Filing at a Glance

Company: 11579 - Old Glory Insurance Company

Product Name: Workers Compensation	SERFF Tr Num: ARKS-125608687	State: Arkansas
TOI: 16.0 Workers Compensation	SERFF Status: Closed	State Tr Num: #13070 $100
Sub-TOI: 16.0004 Standard WC	Co Tr Num: AR04112008	State Status: Fees verified and received
Filing Type: Rate	Co Status:	Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
	Author:	Disposition Date: 04/15/2008
	Date Submitted: 04/14/2008	Disposition Status: Approved
Effective Date Requested (New): 05/05/2008		Effective Date (New): 05/05/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number:	Domicile Status Comments:
Reference Organization: NCCI	Reference Number: AR-2007-10
Reference Title: AR-2007-10	Advisory Org. Circular:
Filing Status Changed: 04/15/2008	
State Status Changed: 04/15/2008	Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Code 9093 loss cost multiplier 1.337

All classifications except 9093 loss cost multiplier 1.437

Company and Contact

Filing Contact Information

NA NA, NA@NA.com

NA

NA, AR 00000

(123) 555-4567 [Phone]

Filing Company Information

11579 - Old Glory Insurance Company	CoCode: 11579	State of Domicile: Texas
P. O. Box 6456	Group Code:	Company Type: Property & Casualty
Tyler, TX 75711-6456	Group Name: 11579	State ID Number:
(803) 509-4929 ext. [Phone]	FEIN Number: 65-1161309	

Filing Fees

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

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	04/15/2008	04/15/2008

Disposition

Disposition Date: 04/15/2008

Effective Date (New): 05/05/2008

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*ARKS-125608687*	*State:*	*Arkansas*
Filing Company:	*11579 - Old Glory Insurance Company*	*State Tracking Number:*	*#13070 $100*
Company Tracking Number:	*AR04112008*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*Workers Compensation*		
Project Name/Number:	*/*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	ARKS-125608687		Yes

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125608687 04/15/2008

Comments:

Attachment:

ARKS-125608687.pdf

Effective March 1, 2007

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
Approved until withdrawn or revoked	a. Date the filing is received:	
MAY 05 2008	b. Analyst:	Ck# 10370 $100
Arkansas Insurance Department By: CKS	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	ARKS-125608687
	h. Subject Codes	

3.	Group Name	Group NAIC #
	None	0000

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Old Glory Insurance Company	Texas	11579	65-1161309	2865

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PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

5.	Company Tracking Number	AR04112008

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Robert B. Henderson Old Glory Insurance Company	President	903-509-4929	903-509-4967	bob.henderson@oldgloryinsurance.com
	P. O. Box 6456 Tyler, TX 75711-6456		888-838-6404		

7.	Signature of authorized filer	Robert B. Henderson
8.	Please print name of authorized filer	Robert B. Henderson

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

9.	**Type of Insurance (TOI)**	16.0 Workers Compensation
10.	**Sub-Type of Insurance (Sub-TOI)**	16.0004 Standard WC
11.	**State Specific Product code(s)**(if applicable)[See State Specific Requirements]	
12.	**Company Program Title** (Marketing title)	
13.	**Filing Type**	☑ Rate/Loss Cost ☐ Rules ☐ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: 05/15/2008 Renewal:
15.	**Reference Filing?**	☑ Yes ☐ No
16.	**Reference Organization** (if applicable)	NCCI
17.	**Reference Organization # & Title**	AR-2007-10 filed 08/17/2007
18.	**Company's Date of Filing**	04/11/2008
19.	**Status of filing in domicile**	☑ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	AR04112008

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

This is the first time filing for Old Glory Insurance Company. The Company received conditional approval November 7, 2007. The Company is adopting all of the NCCI item filings and is submitting for approval Loss Cost Mulitipiers for:
1. All classes except 9093.
2. Class 9093 only.

SERFF is not used for this filing. We hope to be set up to use SERFF for future filings.

The following forms and exhibits are included in this filing packet.
1. Form PC TD-1 P & C Transmittal Document. (Two copies)
2. Form PC RRFS-1 Rate/Rule filing Schedule.
2. Form WC-1 Workers' Compensation Abstract.
3. Form RF-WC Workers' Compensation Insurer Rate Filing for all classes except 9093.
4. Expense Data and Supporting Information for Form RF-WC for all classes except 9093.
5. Form RF-WC Workers' Compensation Insurer Rate Filing for class 9093 only.
6. Expense Data and Supporting Information for Form RF-WC for class 9093 only.

View Complete Filing Description

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 #: 13070
Amount: 100.00

Loss cost adoption with first time filing of loss cost multiplier.

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.)**

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Effective March 1, 2007

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 #**	AR04112008
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.)**	Prior Approval

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)
Old Glory Ins. Co		Initial Filing					

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		☐ New ☐ Replacement ☐ Withdrawn	
02		☐ New ☐ Replacement ☐ Withdrawn	
03		☐ New ☐ Replacement ☐ Withdrawn	

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ARKANSAS INSURANCE DEPARTMENT

Form WC-1
Rev. 4/96

WORKERS' COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "non" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name Old Glory Insurance Company
NAIC No. 11579 Group No. 0000
Deviation From None Proposed Effective Date 05/15/2008

1. What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the board deviation)

Type	Approved	Percentage
None		

2. What, if any, restrictions apply to the deviation? None

3. What is the minimum premium requirement for eligibility for the deviation? N/A

4. What was the average percentage of credit given on policies eligible under the deviation? N/A

5. What was the average percentage of debit given on policies eligible under the deviation? N/A

6. State the number of Arkansas policies issued since the approval of your deviation. N/A
Of these policies, how many received a deviation? _____

7. Do you allow both schedule rating plans and across-the-board deviations on the same risk? No

8. Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount paid in dividends for the preceding calendar year. No

9. When promulgating an individual policy premium, at what point is the deviation applied? N/A

10. Do plans for the future market provide for:
(a) A greater market penetration for this type of business N/A
(b) A lesser penetration N/A
(c) Status quo N/A

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

Robert B. Henderson
Signature

President
Title

903-509-4929
Telephone Number

Form RF-WC
Rev. 4/96

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 04/11/2008

1. INSURER NAME Old Glory Insurance Company

ADDRESS 501 Shelley Drive, Suite 160
Tyler, TX 75701

PERSON RESPONSIBLE FOR FILING Robert B. Henderson

TITLE President TELEPHONE NO. 903-509-4929

INSURER NAIC NO. 11579 GROUP NO. 0000

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2007-10

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE New % EFFECTIVE DATE 05/15/2008
   B. PROPOSED PREMIUM LEVEL CHANGE ____ % EFFECTIVE DATE ____

7. A. PRIOR RATE LEVEL CHANGE ____ % EFFECTIVE DATE ____
   B. PRIOR PREMIUM LEVEL CHANGE ____ % EFFECTIVE DATE ____

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC page 2)
(Use a separate summary for each insurer-selected loss cost multiplier.)

9. CHECK ONE OF THE FOLLOWING:
(X) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organizations' prospective loss costs for this line insurance. The insurer's rates will be the combination of the advisory organizations' prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

( ) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference filing.

Form RF-WC
Rev. 4/96

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER

INSURER NAME Old Glory Insurance Company DATE 04/11/2008

INSURER NAIC NO. 11579 GROUP NO. 0000

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
( ) Yes (x) No If No, for each affected class attach Page 2 of form RF-WC with appropriate justification. All classifications except 9093

2. Loss Cost Modification:
   A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (CEHCK ONE)
      (x) without Modification (factor = 1.000)
      ( ) With the following modification(s). (Cite the nature and percent modification, and attach supporting and/or rationale for the modification). _____
   B. Loss Cost Modification Expressed as a Factor: _____ (See Examples Below)

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

		Selected Provisions
A.	Total Production Expense	13.00 %
B.	General Expense	15.00 %
C.	Taxes, Licenses & Fees	4.53 %
D.	Underwriting Profit & contingencies*	-7.35 %
E.	Other (explain)	%
F.	TOTAL	25.18 %

*Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:
   ELR = 100% - 3F = 74.82 %
   B. ELR in Decimal Form .7482

5. Overall Impact of Expense constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.008

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .934

7. Company Formula Loss Cost Multiplier:
(2B/[6-3F0 x 5]) = 1.455

8. Company Selected Loss Cost Multiplier = 1.437
Explain any differences between 7 and 8: _____

		YES	NO
9.	Are you amending your minimum premium formula? If yes attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc.	( )	(x)
10.	Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.	( )	(x)

OLD GLORY INSURANCE COMPANY

CALCULATION OF LOSS COST MULTIPIER
EXPENSE DATA AND SUPPORTING INFORMATION FOR FORM RF-WC
ALL CLASSES EXCEPT 9093

This is an initial filing for Old Glory Insurance Company. The Company is domicile in Texas and has written exclusively in Texas since its inception in 2003. All historical data is related to Texas experience only.

		Actual Inception to Date as of 12/31/2007 $	%	LCM Worksheet
I	**Inception to date Standard Premium (1)**	25,313,603		
II	**Inception to date expense data - Texas (2)**			
	Acquisition Expense (IEE Part 1 Col 2)	3,368,934	13.31%	13.00%
	General Expense (IEE Part 1 Col 3)	3,858,380	15.24%	15.00%
	Taxes, Licenses & Fees (IEE Part 1 Col 4)	559,881	2.21%	4.53%
	Profit & Contingencies (3)	(4,771,277)	-18.85%	-7.35%
III	**Company Formula Loss Cost Multiplier**			**1.455**
	Company Selected Loss Cost Mulipier (4)			**1.437**

IV **Premium discount impact**

		Avg Discount
Actual Standard Premium Written 2003 - 2007	25,313,603	
Actual Premium Discount 2003 - 2007 (Texas)	1,372,588	5.42%

NCCI premium discount is 22.9% lower than Texas for policies up to $100,000. 99% of the policies written by Old Glory will be under $100,000. 122.9% of the average discount premium in Texas equals 6.42% average discount for Arkansas.

(1) Inception to date standard premium as of Dec 31 2007 is derived by using manual premium adjusted for increased limits and premium discount.

(2) Expense data is derived from Annual Statements and Insurance Expense Exhibits from December 31, 2003 through December 31, 2007.
All historical premium and expense data is for Texas only. (No business written in other states)

A. Acquisition expense is actual expense per the IEE Part 1 Col 2 recorded from inception through December 31, 2007. There is little acquisition expense besides commision since Patriot National Underwriters handles all marketing, underwriting and policy issuance. The 20% commission paid to Patriot covers the cost of all underwiting, policy issuance and marketing expenses as well as commission to agents. The same commission rate will be paid to Patriot regardless of where the business is written. Advertising and promotion equates to .2% of standard premium.

B. Commission rates were increased incrementally over the period 2003 through 2007 fr No future increases are planned so 20% on net premium is assumed which equates to 13% of Standard Premium.

C. General expense is actual expense per the IEE Part 1 Col 3 recorded from inception through December 31, 2007. General expense percentage was reduced for LCM calculation after considering the impact premium growth would have on future expense ratios.

D. Taxes, Licenses & Fees are actual expenses per the IEE Part 1 Col 4 recorded from inception through December 31, 2007.
Estimated Taxes & Fees for Arkansas are comprised of the following:

Arkansas premium tax rate:	2.50%
Second Injury Fund	0.25%
WC Fund	1.55%
Death & Perm Disablity Trust	1.20%
	5.50%

(3) Profit & Contingencies are per the IEE Part 3 Col 33 recorded from inception through December 31, 2007 and are offset by investment income recorded from inception through December 31, 2007 (AS Page 4 Col 1 Line 11). Due to the limited history and growth of the company, inception-to-date data is used.

Premiums Earned (IEE Part III Col 3)	2003 - 2007	19,122,968	
Net Investment Gain/(Loss) (AS Page 4 Col 1 Line 11)	2003 - 2007	935,426	
Percentage investment income of earned premiums		4.89%	
Current yield on long term and short term investments		4.00%	
Estimated yield for subsequent years.		4.00%	
Estimated investment income % of Standard Premium based on 4.89% yield		3.70%	(B) LCM Calc Tab
Estimated Profit		3.65%	
Estimated Profit & Contigencies including investment income offset		7.35%	

(4) A slightly lower LCM was selected to keep the company in the median range of the LCM's used by its primary competitors in the Arkansas workers' comp market.

Form RF-WC
Rev. 4/96

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER

INSURER NAME Old Glory Insurance Company DATE 04/11/2008

INSURER NAIC NO. 11579 GROUP NO. 0000

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
( ) Yes (x) No If No, for each affected class attach Page 2 of form RF-WC with appropriate justification. Class 9093 only.

2. Loss Cost Modification:
   A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (CEHCK ONE)
      (x) without Modification (factor = 1.000)
      ( ) With the following modification(s). (Cite the nature and percent modification, and attach supporting and/or rationale for the modification). _____
   B. Loss Cost Modification Expressed as a Factor: _____ (See Examples Below)

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

		Selected Provisions
A.	Total Production Expense	13.00 %
B.	General Expense	15.00 %
C.	Taxes, Licenses & Fees	4.53 %
D.	Underwriting Profit & contingencies*	-13.00 %
E.	Other (explain)	%
F.	TOTAL	19.53 %

*Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:
   ELR = 100% - 3F = 80.47 %
   B. ELR in Decimal Form .8047

5. Overall Impact of Expense constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.008

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .934

7. Company Formula Loss Cost Multiplier:
(2B/[6-3F0 x 5]) = 1.343

8. Company Selected Loss Cost Multiplier = 1.337
Explain any differences between 7 and 8: _____

		YES	NO
9.	Are you amending your minimum premium formula? If yes attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc.	( )	(x)
10.	Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.	( )	(x)

OLD GLORY INSURANCE COMPANY

CALCULATION OF LOSS COST MULTIPIER
EXPENSE DATA AND SUPPORTING INFORMATION FOR FORM RF-WC
CLASS 9093 ONLY

This is an initial filing for Old Glory Insurance Company. The Company is domicile in Texas and has written exclusively in Texas since its inception in 2003. All historical data is related to Texas experience only.

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	Profit & Contingencies (3)		(4,771,277)	-18.85%	-13.00%
III	**Company Formula Loss Cost Multiplier**				**1.343**
	Company Selected Loss Cost Mulipier (4)				**1.337**

IV **Premium discount impact**

			Avg Discount
Actual Standard Premium Written 2003 - 2007		25,313,603	
Actual Premium Discount 2003 - 2007	(Texas)	1,372,588	5.42%

NCCI premium discount is 22.9% lower than Texas for policies up to $100,000. 99% of the policies written by Old Glory will be under $100,000. 122.9% of the average discount premium in Texas equals 6.42% average discount for Arkansas.

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B. Commission rates were increased incrementally over the period 2003 through 2007 fr No future increases are planned so 20% on net premium is assumed which equates to 13% of Standard Premium.

C. General expense is actual expense per the IEE Part 1 Col 3 recorded from inception through December 31, 2007. General expense percentage was reduced for LCM calculation after considering the impact premium growth would have on future expense ratios.

D. Taxes, Licenses & Fees are actual expenses per the IEE Part 1 Col 4 recorded from inception through December 31, 2007.
Estimated Taxes & Fees for Arkansas are comprised of the following:

Arkansas premium tax rate:	2.50%
Second Injury Fund	0.25%
WC Fund	1.55%
Death & Perm Disablity Trust	1.20%
	5.50%

(3) Profit & Contingencies are per the IEE Part 3 Col 33 recorded from inception through December 31, 2007 and are offset by investment income recorded from inception through December 31, 2007 (AS Page 4 Col 1 Line 11). Due to the limited history and growth of the company, inception-to-date data is used.

Premiums Earned (IEE Part III Col 3)	2003 - 2007	19,122,968	
Net Investment Gain/(Loss) (AS Page 4 Col 1 Line 11)	2003 - 2007	935,426	
Percentage investment income of earned premiums		4.89%	
Current yield on long term and short term investments		4.00%	
Estimated yield for subsequent years.		4.00%	
Estimated investment income % of Standard Premium based on 4.89% yield		3.70%	(B) LCM Calc Tab
Estimated Profit		9.30%	
Estimated Profit & Contigencies including investment income offset		13.00%	

(4) A slightly lower LCM was selected to keep the company in the median range of the LCM's used by its primary competitors in the Arkansas workers' comp market.