

SERFF Tracking Number: TRVE-125626814 State: Arkansas
Filing Company: St. Paul Mercury Insurance State Tracking Number: EFT \$100
Company Tracking Number: 2008-03-0088
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability
Product Name: Public Company EPL Rate Filing 2008-03-0088
Project Name/Number: Public Company EPL Rate Filing 2008-03-0088/2008-03-0088

Filing at a Glance

Company: St. Paul Mercury Insurance

Product Name: Public Company EPL Rate SERFF Tr Num: TRVE-125626814 State: Arkansas

Filing 2008-03-0088

TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: EFT \$100

Made/Occurrence

Sub-TOI: 17.0010 Employment Practices Co Tr Num: 2008-03-0088 State Status: Fees verified and received

Liability

Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Authors: Socorro Armstrong, Disposition Date: 05/06/2008

Theresa Lavenburg, Michelle Smith

Cotto, Sonia Worrell, Timothy

Bengston, Celina Caez

Date Submitted: 05/01/2008 Disposition Status: Exempt from Review

Effective Date Requested (New): 08/01/2008

Effective Date (New): 08/01/2008

Effective Date Requested (Renewal): 08/01/2008

Effective Date (Renewal): 08/01/2008

State Filing Description:

General Information

Project Name: Public Company EPL Rate Filing 2008-03-0088

Status of Filing in Domicile:

Project Number: 2008-03-0088

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 05/06/2008

Deemer Date:

State Status Changed: 05/06/2008

Corresponding Filing Tracking Number:

Filing Description:

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In compliance with the insurance laws and regulation of your state, we submit an enhancement to our Employment Practices Liability rating plan which was approved by your department.

The purpose of this filing is to change the Limits and Retention Table to revise factors for retentions less than \$50,000. This filing is for the Public Company EPL rate filing.

Company and Contact

Filing Contact Information

Michelle Smith Cotto, Regulatory Analyst MSMITHCO@travelers.com
 One Tower Square (860) 277-2345 [Phone]
 Hartford, CT 06183 (860) 235-4951[FAX]

Filing Company Information

St. Paul Mercury Insurance CoCode: 24791 State of Domicile: Minnesota
 One Tower Square, 2S2B Group Code: 3548 Company Type:
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-4045 ext. [Phone] FEIN Number: 41-0881659

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
St. Paul Mercury Insurance	\$100.00	05/01/2008	20042952

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	05/06/2008	05/06/2008

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Disposition

Disposition Date: 05/06/2008

Effective Date (New): 08/01/2008

Effective Date (Renewal): 08/01/2008

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rates/rules filing and review requirements.

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Actuarial Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	Explanatory Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	PC NAIC	Accepted for Informational Purposes	Yes
Supporting Document	Rate Indication	Accepted for Informational Purposes	Yes
Rate	55762	Accepted for Informational Purposes	Yes

SERFF Tracking Number: TRVE-125626814 *State:* Arkansas
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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	55762	Rate Page 3 of 3	New	Pages from 55762 AR 200804.pdf

EMPLOYMENT PRACTICES LIABILITY

Arkansas

Table 3. Limits and Retention Table (revised under filing 2008-03-0088)

Limit/Retention	Factor
\$0	0.262
\$1,000	0.279
\$2,500	0.301
\$5,000	0.336
\$7,500	0.369
\$10,000	0.397
\$12,500	0.417
\$15,000	0.435
\$20,000	0.467
\$25,000	0.497
\$30,000	0.514
\$35,000	0.530
\$40,000	0.545
\$50,000	0.575
\$75,000	0.650
\$100,000	0.715
\$150,000	0.752
\$200,000	0.788
\$250,000	0.825
\$500,000	0.860
\$750,000	0.929
\$1,000,000	0.998
\$1,250,000	1.104
\$1,500,000	1.211

Table 4. Risk Credit / Debit Factors

Category	Maximum Credit (+) / Debit (-)
Class of Business	+/- .25
Financial Condition	+/- .25
Litigation History	+/- 1.00
Management	+/- .50
Mergers & Acquisitions	+/- .50
Organizational Changes	+/- .25
Policies and Procedures	+/- .25
Workforce Composition / Turnover	+/- .25
EPL Seminars / Audits / Training	+/- .25
Policy Terms and Conditions*	+/- .25
Coinsurance Modification	+/- .20
Other	+/- .25
Total Credit/Debit Factor	+/- ____

*Declarations Page Item 2, "Punitive or Exemplary Damages," may be checked "NO"
If so, a 20% credit is to be included in Policy Terms and Conditions

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Supporting Document Schedules

Satisfied -Name: Actuarial Memorandum

Review Status:

Accepted for Informational 05/06/2008
Purposes

Comments:

Attachment:

Actuarial Memorandum.pdf

Satisfied -Name: Explanatory Memorandum

Review Status:

Accepted for Informational 05/06/2008
Purposes

Comments:

see attached

Attachment:

AR-2008-03-0088 Filing Letter.pdf

Satisfied -Name: PC NAIC

Review Status:

Accepted for Informational 05/06/2008
Purposes

Comments:

See attached

Attachments:

2007 PC NAIC Transmittal.pdf

AR Rate Header.pdf

Satisfied -Name: Rate Indication

Review Status:

Accepted for Informational 05/06/2008
Purposes

Comments:

Attachment:

CW Rate Indication Package.pdf

Employment Practices Liability Rate Filing
Actuarial Memorandum

This filing serves to revise deductible credits for this product. We are revising the deductible credits for deductibles less than \$50,000 when the insured has fewer than 1,001 employees.

The rate impact of this filing is a 0.6% overall decrease. The maximum decrease a policyholder could experience under this change is 38.20%. The maximum increase an insured could experience is 0.00%.



Michelle Smith Cotto
Travelers Bond and Financial
Products
Phone: (860) 277-2345
FAX: (866) 235-4951
Email: msmithco@travelers.com

May 1, 2008

Honorable Mike Pickens
Commissioner of Insurance
Arkansas Insurance Dept
1200 West Third Street
Little Rock, AR 72201-1904

Company Filing Number: 2008-03-0088
Enhancement Filing –Rates
Other Liability – Employment Practices Liability

ST PAUL MERCURY INSURANCE COMPANY 3548 -24791

In compliance with the insurance laws and regulation of your state, we submit an enhancement to our Employment Practices Liability rating plan which was approved by your department effective January 27, 1999 under our filing number **1998-12-0052**.

The purpose of this filing is to change the Limits and Retention Table to revise factors for retentions less than \$50,000. This filing is for the Public Company EPL rate filing.

Enclosures and Implementation

The following are enclosed to facilitate your review:

- Actuarial memorandum and rating information, if required to be filed;
- Any applicable state filing forms and fees.

We propose to implement this filing with respect to all new and renewal businesses effective **08/01/2008**.

Should you have any questions, please feel free to call me at (860) 277-2345.

Regards,

Michelle Smith Cotto

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	2008-03-0088
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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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Company Filing Number: 2008-03-0088
Enhancement Filing –Rates
Other Liability – Employment Practices Liability

ST PAUL MERCURY INSURANCE COMPANY 3548 -24791

The purpose of this filing is to change the Limits and Retention Table to revise factors for retentions less than \$50,000. This filing is for the Public Company EPL rate filing.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

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

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	2008-03-0088
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
		<input type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input checked="" type="checkbox"/> Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	0
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4a. Rate Change by Company (As Proposed)							
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
St. Paul Mercury Insurance Company	-21.35%	0.00%	0	3	90,500	0%	0.00%

4b. Rate Change by Company (As Accepted) For State Use Only							
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)		
		STATE USE
5a.	Overall percentage rate indication (when applicable)	
5b.	Overall percentage rate impact for this filing	0.00%
5c.	Effect of Rate Filing – Written premium change for this program	0
5d.	Effect of Rate Filing - Number of policyholders affected	3

6.	Overall percentage of last rate revision	0.00%
7.	Effective Date of last rate revision	01/27/1999
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	0	New Replacement Withdrawn	0
02	0	New Replacement Withdrawn	0
03	0	New Replacement Withdrawn	0
04	0	New Replacement Withdrawn	0
05	0	New Replacement Withdrawn	0

Year	Earned Premium	Premium Adjustment Factor	Adjusted Earned Premium	Loss and ALAE	Loss and ALAE Trend	Loss Development Factor	Trended Ultimate Loss and Loss Expense	Adjusted Loss Ratio
2003	52,406,645	1.00	52,406,645	30,716,082	1.346	1.0300	42,570,095	81.2%
2004	68,240,051	1.00	68,240,051	19,564,143	1.281	1.0815	27,114,376	39.7%
2005	50,911,198	1.00	50,911,198	15,061,680	1.220	1.1464	21,073,117	41.4%
2006	25,944,952	1.00	25,944,952	7,247,379	1.162	1.3757	11,588,529	44.7%
2007	22,204,420	1.00	22,204,420	2,105,883	1.107	3.1640	7,375,987	33.2%
Total	219,707,266		219,707,266	74,695,168			109,722,104	49.9%

A. Projected loss Ratio	49.9%
B. Unallocated Loss Expense as a Percent of Loss and ALAE	6.6%
C. Countrywide Projected Loss Ratio with ULAE: $(1+B) \times A$	53.2%
D. Total Expense & Profit Ratio (From the attached Expense Exhibit)	22.0%
E. State Ultimate Claim Count ***	513
F. Credibility (credibility standard = 1082 claims) $(E/1082)^{.05}$	68.9%
G. Complement of Credibility	82.3%
H. Credibility Weighted Loss Ratio with ULAE $(C \times F + G \times (1-F))$	62.3%
I. Expected Loss Ratio (1-D)	78.0%
J. Indicated Rate Change $((H/I) - 1)$	-20.2%
K. Selected Rate Change	-0.6%

Expense and Profit Provisions

A. Commissions	9.0%
B. General	5.1%
C. Other Acquisition	4.4%
D. Taxes, Licenses & Fees	2.3%
E. Profit and Contingencies	1.2%
F. Total Expenses	22.0%

Information Source:

A-D: 3 Year Average from the St. Paul Mercury Insurance Company Insurance Expense Exhibit.
The IEE data is not specific to Public Company EPL, but is inclusive of all Other Liability data.

E. See the attached Investment Income exhibit

F. (A + B + C + D + E)

Investment Income Exhibit

1) Expenses and Profit Provision:	Nominal Value (NV)	Discount Factor (DFe)	Present Value (PV)
a) Commissions and Brokerage	9.0%	1.035	9.4%
b) Other Acquisition Expenses	4.4%	1.046	4.6%
c) General Expenses	5.1%	1.046	5.3%
d) Taxes, Licenses and Fees	2.3%	1.046	2.4%
<u>e) Unallocated Loss Adjustment Expenses</u>	<u>6.6%</u>	<u>0.975</u>	<u>6.4%</u>
f) Total Expenses { (1a) + (1b) + (1c) + (1d) + (1e) }	27.4%	1.025	28.1%
g) Target Pre-Tax Return on Premium (ROP) - based on 16% Target ROE	9.2%	1.000	9.2%
2) Premium Discount Factor (DFp) { (1.0 + pre-tax ROI)^(1-Prem. Receipt Lag/365.25 days) }			1.035
3) Loss Discount Factor (DFI) { (1.0 + pre-tax ROI)^(1 - Avg. Loss Payment Lag) }			0.927
4) Permissible Loss Ratio (PLR) { [(2) - PV(1f) - PV(1g)] / (3) }			71.4%
5) Expected Combined Ratio Under Indicated Rate Change { (4) + NV(1f) }			98.8%
6) Expected Pre-Tax ROP Under Indicated Rate Change { (2) - PV(1f) - (3) x (4) }			9.2%
7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - (5) }			1.2%
8) Investment Income Ratio Under Indicated Rate Change { (6) - (7) }			8.0%
9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }			15.0%

Assumptions and Notes

1. a) through e) - Nominal Values are expense provisions selected for filing.
1. a) - Discount factor is Premium Discount Factor = $(1 + \text{pre-tax ROI})^{(1 - \text{Prem Receipt Lag days} / 365.25 \text{ days})}$
Assumes Commissions paid when premium collected
1. b) through d) - Discount factor is $(1 + \text{pre-tax ROI})$. Assumes Other Acq. General Exp/ and TLF paid at beginning of year
1. e) - Discount factor for ULAE is avg. of Loss Discount Factor and the discount factor for the avg. incurred date (mid year)
Discount factor for ULAE is average of Loss Discount Factor and $(1 + \text{pre-tax ROI})^{.5}$
1. f) Sum of 1. a) through e).
1. g) pre-tax ROP = after-tax ROP / (1 - Fed Income Tax rate).

The target pre-tax ROP was derived as follows:

$$\begin{aligned} \text{after-tax ROP} &= \frac{\text{ROE} - \text{ROC}}{\text{P/S}} = 6.0\% \\ \text{pre-tax ROP} &= \frac{\text{after-tax ROP}}{1 - \text{FIT}} = 9.2\% \end{aligned}$$

Financial Assumptions:

Target ROE	=	15.00%
ROC (after-tax ROI)	=	3.01%
Federal Income Tax (FIT)	=	35.00%
pre-tax ROI	=	4.64%
Premium/Surplus (P/S)	=	2.00

2. Premium Discount Factor = $(1 + \text{pre-tax ROI})^{(1 - \text{Prem Receipt Lag days} / 365.25 \text{ days})}$

3. Loss Discount Factor (DFI) = $(1 + \text{pre-tax ROI})^{(1 - \text{Avg. Loss Payment Lag})}$

Losses are assumed paid in the middle of the indicated year. All amounts are discounted to the end of the incurred year (thus the positive discount factors for amounts paid or received before the end of the year). The average loss payment lag is computed so that paying all losses at that point in time has the same discounted value as for the indicated loss payout pattern.

Timing Assumptions and Calculations:

Premium Receipt Lag: 87 days	Premium Discount Factor: 1.035
Avg. Loss Payment Lag: 2.67 years	Loss Discount Factor: 0.927

Year	% Loss Paid	Discount Factor @ 4.6%	Discounted % Loss Paid
1	6.5%	1.023	6.6%
2	25.1%	0.978	24.5%
3	35.0%	0.934	32.7%
4	20.7%	0.893	18.4%
5	5.7%	0.853	4.8%
6	3.7%	0.815	3.0%
7	2.0%	0.779	1.6%
8	0.7%	0.745	0.5%
9	0.0%	0.712	0.0%
<u>10</u>	<u>0.6%</u>	<u>0.680</u>	<u>0.4%</u>
Total	100%	0.927	92.7%

4. The formula for the Permissible Loss Ratio (PLR) was derived as follows:

$$\text{pre-tax ROP} = \{ \text{Premium} \times \text{DFp} - \text{Loss} \times \text{DFI} - \text{Expense} \times \text{DFe} \} / \text{Premium} \quad \{ \text{DF} = \text{discount factor} \}$$

$$\text{PLR} = \text{Loss} / \text{Premium} = \{ \text{DFp} - (\text{Expense} / \text{Premium}) \times \text{DFe} - \text{pre-tax ROP} \} / \text{DFI}$$

5) Expected Combined Ratio Under Indicated Rate Change = { PLR + nominal value of expense }

6) Expected Pre-Tax ROP Under Indicated Rate Change

$$= \{ \text{Premium} \times \text{DFp} - \text{loss} \times \text{DFI} - \text{Expense} \times \text{DFe} \} / \text{Premium} \quad \{ \text{DF} = \text{discount factor} \}$$

7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - combined ratio }

8) Investment Income Ratio Under Indicated Rate Change

$$= \text{Expect pre-tax ROP under indicated rate change} - \text{underwriting profit provision under indicated rate change}$$

9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }

$$= (1 - \text{Fed. Income Tax rate}) \times (\text{pre-tax ROP} \times (\text{premium} / \text{Surplus}) + \text{after-tax ROI})$$

Travelers Bond

Other Liability*

	Selected	3 Yr Total		2002		2003		2004		2005		2006	
		(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)	%
Direct Written Premium		1,448,518		298,435		450,663		485,570		457,228		505,720	
Direct Earned Premium		1,414,764		292,578		382,921		462,248		467,125		485,391	
Direct Losses Incurred		1,142,760	80.8%	179,369	61.3%	150,308	39.3%	257,162	55.6%	377,600	80.8%	507,998	104.7%
Direct ALAE Incurred		83,440	5.9%	30,945	10.6%	44,568	11.6%	55,939	12.1%	6,256	1.3%	21,245	4.4%
Direct ULAE Incurred	6.6%	81,069	6.6%	11,097	5.3%	6,971	3.6%	12,568	4.0%	46,001	12.0%	22,500	4.3%
Commission & Brokerage ¹	9.0%	131,082	9.0%	36,065	12.1%	47,664	10.6%	49,361	10.2%	38,564	8.4%	43,157	8.5%
T, L, & F ¹	2.3%	32,770	2.3%	7,242	2.4%	10,798	2.4%	9,157	1.9%	11,051	2.4%	12,562	2.5%
Other Acq ¹	4.4%	63,494	4.4%	15,302	5.1%	23,701	5.3%	25,655	5.3%	17,109	3.7%	20,730	4.1%
General	5.1%	71,603	5.1%	10,954	3.7%	12,823	3.3%	19,391	4.2%	22,380	4.8%	29,832	6.1%

*The IEE data above is not specific to Nonprofit D&O and EPL, but is inclusive of all Other Liability. The selected percentages are representative of Nonprofit D&O and EPL.

¹Expenses as a percentage of Direct Written Premium

Loss Triangle

Incurred Loss & ALAE

Evaluation

AY	12	24	36	48	60
2003	6,817,239	23,159,325	28,357,926	29,370,061	30,716,082
2004	7,944,900	14,809,215	18,710,828	19,564,143	
2005	8,252,103	14,746,830	15,061,680		
2006	2,973,971	7,247,379			
2007	2,105,883				

Incremental Development Factors

YEAR	12 to 24	24 to 36	36 to 48	48 to 60
2003	3.397	1.224	1.036	1.046
2004	1.864	1.263	1.046	
2005	1.787	1.021		
2006	2.437			

3 year Average	2.029	1.170	1.041	1.046			
4 Year Average	2.371	1.170	1.041	1.046			
4 year x hi/lo weighted	2.150	1.224					
	2.307	1.179	1.040	1.046			
selected	2.300	1.200	1.060	1.050	1.030	1.000	
Cumulative	3.164	1.376	1.146	1.082	1.030	1.000	1.000

Loss Trend Factors

Due to the small size of the book of business subject to this filing, average trend calculations can be volatile. The selected average trend is based on an examination of the history of the Travelers Public Company EPL book, knowledge of Travelers' liability line of business and the overall liability market, and on actuarial judgement.

(1) Year *	(2) Begin Eff Date	(3) avg Loss Date	(4) Proposed Eff Date	(5) Proposed eff date	(6) = (5)-(3) in years	(7) (1+A)^(6)
2003	1/1/2003	7/1/2003	8/1/2008	8/1/2009	6.083	1.346
2004	1/1/2004	7/1/2004	8/1/2008	8/1/2009	5.083	1.281
2005	1/1/2005	7/1/2005	8/1/2008	8/1/2009	4.083	1.220
2006	1/1/2006	7/1/2006	8/1/2008	8/1/2009	3.083	1.162
2007	1/1/2007	7/1/2007	8/1/2008	8/1/2009	2.083	1.107

A.

Selected Annual Loss Trend	5.00%
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Calculation of Complement of Credibility

A. Permissible loss ratio underlying current filed rates	78.0%
B. Trend	
1. assumed effective date underlying current rates	7/1/2007
2. assumed effective date for prospective rates:	8/1/2008
3. trend period difference:	1.09
4. annual trend	5.0%
5. trend factor	1.05
= (1.0 + (B4)) ^ (B3)	
C. Trended permissible loss ratio underlying current base rates	82.3%
= (A) × (B5)	

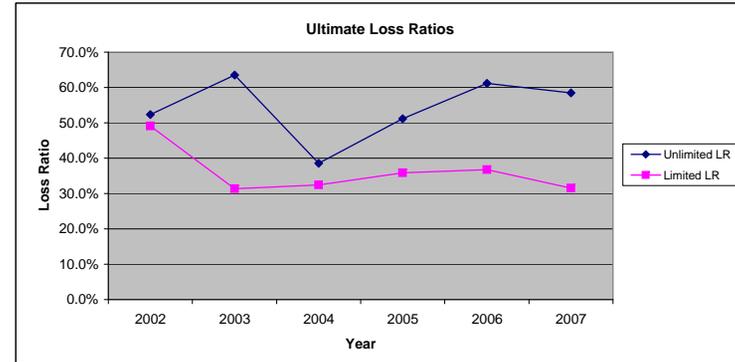
6133: Public Co EPL Trend

Data as of 200712

View: 6133
 Eval Date: 12/31/2007

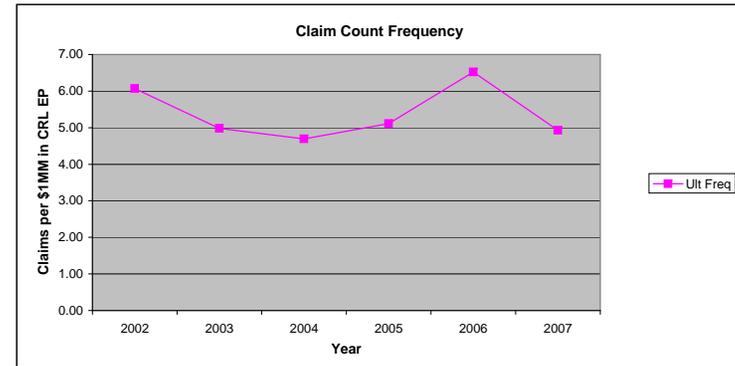
LOSS RATIOS							
Accident Year	CRL Factor	Gross EP	CRL EP	Ultimate Loss		Ultimate LRs	
				Unlimited	Cap @ 500K	Unlimited	Cap @ 500K
2002	1.19	29,471	34,951	18,299	17,166	52.4%	49.1%
2003	0.97	52,407	50,960	32,344	15,965	63.5%	31.3%
2004	0.91	68,240	62,280	24,000	20,200	38.5%	32.4%
2005	0.92	50,911	46,901	23,986	16,815	51.1%	35.9%
2006	0.94	25,945	24,458	14,958	8,984	61.2%	36.7%
2007	1.00	22,204	22,204	12,990	6,995	58.5%	31.5%

2-Year	-4.3%	-14.2%
3-Year	7.0%	-6.3%
4-Year	15.4%	-0.6%
5-Year	3.0%	1.4%
All Year	2.1%	-4.6%
Roll 2-Year	1.3%	-1.1%
2004-2006	26.0%	6.4%



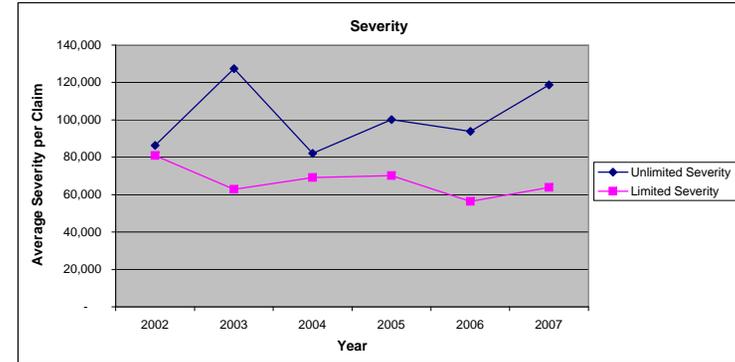
FREQUENCY				
Accident Year	Non-Zero Counts		CRL Frequency	
	@ 12 Mos	Ult	@ 12 Mos	Ult
2002	466	212	13.33	6.07
2003	772	254	15.15	4.98
2004	924	292	14.84	4.70
2005	761	240	16.23	5.11
2006	530	159	21.67	6.52
2007	365	109	16.44	4.93

2-Year	-24.1%	-24.4%
3-Year	0.7%	-1.8%
4-Year	6.2%	4.0%
5-Year	5.6%	3.1%
All Year	6.5%	-0.4%
Roll 2-Year	7.9%	2.7%
2003-2006	12.3%	9.3%



SEVERITY				
Accident Year	12 Mos Severity		Ultimate Severity	
	Unlimited	Cap @ 500K	Unlimited	Cap @ 500K
2002	14,047	14,047	86,316	80,972
2003	8,833	8,833	127,338	62,854
2004	8,600	8,247	82,068	69,074
2005	10,845	10,845	100,142	70,204
2006	5,842	5,842	93,837	56,362
2007	5,936	5,892	118,699	63,921

2-Year	1.6%	0.9%	26.5%	13.4%
3-Year	-26.0%	-26.3%	8.9%	-4.6%
4-Year	-15.9%	-15.0%	11.0%	-4.4%
5-Year	-11.1%	-10.9%	-0.1%	-1.7%
All Year	-14.1%	-14.1%	2.5%	-4.2%
Roll 2-Year	-11.4%	-11.2%	-1.4%	-3.7%
2004-2006	-17.6%	-15.8%	6.9%	-9.7%



SELECTED

	Frequency	Severity			Loss Ratio		
		Unlimited	Limited	Excess	Unlimited	Limited	Excess
Plan Trend	0.0%	5.0%	4.0%	6.8%	5.0%	4.0%	6.8%
Selected Historical	0.0%	5.0%	4.0%	6.7%	5.0%	4.0%	6.7%
Selected 2008	0.0%	5.0%	4.0%	6.7%	5.0%	4.0%	6.7%