

SERFF Tracking Number: STNA-125719111 State: Arkansas
Filing Company: National Specialty Insurance Company State Tracking Number: #? \$100
Company Tracking Number: KIC-08-001-R
TOI: 20.0 Commercial Auto Sub-TOI: 20.0003 Other
Product Name: Commercial Auto Rental/Excess Auto Rental Program
Project Name/Number: Submission of Commercial Auto Rental/Excess Auto Rental Program/KIC-08-001

Filing at a Glance

Company: National Specialty Insurance Company

Product Name: Commercial Auto SERFF Tr Num: STNA-125719111 State: Arkansas

Rental/Excess Auto Rental Program

TOI: 20.0 Commercial Auto

SERFF Status: Closed

State Tr Num: #? \$100

Sub-TOI: 20.0003 Other

Co Tr Num: KIC-08-001-R

State Status: Fees not received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Betty Montesi,

Llyweyia Rawlins

Author: Wes Pohler

Disposition Date: 07/09/2008

Date Submitted: 07/08/2008

Disposition Status: Exempt from Review

Effective Date Requested (New): On Approval

Effective Date (New): 07/09/2008

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):
07/09/2008

State Filing Description:

General Information

Project Name: Submission of Commercial Auto Rental/Excess Auto Rental Program

Status of Filing in Domicile: Not Filed

Project Number: KIC-08-001

Domicile Status Comments: Not filed in Texas

Reference Organization: None

Reference Number: None

Reference Title: None

Advisory Org. Circular: None

Filing Status Changed: 07/09/2008

State Status Changed: 07/09/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

The Company is filing the attached Rental and Excess Auto Insurance filing for your review and approval. This program will be used to insure franchise locations in your jurisdiction for USave Auto Rental, Inc. The primary policy will pay all sums an insured legally must pay as damages because of bodily injury or property damages caused by an accident and resulting from the ownership, maintenance or use of a covered auto. The excess policy will pay all sums an insured legally must pay as damages in excess of the primary insurance previously mentioned

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Company and Contact

Filing Contact Information

Wesley Pohler, Assistant Vice President wes@westmontlaw.com
 25 Chestnut Street (856) 216-0220 [Phone]
 Haddonfield, NJ 08033

Filing Company Information

National Specialty Insurance Company CoCode: 22608 State of Domicile: Texas
 8200 Anderson Boulevard Group Code: 93 Company Type: Property & Casualty
 Fort Worth, TX 76120 Group Name: State ID Number:
 (800) 877-4567 ext. [Phone] FEIN Number: 75-2816775

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Specialty Insurance Company	\$0.00	07/08/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
29879	\$100.00	07/07/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	07/09/2008	07/09/2008

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Disposition

Disposition Date: 07/09/2008

Effective Date (New): 07/09/2008

Effective Date (Renewal): 07/09/2008

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

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:
National Specialty Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Supporting Document	Letter of Authorization	Accepted for Informational Purposes	Yes
Supporting Document	Expenses Exhibit	Accepted for Informational Purposes	Yes
Rate	Auto Rental Rating Plan	Accepted for Informational Purposes	Yes
Rate	Excess Auto Rental Rating Plan	Accepted for Informational Purposes	Yes

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Rate Information

Rate data applies to filing.

Filing Method: File and use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: Neutral
Effective Date of Last Rate Revision:
Filing Method of Last Filing: None

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):
National Specialty Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Auto Rental Rating Plan	Pages 1 through 3	New	KNI-NSIC-US-300.FR RATES & RULES.pdf
Accepted for Informational Purposes	Excess Auto Rental Rating Plan	Pages 1 through 3	New	KNI-NSIC-US-301.XS RATES & RULES.pdf

**NATIONAL SPECIALTY INSURANCE COMPANY
FLEET LIABILITY
RENTAL AUTO COVERAGE FORM
UNDERWRITING & RATING RULES**

Base Rate

Base rates shown are for state minimum financial responsibility limits

Retention	Rate/Unit
No SIR	\$7.70
SIR 2,500	\$6.50
SIR 5,000	\$5.50

Location Type	Factor
Local	1.20
Airport	0.90
Replacement	0.75

Vehicle Class Type	Factor
PPA	
1. Private Passenger	1.00
2. Antiques/Classics	0.50
3. Exotics/Sport	1.10
Trucks	
1. 10,000 GVW	1.10
2. 10k-20k GVW	1.10
3. 20k-40k GVW	1.25
4. Cargo Vans	1.50
Vans	
1. Shuttle Vans	2.50
2. 7-passenger vans	1.10
3. 12-passenger vans	1.50
4. 15-passenger vans	1.75
Trailers	
1. Trailers to 2,000 lbs	0.25
2. Trailers over 2,000 lbs	0.50
Miscellaneous Vehicles	
1. Off road vehicles	0.75
2. Motorcycles	0.75
3. Motor Homes	1.75
4. Low-speed electric	0.50

Account Size Vehicle Count	Factor
0-25	1.00
26-50	0.95
51-100	0.90

101-200	0.85
201+	0.80

BI Split Limits Increased Limits	Factor
25/50	1.000
30/60	1.051
50/100	1.204
100/300	1.481
250/500	1.655
500/1000	1.843

PD Increased Limits	Factor
10	1.000
15	1.051
20	1.102
25	1.153
30	1.204
50	1.481
100	1.655
250	1.726
500	1.843

Schedule Rating Plan

Scheduled modifications may be made in accordance to the schedule below as per the underwriter's discretion.

Schedule Rating Modification Factors	Max Credit/Debit
Management Experience, Qualification & Stability	+/- 10%
Prior Loss Experience	+/- 10%
Audit, Internal Management & Administration	+/- 10%
Number of Agencies/Branches & Length of Association	+/- 10%
Program Administrative Expenses	+/- 10%

Maximum Credit: 25% or as required by state regulatory agency
Maximum Debit: 25% or as required by state regulatory agency

**NATIONAL SPECIALTY INSURANCE COMPANY
FLEET LIABILITY
EXCESS RENTAL LIABILITY COVERAGE FORM
UNDERWRITING & RATING RULES**

Base Rate

Base rates shown are for excess of state financial responsibility to \$1,000,000 CSL

<u>Base Rate</u>	<u>Rate/Unit</u>
Base Rate	\$4.00/per day

<u>Location Type</u>	<u>Factor</u>
Local	1.20
Airport	0.90
Replacement	0.75

<u>Vehicle Class Type</u>	<u>Factor</u>
PPA	
1. Private Passenger	1.00
2. Antiques/Classics	0.50
3. Exotics/Sport	1.10
Trucks	
1. 10,000 GVW	1.10
2. 10k-20k GVW	1.10
3. 20k-40k GVW	1.25
4. Cargo Vans	1.50
Vans	
1. Shuttle Vans	2.50
2. 7-passenger vans	1.10
3. 12-passenger vans	1.50
4. 15-passenger vans	1.75
Trailers	
1. Trailers to 2,000 lbs	0.25
2. Trailers over 2,000 lbs	0.50
Miscellaneous Vehicles	
1. Off road vehicles	0.75
2. Motorcycles	0.75
3. Motor Homes	1.75
4. Low-speed electric	0.50

<u>Account Size Vehicle Count</u>	<u>Factor</u>
0-25	1.00
26-50	0.95
51-100	0.90
101-200	0.85
201+	0.80

Account Loss Ratio	Factor
0%	0.25
0.1%-5.0%	0.52
5.1%-10%	0.57
10.1%-15%	0.62
15.1%-20%	0.66
20.1%-25%	0.71
25.1%-30%	0.75
30.1%-35%	0.80
35.1%-40%	0.85
40.1%-45%	0.89
45.1%-50%	0.94
50.1%-55%	0.99
55.1%-60%	1.03
60.1%-65%	1.08
65.1%-70%	1.13
70.1%-75%	1.17
75.1%-80%	1.22
80.1%-85%	1.26
85.1%-90%	1.31
90.1%-95%	1.36
95.1%-100%	1.40
>100%	1.52

Accounts maybe rated individually or collectively as to underwriter's discretion/

Schedule Rating Plan

Scheduled modifications may be made in accordance to the schedule below as per the underwriter's discretion.

Schedule Rating Modification Factors	Max Credit/Debit
Management Experience, Qualification & Stability	+/- 10%
Prior Loss Experience	+/- 10%
Audit, Internal Management & Administration	+/- 10%
Number of Agencies/Branches & Length of Association	+/- 10%
Program Administrative Expenses	+/- 10%

Maximum Credit: 25% or as required by state regulatory agency

Maximum Debit: 25% or as required by state regulatory agency

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Supporting Document Schedules

Satisfied -Name: Cover Letter	Review Status: Accepted for Informational Purposes	07/09/2008
Comments: Attached is the cover letter for rates.		
Attachment: Cover Rates Only.pdf		
Satisfied -Name: Letter of Authorization	Review Status: Accepted for Informational Purposes	07/09/2008
Comments: Attached is the letter of authorization.		
Attachment: LOA AR Rate.pdf		
Satisfied -Name: Expenses Exhibit	Review Status: Accepted for Informational Purposes	07/09/2008
Comments: Attached is the expenses exhibit.		
Attachment: Expense Exhibit for Westmont Filing.pdf		



July 7, 2008

Department of Insurance
Property and Casualty Division
Forms and Rates Review

**RE: National Specialty Insurance Company
NAIC #: 22608 FEIN #: 75-2816775
Rental Auto Liability Coverage
Excess Auto Rental Liability Coverage
New Commercial Auto Program Submission for USave Auto Rental, Inc.
Company Filing #: KIC-08-001-R
Effective Date: Upon Earliest Possible Approval**

To Whom It May Concern:

Enclosed please find attached the Company's Rental and Excess Auto Rental New Program filing for your review and approval. This is a new filing and does not replace any rates or rules currently on file in your jurisdiction. A letter permitting Westmont Associates, Inc. to submit this filing on the Company's behalf is enclosed.

The Company is filing the attached Rental and Excess Auto Insurance filing for your review and approval. This program will be used to insure franchise locations in your jurisdiction for USave Auto Rental, Inc. The primary policy will pay all sums an insured legally must pay as damages because of bodily injury or property damages caused by an accident and resulting from the ownership, maintenance or use of a covered auto. The excess policy will pay all sums an insured legally must pay as damages in excess of the primary insurance previously mentioned. Attached are the rates and rules that will be used with this filing.

The forms to be used in coordination with the enclosed rates have been filed under separate cover letter as Company filing number KIC-08-001-F.

Your approval and/or acknowledgement of this submission is respectfully requested. Thank you for your attention to this matter.

Respectfully submitted,

Wesley Pohler

Wesley Pohler
Assistant Vice President
wes@westmontlaw.com

Enclosures

cc: S. Su



May 27, 2008

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

**Re: Letter of Filing Authorization
National Specialty Insurance Company
Commercial Auto
Initial Rate/Rule Filing**

Dear Ladies/Gentlemen:

This letter will certify that Westmont Associates, Inc. has been given full authorization to submit the captioned filing on behalf of National Specialty Insurance Company. This authorization extends to all correspondence related to the referenced filing only. It does not apply to any subsequent filings made after the approval of the referenced filing.

Please direct all correspondence in relation to this filing directly to Mr. Wesley Pohler of Westmont Associates, Inc., 25 Chestnut Street, Suite 105, Haddonfield, NJ 08033. Should you have any questions concerning this filing, please contact Mr. Pohler at (856) 216-0220, Fax (856) 216-0303 or by email at Wes@westmontlaw.com.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Cleff", written over a light blue horizontal line.

David M. Cleff
Senior Vice President and General Counsel

Cc: File (Knight)

	Fleet Liability		Excess Liability		Combined	
Written Premium		300,000		200,000		500,000
EXPENSES						
- Commission	18.00%	54,000	18.00%	36,000	18.00%	90,000
- Fronting	5.25%	15,750	5.25%	10,500	5.25%	26,250
- Premium Tax	2.00%	6,000	2.00%	4,000	2.00%	10,000
- General Underwriting	5.00%	15,000	5.00%	10,000	5.00%	25,000
TOTAL EXPENSES	30.25%	90,750	30.25%	60,500	30.25%	151,250
LOSSES						
- Incurred Loss	60.00%	180,000	55.00%	110,000	58.00%	290,000
- Loss Adjustment Expense	5.00%	15,000	5.00%	10,000	5.00%	25,000
TOTAL LOSSES	65.00%	195,000	60.00%	120,000	63.00%	315,000
COMBINED RATIO	<u>95.25%</u>	<u>285,750</u>	<u>90.25%</u>	<u>180,500</u>	<u>93.25%</u>	<u>466,250</u>
UNDERWRITING PROFIT	<u>4.75%</u>	<u>14,250</u>	<u>9.75%</u>	<u>19,500</u>	<u>6.75%</u>	<u>33,750</u>