

SERFF Tracking Number: VANL-125641872 State: Arkansas
Filing Company: Vanliner Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: GL 0708
TOI: 05.2 Commercial Multi-Peril - Liability Portion Sub-TOI: 05.2003 Commercial Package
Only
Product Name: General Liability Rate/Rule/Form Filing
Project Name/Number: General Liability Rate/Rule/Form Filing/GL 0708

Filing at a Glance

Company: Vanliner Insurance Company
Product Name: General Liability Rate/Rule/Form Filing SERFF Tr Num: VANL-125641872 State: Arkansas
TOI: 05.2 Commercial Multi-Peril - Liability Portion Only SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 05.2003 Commercial Package Co Tr Num: GL 0708 State Status: Fees verified and received
Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts
Author: Tina Kampwerth Disposition Date: 06/09/2008
Date Submitted: 06/09/2008 Disposition Status: Exempt from Review
Effective Date Requested (New): 07/01/2008 Effective Date (New):
Effective Date Requested (Renewal): 07/01/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: General Liability Rate/Rule/Form Filing Status of Filing in Domicile:
Project Number: GL 0708 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 06/09/2008
State Status Changed: 06/09/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
Vanliner Insurance Company hereby files to adopt ISO Commercial Lines - Division Six - General Liability revised Program. Vanliner is requesting an implementation date of July 1, 2008

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Company and Contact

Filing Contact Information

Tina Kampwerth, Senior Compliance Tina_Kampwerth@Vanliner.com
 Coordinator
 One Premier Drive (800) 325-3619 [Phone]
 St. Louis, MO 63026 (636) 305-4270[FAX]

Filing Company Information

Vanliner Insurance Company CoCode: 21172 State of Domicile: Arizona
 One Premier Drive Group Code: -99 Company Type:
 St Louis, MO 63026 Group Name: State ID Number:
 (636) 343-9889 ext. [Phone] FEIN Number: 86-0114294

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: AR - Rate Filing fee = \$100
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Vanliner Insurance Company	\$100.00	06/09/2008	20733613

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	06/09/2008	06/09/2008

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Disposition

Disposition Date: 06/09/2008

Effective Date (New):

Effective Date (Renewal):

Status: Exempt from Review

Comment: Please remember that for rate increases of greater than +25%, you must comply renewal notice requirements of AR Code Anno 23-79-307 (6), which requires at least 30 days notice to the agent and at least 10 days notice to insured.

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:
Vanliner Insurance Company	40.730%	\$300	2	\$2,000	15.000%	0.000%	40.730%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Support Documentation	Accepted for Informational Purposes	Yes
Rate	Vanliner Exception Pages	Accepted for Informational Purposes	Yes

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Rate Information

Rate data applies to filing.

Filing Method: file and use
Rate Change Type:
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 07/01/2004
Filing Method of Last Filing: file and use

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):
Vanliner Insurance Company	40.730%	40.730%	\$300	2	\$2,000	15.000%	0.000%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Vanliner Exception Pages	Vanliner Exception Pages	New	AR CGL 0708 ltr.pdf



May 12, 2008

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

RE: Vanliner Insurance Company
Commercial Lines
Division Six – General Liability
NAIC: 000-21172
Federal Employer ID #86-0114294
Proposed Effective Date: July 1, 2008

Dear Honorable Bowman:

Vanliner Insurance Company hereby files to adopt ISO Commercial Lines – Division Six – General Liability as a new program. Vanliner is requesting an implementation date of July 1, 2008.

Should you have any questions or require additional information, please call me at 800-325-3619 extension 4793 or e-mail me at Ian_McKechnie@unigroupinc.com.

Sincerely,

Ian McKechnie
Chief Actuary, Director of Industry Compliance

Enc.

IM/tk

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Supporting Document Schedules

Satisfied -Name: Support Documentation

Review Status:

Accepted for Informational 06/09/2008
Purposes

Comments:

Commercial General Liability Rate/Rule/Form Filing

Attachments:

AR CGL 0708 Ex Memo.pdf
AR CGL 0708 ltr.pdf
AR CGL 0708 P & C Rates.pdf

Explanatory Memorandum

The Vanliner Insurance Company (Vanliner) hereby files General Liability rates, rules and forms to support its entry into writing Commercial Package Policies for moving and storage companies. This filing is for business primarily to be written as Commercial Multiple Peril (Liability). Vanliner is an ISO subscriber for both General Liability and Commercial Multiple Peril and is adopting the entire ISO program for Commercial Multiple Peril for both Property and Liability coverages with minimal changes and additions.

Proposed Effective Date

The following effective date rule is proposed:

“These rates, rules and forms will be used for policies effective on or after July 1, 2008.”

If approval is not received by the proposed effective date, these changes will become effective upon approval.

Vanliner Insurance Company

The Vanliner Insurance Company (NAIC # 21172) is a commercial lines insurer specializing in the moving and storage industry, Vanliner's state of domicile is Missouri. Vanliner has received an A- rating with a Stable outlook from A.M. Best.

Expense Experience

The Vanliner Insurance Company has not written Commercial Multiple Peril (Liability) coverage in past. We have written a minimal amount of General Liability coverage on a monoline basis (see Exhibit IV). Our statutory Other Liability experience is primarily for a unique Mover's and Warehouseman's legal liability coverage that has different characteristics than traditional general liability coverage. As such we have very little historical expense experience for this line of business. After review, we believe the industry expense experience for Commercial Multiple Peril (Liability Portion) line of business is the best proxy we can find for our expected expense provisions.

Exhibit 1 is a summary of the entire US P&C industry's expense experience for this line of business. This is direct data is taken from Part III of the prior three years' IEE's. The bottom half of Exhibit 1 displays a number of direct expense ratios. This data was drawn from A.M. Best's Aggregates and Averages – Property/Casualty

Investment Income

The Vanliner Insurance Company has not written Commercial Multiple Peril (Liability) coverage in past. As such we have very little historical investment income experience for this line of business. After review, we believe the industry investment income experience for Commercial Multiple Peril (Liability Portion) line of business is the best proxy we can find for

Explanatory Memorandum

our expected investment income results. This data was drawn from A.M. Best's Aggregates and Averages – Property/Casualty.

Exhibit II Page 1 is a summary of the entire US P&C industry's investment income experience for this line of business. This exhibit displays an allocation of policyholder's surplus to line of business calculation, calculates an investment gain ratio, a prepaid expense ratio and eventually develops an expected investment income by line of business attributable to insurance transactions provision.

Exhibit II Page 2 develops Vanliner's selected Profit and Contingency provision. The figures shown reflect our approach to developing the profit provision which is intended to generate the same average return the entire US P&C industry has experienced in the latest three period (2004-2006) for which data is available. See the notes for details about data sources and calculations. We are subtracting Investment Income Attributable to Insurance Transactions (Exhibit 2 page 1) from our Target Return as % of Direct Written Premium to get Vanliner's selected Profit & Contingency Provision.

Exhibit II Page 3 develops the three average industry return on surplus based upon figures drawn from A.M. Best's Aggregates and Averages – Property/Casualty.

Loss Cost Multiplier Calculations

Vanliner's Loss Cost Multiplier calculations are displayed in Exhibit III. Our selected Commission and Brokerage expense provision is based upon our agency commission schedule. The selected Other Acquisition and General Expense provisions three year averages taken from Exhibit 1. The Tax provisions listed are a state premium tax plus a miscellaneous taxes, licenses and fees provision to coverage various miscellaneous and payroll taxes. The selected Profit and Contingency provision is developed in Exhibit II Page 2.

Vanliner's Commercial General Liability Experience

Vanliner as written a very limited amount of monoline Commercial General Liability business as an adjunct to its core Commercial Auto and Workers Compensation business. Until one large account was written in 2007, Vanliner's countrywide written premium was always less than \$240,000. The calendar year results the last 5 years are displayed for both this state and for the entire country on Exhibit V Page 1. Note that this business has not been profitable for Vanliner as evidenced by a five year case incurred loss and DCC ratio of 97%. These results have not been developed, trended, brought on-level and do not include any provision for Adjusting and Other expense.

Vanliner's Commercial General Liability historical business on a calendar accident year basis is displayed on Exhibit IV Page 2. These results are also unprofitable as evidenced by a five year case incurred loss and DCC ratio of 87.4%. Basic limits results are presented on lines 13 to 15 for this data. The five year countrywide results develop a dismal 138.5% loss ratio before loss development and before trend. These results have not been developed, trended, brought on-level

Explanatory Memorandum

and do not include any provision for Adjusting and Other expense. As shown, these results represent 71 claims (on a per claimant basis).

ISO Filings Being Adopted

With this filing Vanliner is adopting the entire current ISO General Liability Manual as currently filed and approved in this state. Exhibit V Page 1 contains a list of all the manual holder notices, ISO's reference filing numbers and the state filing reference numbers (if any). Please note that it is our intention to adopt the entire ISO program for General Liability including:

- Multistate State Insurance Manual (including rules, estimated loss potentials, etc.)
- State Insurance Manual (including loss costs, state specific rules, territories, etc.)
- Class table
- Class Table Reference
- Composite Rating Plan
- Retrospective Rating Plan
- Commercial General Liability Experience and Schedule Rating Plan
- Terrorism Supplement to the CLM

Vanliner's General Liability rates and rules will be based on the ISO program with only minimal exceptions. Vanliner is also adopting the entire ISO forms portfolio for Commercial General Liability. A few additional forms are also being filed, a listing of Vanliner Commercial General Liability forms is attached as Exhibit V Page 2.

Vanliner Exception Pages

Vanliner's proposed state exception pages are attached as Exhibit VI. These are built to work with ISO's Commercial Lines Manual. The Vanliner state exception pages also display the Loss Cost Multiplier developed and supported in this filing. For selected classes that are (a) rated in the ISO manual and are also "refer to company" in the ISO Estimated Loss Potentials supplement we have filed supplemental ELPs. These are in addition to the ELPs shown in the ISO manual.

Vanliner Implementation Rule

As shown in Exhibit IV we have written a very small volume of General Liability business in the past on a monoline basis which has been reported as Other Liability in the Annual Statement on line 17. These policyholders would be affected by the revised rates and rules contained in this filing. To reduce the impact of this filing on these insureds (if any in this state) we will limit the amount of rate increase any policyholder would experience as a result of this filing to no more than 15% annually. Please note that this limitation is a rate limitation only and would be applied after the expiring premium is adjusted for any exposure and/or coverage changes applicable to the renewal policy. Thus, if an insured's exposure (as measured by payroll or sales for example) has increased from one policy term to another, the insured's renewal premium limitation would be applied to the exposure adjusted premium, not the original premium.

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State Filing Forms

A complete set of state filing forms is attached.

Person to Contact

If there any questions about this filing please contact the following:

Ian McKechnie
Chief Actuary and Director of Industry Compliance
(636) 305-4793 or (800) 325-3619 ext 4793
Ian_McKechnie@unigroupinc.com

Explanatory Memorandum

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Exhibit VI Vanliner's State Exception Pages

State Filing Forms

Total US PC Industry
Insurance Expense Exhibit (000) Omitted
Commercial Multiple Peril (Liability Portion)
As reported in Best's Aggregates & Averages - Property/Casualty

Col.	Item	2003	2004	2005	2006	Latest 3 yr 2004-06
Part III - Allocation to Lines of Direct Business Written						
1	Premiums Written	12,487,219	13,060,115	13,848,905	14,710,131	41,619,151
3	Premiums Earned	11,836,996	12,711,591	13,621,864	14,384,453	40,717,908
5	Dividends to Policyholders	5,121	5,269	6,070	285,112	296,451
7	Incurred Loss	6,784,995	6,385,455	6,179,997	6,165,353	18,730,805
9	Defense and Cost Containment Expenses Incurred	2,808,650	2,447,875	2,520,654	2,579,848	7,548,377
11	Adjusting and Other Expenses Incurred	691,341	759,707	815,683	771,736	2,347,126
13	Unpaid Losses	19,390,163	19,885,803	21,064,617	22,123,793	63,074,213
15	Defense and Cost Containment Expenses Unpaid	6,479,892	6,772,129	7,236,177	7,777,585	21,785,891
17	Adjusting and Other Expenses Unpaid	967,477	1,064,488	1,233,739	1,283,128	3,581,355
19	Unearned Premium Reserves	5,767,814	6,021,852	6,334,534	6,771,607	19,127,993
21	Agent's Balances	2,677,206	2,948,280	3,065,070	3,249,847	9,263,197
23	Commission and Brokerage Expenses Incurred	2,180,976	2,335,864	2,319,864	2,491,115	7,146,843
25	Taxes, Licenses & Fees Incurred	274,912	303,732	307,257	314,360	925,349
27	Other Acquisitions, Field Supervision, and Collection Expenses Incurred	720,604	740,271	811,325	916,715	2,468,311
29	General Expenses Incurred	699,610	705,686	760,976	864,888	2,331,550
31	Other Income Less Expenses	(36,513)	(7,686)	(13,237)	(6,312)	(27,235)
33	Pre-Tax Profit or Loss Excluding All Investment Gain	(2,365,706)	(979,974)	(113,194)	(10,981)	(1,104,149)
	Paid Loss		5,889,815	5,001,183	5,106,177	15,997,175
	Defense and Cost Containment Expenses Paid		2,155,638	2,056,606	2,038,440	6,250,684
	Adjusting and Other Expenses Paid		662,696	646,432	722,347	2,031,475

Direct Expense Ratios

Inc. Loss / Earned Premium Ratio	= (7) / (3)	57.3%	50.2%	45.4%	42.9%	46.0%
Inc. ALAE / Earned Premium Ratio	= (9) / (3)	23.7%	19.3%	18.5%	17.9%	18.5%
Inc. ULAE / Earned Premium Ratio	= (11) / (3)	5.8%	6.0%	6.0%	5.4%	5.8%
Inc. Loss & LAE / Earned Premium Ratio	subtotal	86.9%	75.5%	69.9%	66.2%	70.3%
Inc LAE / Inc Loss Ratio	= ((9)+(11))/(7)	51.6%	50.2%	54.0%	54.4%	52.8%
Inc Loss & LAE / Inc Loss & ALAE Ratio	= ((7)+(9)+(11))/((7)+(9))	107.2%	108.6%	109.4%	108.8%	108.9%
Inc Loss & LAE / Inc Loss Ratio	= ((7)+(9)+(11)) / (7)	151.6%	150.2%	154.0%	154.4%	152.8%
Paid Loss Ratio to DEP			46.3%	36.7%	35.5%	39.3%
Paid ALAE Ratio to DEP			17.0%	15.1%	14.2%	15.4%
Paid ULAE Ratio to DEP			5.2%	4.7%	5.0%	5.0%
Change in ALAE O/S to DEP			2.3%	3.4%	3.8%	
Change in ULAE O/S to DEP			0.8%	1.2%	0.3%	
Commission Ratio to DWP	= (23) / (1)	17.5%	17.9%	16.8%	16.9%	17.2%
T. L. & F Ratio to DWP	= (25) / (1)	2.2%	2.3%	2.2%	2.1%	2.2%
Other Acq Ratio to DEP	= (27) / (3)	6.1%	5.8%	6.0%	6.4%	6.1%
General Exp Ratio to DEP	= (29) / (3)	5.9%	5.6%	5.6%	6.0%	5.7%
U/W Expense Ratio to DEP	sum((23):(29)) / (3)	32.7%	32.1%	30.8%	31.9%	31.6%

Total US PC Industry
Allocation of Investment Income by Line of Business (000) Omitted
As Reported in A.M. Best's Aggregates and Averages

	Total US PC Industry			Line - CMP-Liability			Notes:
	(a) 2005	(b) 2006	(c) Mean	(d) 2005	(e) 2006	(f) Mean	
Allocation of Policyholder Surplus to Line of Business							
Direct Earned Premium (1)	475,744,787	484,089,549	479,917,168	13,621,864	14,384,453	14,003,159	
Net Earned Premium (2)	425,631,427	440,531,383	433,081,405	11,727,768	13,092,067	12,409,918	
Net Loss Reserves (3)	435,546,639	444,012,015	439,779,327	17,285,212	18,812,648	18,048,930	
Net LAE Reserves (4)	88,037,369	93,017,782	90,527,576	7,585,435	8,149,598	7,867,517	
Net Loss & LAE Reserves (5)	523,584,008	537,029,797	530,306,903	24,870,647	26,962,246	25,916,447	= (3) + (4)
Net Unearned Premium Reserves (6)	192,545,236	199,911,689	196,228,463	5,689,416	6,340,086	6,014,751	
Mean Reserves & Current Premium (7)			1,167,066,748			45,023,265	= (2) + (5) + (6)
Policyholder's Surplus (8)	438,730,167	501,207,293	469,968,730				
Policyholder Surplus Ratio (9)			40.27%			40.27%	= (8) / (7)
Allocated Policyholder Surplus (10)			469,968,730			18,130,520	= (7) * (9)
Premium / Surplus Ratio (11)			0.94			0.72	= (2) / (10)
Calculation of Investment Gain Ratio							
Net Investment Income Earned (12)	51,734,584	54,646,113					
Net Realized Capital Gains or (Losses) (13)	12,194,108	3,587,228					
Net Investment Gain or (Loss) (14)	63,928,692	58,233,341					= (12) + (13)
Net Loss & LAE & Unearned Premium (15)	716,129,244	736,941,486	726,535,365	30,560,063	33,302,332	31,931,198	= (5) + (6)
Net Agents' Balances (16)	85,518,520	92,714,854	89,116,687	2,923,211	3,172,096	3,047,654	
Funds held by company under reinsurance (17)	33,994,289	30,553,086	32,273,688				
Policyholder's Surplus (18)			469,968,730			18,130,520	= (10)
Total Investable Funds (19)			1,139,661,096			47,014,064	= (15) - (16) + (17) + (18)
Net Investment Gain Ratio (20)			0.051			0.051	= (14) / (19)
Calculation Of Prepaid Expense Ratio							
Commissions (21)	45,587,636	46,948,341	46,267,989	1,983,687	2,231,292	2,107,490	
Taxes, Licenses & Fees (22)	11,918,521	11,869,096	11,893,809	316,358	318,105	317,232	
Other Acquisition Expense (23)	28,606,861	31,302,514	29,954,688	828,968	893,695	861,332	
General Expense (24)	24,793,525	27,773,256	26,283,391	727,700	835,121	781,411	
Net Prepaid Expense (25)	98,509,781	104,006,579	101,258,180	3,492,863	3,860,653	3,676,758	= (21)+(22)+(23)+(0.5 * (24))
Net Written Premium (26)	433,530,933	448,417,041	440,973,987	11,947,258	13,403,542	12,675,400	
Prepaid Expense Ratio (27)	22.72%	23.19%	22.96%	29.24%	28.80%	29.02%	= (25) / (26)
Investment Gain on Funds Attributable to Insurance Transactions							
Net Unearned Premium Reserves (28)	192,545,236	199,911,689	196,228,463	5,689,416	6,340,086	6,014,751	= (6)
(1 - Prepaid Expense ratio) (29)			0.7681			0.7120	= 1 - (27)
Unpaid Unearned Premium Reserve (30)			150,714,913			4,282,309	= (28) * (29)
Net Loss & LAE Reserves (31)	523,584,008	537,029,797	530,306,903	24,870,647	26,962,246	25,916,447	= (5)
Net Agents' Balances (32)	85,518,520	92,714,854	89,116,687	2,923,211	3,172,096	3,047,654	= (16)
Insurance Transaction Investment Funds (33)			591,905,129			27,151,102	= (30) + (31) - (32)
Net Investment Gain Ratio (34)			0.051			0.051	= (20)
IGain on Ins Transaction Funds (35)			30,244,617			1,387,342	= (33) * (34)
Investment Gain on Funds Attributable to Capital & Surplus							
Total Investable Funds (36)			1,139,661,096			47,014,064	= (19)
Net Investment Gain Ratio (37)			0.051			0.051	= (20)
Total Investment Gain (38)			58,233,341			2,402,281	= (36) * (36)
IG on Ins Transaction Funds (39)			30,244,617			1,387,342	= (35)
IG on Capital & Surplus (40)			27,988,724			1,014,939	= (38) - (39)
IG on Capital & Surplus % DEP (41)			5.8%			7.2%	= (40) / (1)
Investment Income Attributable to Insurance Transactions							
(As a % of NEP) (42)			6.9%			10.6%	= (35) / (2)
(As a % of DEP) - pre-tax (43)			6.2%			9.6%	= (35) / (1)
Latest Federal Income Tax Rate (44)			25.9%			25.9%	
(As a % of DEP) - after-tax (45)			4.6%			7.2%	= (1.00 - (44)) * (43)

Vanliner Insurance Company
Profit & Contingency Exhibit
Commercial Multiple Peril (Liability Portion)

#	Item	
(1)	Direct Earned Premium	14,384,453
(2)	Net Earned Premium	13,092,067
(3)	Premium / Surplus Ratio	0.72
(4)	Statutory Surplus to GAAP Equity Ratio	1.000
(5)	GAAP Equity	18,130,520
(6)	ROE Objective	11.7%
(7)	After-Tax Target Return	2,126,423
(8)	Federal Income Tax Rate	35.0%
(9)	Before Tax Target Return	3,271,421
(10)	Target Return as % of DWP = Underwriting Profit & Contingencies Provision	22.7%
(11)	Inv. Income Attributable to Insurance Transactions	9.6%
(12)	Inv. Income Attributable to Capital & Surplus	7.2%
(13)	Company Selected Profit & Contingency Provision* *Net of Investment Income Attributable to Insurance Transactions	13.1%

Notes:

- (1) 2006 Best's Aggregates and Averages
- (2) 2006 Best's Aggregates and Averages
- (3) Exhibit 2 Line 9.1
- (4) Exhibit 2 Page 3 Line 8
- (5) $= ((2) / (3)) / (4)$
- (6) Exhibit 2 Page 3 Line 5
- (7) $(7) = (5) * (6)$
- (8) Federal Income Tax Rate
- (9) $(9) = (7) / (1.00 - (8))$
- (10) $(10) = (9) / (1)$
- (11) (11) = Investment Income Exhibit
- (12) (12) = Investment Income Exhibit
- (13) $(13) = (10) - (11)$

Total US PC Industry
Underwriting and Investment Exhibit
Statement of Income
As Reported in A.M. Best's Aggregates and Averages

	Calendar Year				
	2004	2005	2006		2004-06
Total US PC Industry					
(1) Net Income before income tax	55,287,713	59,496,441	89,956,746	204,740,900	
(2) Federal and foreign income taxes	14,757,786	10,700,427	22,362,919	47,821,132	
(3) Net Income after income tax	40,529,927	48,796,014	67,593,827	156,919,768	
(4) Surplus as regards policyholders	401,388,974	435,348,403	501,207,293	1,337,944,670	
(5) Return on Policyholder Surplus (After Tax)	10.10%	11.21%	13.49%	11.73%	
	2004	2005	2006	2007	2005-07
Vanliner Insurance Company					
(6) Surplus as regards policyholders (STAT)	104,922,753	107,627,181	112,738,562	118,554,575	338,920,318
(7) Shareholder's Equity (GAAP)	110,702,213	114,515,478	124,033,206	131,907,755	370,456,439
(8) Surplus / Equity ratio	0.948	0.940	0.909	0.899	0.915

Notes / Sources

- (1) AS Page 4 Line 18
- (2) AS Page 4 Line 19
- (3) AS Page 4 Line 20
- (4) AS Page 3 Line 35
- (5) = (3) / (5)
- (6) Vanliner Insurance Company - Reclass for Statutory Financial Statements
- (7) Vanliner Insurance Company - Reclass for Statutory Financial Statements
- (8) = (6) / (7)

Vanliner Insurance Company
Arkansas Commercial General Liability
Selected Expense Provisions

	<u>Item</u>	<u>Provision</u>
(1)	Commission & Brokerage	17.50%
(2)	Other Acquisition Expenses	6.06%
(3)	General Expenses	5.73%
	Taxes, Licenses & Fees	
(4)	Premium Tax	2.50%
(5)	Miscellaneous Taxes, Licenses and Fees	0.94%
(6)	total	<u>3.44%</u>
	Other Expenses	
(7)	Unallocated Loss Adjustment Expense	0.00%
(8)	Residual Market Costs	0.00%
(9)	Total	<u>0.00%</u>
(10)	Profit & Contingencies	
(11)	Required Return on Surplus	22.74%
(12)	Expected Investment Income on Insurance Transactions	9.64%
(13)	Profit & Contingencies net of Investment Income	<u>13.10%</u>
(14)	Expense Ratio	45.83%
(15)	Expected Loss and LAE Ratio	54.17%
(16)	Loss Cost Modification	100%
(17)	Indicated Loss Cost Multiplier	1.845

Notes:

- (1) Per Commission Schedule
- (2) Three year average from Exhibit I
- (3) Three year average from Exhibit I
- (4) Statutory rate per state
- (5) Industry average
- (7) Three year average from Exhibit I
- (13) Net of expected investment income on insurance transactions
- (11) Line 10 Exhibit 2 Page 2
- (12) Line 11 Exhibit 2 Page 2
- (14) = sum (1) to (13)
- (15) = 100% minus (8)
- (16) Exhibit IV
- (17) = (16) / (15)

INSURANCE SERVICES OFFICE, INC.

Exhibit 7

Miscellaneous Taxes and Payroll Taxes

<u>Miscellaneous Taxes</u>	<u>Industry Aggregates All Lines</u>
(1) Net Earned Premium	\$433,983,070
(2) Insurance Department Licenses and Fees Paid ^a	725,703
(3) Ratio [(2) / (1)]	0.17%
(4) All Other Miscellaneous Taxes Paid ^b	742,741
(5) Ratio [(4) / (1)]	0.17%
(6) Total Miscellaneous Tax Ratio [(3) + (5)]	0.34%
<u>Payroll Taxes</u>	
(1) Net Earned Premium	\$433,983,070
(2) Payroll Taxes ^c	2,623,932
(3) Ratio [(2) / (1)]	0.60%

Note: All dollar amounts are in thousands.

^a Includes only those taxes that appear in Part I, line 20.2, column 4 (Taxes, Licenses and Fees), of the Insurance Expense Exhibit.

^b Includes only those taxes that appear in Part I, line 20.4, column 4 (Taxes, Licenses and Fees), of the Insurance Expense Exhibit.

^c Payroll taxes include Social Security, Medicare and unemployment taxes. Of the \$2.6 billion in payroll taxes reported above, \$1.0 billion are classified as loss adjustment expenses on the Insurance Expense Exhibit, \$0.8 billion are classified as acquisition expenses and \$0.8 billion are classified as general expenses. Thus, adding the payroll tax ratio to underwriting expense ratios shown elsewhere in this circular would result in double counting.

Source: Insurance Expense Exhibit data for calendar year 2006 from A.M. Best.

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INSURANCE SERVICES OFFICE, INC.		Exhibit 4 Sheet 1	
Commercial Multi-Peril Insurance 2007 Tax Rates by State [†]			
State	Premium Tax		Other State Taxes and Special Assessments*
	(1) Foreign Rate	(2) Domestic Rate	
		(3) Fire Marshal Taxes*	
Alabama	3.60% a	3.60% a	
Alaska	2.70%	2.70%	
Arizona	2.00% b	2.00% b	c
Arkansas	2.50%	2.50%	d
California	2.35%	2.35%	
Colorado	2.00% e	2.00% e	
Connecticut	1.75%	1.75%	
Delaware	1.75%	1.75%	0.25% f
District of Columbia	1.70%	1.70%	g
Florida	1.75%	1.75%	0.20% h,i j
Georgia	2.25%	2.25%	k l
Hawaii	4.27% m	4.27% m	n,o
Idaho	2.10% p	2.10% p	
Illinois	0.50%	0.50%	q,r,s
Indiana	1.30%	t	0.18% u
Iowa	1.00%	1.00%	
Kansas	2.00%	2.00%	v
Kentucky	2.00%	2.00% w	x y
Louisiana	3.00%	3.00%	z aa
Maine	2.00%	2.00%	0.70% bb
Maryland	2.00%	2.00%	
Massachusetts	2.28%	2.28%	dd ee
Michigan	ff	ff	
Minnesota	2.00% gg	2.00% gg	hh,ii
Mississippi	3.00%	3.00%	0.45% jj,kk ll
Missouri	2.00%	2.00%	
Montana	2.75%	2.75%	mm
Nebraska	1.00%	1.00%	nn
Nevada	3.50% oo	3.50% oo	
New Hampshire	pp	pp	qq
New Jersey	2.10% rr	2.10% rr	ss tt
New Mexico	3.00% uu	3.00% uu	vv
New York	2.00% ww	2.00% ww	xx yy,zz,aaa
North Carolina	1.90%	1.90%	bbb,ccc ddd,eee
North Dakota	1.75%	1.75%	
Ohio	1.40%	1.40%	fff
Oklahoma	2.25%	2.25%	ggg
Oregon	hhh	hhh	0.50% iii jjj
Pennsylvania	2.00%	2.00%	kkk
Puerto Rico	lll	0.00% mmm	
Rhode Island	2.00%	2.00%	
South Carolina	1.25%	1.25%	nnn ooo
South Dakota	2.50% ppp	2.50% ppp,qqq	0.18% rrr
Tennessee	2.50%	2.50%	0.38% sss
Texas	1.60%	1.60%	ttt
Utah	2.25%	2.25%	
Vermont	2.00%	2.00%	uuu
Virginia	2.25%	2.25%	1.00% vvv 0.08% www,xxx,yyy
Washington	2.00%	2.00%	zzz
West Virginia	4.00% aaaa	4.00% aaaa	bbbb
Wisconsin	0.11% cccc	0.75% dddd	0.60% eeee
Wyoming	0.75%	0.75%	

† Tax rates do not reflect any credits for payments to guaranty fund associations or any other credits that may be available under the laws of each state.
* Applies to both foreign and domestic companies unless otherwise noted.

See State Notes starting on Sheet 2.

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Vanliner Insurance Company
Direct General Liability Experience

	Calendar Year					5 year Totals
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	
Arkansas						
(1) Written Premium	0	0	0	0	3,802	3,802
(2) Earned Premium	0	0	0	0	1,846	1,846
(3) Paid Loss	0	0	0	0	0	0
(4) <u>Paid DCC</u>	0	0	0	0	0	0
(5) Paid Loss & DCC	0	0	0	0	0	0
(6) Case Loss Reserve	0	0	0	0	0	0
(7) <u>Case DCC Reserve</u>	0	0	0	0	0	0
(8) Case Loss & DCC Reserve	0	0	0	0	0	0
(9) Case Incurred Loss	0	0	0	0	0	0
(10) <u>Case Incurred DCC</u>	0	0	0	0	0	0
(11) Case Incurred Loss & DCC	0	0	0	0	0	0
(12) Case Incurred Loss & DCC Ratio					0.000	0.000

	Calendar Year					5 year Totals
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	
Countrywide						
(1) Written Premium	112,206	44,483	225,092	238,615	495,553	1,115,949
(2) Earned Premium	104,273	79,821	150,217	232,426	373,570	940,307
(3) Paid Loss	14,091	34,510	7,000	14,370	45,725	115,696
(4) <u>Paid DCC</u>	257	30,716	17,753	45,253	82,982	176,962
(5) Paid Loss & DCC	14,348	65,226	24,753	59,623	128,707	292,658
(6) Case Loss Reserve	29,000	4,000	28,750	330,000	571,179	
(7) <u>Case DCC Reserve</u>	13	10,758	18,662	49,455	52,706	
(8) Case Loss & DCC Reserve	29,013	14,758	47,412	379,455	623,885	
(9) Case Incurred Loss	39,091	9,510	31,750	315,620	286,904	682,875
(10) <u>Case Incurred DCC</u>	265	41,461	25,657	76,047	86,233	229,662
(11) Case Incurred Loss & DCC	39,356	50,971	57,407	391,667	373,137	912,537
(12) Case Incurred Loss & DCC Ratio	0.377	0.639	0.382	1.685	0.999	0.970

Vanliner Insurance Company
Direct General Liability Experience

	Calendar / Accident Year as of 2008 Q1					5 year Totals
	2003	2004	2005	2006	2007	
Arkansas						
(1) Written Premium	0	0	0	0	3,802	3,802
(2) Earned Premium	0	0	0	0	1,846	1,846
(3) Paid Loss	0	0	0	0	0	0
(4) <u>Paid DCC</u>	0	0	0	0	0	0
(5) Paid Loss & DCC	0	0	0	0	0	0
(6) Case Loss Reserve	0	0	0	0	0	
(7) <u>Case DCC Reserve</u>	0	0	0	0	0	
(8) Case Loss & DCC Reserve	0	0	0	0	0	
(9) Case Incurred Loss	0	0	0	0	0	0
(10) <u>Case Incurred DCC</u>	0	0	0	0	0	0
(11) Case Incurred Loss & DCC	0	0	0	0	0	0
(12) Case Incurred Loss & DCC Ratio					0.000	0.000
(13) Basic Limits Earned Premium (est)	0	0	0	0	1,009	1,009
(14) Case Inc Loss & DCC Limited to 100K	0	0	0	0	0	0
(15) Basic Limits Loss & DCC Ratio	0.000	0.000	0.000	0.000	0.000	0.000
(16) Claimant Count	0	0	0	0	0	0
Countrywide						
	Calendar / Accident Year as of 2008 Q1					5 year Totals
	2003	2004	2005	2006	2007	
(1) Written Premium	112,206	44,483	225,092	238,615	495,553	1,115,949
(2) Earned Premium	104,273	79,821	150,217	232,426	373,570	940,307
(3) Paid Loss	14,091	8,510	27,370	0	41,418	91,389
(4) <u>Paid DCC</u>	618	3,682	116,959	8,077	19,152	148,487
(5) Paid Loss & DCC	14,708	12,192	144,329	8,077	60,570	239,876
(6) Case Loss Reserve	0	0	458,003	1	72,530	
(7) <u>Case DCC Reserve</u>	0	0	24,110	4,332	22,968	
(8) Case Loss & DCC Reserve	0	0	482,113	4,333	95,498	
(9) Case Incurred Loss	14,091	8,510	485,373	1	113,948	621,922
(10) <u>Case Incurred DCC</u>	618	3,682	141,069	12,408	42,120	199,897
(11) Case Incurred Loss & DCC	14,708	12,192	626,442	12,409	156,068	821,820
(12) Case Incurred Loss & DCC Ratio	0.141	0.153	4.170	0.053	0.418	0.874
(13) Basic Limits Earned Premium (est)	56,980	43,618	82,086	127,009	204,137	513,829
(14) Case Inc Loss & DCC Limited to 100K	14,708	12,192	516,442	12,409	156,068	711,820
(15) Basic Limits Loss & DCC Ratio	0.258	0.280	6.291	0.098	0.765	1.385
(16) Claimant Count	4	8	15	9	35	71

Vanliner Insurance Company
Arkansas Commercial Lines Manual
Division Six- General Liability-Arkansas Rules
ISO / Bureau Reference Filing Numbers

Manualholder Notice	Filing Reference #
Multistate:	
GL-MU-2007-RU-001	GL-2006-OCTRU
GL-MU-2007-RRP-001	RP-2006-RRP06
GL-MU-2007-CRP-001	RP-2006-RCR06
GL-MU-2006-CGLES-001	RP-2005-RGL05
GL-MU-2005-LC-002	GL-2005-RELP1
GL-MU-2008-FO-002	CL-2008-OTOAL
Arkansas:	
GL-AR-2007-RU-002	GL-2006-OCTRU
GL-AR-2007-RRP-001	RP-2006-RRP06
GL-AR-2007-CRP-001	RP-2006-RCR06
GL-AR-2006-CGLES-001	RP-2005-RGL05
GL-AR-2007-LC-001	GL-2006-RCTLC -GL-2007-BGL1
GL-AR-2008-FO-002	CL-2008-OTOAL

Vanliner Insurance Company
Multistate Commercial Lines Manual
Division Six - General Liability
Vanliner Insurance Company Forms

Form Number	Form Title
VL9326 07 08	Supplemental Application for Property and General Liability
VIC GLDEC00 07 08	General Liability Declarations
Doc.No.14344 06/01	Privacy Policy
VL0000 08 89	Manuscript Endorsement
VL5035 07 08	Animal Actions Exclusion
VL5036 07 08	Section IV - Commercial General Liability Conditions
VL5037 07 08	Lead Liability Exclusion
VL5038 07 08	Asbestos Exclusion
VL5039 07 08	Exclusion of Prior Incident(s) and Prior Construction Defects
VL5040 07 08	Blanket Additional Insured Endorsement - Commercial General Liability Coverage Part
VL5042 07 08	Mold Exclusion
VL5043 07 08	Punitive Damages Exclusion
VL5044 07 08	Limitation of Coverage to Specific Business Activity

Vanliner Insurance Company
Commercial Lines Manual
Division Six - General Liability - Multistate

Rule 8:	Policy Writing Minimum Premium	
	8.A.1 Prepaid Policies	\$1,500
	8.B.1 Annual Premium Payment Plan Policies or Continuous Policies	\$1,500
Rule 9:	Additional Premium Changes	
	9.B.1 Waiver of Premium	
	In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.	
Rule 10:	Return Premium Changes	
	10.B.1 Waiver of Premium	
	In the event of a policy change that generates a premium change Vanliner will bill the full additional premium or credit the insured with the full return premium no matter how small the premium difference is i.e., there is no size of change where Vanliner will waive the premium change amount.	
Rule 14:	Minimum Premiums	
	14.B.2 Determination	
	a. The basic limits minimum premium for any classification is:	\$25
	14.E.1 Special Combined Minimum Premiums	
	a. The basic limits minimum premium for any classification is:	\$25
Rule 16:	Additional Interests	
	16.B Additional Charge	
	The premium per additional interests listed in ISO Rule 16.B shall be determined within the following range based upon the interest being insured and underwriting analysis of the degree of hazard presented by a specific situation	
	\$100,000/\$200,000 Basic Limit Premium:	\$10 - \$250
	Apply the appropriate increased limit factor for higher limits.	
	Note that charges for additional events shall be fully earned if or when the event has taken place at the time of policy change or cancellation. Charges for additional insureds shall be earned pro rata over the policy term.	
Rule 15:	Deductibles	
	15.D.5 Deductible Discount Factors	
	a. Use the ISO tables in Paragraph E. for all factors.	
Rule 23:	Company Rates or ISO Loss Costs	
	23.D.1 Increased Limits	
	a. Use the appropriate ISO factors for increased damage to premises rented to you or medical payment limits.	
	23.E Refer to Company	
	a. Use ISO Premises/Operations Increased Limit Factor table 3 or, as appropriate, the ISO Products/Completed Operations Increased Limit Factor table C for any classifications which show the Symbol (a) instead of a specific rate.	
Rule 56:	Increased Limits Tables	
	56.A.3 Procedures	
	a. Use the ISO Increased Limit tables for all factors.	
	56.A.5.c Procedures	
	a. Where neither limit required appears in the table, refer to company. The company will interpolate between the factors and limits shown to develop an appropriate factor.	

Vanliner Insurance Company
 Division Six - General Liability
 Premises/Operations (Subline Code 334)
 Products/Completed Operations (Subliner 336)
 \$100,000/200,000 Basic Limit

Procedure 5.
 Supplemental Estimated Loss Potentials

Class Code	Description	Premium Basis	Premises / Operations ELP	Products & Completed Operations ELP
51005	Aerosol Containers - filling or charging for others	Sales	Manual	2.25
51201	Aircraft or Aircraft Parts Mfg.	Sales	Manual	1.36
51211	Ammunition Mfg.	Sales	Refer to Company	3.000
40040	Amusement Devices - NOC	Sales	27.50	Included
	Amusement Devices - operated in connection with carnivals or fairs -			
40042	Not-For-Profit only	Sales	27.50	Included
	Amusement Devices - operated in connection with carnivals or fairs -			
40041	Other Than Not-For-Profit	Sales	27.50	Included
10020	Amusement Parks	Sales	27.50	5.50
	Anhydrous Ammonia Dealers and			
10036	Distributors	Sales	Manual	6.00
	Athletic Teams - professional or semi-			
40069	professional	Per Game	Refer to Company	Included
	Beaches - bathing - not commercially			
40072	operated	Each	550.00	Included
40115	Boats - motor or sail - not for rent	Each	262.50	Included
40140	Boats - nonowned over 26 feet	Each	262.50	Included
40117	Boats - not for rent - NOC	Each	262.50	Included
10119	Boats - rented to others - NOC	Sales	5.50	Included
	Bus Mfg. Or Assembling or			
51625	Reconstruction	Sales	Manual	5.000
	Caisson or Cofferdam Work - not			
91325	foundations for buildings	Payroll	50.00	13.00
	Camper or Travel Trailers Sales			
10315	Agencies	Sales	Manual	1.00
51703	Campers Mfg. - self powered	Sales	Manual	5.00
	Cellophane and Cellophane			
51796	Products Mfg.	Sales	Manual	0.32
11101	Chemical Distributors	Sales	1.28	2.55
	Contractors Equipment - earth			
	moving equipment other than			
	cranes, derricks and power shovels -			
11205	rented to others with operators	Sales	13.00	Included
94444	Contractors-NOC	Payroll	13.00	13.00
	Contractors-subcontracted work-in			
	connection with oil and gas field			
91586	construction, reconstruction or repair	Total Cost of Work	1.32	5.75
	Contractors-subcontracted work-in			
	connection with pipeline (other than			
	oil or gas), or communication or			
	power line construction,			
91587	reconstruction or repair	Total Cost of Work	13.00	2.25

Vanliner Insurance Company
 Division Six - General Liability
 Premises/Operations (Subline Code 334)
 Products/Completed Operations (Subliner 336)
 \$100,000/200,000 Basic Limit

Procedure 5.
 Supplemental Estimated Loss Potentials

Class Code	Description	Premium Basis	Premises / Operations ELP	Products & Completed Operations ELP
91589	Contractors-subcontracted work-in connection with street or highway construction, reconstruction or repair-not elevated	Total Cost of Work	0.37	2.60
41700	Dam, Levee or Dike-existence hazard only	Each	2,750.00	Included
91618	Dam or Reservoir Construction	Payroll	12.10	15.00
52109	Dextrine Mfg.	Sales	Manual	0.50
91641	Dike, Levee or Revetment Construction	Payroll	Manual	6.00
52150	Distillation or Extraction-NOC	Sales	Manual	4.13
91666	Diving-Marine	Payroll	Manual	1.58
91722	Dock Operations-coal, grain or ore	Payroll	Manual	6.00
52402	Drums or Containers Mfg-plastic	Sales	Manual	2.72
63220	Exhibitions-in building-no admission charged-Not-For-Profit only	Each	2,510	Included
63219	Exhibitions-in building-no admission charged-Other Than Not-For-Profit	Each	2,510	Included
53147	Fire Extinguishers Mfg.	Sales	Manual	4.00
53229	Fire Suppression Systems Mfg.	Sales	Manual	9.00
43754	Fishing Piers	Each	275	Included
94638	Freight Forwarders or Handlers-packing, handling or shipping explosives or ammunition under contract	Payroll	110	Included
53731	Furniture Mfg. Or Assembling-Infants	Sales	Manual	3.00
53803	Galvanizing or Tinning	Sales	Manual	0.20
43946	Garbage Works-separation for recycling, reduction or incineration	Each Acre	47.50	Included
13411	Gas Dealers or Distributors-NOC	Gallons	6.00	0.52
53902	Gas Manufacturing-inert	Sales	Refer to Company	5.00
53903	Gas Manufacturing-NOC	Sales	Refer to Company	5.00
53904	Gas manufacturing-primarily flammable, explosive or reactive	Sales	Refer to Company	5.00
53905	Gas Manufacturing-primarily toxic or presenting a health hazard	Sales	Refer to Company	5.00
53901	Gas Manufacturing-toxic and either flammable, explosive or reactive	Sales	Refer to Company	5.00
44010	Gasoline Recovery-from casing head or natural gas	Payroll	Refer to Company	0.79
13453	Gasoline Stations - full service	Sales	Manual	0.133
13455	Gasoline Stations - self and full service combined	Sales	Manual	0.133
13454	Gasoline stations - self-service	Sales	Manual	0.114

Vanliner Insurance Company
 Division Six - General Liability
 Premises/Operations (Subline Code 334)
 Products/Completed Operations (Subliner 336)
 \$100,000/200,000 Basic Limit

Procedure 5.
 Supplemental Estimated Loss Potentials

Class Code	Description	Premium Basis	Premises / Operations ELP	Products & Completed Operations ELP
44113	Governmental Subdivision-not state or federal Counties or Parishes Population over 250,000	Total Operating Expenditure	2.525	Included
44194	Grandstands or Bleachers-Not-For-Profit only	Each	550	Included
44193	Grandstands or Bleachers-Other Than Not-For-Profit	Each	550	Included
95620	Gunsmiths	Payroll	Manual	15.00
45225	Hunting preserves-Not-For-Profit only	Sales	20.00	Included
45224	Hunting Preserves-Other Than Not-For-Profit	Sales	20.00	Included
55717	Insulating Material Mfg. - plastic - for application in a solid state	Sales	Manual	2.75
55718	Insulating material Mfg. - plastic - NOC	Sales	Manual	2.75
96872	Jetty or Breakwater construction	Payroll	Manual	5.00
45380	Junk Dealers	Sales	Manual	0.40
97003	Laboratories-research, development or testing-Not-For-Profit only	Payroll	27.50	13.75
97002	Laboratories-research, development or testing-Other Than Not-For-Profit	Payroll	27.50	13.75
45524	Lakes or Reservoirs - existence hazard only Not-For-Profit only	Each	2,525	Included
45523	Lakes or Reservoirs - existence hazard only Other Than Not-For-Profit	Each	2,525	Included
56170	Lead Mfg. - red or white	Sales	Manual	0.90
56171	Lead Works-sheet, pipe or shot	Sales	Manual	0.90
97220	Machine Shops - NOC	Payroll	Manual	2.525
54444	Manufacturers - NOC	Sales	12.525	12.525
15120	Markets - not open air (lessor's risk only) - Not-For-Profit only	Sales	2.525	Included
15119	Markets - not open air (lessor's risk only) - Other Than Not-For-Profit	Sales	2.525	Included
15405	Metal Dealers or Distributors - structural	Sales	Manual	5.50
56900	Metal - extraction or refining - NOC	Sales	Manual	0.75
56910	Metal Foil Mfg.	Sales	Manual	1.25
56917	Metals - extraction or refining - chemical processes	Sales	Manual	0.60
56918	Metals - extraction or refining - electrometallurgical processes	Sales	Manual	0.60
56919	Metals - extraction or refining of ferrous metals - blast furnace or other pyrometallurgical processes	Sales	Manual	0.60

Vanliner Insurance Company
 Division Six - General Liability
 Premises/Operations (Subline Code 334)
 Products/Completed Operations (Subliner 336)
 \$100,000/200,000 Basic Limit

Procedure 5.
 Supplemental Estimated Loss Potentials

Class Code	Description	Premium Basis	Premises / Operations ELP	Products & Completed Operations ELP
56920	Metals - extraction or refining of nonferrous metals - blast furnace or other pyrometallurgical processes Motorcycle, Moped or Motor Scooter	Sales	Manual	0.60
57202	Mfg.	Sales	Manual	65.00
57411	Net Mfg. - safety nets	Sales	Manual	27.50
98153	Oil or Gas Wells-acidizing	Payroll	Manual	3.00
98154	Oil or Gas Wells-cementing	Payroll	Manual	3.00
98155	Oil or Gas Wells - cleaning or swabbing by contractors	Payroll	Manual	3.00
98156	Oil or Gas Wells - cleaning or swabbing by contractors - within the limits of any town or city, on the right-of-way of any railroad, or in any ocean, gulf or bay	Payroll	Manual	3.00
98158	Oil or Gas Wells - drilling or redrilling, installation or recovery of casing - within the limits of any town or city, on the right-of-way of any railroad, or in any ocean, gulf or bay	Payroll	Manual	20.00
98159	Oil or Gas Wells - instrument logging or survey work in wells	Payroll	Manual	3.00
98160	Oil or Gas Wells - perforating of casing	Payroll	Manual	3.00
98162	Oil or Gas Wells - shooting	Payroll	Refer to Company	3.00
57798	Parachute Mfg.	Sales	Manual	1.70
46590	Parades	Each	2,550	Included
46671	Parks or Playgrounds	Each	2,525	Included
98413	Pile Driving - building foundation only	Payroll	Manual	3.40
98415	Pile Driving - sonic method	Payroll	Manual	3.40
98425	Pipeline Construction - oil	Payroll	Manual	9.00
98426	Pipeline Construction - slurry - nonflammable mixtures	Payroll	Manual	9.00
98428	Pipelines - operation - NOC	Payroll	18.00	Included
98430	Pipelines - operation - slurry - nonflammable mixtures	Payroll	18.00	Included
58020	Pipes Mfg. - tobacco	Sales	Manual	0.200
46822	Political Campaign Headquarters or Offices	Each	550	Included
16588	Printers or Electrotypers Supplies - distributors	Sales	Manual	1.40
58560	Railroad or Other Public Conveyance Cars Mfg.	Sales	Manual	1.36
58561	Railroad or Other Public Conveyance Cars Parts Mfg.	Sales	1.10	2.00
58682	Rendering Works	Sales	Manual	0.75
47253	Rifle or Pistol Ranges - indoor	Each Range	2,625	Included

Vanliner Insurance Company
Division Six - General Liability
Premises/Operations (Subline Code 334)
Products/Completed Operations (Subliner 336)
\$100,000/200,000 Basic Limit

Procedure 5.
Supplemental Estimated Loss Potentials

Class Code	Description	Premium Basis	Premises / Operations ELP	Products & Completed Operations ELP
47254	Rifle or Pistol Ranges - NOC	Each Range	2,625	Included
58757	Rubber Reclaiming	Sales	Manual	0.34
58813	Safes or Safe Vaults Mfg.	Sales	Manual	0.90
58822	Sail Making	Sales	Manual	0.46
98698	Salvage Operations - NOC	Payroll	5.50	1.70
	Salvage Operations - removing, sorting, reconditioning and distributing of merchandise in damaged buildings and incidental operations away from such buildings			
98699		Payroll	Manual	1.70
58903	Sewing Machines Mfg. - commercial	Sales	Manual	1.50
98871	Shaft Sinking	Payroll	Refer to Company	32.00
48177	Skating Rinks - ice	Sales	5.125	Included
48178	Skating Rinks - roller	Sales	5.125	Included
48252	Ski Lifts, Tows or Runs	Sales	15.50	Included
	Stevedoring - by hand or by means of hand trucks exclusively - no hoisting of cargo			
99220		Payroll	Manual	5.00
	Stevedoring - handling explosives or ammunition - under contract			
99221		Payroll	110.00	5.00
99222	Stevedoring - NOC	Payroll	Manual	5.00
	Stevedoring - tallyers or checking clerks engaged in connection with stevedoring work			
99223		Payroll	Manual	5.00
	Streets, Roads, Highways or Bridges - existence and maintenance hazard only			
48727		Each Mile	50.50	Included
99445	Subway Construction	Payroll	Refer to Company	35.00
	Swimming Pools - commercially operated			
48924		Sales	5.25	Included
	Tank Construction, Installation, Erection or Repair - metal - not pressurized - within buildings exclusively			
99572		Payroll	Manual	14.95
	Tank Construction, Installation, Erection or Repair - metal - pressurized - within buildings exclusively			
99573		Payroll	Manual	14.95
59751	Tire Mfg. - not auto, bus or truck	Sales	Manual	1.00
99798	Tunneling	Payroll	23.400	35.00
59867	Turpentine or Resin Mfg.	Sales	Manual	0.26
99803	Underpinning Buildings or Structures	Payroll	60.00	Manual
	Wharf and Waterfront Property - ferry docks or terminals			
49800		Area	25.50	Included
59941	Wheel Mfg.	Sales	Manual	15.00
49903	Zoos - Not-For-Profit only	Each	2,625	Included
49902	Zoos - Other Than Not-For-Profit	Each	2,625	Included

Vanliner Insurance Company
 Commercial Lines Manual
 Division Six - General Liability - State Exceptions

Rule 1: Application of this Division

D. Company Rates/ISO Loss Costs

3 Loss Cost Conversion - Loss Cost Multiplier

Policies effective on or after	LCM
8/1/2004	1.311
7/1/2008	1.845

Rounding Rule - Base rates are calculated by multiplying the ISO loss cost times the Vanliner loss cost multiplier and rounding to 3 places.

4 Expected Loss & LAE Ratio

Policies effective on or after	
8/1/2004	0.763
7/1/2008	0.542

5 Retrospective Rating Tax Multiplier

Policies effective on or after	
8/1/2004	1.018
7/1/2008	1.036



May 12, 2008

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

RE: Vanliner Insurance Company
Commercial Lines
Division Six – General Liability
NAIC: 000-21172
Federal Employer ID #86-0114294
Proposed Effective Date: July 1, 2008

Dear Honorable Bowman:

Vanliner Insurance Company hereby files to adopt ISO Commercial Lines – Division Six – General Liability as a new program. Vanliner is requesting an implementation date of July 1, 2008.

Should you have any questions or require additional information, please call me at 800-325-3619 extension 4793 or e-mail me at Ian_McKechnie@unigroupinc.com.

Sincerely,

Ian McKechnie
Chief Actuary, Director of Industry Compliance

Enc.

IM/tk

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 style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

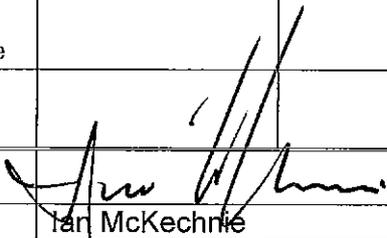
3. Group Name	Group NAIC #
----------------------	---------------------

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Vanliner Insurance Company	Missouri	21172	86-0114294	24

5. Company Tracking Number	AR CGL 07 08
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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
	Vanliner Insurance Company Ian McKechnie	Chief Actuary, Director of Industry Compliance	800-325-3619 ext. 4793	636-305-4270	Ian_McKechnie@unigr oupinc.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Ian McKechnie

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

9. Type of Insurance (TOI)	5.2
10. Sub-Type of Insurance (Sub-TOI)	05.2003
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	AR CGL 07 08
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input checked="" 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: 07/01/2008 Renewal: 07/01/2008

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 #	AR CGL 0708
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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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)
Big Insurance Company							
Medium Insurance Company							

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
Vanliner Insurance Company	40.73%	40.73%	\$300	2	\$2000	40.73%	0.00

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	40.73%	
5b.	Overall percentage rate impact for this filing	40.73%	
5c.	Effect of Rate Filing – Written premium change for this program	\$300	
5d.	Effect of Rate Filing – Number of policyholders affected	2	

6.	Overall percentage of last rate revision	0
7.	Effective Date of last rate revision	7/1/2004
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File and Use

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	AR CGL 0708	<input type="checkbox"/> New <input checked="" 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	

Date: June 2, 2008

Space Reserved for Insurance Department Use

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS
REFERENCE FILING ADOPTION FORM

1. INSURER NAME ADDRESS Vanliner Insurance Company
One Premier Drive,
St. Louis, MO 63026

PERSON RESPONSIBLE FOR FILING Ian McKechnie

TITLE Chief Actuary, Director Industry Compliance TELEPHONE # 800-325-3619, ext. 4793

2. INSURER NAIC # 21172

3. LINE OF INSURANCE Division Six - General Liability

4. ADVISORY ORGANIZATION ISO

5. ADVISORY ORGANIZATION REFERENCE FILING # Please see Exhibit V for complete listing of ISO Filings

6. 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.

7. PROPOSED RATE LEVEL CHANGE 40.73 % EFFECTIVE DATE 7/1/2008

8. PRIOR RATE LEVEL CHANGE n/a % EFFECTIVE DATE 7/1/2004

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

10. 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 Director, or amended or withdrawn by the insurer.

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

11. Attach \$50 filing fee. Section 374.230(6), RSMo.

Insurer Name: Vanliner Insurance Company
NAIC Number: 21172

Date: June 2, 2008

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:
Division Six - General Liability

2. Loss Cost Modification:

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

Without modification. (factor = 1.000)

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

B. Loss Cost Modification Expressed as a Factor:
(See examples below.)

1.00

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3 - 7 BELOW.

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

Selected Provisions

A. Total Production Expense	<u>23.56</u>	%
B. General Expense	<u>5.73</u>	%
C. Taxes, Licenses & Fees	<u>3.44</u>	%
D. Underwriting Profit & Contingencies	<u>13.10</u>	%
E. Other (explain)	<u>0.00</u>	%
F. TOTAL	<u>45.83</u>	%

4A. Expected Loss Ratio: $ELR = 100\% - 3F =$ 54.17 %

4B. ELR in decimal form = .541

5. Company Formula Loss Cost Multiplier: $(2B \div 4B) =$ 1.845

6. Company Selected Loss Cost Multiplier = 1.845
Explain any differences between 5 and 6:

7. Rate level change for the coverages to which this page applies 40.73 %

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.