

SERFF Tracking Number: PENM-125662817 State: Arkansas
Filing Company: Penn Millers Insurance Company State Tracking Number: #EFT \$100
Company Tracking Number: 2008-022
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: AR WC
Project Name/Number: AR WC LC Adoption & LCM Revision 7/1/08/2008-022

Filing at a Glance

Company: Penn Millers Insurance Company

Product Name: AR WC

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

Effective Date Requested (New): 07/01/2008

Effective Date Requested (Renewal): 07/01/2008

State Filing Description:

SERFF Tr Num: PENM-125662817 State: Arkansas

SERFF Status: Closed

Co Tr Num: 2008-022

Co Status:

Author: Tracy Yokimishyn

Date Submitted: 05/22/2008

State Tr Num: #EFT \$100

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Disposition Date: 06/16/2008

Disposition Status: Approved

Effective Date (New): 07/01/2008

Effective Date (Renewal):

General Information

Project Name: AR WC LC Adoption & LCM Revision 7/1/08

Project Number: 2008-022

Reference Organization: NCCI

Reference Title:

Filing Status Changed: 06/16/2008

State Status Changed: 06/16/2008

Corresponding Filing Tracking Number:

Filing Description:

Penn Millers wishes to adopt revised loss costs released by NCCI in Item AR-2008-02. We wish to change our current loss cost multiplier from 1.294 to 1.513, resulting in an overall increase of +12.1% to our book of business.

Status of Filing in Domicile: Not Filed

Domicile Status Comments:

Reference Number: AR-2008-02

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

Tracy Yokimishyn, Actuarial Analyst

tyokimishyn@pennmillers.com

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72 North Franklin St (570) 200-1359 [Phone]
Wilkes-Barre, PA 18773 (570) 822-2165[FAX]

Filing Company Information

Penn Millers Insurance Company CoCode: 14982 State of Domicile: Pennsylvania
PO Box P Group Code: -99 Company Type:
72 North Franklin Street
Wilkes-Barre, UNK 18773-0016 Group Name: State ID Number:
(800) 233-8347 ext. [Phone] FEIN Number: 24-0686200

SERFF Tracking Number: PENM-125662817 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: One loss cost filing with LCM change.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Penn Millers Insurance Company	\$100.00	05/22/2008	20464905

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/22/2008	05/22/2008

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Disposition

Disposition Date: 05/22/2008
 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:
Penn Millers Insurance Company	12.100%	\$26,833	4	\$222,418	19.700%	-12.600%	%

SERFF Tracking Number: PENM-125662817 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	AR WC Manual	Approved	Yes

SERFF Tracking Number: PENM-125662817 State: Arkansas
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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 2.100%
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):
Penn Millers Insurance Company	%	12.100%	\$26,833	4	\$222,418	19.700%	-12.600%

SERFF Tracking Number: PENM-125662817 State: Arkansas
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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 05/22/2008

Comments:

Attachments:

naic_pc_transmittal_header (3-07) - AR WC.pdf
naic_pc_rate-rule_schedule (3-07) - AR WC.pdf

Satisfied -Name: NAIC Loss Cost Filing Document
for Workers' Compensation **Review Status:** Approved 05/22/2008

Comments:

Attachments:

AR WC LCM 2007 Expenses.pdf
AR WC Experience 12-07.pdf
AR WC LCM Calc 2008.pdf
AR WC Reference Filing Adoption Form.pdf

Bypassed -Name: NAIC loss cost data entry document **Review Status:** Approved 05/22/2008

Bypass Reason: The information in this form has already been included in the following exhibits: "AR WC Experience 12-07", "AR WC Reference Filing Adoption Form", "AR WC LCM Calc 2008", "AR WC LCM 2007 Expenses" and the NAIC transmittal forms. These exhibits were attached in the previous supporting documentation.

Comments:

Satisfied -Name: AR WC Manual **Review Status:** Approved 05/22/2008

Comments:

Attachment:

AR WC Manual 7-1-08.pdf

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	NCCI – Arkansas - Item #AR-2008-02
18.	Company's Date of Filing	May 22, 2008
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	2008-022
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Penn Millers wishes to adopt revised loss costs released by NCCI in Item AR-2008-02. We wish to change our current loss cost multiplier from 1.294 to 1.513, resulting in an overall increase of +12.1% to our book of business.

Your consideration and approval for both new and renewal business effective July 1, 2008 would be appreciated.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
Check #: EFT Amount: \$100.00 Loss cost adoption with change in current multiplier	
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

These pages are informational only and do not need to be submitted with your filings!

Notes for Uniform Property & Casualty Transmittal Document

DESCRIPTION OF ITEMS IN THE PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT

- 1. Reserved for Insurance Dept. Use Only**—this section is for anything the Dept. wishes to capture—such as date stamps, approval stamps, check routing numbers, accounting codes, etc.
- 2. Insurance Department Use Only Box:** Includes the following information: (It is up to the state to determine which, if any, of this info they wish to record—or it may be recorded in #1 box with stamps (for example))
 - a. Date the filing is received by the Insurance Dept.**
 - b. Analyst**—lead analyst who reviewed the filing and assigns final disposition
 - c. Disposition**—this is the disposition that the Dept. assigns—authorized, approved, filed, withdrawn, disapproved, informational only, etc.
 - d. Date of Disposition of the filing**—date filing is finished
 - e. Effective Date of the Filing**—date the filing goes into effect. This date may vary by state—it might be the “approval” date in some states. It might be the implementation date in some states. It might be the received date in some states. The Dept. should use the date that is applicable in their state.
 - f. State filing #:** The number the state assigns to the filing (if applicable).
 - g. SERFF Filing #:** Some states may use SERFF to track paper filings and will use that SERFF assigned number.
 - h. Subject Codes** – This field is intended to capture one or more Subject Codes for states to track particular attributes of a filing, such as mold exclusions. The codes or terms used would be variable by state.
- 3. Group Name and Group NAIC #** as assigned by NAIC.
- 4. Company Name(s), State of Domicile, NAIC #, FEIN#, State #:** Every company to which this filing applies must be listed and the company information must be supplied, with the exception of the State # (the company specific code) if not available or not required by the filing jurisdiction. A filing that lists a group without supplying company info will not be accepted in most states.
- 5. Company Tracking Number:** The filing number assigned by the insurance company, if any.
- 6. Contact Info of Filer or Corporate Officer:** The company should supply the information on the person the state should contact if there is a question/problem with the filing. If there is more than one person (perhaps, one for rates, one for forms) then both should be listed.
- 7. Signature of authorized filer:** Some states require a signature of the authorized filer. If the filer is third party, a letter of authorization from the insurer must be submitted according to state requirements.
- 8. Please print name of authorized filer:** So we can decipher #7 above!
- 9. Type of Insurance (TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Type of Insurance” and roughly corresponds to the annual statement line of business.
- 10. Sub-type of Insurance (Sub-TOI):** Refer to Uniform Property & Casualty Product Coding Matrix). This corresponds to the column entitled “SERFF Sub-Type of Insurance”.
- 11. State Specific Product code(s):** See State Specific Requirements for these codes
- 12. Company Program Title:** Marketing title, if applicable.
- 13. Filing Type:** Choices are Rate/Loss Cost; Rules; Rates/Rules; Forms; Withdrawal; Other.

14. Effective Date Requested: This is the effective date the company requested when they made the filing. It is not necessarily the date the filing officially becomes effective. This is also where the company can indicate the different effective dates for new or renewal business.

15. Reference Filing: Yes/No

16. Reference Organization (if applicable): The name of the advisory organization—i.e. ISO, NCCI, AAIS, etc. or an Insurance Company name if “me too filing” is permitted. Some states allow companies to reference another company’s filing. A “me too” filing is when one company adopts another company’s filing. Usually they are not part of the same group. You should check with each state to determine their rules on these filings. If permitted, use this area to indicate either an advisory organization name or “me too” company name.

17. Reference Organization Number & Title (if applicable): This is the unique number that the reference organization gives to the filing. It is generally not the same number as the circular number.

18. Company’s Date of filing: The date the company sends the filing.

19. Status of filing in domicile: Place for the company to show if filing has been filed in domicile and its status.

20. This filing transmittal is part of Company Tracking #: This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

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

22. Filing Fees: Please refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	2008-022
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)						
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Company Name	Overall % Indicated Change (When Applicable)	Overall % Rate Impact	Written Premium Change For This Program	# Of Policyholders Affected For This Program	Written Premium For This Program	Maximum % Change (Where Required)	Minimum % Change (Where Required)
Penn Millers Insurance Company	N/A	+12.1%	+\$26,833	4	\$222,418	+19.7%	-12.6%

4b.	Rate Change by Company (As Accepted) For State Use Only						
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Company Name	Overall % Indicated Change (When Applicable)	Overall % Rate Impact	Written Premium Change For This Program	# Of Policyholders Affected For This Program	Written Premium For This Program	Maximum % Change	Minimum % Change

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

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

6.	Overall percentage of last rate revision	+2.1%
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7.	Effective Date of last rate revision	1/1/2008 N & R
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous State Filing Number, If Required By State
01	AR WC Manual	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	2007-033
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

These pages are informational only and do not need to be submitted with your filings!

Notes for Rate/Rule Filing Transmittal

DESCRIPTION OF ITEMS IN THE RATE FILING SCHEDULE

RATE/RULE FILING SCHEDULE

1. This filing transmittal is part of Company Tracking #: This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

2. This filing corresponds to form filing number: Many states require that rates and forms be submitted separately due to different review procedures that are required by law. For those states, this will tie the form filing with the associated rate filing, if there is one. **Use check boxes to indicate if this is a rate increase, a rate decrease or rate neutral.**

3. Filing Method (Prior Approval, File & Use, Flex Band, etc): This is the review method for which the filing is being submitted. See State Specific Requirements.

4. Rate Change by Company: Complete all fields for each company included in the filing.

- **Overall % Indicated Change (when applicable)** - This field is only to be completed when an actuarial indication is included in the filing submission.
- **Overall % Rate Impact** - This is the statewide average percentage change to the accepted rates for the coverages included for each company.
- **Written premium change for this program** - This is the statewide change in written premium based on the proposed overall percentage rate impact for each company.
- **# of policyholders affected for this program** - This is the number of policyholders affected by the overall percentage rate impact for each company.
- **Written premium for this program** - This is the statewide written premium for each company.
- **Maximum % Change & Minimum % Change** – This information should be completed if required by the state to which the filing is being submitted.
 - If all the policyholders get increases, then the maximum change is the largest increase and the minimum change is the smallest increase.
 - If all the policyholders get decreases, then the maximum change is the smallest decrease and the minimum change is the largest decrease.
 - If some of the policyholders get increases and others get decreases, then the maximum change is the largest increase and the minimum change is the largest decrease.

5a. Overall percentage rate indication (when applicable): These fields are only to be completed when an actuarial indication is included in the filing submission.

5b. Overall percentage rate impact for this filing: This is the statewide average percentage change to the accepted rates for the coverages included in the filing. This field only needs to be completed for group filings.

5c. Effect of Rate Filing—Written Premium Change for this program: This is the statewide change in written premium based on the proposed overall percentage rate impact. This field only needs to be completed for group filings.

5d. Effect of Rate Filing—Number of policyholders affected: This is the number of policyholders affected by the overall percentage rate impact. This field only needs to be completed for group filings.

6. Overall percentage of last rate revision: This is the statewide average of the last percentage change implemented in the state.

7. Effective Date of last rate revision: This is the implementation date of the last overall percentage rate impact.

8. Filing Method of Last Filing (Prior Approval, File & Use, Flex Band, etc): This is the review method for which the last filing was submitted. See State Specific Requirements.

9. Rule # or Page # Submitted for Review: This is the list of changes to the rate/rule manual.

To be complete a filing must include the following:

- A completed Property & Casualty Transmittal Document (PC TD-1).
- A completed Form Filing Schedule Document (PC FFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- A completed Rate/Rule Filing Transmittal document (PC RRFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- The appropriate state specific requirements.
- The appropriate filing fees, when required.
- A postage-paid, self-addressed envelope large enough to accommodate the return of acknowledgement, as required by state.
- You should refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PENN MILLERS INSURANCE COMPANY

Arkansas

Development of Workers Compensation Loss Cost Multiplier

All expenses are taken from Insurance Expense Exhibit.

	2005 <u>Dollars</u>	<u>Ratio</u>	2006 <u>Dollars</u>	<u>Ratio</u>	2007 <u>Dollars</u>	<u>Ratio</u>	Average <u>Ratio</u>	Selected Expense <u>Ratio</u>
1. Countrywide Standard Written Premium	6,360,105	xxx	7,171,865	xxx	8,041,215	xxx		xxx
2. Countrywide Standard Earned Premium	6,232,231	xxx	6,410,844	xxx	7,816,524	xxx		xxx
3. Arkansas Standard Written Premium	73,325	xxx	100,271	xxx	205,533	xxx		xxx
4. Arkansas Standard Earned Premium	64,755	xxx	78,208	xxx	145,908	xxx		xxx
5. Arkansas Comm & Brok Incurred (W)	3,180	4.3%	7,484	7.5%	11,033	5.4%	5.7%	5.7%
6. Countrywide Other Acq Incurred (E)	508,716	8.2%	434,840	6.8%	425,735	5.4%	6.7%	6.7%
7. Countrywide General Exp Incurred (E)	434,886	7.0%	342,875	5.3%	376,800	4.8%	5.6%	5.6%
8. Arkansas Taxes, Lic., Fees Incurred (W)	2,603	3.5%	2,952	2.9%	5,023	2.4%	2.8%	2.8%
9. Profit/Cont. Incl. Investment Income								0.4%
10. Expense total								21.2%
11. Expected loss ratio [1 - (10)]								78.8%

(W) - Ratioed to Arkansas Written Premium

(E) - Ratioed to Countrywide Earned Premium

Overall impact of expenses constant & minimum premiums

(640)/(205533)

0.3%

Overall impact of size-of-risk discounts

(-19781)/(205533)

-9.6%

**PENN MILLERS AGRI BUSINESS
WORKERS COMPENSATION**

Accident Year Premium and Losses

As of December 31, 2007

Nationwide

<u>Accident Year</u>	<u>Written Premium</u>	<u>Earned Premium</u>	<u>Total Incurred Loss & LAE</u>	<u>Underwriting Expenses</u>	<u>Investment & Other Income</u>	<u>Operating Income</u>	<u>Loss & LAE Ratio</u>	<u>Underwriting Ratio</u>	<u>Investment Ratio</u>	<u>Operating Ratio</u>
2003	3,670,561	3,058,199	4,815,456	664,421	(136,099)	(2,285,579)	157.5%	21.7%	-4.5%	174.7%
2004	5,749,987	4,803,696	3,991,745	952,062	(206,820)	66,709	83.1%	19.8%	-4.3%	98.6%
2005	5,886,098	5,806,925	4,874,105	1,288,797	(252,978)	(103,000)	83.9%	22.2%	-4.4%	101.8%
2006	6,610,497	5,927,645	4,477,500	1,202,587	(299,448)	547,006	75.5%	20.3%	-5.1%	90.8%
2007	7,393,906	7,279,035	6,219,782	1,361,572	(365,931)	63,612	85.4%	18.7%	-5.0%	99.1%
Total	29,311,049	26,875,499	24,378,588	5,469,440	(1,261,275)	(1,711,253)	90.7%	20.4%	-4.7%	106.4%

Arkansas

<u>Accident Year</u>	<u>Written Premium</u>	<u>Earned Premium</u>	<u>Total Incurred Loss & LAE</u>	<u>Underwriting Expenses</u>	<u>Investment & Other Income</u>	<u>Operating Income</u>	<u>Loss & LAE Ratio</u>	<u>Underwriting Ratio</u>	<u>Investment Ratio</u>	<u>Operating Ratio</u>
2003	54,364	105,295	27,374	23,739	(4,686)	58,869	26.0%	22.5%	-4.5%	44.1%
2004	64,355	52,557	66,850	10,362	(2,263)	(22,392)	127.2%	19.7%	-4.3%	142.6%
2005	66,074	58,758	9,273	12,965	(2,560)	39,079	15.8%	22.1%	-4.4%	33.5%
2006	90,097	70,499	5,549	14,159	(3,561)	54,352	7.9%	20.1%	-5.1%	22.9%
2007	185,752	133,257	143,626	24,545	(6,699)	(28,216)	107.8%	18.4%	-5.0%	121.2%
Total	460,642	420,365	252,672	85,770	(19,769)	101,692	60.1%	20.4%	-4.7%	75.8%

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

Date:
 Insurer
 Name:
 NAIC #:

CALCULATION OF COMPANY LOSS COST MULTIPLIER

1 Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form? Yes No
 Yes No
 If no, attach a list of affected classes.

2 Loss Cost Modification:

2A The insurer hereby files to adopt the prospective loss costs in the captioned reference (check one)

- Without modification. (factor = 1.000) ENTER IN 2B.
 With the following modification(s). (Cite the nature and percent modification to advisory organization's loss experience. Attach supporting data and/or rationale) ENTER IN 2B.

2B Loss Cost Modification Expressed as a Factor:

3 Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.
 (Attach exhibit detailing insurer expense data, impact of premium discount plans, and other supporting information.)

PROJECTED EXPENSES: compared to standard premium at company rates.

3A Total Production Expense	12.4%
3B General Expense	5.6%
3C Taxes, Licenses & Fees	2.8%
3D Profit & Contingencies including offset for Investment Income	0.4%
3E Other (explain)	
3F TOTAL	21.2%

4 Expected Loss & Loss Adjustment Expense (Target Cost) Ratio: $ELR = 1.000 - 3F$

5 Overall impact of expense constant & minimum premiums: (A 2.3% impact would be expressed as 1.023)

6 Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating: (A 8.6% average discount would be expressed as 0.914)

7 Company Formula Loss Cost Multiplier: $2B / [(6 - 3F) \times 5] =$

8 Company Selected Loss Cost Multiplier: Attach exhibit explaining any difference between 7 & 8.

9 Are you amending your minimum premium formula? If yes, attach documentation including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes No
 Yes No

10 Are you changing your premium discount schedules? If yes, attach schedules and support detailing premium or rate level change. Yes No
 Yes No

Date: May 22, 2008

Reserved for Insurance Department Use

**Arkansas Workers Compensation
Insurer Rate Filing Adoption of
Workers Compensation
Loss Costs
Reference Filing Adoption Form**

1. INSURER NAME Penn Millers Insurance Company
 ADDRESS 72 North Franklin Street
PO Box P
Wilkes-Barre, PA 18773-0016

PERSON RESPONSIBLE FOR FILING Tracy Yokimishyn

TITLE Business Analyst TELEPHONE # 800-233-8347 x1359

2. INSURER NAIC # 125-14982

3. ADVISORY ORGANIZATION National Council on Compensation Insurance, Inc.

4. ADVISORY ORGANIZATION REFERENCE FILING AR-2008-02

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rate service 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.

6A. PROPOSED RATE LEVEL CHANGE	<u>+12.1</u>	<u>%</u>	EFFECTIVE DATE	<u>7/1/2008 N & R</u>
6B. PROPOSED PREMIUM LEVEL CHANGE	<u>+12.1</u>	<u>%</u>	EFFECTIVE DATE	<u>7/1/2008 N & R</u>
7A. PRIOR RATE LEVEL CHANGE	<u>+2.1</u>	<u>%</u>	EFFECTIVE DATE	<u>1/1/2008 N & R</u>
7B. PRIOR PREMIUM LEVEL CHANGE	<u>+2.1</u>	<u>%</u>	EFFECTIVE DATE	<u>1/1/2008 N & R</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use a separate Summary for each insurer-selected loss cost multiplier.)

9. 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 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 equivalent state official), or amended or withdrawn by the insurer.

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

WORKERS COMPENSATION**ARKANSAS****1. LOSS COST MULTIPLIER****AR – 07/01/2008**

Loss Cost Multiplier = 1.513

2. EXPENSE CONSTANT**AR – 01/01/2003**

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 is \$160.00

3. MINIMUM PREMIUM**AR – 07/01/2008**

Basic Manual Rule 3-A-16 is deleted and replaced by the following

Calculation Of Minimum Premium:

Class Code	Times (x)	1.513	Times (x)	135	Plus (+)	\$160
Loss Cost		(a)		(b)		(c)
(a) Penn Millers Loss Cost Multiplier						
(b) Minimum Premium Multiplier						
(c) Expense Constant						

1. Minimum premium amounts of \$.50 or greater shall be rounded to the next whole dollar.
2. Maximum Minimum Premium = \$750

4. PREMIUM DISCOUNT PERCENTAGES**AR – 01/01/2003**

Premium Discount Percentages are applicable in accordance with Basic Manual Rule 3-A-19.
The following premium discounts are applicable to standard premiums:

Total Standard Premium	Stock
First \$5,000	None
Next \$95,000	10.9%
Next \$400,000	12.6%
Over \$500,000	14.4%

5. DEDUCTIBLE PERCENTAGE CREDITS**AR – 07/01/2008**

The following deductible credits are applicable by hazard group for the elective deductible as designated below:

Applicable to TOTAL LOSSES:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	13.0	10.4	8.9	7.4	6.2	4.3	3.2
\$1,500	15.9	12.8	10.9	9.2	7.8	5.4	4.1
\$2,000	18.1	14.7	12.6	10.7	9.1	6.5	4.9
\$2,500	20.1	16.3	14.1	12.1	10.2	7.4	5.6
\$3,000	21.8	17.8	15.4	13.2	11.3	8.2	6.2
\$3,500	23.4	19.1	16.6	14.3	12.2	9.0	6.8
\$4,000	24.8	20.3	17.8	15.4	13.1	9.7	7.4
\$4,500	26.2	21.5	18.8	16.3	14.0	10.4	7.9
\$5,000	27.4	22.6	19.8	17.3	14.8	11.1	8.4

5. DEDUCTIBLE PERCENTAGE CREDITS - continued**AR – 07/01/2008**

Applicable to MEDICAL LOSSES ONLY:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	12.6	10.1	8.6	7.1	6.0	4.1	3.0
\$1,500	15.2	12.2	10.4	8.8	7.4	5.1	3.8
\$2,000	17.1	13.8	11.9	10.0	8.5	5.9	4.5
\$2,500	18.7	15.2	13.1	11.1	9.4	6.7	5.0
\$3,000	20.1	16.4	14.2	12.1	10.2	7.3	5.5
\$3,500	21.3	17.5	15.1	12.9	11.0	7.9	6.0
\$4,000	22.5	18.4	16.0	13.7	11.7	8.5	6.4
\$4,500	23.5	19.3	16.8	14.5	12.3	9.0	6.8
\$5,000	24.4	20.1	17.5	15.1	12.9	9.5	7.2

Applicable to INDEMNITY LOSSES ONLY:

Deductible Amount	Hazard Groups						
	A [%]	B [%]	C [%]	D [%]	E [%]	F [%]	G [%]
\$1,000	2.7	2.1	1.9	1.8	1.6	1.3	1.0
\$1,500	3.7	2.9	2.7	2.5	2.2	1.9	1.4
\$2,000	4.6	3.7	3.4	3.2	2.8	2.3	1.8
\$2,500	5.4	4.4	4.0	3.8	3.3	2.8	2.1
\$3,000	6.2	5.0	4.6	4.3	3.8	3.2	2.4
\$3,500	6.9	5.6	5.2	4.8	4.3	3.6	2.7
\$4,000	7.5	6.2	5.7	5.3	4.7	4.0	3.0
\$4,500	8.1	6.7	6.2	5.7	5.1	4.3	3.3
\$5,000	8.7	7.2	6.6	6.2	5.5	4.6	3.6