

SERFF Tracking Number: ARAG-125619772 State: Arkansas
Filing Company: ARAG Insurance Company State Tracking Number: #23835 \$100
Company Tracking Number: 03-PULTIMATE 1/03
TOI: 33.0 Other Lines of Business Sub-TOI: 33.0001 Other Personal Lines
Product Name: 03-PULTIMATE
Project Name/Number: /

Filing at a Glance

Company: ARAG Insurance Company
Product Name: 03-PULTIMATE
TOI: 33.0 Other Lines of Business
Sub-TOI: 33.0001 Other Personal Lines

SERFF Tr Num: ARAG-125619772 State: Arkansas
SERFF Status: Closed State Tr Num: #23835 \$100
Co Tr Num: 03-PULTIMATE 1/03 State Status: Fees verified and received
Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Author: Jane Fors Disposition Date: 05/21/2008
Date Submitted: 04/25/2008 Disposition Status: Exempt from Review

Effective Date Requested (New): On Approval
Effective Date Requested (Renewal): On Approval
State Filing Description:

Effective Date (New):
Effective Date (Renewal):

General Information

Project Name:
Project Number:
Reference Organization: N/A
Reference Title: N/A
Filing Status Changed: 05/21/2008
State Status Changed: 05/21/2008
Corresponding Filing Tracking Number:
Filing Description:

Status of Filing in Domicile: Authorized
Domicile Status Comments:
Reference Number: N/A
Advisory Org. Circular: N/A

Deemer Date:

Enclosed please find a rate filing for our Ultimate Legal Plan (03-PULTIMATE 1/03), which we respectfully submit to your Department for approval. The purpose of this filing is to update the rates, rules and guidelines for pricing of ARAG Insurance Company's future group legal expense insurance (03-PULTIMATE 1/03) business.

Tansmittal
Rates, Rules, Guidelines Memorandum

<i>SERFF Tracking Number:</i>	<i>ARAG-125619772</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>ARAG Insurance Company</i>	<i>State Tracking Number:</i>	<i>#23835 \$100</i>
<i>Company Tracking Number:</i>	<i>03-PULTIMATE 1/03</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>03-PULTIMATE</i>		
<i>Project Name/Number:</i>	<i>/</i>		

- Exhibit 1 Covered Benefits
- Exhibit 2 Expected Loss Ration Analysis
- Exhibit 3 Underwriting Options
- Exhibit 4 Monthly Rates
- Exhibit 5 Scheduled Rating Plans

An effective date upon approval.

Company and Contact

Filing Contact Information

Jane Fors, Compliance Associate	Jane.Fors@ARAGgroup.com
400 Locust Street	(800) 888-4184 [Phone]
Des Moines, IA 50309	(515) 246-8710[FAX]

Filing Company Information

ARAG Insurance Company	CoCode: 34738	State of Domicile: Iowa
400 Locust Street	Group Code:	Company Type: Property and Casualty
Suite 480		
Des Moines, IA 50309	Group Name:	State ID Number: 2731
(800) 888-4184 ext. 221[Phone]	FEIN Number: 42-1338303	

Filing Fees

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

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
023835	\$100.00	04/24/2008

SERFF Tracking Number: ARAG-125619772

State: Arkansas

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State Tracking Number: #23835 \$100

Company Tracking Number: 03-PULTIMATE 1/03

TOI: 33.0 Other Lines of Business

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Product Name: 03-PULTIMATE

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	05/21/2008	05/21/2008

SERFF Tracking Number: ARAG-125619772 State: Arkansas
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Disposition

Disposition Date: 05/21/2008
 Effective Date (New):
 Effective Date (Renewal):
 Status: Exempt from Review
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
ARAG Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Accepted for Informational Purposes	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Accepted for Informational Purposes	Yes
Supporting Document	NAIC loss cost data entry document	Accepted for Informational Purposes	Yes
Rate	Rate, Rule, and Guidelines Memorandum	Accepted for Informational Purposes	Yes
Rate	Exhibit 1	Accepted for Informational Purposes	Yes
Rate	Exhibit 2	Accepted for Informational Purposes	Yes
Rate	Exhibit 3	Accepted for Informational Purposes	Yes
Rate	Exhibit 4	Accepted for Informational Purposes	Yes
Rate	Exhibit 5	Accepted for Informational Purposes	Yes

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State: Arkansas
 State Tracking Number: #23835 \$100
 Sub-TOI: 33.0001 Other Personal Lines

Rate Information

Rate data applies to filing.

Filing Method: Upon Approval
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 06/01/2007
Filing Method of Last Filing: Upon approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
ARAG Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Rate, Rule, and Guidelines Memorandum	Memorandum	New	Rates, Rules, and Guidelines Memorandum.pdf
Accepted for Informational Purposes	Exhibit 1	Covered Benefits	New	03-Exhibit 1 Covered Benefits.pdf
Accepted for Informational Purposes	Exhibit 2	Expected Loss Ratio Analysis	New	03-Exhibit 2 Expected Loss Ratio Analysis.pdf
Accepted for Informational Purposes	Exhibit 3	Underwriting Options	New	03-Exhibit 3 Underwriting Options.pdf
Accepted for Informational Purposes	Exhibit 4	Monthly Rates	New	03-Exhibit 4 Monthly Rates.pdf
Accepted for Informational Purposes	Exhibit 5	Schedule Rating Plans	New	03-Exhibit 5 Schedule Rating Plans.pdf

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

1. SCOPE AND PURPOSE OF FILING

The purpose of this rate filing is to update the rates, rules and guidelines for pricing of ARAG Insurance Company's (ARAG) future group legal expense insurance business.

This filing is not intended to be used for any other purpose.

2. DESCRIPTION OF BENEFITS

The attached Exhibit 1 displays a scheduled list of covered legal matters from which plan members are provided prepaid legal services. A legal plan generally consists of five to fifteen of the well defined and distinct coverages. The policyholder (usually an employer) contact solicited by ARAG is most generally the individual responsible for Human Resource activities in the policyholder's organization. Once the policyholder purchases a legal plan and a contract is written, ARAG's legal package is offered as an employee benefit option. This can differ with larger policyholders, as they are usually more sophisticated buyers that research, design and seek competitive pricing for packages specifically designed for their employees. The special design of these plans relate only to the number of combinations of coverages offered. ARAG's proposed rates, rules and guidelines meet the flexibility needed in offering legal plans to all its potential group buyers.

3. MARKETING METHOD

These plans are sold by ARAG company employees and/or external licensed agents.

4. EXPENSES

The attached Exhibit 2 details the ARAG expenses incurred on this product in the development of the expected loss ratio.

5. EXPECTED LOSS RATIO

ARAG has established an expected loss ratio of 60%, as displayed in Exhibit 2.

6. UNDERWRITING METHOD AND RATE DEVELOPMENT

A risk may be rated under this plan at an insured and or an agent request if the group consists of 10 or more eligibles. Financial underwriting is done to determine criteria necessary to evaluate the financial viability of the case.

There are two options which can be used when underwriting a plan.

Option 1: Premiums are developed based on the underlying loss experience of the account being insured by utilizing a loss cost method of pricing and adjusted according to filed schedule rating practices.

Option 2: Premiums are developed based on nationwide loss cost method of pricing and adjusted according to filed schedule rating practices. This option is used if either credible loss experience is not available to the company, a material change has occurred with the risk that make past loss experience unreliable, or if the loss experience does not possess adequate stability or predictive value.

The underwriting options are discussed in length in Exhibit 3.

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

The basis for the development of the proposed rates, rules and guidelines are found in ARAG's three accident years loss experience. This process is driven by frequency and severity factors developed from the loss experience with resulting rates by coverage shown in Exhibit 4.

Loss experience for voluntary plans is used as the basis for all nationwide rating explained in Option 2 due to the broadly based nature of this credible and actual data.

7. RATE MODIFICATIONS

Loss experience for employer paid plans is not credible, therefore, a rate modifier of 0.65 is applied to voluntary rates in the determination of 100% employer paid rates, and a rate modifier of 0.89 is applied to voluntary rates in the determination of 50% employer paid rates.

Rates are computed at a composite tier and a rate modifier of 0.8333 is applied in the determination of rates for the individual tier, 1.07 in the determination of rates for the two-party tier, and 1.10 in the determination of rates for the family tier. A policyholder has the option to choose either composite only; individual and family only; or individual, two-party, and family only. The composite tier covers individuals, two-parties, and families and cannot be offered in conjunction with any combination of the individual, two-party, or family tiers.

The attached Exhibit 5 shows the multipliers in which the base premium may be credited or debited based on particular characteristics of an individual risk, not to exceed the state mandated maximum or minimum adjustment, if applicable.

8. PROPOSED EFFECTIVE DATE

The proposed rates, rules, and guidelines will become effective on the approval date of this filing.

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 1 - Covered Benefits

PUADMN	Administrative Hearings
PUADMN2	School Administrative Hearings
PUADOPT1	Uncontested Court Adoption Proceedings
PUADOPT2	Court Adoption Proceedings
PUBANK	Personal Non-Business Bankruptcy or Wage-Earner Plan
PUCIVIL	Defense of Civil Damage Claims
PUCONSM	Consumer Protection
PUCONSU3	Consumer Protection (with long-term care insurance)
PUCRIMP	Criminal Misdemeanor Protection
PUDISS1	Uncontested Dissolution of Marriage
PUDISS2	Contested Dissolution of Marriage
PUDISS3	Dissolution of Marriage – 15 hours
PUDISS4	Dissolution of Marriage – 20 hours
PUDISS5	Dissolution of Marriage – 10 hours
PUDOMESTIC	Protection from Domestic Violence
PUDRIVP1	Driving Privilege Protection (except DWI-related)
PUDRIVP2	Driving Privilege Protection (Broad Form)
PUDRIVP6	Driving Privilege Protection – Minor Traffic Offenses (Broad Form)
PUESTATE	Estate Administration & Estate Closing
PUEXPNGE	Expungement
PUFELNY	Defense of Felony Charges
PUGUARD2	Guardianship/Conservatorship Proceedings
PUHABEAS	Habeas Corpus Proceedings
PUINCMP	Insanity or Infirmary Proceedings
PUINHERIT	Protection of Inheritance Rights
PUIRS1	IRS Collection Defense
PUIRS2	IRS Audit Protection
PUIRS3	IRS Collection Defense (Broad Form)
PUIRS4	IRS Audit Protection (Broad Form)
PUJUVNL	Juvenile Court Proceedings
PUMOTION	Motion to Modify
PUMOTION2	Motion to Modify
PUMOTOR1	Defense of Motor Vehicular Homicide (except DWI-related)
PUMOTOR2	Defense of Motor Vehicular Homicide (Broad Form)
PUMOTSUP	Child Support Decrees
PUMOTSUP2	Child Support Decrees – 8 hour cap
PUNAME	Name Change
PUOFFICE	General in Office Services
PUPRENUPT	Prenuptial Agreements
PUPRENUPT2	Prenuptial Agreements (Broad Form)
PUPROPREF	Primary Residence Refinance
PUPROPP	Property Protection
PUPROPT	Property Transfers
PUPROPT2	Property Transfers and Protection for Secondary Residence
PUTENANT	Tenant Protection
PUTLAS2	Telephone Legal Access Services
PUTRIAL	Major Trial
PUTRUSTS	Irrevocable Trusts
PUTRUSTS3	Revocable Trusts
PUWILL1	Standard Will and Durable Powers of Attorney
PUWILL2	Standard/Complex Will and Durable Powers of Attorney
PUWILL3	Standard Will & Durable Powers of Attorney / with complex will subsidy

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 2 - Expected Loss Ratio Analysis

ARAG Insurance Company calculates its required minimum loss ratio for rating purposes using the residual of gross premiums after administrative expenses, boards, bureaus and premium taxes, contingency fees and profit margin.

Written Premiums	100.0%
Administrative Expenses*	32.0%
Boards, Bureaus and Premium Taxes	3.6%
Profit Margin	4.4%
Expected Loss Ratio	60.0%

*Expenses associated with the following: solicitation, external agent commissions, policy service, premium collection, attorney panel development/maintenance, filing fees, underwriting, and claims administration of the group legal business.

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 3 - Underwriting Options

Option 1

Option 1 may be used on any coverage part where the company has obtained three complete accident years of loss history for the risk being insured. If less than three complete accident years of data are available, the underwriter has the discretion to use Option 1 or use a discernibly weighted average of the rates determined under both options.

Even if three complete accident years of loss history are available, if such data does not possess the stability or predictive value upon which to base a rate, or if a material change has occurred with the risk that makes the past loss experience unreliable, the underwriter may use Option 2 to rate the policy.

The function of the underwriter for rating a policy under Option 1 is to:

- (a) Separately for each coverage, determine the incurred losses for three complete accident years prior to the date the policy is to be effective. The losses shall not include loss adjustment expenses.
- (b) Adjust the losses to be included in the rating by the appropriate loss development factors currently in use by the company.
- (c) Adjust the losses to recognize changes in the level of loss costs, both prospectively and retrospectively.
- (d) Adjust the losses to recognize other known changes affecting the risk that will impact the level of losses during the period the policy is to be in effect.
- (e) Utilize a loss cost method of pricing to develop rates expected to provide for expected losses, expected expenses, and expected profit and risk contingencies, by multiplying the frequency and severity by benefit coverage, as illustrated below:

Frequency

The number of claims is directly related to the number of exposures, therefore, the expected frequency (F) is determined by calculating the quotient of claims (C) to earned exposures (E), as shown below:

$$F_k = kC / E$$

Where:

F = frequency per exposure unit

k = scale factor

C = incurred claim count

E = earned exposure units

Severity

The average loss per claim is severity (S) and is defined as the quotient of incurred losses (L) to the claim count (C), as shown below:

$$S = L / C$$

Where:

S = severity per loss

L = incurred losses

C = incurred claim count

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 3 - Underwriting Options

Loss Cost

The loss cost (P) is equal to the frequency per unit of exposure (F) and severity (S), as shown below:

$$P = F_k \times S / k$$

Where:

P = loss cost

F = frequency per exposure unit

k = scale factor

S = severity per loss

- (f) Divide the resulting loss cost from (e) by the expected loss ratio (see Exhibit 2). This result may be adjusted by any rating modifications developed under applicable schedule rating plans in effect of the date the policy is to be effective. See Exhibit 5 to see filed schedule rating plan.
- (g) The resulting total premium rate is the sum of each coverage premium rate from (f).

Option 2

If less than three complete accident years of data are available, or if the three complete accident years of loss history does not possess the stability or predictive value upon which to base a rate, or if a material change has occurred with the risk that makes the past loss experience unreliable, the underwriter may use Option 2 to rate the policy or use a discernibly weighted average of the rates determined under both options.

The function of the underwriter for rating a policy under Option 2 is to:

- (a) Separately for each coverage, determine the nationwide incurred losses for three complete accident years prior to the date the policy is to be effective. The losses shall not include loss adjustment expenses.
- (b) Adjust the nationwide losses to be included in the rating by the appropriate loss development factors currently in use by the company.
- (c) Adjust the nationwide losses to recognize changes in the level of loss costs, both prospectively and retrospectively.
- (d) Adjust the nationwide losses to recognize other known changes affecting the risk that will impact the level of losses during the period the policy is to be in effect.
- (e) Utilize a loss cost method of pricing to develop rates expected to provide for expected losses, expected expenses, and expected profit and risk contingencies, by multiplying the frequency and severity by benefit coverage, as illustrated below:

Frequency

The number of claims is directly related to the number of exposures, therefore, the expected frequency (F) is determined by calculating the quotient of claims (C) to earned exposures (E), as shown below:

$$F_k = kC / E$$

Where:

F = frequency per exposure unit

k = scale factor

C = incurred claim count

E = earned exposure units

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 3 - Underwriting Options

Severity

The average loss per claim is severity (S) and is defined as the quotient of incurred losses (L) to the claim count (C), as shown below:

$$S = L / C$$

Where:

S = severity per loss

L = incurred losses

C = incurred claim count

Loss Cost

The loss cost (P) is equal to the frequency per unit of exposure (F) and severity (S), as shown below:

$$P = F_k \times S / k$$

Where:

P = loss cost

F = frequency per exposure unit

k = scale factor

S = severity per loss

- (f) Divide the resulting loss cost from (e) by the expected loss ratio (see Exhibit 2). This result may be adjusted by any rating modifications developed under applicable schedule rating plans in effect of the date the policy is to be effective. See Exhibit 5 to see filed schedule rating plan.
- (g) The resulting total premium rate is the sum of each coverage premium rate from (f). The nationwide premium rates by coverage are shown in Exhibit 4.

ARAG INSURANCE COMPANY

**Rates, Rules, and Guidelines Memorandum
Group Legal Expense Insurance Policy (Ultimate)**

Exhibit 4 - Monthly Rates

Coverage	Voluntary Plans				100% Employer Paid Plans				50% Employer Paid Plans			
	Individual	Composite	2-Party	Family	Individual	Composite	2-Party	Family	Individual	Composite	2-Party	Family
PUADMN	\$0.40	\$0.47	\$0.51	\$0.52	\$0.26	\$0.31	\$0.34	\$0.34	\$0.36	\$0.42	\$0.45	\$0.46
PUADMN2	\$0.45	\$0.54	\$0.58	\$0.60	\$0.30	\$0.36	\$0.39	\$0.40	\$0.41	\$0.49	\$0.53	\$0.54
PUADOPT1	\$0.16	\$0.19	\$0.21	\$0.21	\$0.11	\$0.13	\$0.14	\$0.14	\$0.14	\$0.17	\$0.19	\$0.19
PUADOPT2	\$0.20	\$0.23	\$0.25	\$0.26	\$0.13	\$0.15	\$0.17	\$0.17	\$0.18	\$0.20	\$0.22	\$0.23
PUBANK	\$1.63	\$1.95	\$2.09	\$2.15	\$1.06	\$1.27	\$1.36	\$1.40	\$1.45	\$1.74	\$1.86	\$1.91
PUCIVIL	\$0.64	\$0.76	\$0.82	\$0.85	\$0.42	\$0.50	\$0.54	\$0.56	\$0.57	\$0.68	\$0.73	\$0.76
PUCONSM	\$0.87	\$1.04	\$1.12	\$1.15	\$0.57	\$0.68	\$0.73	\$0.75	\$0.77	\$0.93	\$1.00	\$1.02
PUCONSU1	\$1.05	\$1.25	\$1.34	\$1.38	\$0.69	\$0.82	\$0.88	\$0.90	\$0.93	\$1.11	\$1.19	\$1.23
PUCRIMP	\$0.61	\$0.73	\$0.79	\$0.81	\$0.40	\$0.48	\$0.52	\$0.53	\$0.54	\$0.65	\$0.70	\$0.72
PUDISS1	\$2.68	\$3.21	\$3.44	\$3.54	\$1.75	\$2.09	\$2.24	\$2.31	\$2.39	\$2.86	\$3.06	\$3.15
PUDISS2	\$4.60	\$5.52	\$5.91	\$6.08	\$2.99	\$3.59	\$3.85	\$3.96	\$4.09	\$4.91	\$5.26	\$5.41
PUDISS3	\$3.26	\$3.91	\$4.19	\$4.31	\$2.12	\$2.55	\$2.73	\$2.81	\$2.90	\$3.48	\$3.73	\$3.84
PUDISS4	\$4.07	\$4.88	\$5.22	\$5.37	\$2.65	\$3.17	\$3.40	\$3.50	\$3.62	\$4.34	\$4.65	\$4.78
PUDISS5	\$2.46	\$2.94	\$3.15	\$3.24	\$1.60	\$1.92	\$2.05	\$2.11	\$2.19	\$2.62	\$2.80	\$2.88
PUDOMESTIC	\$0.14	\$0.16	\$0.18	\$0.18	\$0.10	\$0.11	\$0.12	\$0.13	\$0.13	\$0.15	\$0.17	\$0.17
PUDRIVP1	\$0.77	\$0.92	\$0.99	\$1.02	\$0.51	\$0.60	\$0.65	\$0.67	\$0.69	\$0.82	\$0.88	\$0.91
PUDRIVP2	\$1.23	\$1.48	\$1.58	\$1.63	\$0.80	\$0.96	\$1.03	\$1.06	\$1.09	\$1.31	\$1.41	\$1.45
PUDRIVP6	\$1.66	\$1.99	\$2.13	\$2.19	\$1.09	\$1.30	\$1.40	\$1.43	\$1.49	\$1.78	\$1.91	\$1.96
PUESTATE	\$0.15	\$0.17	\$0.19	\$0.19	\$0.10	\$0.12	\$0.13	\$0.13	\$0.13	\$0.15	\$0.17	\$0.17
PUEXPNGE	\$0.17	\$0.20	\$0.22	\$0.22	\$0.12	\$0.13	\$0.15	\$0.15	\$0.15	\$0.18	\$0.20	\$0.20
PUFELNY	\$0.43	\$0.51	\$0.55	\$0.57	\$0.28	\$0.34	\$0.36	\$0.38	\$0.38	\$0.45	\$0.49	\$0.51
PUGUARD2	\$0.13	\$0.15	\$0.17	\$0.17	\$0.09	\$0.10	\$0.12	\$0.12	\$0.12	\$0.13	\$0.15	\$0.15
PUHABEAS	\$0.01	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01	\$0.02	\$0.02
PUINCMF	\$0.01	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01	\$0.02	\$0.02
PUINHERIT	\$1.08	\$1.29	\$1.39	\$1.43	\$0.71	\$0.85	\$0.91	\$0.93	\$0.96	\$1.15	\$1.24	\$1.27
PUIRS1	\$0.03	\$0.03	\$0.04	\$0.04	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04
PUIRS2	\$0.04	\$0.04	\$0.05	\$0.05	\$0.03	\$0.03	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
PUIRS3	\$0.07	\$0.08	\$0.09	\$0.09	\$0.05	\$0.06	\$0.07	\$0.07	\$0.07	\$0.08	\$0.09	\$0.09
PUIRS4	\$0.05	\$0.05	\$0.06	\$0.06	\$0.04	\$0.04	\$0.05	\$0.05	\$0.05	\$0.05	\$0.06	\$0.06
PUJUVNL	\$0.24	\$0.28	\$0.30	\$0.31	\$0.16	\$0.19	\$0.20	\$0.21	\$0.21	\$0.25	\$0.27	\$0.28
PUMOTION	\$1.40	\$1.68	\$1.80	\$1.85	\$0.91	\$1.10	\$1.17	\$1.21	\$1.25	\$1.50	\$1.60	\$1.65
PUMOTION2	\$1.00	\$1.19	\$1.28	\$1.31	\$0.65	\$0.78	\$0.84	\$0.86	\$0.89	\$1.06	\$1.14	\$1.17
PUMOTOR1	\$0.06	\$0.07	\$0.08	\$0.08	\$0.04	\$0.05	\$0.06	\$0.06	\$0.05	\$0.06	\$0.07	\$0.07
PUMOTOR2	\$0.59	\$0.70	\$0.75	\$0.77	\$0.39	\$0.46	\$0.49	\$0.51	\$0.53	\$0.62	\$0.67	\$0.69
PUMOTSUP	\$0.70	\$0.84	\$0.90	\$0.93	\$0.46	\$0.55	\$0.59	\$0.61	\$0.62	\$0.75	\$0.80	\$0.83

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 4 - Monthly Rates

Coverage	Voluntary Plans				100% Employer Paid Plans				50% Employer Paid Plans			
	Individual	Composite	2-Party	Family	Individual	Composite	2-Party	Family	Individual	Composite	2-Party	Family
PUMOTSUP2	\$0.50	\$0.60	\$0.65	\$0.66	\$0.33	\$0.39	\$0.43	\$0.43	\$0.45	\$0.53	\$0.58	\$0.59
PUNAME	\$0.09	\$0.10	\$0.11	\$0.11	\$0.06	\$0.07	\$0.08	\$0.08	\$0.08	\$0.09	\$0.10	\$0.10
PUOFFICE	\$2.77	\$3.32	\$3.56	\$3.66	\$1.81	\$2.16	\$2.32	\$2.38	\$2.47	\$2.95	\$3.17	\$3.26
PUPRENUPT	\$0.17	\$0.20	\$0.22	\$0.22	\$0.12	\$0.13	\$0.15	\$0.15	\$0.15	\$0.18	\$0.20	\$0.20
PUPRENUPT2	\$0.19	\$0.22	\$0.24	\$0.25	\$0.13	\$0.15	\$0.17	\$0.17	\$0.17	\$0.20	\$0.22	\$0.22
PUPROPREF	\$0.82	\$0.98	\$1.05	\$1.08	\$0.54	\$0.64	\$0.69	\$0.71	\$0.74	\$0.88	\$0.95	\$0.97
PUPROPP	\$0.56	\$0.67	\$0.72	\$0.74	\$0.37	\$0.44	\$0.47	\$0.49	\$0.50	\$0.60	\$0.64	\$0.66
PUPROPT	\$1.47	\$1.76	\$1.89	\$1.94	\$0.96	\$1.15	\$1.23	\$1.27	\$1.31	\$1.57	\$1.68	\$1.73
PUPROPT2	\$0.13	\$0.15	\$0.17	\$0.17	\$0.09	\$0.10	\$0.12	\$0.12	\$0.12	\$0.13	\$0.15	\$0.15
PUTENANT	\$0.92	\$1.10	\$1.18	\$1.21	\$0.60	\$0.72	\$0.77	\$0.79	\$0.82	\$0.98	\$1.05	\$1.08
PUTLAS2	\$2.05	\$2.46	\$2.64	\$2.71	\$1.34	\$1.60	\$1.72	\$1.77	\$1.82	\$2.19	\$2.35	\$2.41
PUTRIAL	\$0.04	\$0.04	\$0.05	\$0.05	\$0.03	\$0.03	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
PUTRUSTS	\$0.15	\$0.18	\$0.20	\$0.20	\$0.10	\$0.12	\$0.13	\$0.13	\$0.13	\$0.16	\$0.18	\$0.18
PUTRUSTS3	\$0.73	\$0.87	\$0.94	\$0.96	\$0.48	\$0.57	\$0.62	\$0.63	\$0.65	\$0.77	\$0.84	\$0.85
PUWILL1	\$2.35	\$2.82	\$3.02	\$3.11	\$1.53	\$1.84	\$1.97	\$2.03	\$2.09	\$2.51	\$2.69	\$2.77
PUWILL2	\$3.11	\$3.73	\$4.00	\$4.11	\$2.03	\$2.43	\$2.60	\$2.68	\$2.77	\$3.32	\$3.56	\$3.66
PUWILL3	\$2.62	\$3.14	\$3.36	\$3.46	\$1.71	\$2.05	\$2.19	\$2.25	\$2.33	\$2.79	\$2.99	\$3.08

ARAG INSURANCE COMPANY

Rates, Rules, and Guidelines Memorandum Group Legal Expense Insurance Policy (Ultimate)

Exhibit 5 - Schedule Rating Plans

A risk may be rated under this plan at an insured and/or an agent request if the group consists of 10 or more employees. For eligible risks, the rates may be modified according to the characteristic table below in addition to experience rating modification. The maximum rating modification is based on state mandated maximums, if applicable, and is applied after experience rating has been applied.

<u>Characteristics</u>	<u>Credit/Debit*</u>
Group Size	-10% to +10%
Marketing Cost (on site enrollment expense, multiple brokers, customized materials)	-5% to +5%
Marketing Methods (telemarketing, direct mail, inserts, infomercial, electronic media, storefront)	-10% to +10%
Group Demographics	-5% to +5%
Commission Schedule	-10% to +10%
Program Management (reporting, automation, claims, customer service)	-10% to +10%

*Not to exceed the state mandated maximum or minimum adjustment, if applicable.

SERFF Tracking Number: ARAG-125619772 State: Arkansas
Filing Company: ARAG Insurance Company State Tracking Number: #23835 \$100
Company Tracking Number: 03-PULTIMATE 1/03
TOI: 33.0 Other Lines of Business Sub-TOI: 33.0001 Other Personal Lines
Product Name: 03-PULTIMATE
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty
Review Status: Accepted for Informational Purposes 05/21/2008

Comments:

Attachment:

03-NAIC Transmittal Rate.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp
Review Status: Accepted for Informational Purposes 05/21/2008

Comments:

Attachments:

Loss cost cover form.pdf

Loss cost filing doc.pdf

NAIC expense constant supplement.pdf

Satisfied -Name: NAIC loss cost data entry document
Review Status: Accepted for Informational Purposes 05/21/2008

Comments:

Attachment:

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

3. Group Name	Group NAIC #
N/A	N/A

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
ARAG Insurance Company	IA	3438	42-1338303	2731

5. Company Tracking Number	03-PULTIMATE 1/03
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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
	ARAG Insurance Company 400 Locust St., Ste 480 Des Moines, IA 50309	Compliance Consultant	800-888-4184	575-246-8710	Jane.Fors@ARAGgroup.com

7. Signature of authorized filer	
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8. Please print name of authorized filer	Jane Fors
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Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	33.0 Other Lines of Business
10. Sub-Type of Insurance (Sub-TOI)	33.001 Other Personal Lines
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	Group Legal Expense
12. Company Program Title (Marketing title)	Ultimate Legal Plan
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: Upon Approval Renewal: N/A
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	5/31/2007
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 #	03-PULTIMATE 1/03
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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]

RE: ARAG Insurance Company – NAIC #34738
Group Legal Expense Plan – Rate Filing
Our File Number: 03-PULTIMATE

Dear Sir or Madam:

Enclosed please find a rate filing for our Ultimate Legal Plan (03-PULTIMATE 1/03), which we respectfully submit to your Department for approval. The purpose of this filing is to update the rates, rules and guidelines for pricing of ARAG Insurance Company's future group legal expense insurance (03-PULTIMATE 1/03) business. Individual coverage rates have been either increased or decreased based on the most recent claims data. Additionally, we wish to obtain approval of the rates for several new endorsements that we have added to our plan.

Effective date upon approval is requested.

If you have any questions or additional information is needed in the regard, please feel free to contact me by telephone at 1800-888-4184 ext. 274 or email Jane.Fors@ARAGgroup.com. Thanks you.

Sincerely,



Jane Fors
Compliance Consultant

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: \$100.00

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.)**

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 #	03-PULTIMATE 1/03
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	03-PULTIMATE 1/03
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Rate Increase
 Rate Decrease
 xx Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
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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)
ARAG Insurance Company	0	0	0	0	0	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 policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change
ARAG Insurance Company	0	0	0	0	0	0	0

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

		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)	0%	
5b	Overall percentage rate impact for this filing	N/A	
5c	Effect of Rate Filing – Written premium change for this program	N/A	
5d	Effect of Rate Filing – Number of policyholders affected	N/A	

6.	Overall percentage of last rate revision	N/A
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7.	Effective Date of last rate revision	N/A
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	N/A
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Rates, Rules, and Guidelines Memorandum	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Exhibit 1 – Covered Benefits	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03	Exhibit 2 – Expected Loss Ratio Analysis	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
04	Exhibit 3 – Underwriting Options	[X] New [] Replacement [] Withdrawn	
05	Exhibit 4 – Monthly Rates	[X] New [] Replacement [] Withdrawn	
06	Exhibit 5 – Schedule Rating Plans	[X] New [] Replacement [] Withdrawn	

Date: April 23, 2008

Space Reserved for Insurance
Department Use

**OTHER THAN WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

**INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS**

1. INSURER NAME ARAG Insurance Company
ADDRESS 400 Locust Street
Suite 480
Des Moines, IA 50309
2. PERSON RESPONSIBLE FOR FILING Jane Fors
TITLE compliance Consultant TELEPHONE # 800-888-4184
3. INSURER NAIC # 34738
4. LINE OF INSURANCE Group Prepaid Legal Insurance
5. ADVISORY ORGANIZATION N/A
6. PROPOSED RATE LEVEL CHANGE 0 % EFFECTIVE DATE N/A
7. PRIOR RATE LEVEL CHANGE 0 % EFFECTIVE DATE N/A
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	03-PULTIMATE 1/03
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	03-PULTIMATE 1/03

() **Loss Cost Reference Filing** N/A (**Independent Rate Filing**
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, 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.

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's 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. Note: Some states have statutes that prohibit this option for some lines of business.
<input type="checkbox"/>	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.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: _____

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- () Without Modification (factor = 1.000)
- () With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) _____

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

		Selected Provisions
A.	Total Production Expense	%
B.	General Expense	%
C.	Taxes, Licenses & Fee	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	%
E.	Other (explain)	%
F.	Total	%

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	%
	B.	B. ELR in Decimal Form =	
6.		Company Formula Loss Cost Multiplier (3B/5B)	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	
8.		Rate Level Change for the coverage(s) to which this page applies	

NAIC EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant) N/A

This filing transmittal is part of Company Tracking #	03-PULTIMATE --N/A
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions N/A

4.			Overall	Variable	Fixed	
	A.	Total Production Expense				%
	B.	General Expense				%
	C.	Taxes, License & Fees				%
	D.	Underwriting Profit & Contingencies*				%
	E.	Other (explain)				%
	F.	TOTAL				%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F				%
	B.	ELR in decimal form =				
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F				%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =				

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) - (1.00 divided by 5D)]				
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)				

7.	A.	Selected Expense Constant =				%
	B.	Selected Variable Loss Cost Multiplier =				%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies				%
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NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	SERFF -ARAG- 125619772
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A.	ARAG Insurance Company	B. 34738

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.	33.0 Other Lines of Business	B. 33.0001 Other Personal Lines

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(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
	0	0	0	0	0	0	0
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
N/A	0	0	0	0	0	0	0

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	N/A
B. General Expense	N/A
C. Taxes, License & Fees	N/A
D. Underwriting Profit & Contingencies	N/A
E. Other (explain)	N/A
F. TOTAL	N/A

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