

SERFF Tracking Number: ZURC-125647081 State: Arkansas  
First Filing Company: Assurance Company of America, ... State Tracking Number: EFT \$100  
Company Tracking Number: AR-WC-27172  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR-WC-27172 Loss Cost Filing  
Project Name/Number: AR-WC-27172 Loss Cost Filing/AR-WC-27172

## Filing at a Glance

Companies: Assurance Company of America, Northern Insurance Company of New York, Maryland Casualty Company, American Zurich Insurance Company, American Guarantee and Liability Insurance Company, Colonial American Casualty & Surety Company, Fidelity and Deposit Company of Maryland, Zurich American Insurance Company of Illinois, Zurich American Insurance Company

Product Name: AR-WC-27172 Loss Cost Filing SERFF Tr Num: ZURC-125647081 State: Arkansas  
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$100  
Sub-TOI: 16.0004 Standard WC Co Tr Num: AR-WC-27172 State Status: Fees verified and received  
Filing Type: Rate Co Status: Not Applicable Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding  
Author: Jennifer Mastalerz Disposition Date: 05/15/2008  
Date Submitted: 05/14/2008 Disposition Status: Approved  
Effective Date Requested (New): 07/01/2008 Effective Date (New): 07/01/2008  
Effective Date Requested (Renewal): 07/01/2008 Effective Date (Renewal):  
State Filing Description:

## General Information

Project Name: AR-WC-27172 Loss Cost Filing Status of Filing in Domicile:  
Project Number: AR-WC-27172 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 05/15/2008  
State Status Changed: 05/15/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:

We wish to submit this Arkansas Loss Costs filing per your approval in reference to NCCI Item # AR-2008-02

## Company and Contact

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**Filing Contact Information**

Jennifer Hanczar, Filing Analyst jennifer.hanczar@zurichna.com  
 1400 American Lane (847) 330-4817 [Phone]  
 Schaumburg, IL 60102 (847) 605-7768[FAX]

**Filing Company Information**

Assurance Company of America	CoCode: 19305	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 13-6081895	

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Northern Insurance Company of New York	CoCode: 19372	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 13-5283360	

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Maryland Casualty Company	CoCode: 19356	State of Domicile: Maryland
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 52-0403120	

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American Zurich Insurance Company	CoCode: 40142	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-3141762	

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American Guarantee and Liability Insurance Company	CoCode: 26247	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-6071400	

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Colonial American Casualty & Surety Company	CoCode: 34347	State of Domicile: Maryland
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:

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(847) 605-6000 ext. [Phone]

FEIN Number: 52-1096670

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Fidelity and Deposit Company of Maryland

CoCode: 39306

State of Domicile: Maryland

1400 American Lane

Group Code: 212

Company Type:

Schaumburg, IL 60196

Group Name:

State ID Number:

(847) 605-6000 ext. [Phone]

FEIN Number: 13-3046577

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Zurich American Insurance Company of Illinois

CoCode: 27855

State of Domicile: Illinois

1400 American Lane

Group Code: 212

Company Type:

Schaumburg, IL 60196

Group Name:

State ID Number:

(847) 605-6000 ext. [Phone]

FEIN Number: 36-2781080

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Zurich American Insurance Company

CoCode: 16535

State of Domicile: New York

1400 American Lane

Group Code: 212

Company Type:

Schaumburg, IL 60102

Group Name:

State ID Number:

(847) 605-6000 ext. [Phone]

FEIN Number: 36-4233459

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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Assurance Company of America	\$0.00	05/14/2008	
Northern Insurance Company of New York	\$0.00	05/14/2008	
Maryland Casualty Company	\$0.00	05/14/2008	
American Zurich Insurance Company	\$0.00	05/14/2008	
American Guarantee and Liability Insurance Company	\$0.00	05/14/2008	
Colonial American Casualty & Surety Company	\$0.00	05/14/2008	
Fidelity and Deposit Company of Maryland	\$0.00	05/14/2008	
Zurich American Insurance Company of Illinois	\$0.00	05/14/2008	
Zurich American Insurance Company	\$100.00	05/14/2008	20323142

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/15/2008	05/15/2008

### Amendments

Item	Schedule	Created By	Created On	Date Submitted
Rate Pages	Rate	Jennifer Mastalerz	05/14/2008	05/14/2008

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## Disposition

Disposition Date: 05/15/2008  
Effective Date (New): 07/01/2008  
Effective Date (Renewal):  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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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
Rate	Exhibits	Approved	Yes
Rate	Rate Pages	Approved	Yes

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**Amendment Letter**

Amendment Date:  
Submitted Date: 05/14/2008

**Comments:**

Please see the attached Rate Pages

**Changed Items:**

**Rate/Rule Schedule Item Changes:**

<b>Exhibit Name:</b>	<b>Rule # or Page #:</b>	<b>Rate Action:</b>	<b>Previous State Filing Numbers:</b>	<b>Attach Document:</b>
Rate Pages		New		ARWCratesAZ070108.pdf ARWCratesMCCZAI070108.pdf ARWCratesNOAGCAC S070108.xls ARWCratesUUIC070108.xls ARWCratesZAICACAF D070108.xls

*SERFF Tracking Number:*      *ZURC-125647081*                      *State:*                      *Arkansas*  
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*Company Tracking Number:*      *AR-WC-27172*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                      *AR-WC-27172 Loss Cost Filing*  
*Project Name/Number:*                      *AR-WC-27172 Loss Cost Filing/AR-WC-27172*

## **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:
Approved	Exhibits		New	AR_file_2008.pdf
Approved	Rate Pages		New	ARWCratesAZ070108.pdf ARWCratesMCCZAI070108.pdf ARWCratesNOAGCA CS070108.xls ARWCratesUUIC070108.xls ARWCratesZAICACA FD070108.xls

**Zurich North America  
Workers' Compensation  
Arkansas**

**Explanatory Memorandum**

Zurich North America is proposing to adopt the July 1, 2008 NCCI advisory loss costs and rating values for use with Arkansas workers' compensation business. A base loss cost multiplier of 1.423 is proposed. Company deviations are stated in Exhibit 6. Current rates are based on loss costs adopted on July 1, 2007. The overall premium level impact of this filing is -9.5% as shown below:

<u>Proposed Changes</u>	<u>Premium Level Change</u>
July 1, 2008 Loss Cost Change	-5.8%
Loss Cost Multiplier Change	-4.0%
Premium Discount Table Change	<u>0.0%</u>
Total Proposed Change	-9.5%

**Exhibit 1 - Summary of Loss Cost Multiplier Underlying Expense Provisions**

This exhibit shows the expense provisions used in the calculation of the loss cost multiplier. All expense ratios to premium are on a standard premium basis.

**Exhibit 2 - Historical Expense Data**

Company historical expense data is provided on this exhibit. Also shown is the adjustment of expenses from a net premium basis to a standard premium basis.

**Exhibit 3 - Impact of Size of Risk Discounts**

The exhibit shows the average premium discount.

**Exhibit 4 - Calculation of Profit & Contingency Provision**

The derivation of the profit and contingency provision in this filing is displayed in this exhibit and includes explanatory information regarding this calculation.

**Exhibit 5 - Calculation of State and Federal Tax Multipliers**

The calculation of the state and federal tax multipliers is shown in this exhibit.

**Exhibit 6 - Summary of Proposed Change By Company**

This exhibit summarizes the proposed loss cost change, loss cost multiplier change, and total change by company.

**Exhibit 7 - Determination of Premium Reduction Percentage for Deductible Insurance**

This exhibit shows how the factor applied to advisory loss elimination ratios to generate the deductible discount is derived.

**Exhibit 8 - Impact of Expense Constant and Minimum Premium**

The premium effect that expense constants and minimum premiums cause is calculated in this exhibit.

**Zurich North America  
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**Explanatory Memorandum, continued**

Following are comments regarding the rate page generation process for this program.

1. The minimum premiums are calculated as shown below, where the minimum premium multiplier is 135, the expense constant is \$160, the maximum minimum premium is \$750, and the minimum minimum premium is \$500.

rate \* minimum premium multiplier + expense constant, limited to the maximum minimum premium and the minimum minimum premium.

Exceptions:

- a. Maritime classes - the minimum premiums are \$100 or \$200, unchanged from the prior Zurich filing.
- b. Per capita classes - the minimum premium is calculated as the rate plus the expense constant, limited to the maximum minimum premium and the minimum minimum premium.
- c. Minimum premiums are not calculated for the non-ratable element codes and supplementary disease rate class codes (0065, 0066, 0067, and 0059).
- d. Minimum premiums for the classes which have non-ratable element codes associated with them are determined as shown below.

(rate for class which has non-ratable element + rate for the corresponding non-ratable element) \* minimum premium multiplier + expense constant, limited to the maximum minimum premium and the minimum minimum premium

2. The values in the Table of Specific Disease Loadings have been adjusted by the loss cost multiplier.
3. It is mandatory that the most recently approved NCCI hazard group differentials, table of expected loss ranges, state special hazard classification by hazard group, and experience rating plan values apply to Zurich North America.
4. The excess loss factors and retrospective development factors are calculated by adjusting the advisory excess loss pure premium factors and retrospective pure premium development factors by 0.696 where 0.696 is the proposed expected loss and LAE ratio.
5. The advisory loss elimination ratios are converted to premium reduction percentages using the formula noted on Exhibit 7.

**Zurich North America  
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**Summary of Loss Cost Multiplier Underlying Expense Provisions**

Selected Expense Provisions Shown as a % of Standard Premium

(1) Commissions	4.5% (a)
(2) Taxes, Licenses & Fees	5.3% (a)
(3) General Expense	0.1% (a)
(4) Other Acquisition Expense	6.3% (a)
(5) Profit/Contingency inc. Investment Income	4.8% (b)
(6) Effect of Expense Gradation	<u>9.4%</u>
(7) TOTAL	30.4%
(8) Expected Loss and LAE Ratio	69.6%
(9) Expense Constant & Minimum Premium	1.010
(10) Expense Based Multiplier	1.423
(11) Loss Modification Factor	1.000
Proposed Loss Cost Multiplier Prior to Company Deviations	1.423

Notes:

a) See Exhibit 2.

b) See Exhibit 4 for the calculation of the profit/contingency provision as a percent of collected premium (5.3%). This is converted to a percentage of standard premium by multiplying this provision by the ratio of collected premium to standard premium. See Exhibit 3 for the calculation of the ratio to standard premium.

**Zurich North America  
Workers' Compensation  
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**Calculation Of State and Federal Tax Multipliers**

A.	Proposed overall State loss assessments + 1		1.000
B.	Proposed State premium taxes and assessments		
	1. Premium Tax	0.0250	
	2. Combined Fund Allowance	0.0300	
	3. Miscellaneous Tax	0.0032	
			0.058
C.	Proposed Residual Market Subsidy		0.000
D.	Total of Taxes and Residual Market Subsidy (B) + (C)		0.058
E.	Permissible Loss Ratio		0.636
F.	State Tax Multiplier = $(0.2+E*A)/(0.2+E)*(1/(1-D))$		1.062
G.	Proposed overall Federal Assessment + 1		1.138
H.	State Weight		0.289
I.	Federal Weight		0.711
J.	Weighted Federal Assessment $(H*A)+(G*I)$		1.098
K.	Permissible Loss Ratio		0.636
L.	Federal Tax Multiplier = $(0.2+K*J)/(0.2+K)*(1/(1-D))$		1.141

NOTE: A, B, G, H, and I are based upon the NCCI's Tax & Assessment Directory and NCCI state filing circulars.  
E and K are based upon the NCCI Table of Expense Ratios XXVI-E.

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

The purpose of this document is to describe the method used to calculate a profit and contingency factor for Workers' Compensation as shown in this exhibit.

The approach relies on a model which simulates cash flows for this type of business. The internal rate of return (IRR) for these cash flows is equal to the target return on equity (ROE). Using a trial and error process, the permissible loss and all loss adjustment ratio is varied until the target ROE is reached. Given the loss and loss adjustment ratio which produces the target ROE, the profit/contingency factor is then determined (profit/contingency =  $100\% - (\text{Loss} + \text{LAE}) - \text{Underwriting Expenses}$ ).

Key assumptions used in this model are as follows:

- \* Target ROE is 15%.
- \* All premium is collected at policy inception.
- \* Expenses are paid at policy inception (production, general, taxes, licenses & fees).
- \* Losses paid and loss reserves set according to payment patterns for Workers' Compensation.
- \* All sources of investment income including surplus are reflected.
- \* The investment rate for reserves (policyholder dividend reserves, UEPR, loss and LAE reserves) is based on an average of five-year T-note rates.
- \* The investment rate for policyholders' surplus is a one-year rolling average of five-year T-notes multiplied by the factor of 1.05. The latter adjustment assumes a slightly less conservative investment strategy on surplus versus policy reserves.
- \* One dollar of surplus is committed for each \$5.29 of loss and loss adjustment reserves. An additional dollar of surplus is committed for each \$3.28 of earned premium.
- \* Federal Income Tax is charged against investment income, underwriting income, 20% of the change in the unearned premium reserve and the change in the reserve discount—a 35% tax rate applies in all instances.
- \* The 2007 IRS rate--3.97%--was used to discount reserves.
- \* The IRR is determined by "Excess Cash Flows" which equal Operating Income + Change in Surplus.

Expense provisions (as a % of collected premium) are as follows:

Commissions	5.0%
General	0.1%
Other Acquisition	7.0%
Taxes, Licenses & Fees	5.8%
Profit/Contingency	5.3%
<hr/>	
Sub-total	23.2%

A more detailed explanation of each line of the model is provided on the following pages.

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

1. Written Premium: Annual written premium.
2. Change in UEP: Change in unearned premium reserve assuming even distribution of writings through the year.
3. Earned Premium: Calculated by assuming an even distribution of writings.
4. Loss & LAE Paid: Line (6) x Line (25).
5. Chg in Loss Reserve: Line (6) - Line (4).
6. Losses Incurred: Line (3) x Line (26).
7. Expenses Paid: Line (1) x Line (27).
8. Res. Mkt Assmnt Pd: Does not apply.
9. Commissions Paid: Line (1) x Line (28).
10. Underwriting Income: Line (3) - Line (6) - Line (7) - Line (8) - Line (9).
11. Investment Income: {Average of Lines (12), (16), and (17) for current & prior year} x Line (30a) + {Average of Line (18) for current & prior year} x Line (30b).
12. Policyholder Div Reserve: Not Applicable.
13. P-H Dividends Paid: Not Applicable.
14. Federal Income Tax:  $0.35 \times \{ \text{Line (5)} - [\text{Change in Line (20)}] + [0.20 \times \text{Line (2)}] + \text{Line (10)} + \text{Line(11)} \} - \{ \text{Change in Line (12)} \} - \text{Line (13)}$ .
15. Operating Income: Line (1) + Line (11) - Line (13).
16. UE Prem Reserve: 50% of written premium for the year (assumes premiums are written equally throughout the year).
17. Loss & LAE Reserve: Inception-to-date total of Line (5).
18. Surplus:  $\{ \text{Line (17)} / \text{Line (31a)} + \text{Line (3)} / \text{Line (31b)} \}$ .
19. Total Liabilities (including Surplus): Line (12) + Line (16) + Line (17) + Line (18).
20. Tax Basis Reserve: Future paid losses discounted by the rate in Line (32).
21. Change in Surplus: Change in Line (18) from prior year.
22. Excess Cash Flow: Line (15) - Line (21).

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

- 22.1. Internal ROR: Rate which causes the net present value of the cash flows in Line (22) to be equal to 0.
- 23. Prem Earning Pattern: Assumes that 50% of written premiums are earned in the first year and 50% in the
- 24. Prem Coll. Pattern: Assumes that all premiums are collected in the year written.
- 25. Loss Payout Pattern: Loss payment patterns based on company data are assumed.
- 26. Loss/LAE Ratio: Adjusted until target IRR is achieved.
- 27. Expense Ratio: Provision for general, other acquisition and premium taxes.
- 27.1. Indicated Profit/Contingency Provision:  $100\% - \text{Line (26)} - \text{Line (27)} - \text{Line (28)} - \text{Line (28.1)} - \text{Line (29)}$ .
- 28. Commission Ratio: Provision for commissions.
- 28.1. Residual Mkt Load: State specific.
- 29. Dividend Ratio: Not Applicable.
- 30a. Investment Rate on Reserves: Pretax return for duration matched treasury securities.
- 30b. Investment Rate on Surplus: Pretax return based on current market conditions of an investment-grade security.
- 31a. Reserve-to-Surplus Ratio: Reflects amount of surplus committed to reserves based on historical company averages.
- 31b. Premium-to-Surplus Ratio: Reflects amount of surplus committed to premium based on historical company averages.
- 32. Discount Rate: Current IRS discount rate.
- 33. Tax Rate: Current IRS corporate tax rate.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Determination of Expense Provisions**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<u>Company Data/Direct Basis</u>					3-Year	Selected	Selected
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Average</u>	Ratio	Ratio to
							to	Premium
							Collected	Inc. Prem.
							Premium	Discount
General Expense (IEE % of DEP)	0.1%	-0.5%	-1.1%	-1.0%	-0.2%	-0.8%	0.1%	0.1%
Other Acquisition Expense (IEE % of DWP)	5.9%	6.6%	5.3%	5.8%	5.9%	5.7%	7.0%	6.3%
Commissions (IEE % of DWP)	7.4%	7.8%	7.1%	6.2%	7.4%	6.9%	5.0%	4.5%
Taxes, Lic., Fees (Tax & Assessment Directory)							5.8%	5.3%
Profit and Contingency Provision							5.3%	4.8%

Notes:

Column (7): The general expense provision, commission, and other acquisition expense are based on a 3-year average. See Exhibit 5 for the TLF provision. See Exhibit 4 for the Profit and Contingency Provision.

Column (8): Column (7) times the Impact of Expense Gradation on Exhibit 3.

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**Loss Adjustment Expenses**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>3-Yr Avg</u>	<u>Selected</u>
Ratio Loss Adjustment Expense to Inc. Loss	22.6%	29.8%	26.9%	27.5%	21.6%	25.3%	19.3%

**Zurich North America  
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**Overall Impact of Size-of-Risk Discounts**

**Impact of size-of-risk discounts**

<u>Layer</u>	<u>Premium Distribution</u>	<u>Prem Disc for Layer</u>
First 10,000	11.1%	0.0%
Next 190,000	35.9%	9.1%
Next 1,550,000	41.9%	11.3%
<u>Above 1,750,000</u>	<u>11.1%</u>	<u>12.3%</u>
All	100.0%	9.4%
 <b>Overall Impact</b>		 0.906



**Zurich North America  
Workers' Compensation  
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**Summary of Proposed Change By Company**

	<u>Proposed Deviation</u>	<u>Proposed LCM</u>	<u>Proposed Terrorism LCM</u>	<u>Annual Written Premium*</u>	<u>Loss Cost Change</u>	<u>LC Multiplier Change</u>	<u>Premium Discount Tbl. Chg.</u>	<u>Overall Proposed Change</u>
Maryland Casualty Co.	10%	1.565	1.423	\$512,636	-12.1%	-4.0%	0.0%	-15.7%
Northern Ins. Co. of NY	-10%	1.281	1.423	356,413	-7.8%	-4.0%	0.0%	-11.4%
Assurance Co. of Amer.	0%	1.423	1.423	205,385	-3.3%	-4.0%	0.0%	-7.2%
Zurich Amer. Ins. Co.	0%	1.423	1.423	1,758,838	-2.7%	-4.0%	0.0%	-6.6%
Amer. Zurich Ins Co.	-20%	1.138	1.423	464,627	-7.7%	-4.0%	0.0%	-11.5%
Amer. Guar. & Liab.	-10%	1.281	1.423	222,417	-7.2%	-4.0%	0.0%	-10.9%
Zurich Amer. Ins. Co. of IL	10%	1.565	1.423	92,542	-16.7%	-4.0%	0.0%	-20.0%
Fidelity and Deposit Co.	0%	1.423	1.423	33,214	-7.4%	-4.0%	0.0%	-11.0%
Colonial American Cas. Co.	-10%	1.281	1.423	0	-8.7%	-4.0%	0.0%	-12.4%
Univ. Underwriters Ins. Co.	5%	1.494	1.423	11,509	-5.8%	-4.0%	0.0%	-9.6%
<b>Total:</b>				\$3,657,581	-5.8%	-4.0%	0.0%	-9.5%

\* Written Premium on policies with effective dates from 01/01/07 to 12/31/07. Excludes Group Captives.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Determination of Premium Reduction Percentage for Deductible Insurance**

The premium reduction percentages for deductible insurance were derived from the advisory loss elimination ratios using the following formula:

$$[LR/(LR*(1+LAE)+G+OA+T_G)]*LER$$

LER = Loss Elimination Ratio

LR = Loss Ratio = ((1-0.304)/1.193)

LAE = Loss Adjustment Expense

T<sub>G</sub> = Taxes applicable to deductible credit

G = General Expense Ratio

OA = Other Acquisition Expense Ratio

Ratio

58.3%

19.3%

5.3%

0.1%

6.3%

Factor to be applied to advisory loss elimination ratios

0.718

**Zurich North America  
Workers' Compensation  
Arkansas**

**Premium Reduction Percentage for Deductible Insurance**

Total Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	9.3%	7.5%	6.4%	5.3%	4.4%	3.1%	2.3%
\$1,500	11.4%	9.2%	7.8%	6.6%	5.6%	3.9%	2.9%
\$2,000	13.0%	10.5%	9.0%	7.7%	6.5%	4.7%	3.5%
\$2,500	14.4%	11.7%	10.1%	8.7%	7.3%	5.3%	4.0%
\$3,000	15.6%	12.8%	11.1%	9.5%	8.1%	5.9%	4.4%
\$3,500	16.8%	13.7%	11.9%	10.3%	8.8%	6.5%	4.9%
\$4,000	17.8%	14.6%	12.8%	11.1%	9.4%	7.0%	5.3%
\$4,500	18.8%	15.4%	13.5%	11.7%	10.0%	7.5%	5.7%
\$5,000	19.7%	16.2%	14.2%	12.4%	10.6%	8.0%	6.0%

Medical Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	9.0%	7.2%	6.2%	5.1%	4.3%	2.9%	2.2%
\$1,500	10.9%	8.8%	7.5%	6.3%	5.3%	3.7%	2.7%
\$2,000	12.3%	9.9%	8.5%	7.2%	6.1%	4.2%	3.2%
\$2,500	13.4%	10.9%	9.4%	8.0%	6.7%	4.8%	3.6%
\$3,000	14.4%	11.8%	10.2%	8.7%	7.3%	5.2%	3.9%
\$3,500	15.3%	12.6%	10.8%	9.3%	7.9%	5.7%	4.3%
\$4,000	16.1%	13.2%	11.5%	9.8%	8.4%	6.1%	4.6%
\$4,500	16.9%	13.9%	12.1%	10.4%	8.8%	6.5%	4.9%
\$5,000	17.5%	14.4%	12.6%	10.8%	9.3%	6.8%	5.2%

Indemnity Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	1.9%	1.5%	1.4%	1.3%	1.1%	0.9%	0.7%
\$1,500	2.7%	2.1%	1.9%	1.8%	1.6%	1.4%	1.0%
\$2,000	3.3%	2.7%	2.4%	2.3%	2.0%	1.7%	1.3%
\$2,500	3.9%	3.2%	2.9%	2.7%	2.4%	2.0%	1.5%
\$3,000	4.4%	3.6%	3.3%	3.1%	2.7%	2.3%	1.7%
\$3,500	5.0%	4.0%	3.7%	3.4%	3.1%	2.6%	1.9%
\$4,000	5.4%	4.4%	4.1%	3.8%	3.4%	2.9%	2.2%
\$4,500	5.8%	4.8%	4.4%	4.1%	3.7%	3.1%	2.4%
\$5,000	6.2%	5.2%	4.7%	4.4%	3.9%	3.3%	2.6%

**Zurich North America  
Workers' Compensation  
Arkansas**

**Impact of Expense Constants and Minimum Premiums\***

	<u>Written Premium</u>
(1) All Classes	1,036,356,552
(2) Expense Constant Classes	8,834,949
(3) Minimum Premium Classes	1,039,402
(4) Overall Impact of Expense Constant and Minimum Premiums $[(2)+(3)/((1)-(2)-(3))]$	1.0%

\* Uses voluntary direct countrywide workers' compensation business excluding retrospectively rated, deductible, and excess business.

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.138**  
 Exp Cons **160**

Company: **AMERICAN ZURICH INSURANCE COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
0005	4.42	750	1452	1.16	500	2111	1.73	500
0008	1.80	500	1463	8.01	750	2112	1.87	500
0016	3.87	682	1472	2.79	537	2114	1.84	500
0034	2.97	561	1624E	5.22	750	2121	1.54	500
0035	1.78	500	1642	2.81	539	2130	1.92	500
0036	2.82	541	1654	4.31	742	2131	1.30	500
0037	3.19	591	1655	3.40	619	2143	1.50	500
0042	4.39	750	1699	1.38	500	2150	-	-
0050	3.57	642	1701	2.13	500	2156	-	-
0059D	0.20	-	1710E	4.21	728	2157	2.79	537
0065D	0.03	-	1741E	1.27	500	2172	1.08	500
0066D	0.03	-	1745X	2.06	500	2174	2.01	500
0067D	0.03	-	1747	1.80	500	2211	3.77	669
0079	2.91	553	1748	5.13	750	2220	1.34	500
0083	6.71	750	1803D	3.69	658	2286	0.98	500
0106	7.85	750	1852D	1.71	500	2288	2.78	535
0113	3.94	692	1853	1.59	500	2300	1.47	500
0170	1.70	500	1860	1.34	500	2302	1.17	500
0251	3.47	628	1924	2.91	553	2305	1.47	500
0400	5.55	750	1925	2.01	500	2361	0.83	500
0401	7.58	750	2001	1.64	500	2362	1.21	500
0771N	0.20	-	2002	2.06	500	2380	3.11	580
0908P	97.87	500	2003	2.32	500	2386	0.77	500
0909	-	-	2014	4.37	750	2388	1.32	500
0912	-	-	2016	1.37	500	2402	1.48	500
0913P	241.26	500	2021	2.29	500	2413	1.16	500
0917	2.70	525	2039	3.06	573	2416	1.15	500
1005*	7.59	750	2041	2.94	557	2417	1.08	500
1016X*	28.32	750	2065	1.10	500	2501	0.93	500
1164E	4.90	750	2070	3.76	668	2503	0.92	500
1165E	3.23	596	2081	2.65	518	2534	1.48	500
1320	2.01	500	2089	1.74	500	2570	3.40	619
1322	10.81	750	2095	1.88	500	2576	-	-
1430	2.98	562	2105	1.67	500	2578	-	-
1438	1.67	500	2110	1.47	500	2585	2.13	500

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**State:** Arkansas  
**Effective Date:** 07/01/2008

**Rating Values**  
 LCM: 1.138  
 Exp Cons 160

**Company:** AMERICAN ZURICH INSURANCE COMPANY

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
2586	0.91	500	3027	1.84	500	3241	1.93	500
2587	1.99	500	3028	1.59	500	3255	1.60	500
2589	0.99	500	3030	2.77	534	3257	2.34	500
2600	4.39	750	3040	2.56	506	3270	2.22	500
2623	1.93	500	3041	2.29	500	3300	3.07	574
2651	1.81	500	3042	2.18	500	3303	2.63	515
2660	1.00	500	3064	3.16	587	3307	2.31	500
2670	1.58	500	3066	-	-	3315	1.81	500
2683	1.35	500	3069	5.43	750	3334	1.47	500
2688	2.09	500	3076	2.04	500	3336	1.51	500
2701	5.09	750	3081D	1.98	500	3365	7.03	750
2702X	20.75	750	3082D	2.67	520	3372	1.96	500
2710	6.04	750	3085D	2.23	500	3373	1.99	500
2714	2.87	547	3110	1.96	500	3383	0.74	500
2719X	7.61	750	3111	2.05	500	3385	0.60	500
2731	2.55	504	3113	1.62	500	3400	1.87	500
2735	1.79	500	3114	1.80	500	3507	2.13	500
2759	5.82	750	3118	0.83	500	3515	1.50	500
2790	1.07	500	3119	0.75	500	3548	0.93	500
2802	3.62	649	3122	1.04	500	3559	1.79	500
2812	2.54	503	3126	1.18	500	3574	0.77	500
2835	1.10	500	3131	0.72	500	3581	0.99	500
2836	1.55	500	3132	1.70	500	3612	1.51	500
2841	2.56	506	3145	1.64	500	3620	3.99	699
2881	1.73	500	3146	1.89	500	3629	1.34	500
2883	2.81	539	3169	1.68	500	3632	2.75	531
2913	2.81	539	3175D	1.96	500	3634	1.17	500
2915	2.92	554	3179	1.65	500	3635	1.42	500
2916	1.60	500	3180	1.23	500	3638	1.01	500
2923	1.65	500	3188	1.05	500	3642	0.58	500
2942	1.62	500	3220	1.30	500	3643	2.04	500
2960	2.22	500	3223	2.06	500	3647	2.31	500
3004	1.89	500	3224	1.68	500	3648	1.48	500
3018	1.76	500	3227	1.25	500	3681	1.07	500
3022	2.18	500	3240	2.08	500	3685	1.23	500

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**State:** Arkansas  
**Effective Date:** 07/01/2008

**Rating Values**  
 LCM: 1.138  
 Exp Cons 160

**Company:** AMERICAN ZURICH INSURANCE COMPANY

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
3719	1.80	500	4239	0.88	500	4581	1.19	500
3724	4.68	750	4240	1.70	500	4583	3.65	653
3726	2.08	500	4243	1.15	500	4611	0.66	500
3803	1.31	500	4244	2.04	500	4635	3.40	619
3807	1.45	500	4250	1.02	500	4653	0.89	500
3808	1.89	500	4251	1.22	500	4665	4.61	750
3821	2.85	545	4263	1.51	500	4670	2.64	516
3822	2.49	500	4273	1.32	500	4683	3.37	615
3824	3.33	610	4279	1.24	500	4686	0.88	500
3826	0.60	500	4282	1.46	500	4692	0.33	500
3827	1.08	500	4283	1.35	500	4693	0.64	500
3830	0.77	500	4299	1.21	500	4703	1.66	500
3851	1.82	500	4304	1.90	500	4717	1.23	500
3865	0.88	500	4307	1.51	500	4720	3.60	646
3881	2.42	500	4308	-	-	4740	1.06	500
4000	4.97	750	4351	0.79	500	4741	1.21	500
4021	4.07	709	4352	0.69	500	4751	1.02	500
4024E	1.52	500	4360	0.63	500	4771N	1.17	500
4034	4.78	750	4361	0.91	500	4777	1.19	500
4036	1.73	500	4362	0.80	500	4825	0.61	500
4038	1.49	500	4410	2.21	500	4828	1.15	500
4053	2.37	500	4420	2.66	519	4829	0.83	500
4061	2.91	553	4431	1.02	500	4902	0.92	500
4062	1.58	500	4432	1.10	500	4923	0.76	500
4101	1.38	500	4439	1.16	500	5020	5.06	750
4111	2.11	500	4452	2.24	500	5022	3.64	651
4112	0.65	500	4459	1.29	500	5037	14.28	750
4113	0.91	500	4470	1.64	500	5040	19.15	750
4114	1.52	500	4484	1.43	500	5057	13.70	750
4130	3.13	583	4493	1.74	500	5059	16.27	750
4131	1.67	500	4511	0.51	500	5069	20.55	750
4133	1.65	500	4557	1.17	500	5102	3.02	568
4150	1.15	500	4558	1.14	500	5146	3.69	658
4206	2.53	502	4561	1.37	500	5160	2.61	512
4207	0.69	500	4568	1.79	500	5183	2.58	508

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.138**  
 Exp Cons **160**

Company: **AMERICAN ZURICH INSURANCE COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
5188	3.30	606	5703	67.10	750	6836	4.36	749
5190	2.37	500	5705	3.93	691	6843F	11.06	750
5191X	1.37	500	5951	0.30	500	6845F	16.79	750
5192	2.95	558	6003	7.35	750	6854	3.78	670
5213	5.20	750	6005	5.59	750	6872F	14.42	750
5215	3.11	580	6017	2.87	547	6874F	29.50	750
5221	3.82	676	6018	1.56	500	6882	3.78	670
5222	8.83	750	6045	1.81	500	6884	8.54	750
5223	3.89	685	6204	7.32	750	7016M	3.36	100
5348	3.02	568	6206	4.64	750	7024M	3.73	200
5402	3.35	612	6213	6.11	750	7038M	4.23	100
5403	6.92	750	6214	2.06	500	7046M	18.62	100
5437	3.28	603	6216	4.76	750	7047M	6.01	200
5443	2.97	561	6217	3.72	662	7050M	7.57	200
5445	3.72	662	6229	3.69	658	7090M	4.70	200
5462	3.93	691	6233	4.02	703	7098M	20.69	200
5472	3.57	642	6235	10.69	750	7099M	33.33	200
5473	4.89	750	6236	8.80	750	7133	2.56	506
5474	5.37	750	6237	2.25	500	7151M	3.11	100
5478	3.27	601	6251D	5.86	750	7152M	5.56	200
5479	5.78	750	6252D	4.38	750	7153M	3.46	200
5480	5.85	750	6260D	3.87	682	7222	7.17	750
5491	1.51	500	6306	4.17	723	7228X	5.09	750
5506	2.73	529	6319	4.06	708	7229X	5.34	750
5507	4.11	715	6325	3.39	618	7230	3.00	565
5508D	6.93	750	6400	5.09	750	7231	3.98	697
5535	5.43	750	6504	1.75	500	7232	9.40	750
5536	-	-	6702M*	5.64	100	7309F	16.77	750
5537	3.58	643	6703M*	10.09	200	7313F	4.76	750
5538	-	-	6704M*	6.27	200	7317F	7.52	750
5551	10.42	750	6801F	8.60	750	7327F	22.20	750
5606	1.24	500	6811	3.78	670	7333M	4.03	100
5610	4.06	708	6824F	24.77	750	7335M	4.47	200
5645	8.30	750	6826F	9.50	750	7337M	7.20	200
5651	6.16	750	6834	2.67	520	7350F	14.48	750

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.138**  
 Exp Cons **160**

Company: **AMERICAN ZURICH INSURANCE COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
7360	5.19	750	7705	1.92	500	8209	2.23	500
7370	3.66	654	7710	4.31	742	8215	4.28	738
7380X	2.53	502	7711	4.31	742	8227	2.33	500
7382	2.08	500	7720X	1.92	500	8232	4.70	750
7390	2.70	525	7855	4.64	750	8233	3.82	676
7394M	8.17	100	8001	1.66	500	8235	3.08	576
7395M	9.08	200	8002	2.42	500	8263	6.96	750
7398M	14.63	200	8006	1.45	500	8264	2.51	500
7403	2.16	500	8008	0.91	500	8265	6.93	750
7405N	0.85	500	8010	1.41	500	8279	6.66	750
7409*	-	-	8013	0.36	500	8288	4.48	750
7420X*	18.73	750	8015	0.48	500	8291	1.56	500
7421	1.98	500	8017	0.88	500	8292	2.22	500
7422	1.67	500	8018X*	1.88	500	8293	5.11	750
7423	-	-	8021	1.39	500	8295X	5.59	750
7425	3.10	579	8031	2.89	550	8304	5.14	750
7431N	1.26	500	8032	1.18	500	8350	4.23	731
7445N	0.46	-	8033	1.41	500	8380	2.65	518
7453N	0.68	-	8039	1.02	500	8381	1.12	500
7502	1.85	500	8044	2.06	500	8385	1.80	500
7515	0.80	500	8045	0.31	500	8392	2.24	500
7520	1.68	500	8046	1.99	500	8393	1.27	500
7538	7.54	750	8047	0.80	500	8500	4.73	750
7539	3.23	596	8050	-	-	8601	0.61	500
7540	2.12	500	8058	2.05	500	8606	2.08	500
7580	1.40	500	8072	0.60	500	8709F	5.96	750
7590	3.87	682	8102	1.89	500	8719	1.40	500
7600	1.95	500	8103	2.79	537	8720	1.01	500
7601	8.77	750	8105	3.61	647	8721	0.30	500
7605	2.45	500	8106	2.86	546	8726F	6.84	750
7610	0.40	500	8107	2.44	500	8734M	0.48	200
7611	3.93	691	8111	2.81	539	8737M	0.43	100
7612	8.75	750	8116	3.13	583	8738M	0.76	200
7613	3.49	631	8203	4.11	715	8742X	0.35	500
7704	-	-	8204	3.56	641	8745	3.41	620

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.138**  
 Exp Cons **160**

Company: **AMERICAN ZURICH INSURANCE COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
8748	0.31	500	9060	1.35	500			
8755	0.19	500	9061	1.04	500			
8799	0.72	500	9063	0.74	500			
8800	0.72	500	9077F	3.16	587			
8803	0.06	500	9082	1.19	500			
8805M	0.25	200	9083	1.21	500			
8810	0.18	500	9084	1.40	500			
8814M	0.22	100	9089	0.85	500			
8815M	0.40	200	9093	1.05	500			
8820	0.16	500	9101	2.25	500			
8824	1.84	500	9102	2.17	500			
8825	1.57	500	9110	-	-			
8826	1.66	500	9154	1.45	500			
8829	2.00	500	9156	0.98	500			
8831	1.96	500	9170	2.07	500			
8832	0.20	500	9178	19.55	750			
8833X*	0.67	500	9179	26.82	750			
8835	1.47	500	9180	2.77	534			
8842	1.09	500	9182	2.01	500			
8861	-	-	9186	39.73	750			
8864	1.09	500	9220	2.54	503			
8868	0.28	500	9402	3.21	593			
8869	0.55	500	9403	4.27	736			
8871	0.17	500	9410	1.31	500			
8901	0.19	500	9501	3.28	603			
9012	1.45	500	9505	2.85	545			
9014	2.07	500	9516	2.42	500			
9015X	1.80	500	9519	1.37	500			
9016	4.64	750	9521	3.95	693			
9019	2.21	500	9522	1.17	500			
9033	1.47	500	9534	5.21	750			
9040*	2.63	515	9554	5.53	750			
9052	1.16	500	9586	0.49	500			
9058	1.33	500	9600	1.22	500			
9059	2.06	500	9620	0.99	500			

**Footnotes**

State: **Arkansas**  
 Effective Date: **07/01/2008**

**AMERICAN ZURICH INSURANCE COMPANY**

D Rate for classification already includes the specific disease loading shown in the table below. See Rule 3-A-7.

E Rate for classification already includes the specific disease loading shown in the table below.

Code No.	Disease Disease Loading	Symbol	Code No.	Disease Disease Loading	Symbol	Code No.	Disease Disease Loading	Symbol
0059D	0.20	S	1710E	0.03	S	3175D	0.02	S
0065D	0.03	S	1741E	0.17	S	4024E	0.01	S
0066D	0.03	S	1803D	0.17	S	5508D	0.02	S
0067D	0.03	S	1852D	0.03	Asb	6251D	0.05	S
1164E	0.06	S	3081D	0.03	S	6252D	0.02	S
1165E	0.02	S	3082D	0.03	S	6260D	0.02	S
1624E	0.03	S	3085D	0.03	S			

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 applicable in this state.

## Footnotes

State: **Arkansas**  
Effective Date: **07/01/2008**

### AMERICAN ZURICH INSURANCE COMPANY

#### Class Codes with Specific Footnotes

- 1005 Rate includes a non-ratable disease element of \$3.71 (for coverage written separately for federal benefits only, \$2.45. For coverage written separately for state benefits only, \$1.26).
- 1016 Rate includes a non-ratable disease element of \$14.82 (for coverage written separately for federal benefits only, \$9.76. For coverage written separately for state benefits only, \$5.05). Includes a catastrophe loading of \$0.09. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of the classification code.
- 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 code rate 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 rate X 2.175 and elr X 2.032.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each X 1.35.
- 7409 The ELR on the rate page is based on payroll subject to a maximum of \$750 per week per employee. Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005. An ELR of 7.71 should be applied to policies with effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of 15.43 should be applied to policies with effective dates prior to January 1, 2005 (\$300 payroll limitation).
- 7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008. The ELR on the rate page should be applied to policies with effective dates on or after July 1, 2008 (\$750 payroll limitation). An ELR of 7.71 should be applied to policies with effective dates prior to July 1, 2008 and on or after July 1, 2006 (\$600 payroll limitation). An ELR of 5.65 should be applied to policies with effective dates prior to July 1, 2006 (uncapped payroll)
- 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.
- 8833 The ex-medical rate for this classification is \$0.34.  
A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Home Office for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or development.
- 9040 The ex-medical rate for this classification is \$1.26.  
A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Home Office for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or development.

### Miscellaneous Rating Values

State: **Arkansas**  
 Effective Date: **07/01/2008**

**ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY**

**Basis of Premium** applicable in accordance with the footnote instructions for Code 7370 Taxicab Co:  
 7370 -- 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**

**Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents - (Rate) \$0.01**

**Maximum Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1. - Executive Officers and the footnote instructions for Code 9178 - Athletic Team: Non-Contact Sports, Code 9179 - Athletic Team: 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 footnote instructions for Classification Code 7421, the surcharge is ..... \$100 per passenger seat  
 ..... \$1,000 maximum surcharge per aircraft

**Premium Determination for Partners and Sole Proprietors and Members of Limited Liability Companies** in connection with Basic Manual Rule a-A-4..... **\$ 31,900.00**

**Foreign Terrorism (Rate)..... \$ 0.03**

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. This factor adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and 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.

### Miscellaneous Rating Values

State: **Arkansas**  
 Effective Date: **07/01/2008**

ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY

#### Premium Deductible Program

TOTAL LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	9.3%	7.5%	6.4%	5.3%	4.4%	3.1%	2.3%
\$1,500	11.4%	9.2%	7.8%	6.6%	5.6%	3.9%	2.9%
\$2,000	13.0%	10.5%	9.0%	7.7%	6.5%	4.7%	3.5%
\$2,500	14.4%	11.7%	10.1%	8.7%	7.3%	5.3%	4.0%
\$3,000	15.6%	12.8%	11.1%	9.5%	8.1%	5.9%	4.4%
\$3,500	16.8%	13.7%	11.9%	10.3%	8.8%	6.5%	4.9%
\$4,000	17.8%	14.6%	12.8%	11.1%	9.4%	7.0%	5.3%
\$4,500	18.8%	15.4%	13.5%	11.7%	10.0%	7.5%	5.7%
\$5,000	19.7%	16.2%	14.2%	12.4%	10.6%	8.0%	6.0%

INDEMNITY LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	1.9%	1.5%	1.4%	1.3%	1.1%	0.9%	0.7%
\$1,500	2.7%	2.1%	1.9%	1.8%	1.6%	1.4%	1.0%
\$2,000	3.3%	2.7%	2.4%	2.3%	2.0%	1.7%	1.3%
\$2,500	3.9%	3.2%	2.9%	2.7%	2.4%	2.0%	1.5%
\$3,000	4.4%	3.6%	3.3%	3.1%	2.7%	2.3%	1.7%
\$3,500	5.0%	4.0%	3.7%	3.4%	3.1%	2.6%	1.9%
\$4,000	5.4%	4.4%	4.1%	3.8%	3.4%	2.9%	2.2%
\$4,500	5.8%	4.8%	4.4%	4.1%	3.7%	3.1%	2.4%
\$5,000	6.2%	5.2%	4.7%	4.4%	3.9%	3.3%	2.6%

MEDICAL LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	9.0%	7.2%	6.2%	5.1%	4.3%	2.9%	2.2%
\$1,500	10.9%	8.8%	7.5%	6.3%	5.3%	3.7%	2.7%
\$2,000	12.3%	9.9%	8.5%	7.2%	6.1%	4.2%	3.2%
\$2,500	13.4%	10.9%	9.4%	8.0%	6.7%	4.8%	3.6%
\$3,000	14.4%	11.8%	10.2%	8.7%	7.3%	5.2%	3.9%
\$3,500	15.3%	12.6%	10.8%	9.3%	7.9%	5.7%	4.3%
\$4,000	16.1%	13.2%	11.5%	9.8%	8.4%	6.1%	4.6%
\$4,500	16.9%	13.9%	12.1%	10.4%	8.8%	6.5%	4.9%
\$5,000	17.5%	14.4%	12.6%	10.8%	9.3%	6.8%	5.2%

## Premium Discount Table

State: **Arkansas**  
Effective Date: **07/01/2008**

ZURICH AMERICAN INSURANCE COMPANY  
AMERICAN ZURICH INSURANCE COMPANY  
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
MARYLAND CASUALTY COMPANY  
NORTHERN INSURANCE COMPANY OF NEW YORK  
ASSURANCE COMPANY OF AMERICA  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
UNIVERSAL UNDERWRITERS INSURANCE COMPANY

Premium Discount Table 9 - Type A

First	\$10,000	.....	0.0%
Next	\$190,000	.....	9.1%
Next	\$1,550,000	.....	11.3%
Over	\$1,750,000	.....	12.3%

State: **Arkansas**  
 Effective Date: **07/01/2008**

ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY  
 RETROSPECTIVE RATING VALUES**

HAZARD GROUP DIFFERENTIALS							TAX MULTIPLIERS	
A	B	C	D	E	F	G	State:	Federal:
1.89	1.42	1.26	1.13	0.98	0.79	0.59	1.062	1.141

EXPECTED LOSS RATIO	EXPECTED LOSS AND ALLOCATED EXPENSE RATIO	TABLE OF EXPENSE RATIOS
0.636	0.698	Type A: XXVI-E

**2008 TABLE OF EXPECTED LOSS RANGES**  
 Effective January 1, 2008

Factor Applied to Excess Loss Pure Premium  
 Factors and Excess Loss and Allocated  
 Exp. Pure Premium Factors **0.696**

**Excess Loss Factors**

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$25,000	0.265	0.303	0.327	0.349	0.375	0.411	0.445
\$30,000	0.244	0.283	0.308	0.330	0.357	0.395	0.432
\$35,000	0.228	0.266	0.291	0.313	0.341	0.380	0.419
\$40,000	0.213	0.251	0.276	0.299	0.327	0.367	0.407
\$50,000	0.189	0.225	0.251	0.273	0.302	0.343	0.387
\$75,000	0.150	0.182	0.206	0.228	0.257	0.299	0.347
\$100,000	0.126	0.154	0.178	0.197	0.226	0.267	0.318
\$125,000	0.110	0.134	0.157	0.175	0.202	0.243	0.295
\$150,000	0.098	0.120	0.142	0.159	0.185	0.224	0.277
\$175,000	0.088	0.108	0.130	0.146	0.170	0.208	0.261
\$200,000	0.081	0.100	0.120	0.134	0.158	0.195	0.247
\$225,000	0.075	0.092	0.112	0.126	0.148	0.184	0.236
\$250,000	0.070	0.086	0.105	0.118	0.140	0.174	0.226
\$275,000	0.066	0.081	0.100	0.112	0.132	0.166	0.216
\$300,000	0.062	0.076	0.094	0.106	0.126	0.158	0.208
\$325,000	0.059	0.072	0.090	0.101	0.120	0.152	0.201
\$350,000	0.056	0.069	0.086	0.097	0.115	0.146	0.194
\$375,000	0.053	0.066	0.082	0.093	0.110	0.140	0.188
\$400,000	0.051	0.063	0.079	0.089	0.106	0.135	0.183
\$425,000	0.049	0.061	0.076	0.086	0.102	0.131	0.178
\$450,000	0.047	0.058	0.073	0.083	0.099	0.126	0.173
\$475,000	0.046	0.056	0.071	0.080	0.096	0.123	0.169
\$500,000	0.045	0.055	0.069	0.077	0.093	0.119	0.165
\$600,000	0.039	0.049	0.062	0.069	0.084	0.108	0.151
\$700,000	0.036	0.044	0.056	0.063	0.075	0.098	0.140
\$800,000	0.034	0.041	0.053	0.059	0.071	0.092	0.131
\$900,000	0.031	0.038	0.049	0.055	0.065	0.086	0.124
\$1,000,000	0.029	0.036	0.046	0.051	0.061	0.080	0.117
\$2,000,000	0.017	0.023	0.029	0.033	0.040	0.053	0.079
\$3,000,000	0.012	0.016	0.021	0.025	0.030	0.040	0.061
\$4,000,000	0.009	0.013	0.017	0.019	0.024	0.033	0.051
\$5,000,000	0.007	0.010	0.014	0.016	0.019	0.027	0.043
\$6,000,000	0.006	0.008	0.011	0.013	0.016	0.023	0.037
\$7,000,000	0.005	0.007	0.009	0.011	0.013	0.019	0.032
\$8,000,000	0.005	0.006	0.008	0.009	0.012	0.017	0.028
\$9,000,000	0.004	0.005	0.007	0.009	0.011	0.015	0.025
\$10,000,000	0.004	0.005	0.007	0.007	0.009	0.013	0.023

**Excess Loss Factors**

Per Accident Limitation	Hazard Groups					
	A	B	C	D	E	F

**Excess Loss & Allocated Expense Factors**

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$25,000	0.311	0.353	0.379	0.402	0.430	0.467	0.497
\$30,000	0.290	0.332	0.359	0.383	0.411	0.450	0.484
\$35,000	0.271	0.313	0.341	0.365	0.394	0.435	0.472
\$40,000	0.255	0.297	0.325	0.349	0.379	0.422	0.460
\$50,000	0.229	0.269	0.297	0.322	0.353	0.397	0.440
\$75,000	0.184	0.220	0.248	0.272	0.304	0.350	0.399
\$100,000	0.156	0.188	0.215	0.238	0.269	0.315	0.369
\$125,000	0.136	0.165	0.191	0.212	0.243	0.288	0.343
\$150,000	0.122	0.148	0.174	0.194	0.223	0.267	0.323
\$175,000	0.110	0.134	0.159	0.178	0.206	0.249	0.306
\$200,000	0.101	0.124	0.147	0.164	0.192	0.234	0.291
\$225,000	0.094	0.114	0.137	0.154	0.180	0.220	0.277
\$250,000	0.088	0.107	0.129	0.145	0.170	0.210	0.267
\$275,000	0.083	0.101	0.122	0.137	0.161	0.200	0.256
\$300,000	0.078	0.095	0.116	0.130	0.153	0.191	0.246
\$325,000	0.074	0.090	0.110	0.124	0.146	0.183	0.238
\$350,000	0.070	0.086	0.106	0.118	0.140	0.176	0.230
\$375,000	0.067	0.082	0.102	0.114	0.134	0.169	0.224
\$400,000	0.064	0.079	0.098	0.110	0.130	0.163	0.217
\$425,000	0.062	0.075	0.094	0.106	0.125	0.158	0.211
\$450,000	0.059	0.073	0.091	0.102	0.121	0.153	0.206
\$475,000	0.057	0.070	0.088	0.098	0.117	0.148	0.200
\$500,000	0.055	0.068	0.085	0.096	0.114	0.144	0.196
\$600,000	0.049	0.060	0.076	0.086	0.102	0.130	0.180
\$700,000	0.045	0.055	0.069	0.077	0.093	0.119	0.167
\$800,000	0.042	0.051	0.065	0.072	0.086	0.111	0.156
\$900,000	0.039	0.047	0.060	0.067	0.080	0.104	0.148
\$1,000,000	0.037	0.045	0.057	0.063	0.075	0.098	0.140
\$2,000,000	0.022	0.028	0.037	0.041	0.049	0.064	0.096
\$3,000,000	0.016	0.021	0.027	0.031	0.037	0.049	0.075
\$4,000,000	0.012	0.016	0.021	0.025	0.030	0.040	0.062
\$5,000,000	0.010	0.013	0.017	0.020	0.025	0.034	0.053
\$6,000,000	0.007	0.010	0.014	0.017	0.021	0.028	0.045
\$7,000,000	0.007	0.009	0.012	0.014	0.017	0.025	0.040
\$8,000,000	0.006	0.007	0.011	0.012	0.015	0.021	0.035
\$9,000,000	0.005	0.007	0.009	0.011	0.013	0.019	0.032
\$10,000,000	0.005	0.006	0.009	0.010	0.012	0.017	0.029

\* Also applicable to Underground Coal Mine classifications.

**Retrospective Development Factors**

<i>With Loss Limit</i>			<i>Without Loss Limit</i>			<i>4th and Subsequent</i>
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	Adjustment
0.05	0.05	0.03	0.11	0.11	0.08	0.000

**State Special Classifications by Hazard Group**

<u>Code No.</u>	<u>HG</u>	<u>Code No.</u>	<u>HG</u>	<u>Code No.</u>	<u>HG</u>
1745	E	2719	E	8295	C

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.565**  
 Exp Cons **160**

Company: **ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
**MARYLAND CASUALTY COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
0005	6.07	750	1452	1.60	500	2111	2.38	500
0008	2.47	500	1463	11.02	750	2112	2.57	507
0016	5.32	750	1472	3.83	677	2114	2.54	503
0034	4.08	711	1624E	7.18	750	2121	2.11	500
0035	2.44	500	1642	3.87	682	2130	2.64	516
0036	3.88	684	1654	5.93	750	2131	1.78	500
0037	4.38	750	1655	4.68	750	2143	2.07	500
0042	6.04	750	1699	1.89	500	2150	-	-
0050	4.91	750	1701	2.93	556	2156	-	-
0059D	0.28	-	1710E	5.79	750	2157	3.83	677
0065D	0.05	-	1741E	1.75	500	2172	1.49	500
0066D	0.05	-	1745X	2.83	542	2174	2.77	534
0067D	0.05	-	1747	2.47	500	2211	5.18	750
0079	4.01	701	1748	7.06	750	2220	1.85	500
0083	9.23	750	1803D	5.07	750	2286	1.35	500
0106	10.80	750	1852D	2.35	500	2288	3.82	676
0113	5.41	750	1853	2.19	500	2300	2.02	500
0170	2.33	500	1860	1.85	500	2302	1.61	500
0251	4.77	750	1924	4.01	701	2305	2.02	500
0400	7.64	750	1925	2.77	534	2361	1.14	500
0401	10.42	750	2001	2.25	500	2362	1.66	500
0771N	0.28	-	2002	2.83	542	2380	4.27	736
0908P	134.59	500	2003	3.19	591	2386	1.06	500
0909	-	-	2014	6.01	750	2388	1.82	500
0912	-	-	2016	1.88	500	2402	2.03	500
0913P	331.78	500	2021	3.15	585	2413	1.60	500
0917	3.71	661	2039	4.21	728	2416	1.58	500
1005*	10.44	750	2041	4.04	705	2417	1.49	500
1016X*	38.95	750	2065	1.52	500	2501	1.28	500
1164E	6.75	750	2070	5.16	750	2503	1.27	500
1165E	4.44	750	2081	3.65	653	2534	2.03	500
1320	2.77	534	2089	2.39	500	2570	4.68	750
1322	14.87	750	2095	2.58	508	2576	-	-
1430	4.10	714	2105	2.30	500	2578	-	-
1438	2.30	500	2110	2.02	500	2585	2.93	556

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.565**  
 Exp Cons **160**

Company: **ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
**MARYLAND CASUALTY COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
2586	1.25	500	3027	2.54	503	3241	2.66	519
2587	2.74	530	3028	2.19	500	3255	2.21	500
2589	1.36	500	3030	3.80	673	3257	3.22	595
2600	6.04	750	3040	3.52	635	3270	3.05	572
2623	2.66	519	3041	3.15	585	3300	4.23	731
2651	2.49	500	3042	3.00	565	3303	3.62	649
2660	1.38	500	3064	4.35	747	3307	3.18	589
2670	2.18	500	3066	-	-	3315	2.49	500
2683	1.86	500	3069	7.47	750	3334	2.02	500
2688	2.88	549	3076	2.80	538	3336	2.08	500
2701	7.00	750	3081D	2.72	527	3365	9.67	750
2702X	28.53	750	3082D	3.68	657	3372	2.69	523
2710	8.31	750	3085D	3.07	574	3373	2.74	530
2714	3.94	692	3110	2.69	523	3383	1.02	500
2719X	10.47	750	3111	2.82	541	3385	0.83	500
2731	3.51	634	3113	2.22	500	3400	2.57	507
2735	2.46	500	3114	2.47	500	3507	2.93	556
2759	8.00	750	3118	1.14	500	3515	2.07	500
2790	1.47	500	3119	1.03	500	3548	1.28	500
2802	4.98	750	3122	1.42	500	3559	2.46	500
2812	3.49	631	3126	1.63	500	3574	1.06	500
2835	1.52	500	3131	0.99	500	3581	1.36	500
2836	2.13	500	3132	2.33	500	3612	2.08	500
2841	3.52	635	3145	2.25	500	3620	5.49	750
2881	2.38	500	3146	2.60	511	3629	1.85	500
2883	3.87	682	3169	2.32	500	3632	3.79	672
2913	3.87	682	3175D	2.69	523	3634	1.61	500
2915	4.02	703	3179	2.27	500	3635	1.96	500
2916	2.21	500	3180	1.69	500	3638	1.39	500
2923	2.27	500	3188	1.44	500	3642	0.80	500
2942	2.22	500	3220	1.78	500	3643	2.80	538
2960	3.05	572	3223	2.83	542	3647	3.18	589
3004	2.60	511	3224	2.32	500	3648	2.03	500
3018	2.43	500	3227	1.72	500	3681	1.47	500
3022	3.00	565	3240	2.86	546	3685	1.69	500

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.565**  
 Exp Cons **160**

Company: **ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
**MARYLAND CASUALTY COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
3719	2.47	500	4239	1.21	500	4581	1.64	500
3724	6.43	750	4240	2.33	500	4583	5.02	750
3726	2.86	546	4243	1.58	500	4611	0.91	500
3803	1.80	500	4244	2.80	538	4635	4.68	750
3807	1.99	500	4250	1.41	500	4653	1.22	500
3808	2.60	511	4251	1.67	500	4665	6.34	750
3821	3.91	688	4263	2.08	500	4670	3.63	650
3822	3.43	623	4273	1.82	500	4683	4.63	750
3824	4.59	750	4279	1.71	500	4686	1.21	500
3826	0.83	500	4282	2.00	500	4692	0.45	500
3827	1.49	500	4283	1.86	500	4693	0.88	500
3830	1.06	500	4299	1.66	500	4703	2.28	500
3851	2.50	500	4304	2.61	512	4717	1.69	500
3865	1.21	500	4307	2.08	500	4720	4.95	750
3881	3.33	610	4308	-	-	4740	1.46	500
4000	6.84	750	4351	1.08	500	4741	1.66	500
4021	5.60	750	4352	0.95	500	4751	1.41	500
4024E	2.10	500	4360	0.86	500	4771N	1.61	500
4034	6.57	750	4361	1.25	500	4777	1.64	500
4036	2.38	500	4362	1.10	500	4825	0.85	500
4038	2.05	500	4410	3.04	570	4828	1.58	500
4053	3.26	600	4420	3.66	654	4829	1.14	500
4061	4.01	701	4431	1.41	500	4902	1.27	500
4062	2.18	500	4432	1.52	500	4923	1.05	500
4101	1.89	500	4439	1.60	500	5020	6.96	750
4111	2.90	552	4452	3.08	576	5022	5.01	750
4112	0.89	500	4459	1.77	500	5037	19.64	750
4113	1.25	500	4470	2.25	500	5040	26.34	750
4114	2.10	500	4484	1.97	500	5057	18.84	750
4130	4.30	741	4493	2.39	500	5059	22.38	750
4131	2.30	500	4511	0.70	500	5069	28.26	750
4133	2.27	500	4557	1.61	500	5102	4.15	720
4150	1.58	500	4558	1.57	500	5146	5.07	750
4206	3.47	628	4561	1.88	500	5160	3.58	643
4207	0.95	500	4568	2.46	500	5183	3.55	639

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

State: **Arkansas**  
 Effective Date: **07/01/2008**

LCM: **1.565**  
 Exp Cons **160**

Company: **ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
**MARYLAND CASUALTY COMPANY**

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
5188	4.54	750	5703	92.27	750	6836	5.99	750
5190	3.26	600	5705	5.40	750	6843F	15.21	750
5191X	1.88	500	5951	0.41	500	6845F	23.08	750
5192	4.05	707	6003	10.11	750	6854	5.20	750
5213	7.15	750	6005	7.68	750	6872F	19.83	750
5215	4.27	736	6017	3.94	692	6874F	40.56	750
5221	5.26	750	6018	2.14	500	6882	5.20	750
5222	12.14	750	6045	2.49	500	6884	11.74	750
5223	5.35	750	6204	10.06	750	7016M	4.62	100
5348	4.15	720	6206	6.39	750	7024M	5.13	200
5402	4.60	750	6213	8.40	750	7038M	5.82	100
5403	9.52	750	6214	2.83	542	7046M	25.60	100
5437	4.51	750	6216	6.54	750	7047M	8.26	200
5443	4.08	711	6217	5.12	750	7050M	10.41	200
5445	5.12	750	6229	5.07	750	7090M	6.46	200
5462	5.40	750	6233	5.52	750	7098M	28.45	200
5472	4.91	750	6235	14.70	750	7099M	45.84	200
5473	6.73	750	6236	12.10	750	7133	3.52	635
5474	7.39	750	6237	3.10	579	7151M	4.27	100
5478	4.49	750	6251D	8.06	750	7152M	7.65	200
5479	7.95	750	6252D	6.03	750	7153M	4.76	200
5480	8.04	750	6260D	5.32	750	7222	9.86	750
5491	2.08	500	6306	5.73	750	7228X	7.00	750
5506	3.76	668	6319	5.59	750	7229X	7.34	750
5507	5.65	750	6325	4.66	750	7230	4.13	718
5508D	9.53	750	6400	7.00	750	7231	5.48	750
5535	7.47	750	6504	2.41	500	7232	12.93	750
5536	-	-	6702M*	7.76	100	7309F	23.07	750
5537	4.93	750	6703M*	13.88	200	7313F	6.54	750
5538	-	-	6704M*	8.62	200	7317F	10.34	750
5551	14.34	750	6801F	11.83	750	7327F	30.53	750
5606	1.71	500	6811	5.20	750	7333M	5.54	100
5610	5.59	750	6824F	34.07	750	7335M	6.15	200
5645	11.41	750	6826F	13.07	750	7337M	9.91	200
5651	8.47	750	6834	3.68	657	7350F	19.91	750

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

**State:** Arkansas  
**Effective Date:** 07/01/2008

LCM: 1.565  
 Exp Cons 160

**Company:** ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
7360	7.14	750	7705	2.64	516	8209	3.07	574
7370	5.04	750	7710	5.93	750	8215	5.88	750
7380X	3.47	628	7711	5.93	750	8227	3.21	593
7382	2.86	546	7720X	2.64	516	8232	6.46	750
7390	3.71	661	7855	6.39	750	8233	5.26	750
7394M	11.24	100	8001	2.28	500	8235	4.24	732
7395M	12.49	200	8002	3.33	610	8263	9.58	750
7398M	20.13	200	8006	1.99	500	8264	3.46	627
7403	2.97	561	8008	1.25	500	8265	9.53	750
7405N	1.17	500	8010	1.94	500	8279	9.16	750
7409*	-	-	8013	0.50	500	8288	6.17	750
7420X*	25.76	750	8015	0.66	500	8291	2.14	500
7421	2.72	527	8017	1.21	500	8292	3.05	572
7422	2.30	500	8018X*	2.58	508	8293	7.03	750
7423	-	-	8021	1.91	500	8295X	7.68	750
7425	4.26	735	8031	3.98	697	8304	7.07	750
7431N	1.74	522	8032	1.63	500	8350	5.82	750
7445N	0.63	-	8033	1.94	500	8380	3.65	653
7453N	0.94	-	8039	1.41	500	8381	1.53	500
7502	2.55	504	8044	2.83	542	8385	2.47	500
7515	1.10	500	8045	0.42	500	8392	3.08	576
7520	2.32	500	8046	2.74	530	8393	1.75	500
7538	10.38	750	8047	1.10	500	8500	6.51	750
7539	4.44	750	8050	-	-	8601	0.85	500
7540	2.91	553	8058	2.82	541	8606	2.86	546
7580	1.92	500	8072	0.83	500	8709F	8.20	750
7590	5.32	750	8102	2.60	511	8719	1.92	500
7600	2.68	522	8103	3.83	677	8720	1.39	500
7601	12.07	750	8105	4.96	750	8721	0.41	500
7605	3.36	614	8106	3.93	691	8726F	9.41	750
7610	0.55	500	8107	3.35	612	8734M	0.66	200
7611	5.40	750	8111	3.87	682	8737M	0.59	100
7612	12.03	750	8116	4.30	741	8738M	1.05	200
7613	4.80	750	8203	5.65	750	8742X	0.49	500
7704	-	-	8204	4.90	750	8745	4.70	750

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

**Rating Values**

**State:** Arkansas  
**Effective Date:** 07/01/2008

LCM: 1.565  
 Exp Cons 160

**Company:** ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY

CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM	CLASS CODE	RATE INC. DISEASE	MIN. PREM
8748	0.42	500	9060	1.86	500			
8755	0.27	500	9061	1.42	500			
8799	0.99	500	9063	1.02	500			
8800	0.99	500	9077F	4.35	747			
8803	0.08	500	9082	1.64	500			
8805M	0.34	200	9083	1.66	500			
8810	0.25	500	9084	1.92	500			
8814M	0.30	100	9089	1.17	500			
8815M	0.55	200	9093	1.44	500			
8820	0.22	500	9101	3.10	579			
8824	2.54	503	9102	2.99	564			
8825	2.16	500	9110	-	-			
8826	2.28	500	9154	1.99	500			
8829	2.75	531	9156	1.35	500			
8831	2.69	523	9170	2.85	545			
8832	0.28	500	9178	26.89	750			
8833X*	0.92	500	9179	36.89	750			
8835	2.02	500	9180	3.80	673			
8842	1.50	500	9182	2.77	534			
8861	-	-	9186	54.63	750			
8864	1.50	500	9220	3.49	631			
8868	0.39	500	9402	4.41	750			
8869	0.75	500	9403	5.87	750			
8871	0.23	500	9410	1.80	500			
8901	0.27	500	9501	4.51	750			
9012	1.99	500	9505	3.91	688			
9014	2.85	545	9516	3.33	610			
9015X	2.47	500	9519	1.88	500			
9016	6.39	750	9521	5.43	750			
9019	3.04	570	9522	1.61	500			
9033	2.02	500	9534	7.17	750			
9040*	3.62	649	9554	7.61	750			
9052	1.60	500	9586	0.67	500			
9058	1.83	500	9600	1.67	500			
9059	2.83	542	9620	1.36	500			

**Footnotes**

State: **Arkansas**  
 Effective Date: **07/01/2008**

**ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
**MARYLAND CASUALTY COMPANY**

D Rate for classification already includes the specific disease loading shown in the table below. See Rule 3-A-7.

E Rate for classification already includes the specific disease loading shown in the table below.

Code No.	Disease Disease Loading	Symbol	Code No.	Disease Disease Loading	Symbol	Code No.	Disease Disease Loading	Symbol
0059D	0.28	S	1710E	0.05	S	3175D	0.03	S
0065D	0.05	S	1741E	0.23	S	4024E	0.02	S
0066D	0.05	S	1803D	0.23	S	5508D	0.03	S
0067D	0.05	S	1852D	0.05	Asb	6251D	0.06	S
1164E	0.08	S	3081D	0.05	S	6252D	0.03	S
1165E	0.03	S	3082D	0.05	S	6260D	0.03	S
1624E	0.05	S	3085D	0.05	S			

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 applicable in this state.

## Footnotes

State: **Arkansas**  
Effective Date: **07/01/2008**

### ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS MARYLAND CASUALTY COMPANY

#### Class Codes with Specific Footnotes

- 1005 Rate includes a non-ratable disease element of \$5.10 (for coverage written separately for federal benefits only, \$3.36. For coverage written separately for state benefits only, \$1.74).
- 1016 Rate includes a non-ratable disease element of \$20.38 (for coverage written separately for federal benefits only, \$13.43. For coverage written separately for state benefits only, \$6.95). Includes a catastrophe loading of \$0.13. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of the classification code.
- 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 code rate 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 rate X 2.175 and elr X 2.032.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each X 1.35.
- 7409 The ELR on the rate page is based on payroll subject to a maximum of \$750 per week per employee. Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005. An ELR of 7.71 should be applied to policies with effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of 15.43 should be applied to policies with effective dates prior to January 1, 2005 (\$300 payroll limitation).
- 7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008. The ELR on the rate page should be applied to policies with effective dates on or after July 1, 2008 (\$750 payroll limitation). An ELR of 7.71 should be applied to policies with effective dates prior to July 1, 2008 and on or after July 1, 2006 (\$600 payroll limitation). An ELR of 5.65 should be applied to policies with effective dates prior to July 1, 2006 (uncapped payroll)
- 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.
- 8833 The ex-medical rate for this classification is \$0.47.  
A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Home Office for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or development.
- 9040 The ex-medical rate for this classification is \$1.74.  
A charge of \$0.10 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Home Office for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or development.

### Miscellaneous Rating Values

State: **Arkansas**  
 Effective Date: **07/01/2008**

**ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY**

**Basis of Premium** applicable in accordance with the footnote instructions for Code 7370 Taxicab Co:  
 7370 -- 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**

**Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents - (Rate) \$0.01**

**Maximum Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1. - Executive Officers and the footnote instructions for Code 9178 - Athletic Team: Non-Contact Sports, Code 9179 - Athletic Team: 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 footnote instructions for Classification Code 7421, the surcharge is ..... \$100 per passenger seat  
 ..... \$1,000 maximum surcharge per aircraft

**Premium Determination for Partners and Sole Proprietors and Members of Limited Liability Companies** in connection with Basic Manual Rule a-A-4..... **\$ 31,900.00**

**Foreign Terrorism (Rate)..... \$ 0.03**

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. This factor adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and 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.

### Miscellaneous Rating Values

State: **Arkansas**  
 Effective Date: **07/01/2008**

**ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY**

#### Premium Deductible Program

TOTAL LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	9.3%	7.5%	6.4%	5.3%	4.4%	3.1%	2.3%
\$1,500	11.4%	9.2%	7.8%	6.6%	5.6%	3.9%	2.9%
\$2,000	13.0%	10.5%	9.0%	7.7%	6.5%	4.7%	3.5%
\$2,500	14.4%	11.7%	10.1%	8.7%	7.3%	5.3%	4.0%
\$3,000	15.6%	12.8%	11.1%	9.5%	8.1%	5.9%	4.4%
\$3,500	16.8%	13.7%	11.9%	10.3%	8.8%	6.5%	4.9%
\$4,000	17.8%	14.6%	12.8%	11.1%	9.4%	7.0%	5.3%
\$4,500	18.8%	15.4%	13.5%	11.7%	10.0%	7.5%	5.7%
\$5,000	19.7%	16.2%	14.2%	12.4%	10.6%	8.0%	6.0%

INDEMNITY LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	1.9%	1.5%	1.4%	1.3%	1.1%	0.9%	0.7%
\$1,500	2.7%	2.1%	1.9%	1.8%	1.6%	1.4%	1.0%
\$2,000	3.3%	2.7%	2.4%	2.3%	2.0%	1.7%	1.3%
\$2,500	3.9%	3.2%	2.9%	2.7%	2.4%	2.0%	1.5%
\$3,000	4.4%	3.6%	3.3%	3.1%	2.7%	2.3%	1.7%
\$3,500	5.0%	4.0%	3.7%	3.4%	3.1%	2.6%	1.9%
\$4,000	5.4%	4.4%	4.1%	3.8%	3.4%	2.9%	2.2%
\$4,500	5.8%	4.8%	4.4%	4.1%	3.7%	3.1%	2.4%
\$5,000	6.2%	5.2%	4.7%	4.4%	3.9%	3.3%	2.6%

MEDICAL LOSSES							
DEDUCTIBLE	HAZARD GROUP						
AMOUNT	A	B	C	D	E	F	G
\$1,000	9.0%	7.2%	6.2%	5.1%	4.3%	2.9%	2.2%
\$1,500	10.9%	8.8%	7.5%	6.3%	5.3%	3.7%	2.7%
\$2,000	12.3%	9.9%	8.5%	7.2%	6.1%	4.2%	3.2%
\$2,500	13.4%	10.9%	9.4%	8.0%	6.7%	4.8%	3.6%
\$3,000	14.4%	11.8%	10.2%	8.7%	7.3%	5.2%	3.9%
\$3,500	15.3%	12.6%	10.8%	9.3%	7.9%	5.7%	4.3%
\$4,000	16.1%	13.2%	11.5%	9.8%	8.4%	6.1%	4.6%
\$4,500	16.9%	13.9%	12.1%	10.4%	8.8%	6.5%	4.9%
\$5,000	17.5%	14.4%	12.6%	10.8%	9.3%	6.8%	5.2%

## Premium Discount Table

State: **Arkansas**  
Effective Date: **07/01/2008**

ZURICH AMERICAN INSURANCE COMPANY  
AMERICAN ZURICH INSURANCE COMPANY  
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
MARYLAND CASUALTY COMPANY  
NORTHERN INSURANCE COMPANY OF NEW YORK  
ASSURANCE COMPANY OF AMERICA  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
UNIVERSAL UNDERWRITERS INSURANCE COMPANY

Premium Discount Table 9 - Type A

First	\$10,000	.....	0.0%
Next	\$190,000	.....	9.1%
Next	\$1,550,000	.....	11.3%
Over	\$1,750,000	.....	12.3%

State: **Arkansas**  
 Effective Date: **07/01/2008**

ZURICH AMERICAN INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
 MARYLAND CASUALTY COMPANY  
 NORTHERN INSURANCE COMPANY OF NEW YORK  
 ASSURANCE COMPANY OF AMERICA  
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
 COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
 UNIVERSAL UNDERWRITERS INSURANCE COMPANY

**WORKERS' COMPENSATION AND EMPLOYERS LIABILITY  
 RETROSPECTIVE RATING VALUES**

HAZARD GROUP DIFFERENTIALS							TAX MULTIPLIERS	
A	B	C	D	E	F	G	State:	Federal:
1.89	1.42	1.26	1.13	0.98	0.79	0.59	1.062	1.141

EXPECTED LOSS RATIO	EXPECTED LOSS AND ALLOCATED EXPENSE RATIO	TABLE OF EXPENSE RATIOS
0.636	0.698	Type A: XXVI-E

**2008 TABLE OF EXPECTED LOSS RANGES**  
 Effective January 1, 2008

Factor Applied to Excess Loss Pure Premium  
 Factors and Excess Loss and Allocated  
 Exp. Pure Premium Factors **0.696**

**Excess Loss Factors**

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$25,000	0.265	0.303	0.327	0.349	0.375	0.411	0.445
\$30,000	0.244	0.283	0.308	0.330	0.357	0.395	0.432
\$35,000	0.228	0.266	0.291	0.313	0.341	0.380	0.419
\$40,000	0.213	0.251	0.276	0.299	0.327	0.367	0.407
\$50,000	0.189	0.225	0.251	0.273	0.302	0.343	0.387
\$75,000	0.150	0.182	0.206	0.228	0.257	0.299	0.347
\$100,000	0.126	0.154	0.178	0.197	0.226	0.267	0.318
\$125,000	0.110	0.134	0.157	0.175	0.202	0.243	0.295
\$150,000	0.098	0.120	0.142	0.159	0.185	0.224	0.277
\$175,000	0.088	0.108	0.130	0.146	0.170	0.208	0.261
\$200,000	0.081	0.100	0.120	0.134	0.158	0.195	0.247
\$225,000	0.075	0.092	0.112	0.126	0.148	0.184	0.236
\$250,000	0.070	0.086	0.105	0.118	0.140	0.174	0.226
\$275,000	0.066	0.081	0.100	0.112	0.132	0.166	0.216
\$300,000	0.062	0.076	0.094	0.106	0.126	0.158	0.208
\$325,000	0.059	0.072	0.090	0.101	0.120	0.152	0.201
\$350,000	0.056	0.069	0.086	0.097	0.115	0.146	0.194
\$375,000	0.053	0.066	0.082	0.093	0.110	0.140	0.188
\$400,000	0.051	0.063	0.079	0.089	0.106	0.135	0.183
\$425,000	0.049	0.061	0.076	0.086	0.102	0.131	0.178
\$450,000	0.047	0.058	0.073	0.083	0.099	0.126	0.173
\$475,000	0.046	0.056	0.071	0.080	0.096	0.123	0.169
\$500,000	0.045	0.055	0.069	0.077	0.093	0.119	0.165
\$600,000	0.039	0.049	0.062	0.069	0.084	0.108	0.151
\$700,000	0.036	0.044	0.056	0.063	0.075	0.098	0.140
\$800,000	0.034	0.041	0.053	0.059	0.071	0.092	0.131
\$900,000	0.031	0.038	0.049	0.055	0.065	0.086	0.124
\$1,000,000	0.029	0.036	0.046	0.051	0.061	0.080	0.117
\$2,000,000	0.017	0.023	0.029	0.033	0.040	0.053	0.079
\$3,000,000	0.012	0.016	0.021	0.025	0.030	0.040	0.061
\$4,000,000	0.009	0.013	0.017	0.019	0.024	0.033	0.051
\$5,000,000	0.007	0.010	0.014	0.016	0.019	0.027	0.043
\$6,000,000	0.006	0.008	0.011	0.013	0.016	0.023	0.037
\$7,000,000	0.005	0.007	0.009	0.011	0.013	0.019	0.032
\$8,000,000	0.005	0.006	0.008	0.009	0.012	0.017	0.028
\$9,000,000	0.004	0.005	0.007	0.009	0.011	0.015	0.025
\$10,000,000	0.004	0.005	0.007	0.007	0.009	0.013	0.023

**Excess Loss Factors**

Per Accident Limitation	Hazard Groups					
	A	B	C	D	E	F

**Excess Loss & Allocated Expense Factors**

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$25,000	0.311	0.353	0.379	0.402	0.430	0.467	0.497
\$30,000	0.290	0.332	0.359	0.383	0.411	0.450	0.484
\$35,000	0.271	0.313	0.341	0.365	0.394	0.435	0.472
\$40,000	0.255	0.297	0.325	0.349	0.379	0.422	0.460
\$50,000	0.229	0.269	0.297	0.322	0.353	0.397	0.440
\$75,000	0.184	0.220	0.248	0.272	0.304	0.350	0.399
\$100,000	0.156	0.188	0.215	0.238	0.269	0.315	0.369
\$125,000	0.136	0.165	0.191	0.212	0.243	0.288	0.343
\$150,000	0.122	0.148	0.174	0.194	0.223	0.267	0.323
\$175,000	0.110	0.134	0.159	0.178	0.206	0.249	0.306
\$200,000	0.101	0.124	0.147	0.164	0.192	0.234	0.291
\$225,000	0.094	0.114	0.137	0.154	0.180	0.220	0.277
\$250,000	0.088	0.107	0.129	0.145	0.170	0.210	0.267
\$275,000	0.083	0.101	0.122	0.137	0.161	0.200	0.256
\$300,000	0.078	0.095	0.116	0.130	0.153	0.191	0.246
\$325,000	0.074	0.090	0.110	0.124	0.146	0.183	0.238
\$350,000	0.070	0.086	0.106	0.118	0.140	0.176	0.230
\$375,000	0.067	0.082	0.102	0.114	0.134	0.169	0.224
\$400,000	0.064	0.079	0.098	0.110	0.130	0.163	0.217
\$425,000	0.062	0.075	0.094	0.106	0.125	0.158	0.211
\$450,000	0.059	0.073	0.091	0.102	0.121	0.153	0.206
\$475,000	0.057	0.070	0.088	0.098	0.117	0.148	0.200
\$500,000	0.055	0.068	0.085	0.096	0.114	0.144	0.196
\$600,000	0.049	0.060	0.076	0.086	0.102	0.130	0.180
\$700,000	0.045	0.055	0.069	0.077	0.093	0.119	0.167
\$800,000	0.042	0.051	0.065	0.072	0.086	0.111	0.156
\$900,000	0.039	0.047	0.060	0.067	0.080	0.104	0.148
\$1,000,000	0.037	0.045	0.057	0.063	0.075	0.098	0.140
\$2,000,000	0.022	0.028	0.037	0.041	0.049	0.064	0.096
\$3,000,000	0.016	0.021	0.027	0.031	0.037	0.049	0.075
\$4,000,000	0.012	0.016	0.021	0.025	0.030	0.040	0.062
\$5,000,000	0.010	0.013	0.017	0.020	0.025	0.034	0.053
\$6,000,000	0.007	0.010	0.014	0.017	0.021	0.028	0.045
\$7,000,000	0.007	0.009	0.012	0.014	0.017	0.025	0.040
\$8,000,000	0.006	0.007	0.011	0.012	0.015	0.021	0.035
\$9,000,000	0.005	0.007	0.009	0.011	0.013	0.019	0.032
\$10,000,000	0.005	0.006	0.009	0.010	0.012	0.017	0.029

\* Also applicable to Underground Coal Mine classifications.

**Retrospective Development Factors**

<i>With Loss Limit</i>			<i>Without Loss Limit</i>			<i>4th and Subsequent</i>
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	Adjustment
0.05	0.05	0.03	0.11	0.11	0.08	0.000

**State Special Classifications by Hazard Group**

<u>Code No.</u>	<u>HG</u>	<u>Code No.</u>	<u>HG</u>	<u>Code No.</u>	<u>HG</u>
1745	E	2719	E	8295	C

*SERFF Tracking Number:*      *ZURC-125647081*                      *State:*                      *Arkansas*  
*First Filing Company:*      *Assurance Company of America, ...*                      *State Tracking Number:*      *EFT \$100*  
*Company Tracking Number:*      *AR-WC-27172*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                      *AR-WC-27172 Loss Cost Filing*  
*Project Name/Number:*      *AR-WC-27172 Loss Cost Filing/AR-WC-27172*

**Attachment "ARWCratesNOAGCACS070108.xls" is not a PDF document and cannot be reproduced here.**

*SERFF Tracking Number:*      *ZURC-125647081*                      *State:*                      *Arkansas*  
*First Filing Company:*      *Assurance Company of America, ...*                      *State Tracking Number:*      *EFT \$100*  
*Company Tracking Number:*      *AR-WC-27172*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                      *AR-WC-27172 Loss Cost Filing*  
*Project Name/Number:*                      *AR-WC-27172 Loss Cost Filing/AR-WC-27172*

**Attachment "ARWCratesUUIIC070108.xls" is not a PDF document and cannot be reproduced here.**

*SERFF Tracking Number:*      *ZURC-125647081*                      *State:*                      *Arkansas*  
*First Filing Company:*      *Assurance Company of America, ...*                      *State Tracking Number:*      *EFT \$100*  
*Company Tracking Number:*      *AR-WC-27172*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*                      *AR-WC-27172 Loss Cost Filing*  
*Project Name/Number:*                      *AR-WC-27172 Loss Cost Filing/AR-WC-27172*

**Attachment "ARWCratesZAICACAFD070108.xls" is not a PDF document and cannot be reproduced here.**

SERFF Tracking Number: ZURC-125647081 State: Arkansas  
First Filing Company: Assurance Company of America, ... State Tracking Number: EFT \$100  
Company Tracking Number: AR-WC-27172  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR-WC-27172 Loss Cost Filing  
Project Name/Number: AR-WC-27172 Loss Cost Filing/AR-WC-27172

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 05/15/2008

**Comments:**

**Attachment:**

NAIC Transmittal.pdf

**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 05/15/2008

**Comments:**

**Attachments:**

AR\_file\_2008.pdf

AR\_RRFS.pdf

Cover Form.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Approved 05/15/2008

**Comments:**

**Attachment:**

F319.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

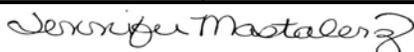
<b>3. Group Name</b>	<b>Group NAIC #</b>
Zurich American Insurance	212-16535

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Maryland Casualty Co.	MD	212-19356	52-0403120	
Northern Ins. Co. of NY	NY	212-19372	13-5283360	
Assurance Co. of America	NY	212-19305	13-6081895	
Zurich American Insurance Co.	NY	212-16535	36-4233459	
American Zurich Ins Co.	IL	212-40142	36-3141762	
American Guarantee & Liability Ins Co	NY	212-26247	36-6071400	
Zurich American Insurance Co of IL	IL	212-27855	36-2781080	
Fidelity and Deposit Co. of MD	MD	212-39306	13-3046577	
Col. American Cas. & Surety Co.	MD	212-34347	52-1096670	
Universal Underwriters Ins. Co.	KS	212-41181	43-1249228	

<b>5. Company Tracking Number</b>	AR-WC-27172
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Jennifer Mastalerz 1400 American Ln Schaumburg, IL 60196	Filing Analyst	847-330-4817		Jennifer.mastalerz@zurichna.com

7. Signature of authorized filer	
----------------------------------	--------------------------------------------------------------------------------------

8. Please print name of authorized filer	Jennifer Mastalerz
------------------------------------------	--------------------

**Filing information** (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	WC
10. Sub-Type of Insurance (Sub-TOI)	none
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	n/a
12. Company Program Title (Marketing title)	n/a
13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 7/1/08      Renewal: 7/1/08
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	05/14/08

## Property & Casualty Transmittal Document—

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR-WC-27172
------------	--------------------------------------------------------------	-------------

<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	------------------------------------------------------------------------------------------------------------------------

Zurich North America is proposing to adopt the July 1, 2008 NCCI advisory loss costs and rating values for use with Arkansas workers' compensation business in reference to NCCI Item # AR-2008-02.

We request this filing to be effective 7/1/08.

<b>22.</b>	<b>Filing Fees</b> (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.)**

PC TD-1 pg 2 of 2

## FORM FILING SCHEDULE

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	
-----------	--------------------------------------------------------------	--

<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	
-----------	---------------------------------------------------------------------------------------------------------------------------	--

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

**Zurich North America  
Workers' Compensation  
Arkansas**

**Explanatory Memorandum**

Zurich North America is proposing to adopt the July 1, 2008 NCCI advisory loss costs and rating values for use with Arkansas workers' compensation business. A base loss cost multiplier of 1.423 is proposed. Company deviations are stated in Exhibit 6. Current rates are based on loss costs adopted on July 1, 2007. The overall premium level impact of this filing is -9.5% as shown below:

<u>Proposed Changes</u>	<u>Premium Level Change</u>
July 1, 2008 Loss Cost Change	-5.8%
Loss Cost Multiplier Change	-4.0%
Premium Discount Table Change	<u>0.0%</u>
Total Proposed Change	-9.5%

**Exhibit 1 - Summary of Loss Cost Multiplier Underlying Expense Provisions**

This exhibit shows the expense provisions used in the calculation of the loss cost multiplier. All expense ratios to premium are on a standard premium basis.

**Exhibit 2 - Historical Expense Data**

Company historical expense data is provided on this exhibit. Also shown is the adjustment of expenses from a net premium basis to a standard premium basis.

**Exhibit 3 - Impact of Size of Risk Discounts**

The exhibit shows the average premium discount.

**Exhibit 4 - Calculation of Profit & Contingency Provision**

The derivation of the profit and contingency provision in this filing is displayed in this exhibit and includes explanatory information regarding this calculation.

**Exhibit 5 - Calculation of State and Federal Tax Multipliers**

The calculation of the state and federal tax multipliers is shown in this exhibit.

**Exhibit 6 - Summary of Proposed Change By Company**

This exhibit summarizes the proposed loss cost change, loss cost multiplier change, and total change by company.

**Exhibit 7 - Determination of Premium Reduction Percentage for Deductible Insurance**

This exhibit shows how the factor applied to advisory loss elimination ratios to generate the deductible discount is derived.

**Exhibit 8 - Impact of Expense Constant and Minimum Premium**

The premium effect that expense constants and minimum premiums cause is calculated in this exhibit.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Explanatory Memorandum, continued**

Following are comments regarding the rate page generation process for this program.

1. The minimum premiums are calculated as shown below, where the minimum premium multiplier is 135, the expense constant is \$160, the maximum minimum premium is \$750, and the minimum minimum premium is \$500.

rate \* minimum premium multiplier + expense constant, limited to the maximum minimum premium and the minimum minimum premium.

Exceptions:

- a. Maritime classes - the minimum premiums are \$100 or \$200, unchanged from the prior Zurich filing.
- b. Per capita classes - the minimum premium is calculated as the rate plus the expense constant, limited to the maximum minimum premium and the minimum minimum premium.
- c. Minimum premiums are not calculated for the non-ratable element codes and supplementary disease rate class codes (0065, 0066, 0067, and 0059).
- d. Minimum premiums for the classes which have non-ratable element codes associated with them are determined as shown below.

(rate for class which has non-ratable element + rate for the corresponding non-ratable element) \* minimum premium multiplier + expense constant, limited to the maximum minimum premium and the minimum minimum premium

2. The values in the Table of Specific Disease Loadings have been adjusted by the loss cost multiplier.
3. It is mandatory that the most recently approved NCCI hazard group differentials, table of expected loss ranges, state special hazard classification by hazard group, and experience rating plan values apply to Zurich North America.
4. The excess loss factors and retrospective development factors are calculated by adjusting the advisory excess loss pure premium factors and retrospective pure premium development factors by 0.696 where 0.696 is the proposed expected loss and LAE ratio.
5. The advisory loss elimination ratios are converted to premium reduction percentages using the formula noted on Exhibit 7.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Summary of Loss Cost Multiplier Underlying Expense Provisions**

Selected Expense Provisions Shown as a % of Standard Premium

(1) Commissions	4.5% (a)
(2) Taxes, Licenses & Fees	5.3% (a)
(3) General Expense	0.1% (a)
(4) Other Acquisition Expense	6.3% (a)
(5) Profit/Contingency inc. Investment Income	4.8% (b)
(6) Effect of Expense Gradation	<u>9.4%</u>
(7) TOTAL	30.4%
(8) Expected Loss and LAE Ratio	69.6%
(9) Expense Constant & Minimum Premium	1.010
(10) Expense Based Multiplier	1.423
(11) Loss Modification Factor	1.000
Proposed Loss Cost Multiplier Prior to Company Deviations	1.423

Notes:

a) See Exhibit 2.

b) See Exhibit 4 for the calculation of the profit/contingency provision as a percent of collected premium (5.3%). This is converted to a percentage of standard premium by multiplying this provision by the ratio of collected premium to standard premium. See Exhibit 3 for the calculation of the ratio to standard premium.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Calculation Of State and Federal Tax Multipliers**

A.	Proposed overall State loss assessments + 1		1.000
B.	Proposed State premium taxes and assessments		
	1. Premium Tax	0.0250	
	2. Combined Fund Allowance	0.0300	
	3. Miscellaneous Tax	0.0032	
			0.058
C.	Proposed Residual Market Subsidy		0.000
D.	Total of Taxes and Residual Market Subsidy (B) + (C)		0.058
E.	Permissible Loss Ratio		0.636
F.	State Tax Multiplier = $(0.2+E*A)/(0.2+E)*(1/(1-D))$		1.062
G.	Proposed overall Federal Assessment + 1		1.138
H.	State Weight		0.289
I.	Federal Weight		0.711
J.	Weighted Federal Assessment $(H*A)+(G*I)$		1.098
K.	Permissible Loss Ratio		0.636
L.	Federal Tax Multiplier = $(0.2+K*J)/(0.2+K)*(1/(1-D))$		1.141

NOTE: A, B, G, H, and I are based upon the NCCI's Tax & Assessment Directory and NCCI state filing circulars.  
E and K are based upon the NCCI Table of Expense Ratios XXVI-E.

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

The purpose of this document is to describe the method used to calculate a profit and contingency factor for Workers' Compensation as shown in this exhibit.

The approach relies on a model which simulates cash flows for this type of business. The internal rate of return (IRR) for these cash flows is equal to the target return on equity (ROE). Using a trial and error process, the permissible loss and all loss adjustment ratio is varied until the target ROE is reached. Given the loss and loss adjustment ratio which produces the target ROE, the profit/contingency factor is then determined (profit/contingency =  $100\% - (\text{Loss} + \text{LAE}) - \text{Underwriting Expenses}$ ).

Key assumptions used in this model are as follows:

- \* Target ROE is 15%.
- \* All premium is collected at policy inception.
- \* Expenses are paid at policy inception (production, general, taxes, licenses & fees).
- \* Losses paid and loss reserves set according to payment patterns for Workers' Compensation.
- \* All sources of investment income including surplus are reflected.
- \* The investment rate for reserves (policyholder dividend reserves, UEPR, loss and LAE reserves) is based on an average of five-year T-note rates.
- \* The investment rate for policyholders' surplus is a one-year rolling average of five-year T-notes multiplied by the factor of 1.05. The latter adjustment assumes a slightly less conservative investment strategy on surplus versus policy reserves.
- \* One dollar of surplus is committed for each \$5.29 of loss and loss adjustment reserves. An additional dollar of surplus is committed for each \$3.28 of earned premium.
- \* Federal Income Tax is charged against investment income, underwriting income, 20% of the change in the unearned premium reserve and the change in the reserve discount—a 35% tax rate applies in all instances.
- \* The 2007 IRS rate--3.97%--was used to discount reserves.
- \* The IRR is determined by "Excess Cash Flows" which equal Operating Income + Change in Surplus.

Expense provisions (as a % of collected premium) are as follows:

Commissions	5.0%
General	0.1%
Other Acquisition	7.0%
Taxes, Licenses & Fees	5.8%
Profit/Contingency	5.3%
Sub-total	23.2%

A more detailed explanation of each line of the model is provided on the following pages.

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

1. Written Premium: Annual written premium.
2. Change in UEP: Change in unearned premium reserve assuming even distribution of writings through the year.
3. Earned Premium: Calculated by assuming an even distribution of writings.
4. Loss & LAE Paid: Line (6) x Line (25).
5. Chg in Loss Reserve: Line (6) - Line (4).
6. Losses Incurred: Line (3) x Line (26).
7. Expenses Paid: Line (1) x Line (27).
8. Res. Mkt Assmnt Pd: Does not apply.
9. Commissions Paid: Line (1) x Line (28).
10. Underwriting Income: Line (3) - Line (6) - Line (7) - Line (8) - Line (9).
11. Investment Income: {Average of Lines (12), (16), and (17) for current & prior year} x Line (30a) + {Average of Line (18) for current & prior year} x Line (30b).
12. Policyholder Div Reserve: Not Applicable.
13. P-H Dividends Paid: Not Applicable.
14. Federal Income Tax:  $0.35 \times \{ \text{Line (5)} - [\text{Change in Line (20)}] + [0.20 \times \text{Line (2)}] + \text{Line (10)} + \text{Line(11)} \} - \{ \text{Change in Line (12)} \} - \text{Line (13)}$ .
15. Operating Income: Line (1) + Line (11) - Line (13).
16. UE Prem Reserve: 50% of written premium for the year (assumes premiums are written equally throughout the year).
17. Loss & LAE Reserve: Inception-to-date total of Line (5).
18. Surplus:  $\{ \text{Line (17)} / \text{Line (31a)} + \text{Line (3)} / \text{Line (31b)} \}$ .
19. Total Liabilities (including Surplus): Line (12) + Line (16) + Line (17) + Line (18).
20. Tax Basis Reserve: Future paid losses discounted by the rate in Line (32).
21. Change in Surplus: Change in Line (18) from prior year.
22. Excess Cash Flow: Line (15) - Line (21).

**Zurich North America  
Workers' Compensation  
Notes to Exhibit 4**

- 22.1. Internal ROR: Rate which causes the net present value of the cash flows in Line (22) to be equal to 0.
23. Prem Earning Pattern: Assumes that 50% of written premiums are earned in the first year and 50% in the
24. Prem Coll. Pattern: Assumes that all premiums are collected in the year written.
25. Loss Payout Pattern: Loss payment patterns based on company data are assumed.
26. Loss/LAE Ratio: Adjusted until target IRR is achieved.
27. Expense Ratio: Provision for general, other acquisition and premium taxes.
- 27.1. Indicated Profit/Contingency Provision:  $100\% - \text{Line (26)} - \text{Line (27)} - \text{Line (28)} - \text{Line (28.1)} - \text{Line (29)}$ .
28. Commission Ratio: Provision for commissions.
- 28.1. Residual Mkt Load: State specific.
29. Dividend Ratio: Not Applicable.
- 30a. Investment Rate on Reserves: Pretax return for duration matched treasury securities.
- 30b. Investment Rate on Surplus: Pretax return based on current market conditions of an investment-grade security.
- 31a. Reserve-to-Surplus Ratio: Reflects amount of surplus committed to reserves based on historical company averages.
- 31b. Premium-to-Surplus Ratio: Reflects amount of surplus committed to premium based on historical company averages.
32. Discount Rate: Current IRS discount rate.
33. Tax Rate: Current IRS corporate tax rate.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Determination of Expense Provisions**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<u>Company Data/Direct Basis</u>					<u>3-Year</u>	<u>Collected</u>	<u>Inc. Prem.</u>
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Average</u>	<u>Premium</u>	<u>Discount</u>
General Expense (IEE % of DEP)	0.1%	-0.5%	-1.1%	-1.0%	-0.2%	-0.8%	0.1%	0.1%
Other Acquisition Expense (IEE % of DWP)	5.9%	6.6%	5.3%	5.8%	5.9%	5.7%	7.0%	6.3%
Commissions (IEE % of DWP)	7.4%	7.8%	7.1%	6.2%	7.4%	6.9%	5.0%	4.5%
Taxes, Lic., Fees (Tax & Assessment Directory)							5.8%	5.3%
Profit and Contingency Provision							5.3%	4.8%

Notes:

Column (7): The general expense provision, commission, and other acquisition expense are based on a 3-year average. See Exhibit 5 for the TLF provision. See Exhibit 4 for the Profit and Contingency Provision.

Column (8): Column (7) times the Impact of Expense Gradation on Exhibit 3.

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**Loss Adjustment Expenses**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>3-Yr Avg</u>	<u>Selected</u>
Ratio Loss Adjustment Expense to Inc. Loss	22.6%	29.8%	26.9%	27.5%	21.6%	25.3%	19.3%

**Zurich North America  
Workers Compensation  
Arkansas**

**Overall Impact of Size-of-Risk Discounts**

**Impact of size-of-risk discounts**

<u>Layer</u>	<u>Premium Distribution</u>	<u>Prem Disc for Layer</u>
First 10,000	11.1%	0.0%
Next 190,000	35.9%	9.1%
Next 1,550,000	41.9%	11.3%
<u>Above 1,750,000</u>	<u>11.1%</u>	<u>12.3%</u>
All	100.0%	9.4%
 <b>Overall Impact</b>		 0.906



**Zurich North America  
Workers' Compensation  
Arkansas**

**Summary of Proposed Change By Company**

	<u>Proposed Deviation</u>	<u>Proposed LCM</u>	<u>Proposed Terrorism LCM</u>	<u>Annual Written Premium*</u>	<u>Loss Cost Change</u>	<u>LC Multiplier Change</u>	<u>Premium Discount Tbl. Chg.</u>	<u>Overall Proposed Change</u>
Maryland Casualty Co.	10%	1.565	1.423	\$512,636	-12.1%	-4.0%	0.0%	-15.7%
Northern Ins. Co. of NY	-10%	1.281	1.423	356,413	-7.8%	-4.0%	0.0%	-11.4%
Assurance Co. of Amer.	0%	1.423	1.423	205,385	-3.3%	-4.0%	0.0%	-7.2%
Zurich Amer. Ins. Co.	0%	1.423	1.423	1,758,838	-2.7%	-4.0%	0.0%	-6.6%
Amer. Zurich Ins Co.	-20%	1.138	1.423	464,627	-7.7%	-4.0%	0.0%	-11.5%
Amer. Guar. & Liab.	-10%	1.281	1.423	222,417	-7.2%	-4.0%	0.0%	-10.9%
Zurich Amer. Ins. Co. of IL	10%	1.565	1.423	92,542	-16.7%	-4.0%	0.0%	-20.0%
Fidelity and Deposit Co.	0%	1.423	1.423	33,214	-7.4%	-4.0%	0.0%	-11.0%
Colonial American Cas. Co.	-10%	1.281	1.423	0	-8.7%	-4.0%	0.0%	-12.4%
Univ. Underwriters Ins. Co.	5%	1.494	1.423	11,509	-5.8%	-4.0%	0.0%	-9.6%
<b>Total:</b>				\$3,657,581	-5.8%	-4.0%	0.0%	-9.5%

\* Written Premium on policies with effective dates from 01/01/07 to 12/31/07. Excludes Group Captives.

**Zurich North America  
Workers' Compensation  
Arkansas**

**Determination of Premium Reduction Percentage for Deductible Insurance**

The premium reduction percentages for deductible insurance were derived from the advisory loss elimination ratios using the following formula:

$$[LR/(LR*(1+LAE)+G+OA+T_G)]*LER$$

LER = Loss Elimination Ratio

LR = Loss Ratio = ((1-0.304)/1.193)

LAE = Loss Adjustment Expense

T<sub>G</sub> = Taxes applicable to deductible credit

G = General Expense Ratio

OA = Other Acquisition Expense Ratio

Ratio

58.3%

19.3%

5.3%

0.1%

6.3%

Factor to be applied to advisory loss elimination ratios

0.718

**Zurich North America  
Workers' Compensation  
Arkansas**

**Premium Reduction Percentage for Deductible Insurance**

Total Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	9.3%	7.5%	6.4%	5.3%	4.4%	3.1%	2.3%
\$1,500	11.4%	9.2%	7.8%	6.6%	5.6%	3.9%	2.9%
\$2,000	13.0%	10.5%	9.0%	7.7%	6.5%	4.7%	3.5%
\$2,500	14.4%	11.7%	10.1%	8.7%	7.3%	5.3%	4.0%
\$3,000	15.6%	12.8%	11.1%	9.5%	8.1%	5.9%	4.4%
\$3,500	16.8%	13.7%	11.9%	10.3%	8.8%	6.5%	4.9%
\$4,000	17.8%	14.6%	12.8%	11.1%	9.4%	7.0%	5.3%
\$4,500	18.8%	15.4%	13.5%	11.7%	10.0%	7.5%	5.7%
\$5,000	19.7%	16.2%	14.2%	12.4%	10.6%	8.0%	6.0%

Medical Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	9.0%	7.2%	6.2%	5.1%	4.3%	2.9%	2.2%
\$1,500	10.9%	8.8%	7.5%	6.3%	5.3%	3.7%	2.7%
\$2,000	12.3%	9.9%	8.5%	7.2%	6.1%	4.2%	3.2%
\$2,500	13.4%	10.9%	9.4%	8.0%	6.7%	4.8%	3.6%
\$3,000	14.4%	11.8%	10.2%	8.7%	7.3%	5.2%	3.9%
\$3,500	15.3%	12.6%	10.8%	9.3%	7.9%	5.7%	4.3%
\$4,000	16.1%	13.2%	11.5%	9.8%	8.4%	6.1%	4.6%
\$4,500	16.9%	13.9%	12.1%	10.4%	8.8%	6.5%	4.9%
\$5,000	17.5%	14.4%	12.6%	10.8%	9.3%	6.8%	5.2%

Indemnity Losses:	HAZARD GROUP						
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$1,000	1.9%	1.5%	1.4%	1.3%	1.1%	0.9%	0.7%
\$1,500	2.7%	2.1%	1.9%	1.8%	1.6%	1.4%	1.0%
\$2,000	3.3%	2.7%	2.4%	2.3%	2.0%	1.7%	1.3%
\$2,500	3.9%	3.2%	2.9%	2.7%	2.4%	2.0%	1.5%
\$3,000	4.4%	3.6%	3.3%	3.1%	2.7%	2.3%	1.7%
\$3,500	5.0%	4.0%	3.7%	3.4%	3.1%	2.6%	1.9%
\$4,000	5.4%	4.4%	4.1%	3.8%	3.4%	2.9%	2.2%
\$4,500	5.8%	4.8%	4.4%	4.1%	3.7%	3.1%	2.4%
\$5,000	6.2%	5.2%	4.7%	4.4%	3.9%	3.3%	2.6%

**Zurich North America  
Workers' Compensation  
Arkansas**

**Impact of Expense Constants and Minimum Premiums\***

	<u>Written Premium</u>
(1) All Classes	1,036,356,552
(2) Expense Constant Classes	8,834,949
(3) Minimum Premium Classes	1,039,402
(4) Overall Impact of Expense Constant and Minimum Premiums $[(2)+(3)/((1)-(2)-(3))]$	1.0%

\* Uses voluntary direct countrywide workers' compensation business excluding retrospectively rated, deductible, and excess business.



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

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

1. INSURER NAME Maryland Casualty Co.  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-19356 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-15.7</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-15.7</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-5.9</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-5.9</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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

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

1. INSURER NAME Northern Ins. Co. of NY  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-19372 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-11.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-11.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-4.6</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-4.6</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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

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

1. INSURER NAME Assurance Co. of America  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-19305 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |             |          |                |                   |
|--------------------------------------|-------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-7.2</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-7.2</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>6.4</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>6.4</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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

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

1. INSURER NAME Zurich American Ins. Co.  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196  
\_\_\_\_\_
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-16535 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |             |          |                |                   |
|--------------------------------------|-------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-6.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-6.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-7.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-7.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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

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

1. INSURER NAME American Zurich Ins Co.  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-40142 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-11.5</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-11.5</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-9.0</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-9.0</u>  | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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Date: 05/14/2008

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

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

1. INSURER NAME American Guar. & Liab. Ins. Co.  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-26247 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-10.9</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-10.9</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-10.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-10.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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Date: 05/14/2008

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

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

1. INSURER NAME Zurich American Ins. Co. of IL.  
 ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196  
 \_\_\_\_\_  
 \_\_\_\_\_
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
 TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-27855 GROUP NO. 0212  
 ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |   |                |                   |
|--------------------------------------|--------------|---|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-20.0</u> | % | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-20.0</u> | % | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-7.1</u>  | % | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-7.1</u>  | % | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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Date: 05/14/2008

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

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

1. INSURER NAME Fidelity and Deposit Co. of Maryland  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-39306 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-11.0</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-11.0</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>2.6</u>   | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>2.6</u>   | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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Date: 05/14/2008

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

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

1. INSURER NAME Colonial American Cas. & Surety
- ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau
- TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-34347 GROUP NO. 0212
- ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |              |          |                |                   |
|--------------------------------------|--------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-12.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-12.4</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>3.6</u>   | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>3.6</u>   | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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Date: 05/14/2008

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

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

1. INSURER NAME Universal Underwriters Ins. Co.  
ADDRESS 1400 American Lane  
Schaumburg, Illinois 60196
2. PERSON RESPONSIBLE FOR FILING Susan Papineau  
TITLE Business Analyst TELEPHONE NO. 847-605-4305
3. INSURER NAIC NO. 0212-41181 GROUP NO. 0212  
ADVISORY ORGANIZATION National Council on Compensation Insurance
4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02
- |                                      |             |          |                |                   |
|--------------------------------------|-------------|----------|----------------|-------------------|
| 5. A. PROPOSED RATE LEVEL CHANGE     | <u>-9.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 5. B. PROPOSED PREMIUM LEVEL CHANGE* | <u>-9.6</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2008</u> |
| 6. A. PRIOR RATE LEVEL CHANGE        | <u>-6.0</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
| 6. B. PRIOR PREMIUM LEVEL CHANGE*    | <u>-6.0</u> | <u>%</u> | EFFECTIVE DATE | <u>07/01/2007</u> |
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.

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## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
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3. A. Company Name Maryland Casualty Co.	B. Company NAIC Number 0212-19356
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4. A. Product Coding Matrix Line of Business (i.e., Type of Insurance) Workers' Compensation	B. Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
-------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

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	N/A	-15.7%	69.6%	1.100	1.565	160	1.630
<b>TOTAL OVERALL EFFECT</b>	N/A	-15.7%	69.6%	1.100	1.565	160	1.630

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 17% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -39% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
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3. A. Company Name Northern Ins. Co. of NY	B. Company NAIC Number 0212-19372
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4. A. Product Coding Matrix Line of Business (i.e., Type of Insurance) Workers' Compensation	B. Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
-------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

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	N/A	-11.4%	69.6%	0.900	1.281	160	1.334
<b>TOTAL OVERALL EFFECT</b>	N/A	-11.4%	69.6%	0.900	1.281	160	1.334

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 14% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -30% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name Assurance Co. of America	B. Company NAIC Number 0212-19305
------------------------------------------------	--------------------------------------

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

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	N/A	-7.2%	69.6%	1.000	1.423	160	1.482
<b>TOTAL OVERALL EFFECT</b>	N/A	-7.2%	69.6%	1.000	1.423	160	1.482

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 14% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -35% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name Zurich American Ins. Co.	B. Company NAIC Number 0212-16535
------------------------------------------------	--------------------------------------

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

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	N/A	-6.6%	69.6%	1.000	1.423	160	1.482
<b>TOTAL OVERALL EFFECT</b>	N/A	-6.6%	69.6%	1.000	1.423	160	1.482

6. 5 Year History (all companies combined) Rate Change History							
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants		Selected Provisions
A.	Total Production Expense	10.8%
B.	General Expense	0.1%
C.	Taxes, License & Fees	5.3%
D.	Underwriting Profit & Contingencies	4.8%
E.	Other (Ave. Premium Discount)	9.4%
F.	TOTAL	30.4%

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

9. -4% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -35% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name American Zurich Ins Co.	B. Company NAIC Number 0212-40142
-----------------------------------------------	--------------------------------------

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

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	N/A	-11.5%	69.6%	0.800	1.138	160	1.186
<b>TOTAL OVERALL EFFECT</b>	N/A	-11.5%	69.6%	0.800	1.138	160	1.186

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 8% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -33% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
----------------------------------------------------------	-------------

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name American Guar. & Liab. Ins. Co.	B. Company NAIC Number 0212-26247
-------------------------------------------------------	--------------------------------------

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

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	N/A	-10.9%	69.6%	0.900	1.281	160	1.334
<b>TOTAL OVERALL EFFECT</b>	N/A	-10.9%	69.6%	0.900	1.281	160	1.334

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 11% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -33% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
----------------------------------------------------------	-------------

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name Zurich American Ins. Co. of IL.	B. Company NAIC Number 0212-27855
-------------------------------------------------------	--------------------------------------

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

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	N/A	-20.0%	69.6%	1.100	1.565	160	1.630
<b>TOTAL OVERALL EFFECT</b>	N/A	-20.0%	69.6%	1.100	1.565	160	1.630

6. 5 Year History (all companies combined) Rate Change History							
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants		Selected Provisions
A.	Total Production Expense	10.8%
B.	General Expense	0.1%
C.	Taxes, License & Fees	5.3%
D.	Underwriting Profit & Contingencies	4.8%
E.	Other (Ave. Premium Discount)	9.4%
F.	TOTAL	30.4%

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

9. 6% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -26% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
-----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------

3. A. Company Name Fidelity and Deposit Co. of Maryland	B. Company NAIC Number 0212-39306
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4. A. Product Coding Matrix Line of Business (i.e., Type of Insurance) Workers' Compensation	B. Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
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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	N/A	-11.0%	69.6%	1.000	1.423	160	1.482
<b>TOTAL OVERALL EFFECT</b>	N/A	-11.0%	69.6%	1.000	1.423	160	1.482

6. 5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants		Selected Provisions
A.	Total Production Expense	10.8%
B.	General Expense	0.1%
C.	Taxes, License & Fees	5.3%
D.	Underwriting Profit & Contingencies	4.8%
E.	Other (Ave. Premium Discount)	9.4%
F.	TOTAL	30.4%

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

9. 2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -26% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
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Company Name	Company NAIC Number
3. A. Colonial American Cas. & Surety	B. 0212-34347

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (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	N/A	-12.4%	69.6%	0.900	1.281	160	1.334
<b>TOTAL OVERALL EFFECT</b>	N/A	-12.4%	69.6%	0.900	1.281	160	1.334

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

9. 0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. 0% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_

## NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR-WC-27172
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	National Council on Compensation Insurance - Circular Number AR-2008-02
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Company Name	Company NAIC Number
3. A. Universal Underwriters Ins. Co.	B. 0212-41181

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (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	N/A	-9.6%	69.6%	1.050	1.494	160	1.556
<b>TOTAL OVERALL EFFECT</b>	N/A	-9.6%	69.6%	1.050	1.494	160	1.556

5 Year History (all companies combined)				Rate Change History			
Year	Policy Count	% of Change	Eff. Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1,861	-0.1%	08/01/2003	9,053	1,730	19.1%	64.9%
2004	1,548	0.7%	07/01/2004	7,948	11,217	141.1%	64.5%
2005	1,445	-10.5%	07/01/2005	6,670	4,857	72.8%	69.5%
2006	1,492	-1.1%	07/01/2006	8,117	3,183	39.2%	57.5%
2007	3,025	-6.2%	07/01/2007	9,294	6,523	70.2%	83.8%

7. Expense Constants	Selected Provisions
A. Total Production Expense	10.8%
B. General Expense	0.1%
C. Taxes, License & Fees	5.3%
D. Underwriting Profit & Contingencies	4.8%
E. Other (Ave. Premium Discount)	9.4%
F. TOTAL	30.4%

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

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

10. -15% Estimated Maximum Rate Decrease for any Arkansas Insured (%). Territory (if applicable): \_\_\_\_\_