

SERFF Tracking Number: TWRG-125673119 State: Arkansas
Filing Company: Tower Insurance Company of New York State Tracking Number: EFT \$50
Company Tracking Number: 08-AR-4-WC-001
TOI: 16.0 Workers Compensation Sub-TOI: 16.0000 WC Sub-TOI Combinations
Product Name: Arkansas Workers Compensation Rates and Rules
Project Name/Number: Arkansas Workers Compensation Rates and Rules/08-AR-4-WC-001

Filing at a Glance

Company: Tower Insurance Company of New York

Product Name: Arkansas Workers Compensation Rates and Rules SERFF Tr Num: TWRG-125673119 State: Arkansas

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 16.0000 WC Sub-TOI Combinations Co Tr Num: 08-AR-4-WC-001

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Betty Montesi, Carol Stiffler

Author: Steven Lew

Disposition Date: 06/02/2008

Date Submitted: 05/30/2008

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: Arkansas Workers Compensation Rates and Rules

Status of Filing in Domicile: Authorized

Project Number: 08-AR-4-WC-001

Domicile Status Comments:

Reference Organization: National Council on Compensation Insurance

Reference Number: NCCI Item Filing# AR-2008-02

Reference Title: Voluntary Loss Costs and Rating Values Effective July 1, 2008

Advisory Org. Circular: AR-2008-02

Filing Status Changed: 06/02/2008

State Status Changed: 06/02/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Tower Insurance Company of New York, a member company of the NCCI, requests your approval to adopt the above captioned NCCI voluntary market loss costs and rating values with our currently approved loss cost multiplier of 1.540.

In addition, an Expense Constant of \$200 shall be charged for each policy regardless of premium size.

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	06/02/2008	06/02/2008

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Disposition

Disposition Date: 06/02/2008
 Effective Date (New): 07/01/2008
 Effective Date (Renewal):
 Status: Approved
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Tower Insurance Company of New York	-12.800%	\$-17,171	40	\$134,149	0.000%	0.000%	-12.800%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Rate	Manual Page	Approved	Yes

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 2.700%
Effective Date of Last Rate Revision: 01/01/2008
Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Tower Insurance Company of New York	-12.800%	-12.800%	\$-17,171	40	\$134,149	0.000%	0.000%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Manual Page	WC-E-1	Replacement	TWRG-125422329 05-29-08 Manual Rule Page.pdf

**Tower Insurance Company of New York
Workers Compensation
State of Arkansas
Manual Page**

Expense Constant: \$200.00

Arkansas Alcohol and Drug Free Workplace
Credit Program: 5%

Premium Discount (Table 7):

First \$5,000	0.0%
Next \$95,000	10.9%
Next \$400,000	12.6%
Over\$500,000	14.4%

Increased Limits:

<u>Amount</u>	<u>Percent</u>	<u>Minimum Premium</u>
500,000/500,000/500,000	1.7%	100.00
1,000,000/1,000,000/1,000,000	2.8%	150.00
2,000,000/2,000,000/2,000,000	4.3%	175.00

Waiver of Right to Recover From Others (Subrogation):

A flat fee of \$100 shall be applied per waiver.

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty	Review Status: Approved	06/02/2008
Comments: Please see the attached.		
Attachments: 05-29-08 ARPCTD-1-R.pdf 05-29-08 ARRRFS-1.pdf		
Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation	Review Status: Approved	06/02/2008
Comments: Please see the attached.		
Attachments: 05-29-08 AR Loss Cost Reference Form.pdf 05-29-08 ARRF2-WC.pdf 05-29-08 AR Expense Constant Supplement.pdf		
Satisfied -Name: NAIC loss cost data entry document	Review Status: Approved	06/02/2008
Comments: Please see the attached.		
Attachment: 05-29-08 ARRFARF1.pdf		
Satisfied -Name: Cover Letter	Review Status: Approved	06/02/2008
Comments: Please see the attached.		
Attachment: 05-29-08 Cover Letter-Rates.pdf		

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Tower Group Companies	3703

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Tower Insurance Company of New York	New York	3703-44300	13-3548249	

5. Company Tracking Number	08-AR-4-WC-001
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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
	Steven Lew Tower Group Companies 120 Broadway – 31 st Floor New York, NY 10271-1699	Senior Business Analyst	212-655-4790	646-304-3310	slew@twrgp.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Steven Lew		

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

9. Type of Insurance (TOI)	16.0 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	16.0000 WC Sub-TOI Combinations
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	16.0000 WC Sub-TOI Combinations
12. Company Program Title (Marketing title)	N/A
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" 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: 7/1/2008 Renewal: 7/1/2008

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	08-AR-4-WC-001
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Tower Insurance Company of New York	-12.8%	-12.8%	-\$17,171	40	\$134,149	N/A	N/A

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

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

6.	Overall percentage of last rate revision	2.7%
7.	Effective Date of last rate revision	January 1, 2008
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	WC-E-1 5/08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	TWRG-125422329
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE 05/29/08

1. INSURER NAME Tower Insurance Company of New York

ADDRESS 120 Broadway – 31st Floor
New York, New York 10271

PERSON RESPONSIBLE FOR FILING Steven Lew

TITLE Senior Business Analyst TELEPHONE # 212-655-4790

2. INSURER NAIC NO. 44300 GROUP NO. 3703

3. ADVISORY ORGANIZATION National Council on Compensation Insurance (NCCI)

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02, Effective 7/1/2008

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE	<u>-12.8</u>	%	EFFECTIVE DATE	<u>7/1/08</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-12.8</u>	%	EFFECTIVE DATE	<u>7/1/08</u>

7. A. PRIOR RATE LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/08</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>2.7</u>	%	EFFECTIVE DATE	<u>1/1/08</u>

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

9. Check **one** of the following:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	08-AR-4-WC-001
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

(X) Loss Cost Reference Filing NCCI # AR-2008-02 () Independent Rate Filing
(Advisory Org, & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? YES If no, complete a copy of this form for each affected class with appropriate justification. _____

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

(XX) Without Modification (factor = 1.000)

() With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____

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

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.. (Attach exhibit detailing insurer expense data. Impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

		Selected Provisions	
A.	Total Production Expense	26.00	%
B.	General Expense	2.10	%
C.	Taxes, Licenses & Fees	3.50	%
D.	Underwriting Profit & Contingencies *	5.00	%
E.	Other (explain) Investment Income	-1.50	%
F.	Total	35.10	%

* Explain how investment income is taken into account

	A. Expected Loss Ratio: ELR = 100% - 4F =	64.9	%
B.	ELR in Decimal Form =	0.649	

NAIC EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	08-AR-4-WC-001
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

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

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	26.00	0	26.00	%
	B.	General Expense	2.10	0	2.10	%
	C.	Taxes, License & Fees	3.50	0	3.50	%
	D.	Underwriting Profit & Contingencies*	5.00	0	5.00	%
	E.	Other (explain) Investment Income	-1.50	0	-1.50	%
	F.	TOTAL	35.10	0	35.10	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	64.9	%
	B.	ELR in decimal form =	.649	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	64.9	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	.649	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]	1.540	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	1.540	

7.	A.	Selected Expense Constant =	\$200	
	B.	Selected Variable Loss Cost Multiplier =	1.540	

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-12.8	%
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FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	08-AR-4-WC-001
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	NCCI – AR-2008-02
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Company Name		Company NAIC Number	
3.	A. Tower Insurance Company of New York	B.	44300

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. 16.0 Workers Compensation	B.	16.0004 Standard WC

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-12.8%	-12.8%	64.9%	1.000	1.540	200.00	1.540
TOTAL OVERALL EFFECT	-12.8%	-12.8%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	40	N/A	7/1/07	29	16	55.2%	19.2%
2008	0	2.7	1/1/08	0	0	0	0

7.

Expense Constants	Selected Provisions
A. Total Production Expense	26.00
B. General Expense	2.10
C. Taxes, Licenses & Fees	3.50
D. Underwriting Profit & Contingencies	5.00
E. Other (explain)	-1.50
F. TOTAL	35.10

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

9. N/A Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____



May 30, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

**Re: Tower Insurance Company of New York
NAIC # 3703-44300 FEIN # 13-3548249
Adoption of NCCI's Workers' Compensation Loss Costs and Rules
Effective July 1, 2008
NCCI Item Filing # AR-2008-02
Company File Number: 08-AR-4-WC-001**

Honorable Commissioner Bowman:

Tower Insurance Company of New York, a member company of the NCCI, requests your approval to adopt the above captioned NCCI voluntary market loss costs and rating values with our currently approved loss cost multiplier of 1.540.

In addition, an Expense Constant of \$200 shall be charged for each policy regardless of premium size.

The minimum premium formula shall be the 195 times the rate plus the Expense Constant of \$200, subject to a maximum minimum premium of \$950.

We have attached the required filing forms.

We trust the attached will be sufficient for your prompt response and approval. If you have any questions or comments, please feel free to contact the undersigned.

Sincerely,

Steven Lew
Senior Business Analyst
Home Office Underwriting
212-655-4790 Fax: 212-655-2199
E-Mail Address: slew@twrgroup.com