

SERFF Tracking Number: LMUG-125650609 State: Arkansas
First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
Company Tracking Number: LWCR-AR-048-08
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Filing at a Glance

Companies: Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, Liberty Mutual Insurance Company, LM Insurance Corporation, The First Liberty Insurance Corporation

Product Name: Workers Compensation SERFF Tr Num: LMUG-125650609 State: Arkansas
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 16.0004 Standard WC Co Tr Num: LWCR-AR-048-08 State Status: Fees verified and received
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
Author: Judith Weber Disposition Date: 05/19/2008
Date Submitted: 05/16/2008 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: 7-1-2008 WC Rates Status of Filing in Domicile: Not Filed
Project Number: LWCR-AR-048-08 Domicile Status Comments:
Reference Organization: NCCI Reference Number: #AR-2008-02
Reference Title: Arkansas--Approved Voluntary Advisory Loss Costs and Rating Values effective July 1, 2008 Advisory Org. Circular: AR-2008-02 and AR-2008-06
Filing Status Changed: 05/19/2008
State Status Changed: 05/19/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

The captioned companies submit this filing to implement the NCCI Arkansas Voluntary Loss Costs and Rating Values effective 7/1/2008 with revised loss costs multipliers. The loss costs and rating values we are references are part of the NCCI Item #AR-2008-02.

<i>SERFF Tracking Number:</i>	<i>LMUG-125650609</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Liberty Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>LWCR-AR-048-08</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>7-1-2008 WC Rates/LWCR-AR-048-08</i>		

Company and Contact

Filing Contact Information

Judith Weber, State Filing Analyst	Judy.Weber@Wausau.com
P.O. Box 8070	(877) 792-8728 [Phone]
Wausau, WI 54402-8070	(715) 842-6828[FAX]

Filing Company Information

Liberty Insurance Corporation	CoCode: 42404	State of Domicile: Illinois
PO BOX 8070	Group Code: 111	Company Type:
Wausau, WI 54402-8070	Group Name:	State ID Number:
(877) 792-8728 ext. [Phone]	FEIN Number: 03-0316876	

Liberty Mutual Fire Insurance Company	CoCode: 23035	State of Domicile: Wisconsin
PO Box 8070	Group Code: 111	Company Type:
Wausau, WI 54402-8070	Group Name:	State ID Number:
(877) 792-8728 ext. [Phone]	FEIN Number: 04-1924000	

Liberty Mutual Insurance Company	CoCode: 23043	State of Domicile: Massachusetts
PO Box 8070	Group Code: 111	Company Type:
Wausau, WI 54402-8070	Group Name:	State ID Number:
(877) 792-8728 ext. [Phone]	FEIN Number: 04-1543470	

LM Insurance Corporation	CoCode: 33600	State of Domicile: Iowa
PO Box 8070	Group Code: 111	Company Type:
Wausau, WI 54402-8070	Group Name:	State ID Number:
(877) 792-8728 ext. [Phone]	FEIN Number: 04-3058504	

The First Liberty Insurance Corporation	CoCode: 33588	State of Domicile: Iowa
PO Box 8070	Group Code: 111	Company Type:
Wausau, WI 54402-8070	Group Name:	State ID Number:
(877) 792-8728 ext. [Phone]	FEIN Number: 04-3058503	

Filing Fees

SERFF Tracking Number: LMUG-125650609 *State:* Arkansas
First Filing Company: Liberty Insurance Corporation, ... *State Tracking Number:* EFT \$100
Company Tracking Number: LWCR-AR-048-08
TOI: 16.0 Workers Compensation *Sub-TOI:* 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 fee if changing LCMs.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Liberty Insurance Corporation	\$100.00	05/16/2008	20372255
Liberty Mutual Fire Insurance Company	\$0.00	05/16/2008	
Liberty Mutual Insurance Company	\$0.00	05/16/2008	
LM Insurance Corporation	\$0.00	05/16/2008	
The First Liberty Insurance Corporation	\$0.00	05/16/2008	

SERFF Tracking Number: LMUG-125650609 State: Arkansas
First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
Company Tracking Number: LWCR-AR-048-08
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/19/2008	05/19/2008

SERFF Tracking Number: LMUG-125650609 State: Arkansas
 First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
 Company Tracking Number: LWCR-AR-048-08
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Disposition

Disposition Date: 05/19/2008
 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:
Liberty Insurance Corporation	-7.200%	\$-67,190	78	\$933,194	20.100%	%	-7.200%
Liberty Mutual Fire Insurance Company	-7.200%	\$-197,721	133	\$2,746,126	22.000%	%	-7.200%
Liberty Mutual Insurance Company	-7.600%	\$-64,650	40	\$850,653	21.500%	%	-7.600%
LM Insurance Corporation	-7.300%	\$-35,861	37	\$491,248	22.300%	%	-7.300%
The First Liberty Insurance Corporation	-7.600%	\$-42,783	29	\$562,939	18.500%	%	-7.600%

SERFF Tracking Number: LMUG-125650609
First Filing Company: Liberty Insurance Corporation, ...
Company Tracking Number: LWCR-AR-048-08
TOI: 16.0 Workers Compensation
Product Name: Workers Compensation
Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

State: Arkansas
State Tracking Number: EFT \$100
Sub-TOI: 16.0004 Standard WC

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	-7.300%
Overall Percentage Rate Impact For This Filing	-7.300%
Effect of Rate Filing-Written Premium Change For This Program	\$-408,205
Effect of Rate Filing - Number of Policyholders Affected	317

SERFF Tracking Number: LMUG-125650609 State: Arkansas
 First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
 Company Tracking Number: LWCR-AR-048-08
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

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
Rate	Misc Values Pages	Approved	Yes
Rate	Retro Pages	Approved	Yes

SERFF Tracking Number: LMUG-125650609
 First Filing Company: Liberty Insurance Corporation, ...
 Company Tracking Number: LWCR-AR-048-08
 TOI: 16.0 Workers Compensation
 Product Name: Workers Compensation
 Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 16.0004 Standard WC

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 2.700%
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):
Liberty Insurance Corporation	-7.200%	-7.200%	\$-67,190	78	\$933,194	20.100%	%
Liberty Mutual Fire Insurance Company	-7.200%	-7.200%	\$-197,721	133	\$2,746,126	22.000%	%
Liberty Mutual Insurance Company	-7.600%	-7.600%	\$-64,650	40	\$850,653	21.500%	%
LM Insurance Corporation	-7.300%	-7.300%	\$-35,861	37	\$491,248	22.300%	%
The First Liberty	-7.600%	-7.600%	\$-42,783	29	\$562,939	18.500%	%

SERFF Tracking Number:

LMUG-125650609

State:

Arkansas

First Filing Company:

Liberty Insurance Corporation, ...

State Tracking Number:

EFT \$100

Company Tracking Number:

LWCR-AR-048-08

TOI:

16.0 Workers Compensation

Sub-TOI:

16.0004 Standard WC

Product Name:

Workers Compensation

Project Name/Number:

7-1-2008 WC Rates/LWCR-AR-048-08

Insurance Corporation

SERFF Tracking Number: LMUG-125650609
First Filing Company: Liberty Insurance Corporation, ...
Company Tracking Number: LWCR-AR-048-08
TOI: 16.0 Workers Compensation
Product Name: Workers Compensation
Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

State: Arkansas
State Tracking Number: EFT \$100
Sub-TOI: 16.0004 Standard WC

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	-7.300%
Overall Percentage Rate Impact For This Filing:	-7.300%
Effect of Rate Filing - Written Premium Change For This Program:	\$-408,205
Effect of Rate Filing - Number of Policyholders Affected:	317

SERFF Tracking Number: LMUG-125650609 State: Arkansas
 First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
 Company Tracking Number: LWCR-AR-048-08
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Misc Values Pages	Footnote 1&2, Disease Loadings, Miscellaneous Values, Deductible Credits	New	AR_Misc Pages_LIB 7-08.pdf
Approved	Retro Pages	2 pages	New	AR-Retro Pages Lib.pdf

General Footnotes

LMIC Liberty Mutual Insurance Company
 LMFIC Liberty Mutual Fire Insurance Company
 LM Ins Corp LM Insurance Corporation
 TFLIC The First Liberty Insurance Corporation
 LIC Liberty Insurance Corporation

- A Rates for each individual risk must be obtained by Home Office from Rating Organization having jurisdiction.
- D Rate for classification already includes the special disease loading. See Specific Disease Loadings page for amount. See Basic Manual Rule 3-A-7.
- E Rate for classification already includes the specific disease loading. See Specific Disease Loadings page for amount.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate contains a provision for federal assessment.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL & HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable/non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

1005 Includes a non-ratable disease element (shown below). (For coverage written separately for federal benefits only for coverage written separately for state benefits only, both shown below.)

	LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
Non-ratable disease	5.14	4.28	2.78	5.14	3.53
Federal benefits only	3.39	2.83	1.84	3.39	2.33
State benefits only	1.75	1.46	0.95	1.75	1.20

1016 Includes a non-ratable disease element (shown below). (For coverage written separately for federal benefits only for coverage written separately for state benefits only, both shown below.)

It also includes a catastrophe loading (shown below).

	LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
Non-ratable disease	20.53	17.11	11.12	20.53	14.11
Federal benefits only	13.53	11.27	7.33	13.53	9.30
State benefits only	7.00	5.83	3.79	7.00	4.81
Catastrophe loading	0.13	0.11	0.07	0.13	0.09

6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way-no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.215.

6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way-no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.175 and elr x 2.032.

6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way-no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.

7409 Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005.

7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008.

8018 See Arkansas Special Classification for Warehousing-groceries exclusively.

8833 A special tuberculosis charge (shown below) is to be added to this rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to NCCI for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department. The ex-medical advisory rate for this classification is shown below.

	LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
Tuberculosis	0.16	0.13	0.09	0.16	0.11
Ex-medical	0.47	0.39	0.26	0.47	0.33

9040 A special tuberculosis charge (shown below) is to be added to this rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to NCCI for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department. The ex-medical advisory rate for this classification is shown below.

	LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
Tuberculosis	0.16	0.13	0.09	0.16	0.11
Ex-medical	1.75	1.46	0.95	1.75	1.20

Effective Date: 07-01-2008

TABLE OF SPECIFIC DISEASE LOADINGS
DISEASE SYMBOLS

Asb = Asbestos S = Silica

Code No.	LMIC	LMFIC	LM INS Corp	TFLIC	LIC	Disease Symbol
0059D	0.28	0.24	0.15	0.28	0.20	S
0065D	0.05	0.04	0.03	0.05	0.03	S
0066D	0.05	0.04	0.03	0.05	0.03	S
0067D	0.05	0.04	0.03	0.05	0.03	S
1164E	0.08	0.07	0.04	0.08	0.05	S
1165E	0.03	0.03	0.02	0.03	0.02	S
1624E	0.05	0.04	0.03	0.05	0.03	S
1710E	0.05	0.04	0.03	0.05	0.03	S
1741E	0.24	0.20	0.13	0.24	0.16	S
1803D	0.24	0.20	0.13	0.24	0.16	S
1852D	0.05	0.04	0.03	0.05	0.03	Asb
3081D	0.05	0.04	0.03	0.05	0.03	S
3082D	0.05	0.04	0.03	0.05	0.03	S
3085D	0.05	0.04	0.03	0.05	0.03	S
3175D	0.03	0.03	0.02	0.03	0.02	S
4024E	0.02	0.01	0.01	0.02	0.01	S
5508D	0.03	0.03	0.02	0.03	0.02	S
6251D	0.06	0.05	0.03	0.06	0.04	S
6252D	0.03	0.03	0.02	0.03	0.02	S
6260D	0.03	0.03	0.02	0.03	0.02	S

[] MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with **Basic Manual** footnote instructions for Code:

7370 --"Taxicab Co.":

Employee operated vehicles	\$48,893.00
Leased or rented vehicles	\$32,595.00

7420 --"Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew":

Maximum payroll per week per employee	\$750.00
---	----------

Expense Constant applicable in accordance with **Basic Manual** Rule 3 - A - 11 \$200.00

Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents

LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
0.02	0.01	0.01	0.02	0.01

Foreign Terrorism

LMIC	LMFIC	LM Ins Corp	TFLIC	LIC
0.03	0.03	0.02	0.03	0.02

Maximum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers" and the **Basic Manual** footnote instructions for Code 9178 -- "Athletic Sport or Park: Noncontact Sports," Code 9179 - "Athletic Sport or Park: Contact Sports," and code 9186 -- "Carnival--Traveling" \$2,500.00

Minimum Payroll applicable in accordance with **Basic Manual** Rule 2 - E - 1 - "Executive Officers"..... \$300.00

Per Passenger Seat Surcharge - In accordance with the **Basic Manual** footnote instructions for code 7421, the surcharge is:

Maximum surcharge per aircraft	\$1,000.00
Per passenger seat	\$100.00

Premium Determination for Partners and Sole Proprietors and Members of Limited Liability Companies in accordance with **Basic Manual** Rule 2 - E - 3 \$31,900.00

Premium Discount Percentages (See **Basic Manual Rule** 3 - A - 19). The following premium discounts are applicable to Standard Premiums:

		LIC, LMFIC LM Ins Corp <u>TYPE A TBL 9</u>	LMIC TFLIC <u>TYPE B TBL 10</u>
First	\$10,000	0.0%	0.0%
Next	\$190,000	9.1%	5.1%
Next	\$1,550,000	11.3%	6.5%
Over	\$1,750,000+	12.3%	7.5%

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with **Basic Manual** Rule 3 - A - 4 86%

(Multiply a Non-'F' classification rate by a factor of 1.86 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and the adjustment for differences in loss-based expenses (1.116).)

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state.

Total Small Dollar Deductible Credits
 (as percentage of Premium)

Applicable to Total Losses per Claim

Credit Amount	Hazard Group						
	A	B	C	D	E	F	G
\$ 1000 deductible	7.1%	5.7%	4.8%	4.0%	3.4%	2.3%	1.7%
\$ 1500 deductible	8.7%	7.0%	5.9%	5.0%	4.2%	2.9%	2.2%
\$ 2000 deductible	9.8%	8.0%	6.9%	5.8%	5.0%	3.5%	2.7%
\$ 2500 deductible	10.9%	8.9%	7.7%	6.6%	5.5%	4.0%	3.0%
\$ 3000 deductible	11.9%	9.7%	8.4%	7.2%	6.1%	4.5%	3.4%
\$ 3500 deductible	12.7%	10.4%	9.0%	7.8%	6.6%	4.9%	3.7%
\$ 4000 deductible	13.5%	11.0%	9.7%	8.4%	7.1%	5.3%	4.0%
\$ 4500 deductible	14.3%	11.7%	10.2%	8.9%	7.6%	5.7%	4.3%
\$ 5000 deductible	14.9%	12.3%	10.8%	9.4%	8.1%	6.0%	4.6%

Total Small Dollar Deductible Credits
 (as percentage of Premium)

Applicable to Medical Losses per Claim

Credit Amount	Hazard Group						
	A	B	C	D	E	F	G
\$ 1000 deductible	6.9%	5.5%	4.7%	3.9%	3.3%	2.2%	1.6%
\$ 1500 deductible	8.3%	6.6%	5.7%	4.8%	4.0%	2.8%	2.1%
\$ 2000 deductible	9.3%	7.5%	6.5%	5.4%	4.6%	3.2%	2.4%
\$ 2500 deductible	10.2%	8.3%	7.1%	6.0%	5.1%	3.6%	2.7%
\$ 3000 deductible	10.9%	8.9%	7.7%	6.6%	5.5%	4.0%	3.0%
\$ 3500 deductible	11.6%	9.5%	8.2%	7.0%	6.0%	4.3%	3.3%
\$ 4000 deductible	12.2%	10.0%	8.7%	7.5%	6.4%	4.6%	3.5%
\$ 4500 deductible	12.8%	10.5%	9.1%	7.9%	6.7%	4.9%	3.7%
\$ 5000 deductible	13.3%	10.9%	9.5%	8.2%	7.0%	5.2%	3.9%

Total Small Dollar Deductible Credits
 (as percentage of Premium)

Applicable to Indemnity Losses per Claim

Credit Amount	Hazard Group						
	A	B	C	D	E	F	G
\$ 1000 deductible	1.5%	1.1%	1.0%	1.0%	0.9%	0.7%	0.5%
\$ 1500 deductible	2.0%	1.6%	1.5%	1.4%	1.2%	1.0%	0.8%
\$ 2000 deductible	2.5%	2.0%	1.8%	1.7%	1.5%	1.3%	1.0%
\$ 2500 deductible	2.9%	2.4%	2.2%	2.1%	1.8%	1.5%	1.1%
\$ 3000 deductible	3.4%	2.7%	2.5%	2.3%	2.1%	1.7%	1.3%
\$ 3500 deductible	3.8%	3.0%	2.8%	2.6%	2.3%	2.0%	1.5%
\$ 4000 deductible	4.1%	3.4%	3.1%	2.9%	2.6%	2.2%	1.6%
\$ 4500 deductible	4.4%	3.6%	3.4%	3.1%	2.8%	2.3%	1.8%
\$ 5000 deductible	4.7%	3.9%	3.6%	3.4%	3.0%	2.5%	2.0%

Formula for Credit:	$1.00 - \frac{(1-kf)E + a + n}{E + a + n}$	=	$\frac{fE}{E + a + n}$	* k
Where:				
k = LER	a = LAE provision = 0.193 * E = 0.116			
f = Safety Factor = 0.70	n = fixed expense = 0.056			
E = Retro ELR = 0.599				

Retrospective Rating Values

Classes Other than USL&HW
Applicable to Policies Other than Assigned Risk

Arkansas

Effective July 1, 2008

Liberty Mutual Insurance Company (LMIC)
Liberty Mutual Fire Insurance Company (LMFIC)
LM Insurance Company (LM)
The First Liberty Insurance Corporation (TFLIC)
Liberty Insurance Corporation (LIC)

Hazard Group Differentials

A	B	C	D	E	F	G
1.890	1.420	1.260	1.130	0.980	0.790	0.590

Tax Multipliers*

- a. State (non-F classes) 1.068
- b. Federal classes, or non-F classes where rate is increased by the USL&HW Act Percentage. 1.145

* Includes Residual Market Subsidy Provision of 0.6%.

2008 Table of Expected Loss Ratios

Effective January 1, 2008

Expected Loss Ratio	Expected Loss and Allocated Expense Ratio
0.599	0.668

Excess Loss Factors (Applicable to New and Renewal Policies)

Per Accident Limitation	HAZARD GROUPS						
	A	B	C	D	E	F	G
25,000	0.277	0.318	0.343	0.366	0.393	0.431	0.466
30,000	0.256	0.297	0.323	0.346	0.374	0.414	0.452
35,000	0.239	0.279	0.305	0.328	0.357	0.398	0.439
40,000	0.223	0.263	0.289	0.313	0.342	0.384	0.427
50,000	0.198	0.236	0.263	0.286	0.317	0.360	0.406
75,000	0.158	0.190	0.216	0.239	0.269	0.314	0.364
100,000	0.132	0.161	0.186	0.207	0.237	0.280	0.333
125,000	0.115	0.140	0.165	0.183	0.212	0.255	0.309
150,000	0.102	0.125	0.148	0.167	0.194	0.235	0.290
175,000	0.092	0.113	0.136	0.153	0.179	0.218	0.273
200,000	0.085	0.104	0.125	0.141	0.166	0.204	0.259
250,000	0.074	0.090	0.110	0.124	0.146	0.183	0.237
300,000	0.065	0.080	0.099	0.111	0.132	0.166	0.218
350,000	0.059	0.072	0.090	0.102	0.120	0.153	0.204
400,000	0.054	0.067	0.083	0.093	0.111	0.141	0.192
450,000	0.050	0.061	0.077	0.087	0.104	0.132	0.181
500,000	0.047	0.057	0.072	0.081	0.097	0.125	0.173
600,000	0.041	0.051	0.065	0.073	0.088	0.113	0.158
700,000	0.038	0.046	0.059	0.067	0.079	0.103	0.146
800,000	0.036	0.043	0.055	0.062	0.074	0.096	0.137
900,000	0.033	0.040	0.052	0.057	0.069	0.090	0.130
1,000,000	0.031	0.038	0.048	0.054	0.064	0.084	0.123
2,000,000	0.018	0.024	0.031	0.035	0.042	0.055	0.083
5,000,000	0.008	0.011	0.015	0.017	0.020	0.028	0.045
7,000,000	0.006	0.007	0.010	0.011	0.014	0.020	0.034
10,000,000	0.004	0.005	0.007	0.008	0.010	0.014	0.024

Excess Loss and Allocated Expense Factors (Applicable to New and Renewal Policies)

Per Accident Limitation	HAZARD GROUPS						
	A	B	C	D	E	F	G
25,000	0.331	0.376	0.404	0.428	0.457	0.497	0.529
30,000	0.308	0.353	0.382	0.407	0.437	0.479	0.514
35,000	0.288	0.333	0.362	0.388	0.419	0.463	0.502
40,000	0.271	0.315	0.345	0.371	0.404	0.448	0.490
50,000	0.244	0.286	0.316	0.342	0.376	0.422	0.468
75,000	0.196	0.234	0.264	0.289	0.323	0.372	0.425
100,000	0.166	0.200	0.229	0.253	0.286	0.335	0.392
125,000	0.145	0.176	0.203	0.226	0.259	0.306	0.365
150,000	0.130	0.158	0.185	0.206	0.237	0.284	0.344
175,000	0.117	0.143	0.169	0.189	0.219	0.265	0.325
200,000	0.107	0.131	0.156	0.175	0.204	0.249	0.309
250,000	0.094	0.114	0.137	0.154	0.181	0.223	0.284
300,000	0.083	0.101	0.123	0.139	0.163	0.203	0.262
350,000	0.075	0.092	0.112	0.126	0.149	0.187	0.245
400,000	0.068	0.084	0.104	0.117	0.138	0.173	0.231
450,000	0.063	0.077	0.097	0.108	0.129	0.163	0.219
500,000	0.059	0.072	0.090	0.102	0.121	0.153	0.208
600,000	0.053	0.064	0.081	0.091	0.108	0.139	0.191
700,000	0.048	0.058	0.074	0.082	0.099	0.126	0.178
800,000	0.045	0.054	0.069	0.077	0.092	0.118	0.166
900,000	0.041	0.050	0.064	0.072	0.085	0.110	0.157
1,000,000	0.039	0.048	0.060	0.068	0.080	0.104	0.149
2,000,000	0.023	0.030	0.039	0.044	0.053	0.068	0.102
5,000,000	0.011	0.014	0.018	0.021	0.026	0.036	0.056
7,000,000	0.007	0.009	0.013	0.015	0.018	0.026	0.043
10,000,000	0.005	0.006	0.009	0.011	0.013	0.018	0.031

Retrospective Premium Development Factors

With Loss Limit		
1st	2nd	3rd
Adj.	Adj.	Adj.
0.04	0.04	0.03

Without Loss Limit			4th & Subs.
1st	2nd	3rd	
Adj.	Adj.	Adj.	Adj.
0.10	0.10	0.07	0.00

With Loss Limit		
1st	2nd	3rd
Adj.	Adj.	Adj.
0.05	0.05	0.03

Without Loss Limit			4th & Subs.
1st	2nd	3rd	
Adj.	Adj.	Adj.	Adj.
0.11	0.11	0.08	0.00

Retrospective Rating Values

for USL&HW Classes Only

Arkansas

Effective July 1, 2008

Liberty Mutual Insurance Company (LMIC)
 Liberty Mutual Fire Insurance Company (LMFIC)
 LM Insurance Company (LM)
 The First Liberty Insurance Corporation (TFLIC))
 Liberty Insurance Corporation (LIC)

<u>Expected Loss Ratio</u>	<u>Expected Loss and Allocated Expense Ratio</u>	<u>Tax Multipliers</u>	
0.599	0.668	State	1.068
		Federal	1.145

Excess Loss Factors
 (Applicable to New and Renewal Policies)

<u>Per Accident Limitation</u>	<u>C&D II</u>	<u>E&F III</u>	<u>G IV</u>
25,000	0.376	0.445	0.477
30,000	0.358	0.429	0.466
35,000	0.343	0.414	0.452
40,000	0.329	0.401	0.440
50,000	0.307	0.378	0.421
75,000	0.263	0.335	0.376
100,000	0.234	0.299	0.343
125,000	0.210	0.272	0.313
150,000	0.192	0.251	0.291
175,000	0.176	0.231	0.270
200,000	0.164	0.216	0.254
250,000	0.145	0.192	0.226
300,000	0.131	0.173	0.206
500,000	0.096	0.128	0.154
1,000,000	0.063	0.083	0.099
2,000,000	0.042	0.054	0.063
5,000,000	0.025	0.032	0.036

**Excess Loss and
Allocated Expense Factors**
 (Applicable to New and Renewal Policies)

<u>Per Accident Limitation</u>	<u>C&D II</u>	<u>E&F III</u>	<u>G IV</u>
25,000	0.444	0.511	0.544
30,000	0.425	0.494	0.533
35,000	0.408	0.478	0.518
40,000	0.397	0.468	0.509
50,000	0.372	0.447	0.488
75,000	0.327	0.398	0.441
100,000	0.294	0.362	0.407
125,000	0.266	0.332	0.375
150,000	0.245	0.308	0.350
175,000	0.227	0.284	0.326
200,000	0.211	0.267	0.308
250,000	0.187	0.238	0.275
300,000	0.169	0.215	0.250
500,000	0.125	0.160	0.188
1,000,000	0.083	0.104	0.122
2,000,000	0.055	0.067	0.078
5,000,000	0.032	0.039	0.044

SERFF Tracking Number: LMUG-125650609 State: Arkansas
 First Filing Company: Liberty Insurance Corporation, ... State Tracking Number: EFT \$100
 Company Tracking Number: LWCR-AR-048-08
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: 7-1-2008 WC Rates/LWCR-AR-048-08

Supporting Document Schedules

Bypassed -Name: Uniform Transmittal Document-
 Property & Casualty
Bypass Reason: Completed Rate Data information
Comments:

Review Status:
 Approved 05/19/2008

Satisfied -Name: NAIC Loss Cost Filing Document
 for Workers' Compensation
Comments:

Review Status:
 Approved 05/19/2008

Attachments:

- 7-1-2008 AR WC_Filing_Workbook.pdf
- F969AR_Co 1.pdf
- F969AR_Co 2.pdf
- F969AR_Co 5.pdf
- F969AR_Co 6.pdf
- F969AR_Co 7.pdf
- F909AR_Co 1.pdf
- F909AR_Co 2.pdf
- F909AR_Co 5.pdf
- F909AR_Co 6.pdf
- F909AR_Co 7.pdf
- F971AR_Co 1.pdf
- F971AR_Co 2.pdf
- F971AR_Co 5.pdf
- F971AR_Co 6.pdf
- F971AR_Co 7.pdf

Satisfied -Name: NAIC loss cost data entry document
Comments:

Review Status:
 Approved 05/19/2008

Attachment:

7-1-2008 F319AR_051205.pdf

Actuarial Memorandum
Arkansas Workers Compensation
Proposed Effective Date: July 1, 2008

Liberty Mutual Insurance Group respectfully submits the following actuarial justification for the revision of its Workers Compensation rates in the state of Arkansas. This memorandum along with the attached exhibits constitutes a filing of rates and rating values applicable to the manually rated business written by the companies named below.

The rates in Liberty Mutual Fire Insurance Company are our base rates and will be calculated as the NCCI's July 1, 2008 loss costs multiplied by the loss cost multiplier (LCM) of 1.314. Loss cost multipliers for the other companies are based on our tiered pricing philosophy currently in effect. Specifically, we are requesting the rate multipliers and premium changes detailed in the table below.

Company Name	Projected Prem Dist.	Current LCM	Proposed LCM	% Change in LCM	Modified Loss Cost Change	Overall Rate Change
Liberty Mutual Insurance Company	13.6%	1.488	1.577	6.0%	-12.8%	-7.6%
Liberty Mutual Fire Insurance Company	33.9%	1.235	1.314	6.4%	-12.8%	-7.2%
LM Insurance Corporation	27.5%	0.803	0.854	6.4%	-12.8%	-7.3%
The First Liberty Insurance Corporation	5.7%	1.488	1.577	6.0%	-12.8%	-7.6%
Liberty Insurance Corporation	19.3%	1.019	1.084	6.4%	-12.8%	-7.2%
Liberty Mutual Insurance Group	100.0%	1.123	1.194	6.3%	-12.8%	-7.3%

Minimum premium for all companies will be \$195 times the company rate plus the expense constant of \$200, subject to a maximum minimum premium of \$950 for all classes except for the per capita classes. For per capita classes, the minimum premium will be the company rate plus the expense constant of \$200.

Table of Contents

Exhibit 1 Calculation of the selected rate multipliers. There is an exhibit for each company named above.

The following exhibits are identical for all companies.

Exhibit 2 Details of the expense ratios for Liberty Mutual Insurance Group. The expense ratios employed in this justification are for all companies combined.

Exhibit 3 Calculation of the premium discount expense ratio.

Exhibit 4 Historical Workers Compensation loss ratios and the indicated rate change.

Exhibit 5 These exhibits contain the Discounted Cash Flow model for Liberty Mutual Insurance Group. They contain the calculation of the profit & contingencies allowance including investment income offset.

Exhibit 6 Calculation of the Residual Market Load.

Exhibit 7 Calculation of the Retro ELR, ELAR, state tax multiplier, and federal tax multiplier.

Thank you in advance for your timely consideration of this filing.

Liberty Mutual Insurance Company (LMIC)
Workers Compensation
Arkansas
Calculation of Loss Cost Multiplier

1. Line, Subline, Coverage, Class, etc combination to which this page applies: Workers Compensation

2. Loss Cost Modification	1.1491		
A. Loss Adjustment Expense Factor (if not in Loss Costs) =	1.0000		
B. Loss Based Assessments Factor (that are not in Loss Costs) =	1.0000		
C. Loss Experience Adjustment Factor (See Exhibit 4) =	0.9574		
D. Company Deviation Factor =	1.2002		
3. Development of Expected Loss Ratio		<u>Overall</u>	<u>Variable</u>
A. Total Production Expense (See Exhibit 2)		6.7%	6.7%
B. General Expense (See Exhibit 2)		5.6%	4.2%
Cost of Reinsurance (See Exhibit 2.1)		0.4%	0.4%
Accounts Charged Off Expense (See Exhibit 2.1)		0.3%	0.3%
C. Taxes, Licenses and Fees (See NCCI Tax & Assessment Directory)		5.8%	5.8%
D. Underwriting Profit and Contingencies (See Exhibit 5) (Includes Inv. Income)		0.2%	0.2%
E. Residual Market Burden (See Exhibit 6)		0.6%	0.6%
F. Premium Discounts (See Exhibit 3)		9.0%	9.0%
G. Other		0.0%	0.0%
H. TOTAL		28.5%	27.1%
4. A. Expected Loss Ratio ELR = 100% - Overall 3H =		71.5%	
B. Expected Loss Ratio expressed in decimal form =		0.715	
C. Variable Expected Loss Ratio VELR = 100% - Variable 3H =			72.9%
D. VELR in decimal form =			0.729
5. Formula Expense Constant = [(1.00/4B)-(1.00/4D)] x Avg Underlying Loss Cost =		\$200	
Formula Variable Loss Cost Multiplier (2/4D) =		1.577	
6. Selected Expense Constant =		\$200	
Selected Variable Loss Cost Multiplier =		1.577	
7. Proposed Change in Loss Cost Multiplier From Current Level =		6.0%	
8. Change in Pure Premiums =		-12.8%	
9. Proposed Change in Rates from Current Level =		-7.6%	

Liberty Mutual Fire Insurance Company (LMFIC)
Workers Compensation
Arkansas
Calculation of Loss Cost Multiplier

1. Line, Subline, Coverage, Class, etc combination to which this page applies: Workers Compensation

2. Loss Cost Modification	0.9574		
A. Loss Adjustment Expense Factor (if not in Loss Costs) =	1.0000		
B. Loss Based Assessments Factor (that are not in Loss Costs) =	1.0000		
C. Loss Experience Adjustment Factor (See Exhibit 4) =	0.9574		
D. Company Deviation Factor =	1.0000		
3. Development of Expected Loss Ratio		<u>Overall</u>	<u>Variable</u>
A. Total Production Expense (See Exhibit 2)		6.7%	6.7%
B. General Expense (See Exhibit 2)		5.6%	4.2%
Cost of Reinsurance (See Exhibit 2.1)		0.4%	0.4%
Accounts Charged Off Expense (See Exhibit 2.1)		0.3%	0.3%
C. Taxes, Licenses and Fees (See NCCI Tax & Assessment Directory)		5.8%	5.8%
D. Underwriting Profit and Contingencies (See Exhibit 5) (Includes Inv. Income)		0.2%	0.2%
E. Residual Market Burden (See Exhibit 6)		0.6%	0.6%
F. Premium Discounts (See Exhibit 3)		9.0%	9.0%
G. Other		0.0%	0.0%
H. TOTAL		28.5%	27.1%
4. A. Expected Loss Ratio ELR = 100% - Overall 3H =		71.5%	
B. Expected Loss Ratio expressed in decimal form =		0.715	
C. Variable Expected Loss Ratio VELR = 100% - Variable 3H =			72.9%
D. VELR in decimal form =			0.729
5. Formula Expense Constant = [(1.00/4B)-(1.00/4D)] x Avg Underlying Loss Cost =		\$200	
Formula Variable Loss Cost Multiplier (2/4D) =		1.314	
6. Selected Expense Constant =		\$200	
Selected Variable Loss Cost Multiplier =		1.314	
7. Proposed Change in Loss Cost Multiplier From Current Level =		6.4%	
8. Change in Pure Premiums =		-12.8%	
9. Proposed Change in Rates from Current Level =		-7.2%	

LM Insurance Corporation (LM)
Workers Compensation
Arkansas
Calculation of Loss Cost Multiplier

1. Line, Subline, Coverage, Class, etc combination to which this page applies: Workers Compensation

2. Loss Cost Modification	0.6223		
A. Loss Adjustment Expense Factor (if not in Loss Costs) =	1.0000		
B. Loss Based Assessments Factor (that are not in Loss Costs) =	1.0000		
C. Loss Experience Adjustment Factor (See Exhibit 4) =	0.9574		
D. Company Deviation Factor =	0.6499		
3. Development of Expected Loss Ratio		<u>Overall</u>	<u>Variable</u>
A. Total Production Expense (See Exhibit 2)		6.7%	6.7%
B. General Expense (See Exhibit 2)		5.6%	4.2%
Cost of Reinsurance (See Exhibit 2.1)		0.4%	0.4%
Accounts Charged Off Expense (See Exhibit 2.1)		0.3%	0.3%
C. Taxes, Licenses and Fees (See NCCI Tax & Assessment Directory)		5.8%	5.8%
D. Underwriting Profit and Contingencies (See Exhibit 5) (Includes Inv. Income)		0.2%	0.2%
E. Residual Market Burden (See Exhibit 6)		0.6%	0.6%
F. Premium Discounts (See Exhibit 3)		9.0%	9.0%
G. Other		0.0%	0.0%
H. TOTAL		28.5%	27.1%
4. A. Expected Loss Ratio ELR = 100% - Overall 3H =		71.5%	
B. Expected Loss Ratio expressed in decimal form =		0.715	
C. Variable Expected Loss Ratio VELR = 100% - Variable 3H =			72.9%
D. VELR in decimal form =			0.729
5. Formula Expense Constant = [(1.00/4B)-(1.00/4D)] x Avg Underlying Loss Cost =		\$200	
Formula Variable Loss Cost Multiplier (2/4D) =		0.854	
6. Selected Expense Constant =		\$200	
Selected Variable Loss Cost Multiplier =		0.854	
7. Proposed Change in Loss Cost Multiplier From Current Level =		6.4%	
8. Change in Pure Premiums =		-12.8%	
9. Proposed Change in Rates from Current Level =		-7.3%	

The First Liberty Insurance Corporation (TFLIC)
Workers Compensation
Arkansas
Calculation of Loss Cost Multiplier

1. Line, Subline, Coverage, Class, etc combination to which this page applies: Workers Compensation

2. Loss Cost Modification	1.1491		
A. Loss Adjustment Expense Factor (if not in Loss Costs) =	1.0000		
B. Loss Based Assessments Factor (that are not in Loss Costs) =	1.0000		
C. Loss Experience Adjustment Factor (See Exhibit 4) =	0.9574		
D. Company Deviation Factor =	1.2002		
3. Development of Expected Loss Ratio		<u>Overall</u>	<u>Variable</u>
A. Total Production Expense (See Exhibit 2)		6.7%	6.7%
B. General Expense (See Exhibit 2)		5.6%	4.2%
Cost of Reinsurance (See Exhibit 2.1)		0.4%	0.4%
Accounts Charged Off Expense (See Exhibit 2.1)		0.3%	0.3%
C. Taxes, Licenses and Fees (See NCCI Tax & Assessment Directory)		5.8%	5.8%
D. Underwriting Profit and Contingencies (See Exhibit 5) (Includes Inv. Income)		0.2%	0.2%
E. Residual Market Burden (See Exhibit 6)		0.6%	0.6%
F. Premium Discounts (See Exhibit 3)		9.0%	9.0%
G. Other		0.0%	0.0%
H. TOTAL		28.5%	27.1%
4. A. Expected Loss Ratio ELR = 100% - Overall 3H =		71.5%	
B. Expected Loss Ratio expressed in decimal form =		0.715	
C. Variable Expected Loss Ratio VELR = 100% - Variable 3H =			72.9%
D. VELR in decimal form =			0.729
5. Formula Expense Constant = [(1.00/4B)-(1.00/4D)] x Avg Underlying Loss Cost =		\$200	
Formula Variable Loss Cost Multiplier (2/4D) =		1.577	
6. Selected Expense Constant =		\$200	
Selected Variable Loss Cost Multiplier =		1.577	
7. Proposed Change in Loss Cost Multiplier From Current Level =		6.0%	
8. Change in Pure Premiums =		-12.8%	
9. Proposed Change in Rates from Current Level =		-7.6%	

Liberty Insurance Corporation (LIC)
Workers Compensation
Arkansas
Calculation of Loss Cost Multiplier

1. Line, Subline, Coverage, Class, etc combination to which this page applies: Workers Compensation

2. Loss Cost Modification	0.7899		
A. Loss Adjustment Expense Factor (if not in Loss Costs) =	1.0000		
B. Loss Based Assessments Factor (that are not in Loss Costs) =	1.0000		
C. Loss Experience Adjustment Factor (See Exhibit 4) =	0.9574		
D. Company Deviation Factor =	0.8250		
3. Development of Expected Loss Ratio		<u>Overall</u>	<u>Variable</u>
A. Total Production Expense (See Exhibit 2)		6.7%	6.7%
B. General Expense (See Exhibit 2)		5.6%	4.2%
Cost of Reinsurance (See Exhibit 2.1)		0.4%	0.4%
Accounts Charged Off Expense (See Exhibit 2.1)		0.3%	0.3%
C. Taxes, Licenses and Fees (See NCCI Tax & Assessment Directory)		5.8%	5.8%
D. Underwriting Profit and Contingencies (See Exhibit 5) (Includes Inv. Income)		0.2%	0.2%
E. Residual Market Burden (See Exhibit 6)		0.6%	0.6%
F. Premium Discounts (See Exhibit 3)		9.0%	9.0%
G. Other		0.0%	0.0%
H. TOTAL		28.5%	27.1%
4. A. Expected Loss Ratio ELR = 100% - Overall 3H =		71.5%	
B. Expected Loss Ratio expressed in decimal form =		0.715	
C. Variable Expected Loss Ratio VELR = 100% - Variable 3H =			72.9%
D. VELR in decimal form =			0.729
5. Formula Expense Constant = [(1.00/4B)-(1.00/4D)] x Avg Underlying Loss Cost =		\$200	
Formula Variable Loss Cost Multiplier (2/4D) =		1.084	
6. Selected Expense Constant =		\$200	
Selected Variable Loss Cost Multiplier =		1.084	
7. Proposed Change in Loss Cost Multiplier From Current Level =		6.4%	
8. Change in Pure Premiums =		-12.8%	
9. Proposed Change in Rates from Current Level =		-7.2%	

Liberty Mutual Insurance Group
Page 15 Expense Report: By Company, State, Year
Workers Compensation
Arkansas

Calendar Year Expenses/Premium

	Liberty Mutual Insurance Group (Group Total)					Five Year Total	Five Year Avg. Ratio	Adjusted to Std Prem Level
	2002	2003	2004	2005	2006			
1. Direct Premiums Earned	13,531,327	21,766,928	22,968,684	17,995,464	19,723,488	95,985,891		
2. Acquisition Expense	1,297,485	1,778,560	1,582,283	1,084,953	1,360,120	7,103,401	7.4%	6.7%
a. Commission	472,498	650,184	435,955	305,632	353,029	2,217,298	2.3%	2.1%
b. Other Acquisition	824,987	1,128,376	1,146,328	779,321	1,007,091	4,886,103	5.1%	4.6%
3. General Expense	899,618	1,359,141	1,892,184	973,386	768,373	5,892,701	6.1%	5.6%

**Liberty Mutual Insurance Group
Calendar Year Expenses/Premium
Workers Compensation
Arkansas**

I. Selected Reinsurance Cost = 0.4 % of Standard Premium.

Net Cost of Reinsurance

	<u>Total</u>	<u>Under 10M</u>	<u>Cat Treaties</u>	
		(000)	(000)	
A.	1,430,697	1,430,697	1,430,697	Subject Premium
B. = 1/(1.0 - Prem Disct)	1.099	1.099	1.099	Adjustment to Std (Reflects Prem Disct)
C. = A x B	1,572,191	1,572,191	1,572,191	Subject Premium Adj to Standard Level
D.	15,262	-	15,262	Ceded Premium
E.	-	-	-	Nominal Expected Ceded Losses
F.	-	-	-	Discounted Expected Ceded Losses
G. = F - D	15,262	-	15,262	Net Cost of Reinsurance
H. = G / C	1.0%	0.0%	1.0%	Net Cost of Reinsurance / Standard Premium
I.	0.6%			CW Impact of NCCI Item B-1393 (Premium for Domestic Terrorism, EQ, Industrial Accidents)
J. = H - I	0.4%			

II. Selected Premium Balances Charged Off Cost = 0.3% of Standard Premium.

Cost of Premium Balances Charged Off

	<u>CY</u>	<u>CY DEP</u>	<u>Premium</u> <u>Charged Off*</u>	<u>Pct</u>
		(000)	(000)	
	2004	9,089,422	38,674	0.4%
	2005	9,285,669	29,837	0.3%
	2006	11,297,577	13,160	0.1%
A.	Total	29,672,668	81,671	0.3%
B. = 1/(1.0 - Prem Disct)				1.099 Adj to Std (Reflects Prem Disct)
C. = A / B				0.3%

* From Annual Statement Statement of Income

**Liberty Mutual Insurance Group
Premium Discount Calculation
Based on Distribution of Countrywide Premium**

Non-Stock Premium Discount

Policy Size Standard Premium	Total Standard Premium	Number of Accounts	Standard Premium In Layer	Premium Discount %	Premium Discount
0 - 10,000	\$5,228,941	1,902	\$60,118,941	0.0%	\$0
10,001 - 200,000	\$285,824,642	3,292	\$670,334,642	5.1%	\$34,187,067
200,001 - 1,750,000	\$994,267,431	2,150	\$637,117,431	6.5%	\$41,412,633
Over 1,750,000	\$131,013,428	47	\$48,763,428	7.5%	\$3,657,257
Total	\$1,416,334,442	7,391	\$1,416,334,442		\$79,256,957

Non-Stock Premium Discount = 5.6%

Stock Premium Discount

Policy Size Standard Premium	Total Standard Premium	Number of Accounts	Standard Premium In Layer	Premium Discount %	Premium Discount
0 - 10,000	\$5,228,941	1,902	\$60,118,941	0.0%	\$0
10,001 - 200,000	\$285,824,642	3,292	\$670,334,642	9.1%	\$61,000,452
200,001 - 1,750,000	\$994,267,431	2,150	\$637,117,431	11.3%	\$71,994,270
Over 1,750,000	\$131,013,428	47	\$48,763,428	12.3%	\$5,997,902
Total	\$1,416,334,442	7,391	\$1,416,334,442		\$138,992,624

Stock Premium Discount = 9.8%

Projected Discount Factor = 9.0%
19.3% x Non-Stock + 80.7% x Stock

Offset for Expense Constant Income = 1.001

Liberty Mutual Insurance Group
Arkansas Workers Compensation Experience - Excl. Large Dollar Deductible Smoother
Data as of 12/31/2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year	Standard Premiums	Premium On-level Factor	On-level Standard Premiums * (2) x (3)	Developed Ultimate Losses	Developed Ultimate Loss Ratio (5) / (2)	On-level Developed Ultimate Losses	On-level Ultimate Loss Ratio (7) / (4)	Loss Ratio Trend	Trended On-level Loss Ratio (8) x (9)

Liberty Mutual Insurance Group (Group Total)

2000	4,259,038	0.672	2,862,974	2,197,507	51.6%	2,516,135	87.9%	0.973	85.5%
2001	3,421,241	0.704	2,408,037	917,681	26.8%	1,056,319	43.9%	0.976	42.8%
2002	3,251,914	0.857	2,788,360	1,722,671	53.0%	1,911,819	68.6%	0.979	67.1%
2003	3,364,659	0.906	3,047,190	1,081,958	32.2%	1,231,002	40.4%	0.982	39.7%
2004	4,278,098	0.904	3,866,838	1,826,163	42.7%	2,029,016	52.5%	0.985	51.7%
2005	5,476,538	0.898	4,918,723	2,943,148	53.7%	2,776,931	56.5%	0.988	55.8%
2006	5,819,232	0.901	5,244,312	2,976,584	51.2%	3,265,745	62.3%	0.991	61.7%
5 Yr Total	22,190,441	0.895	19,865,423	10,550,524	47.5%	11,214,514	56.5%		55.7%

* Premiums are brought to the current deviated company rate level.

A=Col 10	Trended OnLevel LR	55.7%
B	LAE/Loss	19.3%
C	Loss Based Assmts	0.0%
D=A*(1+B+C)	Loss, LAE & LBA Ratic	66.4%
E	ELR (Exhibit 1)	71.5%
F=D/E-1	Experience Indicated Chg	-7.1%
G	New Benefit Chg (1/1/2008)	-0.2%
H=(1+F)*(1+G)-1	Total Indicated Rate Change	-7.3%

Liberty Mutual Insurance Group
Workers Compensation
Arkansas
Investment Income Adjustment

1. Target Post-tax Rate of Return	0.120	
2. Interest Rate	0.050	
3. Federal Income Tax Rate on cash flow	0.350	
4. Investment Income on Initial Surplus	0.031	[(2)x(1.0-(3))]/[1.0+(2)]
5. Return on Operations	0.089	(1)-(4)
6. Premium to Surplus Ratio	2.400	
7. Post-tax Return on Operations (ratio to premium)	0.037	(5)/(6)
8. Federal Income Tax on Underwriting and Cash Flow	0.031	(29),see below
9. Target Pre-tax Earnings Rate	0.068	(7)+(8)

	<u>nominal</u> <u>value</u>	<u>discount</u> <u>factor</u>	<u>discounted</u> <u>value</u>	
10. Premium	1.000	0.980	0.980	
11. Total Production Expense	0.067	0.983	0.066	
12. General Expense	0.056	0.983	0.055	
12.1. Cost of Reinsurance	0.004	0.983	0.004	
12.2. Accounts Charged Off	0.003	0.983	0.002	
13. Taxes, Licenses and Fees	0.058	0.980	0.057	
14. Premium Discount	0.090	0.980	0.088	
14.1. Other	0.000	0.980	0.000	
<u>15. Loss + LAE</u>	<u>0.721</u>	<u>0.888</u>	<u>0.640</u>	
16. Loss + Expense	0.998	0.914	0.912	
17. Underwriting Results	0.002	0.934	0.068	
Inv. Inc. on UW Cash Flow.	0.066			(17 disctd) - (17 nominal)

Profit & Contingencies Allowance = 0.2%

Calculation of Federal Income Tax (FIT) on Underwriting and Cash Flow (8)

18. Average Nominal Loss + Expense	0.998	
19. Average Discount Factor used for FIT	0.959	
20. Loss + Expense Discounted for FIT	0.957	(18)x(19)
21. Present Value of Underwriting Results for FIT	0.023	(10)-(20)
22. Tax Rate on Underwriting Results on Profit & Invest.	0.350	
23. FIT on Underwriting Results	0.008	(21)x(22)
24. Nominal Investment Income on Cash Flow	0.071	((17), disc./(25))-(17),nominal
25. Average Discount Factor for Underwriting	0.934	(17)
26. Discounted Cash Flow	0.066	(24)x(25)
27. Tax Rate on Cash Flow	0.350	
28. FIT on Cash Flow	0.023	(26)x(27)
29. Total Federal Income Tax	0.031	(23)+(28)

Liberty Mutual Insurance Group
Workers Compensation
Arkansas
Explanation of Calculation of Allowance for Profit and Contingencies

The following is a line-by-line description of the calculation of the 0.2% Profit & Contingencies Allowance. Note that a maximum of 5.0% is used in the loss cost multipliers.

- (1) The target post-tax rate of return (ratio to surplus) of 0.120 is a selected number. We feel this rate of return is appropriate for Workers Compensation.
- (2) Interest rate = 5.00%
- (3) Federal Income Tax (FIT) Rate on cash flow= 0.350
NOTE: Federal Income Tax (FIT) Rate on underwriting results = 0.350
- (4) Given the above interest rate and FIT, on a present value basis, we expect 0.031 of the investment income (ratio to surplus) to be generated.
- (5) (1) minus (4) results in the target return of 0.089 on the insurance operation (ratio to surplus) which is needed to generate a total return of 0.120.
- (6) We believe a 2.400 premium to surplus ratio is appropriate for Workers Compensation.
- (7) $0.037 = (5) / (6)$ is the post-tax return on operations (ratio to premium).
- (8) Lines 18 through 29 show the impact of FIT on the cash flow and underwriting results that generate a 0.120 post-tax return.
 $0.031 = 0.008$ (FIT on U/W results) + 0.023 (FIT on cash flow)
- (9) $(7) + (8)$, 0.068 is the target pre-tax return on operations (ratio to premium). Note that (9) ties to the discounted value of (17), (premium - loss - expense).

We wish to solve the following problem:

- | | |
|--------|---|
| Given: | a. Discounted value of Underwriting Results = 0.068 |
| | b. Discount factors |
| | c. Expense items |
| Find: | a. The discounted loss + LAE that generates a return of 0.068 |
| | b. The undiscounted value of the Underwriting Result. |

- (10) 0.980 is the premium discount factor based on Liberty Mutual Insurance Group collection patterns.
- (11)-(14) 0.983 is the expense discount factor, 0.980 is the taxes, licenses and fees discount factor, and 0.980 is the Other discount factor.
- (15) Discounted loss + LAE = (disc. premium) - (disc. expense) - (target U/W result)
 $0.640 = 0.980 - 0.066 - 0.055 - 0.057 - 0.088 - 0.068$

Undiscounted loss + LAE = (disc. loss + LAE) / (loss + LAE disc. factor)
 $0.721 = 0.640 / 0.888$

(The loss + LAE discount factor is based on Liberty Mutual Insurance Group payout patterns and assumes a 5.00% interest rate.)
- (17) (undisc. underwriting results) = (undisc. premium) - (undisc. loss + expense)
 $0.002 = 1.000 - 0.998$
This is the U/W gain (loss) that will result in the post-tax return-on-surplus of 0.120.

Liberty Mutual Insurance Group
Residual Market Load
Arkansas

Policy Year	Actual			On-level Factors		Untrended On-level			Trended On-level	
	Earned Premium	Incurred Losses	Loss Ratio	Earned Premium	Incurred Losses	Earned Premium	Incurred Losses	Loss Ratio	Trend Factor*	Trended On-Level Loss Ratio
2004	27,130	10,120	0.373	0.923	1.006	25,044	10,179	0.406	1.160	0.471
2005	25,208	13,209	0.524	0.911	1.002	22,976	13,229	0.576	1.131	0.651
2006	24,408	19,160	0.785	0.931	0.998	22,713	19,129	0.842	1.104	0.929
Total	76,746	42,489	0.554			70,732	42,537	0.601		0.677

(1) Selected Trended On-Level Pool Loss Ratio at Pool Rates	0.748
(2) Residual Market Expenses	0.390
(3) Underwriting Ratio for Residual Market	1.138
(4) Ratio of Pool to Voluntary	0.081
(5) Nominal Residual Market Burden = { (3) - 1.000 } * (4)	0.011
(6) Loss Discount Factor	0.894
(7) Indicated Discounted Residual Market Burden	0.006
(8) Selected Discounted Residual Market Burden	0.006

* Annualized trend of 2.5% through January 1, 2007 and 4.0% afterwards.

** Trended On-Level Loss Ratio = Untrended On-Level Loss Ratio x Trend Factor.

**Liberty Mutual Insurance Group
State and Federal Tax Multipliers
Workers Compensation
Arkansas**

Calculation of State Tax Multiplier Effective 7/1/2008

A. Total Overhead and Service (TOS)		
	Production Expense	6.7%
	General Expense	5.6%
	Cost of Reinsurance	0.4%
	Accounts Charged Off Expense	0.3%
	Taxes, Licenses and Fees (TAX)	5.8%
	Profit and Contingencies	0.2%
	Residual Market Burden (RML)	0.6%
	Premium Discount Expense	9.0%
	Other Expense	0.0%
	Total	28.5%

B. Target Cost Ratio (TCR) 71.5%
 TCR = 1-TOS

C. Loss Adjustment Expense Factor (LAE) 1.1930

D. State Loss Based Assessments (ASMT) 1.0000

E1. Expected Loss Ratio (ELR) 59.9%
 ELR = TCR / (LAE + ASMT - 1)

E2. Expected Loss & ALAE Ratio (ELAR) 66.8%
 ELAR = ELR * (1+ ALAE)

F. State Tax Multiplier (TM) 1.068

$$TM = \frac{0.2 + ELR * ASMT}{0.2 + ELR} \times \frac{1}{1 - TAX - RML}$$

Calculation of Federal Tax Multiplier Effective 7/1/2008

G. Federal Assessment Assessment 1.138

H. State Weight 0.289

I. Federal Weight 0.711

J. Weighted Federal Assessment (FASMT) 1.098
 FASMT = [(H) x (D)] + [(I) x (G)]

K. Federal Expected Loss Ratio (FELR) 0.546
 FELR = (E1) x (J) / (C)

L. Federal Tax Multiplier (FTM) 1.145

$$FTM = \frac{0.2 + FELR * FASMT}{0.2 + FELR} \times \frac{1}{1 - TAX - RML}$$

Date: 5/16/08

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 Liberty Mutual Insurance Company

ADDRESS PO BOX 8070
WAUSAU WI 54402-8070

2. PERSON RESPONSIBLE FOR FILING Judy Weber

TITLE State Filings Analyst TELEPHONE # 877-792-8728 Ext 6032

3. INSURER NAIC # 23043

4. ADVISORY ORGANIZATION National Council on Compensation

5A. PROPOSED RATE LEVEL CHANGE -7.6 % EFFECTIVE DATE 7/1/2008

5B. PROPOSED PREMIUM LEVEL CHANGE* -7.6 % EFFECTIVE DATE 7/1/2008

6A. PRIOR RATE LEVEL CHANGE 2.7 % EFFECTIVE DATE 1/1/2008

6B. PRIOR PREMIUM LEVEL CHANGE* 2.7 % 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.

Date: 5/16/08

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 Liberty Mutual Fire Insurance Company

ADDRESS PO BOX 8070
WAUSAU WI 54402-8070

2. PERSON RESPONSIBLE FOR FILING Judy Weber

TITLE State Filings Analyst TELEPHONE # 877-792-8728 Ext 6032

3. INSURER NAIC # 23035

4. ADVISORY ORGANIZATION National Council on Compensation

5A. PROPOSED RATE LEVEL CHANGE -7.2 % EFFECTIVE DATE 7/1/2008

5B. PROPOSED PREMIUM LEVEL CHANGE* -7.2 % EFFECTIVE DATE 7/1/2008

6A. PRIOR RATE LEVEL CHANGE 2.7 % EFFECTIVE DATE 1/1/2008

6B. PRIOR PREMIUM LEVEL CHANGE* 2.7 % 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.

Date: 5/16/08

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 LM Insurance Corporation

ADDRESS PO BOX 8070
WAUSAU WI 54402-8070

2. PERSON RESPONSIBLE FOR FILING Judy Weber

TITLE State Filings Analyst TELEPHONE # 877-792-8728 Ext 6032

3. INSURER NAIC # 33600

4. ADVISORY ORGANIZATION National Council on Compensation

5A. PROPOSED RATE LEVEL CHANGE -7.3 % EFFECTIVE DATE 7/1/2008

5B. PROPOSED PREMIUM LEVEL CHANGE* -7.3 % EFFECTIVE DATE 7/1/2008

6A. PRIOR RATE LEVEL CHANGE 2.7 % EFFECTIVE DATE 1/1/2008

6B. PRIOR PREMIUM LEVEL CHANGE* 2.7 % 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.

Date: 5/16/08

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 The First Liberty Insurance Corporation

ADDRESS PO BOX 8070
WAUSAU WI 54402-8070

2. PERSON RESPONSIBLE FOR FILING Judy Weber

TITLE State Filings Analyst TELEPHONE # 877-792-8728 Ext 6032

3. INSURER NAIC # 33588

4. ADVISORY ORGANIZATION National Council on Compensation

5A. PROPOSED RATE LEVEL CHANGE -7.6 % EFFECTIVE DATE 7/1/2008

5B. PROPOSED PREMIUM LEVEL CHANGE* -7.6 % EFFECTIVE DATE 7/1/2008

6A. PRIOR RATE LEVEL CHANGE 2.7 % EFFECTIVE DATE 1/1/2008

6B. PRIOR PREMIUM LEVEL CHANGE* 2.7 % 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.

Date: 5/16/08

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 Liberty Insurance Corporation

ADDRESS PO BOX 8070
WAUSAU WI 54402-8070

2. PERSON RESPONSIBLE FOR FILING Judy Weber

TITLE State Filings Analyst TELEPHONE # 877-792-8728 Ext 6032

3. INSURER NAIC # 42404

4. ADVISORY ORGANIZATION National Council on Compensation

5A. PROPOSED RATE LEVEL CHANGE -7.2 % EFFECTIVE DATE 7/1/2008

5B. PROPOSED PREMIUM LEVEL CHANGE* -7.2 % EFFECTIVE DATE 7/1/2008

6A. PRIOR RATE LEVEL CHANGE 2.7 % EFFECTIVE DATE 1/1/2008

6B. PRIOR PREMIUM LEVEL CHANGE* 2.7 % 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.

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER - Liberty Mutual Insurance Company

This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** **Independent Rate Filing**
 (Advisory Org. & Reference filing #) NCCI Item # AR-2008-02

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)
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) LEA Factor -4.26%; Company Deviation +20.02%

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.1491

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—FOR 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.

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER - Liberty Mutual Fire Insurance Company

This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** **Independent Rate Filing**
 (Advisory Org. & Reference filing #) NCCI Item # AR-2008-02

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)
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) LEA Factor -4.26%;

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 0.9574

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—FOR 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.

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER - LM Insurance Corporation

This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** **Independent Rate Filing**
 (Advisory Org. & Reference filing #) NCCI Item # AR-2008-02

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)
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) LEA Factor -4.26%; Company Deviation -35.01%

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 0.6223

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—FOR WORKERS' COMPENSATION

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	1.001
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)	0.916
8.	Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	0.90
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	0.9

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.

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER - The First Liberty Insurance Corporation

This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** **Independent Rate Filing**
 (Advisory Org. & Reference filing #) NCCI Item # AR-2008-02

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?

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.) LEA Factor -4.26%; Company Deviation +20.02%

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.1491

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—FOR 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.

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER - Liberty Insurance Corporation

This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** **Independent Rate Filing**
 (Advisory Org. & Reference filing #) NCCI Item # AR-2008-02

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?

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.) LEA Factor -4.26%; Company Deviation -17.50%

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 0.7899

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—FOR 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 - LMIC

(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 #	LWCR-AR-048-08
This filing corresponds to form filing number <small>(Company tracking number of form filing, if applicable)</small>	

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	6.7	6.7	0.0	%	
	B.	General Expense	6.3	4.9	1.4	%	
	C.	Taxes, License & Fees	5.8	5.8	0.0	%	
	D.	Underwriting Profit & Contingencies*	.2	.2	0.0	%	
	E.	Other (explain) RM Burden .6% - Prem Disc 9.0%	9.6	9.6	0.0	%	
	F.	TOTAL	28.5	27.1	1.4	%	
		*Explain how investment income is taken into account.					

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	71.5	%
	B.	ELR in decimal form =	0.715	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	72.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.729	

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)	1.577	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	1.577	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-7.6	%
----	--	------	---

PC IRF

NAIC EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS - LMFIC

(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 #	LWCR-AR-048-08
This filing corresponds to form filing number <small>(Company tracking number of form filing, if applicable)</small>	

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	6.7	6.7	0.0	%
	B.	General Expense	6.3	4.9	1.4	%
	C.	Taxes, License & Fees	5.8	5.8	0.0	%
	D.	Underwriting Profit & Contingencies*	.2	.2	0.0	%
	E.	Other (explain) RM Burden .6% - Prem Disc 9.0%	9.6	9.6	0.0	%
	F.	TOTAL	28.5	27.1	1.4	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	71.5	%
	B.	ELR in decimal form =	0.715	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	72.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.729	

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)	1.314	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	1.314	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-7.2	%
----	--	------	---

PC IRF

NAIC EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS – LM Ins Corp

(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 #	LWCR-AR-048-08
This filing corresponds to form filing number <small>(Company tracking number of form filing, if applicable)</small>	

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	6.7	6.7	0.0	%
	B.	General Expense	6.3	4.9	1.4	%
	C.	Taxes, License & Fees	5.8	5.8	0.0	%
	D.	Underwriting Profit & Contingencies*	.2	.2	0.0	%
	E.	Other (explain) RM Burden .6% - Prem Disc 9.0%	9.6	9.6	0.0	%
	F.	TOTAL	28.5	27.1	1.4	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	71.5	%
	B.	ELR in decimal form =	0.715	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	72.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.729	

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)	0.854	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	0.854	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-7.3	%
----	--	------	---

PC IRF

NAIC EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS – TFLIC

(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 #	LWCR-AR-048-08
This filing corresponds to form filing number <small>(Company tracking number of form filing, if applicable)</small>	

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	6.7	6.7	0.0	%
	B.	General Expense	6.3	4.9	1.4	%
	C.	Taxes, License & Fees	5.8	5.8	0.0	%
	D.	Underwriting Profit & Contingencies*	.2	.2	0.0	%
	E.	Other (explain) RM Burden .6% - Prem Disc 9.0%	9.6	9.6	0.0	%
	F.	TOTAL	28.5	27.1	1.4	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	71.5	%
	B.	ELR in decimal form =	0.715	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	72.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.729	

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)	1.577	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	1.577	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-7.6	%
----	--	------	---

PC IRF

NAIC EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS –LIC

(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 #	LWCR-AR-048-08
This filing corresponds to form filing number <small>(Company tracking number of form filing, if applicable)</small>	

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	6.7	6.7	0.0	%
	B.	General Expense	6.3	4.9	1.4	%
	C.	Taxes, License & Fees	5.8	5.8	0.0	%
	D.	Underwriting Profit & Contingencies*	.2	.2	0.0	%
	E.	Other (explain) RM Burden .6% - Prem Disc 9.0%	9.6	9.6	0.0	%
	F.	TOTAL	28.5	27.1	1.4	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: $ELR = 100\% - \text{Overall } 4F$	71.5	%
	B.	ELR in decimal form =	0.715	
	C.	Variable Expected Loss Ratio: $VELR=100\% - \text{Variable } 4F$	72.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.729	

6.	A.	Formula Expense Constant: $[(1.00 \text{ divided by } 5B) - (1.00 \text{ divided by } 5D)]$	\$200	
	B.	Formula Variable Loss Cost Multiplier $(3B \text{ divided by } 5D)$	1.084	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	1.084	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-7.2	%
----	--	------	---

PC IRF

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
-----------	---	----------------

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
-----------	---	--------------------

	Company Name	Company NAIC Number
3.	A. Liberty Mutual Insurance Company	B. 23043

	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.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-7.6%	-7.6%	0.715	1.1491	1.577	200	1.488
TOTAL OVERALL EFFECT	-7.6%	-7.6%					

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
2008	N/A	2.7%	1/1/2008	N/A	N/A	N/A	N/A
2007	N/A	-10.1%	7/1/2007	N/A	N/A	N/A	N/A
2006	40	-0.5%	7/1/2006	960,458	376,572	0.392	0.619
2005	63	-1.5%	7/1/2005	1,707,860	551,509	0.323	0.569
2004	66	0.5%	7/1/2004	1,863,326	641,410	0.344	0.561
2003	73	2.1%	7/1/2003	1,650,324	763,631	0.463	0.577
2002	84	-3.4%	7/1/2002	1,117,595	964,313	0.863	0.663

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	6.7
B. General Expense	6.3
C. Taxes, License & Fees	5.8
D. Underwriting Profit & Contingencies	0.2
E. Other (See Exhibit 1)	9.6
F. TOTAL	28.5

- 8.** Y Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 21.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
- 10.** -30.8% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): N/A

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
-----------	---	----------------

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
-----------	---	--------------------

	Company Name	Company NAIC Number
3.	A. Liberty Mutual Fire Insurance Company	B. 23035

	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.

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-7.2%	-7.2%	0.715	0.9574	1.314	200	1.235
TOTAL OVERALL EFFECT	-7.2%	-7.2%					

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
2008	N/A	2.7%	1/1/2008	N/A	N/A	N/A	N/A
2007	N/A	-10.1%	7/1/2007	N/A	N/A	N/A	N/A
2006	133	-0.5%	7/1/2006	2,595,845	2,112,282	0.814	0.612
2005	135	-1.5%	7/1/2005	2,491,354	1,896,801	0.761	0.637
2004	125	0.5%	7/1/2004	1,626,552	1,045,538	0.643	0.689
2003	113	2.1%	7/1/2003	1,027,304	358,962	0.349	0.685
2002	82	-3.4%	7/1/2002	1,180,615	818,276	0.693	0.778

7.

Expense Constants	Selected Provisions
A. Total Production Expense	6.7
B. General Expense	6.3
C. Taxes, License & Fees	5.8
D. Underwriting Profit & Contingencies	0.2
E. Other (See Exhibit 1)	9.6
F. TOTAL	28.5

8. Y Apply Lost Cost Factors to Future filings? (Y or N)

9. 22.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

N/A

10. -30.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

N/A

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
-----------	---	----------------

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
-----------	---	--------------------

3.	A.	Company Name LM Insurance Corporation	B.	Company NAIC Number 33600
-----------	-----------	--	-----------	------------------------------

4.	A.	Product Coding Matrix Line of Business (i.e., Type of Insurance) Workers Compensation	B.	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
-----------	-----------	--	-----------	---

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-7.3%	-7.3%	0.715	0.6223	0.854	200	0.803
TOTAL OVERALL EFFECT	-7.3%	-7.3%					

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
2008	N/A	2.7%	1/1/2008	N/A	N/A	N/A	N/A
2007	N/A	-10.1%	7/1/2007	N/A	N/A	N/A	N/A
2006	37	-15.9%	7/1/2006	251,072	180,229	0.718	0.684
2005	17	-1.5%	7/1/2005	98,409	42,406	0.431	0.722
2004	6	0.5%	7/1/2004	104,733	64,670	0.617	0.836
2003	3	2.1%	7/1/2003	245,018	62,426	0.255	0.873
2002	7	-3.4%	7/1/2002	316,550	82,647	0.261	0.922

Expense Constants	Selected Provisions
A. Total Production Expense	6.7
B. General Expense	6.3
C. Taxes, License & Fees	5.8
D. Underwriting Profit & Contingencies	0.2
E. Other (See Exhibit 1)	9.6
F. TOTAL	28.5

- 8.** Y Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 22.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
- 10.** -20.9% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
-----------	---	----------------

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
-----------	---	--------------------

	Company Name	Company NAIC Number
3.	A. The First Liberty Insurance Corporation	B. 33588

	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.

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 Compensation	-7.6%	-7.6%	0.715	1.1491	1.577	200	1.488
TOTAL OVERALL EFFECT	-7.6%	-7.6%					

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
2008	N/A	2.7%	1/1/2008	N/A	N/A	N/A	N/A
2007	N/A	-10.1%	7/1/2007	N/A	N/A	N/A	N/A
2006	29	-0.5%	7/1/2006	652,687	117,765	0.180	1.088
2005	20	7.9%	7/1/2005	156,566	28,633	0.183	1.106
2004	19	0.5%	7/1/2004	76,946	20,614	0.268	1.197
2003	7	2.1%	7/1/2003	6,900	215	0.031	1.155
2002	10	-3.4%	7/1/2002	77,761	24,050	0.309	1.405

7.		
Expense Constants	Selected Provisions	
A. Total Production Expense	6.7	
B. General Expense	6.3	
C. Taxes, License & Fees	5.8	
D. Underwriting Profit & Contingencies	0.2	
E. Other (See Exhibit 1)	9.6	
F. TOTAL	28.5	

- 8.** Y Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 18.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
- 10.** -20.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): N/A

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	LWCR-AR-048-08
-----------	---	----------------

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
-----------	---	--------------------

3.	A.	Company Name Liberty Insurance Corporation	B.	Company NAIC Number 42404
-----------	-----------	---	-----------	------------------------------

4.	A.	Product Coding Matrix Line of Business (i.e., Type of Insurance) Workers Compensation	B.	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
-----------	-----------	--	-----------	---

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-7.2%	-7.2%	0.715	0.7899	1.084	200	1.019
TOTAL OVERALL EFFECT	-7.2%	-7.2%					

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
2008	N/A	2.7%	1/1/2008	N/A	N/A	N/A	N/A
2007	N/A	-10.2%	7/1/2007	N/A	N/A	N/A	N/A
2006	78	-8.7%	7/1/2006	784,250	478,898	0.611	0.904
2005	54	-1.5%	7/1/2005	464,533	257,583	0.554	0.963
2004	33	0.5%	7/1/2004	195,280	256,784	1.315	0.894
2003	25	2.1%	7/1/2003	117,644	45,768	0.389	0.921
2002	35	-3.4%	7/1/2002	95,837	22,534	0.235	1.239

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	6.7
B. General Expense	6.3
C. Taxes, License & Fees	5.8
D. Underwriting Profit & Contingencies	0.2
E. Other (See Exhibit 1)	9.6
F. TOTAL	28.5

- 8.** Y Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 20.1% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
- 10.** -22.3% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): N/A

PC RLC