terrorism - Premium Determination

Loss Costs For Certified Acts Of Terrorism

Building	Contents
.001	.001

Table B.2. Loss Costs For Certified Acts Of Terrorism

Additional Coverage Endorsements

The insured may select one of three endorsements which extend, add to or amend the property coverages afforded by standard ISO forms for Commercial Package Policies. Coverages are offered at pre-determined levels for an additional premium of 10% of the developed CPP property package premium after application of the package modification factor, subject to a per-location minimum premium.

These endorsements are available for use when the CPP policy includes ISO's CP 10 30 Causes of Loss - Special Form.

A. Premium

Charge 10% of the CPP property package policy premium after all premium modification factors have been applied.

B. Minimum Premium

A minimum premium of \$250 for the first location and \$100 each additional location applies.

Determination of Minimum Premiums for Additional Coverage Endorsements

One Location	\$250	Six Locations	\$750
Two Locations	\$350	Seven Locations	\$850
Three Locations	\$450	Eight Locations	\$950
Four Locations	\$550	Nine Locations	\$1050
Five Locations	\$650	Ten Locations	\$1150

C. Rating Rule

The endorsement premium is added to the modified property package policy premium.

D. Forms - One of the following may be used:

CPP104 Companion's Additional Coverage Endorsement for the Hospitality Industry; or
CPP105 Companion's Additional Coverage Endorsement for the Restaurant Industry; or
CPP106 Companion's Additional Coverage Endorsement.

These endorsements may be used in combination with other property forms, but must be used with the following, in addition to state mandatory endorsements:

- CP 00 10 - Building and Personal Property Form
- CP 10 30 - Causes of Loss - Special Form

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EQUIPMENT BREAKDOWN

The Commercial Property coverage forms are modified to include loss resulting from Equipment Breakdown.

Rates and Premium

This coverage is applicable to all insured locations except for metal recycling risks. For insured locations, calculate the total insured value, divide by 100 and multiply this amount times 0.016.

Optional Increased Limits

Limits can be increased for Spoilage, Refrigerant Contamination, and Pollutant Clean Up and Removal using the following modifiers to determine the additional annual premium.

Increased Limit Factors for Optional Sublimits			
	Spoilage	Refrigerant Contamination	Pollutant Cleanup and Removal
Sublimit	Factor	Factor	Factor
\$250,000	<i>Included</i>	<i>Included</i>	<i>Included</i>
\$500,000	1.36	1.27	1.041
\$1,000,000	1.66	1.33	1.050

METAL RECYCLING: The following apply only to Metal Recycling.

<u>Equipment Breakdown CSP</u>	<u>Description</u>	<u>Building and Personal Property Rate</u>	<u>Business Interruption Rate</u>
160	<i>General Heavy Mfg.</i>	0.023	0.029
230	<i>Heavy Metal Working</i>	0.146	0.159
240	<i>Primary Metal Working</i>	0.043	0.201
259	<i>Mining</i>	0.039	0.089
330	<i>Rubber Products</i>	0.022	0.106
420	<i>Scrap Metal Baling</i>	0.013	0.027

Premiums may be modified by the application of an Individual Risk Premium Modifier. See the attached table. An Individual Risk Premium Modifier may be used when the risk deviates from the Average according to the company's Average Risk Model. The total modifier will not exceed +/-50% for the property portion of the premium. The total modifier will not exceed +/-25% for the business interruption portion of the premium. The total modifier will not exceed the maximum modification allowed by state law.

Metal Recycling Individual Risk Premium Modification	
Risk Modifier	Risk Factor
<i>Age</i>	+ or - 10%
<i>Protection</i>	+ or - 10%
<i>Maintenance of Equipment</i>	+ or - 10%
<i>Accessibility and ease of repairing or replacing</i>	+ or - 10%
<i>Condition of Equipment</i>	+ or - 20%
<i>Unique Equipment</i>	+ or - 20%

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REDUCED ACQUISITION COST MODIFICATION PLAN

All other rate modification plans contemplate the standard allowance for expenses. If the expenses are less than standard, such rates may be decreased by the amount of reduction in expenses.

Range of Reduction
1% to 15%

This plan is available for all Commercial Protector policies.

The maximum credit under this plan will be 15%. When used in combination with other rating plans (Experience or Schedule), the reciprocals are combined by multiplication.

EXAMPLE: RACM = 10% EXPENSE REDUCTION

Package Modification Factor		IRPM Factor		RACM Factor		Final PMF
.60	X	.60	X	.90	=	.324

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INDIVIDUAL RISK PREMIUM MODIFICATION PLAN (IRPM) (6/98 Edition)

Replace 3. Rating Modification with the following:

RATING MODIFICATION

The company rates for the risk may be modified in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits (debits) under the following table shall not exceed 40% (40%) (excluding any modification from the Reduced Acquisition Cost Modification Plan.)

IRPM RATING TABLE				
Risk Characteristics		Range of Modifications		
		Credit	to	Debit
A	Management Co-operation in matters of safeguarding and proper handling of property covered	13%	to	13%
B	Location Accessibility, congestion and exposure	11%	to	11%
C	Building Features Age, condition and unusual structural features	8%	to	8%
D	Premises and Equipment Care, condition and type	8%	to	8%
E	Employees Selection, training, supervision and experience	5%	to	5%
F	Protection Not otherwise recognized	3%	to	3%

* MAXIMUM CREDIT NOT TO EXCEED 40%
MAXIMUM DEBIT NOT TO EXCEED 40%
(excluding any modification from the Reduced Acquisition Cost Modification Plan)

The credits (debits) developed under this plan should be combined by addition. When used in combination with the Reduced Acquisition Cost Modification Plan, the reciprocals of the two credits are combined by multiplication.