

SERFF Tracking Number: SAFX-125719660 State: Arkansas
First Filing Company: American Economy Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: WC AR07416CGR01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01

Filing at a Glance

Companies: American Economy Insurance Company, American States Insurance Company, First National Insurance Company of America, General Insurance Company of America

Product Name: Workers Compensation SERFF Tr Num: SAFX-125719660 State: Arkansas
TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 16.0004 Standard WC Co Tr Num: WC AR07416CGR01 State Status: Fees verified and received
Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Carol Stiffler
Author: SPI SafecoInsuranceSPI Disposition Date: 07/11/2008
Date Submitted: 07/01/2008 Disposition Status: Approved
Effective Date Requested (New): 08/01/2008 Effective Date (New): 08/01/2008
Effective Date Requested (Renewal): 08/01/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: WC - 2008 Bureau Loss Costs and Rating Values Status of Filing in Domicile:
Project Number: WC AR07416CGR01 Domicile Status Comments:
Reference Organization: NCCI Reference Number: AR-2008-02; AR-2008-03;
AR-2008-04; AR-2008-06
Reference Title: Advisory Org. Circular:
Filing Status Changed: 07/11/2008 Deemer Date:
State Status Changed: 07/02/2008
Corresponding Filing Tracking Number:
Filing Description:
The purpose of this filing is to:

Adopt administrative rating bureau-approved loss costs and rating values.

Revise our loss cost multipliers.

Adopt the Excess Loss Factors portion of NCCI-approved Countrywide-Item R-1396-2007, Update to Retrospective

SERFF Tracking Number: *SAFX-125719660* *State:* *Arkansas*
First Filing Company: *American Economy Insurance Company, ...* *State Tracking Number:* *EFT \$100*
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TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0004 Standard WC*
Product Name: *Workers Compensation*
Project Name/Number: *WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01*

Rating Plan Parameters

Adopt Administrative Rating Bureau-approved Loss Costs and Rating Values

American Economy Insurance Company, American States Insurance Company, First National Insurance Company of America and General Insurance Company of America propose to adopt July 1, 2008 National Council on Compensation Insurance, Inc. (NCCI)-approved loss costs and rating values as detailed in AR-2008-02, Arkansas-Approved Voluntary Loss Costs and Rating Values, Effective July 1, 2008-Item AR-2008-02.

Revise our loss cost multipliers

There are the following changes to our loss cost multipliers on file:

Company Current LCM Proposed LCM

American Economy Insurance Company 1.270 1.310

American States Insurance Company 1.420 1.450

First National Insurance Company of America 1.700 1.730

General Insurance Company of America 1.560 1.600

Countrywide-Item R-1396-2007

In an earlier letter we notified you of our intent to delay adoption of the Excess Loss Factors (ELFs) portion of National Council on Compensation Insurance, Inc. (NCCI)-approved Countrywide-Item R-1396-2007, Update to Retrospective Rating Plan Parameters, in your state from July 1, 2008 to August 1, 2008 to coincide with this Voluntary Loss Costs and Rating Values filing in your state.

This filing is applicable to all new and renewal policies effective on and after August 1, 2008.

I look forward to receiving your acknowledgement of our submission.

Company and Contact

Filing Contact Information

Robert Kolenda, Commercial Lines Filings robkol@safeco.com

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Analyst

Safeco Plaza (206) 473-5776 [Phone]
 Seattle, WA 98185-0001 (206) 473-6723[FAX]

Filing Company Information

American Economy Insurance Company CoCode: 19690 State of Domicile: Indiana
 Safeco Plaza Group Code: 163 Company Type:
 State Filings Suite 2800
 Seattle, WA 98185-0001 Group Name: Safeco Group State ID Number:
 (206) 545-5000 ext. [Phone] FEIN Number: 35-1044900

American States Insurance Company CoCode: 19704 State of Domicile: Indiana
 Safeco Plaza Group Code: 163 Company Type:
 State Filings Suite 2800
 Seattle, WA 98185-0001 Group Name: Safeco Group State ID Number:
 (206) 545-5000 ext. [Phone] FEIN Number: 35-0145400

First National Insurance Company of America CoCode: 24724 State of Domicile: Washington
 Safeco Plaza Group Code: 163 Company Type:
 State Filings Suite 2800
 Seattle, WA 98185-0001 Group Name: Safeco Group State ID Number:
 (206) 545-5000 ext. [Phone] FEIN Number: 91-0742144

General Insurance Company of America CoCode: 24732 State of Domicile: Washington
 Safeco Plaza Group Code: 163 Company Type:
 State Filings Suite 2800
 Seattle , WA 98185-0001 Group Name: Safeco Group State ID Number:
 (206) 545-5000 ext. [Phone] FEIN Number: 91-0231910

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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: \$100 per rate filing
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Economy Insurance Company	\$100.00	07/01/2008	21203318

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	07/11/2008	07/11/2008
Approved	Carol Stiffler	07/02/2008	07/02/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Carol Stiffler	07/02/2008	07/02/2008	SPI SafecoInsuranceS PI	07/02/2008	07/02/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Manual Pages	Rate	SPI SafecoInsuranceS PI	07/11/2008	07/11/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Re-open this filing	Note To Reviewer	SPI SafecoInsurance SPI	07/07/2008	07/07/2008

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Disposition

Disposition Date: 07/11/2008
 Effective Date (New): 08/01/2008
 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:
American Economy Insurance Company	-4.900%	\$-9,154	58	\$185,300	14.500%	-24.900%	%
American States Insurance Company	-7.500%	\$-30,454	135	\$406,315	20.000%	-24.200%	%
First National Insurance Company of America	-12.300%	\$-13,103	4	\$106,682	0.000%	-23.900%	%
General Insurance Company of America	-8.100%	\$-10,603	82	\$130,899	10.500%	-26.900%	%

Overall Rate Information for Multiple Company Filings
Overall Percentage Rate Indicated For This Filing

0.000%

<i>SERFF Tracking Number:</i>	<i>SAFX-125719660</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American Economy Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01</i>		

Overall Percentage Rate Impact For This Filing	-7.600%
Effect of Rate Filing-Written Premium Change For This Program	\$-63,314
Effect of Rate Filing - Number of Policyholders Affected	279

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 Product Name: Workers Compensation
 Project Name/Number: WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01

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	Stat Form_fn	Approved	Yes
Supporting Document	Exhibits_ae as g	Approved	Yes
Supporting Document	Exhibits_fn	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Memo	Approved	Yes
Rate (revised)	Manual Pages	Approved	Yes
Rate	Manual Pages	Withdrawn	No

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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:
American Economy Insurance Company	-4.900%	\$-9,154	58	\$185,300	14.500%	-24.900%	%
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Overall Rate Information for Multiple Company Filings Overall Percentage Rate Indicated For This Filing

0.000%

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Supporting Document	Stat Form_fn	Approved	Yes
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Supporting Document	Exhibits_fn	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Memo	Approved	Yes
Rate (revised)	Manual Pages	Approved	Yes
Rate	Manual Pages	Withdrawn	No

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 07/02/2008

Submitted Date 07/02/2008

Respond By Date

Dear Robert Kolenda,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Several places in this filing you indicate you are adopting NCCI Item Filings with the following numbers: AR-2008-02, AR-2008-03, AR-2008-04, and AR-2008-06. Item filing AR-2008-02 is the 7/1/08 loss cost filing. We have not approved any items with the numbers AR-2008-03, AR-2008-04, and AR-2008-06. It is possible that these are circular numbers which is often different than the Item Filing numbers. We do not receive circulars which are issued after the Item Filing is approved. Often Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number. You must state the Item Filing Numbers.

If you are only adopting the 7/1/08 loss costs, then please state that you are adopting AR-2008-02 only. I will note that your previously adopted Item R-1396 will have a new effective date.

Please feel free to contact me if you have questions.

Sincerely,

Carol Stiffler

Response Letter

Response Letter Status Submitted to State

Response Letter Date 07/02/2008

Submitted Date 07/02/2008

Dear Carol Stiffler,

Comments:

Dear Carol Stiffler,

SERFF Tracking Number: SAFX-125719660 State: Arkansas
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Response 1

Comments: With this filing we intend to adopt the 7/1/08 loss costs (AR-2008-02), effective on 8-1-08.

The references to AR-2008-03, AR 2008-04 and AR 2008-06 were referring to NCCI circular numbers. I apologize for any confusion this created.

Related Objection 1

Comment:

Several places in this filing you indicate you are adopting NCCI Item Filings with the following numbers: AR-2008-02, AR-2008-03, AR-2008-04, and AR-2008-06. Item filing AR-2008-02 is the 7/1/08 loss cost filing. We have not approved any items with the numbers AR-2008-03, AR-2008-04, and AR-2008-06. It is possible that these are circular numbers which is often different than the Item Filing numbers. We do not receive circulars which are issued after the Item Filing is approved. Often Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number. You must state the Item Filing Numbers.

If you are only adopting the 7/1/08 loss costs, then please state that you are adopting AR-2008-02 only. I will note that your previously adopted Item R-1396 will have a new effective date.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please feel free to contact me if you have any further questions.

Sincerely,
Robert Kolenda, CPCU

Sincerely,
SPI SafecoInsuranceSPI

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Amendment Letter

Amendment Date:
Submitted Date: 07/11/2008

Comments:

Dear Carol Stiffler,
Please see the attached revised manual pages correctign an error that we found on the initial set that we submitted.

Thank you for your assistance in re-opening this file so we could correct this.

If you have any questions please feel free to contact me.

Sincerely,
Devor Barton

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
Manual Pages		Replacement	Previous State Filing Num: AR-PC- 07-025271	.PDF

SERFF Tracking Number: *SAFX-125719660* *State:* *Arkansas*
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Note To Reviewer

Created By:

SPI SafecoInsuranceSPI on 07/07/2008 01:56 PM

Subject:

Re-open this filing

Comments:

Dear Carol Stiffler,

This is a request to re-open this filing so we can revise our rate pages as we have found an error in them.

Sincerely,

Robert Kolenda

SERFF Tracking Number: SAFX-125719660 State: Arkansas
 First Filing Company: American Economy Insurance Company, ... State Tracking Number: EFT \$100
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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: -5.000%
Effective Date of Last Rate Revision: 08/01/2007
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):
American Economy Insurance Company	%	-4.900%	\$-9,154	58	\$185,300	14.500%	-24.900%
American States Insurance Company	%	-7.500%	\$-30,454	135	\$406,315	20.000%	-24.200%
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Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:

Overall Percentage Rate Impact For This Filing:

-7.600%

Effect of Rate Filing - Written Premium Change For This Program:

\$-63,314

Effect of Rate Filing - Number of Policyholders Affected:

279

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Manual Pages		Replacement	AR-PC-07-025271 .PDF

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

GENERAL INFORMATION

This division has been developed for use with the National Council on Compensation Insurance (NCCI) and various state compensation insurance manuals. We follow all rules of the latest editions of these manuals.

While we do not write all exposures, coverage is provided on a wide range of classifications. Any acceptability questions should be referred to your underwriter.

RATES

Our Arkansas rates are those currently filed with the Arkansas Insurance Department. We use rates which are printed and released in these pages.

Contact your underwriter for details on interstate operations.

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.									
0005	5.08	850	2041	3.38	772	2835	1.27	500	3373	2.29	581
0008	2.07	542	2065	1.27	500	2836	1.78	500	3383	0.85	500
0016	4.45	850	2070	4.32	850	2841	2.95	696	3385	0.69	500
0034	3.42	779	2081	3.05	714	2881	1.99	528	3400	2.15	556
0035	2.04	537	2089	2.00	530	2883	3.24	747	3507	2.45	609
0036	3.25	749	2095	2.16	558	2913	3.24	747	3515	1.73	500
0037	3.67	822	2105	1.93	518	2915	3.37	770	3548	1.07	500
0042	5.06	850	2110	1.69	500	2916	1.85	504	3559	2.06	541
0050	4.11	850	2111	1.99	528	2923	1.90	513	3574	0.89	500
0059	0.24	-	2112	2.15	556	2942	1.86	506	3581	1.14	500
0065	0.04	-	2114	2.12	551	2960	2.55	626	3612	1.74	500
0066	0.04	-	2121	1.77	500	3004	2.17	560	3620	4.60	850
0067	0.04	-	2130	2.21	567	3018	2.03	535	3629	1.55	500
0079	3.35	766	2131	1.49	500	3022	2.52	621	3632	3.17	735
0083	7.73	850	2143	1.73	500	3027	2.12	551	3634	1.35	500
0106	9.04	850	2157	3.21	742	3028	1.83	500	3635	1.64	500
0113	4.53	850	2172	1.24	500	3030	3.18	737	3638	1.17	500
0170	1.95	521	2174	2.32	586	3040	2.95	696	3642	0.67	500
0251	4.00	850	2211	4.34	850	3041	2.63	640	3643	2.34	590
0400	6.39	850	2220	1.55	500	3042	2.52	621	3647	2.66	646
0401	8.72	-	2286	1.13	500	3064	3.64	817	3648	1.70	500
0771	0.24	-	2288	3.20	740	3069	6.25	850	3681	1.23	500
0908P	112.66	500	2300	1.69	500	3076	2.34	590	3685	1.41	500
0913P	277.72	500	2302	1.35	500	3081	2.28	579	3719	2.07	542
0917	3.10	723	2305	1.69	500	3082	3.08	719	3724	5.38	850
1005	8.74	850	2361	0.96	500	3085	2.57	630	3726	2.40	600
1016	32.61	850	2362	1.39	500	3110	2.25	574	3803	1.51	500
1164	5.65	850	2380	3.58	807	3111	2.36	593	3807	1.66	500
1165	3.72	831	2386	0.89	500	3113	1.86	506	3808	2.17	560
1320	2.32	586	2388	1.52	500	3114	2.07	542	3821	3.28	754
1322	12.45	850	2402	1.70	500	3118	0.96	500	3822	2.87	682
1430	3.43	780	2413	1.34	500	3119	0.86	500	3824	3.84	850
1438	1.93	518	2416	1.32	500	3122	1.19	500	3826	0.69	500
1452	1.34	500	2417	1.24	500	3126	1.36	500	3827	1.24	500
1463	9.22	850	2501	1.07	500	3131	0.83	500	3830	0.89	500
1472	3.21	742	2503	1.06	500	3132	1.95	521	3851	2.10	548
1624	6.01	850	2534	1.70	500	3145	1.89	511	3865	1.01	500
1642	3.24	747	2570	3.92	850	3146	2.17	560	3881	2.79	668
1654	4.96	850	2585	2.45	609	3169	1.94	520	4000	5.72	850
1655	3.92	850	2586	1.05	500	3175	2.25	574	4021	4.69	850
1699	1.59	500	2587	2.29	581	3179	1.90	513	4024	1.76	500
1701	2.45	609	2589	1.14	500	3180	1.41	500	4034	5.50	850
1710	4.85	850	2600	5.06	850	3188	1.21	500	4036	1.99	528
1741	1.47	500	2623	2.23	570	3220	1.49	500	4038	1.72	500
1745	2.37	595	2651	2.08	544	3223	2.37	595	4053	2.72	656
1747	2.07	542	2660	1.15	500	3224	1.94	520	4061	3.35	766
1748	5.91	850	2670	1.82	500	3227	1.44	500	4062	1.82	500
1803	4.24	850	2683	1.56	500	3240	2.40	600	4101	1.59	500
1852	1.97	525	2688	2.41	602	3241	2.23	570	4111	2.42	604
1853	1.83	500	2701	5.86	850	3255	1.85	504	4112	0.75	500
1860	1.55	500	2702	23.88	850	3257	2.70	653	4113	1.05	500
1924	3.35	766	2710	6.96	850	3270	2.55	626	4114	1.76	500
1925	2.32	586	2714	3.30	758	3300	3.54	800	4130	3.60	810
2001	1.89	511	2719	8.76	850	3303	3.03	710	4131	1.93	518
2002	2.37	595	2731	2.93	693	3307	2.66	646	4133	1.90	513
2003	2.67	647	2735	2.06	541	3315	2.08	544	4150	1.32	500
2014	5.03	850	2759	6.69	850	3334	1.69	500	4206	2.91	689
2016	1.57	500	2790	1.23	500	3336	1.74	500	4207	0.80	500
2021	2.63	640	2802	4.17	850	3365	8.10	850	4239	1.01	500
2039	3.52	796	2812	2.92	691	3372	2.25	574	4240	1.95	521

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Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
4243	1.32	500	5057	15.77	850	6252	5.04	850	7420	21.56	850
4244	2.34	590	5059	18.73	850	6260	4.45	850	7421	2.28	579
4250	1.18	500	5069	23.66	850	6306	4.79	850	7422	1.93	518
4251	1.40	500	5102	3.47	787	6319	4.68	850	7425	3.56	803
4263	1.74	500	5146	4.24	850	6325	3.90	850	7431	1.45	500
4273	1.52	500	5160	3.00	705	6400	5.86	850	7445	0.52	-
4279	1.43	500	5183	2.97	700	6504	2.02	534	7453	0.79	-
4282	1.68	500	5188	3.80	845	6702	6.50	850	7502	2.14	555
4283	1.56	500	5190	2.72	656	6703	11.62	850	7515	0.92	500
4299	1.39	500	5191	1.57	500	6704	7.22	850	7520	1.94	520
4304	2.19	563	5192	3.39	773	6801	9.90	850	7538	8.69	850
4307	1.74	500	5213	5.99	850	6811	4.35	850	7539	3.72	831
4351	0.90	500	5215	3.58	807	6824	28.52	850	7540	2.44	607
4352	0.80	500	5221	4.40	850	6826	10.94	850	7580	1.61	500
4360	0.72	500	5222	10.17	850	6834	3.08	719	7590	4.45	850
4361	1.05	500	5223	4.48	850	6836	5.02	850	7600	2.24	572
4362	0.92	500	5348	3.47	787	6843	12.73	850	7601	10.10	850
4410	2.54	625	5402	3.85	850	6845	19.32	850	7605	2.82	674
4420	3.07	717	5403	7.96	850	6854	4.35	850	7610	0.46	500
4431	1.18	500	5437	3.77	840	6872	16.60	850	7611	4.52	850
4432	1.27	500	5443	3.42	779	6874	33.96	850	7612	10.07	850
4439	1.34	500	5445	4.28	850	6882	4.35	850	7613	4.02	850
4452	2.58	632	5462	4.52	850	6884	9.83	850	7705	2.21	567
4459	1.48	500	5472	4.11	850	7016	3.86	850	7710	4.96	850
4470	1.89	511	5473	5.63	850	7024	4.30	850	7711	4.96	850
4484	1.65	500	5474	6.18	850	7038	4.87	850	7720	2.21	567
4493	2.00	530	5478	3.76	838	7046	21.43	850	7855	5.34	850
4511	0.59	500	5479	6.65	850	7047	6.92	850	8001	1.91	514
4557	1.35	500	5480	6.73	850	7050	8.71	850	8002	2.79	668
4558	1.31	500	5491	1.74	500	7090	5.41	850	8006	1.66	500
4561	1.57	500	5506	3.14	730	7098	23.82	850	8008	1.05	500
4568	2.06	541	5507	4.73	850	7099	38.37	850	8010	1.62	500
4581	1.38	500	5508	7.98	850	7133	2.95	696	8013	0.42	500
4583	4.21	850	5535	6.25	850	7151	3.58	807	8015	0.55	500
4611	0.76	500	5537	4.13	850	7152	6.41	850	8017	1.01	500
4635	3.92	850	5551	12.00	850	7153	3.98	850	8018	2.16	558
4653	1.02	500	5606	1.43	500	7222	8.25	850	8021	1.60	500
4665	5.31	850	5610	4.68	850	7228	5.86	850	8031	3.33	763
4670	3.04	712	5645	9.55	850	7229	6.14	850	8032	1.36	500
4683	3.88	850	5651	7.09	850	7230	3.46	786	8033	1.62	500
4686	1.01	500	5703	77.24	850	7231	4.59	850	8039	1.18	500
4692	0.38	500	5705	4.52	850	7232	10.82	850	8044	2.37	595
4693	0.73	500	5951	0.34	500	7309	19.31	850	8045	0.35	500
4703	1.91	514	6003	8.46	850	7313	5.48	850	8046	2.29	581
4717	1.41	500	6005	6.43	850	7317	8.66	850	8047	0.92	500
4720	4.14	850	6017	3.30	758	7327	25.56	850	8058	2.36	593
4740	1.22	500	6018	1.79	500	7333	4.64	850	8072	0.69	500
4741	1.39	500	6045	2.08	544	7335	5.15	850	8102	2.17	560
4751	1.18	500	6204	8.42	850	7337	8.29	850	8103	3.21	742
4771	1.35	500	6206	5.34	850	7350	16.66	850	8105	4.15	850
4777	1.38	500	6213	7.03	850	7360	5.97	850	8106	3.29	756
4825	0.71	500	6214	2.37	595	7370	4.22	850	8107	2.80	670
4828	1.32	500	6216	5.48	850	7380	2.91	689	8111	3.24	747
4829	0.96	500	6217	4.28	850	7382	2.40	600	8116	3.60	810
4902	1.06	500	6229	4.24	850	7390	3.10	723	8203	4.73	850
4923	0.88	500	6233	4.62	850	7394	9.41	850	8204	4.10	850
5020	5.83	850	6235	12.30	850	7395	10.45	850	8209	2.57	630
5022	4.19	850	6236	10.13	850	7398	16.85	850	8215	4.93	850
5037	16.44	850	6237	2.59	633	7403	2.49	616	8227	2.69	651
5040	22.05	850	6251	6.75	850	7405	0.98	500	8232	5.41	850

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8233	4.40	850	9012	1.66	500						
8235	3.55	801	9014	2.38	597						
8263	8.02	850	9015	2.07	542						
8264	2.90	688	9016	5.34	850						
8265	7.98	850	9019	2.54	625						
8279	7.66	850	9033	1.69	500						
8288	5.16	850	9040	3.03	710						
8291	1.79	500	9052	1.34	500						
8292	2.55	626	9058	1.53	500						
8293	5.88	850	9059	2.37	595						
8295	6.43	850	9060	1.56	500						
8304	5.92	850	9061	1.19	500						
8350	4.87	850	9063	0.85	500						
8380	3.05	714	9077	3.64	817						
8381	1.28	500	9082	1.38	500						
8385	2.07	542	9083	1.39	500						
8392	2.58	632	9084	1.61	500						
8393	1.47	500	9089	0.98	500						
8500	5.45	850	9093	1.21	500						
8601	0.71	500	9101	2.59	633						
8606	2.40	600	9102	2.50	618						
8709	6.86	850	9154	1.66	500						
8719	1.61	500	9156	1.13	500						
8720	1.17	500	9170	2.38	597						
8721	0.34	500	9178	22.51	850						
8726	7.87	850	9179	30.88	850						
8734	0.55	500	9180	3.18	737						
8737	0.50	500	9182	2.32	586						
8738	0.88	500	9186	45.73	850						
8742	0.41	500	9220	2.92	691						
8745	3.93	850	9402	3.69	826						
8748	0.35	500	9403	4.91	850						
8755	0.22	500	9410	1.51	500						
8799	0.83	500	9501	3.77	840						
8800	0.83	500	9505	3.28	754						
8803	0.07	500	9516	2.79	668						
8805	0.29	500	9519	1.57	500						
8810	0.21	500	9521	4.55	850						
8814	0.25	500	9522	1.35	500						
8815	0.46	500	9534	6.00	850						
8820	0.18	500	9554	6.37	850						
8824	2.12	551	9586	0.56	500						
8825	1.81	500	9600	1.40	500						
8826	1.91	514	9620	1.14	500						
8829	2.31	584									
8831	2.25	574									
8832	0.24	500									
8833	0.77	500									
8835	1.69	500									
8842	1.26	500									
8864	1.26	500									
8868	0.33	500									
8869	0.63	500									
8871	0.20	500									
8901	0.22	500									

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0005	5.63	850	2041	3.74	835	2835	1.41	500	3373	2.54	625
0008	2.29	581	2065	1.41	500	2836	1.97	525	3383	0.94	500
0016	4.93	850	2070	4.79	850	2841	3.26	751	3385	0.77	500
0034	3.78	842	2081	3.38	772	2881	2.20	565	3400	2.38	597
0035	2.26	576	2089	2.22	569	2883	3.58	807	3507	2.71	654
0036	3.60	810	2095	2.39	598	2913	3.58	807	3515	1.91	514
0037	4.06	850	2105	2.13	553	2915	3.73	833	3548	1.19	500
0042	5.60	850	2110	1.87	507	2916	2.04	537	3559	2.28	579
0050	4.55	850	2111	2.20	565	2923	2.10	548	3574	0.99	500
0059	0.26	-	2112	2.38	597	2942	2.06	541	3581	1.26	500
0065	0.04	-	2114	2.35	591	2960	2.83	675	3612	1.93	518
0066	0.04	-	2121	1.96	523	3004	2.41	602	3620	5.09	850
0067	0.04	-	2130	2.45	609	3018	2.25	574	3629	1.71	500
0079	3.71	829	2131	1.65	500	3022	2.78	667	3632	3.51	794
0083	8.56	850	2143	1.91	514	3027	2.35	591	3634	1.49	500
0106	10.01	850	2157	3.55	801	3028	2.03	535	3635	1.81	500
0113	5.02	850	2172	1.38	500	3030	3.52	796	3638	1.29	500
0170	2.16	558	2174	2.57	630	3040	3.26	751	3642	0.74	500
0251	4.42	850	2211	4.80	850	3041	2.91	689	3643	2.60	635
0400	7.08	850	2220	1.71	500	3042	2.78	667	3647	2.94	695
0401	9.66	-	2286	1.25	500	3064	4.03	850	3648	1.89	511
0771	0.26	-	2288	3.54	800	3069	6.92	850	3681	1.36	500
0908P	124.70	500	2300	1.87	507	3076	2.60	635	3685	1.57	500
0913P	307.40	500	2302	1.49	500	3081	2.52	621	3719	2.29	581
0917	3.44	782	2305	1.87	507	3082	3.41	777	3724	5.96	850
1005	9.67	850	2361	1.06	500	3085	2.84	677	3726	2.65	644
1016	36.09	850	2362	1.54	500	3110	2.49	616	3803	1.67	500
1164	6.25	850	2380	3.96	850	3111	2.61	637	3807	1.84	502
1165	4.12	850	2386	0.99	500	3113	2.06	541	3808	2.41	602
1320	2.57	630	2388	1.68	500	3114	2.29	581	3821	3.63	815
1322	13.78	850	2402	1.89	511	3118	1.06	500	3822	3.18	737
1430	3.80	845	2413	1.48	500	3119	0.96	500	3824	4.25	850
1438	2.13	553	2416	1.46	500	3122	1.32	500	3826	0.77	500
1452	1.48	500	2417	1.38	500	3126	1.51	500	3827	1.38	500
1463	10.21	850	2501	1.19	500	3131	0.91	500	3830	0.99	500
1472	3.55	801	2503	1.17	500	3132	2.16	558	3851	2.32	586
1624	6.66	850	2534	1.89	511	3145	2.09	546	3865	1.12	500
1642	3.58	807	2570	4.34	850	3146	2.41	602	3881	3.09	721
1654	5.50	850	2585	2.71	654	3169	2.15	556	4000	6.34	850
1655	4.34	850	2586	1.16	500	3175	2.49	616	4021	5.19	850
1699	1.75	500	2587	2.54	625	3179	2.10	548	4024	1.94	520
1701	2.71	654	2589	1.26	500	3180	1.57	500	4034	6.09	850
1710	5.37	850	2600	5.60	850	3188	1.33	500	4036	2.20	565
1741	1.62	500	2623	2.47	612	3220	1.65	500	4038	1.90	513
1745	2.62	639	2651	2.31	584	3223	2.62	639	4053	3.02	709
1747	2.29	581	2660	1.28	500	3224	2.15	556	4061	3.71	829
1748	6.54	850	2670	2.02	534	3227	1.60	500	4062	2.02	534
1803	4.70	850	2683	1.73	500	3240	2.65	644	4101	1.75	500
1852	2.18	562	2688	2.67	647	3241	2.47	612	4111	2.68	649
1853	2.03	535	2701	6.48	850	3255	2.04	537	4112	0.83	500
1860	1.71	500	2702	26.43	850	3257	2.99	703	4113	1.16	500
1924	3.71	829	2710	7.70	850	3270	2.83	675	4114	1.94	520
1925	2.57	630	2714	3.65	819	3300	3.92	850	4130	3.99	850
2001	2.09	546	2719	9.70	850	3303	3.35	766	4131	2.13	553
2002	2.62	639	2731	3.25	749	3307	2.94	695	4133	2.10	548
2003	2.96	698	2735	2.28	579	3315	2.31	584	4150	1.46	500
2014	5.57	850	2759	7.41	850	3334	1.87	507	4206	3.22	744
2016	1.74	500	2790	1.36	500	3336	1.93	518	4207	0.88	500
2021	2.91	689	2802	4.61	850	3365	8.96	850	4239	1.12	500
2039	3.90	850	2812	3.23	745	3372	2.49	616	4240	2.16	558

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4243	1.46	500	5057	17.46	850	6252	5.58	850	7420	23.87	850
4244	2.60	635	5059	20.74	850	6260	4.93	850	7421	2.52	621
4250	1.31	500	5069	26.19	850	6306	5.31	850	7422	2.13	553
4251	1.55	500	5102	3.84	850	6319	5.18	850	7425	3.94	850
4263	1.93	518	5146	4.70	850	6325	4.32	850	7431	1.61	500
4273	1.68	500	5160	3.32	761	6400	6.48	850	7445	0.58	-
4279	1.58	500	5183	3.29	756	6504	2.23	570	7453	0.87	-
4282	1.86	506	5188	4.21	850	6702	7.19	850	7502	2.36	593
4283	1.73	500	5190	3.02	709	6703	12.86	850	7515	1.02	500
4299	1.54	500	5191	1.74	500	6704	7.99	850	7520	2.15	556
4304	2.42	604	5192	3.76	838	6801	10.96	850	7538	9.61	850
4307	1.93	518	5213	6.63	850	6811	4.81	850	7539	4.12	850
4351	1.00	500	5215	3.96	850	6824	31.57	850	7540	2.70	653
4352	0.88	500	5221	4.87	850	6826	12.11	850	7580	1.78	500
4360	0.80	500	5222	11.25	850	6834	3.41	777	7590	4.93	850
4361	1.16	500	5223	4.96	850	6836	5.55	850	7600	2.48	614
4362	1.02	500	5348	3.84	850	6843	14.09	850	7601	11.18	850
4410	2.81	672	5402	4.26	850	6845	21.39	850	7605	3.12	726
4420	3.39	773	5403	8.82	850	6854	4.81	850	7610	0.51	500
4431	1.31	500	5437	4.18	850	6872	18.37	850	7611	5.00	850
4432	1.41	500	5443	3.78	842	6874	37.58	850	7612	11.15	850
4439	1.48	500	5445	4.74	850	6882	4.81	850	7613	4.45	850
4452	2.86	681	5462	5.00	850	6884	10.88	850	7705	2.45	609
4459	1.64	500	5472	4.55	850	7016	4.28	850	7710	5.50	850
4470	2.09	546	5473	6.24	850	7024	4.76	850	7711	5.50	850
4484	1.83	500	5474	6.84	850	7038	5.39	850	7720	2.45	609
4493	2.22	569	5478	4.16	850	7046	23.72	850	7855	5.92	850
4511	0.65	500	5479	7.37	850	7047	7.66	850	8001	2.12	551
4557	1.49	500	5480	7.45	850	7050	9.64	850	8002	3.09	721
4558	1.45	500	5491	1.93	518	7090	5.99	850	8006	1.84	502
4561	1.74	500	5506	3.48	789	7098	26.36	850	8008	1.16	500
4568	2.28	579	5507	5.23	850	7099	42.47	850	8010	1.80	500
4581	1.52	500	5508	8.83	850	7133	3.26	751	8013	0.46	500
4583	4.65	850	5535	6.92	850	7151	3.96	850	8015	0.61	500
4611	0.84	500	5537	4.57	850	7152	7.09	850	8017	1.12	500
4635	4.34	850	5551	13.28	850	7153	4.41	850	8018	2.39	598
4653	1.13	500	5606	1.58	500	7222	9.14	850	8021	1.77	500
4665	5.87	850	5610	5.18	850	7228	6.48	850	8031	3.68	824
4670	3.36	768	5645	10.57	850	7229	6.80	850	8032	1.51	500
4683	4.29	850	5651	7.84	850	7230	3.83	850	8033	1.80	500
4686	1.12	500	5703	85.49	850	7231	5.08	850	8039	1.31	500
4692	0.42	500	5705	5.00	850	7232	11.98	850	8044	2.62	639
4693	0.81	500	5951	0.38	500	7309	21.37	850	8045	0.39	500
4703	2.12	551	6003	9.37	850	7313	6.06	850	8046	2.54	625
4717	1.57	500	6005	7.12	850	7317	9.58	850	8047	1.02	500
4720	4.58	850	6017	3.65	819	7327	28.29	850	8058	2.61	637
4740	1.35	500	6018	1.99	528	7333	5.13	850	8072	0.77	500
4741	1.54	500	6045	2.31	584	7335	5.70	850	8102	2.41	602
4751	1.31	500	6204	9.32	850	7337	9.18	850	8103	3.55	801
4771	1.49	500	6206	5.92	850	7350	18.44	850	8105	4.60	850
4777	1.52	500	6213	7.79	850	7360	6.61	850	8106	3.64	817
4825	0.78	500	6214	2.62	639	7370	4.67	850	8107	3.10	723
4828	1.46	500	6216	6.06	850	7380	3.22	744	8111	3.58	807
4829	1.06	500	6217	4.74	850	7382	2.65	644	8116	3.99	850
4902	1.17	500	6229	4.70	850	7390	3.44	782	8203	5.23	850
4923	0.97	500	6233	5.12	850	7394	10.41	850	8204	4.54	850
5020	6.45	850	6235	13.62	850	7395	11.57	850	8209	2.84	677
5022	4.64	850	6236	11.21	850	7398	18.65	850	8215	5.45	850
5037	18.20	850	6237	2.87	682	7403	2.76	663	8227	2.97	700
5040	24.40	850	6251	7.47	850	7405	1.09	500	8232	5.99	850

Exclusively for American States Insurance Company

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
8233	4.87	850	9012	1.84	502						
8235	3.93	850	9014	2.64	642						
8263	8.87	850	9015	2.29	581						
8264	3.20	740	9016	5.92	850						
8265	8.83	850	9019	2.81	672						
8279	8.48	850	9033	1.87	507						
8288	5.71	850	9040	3.35	766						
8291	1.99	528	9052	1.48	500						
8292	2.83	675	9058	1.70	500						
8293	6.51	850	9059	2.62	639						
8295	7.12	850	9060	1.73	500						
8304	6.55	850	9061	1.32	500						
8350	5.39	850	9063	0.94	500						
8380	3.38	772	9077	4.03	850						
8381	1.42	500	9082	1.52	500						
8385	2.29	581	9083	1.54	500						
8392	2.86	681	9084	1.78	500						
8393	1.62	500	9089	1.09	500						
8500	6.03	850	9093	1.33	500						
8601	0.78	500	9101	2.87	682						
8606	2.65	644	9102	2.77	665						
8709	7.60	850	9154	1.84	502						
8719	1.78	500	9156	1.25	500						
8720	1.29	500	9170	2.64	642						
8721	0.38	500	9178	24.91	850						
8726	8.71	850	9179	34.18	850						
8734	0.61	500	9180	3.52	796						
8737	0.55	500	9182	2.57	630						
8738	0.97	500	9186	50.62	850						
8742	0.45	500	9220	3.23	745						
8745	4.35	850	9402	4.09	850						
8748	0.39	500	9403	5.44	850						
8755	0.25	500	9410	1.67	500						
8799	0.91	500	9501	4.18	850						
8800	0.91	500	9505	3.63	815						
8803	0.07	500	9516	3.09	721						
8805	0.32	500	9519	1.74	500						
8810	0.23	500	9521	5.03	850						
8814	0.28	500	9522	1.49	500						
8815	0.51	500	9534	6.64	850						
8820	0.20	500	9554	7.05	850						
8824	2.35	591	9586	0.62	500						
8825	2.00	530	9600	1.55	500						
8826	2.12	551	9620	1.26	500						
8829	2.55	626									
8831	2.49	616									
8832	0.26	500									
8833	0.86	500									
8835	1.87	507									
8842	1.39	500									
8864	1.39	500									
8868	0.36	500									
8869	0.70	500									
8871	0.22	500									
8901	0.25	500									

Exclusively for American States Insurance Company

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Rates
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**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
0005	6.52	300	2041	4.33	300	2835	1.63	300	3373	2.94	300
0008	2.65	300	2065	1.63	300	2836	2.28	300	3383	1.09	300
0016	5.71	300	2070	5.54	300	2841	3.78	300	3385	0.89	300
0034	4.38	300	2081	3.91	300	2881	2.55	300	3400	2.76	300
0035	2.62	300	2089	2.57	300	2883	4.15	300	3507	3.14	300
0036	4.17	300	2095	2.77	300	2913	4.15	300	3515	2.22	300
0037	4.70	300	2105	2.47	300	2915	4.32	300	3548	1.38	300
0042	6.48	300	2110	2.17	300	2916	2.37	300	3559	2.64	300
0050	5.28	300	2111	2.55	300	2923	2.44	300	3574	1.14	300
0059	0.30	-	2112	2.76	300	2942	2.39	300	3581	1.46	300
0065	0.05	-	2114	2.72	300	2960	3.28	300	3612	2.23	300
0066	0.05	-	2121	2.27	300	3004	2.79	300	3620	5.90	300
0067	0.05	-	2130	2.84	300	3018	2.60	300	3629	1.98	300
0079	4.30	300	2131	1.92	300	3022	3.23	300	3632	4.07	300
0083	9.91	400	2143	2.22	300	3027	2.72	300	3634	1.73	300
0106	11.59	500	2157	4.12	300	3028	2.35	300	3635	2.10	300
0113	5.81	300	2172	1.60	300	3030	4.08	300	3638	1.50	300
0170	2.50	300	2174	2.97	300	3040	3.78	300	3642	0.86	300
0251	5.12	300	2211	5.56	300	3041	3.38	300	3643	3.01	300
0400	8.20	400	2220	1.98	300	3042	3.23	300	3647	3.41	300
0401	11.19	-	2286	1.44	300	3064	4.67	300	3648	2.18	300
0771	0.30	-	2288	4.10	300	3069	8.01	400	3681	1.58	300
0908P	144.48	500	2300	2.17	300	3076	3.01	300	3685	1.81	300
0913P	356.16	500	2302	1.73	300	3081	2.92	300	3719	2.65	300
0917	3.98	300	2305	2.17	300	3082	3.95	300	3724	6.90	400
1005	11.21	500	2361	1.23	300	3085	3.29	300	3726	3.07	300
1016	41.82	500	2362	1.78	300	3110	2.89	300	3803	1.93	300
1164	7.24	400	2380	4.59	300	3111	3.02	300	3807	2.13	300
1165	4.77	300	2386	1.14	300	3113	2.39	300	3808	2.79	300
1320	2.97	300	2388	1.95	300	3114	2.65	300	3821	4.20	300
1322	15.96	500	2402	2.18	300	3118	1.23	300	3822	3.68	300
1430	4.40	300	2413	1.71	300	3119	1.11	300	3824	4.92	300
1438	2.47	300	2416	1.70	300	3122	1.53	300	3826	0.89	300
1452	1.71	300	2417	1.60	300	3126	1.75	300	3827	1.60	300
1463	11.83	500	2501	1.38	300	3131	1.06	300	3830	1.14	300
1472	4.12	300	2503	1.36	300	3132	2.50	300	3851	2.69	300
1624	7.71	400	2534	2.18	300	3145	2.42	300	3865	1.29	300
1642	4.15	300	2570	5.02	300	3146	2.79	300	3881	3.58	300
1654	6.37	300	2585	3.14	300	3169	2.49	300	4000	7.34	400
1655	5.02	300	2586	1.34	300	3175	2.89	300	4021	6.01	300
1699	2.03	300	2587	2.94	300	3179	2.44	300	4024	2.25	300
1701	3.14	300	2589	1.46	300	3180	1.81	300	4034	7.06	400
1710	6.22	300	2600	6.48	300	3188	1.55	300	4036	2.55	300
1741	1.88	300	2623	2.86	300	3220	1.92	300	4038	2.20	300
1745	3.04	300	2651	2.67	300	3223	3.04	300	4053	3.49	300
1747	2.65	300	2660	1.48	300	3224	2.49	300	4061	4.30	300
1748	7.58	400	2670	2.34	300	3227	1.85	300	4062	2.34	300
1803	5.44	300	2683	2.00	300	3240	3.07	300	4101	2.03	300
1852	2.52	300	2688	3.09	300	3241	2.86	300	4111	3.11	300
1853	2.35	300	2701	7.51	400	3255	2.37	300	4112	0.96	300
1860	1.98	300	2702	30.63	500	3257	3.46	300	4113	1.34	300
1924	4.30	300	2710	8.92	400	3270	3.28	300	4114	2.25	300
1925	2.97	300	2714	4.23	300	3300	4.54	300	4130	4.62	300
2001	2.42	300	2719	11.24	500	3303	3.88	300	4131	2.47	300
2002	3.04	300	2731	3.76	300	3307	3.41	300	4133	2.44	300
2003	3.43	300	2735	2.64	300	3315	2.67	300	4150	1.70	300
2014	6.45	300	2759	8.58	400	3334	2.17	300	4206	3.73	300
2016	2.02	300	2790	1.58	300	3336	2.23	300	4207	1.02	300
2021	3.38	300	2802	5.34	300	3365	10.38	500	4239	1.29	300
2039	4.52	300	2812	3.75	300	3372	2.89	300	4240	2.50	300

Exclusively for First National Insurance Company of America

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
4243	1.70	300	5057	20.23	500	6252	6.47	300	7420	27.65	500
4244	3.01	300	5059	24.02	500	6260	5.71	300	7421	2.92	300
4250	1.51	300	5069	30.34	500	6306	6.15	300	7422	2.47	300
4251	1.80	300	5102	4.45	300	6319	6.00	300	7425	4.57	300
4263	2.23	300	5146	5.44	300	6325	5.01	300	7431	1.86	300
4273	1.95	300	5160	3.85	300	6400	7.51	400	7445	0.67	-
4279	1.83	300	5183	3.81	300	6504	2.59	300	7453	1.01	-
4282	2.15	300	5188	4.87	300	6702	8.33	400	7502	2.74	300
4283	2.00	300	5190	3.49	300	6703	14.90	500	7515	1.18	300
4299	1.78	300	5191	2.02	300	6704	9.26	400	7520	2.49	300
4304	2.81	300	5192	4.35	300	6801	12.70	500	7538	11.14	500
4307	2.23	300	5213	7.68	400	6811	5.58	300	7539	4.77	300
4351	1.16	300	5215	4.59	300	6824	36.57	500	7540	3.12	300
4352	1.02	300	5221	5.64	300	6826	14.03	500	7580	2.07	300
4360	0.92	300	5222	13.04	500	6834	3.95	300	7590	5.71	300
4361	1.34	300	5223	5.75	300	6836	6.43	300	7600	2.87	300
4362	1.18	300	5348	4.45	300	6843	16.33	500	7601	12.95	500
4410	3.26	300	5402	4.94	300	6845	24.78	500	7605	3.61	300
4420	3.93	300	5403	10.21	500	6854	5.58	300	7610	0.59	300
4431	1.51	300	5437	4.84	300	6872	21.29	500	7611	5.80	300
4432	1.63	300	5443	4.38	300	6874	43.55	500	7612	12.92	500
4439	1.71	300	5445	5.49	300	6882	5.58	300	7613	5.16	300
4452	3.31	300	5462	5.80	300	6884	12.60	500	7705	2.84	300
4459	1.90	300	5472	5.28	300	7016	4.96	300	7710	6.37	300
4470	2.42	300	5473	7.22	400	7024	5.51	300	7711	6.37	300
4484	2.12	300	5474	7.93	400	7038	6.25	300	7720	2.84	300
4493	2.57	300	5478	4.82	300	7046	27.48	500	7855	6.85	400
4511	0.76	300	5479	8.53	400	7047	8.87	400	8001	2.45	300
4557	1.73	300	5480	8.64	400	7050	11.17	500	8002	3.58	300
4558	1.68	300	5491	2.23	300	7090	6.94	400	8006	2.13	300
4561	2.02	300	5506	4.03	300	7098	30.54	500	8008	1.34	300
4568	2.64	300	5507	6.06	300	7099	49.21	500	8010	2.08	300
4581	1.76	300	5508	10.23	500	7133	3.78	300	8013	0.54	300
4583	5.39	300	5535	8.01	400	7151	4.59	300	8015	0.71	300
4611	0.97	300	5537	5.29	300	7152	8.22	400	8017	1.29	300
4635	5.02	300	5551	15.39	500	7153	5.11	300	8018	2.77	300
4653	1.31	300	5606	1.83	300	7222	10.58	500	8021	2.05	300
4665	6.80	400	5610	6.00	300	7228	7.51	400	8031	4.27	300
4670	3.90	300	5645	12.25	500	7229	7.88	400	8032	1.75	300
4683	4.97	300	5651	9.09	400	7230	4.44	300	8033	2.08	300
4686	1.29	300	5703	99.05	500	7231	5.88	300	8039	1.51	300
4692	0.49	300	5705	5.80	300	7232	13.88	500	8044	3.04	300
4693	0.94	300	5951	0.44	300	7309	24.76	500	8045	0.45	300
4703	2.45	300	6003	10.85	500	7313	7.02	400	8046	2.94	300
4717	1.81	300	6005	8.25	400	7317	11.10	500	8047	1.18	300
4720	5.31	300	6017	4.23	300	7327	32.78	500	8058	3.02	300
4740	1.56	300	6018	2.30	300	7333	5.95	300	8072	0.89	300
4741	1.78	300	6045	2.67	300	7335	6.60	300	8102	2.79	300
4751	1.51	300	6204	10.80	500	7337	10.63	500	8103	4.12	300
4771	1.73	300	6206	6.85	400	7350	21.37	500	8105	5.33	300
4777	1.76	300	6213	9.02	400	7360	7.66	400	8106	4.22	300
4825	0.91	300	6214	3.04	300	7370	5.41	300	8107	3.60	300
4828	1.70	300	6216	7.02	400	7380	3.73	300	8111	4.15	300
4829	1.23	300	6217	5.49	300	7382	3.07	300	8116	4.62	300
4902	1.36	300	6229	5.44	300	7390	3.98	300	8203	6.06	300
4923	1.13	300	6233	5.93	300	7394	12.06	500	8204	5.26	300
5020	7.48	400	6235	15.78	500	7395	13.41	500	8209	3.29	300
5022	5.38	300	6236	12.99	500	7398	21.60	500	8215	6.32	300
5037	21.08	500	6237	3.33	300	7403	3.19	300	8227	3.44	300
5040	28.27	500	6251	8.65	400	7405	1.26	300	8232	6.94	400

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STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
8233	5.64	300	9012	2.13	300						
8235	4.55	300	9014	3.06	300						
8263	10.28	500	9015	2.65	300						
8264	3.71	300	9016	6.85	400						
8265	10.23	500	9019	3.26	300						
8279	9.83	400	9033	2.17	300						
8288	6.62	300	9040	3.88	300						
8291	2.30	300	9052	1.71	300						
8292	3.28	300	9058	1.97	300						
8293	7.54	400	9059	3.04	300						
8295	8.25	400	9060	2.00	300						
8304	7.59	400	9061	1.53	300						
8350	6.25	300	9063	1.09	300						
8380	3.91	300	9077	4.67	300						
8381	1.65	300	9082	1.76	300						
8385	2.65	300	9083	1.78	300						
8392	3.31	300	9084	2.07	300						
8393	1.88	300	9089	1.26	300						
8500	6.99	400	9093	1.55	300						
8601	0.91	300	9101	3.33	300						
8606	3.07	300	9102	3.21	300						
8709	8.80	400	9154	2.13	300						
8719	2.07	300	9156	1.44	300						
8720	1.50	300	9170	3.06	300						
8721	0.44	300	9178	28.86	500						
8726	10.10	500	9179	39.60	500						
8734	0.71	300	9180	4.08	300						
8737	0.64	300	9182	2.97	300						
8738	1.13	300	9186	58.65	500						
8742	0.52	300	9220	3.75	300						
8745	5.04	300	9402	4.74	300						
8748	0.45	300	9403	6.30	300						
8755	0.29	300	9410	1.93	300						
8799	1.06	300	9501	4.84	300						
8800	1.06	300	9505	4.20	300						
8803	0.08	300	9516	3.58	300						
8805	0.37	300	9519	2.02	300						
8810	0.27	300	9521	5.83	300						
8814	0.32	300	9522	1.73	300						
8815	0.59	300	9534	7.69	400						
8820	0.24	300	9554	8.16	400						
8824	2.72	300	9586	0.72	300						
8825	2.32	300	9600	1.80	300						
8826	2.45	300	9620	1.46	300						
8829	2.96	300									
8831	2.89	300									
8832	0.30	300									
8833	0.99	300									
8835	2.17	300									
8842	1.61	300									
8864	1.61	300									
8868	0.42	300									
8869	0.81	300									
8871	0.25	300									
8901	0.29	300									

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STATE RATES

Code No.	Rate Inc. Disease	Min. Prem.									
0005	6.21	850	2041	4.13	850	2835	1.55	500	3373	2.80	670
0008	2.53	623	2065	1.55	500	2836	2.18	562	3383	1.04	500
0016	5.44	850	2070	5.28	850	2841	3.60	810	3385	0.85	500
0034	4.18	850	2081	3.73	833	2881	2.43	605	3400	2.62	639
0035	2.50	618	2089	2.45	609	2883	3.95	850	3507	2.99	703
0036	3.97	850	2095	2.64	642	2913	3.95	850	3515	2.11	549
0037	4.48	850	2105	2.35	591	2915	4.11	850	3548	1.31	500
0042	6.18	850	2110	2.06	541	2916	2.26	576	3559	2.51	619
0050	5.02	850	2111	2.43	605	2923	2.32	586	3574	1.09	500
0059	0.29	-	2112	2.62	639	2942	2.27	577	3581	1.39	500
0065	0.05	-	2114	2.59	633	2960	3.12	726	3612	2.13	553
0066	0.05	-	2121	2.16	558	3004	2.66	646	3620	5.62	850
0067	0.05	-	2130	2.70	653	3018	2.48	614	3629	1.89	511
0079	4.10	850	2131	1.82	500	3022	3.07	717	3632	3.87	850
0083	9.44	850	2143	2.11	549	3027	2.59	633	3634	1.65	500
0106	11.04	850	2157	3.92	850	3028	2.24	572	3635	2.00	530
0113	5.54	850	2172	1.52	500	3030	3.89	850	3638	1.42	500
0170	2.38	597	2174	2.83	675	3040	3.60	810	3642	0.82	500
0251	4.88	850	2211	5.30	850	3041	3.22	744	3643	2.86	681
0400	7.81	850	2220	1.89	511	3042	3.07	717	3647	3.25	749
0401	10.66	-	2286	1.38	500	3064	4.45	850	3648	2.08	544
0771	0.29	-	2288	3.90	850	3069	7.63	850	3681	1.50	500
0908P	137.60	500	2300	2.06	541	3076	2.86	681	3685	1.73	500
0913P	339.20	519	2302	1.65	500	3081	2.78	667	3719	2.53	623
0917	3.79	843	2305	2.06	541	3082	3.76	838	3724	6.58	850
1005	10.67	850	2361	1.17	500	3085	3.14	730	3726	2.93	693
1016	39.82	850	2362	1.70	500	3110	2.75	661	3803	1.84	502
1164	6.90	850	2380	4.37	850	3111	2.88	684	3807	2.03	535
1165	4.54	850	2386	1.09	500	3113	2.27	577	3808	2.66	646
1320	2.83	675	2388	1.86	506	3114	2.53	623	3821	4.00	850
1322	15.20	850	2402	2.08	544	3118	1.17	500	3822	3.50	793
1430	4.19	850	2413	1.63	500	3119	1.06	500	3824	4.69	850
1438	2.35	591	2416	1.62	500	3122	1.46	500	3826	0.85	500
1452	1.63	500	2417	1.52	500	3126	1.66	500	3827	1.52	500
1463	11.26	850	2501	1.31	500	3131	1.01	500	3830	1.09	500
1472	3.92	850	2503	1.30	500	3132	2.38	597	3851	2.56	628
1624	7.34	850	2534	2.08	544	3145	2.30	583	3865	1.23	500
1642	3.95	850	2570	4.78	850	3146	2.66	646	3881	3.41	777
1654	6.06	850	2585	2.99	703	3169	2.37	595	4000	6.99	850
1655	4.78	850	2586	1.28	500	3175	2.75	661	4021	5.73	850
1699	1.94	520	2587	2.80	670	3179	2.32	586	4024	2.14	555
1701	2.99	703	2589	1.39	500	3180	1.73	500	4034	6.72	850
1710	5.92	850	2600	6.18	850	3188	1.47	500	4036	2.43	605
1741	1.79	500	2623	2.72	656	3220	1.82	500	4038	2.10	548
1745	2.90	688	2651	2.54	625	3223	2.90	688	4053	3.33	763
1747	2.53	623	2660	1.41	500	3224	2.37	595	4061	4.10	850
1748	7.22	850	2670	2.22	569	3227	1.76	500	4062	2.22	569
1803	5.18	850	2683	1.90	513	3240	2.93	693	4101	1.94	520
1852	2.40	600	2688	2.94	695	3241	2.72	656	4111	2.96	698
1853	2.24	572	2701	7.15	850	3255	2.26	576	4112	0.91	500
1860	1.89	511	2702	29.17	850	3257	3.30	758	4113	1.28	500
1924	4.10	850	2710	8.50	850	3270	3.12	726	4114	2.14	555
1925	2.83	675	2714	4.03	850	3300	4.32	850	4130	4.40	850
2001	2.30	583	2719	10.70	850	3303	3.70	828	4131	2.35	591
2002	2.90	688	2731	3.58	807	3307	3.25	749	4133	2.32	586
2003	3.26	751	2735	2.51	619	3315	2.54	625	4150	1.62	500
2014	6.14	850	2759	8.18	850	3334	2.06	541	4206	3.55	801
2016	1.92	516	2790	1.50	500	3336	2.13	553	4207	0.98	500
2021	3.22	744	2802	5.09	850	3365	9.89	850	4239	1.23	500
2039	4.30	850	2812	3.57	805	3372	2.75	661	4240	2.38	597

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Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
4243	1.62	500	5057	19.26	850	6252	6.16	850	7420	26.34	850
4244	2.86	681	5059	22.88	850	6260	5.44	850	7421	2.78	667
4250	1.44	500	5069	28.90	850	6306	5.86	850	7422	2.35	591
4251	1.71	500	5102	4.24	850	6319	5.71	850	7425	4.35	850
4263	2.13	553	5146	5.18	850	6325	4.77	850	7431	1.78	500
4273	1.86	506	5160	3.66	821	6400	7.15	850	7445	0.64	-
4279	1.74	500	5183	3.63	815	6504	2.46	611	7453	0.96	-
4282	2.05	539	5188	4.64	850	6702	7.94	850	7502	2.61	637
4283	1.90	513	5190	3.33	763	6703	14.19	850	7515	1.12	500
4299	1.70	500	5191	1.92	516	6704	8.82	850	7520	2.37	595
4304	2.67	647	5192	4.14	850	6801	12.10	850	7538	10.61	850
4307	2.13	553	5213	7.31	850	6811	5.31	850	7539	4.54	850
4351	1.10	500	5215	4.37	850	6824	34.83	850	7540	2.98	702
4352	0.98	500	5221	5.38	850	6826	13.36	850	7580	1.97	525
4360	0.88	500	5222	12.42	850	6834	3.76	838	7590	5.44	850
4361	1.28	500	5223	5.47	850	6836	6.13	850	7600	2.74	660
4362	1.12	500	5348	4.24	850	6843	15.55	850	7601	12.34	850
4410	3.10	723	5402	4.70	850	6845	23.60	850	7605	3.44	782
4420	3.74	835	5403	9.73	850	6854	5.31	850	7610	0.56	500
4431	1.44	500	5437	4.61	850	6872	20.27	850	7611	5.52	850
4432	1.55	500	5443	4.18	850	6874	41.47	850	7612	12.30	850
4439	1.63	500	5445	5.23	850	6882	5.31	850	7613	4.91	850
4452	3.15	731	5462	5.52	850	6884	12.00	850	7705	2.70	653
4459	1.81	500	5472	5.02	850	7016	4.72	850	7710	6.06	850
4470	2.30	583	5473	6.88	850	7024	5.25	850	7711	6.06	850
4484	2.02	534	5474	7.55	850	7038	5.95	850	7720	2.70	653
4493	2.45	609	5478	4.59	850	7046	26.18	850	7855	6.53	850
4511	0.72	500	5479	8.13	850	7047	8.45	850	8001	2.34	590
4557	1.65	500	5480	8.22	850	7050	10.64	850	8002	3.41	777
4558	1.60	500	5491	2.13	553	7090	6.61	850	8006	2.03	535
4561	1.92	516	5506	3.84	850	7098	29.09	850	8008	1.28	500
4568	2.51	619	5507	5.78	850	7099	46.86	850	8010	1.98	527
4581	1.68	500	5508	9.74	850	7133	3.60	810	8013	0.51	500
4583	5.14	850	5535	7.63	850	7151	4.37	850	8015	0.67	500
4611	0.93	500	5537	5.04	850	7152	7.82	850	8017	1.23	500
4635	4.78	850	5551	14.66	850	7153	4.86	850	8018	2.64	642
4653	1.25	500	5606	1.74	500	7222	10.08	850	8021	1.95	521
4665	6.48	850	5610	5.71	850	7228	7.15	850	8031	4.06	850
4670	3.71	829	5645	11.66	850	7229	7.50	850	8032	1.66	500
4683	4.74	850	5651	8.66	850	7230	4.22	850	8033	1.98	527
4686	1.23	500	5703	94.34	850	7231	5.60	850	8039	1.44	500
4692	0.46	500	5705	5.52	850	7232	13.22	850	8044	2.90	688
4693	0.90	500	5951	0.42	500	7309	23.58	850	8045	0.43	500
4703	2.34	590	6003	10.34	850	7313	6.69	850	8046	2.80	670
4717	1.73	500	6005	7.86	850	7317	10.58	850	8047	1.12	500
4720	5.06	850	6017	4.03	850	7327	31.22	850	8058	2.88	684
4740	1.49	500	6018	2.19	563	7333	5.66	850	8072	0.85	500
4741	1.70	500	6045	2.54	625	7335	6.29	850	8102	2.66	646
4751	1.44	500	6204	10.29	850	7337	10.13	850	8103	3.92	850
4771	1.65	500	6206	6.53	850	7350	20.35	850	8105	5.07	850
4777	1.68	500	6213	8.59	850	7360	7.30	850	8106	4.02	850
4825	0.86	500	6214	2.90	688	7370	5.15	850	8107	3.42	779
4828	1.62	500	6216	6.69	850	7380	3.55	801	8111	3.95	850
4829	1.17	500	6217	5.23	850	7382	2.93	693	8116	4.40	850
4902	1.30	500	6229	5.18	850	7390	3.79	843	8203	5.78	850
4923	1.07	500	6233	5.65	850	7394	11.49	850	8204	5.01	850
5020	7.12	850	6235	15.02	850	7395	12.77	850	8209	3.14	730
5022	5.12	850	6236	12.37	850	7398	20.58	850	8215	6.02	850
5037	20.08	850	6237	3.17	735	7403	3.04	712	8227	3.28	754
5040	26.93	850	6251	8.24	850	7405	1.20	500	8232	6.61	850

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Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.	Code No.	Rate Inc. Disease	Min. Prem.
8233	5.38	850	9012	2.03	535						
8235	4.34	850	9014	2.91	689						
8263	9.79	850	9015	2.53	623						
8264	3.54	800	9016	6.53	850						
8265	9.74	850	9019	3.10	723						
8279	9.36	850	9033	2.06	541						
8288	6.30	850	9040	3.70	828						
8291	2.19	563	9052	1.63	500						
8292	3.12	726	9058	1.87	507						
8293	7.18	850	9059	2.90	688						
8295	7.86	850	9060	1.90	513						
8304	7.23	850	9061	1.46	500						
8350	5.95	850	9063	1.04	500						
8380	3.73	833	9077	4.45	850						
8381	1.57	500	9082	1.68	500						
8385	2.53	623	9083	1.70	500						
8392	3.15	731	9084	1.97	525						
8393	1.79	500	9089	1.20	500						
8500	6.66	850	9093	1.47	500						
8601	0.86	500	9101	3.17	735						
8606	2.93	693	9102	3.06	716						
8709	8.38	850	9154	2.03	535						
8719	1.97	525	9156	1.38	500						
8720	1.42	500	9170	2.91	689						
8721	0.42	500	9178	27.49	850						
8726	9.62	850	9179	37.71	850						
8734	0.67	500	9180	3.89	850						
8737	0.61	500	9182	2.83	675						
8738	1.07	500	9186	55.86	850						
8742	0.50	500	9220	3.57	805						
8745	4.80	850	9402	4.51	850						
8748	0.43	500	9403	6.00	850						
8755	0.27	500	9410	1.84	502						
8799	1.01	500	9501	4.61	850						
8800	1.01	500	9505	4.00	850						
8803	0.08	500	9516	3.41	777						
8805	0.35	500	9519	1.92	516						
8810	0.26	500	9521	5.55	850						
8814	0.30	500	9522	1.65	500						
8815	0.56	500	9534	7.33	850						
8820	0.22	500	9554	7.78	850						
8824	2.59	633	9586	0.69	500						
8825	2.21	567	9600	1.71	500						
8826	2.34	590	9620	1.39	500						
8829	2.82	674									
8831	2.75	661									
8832	0.29	500									
8833	0.94	500									
8835	2.06	541									
8842	1.54	500									
8864	1.54	500									
8868	0.40	500									
8869	0.77	500									
8871	0.24	500									
8901	0.27	500									

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PREMIUM DISCOUNT PERCENTAGES

Refer to Appendix B of NCCI Basic Manual – State Reference Chart.
The following premium discounts are applicable to standard premiums:

American Economy Insurance Company	Table 7
American States Insurance Company	Table 7
First National Insurance Company of America	Table 9
General Insurance Company of America	Table 7

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**BASIC MANUAL FOR WORKERS COMPENSATION
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MISCELLANEOUS VALUES

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11:

- Exclusively for American Economy Insurance Company, American States Insurance Company and General Insurance Company of America: \$180.00
- Exclusively for First National Insurance Company of America: \$0.00

Minimum Premium:

- Exclusively for American Economy Insurance Company, American States Insurance Company and General Insurance Company of America: \$500.00

Deductible Percentage Premium Reduction – The following premium reduction percentages are applicable by hazard group for employers electing deductibles as designated below.

Every employer, upon request, shall have the option to agree to pay a deductible amount per claim.

Workers Compensation Deductible Premium Credits								
Exclusively for American Economy Insurance Company, American States Insurance Company and General Insurance Company of America								
		Hazard Group						
Deductible		A	B	C	D	E	F	G
Total Loss	\$1,000	7.6%	6.1%	5.2%	4.3%	3.6%	2.5%	1.9%
	1,500	9.3%	7.5%	6.4%	5.4%	4.6%	3.2%	2.4%
	2,000	10.6%	8.6%	7.4%	6.3%	5.3%	3.8%	2.9%
	2,500	11.8%	9.5%	8.3%	7.1%	6.0%	4.3%	3.3%
	3,000	12.8%	10.4%	9.0%	7.7%	6.6%	4.8%	3.6%
	3,500	13.7%	11.2%	9.7%	8.4%	7.1%	5.3%	4.0%
	4,000	14.5%	11.9%	10.4%	9.0%	7.7%	5.7%	4.3%
	4,500	15.3%	12.6%	11.0%	9.5%	8.2%	6.1%	4.6%
	5,000	16.0%	13.2%	11.6%	10.1%	8.7%	6.5%	4.9%
Indemnity Only	\$1,000							
	1,500	1.6%	1.2%	1.1%	1.1%	0.9%	0.8%	0.6%
	2,000	2.2%	1.7%	1.6%	1.5%	1.3%	1.1%	0.8%
	2,500	2.7%	2.2%	2.0%	1.9%	1.6%	1.3%	1.1%
	3,000	3.2%	2.6%	2.3%	2.2%	1.9%	1.6%	1.2%
	3,500	3.6%	2.9%	2.7%	2.5%	2.2%	1.9%	1.4%
	4,000	4.0%	3.3%	3.0%	2.8%	2.5%	2.1%	1.6%
	4,500	4.4%	3.6%	3.3%	3.1%	2.8%	2.3%	1.8%

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	5,000	4.7%	3.9%	3.6%	3.3%	3.0%	2.5%	1.9%
Medical Loss Only	\$1,000	7.6%	6.2%	5.3%	4.4%	3.7%	2.6%	2.0%
	1,500	7.4%	5.9%	5.0%	4.2%	3.5%	2.4%	1.8%
	2,000	8.9%	7.1%	6.1%	5.2%	4.3%	3.0%	2.2%
	2,500	10.0%	8.1%	7.0%	5.9%	5.0%	3.5%	2.6%
	3,000	11.0%	8.9%	7.7%	6.5%	5.5%	3.9%	2.9%
	3,500	11.8%	9.6%	8.3%	7.1%	6.0%	4.3%	3.2%
	4,000	12.5%	10.2%	8.8%	7.6%	6.4%	4.6%	3.5%
	4,500	13.2%	10.8%	9.4%	8.0%	6.9%	5.0%	3.7%
	5,000	13.8%	11.3%	9.8%	8.5%	7.2%	5.3%	4.0%

Workers Compensation Deductible Premium Credits								
Exclusively for First National Insurance Company of America								
		Hazard Group						
Deductible		A	B	C	D	E	F	G
Total Loss	\$1,000	7.8%	6.3%	5.3%	4.4%	3.7%	2.6%	1.9%
	1,500	9.6%	7.7%	6.6%	5.5%	4.7%	3.2%	2.5%
	2,000	10.9%	8.8%	7.6%	6.4%	5.5%	3.9%	2.9%
	2,500	12.1%	9.8%	8.5%	7.3%	6.1%	4.4%	3.4%
	3,000	13.1%	10.7%	9.3%	7.9%	6.8%	4.9%	3.7%
	3,500	14.1%	11.5%	10.0%	8.6%	7.3%	5.4%	4.1%
	4,000	14.9%	12.2%	10.7%	9.3%	7.9%	5.8%	4.4%
	4,500	15.7%	12.9%	11.3%	9.8%	8.4%	6.3%	4.7%
	5,000	16.5%	13.6%	11.9%	10.4%	8.9%	6.7%	5.0%
Indemnity Only	\$1,000							
	1,500	1.6%	1.3%	1.1%	1.1%	1.0%	0.8%	0.6%
	2,000	2.2%	1.7%	1.6%	1.5%	1.3%	1.1%	0.8%
	2,500	2.8%	2.2%	2.0%	1.9%	1.7%	1.4%	1.1%
	3,000	3.2%	2.6%	2.4%	2.3%	2.0%	1.7%	1.3%
	3,500	3.7%	3.0%	2.8%	2.6%	2.3%	1.9%	1.4%
	4,000	4.1%	3.4%	3.1%	2.9%	2.6%	2.2%	1.6%

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	4,500	4.5%	3.7%	3.4%	3.2%	2.8%	2.4%	1.8%
	5,000	4.9%	4.0%	3.7%	3.4%	3.1%	2.6%	2.0%
Medical Loss Only	\$1,000	7.6%	6.1%	5.2%	4.3%	3.6%	2.5%	1.8%
	1,500	9.1%	7.3%	6.3%	5.3%	4.4%	3.1%	2.3%
	2,000	10.3%	8.3%	7.2%	6.0%	5.1%	3.5%	2.7%
	2,500	11.2%	9.1%	7.9%	6.7%	5.6%	4.0%	3.0%
	3,000	12.1%	9.9%	8.5%	7.3%	6.1%	4.4%	3.3%
	3,500	12.8%	10.5%	9.1%	7.8%	6.6%	4.7%	3.6%
	4,000	13.5%	11.1%	9.6%	8.2%	7.0%	5.1%	3.8%
	4,500	14.1%	11.6%	10.1%	8.7%	7.4%	5.4%	4.1%
	5,000	14.7%	12.1%	10.5%	9.1%	7.8%	5.7%	4.3%

We are not required to offer a deductible to an insured if, as a result of a credit investigation, we determine the insured is not sufficiently financially stable to be responsible for the payment of deductible amounts.

We will pay the deductible amount for the insured, but the insured must reimburse us within 30 days after we send notice that payment is due. If the insured fails to fully reimburse us, we may cancel the policy in accordance with the cancellation requirements of the policy. We may keep the amount of unearned premium that will reimburse us for the payments we made. These rights are in addition to other rights we have to be reimbursed.

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**BASIC MANUAL FOR WORKERS COMPENSATION
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MINIMUM PREMIUM RULE

A. Basic Manual Rule 3-A-16, Minimum Premium

This rule is revised to read as follows:

The minimum premium for all classifications shall be determined as follows:

- a. If a governing class Pure Premium rate is:
 1. less than \$4.00, the minimum premium is \$300.00.
 2. \$4.00 to \$6.00, the minimum premium is \$400.00.
 3. greater than \$6.00, the minimum premium is \$500.00.
- b. For a policy with two or more classifications, apply the highest minimum premium for any classification on the policy.

B. Basic Manual Rule 3-A-3, Cancellation Provisions

Item 4. in Cancellation Provisions Tables 1, 2 and 3 and Item 7. in Cancellation Provisions Table 4 are deleted and replaced by the following:

The total premium for the canceled policy shall not be less than \$100.00.

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SCHEDULE RATING

Eligibility (Minimum Annual Premium at Rates) = Any Risk.

Application of schedule rating will not reduce the policy premium below the policy's highest classification minimum premium.

The premium for a risk may be modified according to the following chart. A risk is subject to a maximum modification of 25% for characteristics that are not reflected in its experience.

Risk Characteristics	Range of Modifications		
	Credit		Debit
A. Premises - conditions, care	10%	to	10%
B. Expense differences	10%	to	10%
C. Medical facilities	5%	to	5%
D. Safety devices	5%	to	5%
E. Employees - selection, training, supervision	10%	to	10%
F. Management			
1. Cooperation with insurance carrier	5%	to	5%
2. Safety organization	5%	to	5%

All schedule debits and all schedule credits shall be based on evidence that is contained in the file at the time the schedule credit or debit is applied.

The effective date of any schedule credit or debit shall not be any date prior to the receipt in the insurers' office of the evidence supporting the credit or debit.

The derivation of the schedule factor must be made available to the insured upon request. To the degree the insured can correct the reason for any scheduled debit to the satisfaction of the insurer, the debit may be removed effective the date the documentation for the correction is received in the insurers' office.

We will make an annual report to the National Council on Compensation Insurance illustrating the total dollar amount of scheduled debits and the total amount of schedule credits. All statistical reporting on policies is reported to the National Council but is not limited to premiums reported on the Unit Statistical Plan, Policy-Year Premiums, Calendar-Accident Year Premiums and Calendar Year Premiums. Scheduled rating premium adjustments will be reported under unique classification codes on Unit Statistical Reports submitted to the NCCI.

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

WAIVER OF RIGHT TO RECOVER FROM OTHERS (SUBROGATION)

The following is added to NCCI Basic Manual Rule 3-A-22:

Premium Determination

The additional premium charge for a waiver of subrogation is five percent of the premium developed in conjunction with the work for which the waiver of subrogation is provided, subject to a \$150 minimum annual charge per waiver.

Exclusively for American Economy Insurance Company
American States Insurance Company
First National Insurance Company of America and
General Insurance Company of America

08-05

Subrogation Waiver
(1 of 1)

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

RETROSPECTIVE RATING PLAN MANUAL

STATE SPECIAL RATING VALUES

1.	Tax Multipliers							
a.	State (non-F classes)	1.063						
b.	Federal classes, or non-F classes where rate is increased by the USL & HW Act Percentage	1.133						
2.	Expected Loss Ratio			3.	Table of Expense Ratios			
	0.612				Stock XXVII-A			
4.	Excess Loss Factors (Applicable to New and Renewal Policies)							
		Excess Loss Pure Premium Factors						
	Per Accident Limitation	Hazard Groups						
		A	B	C	D	E	F	G
	\$ 25,000	0.289	0.331	0.358	0.382	0.410	0.449	0.486
	30,000	0.267	0.310	0.337	0.361	0.390	0.431	0.472 *
	35,000	0.249	0.291	0.318	0.342	0.372	0.415	0.458 *
	40,000	0.233	0.274	0.302	0.326	0.357	0.401	0.445 *
	50,000	0.207	0.246	0.274	0.299	0.330	0.375	0.423 *
	75,000	0.164	0.199	0.226	0.249	0.280	0.327	0.380 *
	100,000	0.138	0.168	0.194	0.215	0.247	0.292	0.348 *
	125,000	0.120	0.146	0.172	0.191	0.221	0.266	0.322
	150,000	0.107	0.131	0.155	0.174	0.202	0.245	0.302
	175,000	0.096	0.118	0.142	0.159	0.186	0.228	0.285
	200,000	0.088	0.109	0.131	0.147	0.173	0.213	0.270
	225,000	0.082	0.100	0.122	0.137	0.161	0.201	0.258
	250,000	0.077	0.094	0.115	0.129	0.153	0.191	0.247
	275,000	0.072	0.088	0.109	0.122	0.145	0.181	0.237
	300,000	0.068	0.083	0.103	0.116	0.137	0.173	0.228
	325,000	0.064	0.079	0.098	0.110	0.131	0.166	0.220
	350,000	0.061	0.075	0.093	0.106	0.126	0.159	0.212
	375,000	0.058	0.072	0.090	0.101	0.120	0.153	0.206
	400,000	0.056	0.069	0.086	0.097	0.116	0.147	0.200
	425,000	0.054	0.066	0.083	0.093	0.112	0.143	0.194
	450,000	0.052	0.064	0.080	0.091	0.108	0.138	0.189
	475,000	0.050	0.061	0.077	0.088	0.104	0.134	0.185
	500,000	0.049	0.060	0.075	0.085	0.101	0.130	0.180

Exclusively for American Economy Insurance Company
American States Insurance Company and
General Insurance Company of America

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

4.	Excess Loss Factors (Applicable to New and Renewal Policies) (Continued)								
		Excess Loss Pure Premium Factors							
	Per Accident Limitation	Hazard Groups							
		A	B	C	D	E	F	G	
	\$ 600,000	0.043	0.053	0.068	0.076	0.091	0.118	0.165	
	700,000	0.039	0.048	0.061	0.069	0.083	0.107	0.153	
	800,000	0.037	0.045	0.058	0.064	0.077	0.100	0.143	
	900,000	0.034	0.042	0.054	0.060	0.072	0.093	0.135	
	1,000,000	0.032	0.039	0.050	0.056	0.067	0.088	0.128	
	2,000,000	0.019	0.025	0.032	0.037	0.044	0.058	0.087	
	3,000,000	0.013	0.018	0.023	0.027	0.033	0.044	0.067	
	4,000,000	0.010	0.014	0.018	0.021	0.026	0.036	0.055	
	5,000,000	0.008	0.011	0.015	0.018	0.021	0.029	0.047	
	6,000,000	0.007	0.009	0.012	0.014	0.018	0.025	0.040	
7,000,000	0.006	0.007	0.010	0.012	0.015	0.021	0.035		
8,000,000	0.005	0.007	0.009	0.010	0.013	0.018	0.031		
9,000,000	0.004	0.006	0.008	0.009	0.012	0.016	0.028		
10,000,000	0.004	0.005	0.007	0.008	0.010	0.015	0.025		
*Also applicable to Underground Coal Mine classifications.									

Exclusively for American Economy Insurance Company
American States Insurance Company and
General Insurance Company of America

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

RETROSPECTIVE RATING PLAN MANUAL

STATE SPECIAL RATING VALUES

1.	Tax Multipliers							
a.	State (non-F classes)	1.063						
b.	Federal classes, or non-F classes where rate is increased by the USL & HW Act Percentage	1.134						
2.	Expected Loss Ratio			3.	Table of Expense Ratios			
	0.628				Stock XXVII-E			
4.	Excess Loss Factors (Applicable to New and Renewal Policies)							
		Excess Loss Pure Premium Factors						
	Per Accident Limitation	Hazard Groups						
		A	B	C	D	E	F	G
	\$ 25,000	0.297	0.340	0.367	0.392	0.420	0.461	0.499
	30,000	0.274	0.318	0.345	0.370	0.400	0.443	0.484 *
	35,000	0.255	0.298	0.327	0.351	0.382	0.426	0.470 *
	40,000	0.239	0.281	0.309	0.335	0.366	0.411	0.457 *
	50,000	0.212	0.252	0.281	0.306	0.339	0.385	0.435 *
	75,000	0.169	0.204	0.232	0.255	0.288	0.336	0.390 *
	100,000	0.142	0.172	0.199	0.221	0.253	0.300	0.357 *
	125,000	0.123	0.150	0.176	0.196	0.227	0.273	0.330
	150,000	0.109	0.134	0.159	0.178	0.208	0.252	0.310
	175,000	0.099	0.121	0.145	0.163	0.191	0.234	0.292
	200,000	0.091	0.112	0.134	0.151	0.178	0.219	0.277
	225,000	0.084	0.103	0.125	0.141	0.166	0.206	0.264
	250,000	0.079	0.097	0.118	0.133	0.157	0.196	0.253
	275,000	0.074	0.091	0.112	0.125	0.148	0.186	0.243
	300,000	0.070	0.085	0.106	0.119	0.141	0.178	0.234
	325,000	0.066	0.081	0.100	0.113	0.135	0.170	0.226
	350,000	0.063	0.077	0.096	0.109	0.129	0.163	0.218
	375,000	0.060	0.074	0.092	0.104	0.124	0.157	0.211
	400,000	0.058	0.071	0.088	0.100	0.119	0.151	0.205
	425,000	0.055	0.068	0.085	0.096	0.115	0.147	0.199
	450,000	0.053	0.065	0.082	0.093	0.111	0.142	0.194
	475,000	0.052	0.063	0.079	0.090	0.107	0.138	0.190
	500,000	0.050	0.061	0.077	0.087	0.104	0.133	0.185

**BASIC MANUAL FOR WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE**

4.	Excess Loss Factors (Applicable to New and Renewal Policies) (Continued)								
		Excess Loss Pure Premium Factors							
	Per Accident Limitation	Hazard Groups							
		A	B	C	D	E	F	G	
	\$ 600,000	0.044	0.055	0.070	0.078	0.094	0.121	0.169	
	700,000	0.040	0.049	0.063	0.071	0.085	0.110	0.157	
	800,000	0.038	0.046	0.059	0.066	0.079	0.103	0.147	
	900,000	0.035	0.043	0.055	0.061	0.073	0.096	0.139	
	1,000,000	0.033	0.040	0.052	0.058	0.069	0.090	0.131	
	2,000,000	0.019	0.025	0.033	0.037	0.045	0.059	0.089	
	3,000,000	0.013	0.018	0.024	0.028	0.034	0.045	0.069	
	4,000,000	0.010	0.014	0.019	0.022	0.027	0.037	0.057	
	5,000,000	0.008	0.011	0.016	0.018	0.022	0.030	0.048	
	6,000,000	0.007	0.009	0.012	0.014	0.018	0.025	0.041	
	7,000,000	0.006	0.007	0.010	0.012	0.015	0.022	0.036	
8,000,000	0.005	0.007	0.009	0.010	0.013	0.019	0.031		
9,000,000	0.004	0.006	0.008	0.010	0.012	0.016	0.028		
10,000,000	0.004	0.005	0.007	0.008	0.010	0.015	0.025		
*Also applicable to Underground Coal Mine classifications.									

SERFF Tracking Number: SAFX-125719660 State: Arkansas
First Filing Company: American Economy Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: WC AR07416CGR01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 07/02/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC RATE RULE FILING SCHEDULE.PDF

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 07/02/2008

Comments:

Attachment:

Stat Forms_ae as g.PDF

Satisfied -Name: Stat Form_fn **Review Status:** Approved 07/02/2008

Comments:

Attachment:

Stat Form_fn.PDF

Satisfied -Name: Exhibits_ae as g **Review Status:** Approved 07/02/2008

Comments:

Attachment:

Exhibits_ae as g.PDF

Satisfied -Name: Exhibits_fn **Review Status:** Approved 07/02/2008

Comments:

Attachment:

Exhibits_fn.PDF

SERFF Tracking Number: SAFX-125719660 State: Arkansas
First Filing Company: American Economy Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: WC AR07416CGR01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Workers Compensation
Project Name/Number: WC - 2008 Bureau Loss Costs and Rating Values/WC AR07416CGR01

Satisfied -Name: Cover Letter **Review Status:** Approved 07/02/2008
Comments:
Attachment:
Cover Letter.PDF

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 07/02/2008
Comments:
Attachments:
Stat Forms_ae as g.PDF
Stat Form_fn.PDF

Satisfied -Name: Memo **Review Status:** Approved 07/02/2008
Comments:
Attachment:
Memo.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 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 #
Safeco Group	163

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Economy Insurance Company	IN	19690	35-1044900	
American States Insurance Company	IN	19704	35-0145400	
First National Insurance Company of America	WA	24724	91-0742144	
General Insurance Company of America	WA	24732	91-0231910	

5. Company Tracking Number	WC AR07416CGR01
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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
	Robert Kolenda, CPCU Safeco Plaza, State Filings, Suite 2800 Seattle WA 98185-0001	Commercial Lines Filings Analyst	206-473-5776	206-473-6723	robkol@safeco.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Robert Kolenda, CPCU

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)	16.0004 Standard WC
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	
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: 08/01/2008 Renewal: 08/01/2008
15.	Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization # & Title	AR-2008-02; 03; 04; 06. Voluntary Advisory Loss Costs & Rating Values; Assigned Risk Rates & Rating Values; Technical Supplement to Voluntary Loss Costs & Rating Values; and Approved Voluntary Loss Costs & Rating Values & Assigned Risk Rates and Rating Values
18.	Company's Date of Filing	07-01-08
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	WC AR07416CGR01
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Submitting: Miscellaneous Values (08-08)

The purpose of this filing is to:

- § Adopt administrative rating bureau-approved loss costs and rating values.
- § Revise our loss cost multipliers.
- § Adopt the Excess Loss Factors portion of NCCI-approved Countrywide-Item R-1396-2007, Update to Retrospective Rating Plan Parameters

Adopt Administrative Rating Bureau-approved Loss Costs and Rating Values

American Economy Insurance Company, American States Insurance Company, First National Insurance Company of America and General Insurance Company of America propose to adopt July 1, 2008 National Council on Compensation Insurance, Inc. (NCCI)-approved loss costs and rating values as detailed in AR-2008-02, Arkansas—Approved Voluntary Loss Costs and Rating Values, Effective July 1, 2008—Item AR-2008-02.

Revise our loss cost multipliers

There are the following changes to our loss cost multipliers on file:

Company	Current LCM	Proposed LCM
American Economy Insurance Company	1.270	1.310
American States Insurance Company	1.420	1.450
First National Insurance Company of America	1.700	1.730
General Insurance Company of America	1.560	1.600

Countrywide-Item R-1396-2007

In an earlier letter we notified you of our intent to delay adoption of the Excess Loss Factors (ELFs) portion of National Council on Compensation Insurance, Inc. (NCCI)-approved Countrywide-Item R-1396-2007, Update to Retrospective Rating Plan Parameters, in your state from July 1, 2008 to August 1, 2008 to coincide with this Voluntary Loss Costs and Rating Values filing in your state.

This filing is applicable to all new and renewal policies effective on and after August 1, 2008. I look forward to receiving your acknowledgment of our submission.

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

Check #: via EFT
Amount: \$100

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

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

PROPERTY & CASUALTY 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 #	WC AR07416CGR01
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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.)	Prior Approval
-----------	------------------------------------------------------------------------	----------------

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)
American Economy Insurance Company	0	-4.9	-9154	58	185300	14.5	-24.9
American States Insurance Company	0	-7.5	-30454	135	406315	20	-24.2
First National Insurance Company of America	0	-12.3	-13103	4	106682	0	-23.9
General Insurance Company of America	0	-8.1	-10603	82	130899	10.5	-26.9

4b.	Rate Change by Company (As Accepted) For State Use Only
------------	----------------------------------------------------------------

Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

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	-7.6	
5c.	Effect of Rate Filing – Written premium change for this program	-63314	
5d.	Effect of Rate Filing - Number of policyholders affected	279	

6.	Overall percentage of last rate revision	-5
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7.	Effective Date of last rate revision	08/01/2007
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	08-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AR-PC-07-025271
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Effective March 1, 2007

03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
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ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME American Economy Insurance Company

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-19690

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-5.3%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-4.9%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-8.3%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-7.5%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME American Economy Insurance Company DATE: 6/13/08
NAIC NO. 19690 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification
2. Loss Cost Modification:
A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: *(Check one)*
(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.) -9.6% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 0.904 (See Examples Below)

3. 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	<i>See Exhibit 6</i>	18.25%
B. General Expenses	<i>See Exhibit 6</i>	5.01%
C. Taxes, Licenses & Fees	<i>See Exhibit 6</i>	5.95%
D. Underwriting Profit & Contingencies*	<i>See Exhibit 8</i>	2.52%
E. Other (explain):		
F. TOTAL		31.72%

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 68.28%
B. ELR in Decimal Form = 0.683
5. Overall Impact of Expense Constant and Minimum Premiums *See Exhibit 6a.* 1.084
(A 2.3% impact would be expressed as 1.023)
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation *See Exhibit 6a.* 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)
7. Company Formula Loss Cost Multiplier: $2B/[(6-3F) \times 5] =$ 1.31
 $(2B/[6 \cdot 3F] \times 5) =$
8. Company Selected Loss Cost Multiplier: 1.31
Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME American States Insurance Company

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-19704

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-8.1%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-7.5%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-9.2%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-6.7%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME American States Insurance Company DATE: 6/13/08
NAIC NO. 19704 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification

2. Loss Cost Modification:

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

(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.) 0.2% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 1.002 (See Examples Below)

3. 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	<i>See Exhibit 6</i>	18.25%
B. General Expenses	<i>See Exhibit 6</i>	5.01%
C. Taxes, Licenses & Fees	<i>See Exhibit 6</i>	5.95%
D. Underwriting Profit & Contingencies*	<i>See Exhibit 8</i>	2.52%
E. Other (explain):		
F. TOTAL		31.72%

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F = 68.28%

B. ELR in Decimal Form = 0.683

5. Overall Impact of Expense Constant and Minimum Premiums *See Exhibit 6a.* 1.084
(A 2.3% impact would be expressed as 1.023)

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation *See Exhibit 6a.* 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)

7. Company Formula Loss Cost Multiplier: $2B / [(6-3F) \times 5] =$ 1.45
 $(2B / [6 - 3F] \times 5) =$

8. Company Selected Loss Cost Multiplier: 1.45
Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME General Insurance Company of America

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-24732

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-9.4%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-8.1%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-12.5%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-11.2%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME General Insurance Company of America DATE: 6/13/08
NAIC NO. 24732 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification

2. Loss Cost Modification:

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

(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.) 10.4% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 1.104 (See Examples Below)

3. 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	<i>See Exhibit 6</i>	18.25%
B. General Expenses	<i>See Exhibit 6</i>	5.01%
C. Taxes, Licenses & Fees	<i>See Exhibit 6</i>	5.95%
D. Underwriting Profit & Contingencies*	<i>See Exhibit 8</i>	2.52%
E. Other (explain):		
F. TOTAL		31.72%

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F = 68.28%

B. ELR in Decimal Form = 0.683

5. Overall Impact of Expense Constant and Minimum Premiums *See Exhibit 6a.* 1.084
(A 2.3% impact would be expressed as 1.023)

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation *See Exhibit 6a.* 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)

7. Company Formula Loss Cost Multiplier: $2B/[(6-3F) \times 5] =$ 1.60
 $(2B/[6 \cdot 3F] \times 5) =$

8. Company Selected Loss Cost Multiplier: 1.60
Explain any differences between 7 and 8:

YES NO

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

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

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/16/2008

Page 1 of 2

1. INSURER NAME First National Insurance Company of America

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-24724

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-12.5%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-12.3%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>1.7%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>1.6%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME First National Insurance Company of America DATE: 06/16/08

NAIC NO. 163-24724 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification
2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: *(Check one)*
 (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 modifier 7.8% Additional Loss Adjustment Expense
[First National's LAE] / [NCCI's LAE] = 1.286 / 1.193 = 1.078 (See Exhibit 3)
 - B. Loss Cost Modification Expressed as a Factor: 1.078 (See Examples Below)
3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insure 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	14.16%
B. General Expenses	5.32%
C. Taxes, Licenses & Fees	5.38%
D. Underwriting Profit & Contingencies*	2.28%
E. Other (explain):	0.00%
F. TOTAL	27.13%

*Explain how investment income is taken into account. *See exhibit 3.*

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =	72.87%
B. ELR in Decimal Form =	0.729
5. Overall Impact of Expense Constant and Minimum Premiums
 (A 2.3% impact would be expressed as 1.023) 1.000
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation
 Recognition in Retrospective Rating:
 (An 8.67% average discount would be expressed as 0.914.) 0.911
7. Company Formula Loss Cost Multiplier: $2B / [(6 - 3F) \times 5] =$ 1.68
 $(2B / [6 - 3F] \times 5) =$
8. Company Selected Loss Cost Multiplier: 1.68
 Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

American States Insurance Company
American Economy Insurance Company
General Insurance Company

Arkansas

Workers Compensation

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American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Loss Cost Modification Calculation--Combined Companies

EXHIBIT 1

		Calendar / Accident Year Ending					Total		
		2002	2003	2004	2005	12/31 2006			
A	Premium at 7/1/08 Bureau pure premium rates (Exh. 2) (excluding LAE/LBA)	680,526	491,907	436,126	369,540	342,581	337,975	2,658,654	
B	Ultimate loss (Exh. 3)	Indemnity	269,148	158,843	83,788	37,361	85,653	71,569	706,361
		Medical	426,248	223,019	178,782	126,348	118,693	159,477	1,232,568
C	Benefit level adjustment factor (Exh. 4)	Indemnity	1.179	1.165	1.153	1.142	1.123	1.109	
		Medical	0.988	0.988	0.988	0.988	0.985	0.991	
D	Claims cost trend factor (Exh. 4)	Indemnity	0.818	0.850	0.882	0.916	0.951	0.988	
		Medical	0.913	0.945	0.977	1.011	1.046	1.082	
E	Trended loss B * C * D	Indemnity	259,627	157,213	85,255	39,082	91,480	78,428	711,085
		Medical	384,548	208,160	172,642	126,228	122,315	171,055	1,184,948
	Total	644,176	365,373	257,897	165,310	213,795	249,483	1,896,034	
F	Indicated loss cost modification based on state experience E / A *	0.947	0.743	0.591	0.447	0.624	0.738	0.713	
G	Accident year weights	0.167	0.167	0.167	0.167	0.167	0.167		
H	State Credibility **							0.030	
J	Indicated loss cost modification based on region experience (Exh. 5)							0.856	
K	Region Credibility **							0.318	
L	Indicated loss cost modification based on countrywide experience (Exh. 5)							0.876	
M	Credibility weighted loss cost modification factor F * H + J * (K - H) + L * (1.00 - K)							0.865	
N	LAE and LBA factor based on combined companies data (Exh. 7)							1.286	
P	LAE and LBA factor underlying Bureau loss costs							1.193	
Q	Average Schedule Modification Factor							0.940	
R	Loss Cost Modification Factor after considering LAE/LBA and Schedule Rating M * (N / P) / Q							0.993	
	Selected loss cost modification factor American States Ins. Co:							1.002	
	Selected loss cost modification factor American Economy Ins. Co:							0.904	
	Selected loss cost modification factor General Ins. Co:							1.104	
	Average loss cost modification factor Combined Companies: ***							0.992	

* The loss cost modification factor in the total column is equal to the weighted average of the trended loss from line E divided by the weighted average of the on-level Bureau pure premium from line A. Line G shows the accident year weights.

** Credibility is based on the number of indemnity claims during the experience period using the formula: (# indemnity claims / (# indemnity claims + 1500))

indemnity claims - Arkansas = 47

indemnity claims - CE Region = 700

*** The average loss cost modification factor is based on the following premium distribution:

0.402	American States Ins. Co.
0.356	American Economy Ins. Co.
0.241	General Ins. Co.

American States Insurance Company
American Economy Insurance Company
General Insurance Company

Arkansas

Workers Compensation

Premium at 7/1/08 Bureau Pure Premium Rates--Combined Companies

EXHIBIT 2

American States	Calendar / Accident Year Ending 12/31					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
A Net earned premium	1,302,755	989,461	657,365	362,721	314,003	319,254
B Rate level adjustment factor (Exh. 2A)	0.973	0.890	0.899	0.928	0.937	0.939
C Net earned premium at current company rates A * B	1,267,335	880,827	591,198	336,439	294,216	299,912
D Average premium discount	0.965	0.962	0.958	0.951	0.941	0.947
E Average schedule modification	0.994	1.002	0.995	0.989	1.025	0.999
F Factor to remove expense constant	0.932	0.929	0.939	0.945	0.947	0.940
G Standard earned premium at current company rates (C / D / E) * F	1,231,710	850,001	582,372	338,204	288,954	297,891
H Current Loss Cost Multiplier	1.420	1.420	1.420	1.420	1.420	1.420
J Premium at 7/1/07 Bureau pure premium rates G / H	867,402	598,593	410,121	238,172	203,488	209,782
K Effect of 7/1/08 Bureau revision	0.901	0.901	0.901	0.901	0.901	0.901
L LAE and LBA in Bureau pure premium rates	1.193	1.193	1.193	1.193	1.193	1.193
M Premium at 7/1/08 Bureau pure premium rates excluding LAE/LBA J * K / L	654,766	451,853	309,584	179,786	153,605	158,356

American Economy	Calendar / Accident Year Ending 12/31					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
A Net earned premium	44,467	82,064	174,184	176,533	179,046	159,468
B Rate level adjustment factor (Exh. 2B)	0.910	0.815	0.817	0.862	0.878	0.922
C Net earned premium at current company rates A * B	40,450	66,852	142,282	152,087	157,277	147,037
D Average Premium Discount	0.956	0.980	0.956	0.980	0.975	0.974
E Average Schedule Modification	0.949	1.004	1.000	0.916	0.886	0.897
F Factor to remove expense constant	0.954	0.936	0.942	0.917	0.928	0.930
G Standard earned premium at current company rates (C / D / E) * F	42,525	63,603	140,317	155,329	169,064	156,646
H Current Loss Cost Multiplier	1.270	1.270	1.270	1.270	1.270	1.270
J Premium at 7/1/07 Bureau pure premium rates G / H	33,484	50,081	110,486	122,306	133,122	123,343
K Effect of 7/1/08 Bureau revision	0.918	0.918	0.918	0.918	0.918	0.918
L LAE and LBA in Bureau pure premium rates	1.193	1.193	1.193	1.193	1.193	1.193
M Premium at 7/1/08 Bureau pure premium rates excluding LAE/LBA J * K / L	25,760	38,528	84,998	94,091	102,412	94,889

General Insurance Company	Calendar / Accident Year Ending 12/31					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
A Net earned premium	0	4,571	116,387	241,949	222,617	211,380
B Rate level adjustment factor (Exh. 2C)	0.869	0.869	0.870	0.874	0.869	0.893
C Net earned premium at current company rates A * B	0	3,973	101,232	211,483	193,553	188,717
D Average premium discount	1.000	0.989	0.983	0.977	0.977	0.964
E Average schedule modification	1.000	1.061	1.034	0.973	0.970	1.005
F Factor to remove expense constant	1.000	0.849	0.879	0.906	0.893	0.917
G Standard earned premium at current company rates (C / D / E) * F	0	3,214	87,527	201,544	182,377	178,513
H Current Loss Cost Multiplier	1.560	1.560	1.560	1.560	1.560	1.560
J Premium at 7/1/07 Bureau pure premium rates G / H	0	2,061	56,107	129,195	116,908	114,431
K Effect of 7/1/08 Bureau revision	0.883	0.883	0.883	0.883	0.883	0.883
L LAE and LBA in Bureau pure premium rates	1.193	1.193	1.193	1.193	1.193	1.193
M Premium at 7/1/08 Bureau pure premium rates excluding LAE/LBA J * K / L	0	1,526	41,544	95,662	86,564	84,730

N Combined Companies Premium at 7/1/08 Bureau pure premium rates	680,526	491,907	436,126	369,540	342,581	337,975
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American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Rate Level Adjustment Factors Calculation--American States Insurance Company EXHIBIT 2A

Effective Date	Rate Effect %	Rate Index	Weights - Accident Year Ending 12/31					
			<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Base		1.000	-	-	-	-	-	-
11/01/2000	4.4	1.044	0.347	-	-	-	-	-
11/01/2001	5.3	1.099	0.597	0.222	-	-	-	-
09/01/2002	10.8	1.218	0.056	0.691	0.170	-	-	-
08/01/2003	-3.9	1.171	-	0.087	0.743	0.170	-	-
08/01/2004	-3.1	1.134	-	-	0.087	0.743	0.170	-
08/01/2005	-0.7	1.126	-	-	-	0.087	0.743	0.170
08/01/2006	0.6	1.133	-	-	-	-	0.087	0.743
08/01/2007	-6.7	1.057	-	-	-	-	-	0.087
		Average Index *	1.087	1.188	1.175	1.140	1.128	1.125
		RLAF **	0.973	0.890	0.899	0.928	0.937	0.939

* Weights x Index

** Rate Level Adjustment Factor = Latest Index / Average Index

American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Rate Level Adjustment Factors Calculation--American Economy Insurance Company EXHIBIT 2B

Effective Date	Rate Effect %	Rate Index	Weights - Accident Year Ending 12/31					
			<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Base		1.000	-	-	-	-	-	-
11/01/2000	3.0	1.030	0.347	-	-	-	-	-
11/01/2001	4.0	1.071	0.597	0.222	-	-	-	-
09/01/2002	14.7	1.229	0.056	0.691	0.170	-	-	-
08/01/2003	-3.5	1.186	-	0.087	0.743	0.170	-	-
08/01/2004	-6.1	1.113	-	-	0.087	0.743	0.170	-
08/01/2005	-0.5	1.108	-	-	-	0.087	0.743	0.170
08/01/2006	-5.4	1.048	-	-	-	-	0.087	0.743
08/01/2007	-7.5	0.969	-	-	-	-	-	0.087
		Average Index *	1.066	1.190	1.187	1.125	1.104	1.051
		RLAF **	0.910	0.815	0.817	0.862	0.878	0.922

* Weights x Index

** Rate Level Adjustment Factor = Latest Index / Average Index

American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Rate Level Adjustment Factors Calculation--General Insurance Company EXHIBIT 2C

Effective Date	Rate Effect %	Rate Index	Weights - Accident Year Ending 12/31					
			<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Base		1.000	-	-	-	-	-	-
11/01/2000	0.0	1.000	0.347	-	-	-	-	-
11/01/2001	0.0	1.000	0.597	0.222	-	-	-	-
09/01/2002	0.0	1.000	0.056	0.691	0.170	-	-	-
08/01/2003	0.0	1.000	-	0.087	0.743	0.170	-	-
08/01/2004	-0.8	0.992	-	-	0.087	0.743	0.170	-
08/01/2005	1.2	1.004	-	-	-	0.087	0.743	0.170
08/01/2006	-2.5	0.979	-	-	-	-	0.087	0.743
08/01/2007	-11.2	0.869	-	-	-	-	-	0.087
		Average Index *	1.000	1.000	0.999	0.994	1.000	0.974
		RLAF **	0.869	0.869	0.870	0.874	0.869	0.893

* Weights x Index

** Rate Level Adjustment Factor = Latest Index / Average Index

American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Ultimate Loss--Combined Companies

EXHIBIT 3

	Calendar / Accident Year Ending 12/31					
	2002	2003	2004	2005	2006	2007
<u>Indemnity</u>						
A Indemnity Loss Capped at \$1M per Occ. as of 12/31/07	237,304	139,925	72,892	32,840	76,567	51,577
B Indemnity capped LDF (Exh. 3B)	1.027	1.023	1.030	1.015	0.993	1.225
C Ultimate Capped Indemnity Loss = A * B	243,668	143,090	75,103	33,321	76,013	63,198
D Excess loss factor	0.1046	0.1101	0.1156	0.1212	0.1268	0.1325
E Expected Excess Loss Provision = C * D	25,480	15,753	8,685	4,039	9,640	8,371
F Ultimate Indemnity Loss Including Expected Excess = C + E	269,148	158,843	83,788	37,361	85,653	71,569
<u>Medical</u>						
A Medical Loss Capped at \$1M per Occ. as of 12/31/07	374,207	196,017	158,505	114,653	111,376	157,213
B Medical capped LDF (Exh. 3B)	1.031	1.025	1.011	0.983	0.946	0.896
C Ultimate Capped Medical Loss = A * B	385,896	200,902	160,250	112,688	105,334	140,824
D Excess loss factor	0.1046	0.1101	0.1156	0.1212	0.1268	0.1325
E Expected Excess Loss Provision = C * D	40,353	22,118	18,532	13,660	13,359	18,654
F Ultimate Medical Loss Including Expected Excess = C + E	426,248	223,019	178,782	126,348	118,693	159,477

Notes:

Excess Loss Factor, line D

Combined Companies experience for claims in excess of \$1M lacks statistical credibility, even on a countrywide basis. As a result, consideration has been given to reinsurance costs in developing a provision for loss in excess of \$1M per occurrence.

The excess loss factors in line D represents a ratio of loss in excess of \$1M per occurrence to loss capped at \$1M per occurrence and include the following components:

- Average excess loss factor based on countrywide experience for the layer \$4M x \$1M per occurrence
- + Combined Companies reinsurance costs - excess of \$5M per occurrence

The excess loss factors increase by accident year due to the effect of severity trend being greater on excess loss than capped loss.

American States Insurance Company
American Economy Insurance Company
General Insurance Company

Arkansas

Workers Compensation

Explanation of Loss Development Factors Methodology

Exhibit 3A

The first step in the calculation of ultimate loss for "&'1_Summary'!A5&" is to produce ultimate loss for all states combined (excluding California). Ultimate losses for each accident year are estimated using three techniques and one value is selected for each accident based on the results of the three techniques. The techniques are: paid loss development, case incurred development and counts times projected severity. The last technique is applied only to the most recent two accident years. Paid loss development is shown on Exh. 3C for indemnity and Exh. 3E for medical. Case incurred development is shown on Exh. 3D for indemnity and Exh. 3F for medical. Counts times severity is show on Exh. 3B.

For each accident year, the selected ultimate loss is divided by reported case incurred loss valued as of 12/31/07. The result is an implicit incurred development factor for each accident year. The computation is shown on Exh. 3B. The resulting implicit incurred development factors are applied to incurred loss as of 12/31/07 for each state to produce ultimate loss by state. The underlying assumption of this approach is that case reserve adequacy is the same for every state (other than California).

Two adjustments were applied to the techniques described above to account for a changing mix of business by state and a Safeco initiative to settle WC claims. The adjustments are described as follows:

Changing mix by state. During the last several years Safeco's proportion of WC experience has decreased in states that have short paid development tails and increased in states with long paid development tails. If factors based on historical Safeco paid data were applied unmodified to current paid loss for accident years ending 12/03, 12/04, 12/05, 12/06, and 12/07, the ultimate loss computed by the paid loss development technique would likely be understated. The effect that the changing mix by state might have on paid loss development factors is estimated by applying Industry paid development factors to Safeco paid loss by state. Countrywide weighted average Industry age-to-age paid development factors are computed for historical accident years (accident years that are used to compute the Safeco paid loss development factors) and for the accident years that are yet to develop. The historical weighted averages are compared to weighted averages for the undeveloped years to see if and by how much paid development factors can be expected to change due to changing mix by state.

Because a significant portion of ultimate loss is still unpaid at 12 and 24 months of development, estimates of ultimate paid loss using a paid development factor approach will be less reliable for the latest accident years than for more mature accident years. To improve the accuracy of the ultimate loss estimate for the latest two accident years, the ultimate projection based on the paid and incurred techniques are averaged with an ultimate loss estimate based on projected average severity times ultimate claim counts. The calculations are shown on Exh. 3B.

American States Insurance Company
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Workers Compensation

Calculation of Implicit Case Incurred Development Factors **Exhibit 3B**
 Countrywide Excluding California

Indemnity

	A	B	C	D	E	F	G	H
AY	--Ultimate Loss (\$000)--		Ultimate	Average	Projected	Selected	Reported	Implicit
Ending	Paid Dev'l	Inc'd Dev'l	Indemnity	Ultimate	Ultimate =	Ultimate	Case	Incurred
<u>12/31</u>	<u>Exh. 3C</u>	<u>Exh. 3D</u>	<u>Counts</u>	<u>Severity</u>	<u>Counts X</u>	<u>Loss</u>	<u>Incurred</u>	<u>(F / G)</u>
					<u>(C * D)</u>			
2000	56,308	54,323	4,412	12,463		54,985	53,258	1.032
2001	36,489	36,247	2,562	14,179		36,328	35,286	1.030
2002	22,620	22,642	1,451	15,599		22,634	22,043	1.027
2003	13,675	13,527	1,044	13,005		13,576	13,276	1.023
2004	12,943	12,727	888	14,408		12,799	12,422	1.030
2005	10,348	10,921	759	14,138		10,730	10,575	1.015
2006	13,455	13,416	757	16,284	12,331	13,209	13,306	0.993
2007	15,504	15,152	914	17,099	15,636	15,570	12,707	1.225

Notes:

Col. D - the average severities corresponding to accident years through 2005 are computed by dividing column F by column C. The figures for the most recent two accident years are projections.

Col. F - the selected ultimate loss is computed by taking a weighted average of columns A,B and E as follows:

$$\begin{aligned} \text{most recent year: } & 50\% * A + 50\% * E \\ \text{next prior year: } & 80\% * (A + 2 * B) / 3 + 20\% * E \\ \text{older years: } & 33.3\% * A + 66.7\% * B \end{aligned}$$

Medical

	A	B	C	D	E	F	G	H
AY	--Ultimate Loss (\$000)--		Ultimate	Average	Projected	Selected	Reported	Implicit
Ending	Paid Dev'l	Inc'd Dev'l	Indemnity	Ultimate	Ultimate =	Ultimate	Case	Incurred
<u>12/31</u>	<u>Exh. 3F</u>	<u>Exh. 3G</u>	<u>Counts</u>	<u>Severity</u>	<u>Counts X</u>	<u>Loss</u>	<u>Incurred</u>	<u>(F / G)</u>
					<u>(C * D)</u>			
2000	66,601	69,109	4,412	15,474		68,273	65,197	1.047
2001	41,357	45,494	2,562	17,219		44,115	42,883	1.029
2002	26,840	28,511	1,451	19,265		27,954	27,107	1.031
2003	20,535	21,827	1,044	20,496		21,396	20,876	1.025
2004	16,706	18,185	888	19,916		17,692	17,500	1.011
2005	12,997	14,439	759	18,392		13,958	14,202	0.983
2006	14,243	16,569	757	21,880	16,568	15,948	16,863	0.946
2007	19,222	21,903	914	23,630	21,609	20,415	22,791	0.896

Notes:

Col. D - the average severities corresponding to accident years through 2005 are computed by dividing column F by column C. The figures for the most recent two accident years are projections.

Col. F - the selected ultimate loss is computed by taking a weighted average of columns A,B and E as follows:

$$\begin{aligned} \text{most recent year: } & 50\% * A + 50\% * E \\ \text{next prior year: } & 80\% * (A + 2 * B) / 3 + 20\% * E \\ \text{older years: } & 33.3\% * A + 66.7\% * B \end{aligned}$$

American States Insurance Company
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 General Insurance Company

Arkansas

Workers Compensation

Calculation of Ultimate Loss Using Paid Development - Indemnity Loss **Exhibit 3C**

Countrywide Excluding California

Paid Indemnity Loss Capped at \$1 Million per Occurrence (\$000)

AY Ending <u>12/31</u>	Stage of Development (months from beginning of accident year) :								
	<u>@12</u>	<u>@24</u>	<u>@36</u>	<u>@48</u>	<u>@60</u>	<u>@72</u>	<u>@84</u>	<u>@96</u>	<u>@108</u>
1994	7,512	18,901	26,052	30,142	31,991	33,263	34,208	34,952	35,714
1995	7,061	16,751	23,993	27,700	30,148	31,717	32,390	33,003	33,299
1996	6,680	16,812	22,722	26,585	29,485	30,519	31,413	31,648	31,807
1997	7,148	17,272	22,762	27,137	29,825	31,088	31,733	32,485	32,912
1998	7,257	19,521	27,757	32,291	35,355	36,287	37,102	37,437	37,860
1999	9,469	24,384	36,084	43,649	46,363	48,399	50,180	51,881	52,251
2000	10,775	26,536	39,231	44,495	47,525	49,017	50,293	51,658	
2001	6,666	16,590	23,555	27,476	29,862	31,457	32,669		
2002	3,736	10,431	14,526	17,450	18,511	19,595			
2003	2,347	6,703	9,642	10,738	11,478				
2004	2,191	5,765	7,823	9,596					
2005	1,624	4,289	6,373						
2006	1,765	5,796							
2007	2,247								

AY Ending <u>12/31</u>	Paid Loss Development Factors							
	<u>24/12</u>	<u>36/24</u>	<u>48/36</u>	<u>60/48</u>	<u>72/60</u>	<u>84/72</u>	<u>96/84</u>	<u>108/96</u>
1994	2.516	1.378	1.157	1.061	1.040	1.028	1.022	1.022
1995	2.372	1.432	1.154	1.088	1.052	1.021	1.019	1.009
1996	2.517	1.352	1.170	1.109	1.035	1.029	1.007	1.005
1997	2.416	1.318	1.192	1.099	1.042	1.021	1.024	1.013
1998	2.690	1.422	1.163	1.095	1.026	1.022	1.009	1.011
1999	2.575	1.480	1.210	1.062	1.044	1.037	1.034	1.007
2000	2.463	1.478	1.134	1.068	1.031	1.026	1.027	
2001	2.489	1.420	1.166	1.087	1.053	1.039		
2002	2.792	1.393	1.201	1.061	1.059			
2003	2.856	1.438	1.114	1.069				
2004	2.631	1.357	1.227					
2005	2.641	1.486						
2006	3.285							

3yr ratio	2.841	1.423	1.181	1.075	1.043	1.033	1.025	
2yr ratio	2.976	1.412	1.164	1.064	1.055	1.031	1.031	
Latest	3.285	1.486	1.227	1.069	1.059	1.039	1.027	

Selected	3.070	1.423	1.181	1.075	1.043	1.033	1.025	1.010	
Cumulative	6.679	2.175	1.529	1.295	1.204	1.154	1.117	1.090	1.079
State Mix Adjustment	1.033	1.067	1.062	1.042	0.989	1.000	1.000	1.000	
Adjusted Cumulative	6.898	2.322	1.624	1.349	1.191	1.154	1.117	1.090	
Ultimate Paid	15,504	13,455	10,348	12,943	13,675	22,620	36,489	56,308	

Notes:

The 108:Ultimate paid development factor is based on weighted average of 108:Ultimate factors based on Industry data.
 The "State Mix Adjustment" is explained on Exh. 3A, "Explanation of Loss Development Factors Methodology".

American States Insurance Company
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Arkansas

Workers Compensation

Calculation of Ultimate Loss Using Case Incurred Development - Indemnity Loss **Exhibit 3D**

Countrywide Excluding California

Case Incurred Indemnity Loss Capped at \$1 Million per Occurrence (\$000)

AY Ending <u>12/31</u>	Stage of Development (months from beginning of accident year) :								
	<u>@12</u>	<u>@24</u>	<u>@36</u>	<u>@48</u>	<u>@60</u>	<u>@72</u>	<u>@84</u>	<u>@96</u>	<u>@108</u>
1994	32,318	37,445	37,438	36,950	36,761	36,687	36,070	36,738	37,340
1995	31,000	36,592	36,866	34,882	35,287	34,660	34,545	34,160	34,046
1996	28,438	33,247	33,408	33,509	33,065	33,052	33,237	33,143	33,152
1997	28,877	33,541	34,515	33,645	34,720	34,329	34,059	34,066	34,010
1998	25,795	35,767	38,502	39,525	40,194	39,264	39,324	39,296	39,156
1999	37,619	47,901	52,544	54,054	54,306	53,926	53,872	54,762	54,361
2000	36,614	48,782	53,631	53,560	53,831	53,157	53,081	53,258	
2001	33,615	35,680	35,336	34,977	34,827	35,168	35,286		
2002	19,605	21,745	21,830	22,160	22,606	22,043			
2003	13,031	13,968	13,516	13,183	13,276				
2004	11,504	12,428	12,041	12,422					
2005	9,089	10,611	10,575						
2006	10,140	13,306							
2007	12,707								

AY Ending <u>12/31</u>	Case Incurred Loss Development Factors							
	<u>24/12</u>	<u>36/24</u>	<u>48/36</u>	<u>60/48</u>	<u>72/60</u>	<u>84/72</u>	<u>96/84</u>	<u>108/96</u>
1994	1.159	1.000	0.987	0.995	0.998	0.983	1.019	1.016
1995	1.180	1.008	0.946	1.012	0.982	0.997	0.989	0.997
1996	1.169	1.005	1.003	0.987	1.000	1.006	0.997	1.000
1997	1.162	1.029	0.975	1.032	0.989	0.992	1.000	0.998
1998	1.387	1.076	1.027	1.017	0.977	1.002	0.999	0.996
1999	1.273	1.097	1.029	1.005	0.993	0.999	1.017	0.993
2000	1.332	1.099	0.999	1.005	0.987	0.999	1.003	
2001	1.061	0.990	0.990	0.996	1.010	1.003		
2002	1.109	1.004	1.015	1.020	0.975			
2003	1.072	0.968	0.975	1.007				
2004	1.080	0.969	1.032					
2005	1.167	0.997						
2006	1.312							
4yr ratio	1.150	0.987	1.000	1.005	0.992	1.000	1.006	0.996
3yr ratio	1.183	0.976	1.008	1.006	0.992	1.000	1.007	0.995
2yr ratio	1.244	0.982	1.002	1.015	0.996	1.000	1.010	0.994
Latest	1.312	0.997	1.032	1.007	0.975	1.003	1.003	0.993

									108 : <u>Ultimate</u>
Selected	1.183	0.976	1.008	1.006	0.992	1.000	1.007	0.995	
Cumulative	1.192	1.008	1.033	1.025	1.019	1.027	1.027	1.020	1.025
A Ultimate Inc'd	15,152	13,416	10,921	12,727	13,527	22,642	36,247	54,323	

American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Calculation of Ultimate Loss Using Paid Development - Medical Loss **Exhibit 3E**

Countrywide Excluding California

Paid Medical Loss Capped at \$1 Million per Occurrence (\$000)

AY Ending	Stage of Development (months from beginning of accident year) :								
	@12	@24	@36	@48	@60	@72	@84	@96	@108
12/31									
1994	16,057	28,646	30,455	31,651	32,273	32,548	32,867	33,257	33,479
1995	16,071	28,094	31,209	32,686	33,289	33,738	33,950	34,200	34,407
1996	15,170	27,363	30,090	31,054	31,613	31,577	31,982	32,173	32,244
1997	15,789	28,724	31,794	33,466	33,752	34,234	35,021	35,067	35,148
1998	14,977	32,149	35,718	37,211	38,413	39,077	39,294	39,957	40,211
1999	21,789	44,152	50,158	53,136	54,425	55,127	55,865	56,132	56,514
2000	24,632	45,588	52,321	54,295	55,947	56,804	57,269	58,422	
2001	14,208	27,246	30,876	33,847	34,710	35,178	35,789		
2002	10,002	17,790	20,413	21,848	22,135	22,633			
2003	7,410	14,330	16,356	16,878	17,152				
2004	6,475	11,413	12,861	13,509					
2005	4,698	8,846	10,056						
2006	4,980	9,733							
2007	6,773								

AY Ending	Paid Loss Development Factors							
	24/12	36/24	48/36	60/48	72/60	84/72	96/84	108/96
12/31								
1994	1.784	1.063	1.039	1.020	1.009	1.010	1.012	1.007
1995	1.748	1.111	1.047	1.018	1.013	1.006	1.007	1.006
1996	1.804	1.100	1.032	1.018	0.999	1.013	1.006	1.002
1997	1.819	1.107	1.053	1.009	1.014	1.023	1.001	1.002
1998	2.147	1.111	1.042	1.032	1.017	1.006	1.017	1.006
1999	2.026	1.136	1.059	1.024	1.013	1.013	1.005	1.007
2000	1.851	1.148	1.038	1.030	1.015	1.008	1.020	
2001	1.918	1.133	1.096	1.025	1.013	1.017		
2002	1.779	1.147	1.070	1.013	1.023			
2003	1.934	1.141	1.032	1.016				
2004	1.763	1.127	1.050					
2005	1.883	1.137						
2006	1.955							

3yr ratio	1.857	1.135	1.052	1.020	1.016	1.012	1.014	
2yr ratio	1.920	1.131	1.040	1.014	1.017	1.012	1.013	
Latest	1.955	1.137	1.050	1.016	1.023	1.017	1.020	

Selected	1.955	1.135	1.052	1.020	1.016	1.012	1.014	1.005	
Cumulative	2.831	1.448	1.276	1.212	1.189	1.170	1.156	1.140	1.134
State Mix Adjustment	1.002	1.010	1.013	1.020	1.007	1.014	1.000	1.000	
Adjusted Cumulative	2.838	1.463	1.292	1.237	1.197	1.186	1.156	1.140	

Ultimate Paid	19,222	14,243	12,997	16,706	20,535	26,840	41,357	66,601	
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Notes:

The 108:Ultimate paid development factor is based on weighted average of 108:Ultimate factors based on Industry data.
 The "State Mix Adjustment" is explained on Exh. 3A, "Explanation of Loss Development Factors Methodology".

American States Insurance Company
 American Economy Insurance Company
 General Insurance Company

Arkansas

Workers Compensation

Calculation of Ultimate Loss Using Case Incurred Development - Medical Loss

Exhibit 3F

Countrywide Excluding California

Case Incurred Medical Loss Capped at \$1 Million per Occurrence (\$000)

AY Ending <u>12/31</u>	Stage of Development (months from beginning of accident year) :								
	<u>@12</u>	<u>@24</u>	<u>@36</u>	<u>@48</u>	<u>@60</u>	<u>@72</u>	<u>@84</u>	<u>@96</u>	<u>@108</u>
1994	34,619	37,597	35,950	34,875	34,594	34,841	34,944	36,661	38,115
1995	36,077	37,850	37,363	36,200	36,720	36,458	37,873	38,547	38,265
1996	35,241	36,886	35,348	34,605	34,161	35,845	35,815	35,254	35,303
1997	36,265	37,880	39,024	37,327	37,943	37,358	37,139	37,530	37,499
1998	35,309	41,185	41,333	43,007	43,617	43,809	43,631	44,349	44,753
1999	49,181	56,798	60,149	63,485	61,585	61,993	61,461	60,861	60,431
2000	52,047	61,447	66,575	66,574	66,515	66,377	65,533	65,197	
2001	40,230	44,732	44,719	43,870	44,195	43,177	42,883		
2002	29,519	29,562	28,945	28,404	27,543	27,107			
2003	24,115	23,354	21,890	21,257	20,876				
2004	19,213	18,347	17,932	17,500					
2005	15,462	14,590	14,202						
2006	16,002	16,863							
2007	22,791								
AY Ending <u>12/31</u>	Case Incurred Development Factors								
	<u>24/12</u>	<u>36/24</u>	<u>48/36</u>	<u>60/48</u>	<u>72/60</u>	<u>84/72</u>	<u>96/84</u>	<u>108/96</u>	
1994	1.086	0.956	0.970	0.992	1.007	1.003	1.049	1.040	
1995	1.049	0.987	0.969	1.014	0.993	1.039	1.018	0.993	
1996	1.047	0.958	0.979	0.987	1.049	0.999	0.984	1.001	
1997	1.045	1.030	0.956	1.017	0.985	0.994	1.011	0.999	
1998	1.166	1.004	1.041	1.014	1.004	0.996	1.016	1.009	
1999	1.155	1.059	1.055	0.970	1.007	0.991	0.990	0.993	
2000	1.181	1.083	1.000	0.999	0.998	0.987	0.995		
2001	1.112	1.000	0.981	1.007	0.977	0.993			
2002	1.001	0.979	0.981	0.970	0.984				
2003	0.968	0.937	0.971	0.982					
2004	0.955	0.977	0.976						
2005	0.944	0.973							
2006	1.054								
4yr ratio	0.978	0.966	0.978	0.994	0.994	0.991	1.001	1.000	
3yr ratio	0.983	0.960	0.977	0.990	0.988	0.990	0.999	1.000	
2yr ratio	1.000	0.976	0.973	0.975	0.980	0.990	0.993	1.000	
Latest	1.054	0.973	0.976	0.982	0.984	0.993	0.995	0.993	
									108 : <u>Ultimate</u>
Selected	0.978	0.966	0.978	0.994	0.994	0.991	1.001	1.000	
Cumulative	0.961	0.983	1.017	1.039	1.046	1.052	1.061	1.060	1.060
Ultimate Inc'd	21,903	16,569	14,439	18,185	21,827	28,511	45,494	69,109	

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Benefit Level Adjustment Factors and Claims Cost Trend Factors Calculation **EXHIBIT 4**

Benefit Level Adjustment Factors

Effective Date	Indemnity Effect %	Medical Effect %	Indemnity Index	Medical Index	Rectangular Weights - Year Ending 12/31					
					2002	2003	2004	2005	2006	2007
Base			1.000	1.000	-	-	-	-	-	-
01/01/01	1.2	0.0	1.012	1.000	-	-	-	-	-	-
07/01/01	0.3	0.3	1.015	1.003	-	-	-	-	-	-
01/01/02	1.1	0.0	1.026	1.003	1.000	-	-	-	-	-
01/01/03	1.2	0.0	1.039	1.003	-	1.000	-	-	-	-
01/01/04	1.0	0.0	1.049	1.003	-	-	1.000	-	-	-
01/01/05	1.0	0.0	1.059	1.003	-	-	-	1.000	-	-
01/01/06	1.7	0.0	1.077	1.003	-	-	-	-	0.250	-
04/01/06	0.0	0.4	1.077	1.007	-	-	-	-	0.750	-
01/01/07	1.2	-0.7	1.090	1.000	-	-	-	-	-	1.000
01/01/08	9.5		1.194	1.000	-	-	-	-	-	-
Indemnity Ave Index					1.026	1.039	1.049	1.059	1.077	1.090
Indemnity BLAF					1.163	1.150	1.138	1.127	1.108	1.095
1/1/08 Indemnity Change					1.013	1.013	1.013	1.013	1.013	1.013
Final Indemnity BLAF					1.179	1.165	1.153	1.142	1.123	1.109
Medical Ave Index					1.003	1.003	1.003	1.003	1.006	1.000
Medical BLAF					0.997	0.997	0.997	0.997	0.994	1.000
1/1/08 Medical Change					0.991	0.991	0.991	0.991	0.991	0.991
Final Medical BLAF					0.988	0.988	0.988	0.988	0.985	0.991

Claims Cost Trend Factors Calculation

	Accident Year Ending 12/31					
	2002	2003	2004	2005	2006	2007
# of years between midpt of accident year and midpt of 2006 accident year	5.0	4.0	3.0	2.0	1.0	0.0
# of years between midpt of 2007 accident year and midpt of policy year	2.0	2.0	2.0	2.0	2.0	2.0
# of years between accident year and midpoint of policy year	7.0	6.0	5.0	4.0	3.0	2.0

	Annual Trend factors		-----Total Trend Factor-----					
	Historical	Future	2002	2003	2004	2005	2006	2007
Indemnity Trend Factor	0.963	0.994	0.818	0.850	0.882	0.916	0.951	0.988
Medical Trend Factor	0.967	1.040	0.913	0.945	0.977	1.011	1.046	1.082

Notes:

- Losses are trended from the midpoint of an accident year to the midpoint of the policy year (one year beyond the beginning of the policy year) to which the Bureau loss costs apply.
- The total trend factor is a composite of the following:
 - a historical trend factor which adjusts losses from an accident year to the accident year ending 12/31/06
 - a future trend factor which adjusts losses from the accident year ending 12/31/06 to the midpoint of the policy year to which the proposed rates apply
- The future trend factors are those underlying the most recent Bureau loss costs (obtained from Bureau filing) adjusted by +3.0% to reflect an expected increase in claims costs resulting from an increase in new business writings. An analysis of historical data indicates that less tenured business (defined as years insured by Safeco), especially new business, produces loss ratios that are significantly higher than more tenured business.
- The historical trend factors are based on Safeco countrywide (excl. CA) experience. Countrywide experience indicates that Safeco claims cost trends have been significantly lower than the industry for several years. To capture the Safeco trend experience and preserve state differences, the historical annual trend factors are computed by applying an adjustment factor (based on the relationship of countrywide Safeco trend to countrywide industry trend) to the future annual trend factors. The adjustment factors are 0.998 for indemnity and 0.957 for medical.

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Countrywide Loss Cost Modification Factors **Exhibit 5**

State	Region	Accident Year Ending:					2007	Proposed
		2002	2003	2004	2005	12/31 2006		
AK	NW	0.077	0.328	0.673	0.209	0.000	0.028	0.231
AL	SE	1.695	0.212	1.130	0.107	0.226	0.512	0.689
AR	CE	0.900	0.698	0.546	0.406	0.561	0.654	0.661
AZ	SW	1.727	0.080	3.826	0.732	1.163	0.159	1.079
CA	CA	1.701	1.888	0.990	1.285	1.090	1.050	1.280
CO	CE	0.637	0.450	0.935	0.773	0.880	0.410	0.671
CT	NE	1.114	0.495	0.841	0.652	0.659	1.013	0.798
DC	SE	6.566	0.173	0.030	0.102	0.177	0.058	0.493
DE	SE	73.428	0.000	0.000	0.000	0.000	0.000	7.174
FL	SE	0.149	0.860	0.273	0.274	0.301	0.333	0.364
GA	SE	0.524	1.284	0.922	0.507	0.755	0.474	0.739
IA	NE	0.877	0.459	1.827	0.178	0.275	2.265	0.959
ID	NW	0.705	1.608	1.706	0.403	0.843	1.356	1.093
IL	NE	0.914	1.058	0.763	1.143	0.938	1.028	0.970
IN	NE	1.034	1.232	1.035	0.701	0.780	1.174	1.007
KS	CE	0.652	0.503	1.225	0.496	0.731	1.500	0.803
KY	SE	0.741	0.536	2.391	0.421	0.744	0.809	0.885
LA	CE	0.041	0.000	0.000	0.000	0.227	0.032	0.063
MA	NE	1.668	1.017	0.795	0.674	0.801	0.769	0.946
MD	SE	1.539	0.350	1.831	0.444	1.057	0.862	1.016
MI	NE	0.436	0.574	0.686	0.393	1.343	0.876	0.741
MN	NE	0.786	0.510	0.768	0.251	0.653	0.566	0.628
MO	CE	1.424	0.804	0.777	0.373	0.779	0.832	0.866
MS	SE	0.337	0.952	0.130	0.390	0.484	0.556	0.479
MT	NW	1.010	1.000	0.236	0.139	0.449	0.245	0.762
NC	SE	0.451	0.418	0.401	0.873	0.779	0.830	0.619
NE	CE	1.035	1.551	0.332	0.482	0.359	0.872	0.833
NH	NE	3.060	0.979	1.272	0.493	0.655	0.358	1.307
NJ	NE	0.000	7.300	0.198	0.560	0.534	0.798	0.699
NM	CE	1.810	2.440	1.219	1.033	0.917	0.678	1.210
NV	SW	0.554	0.632	0.370	0.183	0.483	0.220	0.392
NY	NE	0.998	0.704	1.011	0.985	0.872	1.305	0.976
OK	CE	0.349	2.233	0.310	0.938	1.366	1.519	1.191
OR	NW	0.936	0.869	0.547	0.758	0.765	0.962	0.845
PA	NE	0.634	0.797	0.591	0.653	1.073	1.447	0.856
SC	SE	1.368	0.570	0.710	0.829	0.411	0.171	0.741
SD	NW	0.980	1.518	0.552	0.686	0.893	1.953	1.150
TN	SE	0.897	0.393	1.448	0.933	1.091	0.630	0.881
TX	TX	1.797	2.230	1.246	1.256	0.991	0.968	1.462
UT	NW	1.750	0.205	1.493	2.367	0.450	0.540	0.931
VA	SE	1.088	0.920	0.623	0.356	0.518	0.626	0.714
VT	NE	0.327	1.811	1.367	0.126	0.736	0.621	0.814
WI	NE	1.521	0.729	0.698	0.547	0.893	0.605	0.951
Totals		1.018	1.032	0.890	0.798	0.880	0.918	
Excl. TX		0.924	0.823	0.849	0.685	0.832	0.888	0.876
	CE	1.059	0.793	0.821	0.534	0.812	0.915	0.856
	NE	0.911	0.831	0.797	0.769	0.901	1.028	0.919
	NW	0.938	1.005	0.778	0.844	0.702	0.962	0.921
	SE	0.862	0.793	0.972	0.544	0.707	0.563	0.776
	SW	0.957	0.423	1.659	0.365	0.709	0.200	0.746

Notes:

The indicated loss cost modification factors, based on countrywide experience, are derived from the most recent five years shown. Loss cost modification factors for each state are derived in a manner similar to the procedure displayed in these exhibits.

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Expense Provisions

Exhibit 6

	-----Expense Ratios to Net Premium-----				-----Selected-----	
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Average</u>	<u>%Net</u>	<u>%Std</u>
Commission (%WP)	0.081	0.083	0.080	0.081	0.080	0.081
Bonus commission (% EP)	0.021	0.023	0.020	0.021	0.021	0.021
General expense (% WP)	0.058	0.048	0.051	0.052	0.050	0.050
Other Acquisition (% WP)	0.073	0.104	0.081	0.086	0.080	0.081
Premium tax					0.059	0.059
Residual Market Costs	-0.017	0.006	-0.008	-0.007	0.000	0.000
U/W profit					0.025	0.025
Premium discount (Exh. 6A)						0.047
Expense constant (Exh. 6A)						0.053
Total expense					0.315	0.311

Notes:

Historical Ratios

Historical ratios are computed on a net premium basis. Net premium is defined as premium net of all rating factors, i.e. the final policy premium.

Commission ratios are based on state data.

Bonus commission, general expense and other acquisition expense ratios are based on countrywide data.

Residual market costs are from the NCCI publication, "Residual Market Results as of Third Quarter 2007".

Selected Ratios:

Ratios to net premium are selected. The ratios to net premium are multiplied by (1.000 - premium discount + expense constant) to produce ratios to standard premium.

Bonus commission, general expense and other acquisition expense are based on expenses budgeted for 2008.

Premium tax is based on the latest available tax rates found in NCCI's Tax and Assessment Directory and from Bureau rate filings.

The residual market provision is derived from the historical residual market costs, giving consideration to growth in the residual market share.

The provision for underwriting profit is derived on Exh. 8A - 8D.

Premium discount and expense constant ratios are derived on Exh. 6A.

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Effect of Premium Discount and Expense Constant

Exhibit 6A

Policy Size Standard Premium *	# Pols	Std. Prem.	First \$5K	Standard Premium Layer		
				Next \$95K	First \$400K	Over \$500K
<=\$5K	20,180	27,384,108	27,384,108			
\$5K - \$100K	3,713	49,469,650	18,565,000	30,904,650		
\$100K - \$500K	28	3,741,195	140,000	2,660,000	941,195	
> \$500K	0	0	0	0	0	0
Total	23,921	80,594,953	46,089,108	33,564,650	941,195	0
Premium Discount		0.047	0.000	0.109	0.126	0.144
A Expense Constant		180				
B Average Policy Size		3,369				
C XCnst (% Std.) = A / B		0.053				

* based on countrywide data for policies becoming effective from 7/1/06 - 06/30/07

D Average Loss Cost	2,323
E Impact of XCnst = 1.000 + A / (D - A)	1.084

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Loss Adjustment Expense and Loss Based Assessments **Exhibit 7**

<u>(000s)</u>	Calendar Year					<u>Total / Avg</u>	<u>Selected</u>
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>		
Paid Loss	62,571	57,111	46,805	38,779	44,124	249,389	
Paid AAE	6,294	5,628	5,084	4,305	3,535	24,845	
Paid UAE	13,974	13,114	10,977	9,086	9,627	56,778	
Ratios to Loss:							
Paid AAE	0.101	0.099	0.109	0.111	0.080	0.100	
Paid UAE	0.223	0.230	0.235	0.234	0.218	0.228	
Total AE	0.324	0.328	0.343	0.345	0.298	0.327	
<u>Selected Ratios</u>							
AAE							0.091
UAE							<u>0.195</u>
A Total AE							0.286
B Loss-based Assessments							0.000
C LAE and LBA Factor = 1 + A + B							1.286

Note:

The selected AAE-to-loss ratio is based on an accident year analysis.

The selected UAE-to-loss ratio is based on a company study of UAE on an accident year basis.

The selected AE ratios are consistent with the increasing trend in the calendar year paid-to-paid ratios.

EXPLANATORY NOTES

Estimated investment income from insurance operations is calculated using a discounted cash flow model. Expected cash flows arising from transactions associated with an individual policy are composed of an inflow of premium payments and outflows of loss, expense and federal income tax payments. The cash flows are discounted to the middle of the policy term, the average date of premium earnings for an individual policy. The resulting discounted value of the net cash flow less the undiscounted value yields an estimate of investment income associated with the insurance transaction.

Exhibit 8B displays the timing of payments associated with Workers' Compensation coverage. The expense provisions underlying the calculations shown on Exhibit 8B are as follows :

	%

Incurred Loss and AAE	58.1
Loss-based Assessments	0.0
Unallocated AE	10.4
Commission incl. Bonus Comm.	10.1
Premium Tax	5.9
General Expense	13.0
Dividends	0.0

Total	97.5

An explanation of each column from Exhibit 8B follows :

Column (1). Premiums are generally not received until some time after the policy effective date. Agents typically hold premiums until some time after the effective date of a policy. Additionally, some policyholders have arrangements which allow for premium payments to be spread over the policy term.

The premium collection stream applied on Exhibit 8B is a weighted average of the collection streams applicable to countrywide inforce policies.

Column (2). Commission is generally paid when the premium is received.

Column (3). Bonus commission lags booking of premium by three quarters of a year, on average.

Column (4). Premium taxes are assumed to be paid quarterly, lagging approximately 90 days after premium is written.

Column (5). Loss-based assessments are paid out ninety days after losses are paid out.

Column (6). Some general expenses, such as expenses associated with the processing of endorsements or expenses associated with statistical reporting to Bureaus, are paid during the policy term. A significant portion of general expenses are paid prior to a policy becoming effective. Examples are policy rating, marketing expenses and some underwriting expenses. It is assumed that, on the average, general expenses are paid at policy inception.

Exhibit 8A (cont'd)

- Column (7). Approximately 70% of all dividends are computed 6 months after a policy expires (and payments made approximately 45 days after computation) and 30% of all dividends are computed 18 months after a policy expires.
- Column (8). The expected timing of loss and AAE payments is based on an analysis of historical paid loss and AAE. The derivation of the loss and AAE payment pattern is derived on Exhibit 8C.
- Column (9). The expected timing of unallocated AE payments is consistent with the allocation to accident year on the Annual Statement. 45% is paid during the first year, 5% is paid during the second year and the remaining 50% is paid in proportion to paid losses.
- Column (10). Federal income taxes attributable to underwriting income are shown in this column. Income taxes attributable to investment income are reflected in the discount factors in column (9). The provisions of the Tax Reform Act of 1986, most notably the Revenue Offset provision which taxes the change in in unearned premium reserve and the Reserve Discounting provision, are reflected in determining the expected timing of income tax payments. The calculations of the expected income tax payments are shown on Exhibit 8D.
- Column (11). Col. (8) = Col. (1) - Col.(2) - Col. (3) - Col. (4) - Col. (5)
- Col.(6) - Col.(7) - Col. (8) - Col. (9) - Col. (10)
- Column (12). The discount factors reflect the after-tax investment income earned between the time the payments are made and the time premiums are earned (which is on the average the midpoint of the policy term).

The investment rate of return used in this analysis reflects the investment income we expect to earn from the investment of premiums written during the period that the proposed rates will be in effect. Displayed below are representative after-tax yields, for the four most recent calendar quarters available, for selected bond types and maturities.

Quarter	High Grade	Municipal	High Grade	Municipal	High Grade	Municipal
	Corporate Bonds	Bonds	Corporate Bonds	Bonds	Corporate Bonds	Bonds
	2 Year	2 Year	5 Year	5 Year	10 Year	10 Year
03/07	3.34%	3.36%	3.40%	3.46%	3.84%	4.26%
06/07	3.36%	3.53%	3.68%	3.81%	3.94%	4.07%
09/07	3.39%	3.33%	3.77%	3.45%	4.00%	3.67%
12/07	3.26%	2.99%	3.65%	3.27%	3.97%	3.56%

Currently, new investments are being made predominantly in 2-10 year corporate bonds and have an average after-tax yield of approximately 3.25%

SOURCE : Controllers Department

Exhibit 8A (cont'd)

The interest rate applied in the model is equal to the after-tax yield for current investments less investment expenses shown below :

Investment expenses during calendar year 2007 (\$000)	9,339
Cash and invested assets as of 12/31/2007 (\$000)	8,995,808
Cash and invested assets as of 12/31/2006 (\$000)	10,128,338
Average invested assets (\$000)	9,562,073
Ratio of total investment expense to invested assets	0.10%
Tax rate applicable to expenses	0.35
After-tax investment expense rate	0.06%

SOURCE : 2007 Annual Statement

The interest rate applied in the model is 3.44% = (3.50% - 0.06%) 3.44%

Column (13) Col. (10) x Col. (11)

Line (14) The total undiscounted cash flow is the sum of Col. (11).

Line (15) The total discounted cash flow is the sum of Col. (13).

Line (16) After-tax investment income from policyholder funds is equal to the discounted cash flow less the undiscounted cash flow, Line (15) - Line (14).

Discounted Cash Flow Analysis Per \$100 of Premium

Days from Policy Inception Date	<u>Payments Made During First Year</u>												
	(1) Premium Received	(2) Comm.	(3) Bonus Comm.	(4) Premium Tax	(5) Loss Based Assess.	(6) General Expense	(7) Dividends	(8) Loss & AAE	(9) UAE	(10) Federal Income Tax	(11) Total Cash Flow	(12) Discount Factor	(13) Discounted Cash Flow
0	0.00					13.00					-13.00	1.0161	-13.21
15	0.00											1.0148	
30	0.00											1.0134	
45	100.00	8.00					0.82	1.24			89.93	1.0121	91.02
60	0.00											1.0107	
75	0.00											1.0094	
90	0.00			5.90						-0.59	-5.31	1.0080	-5.35
105	0.00											1.0067	
120	0.00											1.0053	
135	0.00			0.00			2.90	1.43			-4.33	1.0040	-4.35
150	0.00											1.0027	
165	0.00											1.0013	
180	0.00									1.67	-1.67	1.0000	-1.67
195	0.00											0.9987	
210	0.00											0.9973	
225	0.00			0.00			4.21	1.54			-5.75	0.9960	-5.73
240	0.00											0.9947	
255	0.00											0.9934	
270	0.00		2.10							1.58	-3.68	0.9920	-3.65
285	0.00											0.9907	
300	0.00											0.9894	
315	0.00		0.00	0.00			5.63	1.67			-7.30	0.9881	-7.21
330	0.00											0.9868	
345	0.00											0.9854	
360	0.00									1.48	-1.48	0.9841	-1.45
Total													
Year 1	100.00	8.00	2.10	5.90	0.00	13.00	0.00	13.57	5.89	4.14	47.41		48.39

Day	<u>Payments Made During Second Year</u>												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
15	0.00											0.9828	
30	0.00											0.9815	
45	0.00		0.00	0.00				4.15	0.50		-4.65	0.9802	-4.55
90	0.00									-0.31	0.31	0.9763	0.30
135	0.00		0.00					4.15	0.50		-4.65	0.9724	-4.52
180	0.00									-0.31	0.31	0.9685	0.30
225	0.00		0.00					4.15	0.50		-4.65	0.9647	-4.48
270	0.00									-0.31	0.31	0.9608	0.30
315	0.00							4.15	0.50		-4.65	0.9570	-4.45
360	0.00									-0.31	0.31	0.9532	0.29
Total													
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.58	2.00	-1.24	-17.35		-16.81

INVESTMENT INCOME FROM INSURANCE OPERATIONS
Exhibit 8B

Arkansas Workers Compensation

(continued)

Discounted Cash Flow Analysis Per \$100 of Premium

Years from Policy Inception Date	(1) Premium Received	(2) Comm.	(3) Bonus Comm.	Payments Made During Year 3 and Subsequent						(10) Federal Income Tax	(11) Total Cash Flow	(12) Discount Factor	(13) Discounted Cash Flow	
				(4) Premium Tax	(5) Loss Based Assess.	(6) General Expense	(7) Dividends	(8) Loss & AAE	(9) UAE					
3									8.09	0.72	-0.59	-8.23	0.9380	-7.72
4									4.89	0.44	-0.35	-4.97	0.9085	-4.52
5									3.04	0.27	-0.22	-3.09	0.8799	-2.72
6									2.00	0.18	-0.14	-2.03	0.8522	-1.73
7									1.52	0.14	-0.11	-1.55	0.8254	-1.28
8									1.23	0.11	-0.09	-1.25	0.7994	-1.00
9									0.71	0.06	-0.05	-0.72	0.7742	-0.56
10									0.67	0.06	-0.05	-0.68	0.7499	-0.51
19									5.81	0.52	-0.42	-5.90	0.5623	-3.32
Policy Total	100.00	8.00	2.10	5.90	0.00	13.00	0.00	58.11	10.39	0.87	1.63			8.22

(14) Undiscounted cash flow (After-tax U/W profit) = Total col. (11)

1.63

(15) Discounted cash flow (After-tax operating return) = Total col. (13)

8.22

(16) Investment income from insurance operations as a percent of premium = [(15) - (14)] / 100

6.59%

Undewriting Profit Provision:

(17) Cost of capital (% market)	11.7%
(18) Ratio of market to book	1.08
(19) Ratio of equity to surplus	1.41
(20) Cost of capital (% surplus) = (17) * (18) * (19)	17.9%
(21) Investment Income from Invested surplus	3.8%
(22) Required operating profit (% surplus) = (20) - (21)	14.1%
(23) Workers Compensation premium-to-surplus ratio	1.39
(24) Target after-tax operating return = (22) - (23)	10.1%
(25) After-tax investment Income from operations = (16)	6.6%
(26) After-tax required underwriting profit = (24) - (25)	3.5%
(27) Indicated Pre-tax underwriting profit provision = (26) / (1 - FIT rate) = (26) / 0.934	5.4%
(28) Selected underwriting profit provision	2.5%

INVESTMENT INCOME FROM INSURANCE OPERATIONS

Arkansas Workers Compensation

Paid Loss Development
Countrywide Data

Accident Year
Ending

Paid Loss and ALAE

Ending	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>
Dec - 94	3,356,375	13,920,475	28,547,080	47,315,274	97,592,595	123,547,388	138,624,273	147,005,221	153,081,628	156,806,570	159,615,082	163,201,214	165,897,413
Dec - 95	3,385,316	14,088,740	29,394,245	48,320,313	99,572,847	128,482,591	144,642,911	153,588,453	160,372,426	165,791,149	170,621,882	173,004,521	175,047,458
Dec - 96	3,349,739	14,752,852	30,833,027	50,248,482	105,941,506	132,247,769	148,468,948	158,732,201	165,548,548	171,369,969	174,724,692	176,207,560	177,559,052
Dec - 97	3,796,468	18,073,207	35,845,198	58,908,059	123,695,590	159,073,555	179,134,637	191,349,722	200,485,947	207,557,101	211,981,576	214,877,346	216,404,241
Dec - 98	3,570,066	17,200,623	36,760,665	60,177,819	138,628,808	181,120,737	206,765,463	225,428,028	236,542,585	244,876,128	250,821,021	255,185,534	259,721,692
Dec - 99	4,380,795	20,156,483	44,962,027	79,351,384	182,927,526	241,078,870	281,633,710	305,448,663	320,023,620	330,552,215	338,454,187	342,294,898	
Dec - 00	5,837,974	25,522,676	54,408,821	86,210,646	186,876,372	253,771,672	289,003,829	311,363,800	325,415,340	334,932,827	343,553,409		
Dec - 01	3,726,356	16,640,069	34,705,894	56,244,642	126,282,255	170,910,786	198,532,442	215,033,412	224,135,171	231,998,572			
Dec - 02	1,027,861	7,040,482	16,051,357	25,016,778	56,131,401	73,810,793	85,665,628	91,401,019	95,545,459				
Dec - 03	842,060	5,051,812	10,352,246	17,790,731	39,496,039	52,187,920	58,461,706	62,888,767					
Dec - 04	1,079,310	4,296,064	8,942,204	15,105,890	32,086,596	39,845,430	45,338,939						
Dec - 05	755,752	3,438,210	7,584,082	12,197,387	26,248,071	34,150,271							
Dec - 06	778,361	3,417,250	7,753,367	12,798,297	29,304,395								
Dec - 07	926,813	4,298,440	8,672,059	15,279,343									

Development Factors

	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-ult.</u>
2 Yr. Avg. Selected	4.525	2.129	1.709	2.222	1.268	1.128	1.071	1.043	1.032	1.025	1.014	1.013	
Cumulative	70.533	15.588	7.322	4.284	1.927	1.519	1.347	1.258	1.206	1.169	1.141	1.125	1.111

Loss Payment Pattern

(1) Mos. Of <u>Dev'l</u>	(2) Cum'l Paid <u>LDF</u>	(3) Cum'l % Of Loss Paid <u>1/ (2)</u>	(4) Incremental % Of <u>Loss Paid</u>
3	70.533	0.014	0.014
6	15.588	0.064	0.050
9	7.322	0.137	0.072
12	4.284	0.233	0.097
24	1.927	0.519	0.285
36	1.519	0.658	0.139
48	1.347	0.742	0.084
60	1.258	0.795	0.052
72	1.206	0.829	0.034
84	1.169	0.855	0.026
96	1.141	0.876	0.021
108	1.125	0.889	0.012
120	1.111	0.900	0.011
>120	1.000	1.000	0.100

INVESTMENT INCOME FROM INSURANCE OPERATIONS

Exhibit 8D

Arkansas Workers Compensation

Federal Income Tax On Underwriting

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
	Cum'l Written Premium	Cum'l Earned Premium	Ending UEP Reserve	Cum'l Incurred Expense	Cum'l Incurred Loss & AE	Incremental Paid Loss & AE	Cum'l Paid Loss & AE	Ending Loss & AE Reserve	Reserve Discount Factor	Discounted Loss & AE Reserve	Cum'l U/W (IRS) Income	Incremental U/W (IRS) Income	20% of Change In UEP Reserve	Total FIT on U/W Income	
Qtr	Premium	Premium	Reserve	Expense	& AE	Loss & AE	& AE	Reserve	Factor	Reserve	Income	Income	Reserve	Income	
0	100.00														
1	100.00	25.00	75.00	27.43	17.13	2.07	2.07	15.06	0.81	12.20	-16.69	-16.69	15.00	-0.59	
2	100.00	50.00	50.00	27.95	34.25	4.33	6.40	27.85	0.81	22.56	-6.91	9.78	-5.00	1.67	
3	100.00	75.00	25.00	28.48	51.38	5.75	12.15	39.22	0.81	31.77	2.60	9.51	-5.00	1.58	
4	100.00	100.00	0.00	29.00	68.50	7.30	19.45	49.05	0.81	39.73	11.82	9.22	-5.00	1.48	
5	100.00	100.00	0.00	29.00	68.50	4.65	24.10	44.40	0.81	35.96	10.94	-0.88	0.00	-0.31	
6	100.00	100.00	0.00	29.00	68.50	4.65	28.75	39.75	0.81	32.20	10.05	-0.88	0.00	-0.31	
7	100.00	100.00	0.00	29.00	68.50	4.65	33.39	35.11	0.81	28.44	9.17	-0.88	0.00	-0.31	
8	100.00	100.00	0.00	29.00	68.50	4.65	38.04	30.46	0.81	24.67	8.29	-0.88	0.00	-0.31	
Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
3	100.00	100.00	0.00	29.00	68.50	8.82	46.86	21.64	0.81	17.53	6.61	-1.68	0.00	-0.59	
4	100.00	100.00	0.00	29.00	68.50	5.33	52.18	16.32	0.81	13.22	5.60	-1.01	0.00	-0.35	
5	100.00	100.00	0.00	29.00	68.50	3.31	55.50	13.00	0.81	10.53	4.97	-0.63	0.00	-0.22	
6	100.00	100.00	0.00	29.00	68.50	2.17	57.67	10.83	0.81	8.77	4.56	-0.41	0.00	-0.14	
7	100.00	100.00	0.00	29.00	68.50	1.66	59.33	9.17	0.81	7.43	4.24	-0.32	0.00	-0.11	
8	100.00	100.00	0.00	29.00	68.50	1.34	60.68	7.82	0.81	6.34	3.99	-0.26	0.00	-0.09	
9	100.00	100.00	0.00	29.00	68.50	0.77	61.45	7.05	0.81	5.71	3.84	-0.15	0.00	-0.05	
10	100.00	100.00	0.00	29.00	68.50	0.73	62.18	6.32	0.81	5.12	3.70	-0.14	0.00	-0.05	
>10	100.00	100.00	0.00	29.00	68.50	6.32	68.50	0.00	0.81	0.00	2.50	-1.20	0.00	-0.42	
												Total	2.50	0.00	0.88

Notes :

Column

- (1) A deposit premium is booked at policy inception with the remainder booked as audits .
- (2) The deposit premium is earned pro rata over policy term and audits are fully earned when booked.
- (3) Col. (1) - Col.(2)
- (4) Commission and premium tax are incurred when premium is booked.
- Bonus Comm., dividends and loss-based assessments are incurred when premium is earned. General expense is incurred at
- (5) Loss and AE are incurred pro rata over policy term.
- (6) From Exhibit 8A based on loss payment pattern derived on Exhibit 8C.
- (7) Cumulative payments from Col. (6).
- (8) Col. (5) - Col. (7)
- (9) IRS loss reserve discount factor.
- (10) Col. (8) X Col. (9)
- (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
- (12) Change in Col. (11).
- (13) 20% of change in Col. (3)
- (14) 35% X (Col. (12) + Col. (13))

EXPENSE PROVISIONS**EXHIBIT 1**

Arkansas Workers Compensation

First National Insurance Company of America

Ratio of Expenses to Direct Standard Written Premium
using Historical Combined Experience for Policies Written by Our Large Account Facility
(Excluding Large Deductible Policies)

	(1) (\$000)	(2)	(3) (\$000)	(4)	(5) (\$000)	(6)	(7) (\$000)	(8)
Countrywide								
	2005		2006		2007		3 Year Total	
Workers Compensation Policies								
Direct standard written premiums	52,905		47,169		39,719		139,792	
Other acquisition expense	2,631	5.0%	2,928	6.2%	3,500	8.8%	9,059	6.5%
General expense	3,230	6.1%	2,725	5.8%	2,498	6.3%	8,453	6.0%
Bonus Commission	980	1.9%	928	2.0%	752	1.9%	2,660	1.9%
Commissions (Excl CA)		5.8%		5.8%		6.5%		6.0%

Arkansas Workers Compensation

	2005	2006	2007	3 Year Average
Residual Market Costs	-1.7%	0.6%	-0.8%	-0.7%

Selected expense provisions :	% Std.	% Net
Other acquisition expense	5.70%	6.25%
General expense	5.32%	5.83%
Commission	6.54%	7.17%
Bonus Commission	1.92%	2.11%
Taxes, licenses and fees	5.38%	5.90%
Profit and contingencies	2.28%	2.50%
Residual Market Costs	0.00%	0.00%
(9) Total expense and profit	27.13%	29.77%
(10) Premium discount (Exh. 2)	8.86%	
(11) Total Expense + Premium Discount:	0.360	
(12) Loss Cost Modification (Exh 3: Additional LAE):	1.078	
Indicated Expense Multiplier (12)/[1-(11)]:	1.680	

Notes :

The direct standard written premiums in columns (1), (3) and (5) are adjusted to a pre-deductible (full coverage)

AVERAGE PREMIUM DISCOUNT

EXHIBIT 2

Arkansas Workers Compensation

First National Insurance Company of America

		NCCI Schedule 9 (SCI 9)				
			10000	190000	1550000	1750000
Policy Size		----- Standard Premium Layer -----				
Standard Premium*	# Pols	Std. Prem.	First \$10K	Next \$190K	Next \$1,550K	Over \$1,750K
<=\$10K	130	411,145	411,145			
\$10K - \$200K	236	16,128,498	2,360,000	13,768,498		
\$200K - \$1,750K	58	21,381,927	580,000	11,020,000	9,781,927	
> \$1,750K	-	-	0	0	0	0
Total	424	37,921,570	3,351,145	24,788,498	9,781,927	0
Premium Discount		0.089	0.000	0.091	0.113	0.123
A Expense Constant		0				
B Average Policy Size		89,438				
C XCnst (% Std.) A / B		0.000				

* based on countrywide data for policies becoming effective from 1/1/07 - 12/31/07

AE-TO-LOSS FACTOR**EXHIBIT 3**

Arkansas Workers Compensation

First National Insurance Company of America

CW Ratios of Paid AE to Paid Loss
Runoff WC Excluded
(Combined Companies)

Year	AAE Paid	UAE Paid	Paid Loss	AAE / Loss	UAE / Loss	Total
2003	6,892,603	15,957,095	75,316,576	0.092	0.212	0.303
2004	6,903,408	17,823,670	74,209,766	0.093	0.240	0.333
2005	6,944,537	16,392,927	65,140,018	0.107	0.252	0.358
2006	6,202,214	13,402,715	54,240,585	0.114	0.247	0.361
2007	4,914,274	13,763,349	61,570,464	0.080	0.224	0.303
2 Yr Total	11,116,488	27,166,064	115,811,049	0.096	0.235	0.331
3 Yr Total	18,061,025	43,558,991	180,951,067	0.100	0.241	0.341
5 Yr Total	31,857,036	77,339,756	330,477,409	0.096	0.234	0.330

A. CW Selected AAE	0.095
B. State Relativity	0.964
C. State AAE to Loss Factor (A x B)	0.092
D. UAE to Loss Factor	0.195
Total AE to Loss Factor (C + D)	0.286
E. Selected *	0.286
F. LAE included in NCCI's 5/1/08 loss costs:	0.193
G. LBA to load into LCM:	<u>0</u>
H. LAE to load into LCM (1 + E +G) / (1 + F)	1.078

*Selection is based on a 2 year ratio of Accident Year Industry by State Paid AAE to Paid Loss ratio times Safeco's Selected Countrywide AAE to Loss Ratio (based on accident year results). Projected UAE is added to the AAE to get the the Total AE to loss Factor.

EXPLANATORY NOTES

Estimated investment income from insurance operations is calculated using a discounted cash flow model. Expected cash flows arising from transactions associated with an individual policy are composed of an inflow of premium payments and outflows of loss, expense and federal income tax payments. The cash flows are discounted to the middle of the policy term, the average date of premium earnings for an individual policy. The resulting discounted value of the net cash flow less the undiscounted value yields an estimate of investment income associated with the insurance transaction.

EXHIBIT 4b displays the timing of payments associated with Workers' Compensation coverage. The expense provisions underlying the calculations shown on EXHIBIT 4b are as follows :

	%

Incurred Loss and AAE	59.6
Loss-based Assessments	0.0
Unallocated AE	10.6
Commission incl. Bonus Comm.	9.3
Premium Tax	5.9
General Expense	12.1
Dividends	0.0

Total	97.5

An explanation of each column from EXHIBIT 4b follows :

Column (1). Premiums are generally not received until some time after the policy effective date. Agents typically hold premiums until some time after the effective date of a policy. Additionally, some policyholders have arrangements which allow for premium payments to be spread over the policy term.

The premium collection stream applied on EXHIBIT 4b is a weighted average of the collection streams applicable to countrywide inforce policies.

Column (2). Commission is generally paid when the premium is received.

Column (3). Bonus commission lags booking of premium by three quarters of a year, on average.

Column (4). Premium taxes are assumed to be paid quarterly, lagging approximately 90 days after premium is written.

Column (5). Loss-based assessments are paid out ninety days after losses are paid out.

Column (6). Some general expenses, such as expenses associated with the processing of endorsements or expenses associated with statistical reporting to Bureaus, are paid during the policy term. A significant portion of general expenses are paid prior to a policy becoming effective. Examples are policy rating, marketing expenses and some underwriting expenses. It is assumed that, on the average, general expenses are paid at policy inception.

Column (7). Approximately 70% of all dividends are computed 6 months after a policy expires (and payments made approximately 45 days after computation) and 30% of all dividends are computed 18 months after a policy expires.

Column (8). The expected timing of loss and AAE payments is based on an analysis of historical paid loss and AAE. The derivation of the loss and AAE payment pattern is derived on EXHIBIT 4c.

Column (9). The expected timing of unallocated AE payments is consistent with the allocation to accident year on the Annual Statement. 45% is paid during the first year, 5% is paid during the second year and the remaining 50% is paid in proportion to paid losses.

Column (10). Federal income taxes attributable to underwriting income are shown in this column. Income taxes attributable to investment income are reflected in the discount factors in column (9). The provisions of the Tax Reform Act of 1986, most notably the Revenue Offset provision which taxes the change in in unearned premium reserve and the Reserve Discounting provision, are reflected in determining the expected timing of income tax payments. The calculations of the expected income tax payments are shown on EXHIBIT 4d.

Column (11). Col. (8) = Col. (1) - Col.(2) - Col. (3) - Col. (4) - Col. (5)
- Col.(6) - Col.(7) - Col. (8) - Col. (9) - Col. (10)

Column (12). The discount factors reflect the after-tax investment income earned between the time the payments are made and the time premiums are earned (which is on the average the midpoint of the policy term).

The investment rate of return used in this analysis reflects the investment income we expect to earn from the investment of premiums written during the period that the proposed rates will be in effect. Displayed below are representative after-tax yields, for the four most recent calendar quarters available, for selected bond types and maturities.

Quarter	High Grade	Municipal	High Grade	Municipal	High Grade	Municipal
	Corporate Bonds	Bonds	Corporate Bonds	Bonds	Corporate Bonds	Bonds
	2 Year	2 Year	5 Year	5 Year	10 Year	10 Year
03/07	3.34%	3.36%	3.40%	3.46%	3.84%	4.26%
06/07	3.36%	3.53%	3.68%	3.81%	3.94%	4.07%
09/07	3.39%	3.33%	3.77%	3.45%	4.00%	3.67%
12/07	3.26%	2.99%	3.65%	3.27%	3.97%	3.56%

Currently, new investments are being made predominantly in 2 -10 year corporate bonds and have an average after-tax yield of approximately 3.25%

SOURCE : Controllers Department

The interest rate applied in the model is equal to the after-tax yield for current investments less investment expenses shown below :

Investment expenses during calendar year 2007 (\$000)	9,339
Cash and invested assets as of 12/31/2007 (\$000)	8,995,808
Cash and invested assets as of 12/31/2006 (\$000)	10,128,338
Average invested assets (\$000)	9,562,073
Ratio of investment expense to invested assets	0.10%
Tax rate applicable to expenses	0.35
After-tax investment expense rate	0.06%

SOURCE : 2007 Annual Statement

The interest rate applied in the model is $3.44\% = (3.50\% - 0.06\%)$

Column (13) Col. (10) x Col. (11)

Line (14) The total undiscounted cash flow is the sum of Col. (11).

Line (15) The total discounted cash flow is the sum of Col. (13).

Line (16) After-tax investment income from policyholder funds is equal to the discounted cash flow less the undiscounted cash flow, Line (15) - Line (14).

INVESTMENT INCOME FROM INSURANCE OPERATIONS

EXHIBIT 4b

Workers Compensation

Discounted Cash Flow Analysis Per \$100 of Premium

Payments Made During First Year													
Days from Policy Inception Date	Premium Received (1)	Comm. (2)	Bonus Comm. (3)	Premium Tax (4)	Loss Based Assess. (5)	General Expense (6)	Dividends (7)	Loss & AAE (8)	UAE (9)	Federal Income Tax (10)	Total Cash Flow (11)	Discount Factor (12)	Discounted Cash Flow (13)
0	0.00					12.08					-12.08	1.0161	-12.27
15	0.00											1.0148	
30	0.00											1.0134	
45	20.00	1.44						0.86	1.27		16.43	1.0121	16.62
60	0.00											1.0107	
75	8.00	0.58									7.42	1.0094	7.49
90	0.00			4.37						-1.17	-3.20	1.0080	-3.22
105	8.00	0.58									7.42	1.0067	7.47
120	0.00											1.0053	
135	8.00	0.58		0.30				3.03	1.47		2.63	1.0040	2.64
150	0.00											1.0027	
165	8.00	0.58									7.42	1.0013	7.43
180	0.00									1.98	-1.98	1.0000	-1.98
195	8.00	0.58									7.42	0.9987	7.41
210	0.00											0.9973	
225	8.00	0.58		0.41				4.40	1.59		1.02	0.9960	1.02
240	0.00											0.9947	
255	8.00	0.58									7.42	0.9934	7.37
270	0.00		1.55							1.91	-3.46	0.9920	-3.43
285	8.00	0.58									7.42	0.9907	7.36
300	0.00											0.9894	
315	8.00	0.58	0.11	0.47				5.88	1.72		-0.76	0.9881	-0.75
330	0.00											0.9868	
345	8.00	0.58									7.42	0.9854	7.32
360	0.00									1.48	-1.48	0.9841	-1.46
Total Year 1	100.00	7.20	1.66	5.55	0.00	12.08	0.00	14.18	6.05	4.20	49.09		49.02

Payments Made During Second Year													
Day	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
15	0.00											0.9828	
30	0.00											0.9815	
45	0.00		0.15	0.35				4.33	0.52		-5.35	0.9802	-5.25
90	0.00									-0.32	0.32	0.9763	0.32
135	0.00		0.17					4.33	0.52		-5.02	0.9724	-4.88
180	0.00									-0.32	0.32	0.9685	0.31
225	0.00		0.13					4.33	0.52		-4.98	0.9647	-4.80
270	0.00									-0.32	0.32	0.9608	0.31
315	0.00							4.33	0.52		-4.85	0.9570	-4.64
360	0.00									-0.32	0.32	0.9532	0.31
Total Year 2	0.00	0.00	0.44	0.35	0.00	0.00	0.00	17.33	2.08	-1.29	-18.91		-18.33

INVESTMENT INCOME FROM INSURANCE OPERATIONS

EXHIBIT 4b

Workers Compensation

(cont'd)

Discounted Cash Flow Analysis Per \$100 of Premium

Payments Made During Year 3 and Subsequent													
Years from Policy Inception Date	Premium Received (1)	Comm. (2)	Bonus Comm. (3)	Premium Tax (4)	Loss Based Assess. (5)	General Expense (6)	Dividends (7)	Loss & AAE (8)	UAE (9)	Federal Income Tax (10)	Total Cash Flow (11)	Discount Factor (12)	Discounted Cash Flow (13)
3								8.46	0.76	-0.61	-8.60	0.94	-8.07
4								5.11	0.46	-0.37	-5.20	0.91	-4.72
5								2.96	0.26	-0.21	-3.01	0.88	-2.65
6								1.96	0.17	-0.14	-1.99	0.85	-1.70
7								1.25	0.11	-0.09	-1.27	0.83	-1.05
8								1.36	0.12	-0.10	-1.39	0.80	-1.11
9								0.58	0.05	-0.04	-0.59	0.77	-0.46
10								0.44	0.04	-0.03	-0.44	0.75	-0.33
19								5.95	0.53	-0.43	-6.05	0.56	-3.40
Policy Total	100.00	7.20	2.10	5.90	0.00	12.08	0.00	59.58	10.64	0.88	1.63		7.20

(14) Undiscounted cash flow (After-tax U/W profit) = Total col. (11)	1.63
(15) Discounted cash flow (After-tax operating return) = Total col. (13)	7.20
(16) Investment income from insurance operations as a percent of premium = [(15) - (14)] / 100	5.58%

Undewriting Profit Provision:

(17) Cost of capital (% market)	11.7%
(18) Ratio of market to book	1.08
(19) Ratio of equity to surplus	1.41
(20) Cost of capital (% surplus) = (17) * (18) * (19)	17.9%
(21) Investment Income from Invested surplus	3.8%
(22) Required operating profit (% surplus) = (20) - (21)	14.1%
(23) Workers Compensation premium-to-surplus ratio	1.39
(24) Target after-tax operating return = (22) - (23)	10.1%
(25) After-tax investment Income from operations = (16)	5.6%
(26) After-tax required underwriting profit = (24) - (25)	4.5%
(27) Indicated Pre-tax underwriting profit provision = (26) / (1 - FIT rate) = (26) / .65	7.0%
(28) Selected underwriting profit provision	2.5%

INVESTMENT INCOME FROM INSURANCE OPERATIONS

EXHIBIT 4c

Workers Compensation

Paid Loss Development
Countrywide SBI Total excl SCI Runoff data

Accident Year Ending	Paid Loss and ALAE												
	3	6	9	12	24	36	48	60	72	84	96	108	120
Dec - 94	1,747,626	7,014,740	14,462,817	24,255,373	49,714,101	59,750,772	65,590,074	68,507,030	70,237,335	71,642,696	72,835,727	74,247,191	74,850,737
Dec - 95	1,690,174	6,804,373	14,267,911	23,574,811	46,337,508	57,293,740	64,249,059	67,539,790	69,975,835	71,500,193	72,810,220	73,783,863	74,475,749
Dec - 96	1,577,805	6,424,088	13,740,284	22,251,502	45,444,342	54,867,322	60,070,144	63,820,647	64,984,212	66,366,658	66,844,987	67,121,053	67,403,041
Dec - 97	1,350,560	6,885,535	13,942,331	23,357,397	47,565,780	56,872,695	63,458,960	66,804,337	68,795,135	70,376,212	71,545,295	72,104,815	72,419,912
Dec - 98	1,036,107	6,015,457	14,294,890	22,603,883	52,981,169	65,654,491	72,255,519	76,970,120	78,884,855	80,092,660	81,259,466	82,015,062	82,963,150
Dec - 99	1,605,019	8,160,176	18,269,687	31,610,923	72,930,768	92,150,390	103,802,956	108,874,518	112,703,588	116,453,904	119,466,753	120,930,338	
Dec - 00	2,287,047	10,461,707	23,140,863	36,106,353	74,865,524	96,612,347	105,714,508	111,753,592	114,909,625	117,255,528	120,456,680		
Dec - 01	1,534,428	6,254,311	13,300,085	21,986,346	48,229,420	61,762,965	70,556,102	75,145,704	77,982,101	80,468,521			
Dec - 02	727,168	4,468,039	10,092,776	16,555,388	38,021,731	50,395,131	58,355,682	61,612,440	64,347,329				
Dec - 03	822,444	5,028,037	10,325,556	17,751,450	39,454,628	52,146,230	58,420,016	62,841,788					
Dec - 04	1,079,310	4,296,064	8,942,204	15,105,890	32,085,745	39,844,579	45,337,426						
Dec - 05	755,752	3,438,210	7,584,082	12,197,387	26,248,071	34,149,643							
Dec - 06	778,361	3,417,250	7,753,266	12,798,294	29,304,392								
Dec - 07	926,813	4,298,440	8,672,059	15,278,315									

Development Factors

	3-6	6-9	9-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-ult.
2 Yr. Avg.	4.525	2.129	1.709	2.222	1.268	1.128	1.066	1.041	1.025	1.027	1.011	1.008	
Selec	4.525	2.129	1.709	2.222	1.268	1.128	1.066	1.041	1.025	1.027	1.011	1.008	1.111
Cumulative	69.206	15.295	7.184	4.203	1.891	1.491	1.322	1.240	1.192	1.163	1.132	1.120	1.111

Loss Payment Pattern

(1)	(2)	(3)	(4)
Mos. Of Dev'l	Cum'l Paid LDF	Cum'l % Of Loss Paid 1/(2)	Incremental % Of Loss Paid
3	69.206	0.014	0.014
6	15.295	0.065	0.051
9	7.184	0.139	0.074
12	4.203	0.238	0.099
24	1.891	0.529	0.291
36	1.491	0.671	0.142
48	1.322	0.757	0.086
60	1.240	0.806	0.050
72	1.192	0.839	0.033
84	1.163	0.860	0.021
96	1.132	0.883	0.023
108	1.120	0.893	0.010
120	1.111	0.900	0.007
>120	1.000	1.000	0.100
			1.000

INVESTMENT INCOME FROM INSURANCE OPERATIONS

EXHIBIT 4d

Workers Compensation

Federal Income Tax On Underwriting

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Cumulative		Ending	Cum'l	Loss & AE				IRS	Discounted	U/W (IRS)		20% Of	Total
Qtr	Written	Earned	UEP	Incurr'd	Cum'l	Incremental	Cum'l	Ending	Reserve	Loss & AE	Cum'l	Incremental	In UEP	On U/W
	Premium	Premium	Reserve	Expense	Incurr'd	Paid	Paid	Reserve	Discount	Reserve	Reserve	Income	Change	Income
0	74.00													
1	79.00	23.00	56.00	22.91	17.56	2.13	2.13	15.42	0.81	12.49	-14.54	-14.54	11.20	-1.17
2	86.00	49.00	37.00	24.38	35.11	4.50	6.64	28.47	0.81	23.06	-5.08	9.46	-3.80	1.98
3	94.00	75.00	19.00	25.97	52.67	5.99	12.62	40.04	0.81	32.43	3.97	9.05	-3.60	1.91
4	100.00	100.00	0.00	27.28	70.22	7.60	20.23	49.99	0.81	40.49	12.00	8.02	-3.80	1.48
5	100.00	100.00	0.00	27.28	70.22	4.85	25.08	45.14	0.81	36.56	11.08	-0.92	0.00	-0.32
6	100.00	100.00	0.00	27.28	70.22	4.85	29.93	40.29	0.81	32.63	10.15	-0.92	0.00	-0.32
7	100.00	100.00	0.00	27.28	70.22	4.85	34.79	35.43	0.81	28.70	9.23	-0.92	0.00	-0.32
8	100.00	100.00	0.00	27.28	70.22	4.85	39.64	30.58	0.81	24.77	8.31	-0.92	0.00	-0.32
Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
3	100.00	100.00	0.00	27.28	70.22	9.21	48.85	21.37	0.81	17.31	6.56	-1.75	0.00	-0.61
4	100.00	100.00	0.00	27.28	70.22	5.57	54.42	15.80	0.81	12.80	5.50	-1.06	0.00	-0.37
5	100.00	100.00	0.00	27.28	70.22	3.23	57.65	12.57	0.81	10.18	4.89	-0.61	0.00	-0.21
6	100.00	100.00	0.00	27.28	70.22	2.13	59.78	10.44	0.81	8.46	4.48	-0.41	0.00	-0.14
7	100.00	100.00	0.00	27.28	70.22	1.36	61.14	9.08	0.81	7.35	4.22	-0.26	0.00	-0.09
8	100.00	100.00	0.00	27.28	70.22	1.48	62.63	7.59	0.81	6.15	3.94	-0.28	0.00	-0.10
9	100.00	100.00	0.00	27.28	70.22	0.63	63.26	6.96	0.81	5.64	3.82	-0.12	0.00	-0.04
10	100.00	100.00	0.00	27.28	70.22	0.47	63.74	6.48	0.81	5.25	3.73	-0.09	0.00	-0.03
>10	100.00	100.00	0.00	27.28	70.22	6.48	70.22	0.00	0.81	0.00	2.50	-1.23	0.00	-0.43
Total												2.50	0.00	0.88

Column Notes :

- (1) A deposit premium is booked at policy inception with the remainder booked as audits .
- (2) The deposit premium is earned pro rata over policy term and audits are fully earned when booked.
- (3) Col. (1) - Col.(2)
- (4) Commission and premium tax are incurred when premium is booked. General expense is incurred as paid. Bonus Comm., dividends and loss-based assessments are incurred when premium is earned.
- (5) Loss and AE are incurred pro rata over policy term.
- (6) From EXHIBIT 4a based on loss payment pattern derived on EXHIBIT 4c.
- (7) Cumulative payments from Col. (6).
- (8) Col. (5) - Col. (7)
- (9) IRS loss reserve discount factor.
- (10) Col. (8) X Col. (9)
- (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
- (12) Change in Col. (11).
- (13) 20% of change in Col. (3)
- (14) 35% X (Col. (12) + Col. (13))



July 1, 2008

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

American Economy Insurance Company	163-19690
American States Insurance Company	163-19704
First National Insurance Company of America	163-24724
General Insurance Company of America	163-24732

Workers Compensation – Reference Rate Filing Adopting **Item # AR-2008-02**
Proposed Effective Date: August 1, 2008
Company Filing Number: WC AR07416CGR01

Submitting: Miscellaneous Values (08-08)

The purpose of this filing is to:

- § Adopt administrative rating bureau-approved loss costs and rating values.
- § Revise our loss cost multipliers.
- § Adopt the Excess Loss Factors portion of NCCI-approved Countrywide-Item R-1396-2007, Update to Retrospective Rating Plan Parameters

Adopt Administrative Rating Bureau-approved Loss Costs and Rating Values

American Economy Insurance Company, American States Insurance Company, First National Insurance Company of America and General Insurance Company of America propose to adopt July 1, 2008 National Council on Compensation Insurance, Inc. (NCCI)-approved loss costs and rating values as detailed in AR-2008-02, Arkansas—Approved Voluntary Loss Costs and Rating Values, Effective July 1, 2008—Item AR-2008-02.

Revise our loss cost multipliers

There are the following changes to our loss cost multipliers on file:

Company	Current LCM	Proposed LCM
American Economy Insurance Company	1.270	1.310
American States Insurance Company	1.420	1.450
First National Insurance Company of America	1.700	1.730
General Insurance Company of America	1.560	1.600

Countrywide-Item R-1396-2007

In an earlier letter we notified you of our intent to delay adoption of the Excess Loss Factors (ELFs) portion of National Council on Compensation Insurance, Inc. (NCCI)-approved Countrywide-Item R-1396-2007, Update to Retrospective Rating Plan Parameters, in your state from July 1, 2008 to August 1, 2008 to coincide with this Voluntary Loss Costs and Rating Values filing in your state.

Arkansas Insurance Department
July 1, 2008
Page 2

This filing is applicable to all new and renewal policies effective on and after August 1, 2008.

I look forward to receiving your acknowledgment of our submission. Please contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink that reads "Robert Kolenda". The signature is written in a cursive, flowing style.

Robert C. Kolenda, CPCU
Commercial Lines Analyst
SBI State Filings Dept
206-473-5776
206-473-6724 (FAX)
robkol@safeco.com
RK/eam

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME American Economy Insurance Company

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-19690

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-5.3%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-4.9%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-8.3%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-7.5%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME American Economy Insurance Company DATE: 6/13/08
NAIC NO. 19690 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification
2. Loss Cost Modification:
A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: *(Check one)*
(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.) -9.6% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 0.904 (See Examples Below)

3. 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	See Exhibit 6	18.25%
B. General Expenses	See Exhibit 6	5.01%
C. Taxes, Licenses & Fees	See Exhibit 6	5.95%
D. Underwriting Profit & Contingencies*	See Exhibit 8	2.52%
E. Other (explain):		
F. TOTAL		31.72%

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 68.28%
B. ELR in Decimal Form = 0.683
5. Overall Impact of Expense Constant and Minimum Premiums See Exhibit 6a. 1.084
(A 2.3% impact would be expressed as 1.023)
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation See Exhibit 6a. 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)
7. Company Formula Loss Cost Multiplier: $2B/[(6-3F) \times 5] =$ 1.31
 $(2B/[6 \cdot 3F] \times 5) =$
8. Company Selected Loss Cost Multiplier: 1.31
Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME American States Insurance Company

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-19704

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-8.1%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-7.5%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-9.2%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-6.7%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME American States Insurance Company DATE: 6/13/08
NAIC NO. 19704 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification
2. Loss Cost Modification:
A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: *(Check one)*
(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.) 0.2% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 1.002 (See Examples Below)

3. 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	<i>See Exhibit 6</i>	<u>18.25%</u>
B. General Expenses	<i>See Exhibit 6</i>	<u>5.01%</u>
C. Taxes, Licenses & Fees	<i>See Exhibit 6</i>	<u>5.95%</u>
D. Underwriting Profit & Contingencies*	<i>See Exhibit 8</i>	<u>2.52%</u>
E. Other (explain):		
F. TOTAL		<u>31.72%</u>

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 68.28%
B. ELR in Decimal Form = 0.683
5. Overall Impact of Expense Constant and Minimum Premiums *See Exhibit 6a.* 1.084
(A 2.3% impact would be expressed as 1.023)
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation *See Exhibit 6a.* 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)
7. Company Formula Loss Cost Multiplier: $2B / [(6-3F) \times 5] =$ 1.45
 $(2B / [6 - 3F] \times 5) =$
8. Company Selected Loss Cost Multiplier: 1.45
Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/13/2008

Page 1 of 2

1. INSURER NAME General Insurance Company of America

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-24732

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-9.4%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-8.1%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>-12.5%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>-11.2%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME General Insurance Company of America DATE: 6/13/08
NAIC NO. 24732 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification

2. Loss Cost Modification:

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

(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.) 10.4% See Actuarial Memo

B. Loss Cost Modification Expressed as a Factor: 1.104 (See Examples Below)

3. 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	See Exhibit 6	18.25%
B. General Expenses	See Exhibit 6	5.01%
C. Taxes, Licenses & Fees	See Exhibit 6	5.95%
D. Underwriting Profit & Contingencies*	See Exhibit 8	2.52%
E. Other (explain):		
F. TOTAL		31.72%

*Explain how investment income is taken into account: Included in D above (See Exhibit 8).

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F = 68.28%

B. ELR in Decimal Form = 0.683

5. Overall Impact of Expense Constant and Minimum Premiums See Exhibit 6a. 1.084
(A 2.3% impact would be expressed as 1.023)

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation See Exhibit 6a. 0.953
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.)

7. Company Formula Loss Cost Multiplier: $2B/[(6-3F) \times 5] =$ 1.60
 $(2B/[6 \cdot 3F] \times 5) =$

8. Company Selected Loss Cost Multiplier: 1.60
Explain any differences between 7 and 8:

YES NO

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

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

ARKANSAS INSURANCE DEPARTMENT

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

DATE 06/16/2008

Page 1 of 2

1. INSURER NAME First National Insurance Company of America

ADDRESS State Filings Dept., SP28B411
1001 Fourth Avenue
Seattle, WA 98154

PERSON RESPONSIBLE FOR FILING ROBERT C KOLENDA

TITLE Commercial Lines Analyst TELEPHONE # (206) 473-5776

2. INSURER NAIC NO 163-24724

3. LINE OF INSURANCE Workers Compensation

4. ADVISORY ORGANIZATION NCCI

5. ADVISORY ORGANIZATION REFERENCE FILING NO AR-2008-06, AR-2008-02, AR-2008-04

7. A. PROPOSED RATE LEVEL CHANGE	<u>-12.5%</u>	EFFECTIVE DATE	<u>08/01/2008</u>
B. PROPOSED PREMIUM LEVEL CHANGE	<u>-12.3%</u>	EFFECTIVE DATE	<u>08/01/2008</u>

8. A. PRIOR RATE LEVEL CHANGE	<u>1.7%</u>	EFFECTIVE DATE	<u>08/01/2007</u>
B. PRIOR PREMIUM LEVEL CHANGE	<u>1.6%</u>	EFFECTIVE DATE	<u>08/01/2007</u>

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC Page 2)
(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 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.

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME First National Insurance Company of America DATE: 06/16/08

NAIC NO. 163-24724 GROUP NO. 163

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification
2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: *(Check one)*
 (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 modifier 7.8% Additional Loss Adjustment Expense
[First National's LAE] / [NCCI's LAE] = 1.286 / 1.193 = 1.078 (See Exhibit 3)
 - B. Loss Cost Modification Expressed as a Factor: 1.078 (See Examples Below)
3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insure 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	14.16%
B. General Expenses	5.32%
C. Taxes, Licenses & Fees	5.38%
D. Underwriting Profit & Contingencies*	2.28%
E. Other (explain):	0.00%
F. TOTAL	27.13%

*Explain how investment income is taken into account. *See exhibit 3.*

4. A. Expected Loss and Loss Adjustment Expense Ratio:

ELR = 100% - 3F =	72.87%
B. ELR in Decimal Form =	0.729
5. Overall Impact of Expense Constant and Minimum Premiums
 (A 2.3% impact would be expressed as 1.023) 1.000
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation
 Recognition in Retrospective Rating:
 (An 8.67% average discount would be expressed as 0.914.) 0.911
7. Company Formula Loss Cost Multiplier: $2B / [(6 - 3F) \times 5] =$ 1.68
 $(2B / [6 - 3F] \times 5) =$
8. Company Selected Loss Cost Multiplier: 1.68
 Explain any differences between 7 and 8:

- | | YES | NO |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ACTUARIAL MEMORANDUM

Arkansas Workers Compensation

American States Insurance Co.
American Economy Insurance Co.
General Insurance Co. of America

Effective 8/1/08 we propose to:

- Increase our loss cost multipliers (LCMs) as outlined below,
- Adopt NCCI's 7/1/08 loss costs for Arkansas and

The premium impact of both these changes on our book of business for the combined companies is -6.9% which amounts to -\$50,211.

Rate Changes

<u>Company</u>	<u>Proposed LCM</u>	<u>Current LCM</u>	<u>LCM % Change</u>	<u>Premium Impact of LCM & Loss Cost Changes</u>
American States Insurance Co.	1.45	1.42	2.1%	-7.5%
American Economy Insurance Co.	1.31	1.27	3.1%	-4.9%
General Insurance Co. of America	1.60	1.56	2.6%	-8.1%
				-6.9%

Our indicated loss cost modification factor (loss cost mod) is 0.993 (Exhibit 1, Line R). We have selected loss cost mods of 1.002 in American States, 0.904 in American Economy and 1.104 in General Insurance to result in an average premium-weighted loss cost modification factor of 0.992 for the combined companies (Exhibit 1). This is well supported by the indication and enables us to achieve an overall -6.9% rate change for our book of business.

Price Tier Strategy

The selected LCMs for the above companies are based on an underwriting strategy of having three tiered LCMs available for pricing small commercial accounts (<\$250,000) and one reserved for the occasional large account (> \$250,000)--namely, First National. This enables us to broaden our market reach for small accounts and to permit a better matching of expected costs with rate level. The companies available for small accounts are American States, American Economy and American States of Texas. General Insurance Co. is used in states such as Arkansas when American States of Texas is not available.

American States is used for standard business, American Economy for preferred business and American States of Texas for non-standard business. We have, thus, select American Economy's LCM to be 10% below that of American States' (our standard company) and General's to be 10% above.

Indications

Many of the large accounts written in the American States Companies during 2002 and 2003 renewed in First National in 2004. Because our First National Company was designed to write large accounts exclusively, and most of our large account business has transitioned over to First National from other companies, our rate indications from small commercial accounts are based on business written in the American States Companies exclusive of large account business with effective dates 2002 and after. The experience used for producing First National's expense multiplier is based on experience for large accounts with effective dates in 2003 and after, whether written in First National or the American States Companies.