

SERFF Tracking Number: FLWR-125637108 State: Arkansas
Filing Company: Florists' Mutual Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 08-7
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: AR WC Rate Filing 07-01-08
Project Name/Number: AR WC Rate Filing 07-01-08/08-7

Filing at a Glance

Company: Florists' Mutual Insurance Company

Product Name: AR WC Rate Filing 07-01-08 SERFF Tr Num: FLWR-125637108 State: Arkansas
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 16.0004 Standard WC Co Tr Num: 08-7 State Status: Fees verified and received
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
Authors: Danielle Milby, Andrea Coalson Disposition Date: 05/08/2008
Date Submitted: 05/07/2008 Disposition Status: Approved
Effective Date Requested (New): 07/01/2008 Effective Date (New): 07/01/2008
Effective Date Requested (Renewal): 07/01/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: AR WC Rate Filing 07-01-08 Status of Filing in Domicile: Not Filed
Project Number: 08-7 Domicile Status Comments:
Reference Organization: NCCI Reference Number: AR-2008-02
Reference Title: Approved Voluntary Advisory Loss Costs and Rating Advisory Org. Circular: AR-2008-06
Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008
Filing Status Changed: 05/08/2008
State Status Changed: 05/08/2008 Deemer Date:
Corresponding Filing Tracking Number: 08-7
Filing Description:
Florists' Mutual Insurance Company is filing to adopt the loss costs referenced in NCCI Circular AR-2008-02 effective July 1, 2008. We are also filing to change our current loss cost multiplier of 1.289 to 1.312 effective July 1, 2008.

SERFF Tracking Number: FLWR-125637108 State: Arkansas
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 Product Name: AR WC Rate Filing 07-01-08
 Project Name/Number: AR WC Rate Filing 07-01-08/08-7

Company and Contact

Filing Contact Information

Danielle Milby, Compliance Analyst dmilby@hortica-insurance.com
 #1 Horticultural Lane (618) 655-1822 [Phone]
 Edwardsville, IL 62025 (618) 655-2519[FAX]

Filing Company Information

Florists' Mutual Insurance Company CoCode: 13978 State of Domicile: Illinois
 #1 Horticultural Lane Group Code: 349 Company Type: Parent
 PO Box 428
 Edwardsville, IL 62025 Group Name: State ID Number:
 (800) 851-7740 ext. [Phone] FEIN Number: 37-0277830

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Florists' Mutual Insurance Company	\$100.00	05/07/2008	20150333

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/08/2008	05/08/2008

SERFF Tracking Number: *FLWR-125637108* State: *Arkansas*
 Filing Company: *Florists' Mutual Insurance Company* State Tracking Number: *EFT \$100*
 Company Tracking Number: *08-7*
 TOI: *16.0 Workers Compensation* Sub-TOI: *16.0004 Standard WC*
 Product Name: *AR WC Rate Filing 07-01-08*
 Project Name/Number: *AR WC Rate Filing 07-01-08/08-7*

Disposition

Disposition Date: 05/08/2008
 Effective Date (New): 07/01/2008
 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:
Florists' Mutual Insurance Company	-16.800%	\$-5,597	10	\$33,314	1.800%	-22.500%	-16.800%

SERFF Tracking Number: FLWR-125637108 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	No
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	No
Supporting Document	NAIC loss cost data entry document	Approved	No

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 1.900%
Effective Date of Last Rate Revision: 01/01/2008
Filing Method of Last Filing: Prior 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):
Florists' Mutual Insurance Company	-16.800%	-16.800%	\$-5,597	10	\$33,314	1.800%	-22.500%

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 05/08/2008

Comments:

Attachment:

NAIC P&C Transmittal Document.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 05/08/2008

Comments:

Attachments:

loss_cost_wc_coverLC.pdf

loss_cost_filing_document_wc.pdf

loss_cost_expense_constant_supplement.pdf

Expense & Underwriting Profit Exhibits.pdf

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 05/08/2008

Comments:

Attachment:

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 border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></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 #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Florists' Mutual Insurance Company	Illinois	13978	370277830	12

5. Company Tracking Number	
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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
Danielle Milby #1 Horticultural Lane Edwardsville, IL 62025	Compliance Analyst II	1-800-851-7740 Ext: 1822	1-618-655-2519	dmilby@hortica-insurance.com

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

9. Type of Insurance (TOI)	16.0000 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	16.0004 Standard Workers Compensation
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	N/A
13. Filing Type	[X] Rate/Loss Cost [] Rules [] Rates/Rules [] Forms [] Combination Rates/Rules/Forms [] Withdrawal [] Other (give description)
14. Effective Date(s) Requested	New: 07-01-08 Renewal: 07-01-08
15. Reference Filing?	[X] Yes [] No
16. Reference Organization (if applicable)	NCCI
17. Reference Organization # & Title	AR-2008-06 - Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008
18. Company's Date of Filing	May 7, 2008
19. Status of filing in domicile	[X] Not Filed [] Pending [] Authorized [] Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	08-7
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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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Florists' Mutual Insurance Company is filing to adopt the loss costs referenced in NCCI Circular AR-2008-02 effective July 1, 2008. We are also filing to change our current loss cost multiplier of 1.289 to 1.312 effective July 1, 2008.

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]
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Check #: EFT
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.)**

FORM FILING SCHEDULE

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

1.	This filing transmittal is part of Company Tracking #	08-7
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2.	This filing corresponds to rate/rule filing number <small>(Company tracking number of rate/rule filing, if applicable)</small>	N/A
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	N/A		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	08-7
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)
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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)
FMIC	-16.8	-16.8	-5,597	10	33,314	1.80	-22.5

4b.	Rate Change by Company (As Accepted) For State Use Only
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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	+1.9%
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7.	Effective Date of last rate revision	01-01-08
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	N/A	<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	

Date: May 7, 2008

Space Reserved for Insurance Department Use

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

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

1. INSURER NAME Florists' Mutual Insurance Company
- ADDRESS #1 Horticultural Lane
P.O. Box 428
Edwardsville, IL 62025
2. PERSON RESPONSIBLE FOR FILING Danielle Milby
- TITLE Compliance Analyst II TELEPHONE # 800-851-7740 x1822
3. INSURER NAIC # 349-13978
4. ADVISORY ORGANIZATION NCCI
- 5A. PROPOSED RATE LEVEL CHANGE -16.8 % _ EFFECTIVE DATE 7/1/2008
- 5B. PROPOSED PREMIUM LEVEL CHANGE* -16.8 % _ EFFECTIVE DATE 7/1/2008
- 6A. PRIOR RATE LEVEL CHANGE 1.9 % EFFECTIVE DATE 1/1/2008
- 6B. PRIOR PREMIUM LEVEL CHANGE* 1.9 % EFFECTIVE DATE 1/1/2008
7. ATTACH "NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION"
(Attach this document separately for each insurer selected loss cost multiplier.)

* The premium level change is the change in the insurer's annual collectible premium.

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	08-7
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

(X) **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:

- 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.**
- 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)

(X) 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) 1.022

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 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	%
B.	General Expense	%
C.	Taxes, Licenses & Fee	%
D.	Underwriting profit & contingencies*	%
E.	Other (explain)	%
F.	Total	%
* Explain how investment income is taken into account		

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

NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION*

6.		Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	
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)	
8.		Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	
9.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	

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.

() ()

11. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level changes.

() ()

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)

This filing transmittal is part of Company Tracking #	08-7
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

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

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	13.8	13.8		%
	B.	General Expense	10.3	8.6	1.7	%
	C.	Taxes, License & Fees	2.8	2.8		%
	D.	Underwriting Profit & Contingencies*	(3.1)	(3.1)		%
	E.	Other (explain)				%
	F.	TOTAL	23.8	22.1	1.7	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	76.2	%
	B.	ELR in decimal form =	0.762	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	77.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.779	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) - (1.00 divided by 5D)]	200	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	1.312	

7.	A.	Selected Expense Constant =	200	%
	B.	Selected Variable Loss Cost Multiplier =	1.312	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-16.8	%
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**Florists' Mutual Insurance Company
Workers Compensation
Expense Exhibit**

Relationship of Standard Premium to Direct Premium

(000 Omitted)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
A. Direct Earned Premium	42	36	33
B. Direct Earned Standard Premium	41	35	32
C. Relationship	0.976	0.972	0.970
D. Selected Value (Mean of 2004-2006)		0.973	

Source: NCCI Call 5

Development of Total Production Expense

(000 Omitted)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
A. Direct Written Premium	24,710	20,811	19,902
B. Direct Commissions	286	148	155
C. Other Acquisition	2,983	2,842	2,904
D. Total Production Expense	3,269	2,990	3,059
E. Provision (100*(D/A))	13.2	14.4	15.4
F. Selected Value (Mean of 2004-2006) /	0.973	13.8	

Source: Insurance Expense Exhibit

Development of General Expenses

(000 Omitted)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
A. Direct Earned Premium	29,404	21,320	20,109
B. General Expense	2,931	2,443	2,361
C. Provision (100*(B/A))	10.0	11.5	11.7
D. Selected Value (Mean of 2004-2006) /	0.973	10.3	

Source: Insurance Expense Exhibit

Development of Taxes, Licenses, and Fees

A. State Premium Tax	2.5
B. Other Taxes, Licenses, and Fees	0.3
C. Total (A+B)	2.8

Source: A. NAIC Guidebook

B. Companywide Average

**Florists' Mutual Insurance Company
Workers Compensation
Underwriting Profit**

I. Surplus Allocated to Workers Compensation:		
A. Average Net Workers Compensation Earned Premium for 2005 - 2007		23,611,030
B. Average Net all lines earned premium for 2005 - 2007		69,309,663
C. Surplus as regards policyholders 12-31-2007		56,357,807
D. Surplus Allocated to Workers Compensation (C*A/B)		19,198,850
II. Expected After-tax Return on Surplus:		
A. Expected Return		0.080
B. Surplus allocated to Workers Compensation (I-D)		19,198,850
C. Expected after-tax return on surplus (A*B)		1,535,908
III. After-tax Investment Return on Surplus:		
A. Surplus allocated to Workers Compensation (I-D)		19,198,850
B. Expected Pretax return		0.050
C. Pretax return (A*B)		959,943
D. Federal Tax rate on investments		0.340
E. After-tax return (C*(1-D))		633,562
IV. Development of Unearned Premiums:		
A. Projected Direct Earned Premium		19,983,213
B. Projected Unearned Premium Reserve		7,102,069
C. Deduction for delayed remission of premium:		
1. Direct countrywide earned premium 2007		61,144,518
2. Direct agents' balances at 12-31-2007 less advance premium		20,147,228
3. Direct agents' balances at 12-31-2006 less advance premium		21,583,687
4. Mean agents' balances (1/2 (#2+#3))		20,865,458
5. Ratio (#4/#1)		0.341
6. Deduction for delayed remission of premium (A*#5)		6,819,236
D. Deduction for prepaid expenses:		
1. Commission	0.8	
2. Other acquisition costs	12.7	
3. 50% of general expenses	5.0	
4. Taxes, licenses, and fees	2.3	
5. Total prepaid expenses (#2+#3+#4+#5)	20.8	
6. Federal Income Taxes Payable	6.8	
7. Total Prepays (#5+#6)	27.6	
8. Deduction for prepaid expenses ((B*D7)/100)		1,960,171
E. Loss Reserve		
1. Projected direct earned premium		19,983,213
2. Expected incurred loss and LAE (75% x Line E-1)		14,987,410
3. Expected mean loss and LAE reserves (2.76 x Line E-2)		41,365,251
F. Net subject to investment (B - C#6 - D#8 + E#3)		39,687,913
G. After-tax investment return (1-.34*.045)		3.30%
H. After-tax investment return on reserves		1,309,701
VII. Return on Underwriting		
A. Expected after-tax return on equity (II-C)		1,535,908
B. After-tax investment return on surplus (III-E)		633,562
C. After-tax investment return on reserves (IV-H)		1,309,701
D. Expected after-tax return on underwriting (A-(B+C))		(407,355)
E. Tax on underwriting		0.340
F. Expected pre-tax return on underwriting (D/(1-E))		(617,205)
G. Projected earned premium		19,983,213
H. Factor for underwriting profit (F/G)		(0.031)

**Florists' Mutual Insurance Company
Workers Compensation
Underwriting Profit**

Line I-A and I-B

Average Work Comp Direct Earned Premium (DEP)		
	Work Comp DEP	Total DEP
2005	29,404,030	80,142,835
2006	21,319,773	66,641,637
2007	20,109,286	61,144,518
Sum	70,833,089	207,928,990
Average	23,611,030	69,309,663

Line IV-A

Planned direct earned premium for calendar year 2008.

Line IV-B

Planned unearned premium reserves for calendar year 2008.

Line IV-D-6

The Tax Reform Act taxes 20% of the unearned premium reserve. At a corporate tax rate of 34%, this tax equals 6.8% of the unearned premium reserve.

Line IV-E-3

Direct W/C Loss and LAE Reserves

	Loss	ALAE	ULAE	Total	IEE	
					Loss /Lae Incurred	Reserve/ Inc. Loss
2004	51,326	7,044	4,178	62,548	34,022	1.84
2005	55,359	7,486	4,325	67,170	23,782	2.82
2006	54,119	7,949	3,898	65,966	18,212	3.62
2007	50,050	6,798	3,423	60,271	10,354	5.82
					Average	3.53
					Selected	2.76

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	08-7
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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	NCCI AR-2008-02
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Company Name		Company NAIC Number	
3.	A.	Florists' Mutual Insurance Company	B. 349-13978

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.	Workers Compensation	B. N/A

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
Workers Comp.	-16.8%	-16.8%	76.2%	1.000	1.312	\$200	1.289
TOTAL OVERALL EFFECT	-16.8%	-16.8%					

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
2003	17	-1.6%	7/1/2003	41,629	185,351	445.2%	54.8%
2004	23			55,363	8,828	15.9%	45.3%
2005	14	-1.9%	7/1/2005	41,842	1,452	3.5%	40.1%
2006	11	-7.4%	7/1/2006	35,841	5,358	14.9%	40.9%
2007	10	-3.2%	7/1/2007	33,188	4,502	13.6%	43.5%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	13.8%
B. General Expense	10.3%
C. Taxes, License & Fees	2.8%
D. Underwriting Profit & Contingencies	(3.1)%
E. Other (explain)	
F. TOTAL	23.8%

- 8.** Y Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 1.8% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** -22.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____