

SERFF Tracking Number: CMPX-125656141 State: Arkansas
Filing Company: Companion Property & Casualty Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: P#08056
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: AR WC Vol & A/R Loss Cost/ Rate Revisions 7/1/08/P#08056

Filing at a Glance

Company: Companion Property & Casualty Insurance Company

Product Name: Workers Compensation	SERFF Tr Num: CMPX-125656141	State: Arkansas
TOI: 16.0 Workers Compensation	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 16.0004 Standard WC	Co Tr Num: P#08056	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
	Author: SPI CompanionPCGroup	Disposition Date: 05/20/2008
	Date Submitted: 05/19/2008	Disposition Status: Approved
Effective Date Requested (New): 09/01/2008		Effective Date (New): 09/01/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: AR WC Vol & A/R Loss Cost/ Rate Revisions 7/1/08	Status of Filing in Domicile:
Project Number: P#08056	Domicile Status Comments:
Reference Organization: NCCI	Reference Number: AR-2008-02 Vol
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/20/2008	Deemer Date:
State Status Changed: 05/20/2008	
Corresponding Filing Tracking Number:	
Filing Description:	
Companion Property and Casualty Insurance Company wishes to adopt NCCI's item filing AR-2008-02 effective 9/1/08. We wish to increase our loss cost multiplier from 1.429 to 1.600.	

Company and Contact

Filing Contact Information

SERFF Tracking Number: CMPX-125656141 State: Arkansas
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LaTonya Ivey, Regulatory Compliance Analyst latonya.ivey@companiongroup.com

II

P.O. Box 100165 (803) 795-7770 [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

SERFF Tracking Number: CMPX-125656141 State: Arkansas
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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Companion Property & Casualty Insurance Company	\$100.00	05/19/2008	20394429

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/20/2008	05/20/2008

SERFF Tracking Number: CMPX-125656141 State: Arkansas
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Disposition

Disposition Date: 05/20/2008
 Effective Date (New): 09/01/2008
 Effective Date (Renewal):
 Status: Approved
 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:
Companion Property & Casualty Insurance Company	0.000%	\$0	134	\$719,542	%	%	%

SERFF Tracking Number: *CMPX-125656141* State: *Arkansas*
 Filing Company: *Companion Property & Casualty Insurance Company* State Tracking Number: *EFT \$100*
 Company Tracking Number: *P#08056*
 TOI: *16.0 Workers Compensation* Sub-TOI: *16.0004 Standard WC*
 Product Name: *Workers Compensation*
 Project Name/Number: *AR WC Vol & A/R Loss Cost/ Rate Revisions 7/1/08/P#08056*

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	Cover Letter	Approved	Yes
Supporting Document	Manual Exception Pages	Approved	Yes

SERFF Tracking Number: CMPX-125656141 State: Arkansas
 Filing Company: Companion Property & Casualty Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: P#08056
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 Product Name: Workers Compensation
 Project Name/Number: AR WC Vol & A/R Loss Cost/ Rate Revisions 7/1/08/P#08056

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 2.600%
Effective Date of Last Rate Revision: 01/01/2008
Filing Method of Last Filing: File and Use

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	134	\$719,542	%	%

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty
Review Status: Approved 05/20/2008

Comments:

Attachment:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation
Review Status: Approved 05/20/2008

Comments:

Attachments:

AR - NAIC LC FILING DOC RF-WC.PDF

AR - NAIC RATE RULE FILING SCHEDULE.PDF

Bypassed -Name: NAIC loss cost data entry document
Bypass Reason: N/A
Review Status: Approved 05/20/2008

Comments:

Satisfied -Name: Cover Letter
Review Status: Approved 05/20/2008

Comments:

Attachment:

Cover Letter.PDF

Satisfied -Name: Manual Exception Pages
Review Status: Approved 05/20/2008

Comments:

Attachment:

Manual Exception Pages.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #			
	661			
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Companion Property & Casualty Insurance Company	SC	12157	57-0768836	

5. Company Tracking Number	P#08056
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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
	LaTonya Ivey P.O. Box 100165 Columbia SC 29202	Regulatory Compliance Analyst II	800-845-2724	803 865-3155	latonya.ivey@companion group.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		LaTonya Ivey		

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)	Workers Compensation
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: 9/1/08 Renewal: 9/1/08
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	AR-2008-02
18.	Company's Date of Filing	5/19/08
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	P#08056
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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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Companion Property and Casualty Insurance Company wishes to adopt NCCI's item filing AR-2008-02 effective 9/1/08. We wish to increase our loss cost multiplier from 1.429 to 1.600.

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-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	WC AR0805601R01
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** NCCI AR-2008-02 **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 checked="" 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. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.

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.) **16.9%, based on market conditions and underwriting results.**

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) **1.169**

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 4-11 BELOW.

4. Development of Expected 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	11.13	%
B.	General Expense	4.84	%
C.	Taxes, Licenses & Fee	4.84	%
D.	Underwriting profit & Contingencies*	2.64	%
E.	Other (explain)		%
F.	Total	23.44	%
	* Explain how investment income is taken into account		

5.	A.	Expected Loss Ratio: ELR = 100% - 4F =	76.56
	B.	ELR in Decimal Form =	.7656

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	1.025
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	.947
8.	Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	1.600
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any difference between 6 and 7)	1.600

- | | | Yes | No |
|------------|---|--------------------------|-------------------------------------|
| 10. | 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. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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 #	P#08056
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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	0	134	719542	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)	0	
5b.	Overall percentage rate impact for this filing	0	
5c.	Effect of Rate Filing – Written premium change for this program	0	
5d.	Effect of Rate Filing - Number of policyholders affected	134	

6.	Overall percentage of last rate revision	2.6
7.	Effective Date of last rate revision	01/01/2008
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File and Use

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



Companion Property & Casualty Group

Companion Property & Casualty
Insurance Company

Companion Commercial
Insurance Company

May 19, 2008

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

Attn: Property & Casualty Division

RE: Companion Property & Casualty Insurance Company NAIC#: 661-12157 FEIN#: 57-0768836
Workers Compensation - AR WC Loss Cost Revisions 9/1/08
Company Filing: P#08056
Proposed Effective date for new and renewal business on and after September 1, 2008

Dear Commissioner Benafield Bowman:

Companion Property and Casualty Insurance Company wishes to adopt NCCI's item filing AR-2008-02. The filing is approved 7/1/08, however we wish to delay implementation until 9/1/08. We are also requesting an increase of our loss cost multiplier from 1.429 to 1.600.

Please let me know if you need additional information.

Sincerely,

LaTonya Ivey
Regulatory Compliance Analyst II
Phone: 803-795-7770
Fax: 803 865-3155
Email: latonya.ivey@companiongroup.com

**COMPANION PROPERTY & CASUALTY
WORKERS COMP
ARKANSAS EXCEPTIONS**

LOSS COSTS AND MULTIPLIER

New Business and Renewals effective 9/1/08 use our 1.600 multiplier with NCCI's 7/08 Loss Costs and with any subsequent NCCI filing upon its effective date.

Prior: New Business and Renewals effective 1/1/08 use our 1.429 multiplier with NCCI's 1/1/08 Loss Costs and with any subsequent NCCI filing upon its effective date.

COMPANY EXCEPTIONS TO NCCI RULES

EXPENSE CONSTANT: \$160

MINIMUM PREMIUM RULE

The following formula is to be used to calculate the minimum premium for all classes except Per Capita:

- Step 1. Loss Cost X Loss Cost Multiplier = Rate
- Step 2. Rate X 150 + Expense Constant = Minimum Premium
- Step 3. Maximum Minimum Premium = \$750

The following formula is to be used to calculate the minimum premium for Per Capita classes:

- Step 1. Loss Cost X Loss Cost Multiplier = Rate
- Step 2. Rate + Expense Constant = Minimum Premium
- Step 3. Maximum Minimum Premium = \$750

PREMIUM DISCOUNT PLAN

		<u>Discount</u>
First	\$5,000	0.0%
Next	\$95,000	10.9%
Next	\$400,000	12.6%
Over	\$500,000	14.4%

DEDUCTIBLE CREDIT

Calculation:

1. Use NCCI's 7/08 Loss Elimination Ratios (LER)
2. Conversion Factor = .614
3. Deductible Credit = .614 X LER
4. Round to nearest 0.1%

All deductible premium credits are applied to the Total Modified Premium, after application of Experience Modification and Schedule Rating Factor.

An appropriate Arkansas **Workers Compensation Deductible Option Form** must be offered on each risk.

**COMPANION PROPERTY & CASUALTY
WORKERS COMP
ARKANSAS EXCEPTIONS**

STATE SPECIAL RATING PLANS AND PROGRAMS

ALCOHOL AND DRUG FREE WORKPLACE PREMIUM CREDIT

Upon certification by the Health and Safety Division of the Arkansas Workers' Compensation Commission, an insured is eligible for 5% premium credit in accordance with the Arkansas Exceptions to the NCCI Basic Manual.

WAIVER OF SUBROGATION

When an insured performs work for third parties, it is not uncommon for a third party to require that the insured's insurance policies be endorsed to delete the RIGHT TO RECOVER FROM OTHERS condition in connection with work the insured is performing for that third party. This "waiver" is also commonly referred to as a "Waiver of Subrogation". Many times this requirement by the third party is a condition of the insured being awarded the contract to perform the work.

The information in this section establishes the rating basis, minimum premium and endorsement to be used when the company agrees to waive its right to recover in connection with the insured's work or contract with such third parties.

A. Rating Basis To Be Used:

Specific Waivers: Used when the waiver applies to a specific job. The premium charge is 5% of the premium developed for the specific job being covered, subject to a \$100 Annual Minimum Premium.

Blanket Waivers: Used when the waiver applies to all jobs during the policy year. The premium charge is 2.5% of the total manual premium with a \$500 minimum premium per policy.

B. Endorsement To Be Used

Use NCCI endorsement WC 00 03 13 Waiver Of Our Right To Recover From Others endorsement to provide coverage for Blanket Waivers and Specific Waivers.

**COMPANION PROPERTY & CASUALTY
WORKERS COMP
ARKANSAS EXCEPTIONS**

SCHEDULED RATING PLAN

(A) Eligibility

A risk is eligible for the application of this Plan if it meets the Premium Eligibility requirements on Page A-1 Appendix of the NCCI Experience Rating Plan Manual. The provisions of this plan recognize those characteristics of eligible risks which are NOT reflected in the risk's experience.

(B) Required Documentation

Form WCSCHED Schedule Rating Worksheet, must be completed for each period of coverage to which the provisions of this plan have been applied.

(C) Maximum Modification Available

The MAXIMUM modification available is 25%.

(D) Risk Characteristics And Schedule Rating Amounts Available

Workers Compensation Schedule Rating Table				
Risk Characteristics		Range of Modifications		
		Credit		Debit
A	Premises - condition, care and use	10%	to	10%
B	Classification peculiarities	10%	to	10%
C	Medical Facilities	5%	to	5%
D	Safety Devices	5%	to	5%
E	Employees - selection, training, supervision	10%	to	10%
F	Management			
	Cooperation with insurance carrier	5%	to	5%
	Safety Organization	5%	to	5%