

SERFF Tracking Number: IATH-125746510 State: Arkansas  
Filing Company: Harco National Insurance Company State Tracking Number: EFT \$100  
Company Tracking Number: AR-WC-2364-R  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: AR Loss Costs Effective 12-01-08/AR-WC-2364-R

## Filing at a Glance

Company: Harco National Insurance Company

Product Name: Workers Compensation

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

Effective Date Requested (New): 12/01/2008

Effective Date Requested (Renewal): 12/01/2008

State Filing Description:

SERFF Tr Num: IATH-125746510

SERFF Status: Closed

Co Tr Num: AR-WC-2364-R

Co Status:

Author: Kim Schmidt

Date Submitted: 07/24/2008

State: Arkansas

State Tr Num: EFT \$100

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Disposition Date: 08/04/2008

Disposition Status: Approved

Effective Date (New): 12/01/2008

Effective Date (Renewal):

## General Information

Project Name: AR Loss Costs Effective 12-01-08

Project Number: AR-WC-2364-R

Reference Organization:

Reference Title:

Filing Status Changed: 08/04/2008

State Status Changed: 07/25/2008

Corresponding Filing Tracking Number:

Filing Description:

Effective 12-01-08, Harco National Insurance Company, is filing a LCM f 1.39 for the state of Arkansas.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

## Company and Contact

### Filing Contact Information

Kim Schmidt, Regulatory Compliance Analyst [kschmidt@iat-harco.com](mailto:kschmidt@iat-harco.com)

2850 West Golf Road

(847) 321-4852 [Phone]

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Rolling Meadows, IL 60008 (847) 321-4810[FAX]

**Filing Company Information**

Harco National Insurance Company CoCode: 26433 State of Domicile: Illinois  
2850 West Golf Road Group Code: 225 Company Type:  
9th Floor  
Rolling Meadows, IL 60008 Group Name: State ID Number:  
(800) 448-4642 ext. [Phone] FEIN Number: 13-6108721  
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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harco National Insurance Company	\$100.00	07/24/2008	21583326

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	08/04/2008	08/04/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Carol Stiffler	07/25/2008	07/25/2008	Kim Schmidt	08/04/2008	08/04/2008
Industry Response						

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Note to Reviewer	Note To Filer	Carol Stiffler	07/31/2008	07/31/2008
Correction to filing/item #	Note To Reviewer	Kim Schmidt	07/25/2008	07/25/2008

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## Disposition

Disposition Date: 08/04/2008  
 Effective Date (New): 12/01/2008  
 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:
Harco National Insurance Company	-23.800%	\$-23,354	2	\$98,125	%	%	-23.800%

SERFF Tracking Number: IATH-125746510 State: Arkansas  
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes

SERFF Tracking Number: IATH-125746510 State: Arkansas  
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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 07/25/2008

Submitted Date 07/25/2008

Respond By Date

Dear Kim Schmidt,

Please feel free to contact me if you have questions.

This filing adopts Reference Number AR-2008-06. We have not approved any NCCI Item Filing with that number. It is possible that the number given in the filing is a circular number which is often different than the Item Filing number. The Item Filing number is the unique number that identifies the filing. We do not see the circulars. Several circulars may refer to the same Item Filing. One circular may refer to many item filings. The Item Filing number can be found in the body of the circular. The Item Filing number for the 7/1/08 loss costs is AR-2008-02. Please confirm that is the Item Filing you are adopting.

Sincerely,

Carol Stiffler

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/04/2008

Submitted Date 08/04/2008

Dear Carol Stiffler,

### Comments:

#### Response 1

Comments: Good Morning -

In response to you question of the specific item number, you are correct that the correct item number should read AR-2008-02 in lieu of AR-2008-06.

Please accept my apologies and hope that I have not created too much confusion.

Should you have any other questions, please do not hesitate to contact me.

*SERFF Tracking Number:* IATH-125746510                      *State:* Arkansas  
*Filing Company:* Harco National Insurance Company                      *State Tracking Number:* EFT \$100  
*Company Tracking Number:* AR-WC-2364-R  
*TOI:* 16.0 Workers Compensation                      *Sub-TOI:* 16.0004 Standard WC  
*Product Name:* Workers Compensation  
*Project Name/Number:* AR Loss Costs Effective 12-01-08/AR-WC-2364-R

Kind Regards,  
Kim Schmidt

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Kim Schmidt

*SERFF Tracking Number:* IATH-125746510                      *State:* Arkansas  
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*Product Name:* Workers Compensation  
*Project Name/Number:* AR Loss Costs Effective 12-01-08/AR-WC-2364-R

**Note To Filer**

**Created By:**

Carol Stiffler on 07/31/2008 12:20 PM

**Subject:**

Note to Reviewer

**Comments:**

Please do a response to the objection letter and not a Note to Reviewer when responding to an Objection. A Note should only be used when asking a question that doesn't become part of the filing. If you send a Note to Reviewer and not a Response letter, then it doesn't show that the company has ever responded! It continues to show Pending Industry Response on our side. Unless we go into the filing and pull up the correspondence, we will never see your Note!

*SERFF Tracking Number:* IATH-125746510                      *State:* Arkansas  
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*TOI:* 16.0 Workers Compensation                      *Sub-TOI:* 16.0004 Standard WC  
*Product Name:* Workers Compensation  
*Project Name/Number:* AR Loss Costs Effective 12-01-08/AR-WC-2364-R

**Note To Reviewer**

**Created By:**

Kim Schmidt on 07/25/2008 10:55 AM

**Subject:**

Correction to filing/item #

**Comments:**

Good Morning -

In response to your question of the specific item number, you are correct that the correct item number should read AR-2008-02 in lieu of AR-2008-06.

Please accept my apologies and hope that I have not created too much confusion.

Should you have any other questions, please do not hesitate to contact me.

Kind Regards,

Kim Schmidt, Compliance Specialist  
HARCO National Insurance Company

SERFF Tracking Number: IATH-125746510 State: Arkansas  
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 Product Name: Workers Compensation  
 Project Name/Number: AR Loss Costs Effective 12-01-08/AR-WC-2364-R

**Rate Information**

Rate data applies to filing.

**Filing Method:** Electronically via SERFF  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** 2.800%  
**Effective Date of Last Rate Revision:** 12/01/2007  
**Filing Method of Last Filing:** Electronically via SERFF

**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):
Harco National Insurance Company	-23.800%	-23.800%	-\$23,354	2	\$98,125	%	%

SERFF Tracking Number: IATH-125746510 State: Arkansas  
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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 08/04/2008

**Comments:**

**Attachment:**

Uniform Transmittal Document - Property & Casualty.pdf

**Satisfied -Name:** NAIC Loss Cost Filing Document  
for Workers' Compensation **Review Status:** Approved 08/04/2008

**Comments:**

**Attachment:**

NAIC Loss Cost Filing Document - WC.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Approved 08/04/2008

**Comments:**

**Attachment:**

NAIC Loss Cost Data Entry Document.pdf

## Property & Casualty Transmittal Document

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

<b>3. Group Name</b>	<b>Group NAIC #</b>
Harco National Insurance Company	26433

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Harco National Insurance Company	IL	26433	136108721	

<b>5. Company Tracking Number</b>	<b>AR-WC-2364-R</b>
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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
	Kim Schmidt 2850 W. Golf Road Rolling Meadows, IL 60008	Compliance Specialist	847-321-4852	847-321-4810	kschmidt@iat-harco.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Kim Schmidt

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

9.	Type of Insurance (TOI)	16.0
10.	Sub-Type of Insurance (Sub-TOI)	16.0004
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: 12/01/2008                      Renewal: 12/01/2008

## Property & Casualty Transmittal Document---

15.	<b>Reference Filing?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16.	<b>Reference Organization</b> (if applicable)	NCCI
17.	<b>Reference Organization # &amp; Title</b>	AR-2008-06 Arkansas Approved Voluntary Advisory Loss Costs
18.	<b>Company's Date of Filing</b>	07/24/2008
19.	<b>Status of filing in domicile</b>	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	<b>This filing transmittal is part of Company Tracking #</b>	AR-WC-2364-R
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21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Effective 12-01-08, Harco National Insurance Company is filing a loss cost multiplier of 1.39

22.	<p><b>Filing Fees</b> (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]</p> <p><b>Check #:</b> EFT  <b>Amount:</b> 100</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>
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**\*\*\*Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

## **These pages are informational only and do not need to be submitted with your filings!**

### **Notes for Uniform Property & Casualty Transmittal Document**

#### **DESCRIPTION OF ITEMS IN THE PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT**

- 1. Reserved for Insurance Dept. Use Only**—this section is for anything the Dept. wishes to capture—such as date stamps, approval stamps, check routing numbers, accounting codes, etc.
- 2. Insurance Department Use Only Box:** Includes the following information: (It is up to the state to determine which, if any, of this info they wish to record—or it may be recorded in #1 box with stamps (for example))
  - a. Date the filing is received by the Insurance Dept.**
  - b. Analyst**—lead analyst who reviewed the filing and assigns final disposition
  - c. Disposition**—this is the disposition that the Dept. assigns—authorized, approved, filed, withdrawn, disapproved, informational only, etc.
  - d. Date of Disposition of the filing**—date filing is finished
  - e. Effective Date of the Filing**—date the filing goes into effect. This date may vary by state—it might be the “approval” date in some states. It might be the implementation date in some states. It might be the received date in some states. The Dept. should use the date that is applicable in their state.
  - f. State Filing #:** The number the state assigns to the filing (if applicable).
  - g. SERFF Filing #:** Some states may use SERFF to track paper filings and will use that SERFF assigned number.
  - h. Subject Codes** – This field is intended to capture one or more Subject Codes for states to track particular attributes of a filing, such as mold exclusions. The codes or terms used would be variable by state.
- 3. Group Name and Group NAIC #** as assigned by NAIC.
- 4. Company Name(s), State of Domicile, NAIC #, FEIN#, State #:** Every company to which this filing applies must be listed and the company information must be supplied, with the exception of the State # (the company specific code) if not available or not required by the filing jurisdiction. A filing that lists a group without supplying company info will not be accepted in most states.
- 5. Company Tracking Number:** The filing number assigned by the insurance company, if any.
- 6. Contact Info of Filer or Corporate Officer:** The company should supply the information on the person the state should contact if there is a question/problem with the filing. If there is more than one person (perhaps, one for rates, one for forms) then both should be listed.
- 7. Signature of authorized filer:** Some states require a signature of the authorized filer. If the filer is third party, a letter of authorization from the insurer must be submitted according to state requirements.
- 8. Please print name of authorized filer:** So we can decipher #7 above!
- 9. Type of Insurance (TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Type of Insurance” and roughly corresponds to the annual statement line of business.
- 10. Sub-type of Insurance (Sub-TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Sub-Type of Insurance”.
- 11. State Specific Product code(s):** See State Specific Requirements for these codes
- 12. Company Program Title:** Marketing title, if applicable.
- 13. Filing Type:** Choices are Rate/Loss Cost; Rules; Rates/Rules; Forms; Withdrawal; Other.

**14. Effective Date Requested:** This is the effective date the company requested when they made the filing. It is not necessarily the date the filing officially becomes effective. This is also where the company can indicate the different effective dates for new or renewal business.

**15. Reference Filing:** Yes/No

**16. Reference Organization (if applicable):** The name of the advisory organization—i.e. ISO, NCCI, AAIS, etc. or an Insurance Company name if “me too filing” is permitted. Some states allow companies to reference another company’s filing. A “me too” filing is when one company adopts another company’s filing. Usually they are not part of the same group. You should check with each state to determine their rules on these filings. If permitted, use this area to indicate either an advisory organization name or “me too” company name.

**17. Reference Organization Number & Title (if applicable):** This is the unique number that the reference organization gives to the filing. It is generally not the same number as the circular number.

**18. Company’s Date of filing:** The date the company sends the filing.

**19. Status of filing in domicile:** Place for the company to show if filing has been filed in domicile and its status.

**20. This filing transmittal is part of Company Tracking #:** This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

**21. Filing Description:** This area can be used in lieu of a cover letter or filing memorandum and is free-form text.

**22. Filing Fees:** Please refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

**NAIC LOSS COST FILING DOCUMENT—** **WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	<b>AR-WC-2364-F</b>
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	

(  ) **Loss Cost Reference Filing**            NCCI AR-2008-06            ( ) **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

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

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

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

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

**3. Loss cost modification:**

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

- ( ) 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.)       11.0

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below)       1.11      

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

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

**NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.**

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

		Selected Provisions
A.	Total Production Expense	2.9 %
B.	General Expense	8.5 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & contingencies*	-4.38 %
E.	Other (explain)	0.00 %
F.	Total	20.49 %
	* Explain how investment income is taken into account	

<b>5.</b>	A.	Expected Loss Ratio: ELR = 100% - 4F =	<b>79.51</b>
	B.	ELR in Decimal Form =	<b>0.7951</b>

**NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION***

<b>6.</b>	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	<b>N/A</b>
<b>7.</b>	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	<b>N/A</b>
<b>8.</b>	Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	<b>1.39</b>
<b>9.</b>	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>1.39</b>

Yes    No

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

( )    (X)

**11. Are you changing your premium discount schedules?** If yes, attach schedules and support, detailing premium or rate level changes.

( )    (X)

**FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT**

<b>1.</b>	This filing transmittal is part of Company Tracking #	AR-WC-2364-R
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	NCCI/AR-2008-06
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Company Name		Company NAIC Number	
<b>3.</b>	<b>A.</b> Harco National Insurance Company	<b>B.</b>	26433

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
<b>4.</b>	<b>A.</b> 16.0 Workers Compensation	<b>B.</b>	16.0004 Standard Workers Compensation

**5.**

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
WC	-23.8%	-23.8%	1.1416	1.39	1.39	\$200	1.68
<b>TOTAL OVERALL EFFECT</b>	-23.8	-23.8					

**6. 5 Year History Rate Change History**

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	2	2.8	12/01/07	108,882	2,917	3.34	34.49
2006		5.0	12/01/06	107,760	1,177	2.86	52.43
2005		4.9	12/01/05	111,497	11,993	17.37	48.19
2004		-1.5	12/01/04	89,690	5,968	8.86	59.98
2003		4.9	02/01/03	101,458	69,553	82.59	80.60

**7.**

Expense Constants	Selected Provisions
A. Total Production Expense	2.9
B. General Expense	8.5
C. Taxes, Licenses & Fees	2.1
D. Underwriting Profit & Contingencies	- 4.38
E. Other (explain)	0.0
<b>F. TOTAL</b>	<b>20.49</b>

- 8.** Y Apply Loss Cost Factors to Future filings? (Y or N)  
**9.**            Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): \_\_\_\_\_  
**10.** 23.8 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_