

SERFF Tracking Number: STLR-125720052 State: Arkansas  
First Filing Company: Manufacturers Alliance Insurance Company, ... State Tracking Number: #? \$50  
Company Tracking Number: 08-0492-AR124  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: ADOPTION OF VOLUNTARY LOSS COSTS  
Project Name/Number: 08-0492-AR124/08-0492-AR124

## Filing at a Glance

Companies: Manufacturers Alliance Insurance Company, Pennsylvania Manufacturers' Association Insurance Company, Pennsylvania Manufacturers Indemnity Company

Product Name: ADOPTION OF VOLUNTARY LOSS COSTS  
SERFF Tr Num: STLR-125720052 State: Arkansas

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: #? \$50

Sub-TOI: 16.0004 Standard WC

Co Tr Num: 08-0492-AR124

State Status: Fees verified

Filing Type: Rate

Co Status:

Reviewer(s): Betty Montesi, Carol Stiffler

Author: Linda Greer

Disposition Date: 07/02/2008

Date Submitted: 07/02/2008

Disposition Status: Approved

Effective Date Requested (New): 07/01/2008

Effective Date (New): 07/02/2008

Effective Date Requested (Renewal): 07/01/2008

Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: 08-0492-AR124

Status of Filing in Domicile: Not Filed

Project Number: 08-0492-AR124

Domicile Status Comments:

Reference Organization: NCCI

Reference Number: Item AR2008-02

Reference Title: APPROVED VOLUNTARY ADVISORY LOSS COSTS EFFECTIVE JULY 1, 2008  
Advisory Org. Circular: AR-2008-06

Filing Status Changed: 07/02/2008

State Status Changed: 07/02/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

The members of The PMA Insurance Group elect to adopt the loss costs approved in Item #AR2008-02, effective July 1, 2008 with no change to our approved Loss Cost Multipliers.

## Company and Contact

SERFF Tracking Number: STLR-125720052 State: Arkansas  
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 Project Name/Number: 08-0492-AR124/08-0492-AR124

**Filing Contact Information**

Linda Greer, Senior Underwriting Analyst Linda\_Greer@pmagroup.com  
 380 Sentry Parkway (610) 397-5226 [Phone]  
 Blue Bell, PA 19422-0754

**Filing Company Information**

Manufacturers Alliance Insurance Company	CoCode: 36897	State of Domicile: Pennsylvania
380 Sentry Parkway	Group Code: 767	Company Type:
P. O. Box 3031		
Blue Bell, PA 19422-0754	Group Name:	State ID Number:
(610) 397-5462 ext. [Phone]	FEIN Number: 23-2086596	
	-----	

Pennsylvania Manufacturers' Association	CoCode: 12262	State of Domicile: Pennsylvania
Insurance Company		
380 Sentry Parkway	Group Code: 767	Company Type:
P. O. Box 3031		
Blue Bell, PA 19422-0754	Group Name:	State ID Number:
(610) 397-5462 ext. [Phone]	FEIN Number: 23-1642962	
	-----	

Pennsylvania Manufacturers Indemnity	CoCode: 41424	State of Domicile: Pennsylvania
Company		
380 Sentry Parkway	Group Code: 767	Company Type:
P. O. Box 3031		
Blue Bell, PA 19422-0754	Group Name:	State ID Number:
(610) 397-5462 ext. [Phone]	FEIN Number: 23-2217934	
	-----	

**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Manufacturers Alliance Insurance Company	\$0.00	07/02/2008	
Pennsylvania Manufacturers' Association Insurance Company	\$0.00	07/02/2008	
Pennsylvania Manufacturers Indemnity Company	\$0.00	07/02/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
428383	\$50.00	06/26/2008

SERFF Tracking Number: STLR-125720052 State: Arkansas  
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Product Name: ADOPTION OF VOLUNTARY LOSS COSTS  
Project Name/Number: 08-0492-AR124/08-0492-AR124

## Correspondence Summary

### Dispositions

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

SERFF Tracking Number: STLR-125720052 State: Arkansas  
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Project Name/Number: 08-0492-AR124/08-0492-AR124

## Disposition

Disposition Date: 07/02/2008

Effective Date (New): 07/02/2008

Effective Date (Renewal):

Status: Approved

Comment: This filing was not received until July2, 2008 with a requested effective date of July 1, 2008. All workers' compensation filings are prior approval . They have a 30 day waiting period and cannot be approved retroactively. The 30 day requirement allows time for review and correspondence, if needed. While that waiting period may be waived by the Commissioner, the Insurance Department strongly encourages companies to make sure they make filings in a timely manner. While I am able to waive the remaining part of the 30 day period on this filing, I will not always be able to do that in the future.

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

SERFF Tracking Number: STLR-125720052 State: Arkansas  
 First Filing Company: Manufacturers Alliance Insurance Company, ... State Tracking Number: #? \$50  
 Company Tracking Number: 08-0492-AR124  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
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 Project Name/Number: 08-0492-AR124/08-0492-AR124

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
<b>Supporting Document</b>	NAIC loss cost data entry document	Approved	Yes
<b>Supporting Document</b>	letter of intent	Approved	Yes

SERFF Tracking Number: STLR-125720052 State: Arkansas  
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## Rate Information

Rate data does NOT apply to filing.

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## Supporting Document Schedules

<b>Bypassed -Name:</b>	Uniform Transmittal Document- Property & Casualty	<b>Review Status:</b>	Approved	07/02/2008
<b>Bypass Reason:</b>	not applicable			
<b>Comments:</b>				
<b>Bypassed -Name:</b>	NAIC Loss Cost Filing Document for Workers' Compensation	<b>Review Status:</b>	Approved	07/02/2008
<b>Bypass Reason:</b>	not applicable			
<b>Comments:</b>				
<b>Bypassed -Name:</b>	NAIC loss cost data entry document	<b>Review Status:</b>	Approved	07/02/2008
<b>Bypass Reason:</b>	not applicable			
<b>Comments:</b>				
<b>Satisfied -Name:</b>	letter of intent	<b>Review Status:</b>	Approved	07/02/2008
<b>Comments:</b>				
<b>Attachments:</b>				
	MAICO.pdf			
	PMA.pdf			
	PMI.pdf			



PERFORMANCE. IT'S WHY WE GET CHOSEN.

380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

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July 2, 2008

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

**RE: Manufacturers Alliance Insurance Company  
Adoption of Loss Cost (AR2008-02)  
Effective July 1, 2008  
Filing #08-0492-AR124**

Dear Ms. Bowman;

Please be advised, the Manufacturers Alliance Insurance Company (NAIC #36897) is adopting the loss cost approved in Item #AR2008-02, effective July 1, 2008.

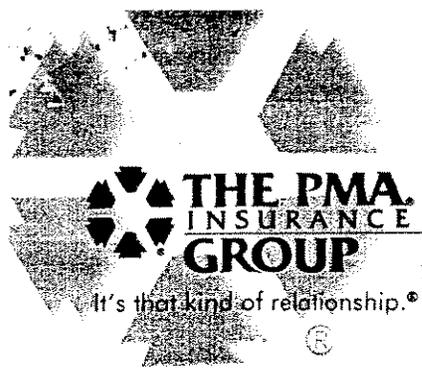
The Manufacturers Alliance Insurance Company will continue using its approved 1.465 Loss Cost Multiplier against the Loss Cost approved in Item #AR2008-02.

In addition to the Loss Cost Multiplier, we will continue using our Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant.

Sincerely,

**Linda R. Greer**  
Workers' Compensation Product Analyst  
Product Management  
(610) 397-5226  
linda\_greer@pmagroup.com

Attachments



RECEIVED  
AUG 25 2003

380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

(610) 397-5000 • www.pmagroup.com

Approved until withdrawn  
or revoked

OCT 01 2003

July 31, 2003

Arkansas Insurance Department  
By: OKS

RECEIVED

AUG 01 2003

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

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

**RE: Manufacturers Alliance Insurance Company (NAIC #36897)  
Workers' Compensation Loss Cost Multiplier Filing #03-0755-AR2  
Effective October 1, 2003**

Dear Mr. Pickens:

This letter and attached exhibits represent a filing of the Loss Cost Multiplier, Miscellaneous Values, Rules and Retrospective Rating Values for business written by the Manufacturers Alliance Insurance Company.

The Manufacturers Alliance Insurance Company is filing for approval of a 1.465 Loss Cost Multiplier. We developed our rates solely on the combination of our 1.465 Multiplier, against the Loss Cost approved in NCCI's filing AR03-01, effective July 1, 2003.

In addition to the Loss Cost Multiplier, we are filing our Schedule Rating Plan, and Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant. Details of our Schedule Rating Plan, developed in compliance with established guidelines, are outlined in the attached overview.

Please be advised, the Manufacturers Alliance Insurance Company hereby adopts Item 07-AR-99 filed by NCCI. By adopting this item, we agree to comply with the provisions approved in the Alcohol & Drug-Free Workplace Premium Credit Program as filed by NCCI. We will provide a premium credit of at least 5% to employers establishing and maintaining a drug-free workplace program that complies with the requirements of Act 1552. Certification from the Arkansas Workers' Compensation Commission is required for each year in which a premium credit is granted.

AID/P&C OCT 01 '03

Our Retrospective Rating Plan' s Values incorporate the factors approved in NCCI' s filing with our Tax Multipliers, 1.062 - State Classes and 1.185 - Federal Classes, Expected Loss Ratio of .39 and an Expected Loss and Allocated Expense Ratio (ALAE) of .697.

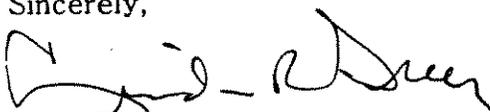
At this time, we also request approval to amend the premium eligibility requirement for NCCI' s Item R-1295, Large Risk Alternative Rating Option/Multiple Lines, approved effective January 1, 1993, for use in Arkansas. This amendment would expand the Large Risk Alternative Rating Option of the Retrospective Rating Plan, making it available to risks with an estimated annual Workers' Compensation standard premium in excess of \$250,000 individually or in any combination with General Liability, Hospital Professional Liability, Commercial Automobile, Crime or Glass.

Attached are two copies of this filing, \$100.00 filing fee and postage-paid self-addressed envelopes for your convenience in responding.

Should questions arise concerning this filing, our toll-free phone number 1-800-222-2749 is available for your use.

We request approval to implement all values on workers' compensation business written in the state of Arkansas effective dates on or after October 1, 2003.

Sincerely,



Linda R. Greer  
Workers' Compensation Product Analyst  
Product Management  
Linda\_Greer@pmagroup.com  
(610) 397-5226

Attachments

Cc: Financial Data  
NCCI, Inc.  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487

A/D/P&C OCT 01 '03



Date: July 31, 2003

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

1. Insurer Name: Manufacturers' Alliance Insurance Company (MAICO)  
Address 380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, Pennsylvania 19422-0754

Person responsible for filing: LINDA R. GREER  
Title: WC PRODUCT ANALYST Telephone #: (800) 222-2749 Ext. 5226

2. Insurer NAIC #: 36897

3. Advisory Rating Organization: NCCI

4. Advisory Rating Organization Reference Filing #: AR03-01

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rating organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A Proposed Rate Level Change: N/A % Effective Date: 1-Oct-03  
B Prior Rate Level Change: N/A % Effective Date: N/A

7.A. Proposed Rate Level Change: N/A % Effective Date: 1-Oct-03  
B Prior Rate Level Change: N/A % Effective Date: N/A

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use 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 rating organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rating 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 rating organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Rating Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT  
 WORKERS' COMPENSATION INSURER RATE FILING  
 ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
 SUMMARY OF SUPPORTING INFORMATION FORM  
 CALCULATION OF COMPANY LOSS COST MULTIPLIER

Insurer Name: Manufacturers Alliance Insurance Company

NAIC Number: 36897

Date 7/15/2003

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)

Without modification. (factor = 1.000)

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

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

1.148

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

\_\_\_\_\_

B. General Expense

\_\_\_\_\_

C. Taxes, Licenses & Fees

\_\_\_\_\_

D. Underwriting Profit & Contingencies\*

\_\_\_\_\_

E. Other (Explain) investment income = -9.0%  
 premium discount buildback = 7.6%

\_\_\_\_\_

F. TOTAL

\_\_\_\_\_

\*Explain how investment income is taken into account.

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

ELR = 100% - 3F =

\_\_\_\_\_

B. ELR in decimal form =

\_\_\_\_\_

5. Overall Impact of Expense Constant and Minimum Premiums:

(A 2.3% impact would be expressed as 1.023)

\_\_\_\_\_

6. Overall Impact of Size-of-Risk Discount plus Expense Graduation Recognition in Retrospective Rating:

(An 8.67% average discount would be expressed as 0.914.)

\_\_\_\_\_

7. Company Formula Loss Cost Multiplier:

$(2B/[6 - 3F] \times 5)$

\_\_\_\_\_

8. Company Selected Loss Cost Multiplier =

Explain any differences between 7 and 8:

Selected for competitive reasons.

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes multipliers, expense constants, maximum minimums, etc.

Yes No

N/A

10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.

N/A

Date: April 1, 1999

Insurer Name: Manufacturers Alliance Insurance company

**STATE OF ARKANSAS**  
**EXPENSE CONSTANT SUPPLEMENT**  
**CALCULATION OF COMPANY LOSS COST MULTIPLIER**  
**WITH EXPENSE CONSTANT**

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

	Selected Provisions		
	<u>OVERALL</u>	<u>VARIABLE</u>	<u>FIXED</u>
A. Total Production Expense	<u>10.4%</u>	<u>8.8%</u>	<u>1.6%</u>
B. General Expense	<u>7.3%</u>	<u>4.0%</u>	<u>3.3%</u>
C. Taxes, Licenses & Fees	<u>4.9%</u>	<u>4.9%</u>	<u>0.0%</u>
D. Underwriting Profit & Contingencies	<u>-4.6%</u>	<u>-4.6%</u>	<u>0.0%</u>
E. Other (Explain)*	<u>8.6%</u>	<u>8.6%</u>	<u>0.0%</u>
F. TOTAL	<u>26.5%</u>	<u>21.7%</u>	<u>4.9%</u>

4. A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  73.5%  
B. ELR in decimal form = 0.735  
C. Variable Expected Loss Ratio:  $VELR = 100\% - \text{Variable } 3F =$  78.3%  
D. VERL in decimal form = 0.783

5. Formula Expense Constant:  
 $[(1.00 / 4B) - (1.00 / 4D)] \times \text{Average Underlying Loss Cost} =$  169  
Formula Variable Loss Cost Multiplier:  $(2B / 4D) =$  1.465

6. Selected Expense Constant = 180  
Selected Variable Loss Cost Multiplier 1.465

7. Explain any differences between 5 and 6

Rate level change for the coverage to which this page applies N/A

8

**Workers' Compensation and Employers Liability      Arkansas**  
**Manufacturers Alliance Insurance Company**

**Effective July 1, 2008**

---

**MISCELLANEOUS VALUES**

**Expense Constant** is applicable in accordance with Manual Rule VI-B-1.....\$180.00

**Aircraft Passenger Seat Surcharge** - In accordance with the footnote instructions for Classification Code 7421, the surcharge is .....\$100 per passenger seat  
 \$1,000 maximum surcharge per aircraft

**Minimum Premium Formula** - (rate x 135) + expense constant,  
 subject to a maximum change \$750.00

**Premium Discount Percentages** (manual rule VII-A). The following premium discounts are applicable to Standard Premiums:

	<b>Total Workers' Compensation Standard Premium</b>	<b>Stock Table "A"</b>
<b>First</b>	\$ 10,000	None
<b>next</b>	190,000	9.1%
<b>next</b>	1,550,000	11.3%
<b>over</b>	1,750,000	12.3%



PERFORMANCE. IT'S WHY WE GET CHOSEN.

380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

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July 2, 2008

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

**RE: Pennsylvania Manufacturers' Association Insurance Company  
Adoption of Loss Cost (AR2008-02)  
Effective July 1, 2008  
Filing #08-0492-AR124**

Dear Ms. Bowman;

Please be advised, the Pennsylvania Manufacturers' Association Insurance Company (NAIC #12262) is adopting the loss cost approved in Item #AR2008-02, effective July 1, 2008.

The Pennsylvania Manufacturers' Association Insurance Company will continue using its approved 1.250 Loss Cost Multiplier against the Loss Cost approved in Item #AR2008-02

In addition to the Loss Cost Multiplier, we will continue using our Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant.

Attached is the \$50.00 filing fee required for the three filings.

Sincerely,

**Linda R. Greer**  
Workers' Compensation Product Analyst  
Product Management  
(610) 397-5226  
linda\_greer@pmagroup.com

Attachments



380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

(610) 397-5000 • www.pmagroup.com

May 24, 1999

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

Approved until withdrawn  
or revoked

JUL 1 1999

Arkansas Insurance Department  
By: LR

RECEIVED

JUN 0 1 1999

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

*RE: Pennsylvania Manufacturers' Association Insurance Company  
Workers' Compensation Loss Cost Multiplier Filing  
Effective July 1, 1999*

Dear Mr. Pickens;

This letter and attached exhibits, represent a filing of the Loss Cost Multiplier, Miscellaneous Values, Rules and Retrospective Rating Values for business written by the Pennsylvania Manufacturers' Association Insurance Company (NAIC #12262).

The Pennsylvania Manufacturers' Association Insurance Company is filing for approval of a **1.250 Loss Cost Multiplier**. We developed our rates solely on the combination of our 1.250 Multiplier, against the Loss Cost approved in NCCI's filing AR99-01, effective July 1, 1999.

In addition to the Loss Cost Multiplier, we are filing our Schedule Rating Plan, and Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant. Details of our Schedule Rating Plan, developed in compliance with established guidelines, are outlined in the attached overview.

Our Retrospective Rating Plan's Values incorporate the factors approved in NCCI's AR99-03 filing with our Tax Multipliers, 1.062 - State Classes and 1.185 - Federal Classes, Expected Loss Ratio of .621 and an Expected Loss and Allocated Expense Ratio (ALAE) of .680.

At this time, we also request approval to amend the premium eligibility requirement for NCCI's Item R-1295, Large Risk Alternative Rating Option/Multiple Lines, approved effective January 1, 1993, for use in Arkansas. This amendment would expand the

A premier property and casualty insurance organization specializing in workers' compensation and disability

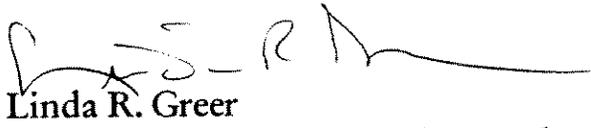
Large Risk Alternative Rating Option of the Retrospective Rating Plan. Making it available to risks with an estimated annual Workers' Compensation standard premium in excess of \$100,000 individually or in any combination with General Liability, Hospital Professional Liability, Commercial Automobile, Crime or Glass.

Attached are two copies of this filing, \$250.00 filing fee and postage-paid self-addressed envelopes for your convenience in responding.

Should questions arise concerning this filing, our toll-free phone number 1-800-222-2749, is available for your use.

We request approval to implement all values on workers' compensation business written in the state of Arkansas effective dates on or after July 1, 1999.

Sincerely,

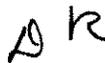


**Linda R. Greer**  
Workers' Compensation Product Analyst  
Product Management  
(610) 397-5226

Approved until withdrawn  
or revoked

JUL 1 " 1999

Arkansas Insurance Department

By: 

Attachments

Cc: Tom Daley  
NCCI, Inc.  
750 Park of Commerce Drive  
Boca Raton, FL 33487

**ARKANSAS INSURANCE DEPARTMENT**

WORKERS' COMPENSATION INSURER RATE FILING

ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS

SUMMARY OF SUPPORTING INFORMATION FORM

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

Insurer Name: Pennsylvania Manufacturers' Association Insurance Company

NAIC Number: 12262

Date 5/14/99

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)

Without modification. (factor = 1.000)

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

B. Loss Cost Modification Expressed as a Factor (See examples below): 1.000

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	<u>10.5%</u>
B. General Expense	<u>5.5%</u>
C. Taxes, Licenses & Fees	<u>5.4%</u>
D. Underwriting Profit & Contingencies*	<u>2.3%</u>
E. Other (Explain) investment income = -9.0% premium discount buildback = 7.6%	<u>-1.4%</u>
F. TOTAL	<u>22.3%</u>

\*Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:  
 ELR = 100% - 3F = 77.7%

B. ELR in decimal form = 0.777

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 Discount plus Expense Graduation Recognition in Retrospective Rating:  
 (An 8.67% average discount would be expressed as 0.914.) 0.924

7. Company Formula Loss Cost Multiplier:  
 (2B/[6 - 3F] x 5) 1.287

8. Company Selected Loss Cost Multiplier = 1.250  
 Explain any differences between 7 and 8: Selected for competitive reasons

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes multipliers, expense constants, maximum minimums, etc. Yes No N/A

10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. Yes No N/A

Date: May 24, 1999

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

1. Insurer Name: Pennsylvania Manufacturers' Association Insurance Company (PMAIC)  
Address 380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, Pennsylvania 19422-0754

Person responsible for filing: LINDA R. GREER  
Title: WC PRODUCT ANALYST Telephone #: (800) 222-2749 Ext. 5226

2. Insurer NAIC #: 12262

3. Advisory Rating Organization: NCCI

4. Advisory Rating Organization Reference Filing #: AR-99-01 & AR-99-03

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rating organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A Proposed Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>
B Prior Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>
7.A. Proposed Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>
B Prior Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use 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 rating organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rating 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 rating organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Rating Organization Reference Filing.



**Workers' Compensation and Employers Liability      Arkansas**  
**Pennsylvania Manufacturers' Association Insurance Company**

**Effective July 1, 2008**

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**MISCELLANEOUS VALUES**

**Expense Constant** is applicable in accordance with Manual Rule VI-B-1.....\$180.00

**Aircraft Passenger Seat Surcharge** - In accordance with the footnote instructions for Classification Code 7421, the surcharge is .....\$100 per passenger seat  
\$1,000 maximum surcharge per aircraft

**Minimum Premium Formula** - (rate x 135) + expense constant,  
subject to a maximum change \$750.00

**Premium Discount Percentages** (manual rule VII-A). The following premium discounts are applicable to Standard Premiums:

	<b>Total Workers' Compensation Standard Premium</b>	<b>Stock Table "A"</b>
<b>First</b>	\$ 10,000	None
<b>next</b>	190,000	9.1%
<b>next</b>	1,550,000	11.3%
<b>over</b>	1,750,000	12.3%



PERFORMANCE. IT'S WHY WE GET CHOSEN.

380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

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July 2, 2008

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

**RE: Pennsylvania Manufacturers Indemnity Company  
Adoption of Loss Cost (AR2008-02)  
Effective July 1, 2008  
Filing #08-0492-AR124**

Dear Ms. Bowman;

Please be advised, the Pennsylvania Manufacturers Indemnity Company (NAIC #41424) is adopting the loss cost approved in Item #AR2008-02, effective July 1, 2008.

The Pennsylvania Manufacturers Indemnity Company will continue using its approved 1.150 Loss Cost Multiplier against the Loss Cost approved in Item #AR2008-02.

In addition to the Loss Cost Multiplier, we will continue using our Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant.

Sincerely,

**Linda R. Greer**  
Workers' Compensation Product Analyst  
Product Management  
(610) 397-5226  
linda\_greer@pmagroup.com

Attachments



It's that kind of relationship.®

380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, PA 19422-0754

(610) 397-5000 • www.pmagroup.com

Approved until withdrawn  
or revoked

OCT 01 2003

Arkansas Insurance Department  
By: *CKS*

RECEIVED

OCT 01 2003

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

RECEIVED  
AUG 25 2003

July 31, 2003

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

**RE: Pennsylvania Manufacturers Indemnity Company (NAIC #41424)  
Workers' Compensation Loss Cost Multiplier Filing #03-0754-AR4  
Effective October 1, 2003**

Dear Mr. Pickens:

This letter and attached exhibits represent a filing of the Loss Cost Multiplier, Miscellaneous Values, Rules and Retrospective Rating Values for business written by the Pennsylvania Manufacturers Indemnity Company.

The Pennsylvania Manufacturers Indemnity Company is filing for approval of a 1.150 Loss Cost Multiplier. We developed our rates solely on the combination of our 1.150 Multiplier, against the Loss Cost approved in NCCI's filing AR03-01, effective July 1, 2003.

In addition to the Loss Cost Multiplier, we are filing our Schedule Rating Plan, and Miscellaneous Values that include the Stock System of Expenses (Table "A") for calculating Premium Discount and Retrospective Rating, Minimum Premium Formulas, and a \$180 Expense Constant. Details of our Schedule Rating Plan, developed in compliance with established guidelines, are outlined in the attached overview.

Please be advised, the Pennsylvania Manufacturers Indemnity Company hereby adopts Item 07-AR-99 filed by NCCI. By adopting this item, we agree to comply with the provisions approved in the Alcohol & Drug-Free Workplace Premium Credit Program as filed by NCCI. We will provide a premium credit of at least 5% to employers establishing and maintaining a drug-free workplace program that complies with the requirements of Act 1552. Certification from the Arkansas Workers' Compensation Commission is required for each year in which a premium credit is granted

A premier property and casualty insurance organization specializing in workers' compensation and disability

AID/P&C OCT 01 '03

Our Retrospective Rating Plan's Values incorporate the factors approved in NCCI's filing with our Tax Multipliers, 1.062 - State Classes and 1.185 - Federal Classes, Expected Loss Ratio of .39 and an Expected Loss and Allocated Expense Ratio (ALAE) of .697.

At this time, we also request approval to amend the premium eligibility requirement for NCCI's Item R-1295, Large Risk Alternative Rating Option/Multiple Lines, approved effective January 1, 1993, for use in Arkansas. This amendment would expand the Large Risk Alternative Rating Option of the Retrospective Rating Plan, making it available to risks with an estimated annual Workers' Compensation standard premium in excess of \$250,000 individually or in any combination with General Liability, Hospital Professional Liability, Commercial Automobile, Crime or Glass.

Attached are two copies of this filing, \$100.00 filing fee and postage-paid self-addressed envelopes for your convenience in responding.

Should questions arise concerning this filing, our toll-free phone number 1-800-222-2749 is available for your use.

We request approval to implement all values on workers' compensation business written in the state of Arkansas effective dates on or after October 1, 2003.

Sincerely,



Linda R. Greer  
Workers' Compensation Product Analyst  
Product Management  
Linda\_Greer@pmagroup.com  
(610) 397-5226

Attachments

Cc: Financial Data  
NCCI, Inc.  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487

AID/P&C OCT 01 '03



Date:

July 29, 2003

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

1. Insurer Name: Pennsylvania Manufacturers' Indemnity Company (PMIC)  
Address 380 Sentry Parkway  
P.O. Box 3031  
Blue Bell, Pennsylvania 19422-0754

Person responsible for filing: LINDA R. GREER  
Title: WC PRODUCT ANALYST Telephone #: (800) 222-2749 Ext. 5226

2. Insurer NAIC #: 41424

3. Advisory Rating Organization: NCCI

4. Advisory Rating Organization Reference Filing #: AR03-01

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rating organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A Proposed Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>10/1/2003</u>
B Prior Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>
7.A. Proposed Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>10/1/2003</u>
B Prior Rate Level Change:	<u>N/A</u> %	Effective Date:	<u>N/A</u>

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use 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 rating organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rating 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 rating organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Rating Organization Reference Filing.

AID/P&C OCT 01 '03

ARKANSAS INSURANCE DEPARTMENT  
**WORKERS' COMPENSATION INSURER RATE FILING**  
**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS**  
**SUMMARY OF SUPPORTING INFORMATION FORM**  
**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

Insurer Name: Pennsylvania Manufacturers Indemnity Company  
 NAIC Number: 41424

Date 7/15/2003

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)

Without modification. (factor = 1.000)

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

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

0.901

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

B. General Expense

C. Taxes, Licenses & Fees

D. Underwriting Profit & Contingencies\*

E. Other (Explain) investment income = -9.0%  
 premium discount buildback = 7.6%

F. TOTAL

\*Explain how investment income is taken into account.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

ELR = 100% - 3F =

B. ELR in decimal form =

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Overall Impact of Expense Constant and Minimum Premiums:  
 (A 2.3% impact would be expressed as 1.023)

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Company Formula Loss Cost Multiplier:  
 (2B/[6 - 3F] x 5)

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

Selected for competitive reasons.

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes multipliers, expense constants, maximum minimums, etc.

Yes No

N/A

10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.

N/A

Date: July 15, 2003

Insurer Name: Pennsylvania Manufacturers Indemnity Company

**STATE OF ARKANSAS  
EXPENSE CONSTANT SUPPLEMENT  
CALCULATION OF COMPANY LOSS COST MULTIPLIER  
WITH EXPENSE CONSTANT**

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

	Selected Provisions		
	<u>OVERALL</u>	<u>VARIABLE</u>	<u>FIXED</u>
A. Total Production Expense	<u>10.4%</u>	<u>8.8%</u>	<u>1.6%</u>
B. General Expense	<u>7.3%</u>	<u>4.0%</u>	<u>3.3%</u>
C. Taxes, Licenses & Fees	<u>4.9%</u>	<u>4.9%</u>	<u>0.0%</u>
D. Underwriting Profit & Contingencies	<u>-4.6%</u>	<u>-4.6%</u>	<u>0.0%</u>
E. Other (Explain)*	<u>8.6%</u>	<u>8.6%</u>	<u>0.0%</u>
F. TOTAL	<u>26.5%</u>	<u>21.7%</u>	<u>4.9%</u>

4. A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  73.5%  
B. ELR in decimal form = 0.735  
C. Variable Expected Loss Ratio:  $VELR = 100\% - \text{Variable } 3F =$  78.3%  
D. VERL in decimal form = 0.783
5. Formula Expense Constant:  
 $[(1.00 / 4B) - (1.00 / 4D)] \times \text{Average Underlying Loss Cost} =$  169  
Formula Variable Loss Cost Multiplier:  $(2B / 4D) =$  1.150
6. Selected Expense Constant = 180  
Selected Variable Loss Cost Multiplier = 1.150
7. Explain any differences between 5 and 6  
Rate level change for the coverage to which this page applies N/A

**Workers' Compensation and Employers Liability      Arkansas**  
**Pennsylvania Manufacturers Indemnity Company**

**Effective July 1, 2008**

---

**MISCELLANEOUS VALUES**

**Expense Constant** is applicable in accordance with Manual Rule VI-B-1.....\$180.00

**Aircraft Passenger Seat Surcharge** - In accordance with the footnote instructions for Classification Code 7421, the surcharge is .....\$100 per passenger seat  
 \$1,000 maximum surcharge per aircraft

**Minimum Premium Formula** - (rate x 135) + expense constant,  
 subject to a maximum change \$750.00

**Premium Discount Percentages** (manual rule VII-A). The following premium discounts are applicable to Standard Premiums:

	<b>Total Workers' Compensation Standard Premium</b>	<b>Stock Table "A"</b>
<b>First</b>	\$ 10,000	None
<b>next</b>	190,000	9.1%
<b>next</b>	1,550,000	11.3%
<b>over</b>	1,750,000	12.3%