

SERFF Tracking Number: LBRM-125759776 State: Arkansas  
 First Filing Company: The Ohio Casualty Insurance Company, ... State Tracking Number: EFT \$50  
 Company Tracking Number: 2008-02434  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: AR-WC-DOMESTIC TERRORISM-OCG-RR  
 Project Name/Number: AR-WC-DOMESTIC TERRORISM-OCG-RR/2008-02434

## Filing at a Glance

Companies: The Ohio Casualty Insurance Company, West American Insurance Company, American Fire and Casualty Company, Ohio Security Insurance Company

Product Name: AR-WC-DOMESTIC TERRORISM-OCG-RR SERFF Tr Num: LBRM-125759776 State: Arkansas  
 TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$50  
 Sub-TOI: 16.0004 Standard WC Co Tr Num: 2008-02434 State Status: Fees verified and received  
 Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Carol Stiffler  
 Author: Tammy Blake Disposition Date: 08/04/2008  
 Date Submitted: 08/04/2008 Disposition Status: Approved  
 Effective Date Requested (New): 09/01/2008 Effective Date (New): 09/01/2008  
 Effective Date Requested (Renewal): 09/01/2008 Effective Date (Renewal):  
 State Filing Description:

## General Information

Project Name: AR-WC-DOMESTIC TERRORISM-OCG-RR Status of Filing in Domicile:  
 Project Number: 2008-02434 Domicile Status Comments:  
 Reference Organization: NCCI Reference Number: B-1407  
 Reference Title: Advisory Org. Circular:  
 Filing Status Changed: 08/04/2008 Deemer Date:  
 State Status Changed: 08/04/2008  
 Corresponding Filing Tracking Number:  
 Filing Description:  
 With this submission, we are filing to implement our workers compensation terrorism and catastrophe (other than certified acts of terrorism) rates in accordance with Item Filing #B-1407. Attached are our revised miscellaneous values pages with the revised rates and phraseologies.  
 Summary of Changes:  
 &#56256;&#56510; Revise phraseologies for classes 9740 and 9741.

SERFF Tracking Number: LBRM-125759776 State: Arkansas  
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&#56256;&#56510; Revise rates for classes 9740 and 9741.

&#56256;&#56510; The estimated impact of this change is a 1.0% decrease in written premium.

## Company and Contact

### Filing Contact Information

Tammy Blake, State Filings Analyst tammy.blake@LibertyMutual.com  
 62 Maple Avenue (800) 826-6189 [Phone]  
 Keene, NH 03431 (603) 352-9252[FAX]

### Filing Company Information

The Ohio Casualty Insurance Company CoCode: 24074 State of Domicile: Ohio  
 9450 Seward Road Group Code: 111 Company Type: Property & Casualty

Fairfield, OH 45014-5456 Group Name: State ID Number:  
 (800) 843-6446 ext. [Phone] FEIN Number: 31-0396250

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West American Insurance Company CoCode: 44393 State of Domicile: Indiana  
 9450 Seward Road Group Code: 111 Company Type: Property & Casualty

Fairfield, OH 45014-5456 Group Name: State ID Number:  
 (800) 843-6446 ext. [Phone] FEIN Number: 31-0624491

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American Fire and Casualty Company CoCode: 24066 State of Domicile: Ohio  
 9450 Seward Road Group Code: 111 Company Type: Property & Casualty

Fairfield, OH 45014-5456 Group Name: State ID Number:  
 (800) 843-6446 ext. [Phone] FEIN Number: 59-0141790

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Ohio Security Insurance Company CoCode: 24082 State of Domicile: Ohio  
 9450 Seward Road Group Code: 111 Company Type: Property & Casualty

Fairfield, OH 45014-5456 Group Name: State ID Number:  
 (800) 843-6446 ext. [Phone] FEIN Number: 31-0541777

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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Ohio Casualty Insurance Company	\$50.00	08/04/2008	21758993
West American Insurance Company	\$0.00	08/04/2008	
American Fire and Casualty Company	\$0.00	08/04/2008	
Ohio Security Insurance Company	\$0.00	08/04/2008	

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## Correspondence Summary

### Dispositions

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

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## Disposition

Disposition Date: 08/04/2008  
 Effective Date (New): 09/01/2008  
 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:
The Ohio Casualty Insurance Company	-1.000%	\$-7,109	85	\$710,906	0.000%	-1.000%	0.000%
West American Insurance Company	-1.000%	\$-3,503	63	\$350,328	0.000%	-1.000%	0.000%
American Fire and Casualty Company	-1.000%	\$-1,927	29	\$192,682	0.000%	-1.000%	0.000%
Ohio Security Insurance Company	-1.000%	\$-2,225	24	\$222,486	0.000%	-1.000%	0.000%

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

0.000%

<i>SERFF Tracking Number:</i>	<i>LBRM-125759776</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>The Ohio Casualty Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>2008-02434</i>		
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<i>Product Name:</i>	<i>AR-WC-DOMESTIC TERRORISM-OCG-RR</i>		
<i>Project Name/Number:</i>	<i>AR-WC-DOMESTIC TERRORISM-OCG-RR/2008-02434</i>		

<b>Overall Percentage Rate Impact For This Filing</b>	-1.000%
<b>Effect of Rate Filing-Written Premium Change For This Program</b>	\$-14,764
<b>Effect of Rate Filing - Number of Policyholders Affected</b>	201



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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
Supporting Document	COVER LETTER	Approved	Yes
Supporting Document	FILING MEMO	Approved	Yes
Supporting Document	FILING SUPPORT	Approved	Yes
Rate	RATE PAGES	Approved	Yes

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Project Name/Number:	AR-WC-DOMESTIC TERRORISM-OCG-RR/2008-02434		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	PRIOR APPROVAL
<b>Rate Change Type:</b>	Decrease
<b>Overall Percentage of Last Rate Revision:</b>	-9.300%
<b>Effective Date of Last Rate Revision:</b>	07/01/2008
<b>Filing Method of Last Filing:</b>	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):
The Ohio Casualty Insurance Company	0.000%	-1.000%	\$-7,109	85	\$710,906	0.000%	-1.000%
West American Insurance Company	0.000%	-1.000%	\$-3,503	63	\$350,328	0.000%	-1.000%
American Fire and Casualty Company	0.000%	-1.000%	\$-1,927	29	\$192,682	0.000%	-1.000%
Ohio Security Insurance Company	0.000%	-1.000%	\$-2,225	24	\$222,486	0.000%	-1.000%

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### **Overall Rate Information for Multiple Company Filings**

<b>Overall % Rate Indicated:</b>	0.000%
<b>Overall Percentage Rate Impact For This Filing:</b>	-1.000%
<b>Effect of Rate Filing - Written Premium Change For This Program:</b>	\$-14,764
<b>Effect of Rate Filing - Number of Policyholders Affected:</b>	201

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	RATE PAGES	MISCELLANEO US VALUES PAGES	Replacement	OCG AR WC Rate Pages 09-2008_Misc Values.pdf

**LEGEND**

- a Rate for each individual risk must be obtained by Home Office from the Rating Organization having jurisdiction.
- D Rate for classification already includes the specific disease loading shown in the table below.  
See Basic Manual Rule 3-A-7.
- E Rate for classification already includes the specific disease loading shown in the table below.

Code No.	Symbol	Disease Loading Company			
		The Ohio Casualty Insurance Company	Ohio Security Insurance Company	West American Insurance Company	American Fire and Casualty Company
0059D	S	0.39	0.31	0.25	0.20
0065D	S	0.06	0.05	0.04	0.03
0066D	S	0.06	0.05	0.04	0.03
0067D	S	0.06	0.05	0.04	0.03
1164E	S	0.11	0.09	0.07	0.06
1165E	S	0.04	0.03	0.03	0.02
1624E	S	0.06	0.05	0.04	0.03
1710E	S	0.06	0.05	0.04	0.03
1741E	S	0.32	0.26	0.21	0.17
1803D	S	0.32	0.26	0.21	0.17
1852D	Asb	0.06	0.05	0.04	0.03
3081D	S	0.06	0.05	0.04	0.03
3082D	S	0.06	0.05	0.04	0.03
3085D	S	0.06	0.05	0.04	0.03
3175D	S	0.04	0.03	0.03	0.02
4024E	S	0.02	0.02	0.01	0.01
5508D	S	0.04	0.03	0.03	0.02
6251D	S	0.09	0.07	0.06	0.04
6252D	S	0.04	0.03	0.03	0.02
6260D	S	0.04	0.03	0.03	0.02

S=Silica, Asb=Asbestos, L=Lead, B=Benzol

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions.  
Rate contains a provision for federal assessment.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA).
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

**FOOTNOTES**

\* Class Codes with Specific Footnotes

1005 Company rate includes a non-ratable disease element. See below.

Company	Non-ratable disease element	Federal Benefits	State Benefits
The Ohio Casualty Insurance Company	7.01	4.62	2.39
Ohio Security Insurance Company	5.62	3.71	1.91
West American Insurance Company	4.49	2.96	1.53
American Fire and Casualty Company	3.59	2.37	1.22

1016 Company rate includes a non-ratable disease element. See below. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of this classification code.

Company	Non-ratable disease element	Federal Benefits	State Benefits	Catastrophe loading
The Ohio Casualty Insurance Company	28.00	18.45	9.55	0.17
Ohio Security Insurance Company	22.46	14.80	7.66	0.14
West American Insurance Company	17.91	11.80	6.11	0.11
American Fire and Casualty Company	14.32	9.44	4.88	0.09

6702 - Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.215.

6703 - Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.361 and elr x 2.164.

6704 - Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.

7409 &

7420 Payroll is subject to a maximum of \$750 per week per employee.

8018 Aec Arkansas Special Classification for Warehousing-groceries exclusively.

8833 &

9040 The ex-medical rate for these classifications are:

Company	8833	9040
The Ohio Casualty Insurance Company	0.65	2.39
Ohio Security Insurance Company	0.52	1.91
West American Insurance Company	0.41	1.53
American Fire and Casualty Company	0.33	1.22

8833 &

9040 Additional ex-medical rates to be added whenever these classes are applied to a hospital or sanitarium specializing in the treatment of tuberculosis.:

Company	8833	9040
The Ohio Casualty Insurance Company	0.22	0.22
Ohio Security Insurance Company	0.17	0.17
West American Insurance Company	0.14	0.14
American Fire and Casualty Company	0.11	0.11

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**  
**The Ohio Casualty Insurance Company**  
**Ohio Security Insurance Company**  
**West American Insurance Company**  
**American Fire and Casualty Company**

Arkansas  
**09/01/08 New Business**  
**09/01/08 Renewal Business**

**MISCELLANEOUS VALUES**

Basis of premium applicable in accordance with Basic Manual footnote instructions for Code 7370 -- "Taxicab Co.":  
Employee operated vehicle..... \$48,893.00  
Leased or rented vehicle..... \$32,595.00

Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers" and the Basic Manual footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," Code 9179 -- "Athletic Sports or Park: Contact Sports," and Code 9186 -- "Carnival-Traveling" ..... \$2,500.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers"..... \$300.00

Premium Determination for Partners and Sole Proprietors in accordance with Basic Manual Rule 2-E-3..... \$31,900.00

Terrorism  
The Ohio Casualty Insurance Company \$0.02  
Ohio Security Insurance Company \$0.02  
West American Insurance Company \$0.01  
American Fire and Casualty Company \$0.01

Catastrophe (other than Certified Acts of Terrorism)  
The Ohio Casualty Insurance Company \$0.02  
Ohio Security Insurance Company \$0.02  
West American Insurance Company \$0.01  
American Fire and Casualty Company \$0.01

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Basic Manual Rule 3-A-4 ..... 86%

(Multiply a Non-F classification loss cost by a factor of 2.29 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (2.06) and the adjustment for differences in loss-based expenses (1.11).

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 ..... \$180.00

Minimum Premium Standard Industrial/F Classes: ..... OS Rate x 185 + Expense Constant  
Minimum Premium Per Capita Classes: ..... OS Rate x 1 + Expense Constant  
Maximum Minimum Premium ..... \$900  
Minimum Minimum Premium ..... \$500

Per Passenger Seat Surcharge -- In accordance with the footnote instructions for classification code 7421, the surcharge is ..... \$100 per passenger seat  
\$1,000 maximum sercharge per aircraft

Premium Discount Percentages -- (See Basic Manual Rule 3-A-19). The following premium discounts are applicable to Standard Premiums:

First	\$5,000	--	--
Next	\$95,000	"a"	10.90%
Next	\$400,000	"b"	12.60%
Over	\$500,000	"c"	14.40%

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

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Arkansas  
 09/01/08 New Business  
 09/01/08 Renewal Business

**MISCELLANEOUS VALUES (Cont'd)**

Premium Reduction Percentages for the optional total loss deductible program. The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Deductible Amount	Hazard Group						
	A	B	C	D	E	F	G
\$1,000	6.6%	5.2%	4.5%	3.7%	3.1%	2.2%	1.6%
\$1,500	8.0%	6.5%	5.5%	4.6%	3.9%	2.7%	2.1%
\$2,000	9.1%	7.4%	6.4%	5.4%	4.6%	3.3%	2.5%
\$2,500	10.1%	8.2%	7.1%	6.1%	5.1%	3.7%	2.8%
\$3,000	11.0%	9.0%	7.8%	6.7%	5.7%	4.1%	3.1%
\$3,500	11.8%	9.6%	8.4%	7.2%	6.2%	4.5%	3.4%
\$4,000	12.5%	10.2%	9.0%	7.8%	6.6%	4.9%	3.7%
\$4,500	13.2%	10.8%	9.5%	8.2%	7.1%	5.2%	4.0%
\$5,000	13.8%	11.4%	10.0%	8.7%	7.5%	5.6%	4.2%

Premium Reduction Percentages for the mandatory medical loss deductible program. The following percentages are applicable by deductible amount and hazard group for medical only losses on a per claim basis:

Deductible Amount	Hazard Group						
	A	B	C	D	E	F	G
\$1,000	12.6%	10.1%	8.6%	7.1%	6.0%	4.1%	3.0%
\$1,500	15.2%	12.2%	10.4%	8.8%	7.4%	5.1%	3.8%
\$2,000	17.1%	13.8%	11.9%	10.0%	8.5%	5.9%	4.5%
\$2,500	18.7%	15.2%	13.1%	11.1%	9.4%	6.7%	5.0%
\$3,000	20.1%	16.4%	14.2%	12.1%	10.2%	7.3%	5.5%
\$3,500	21.3%	17.5%	15.1%	12.9%	11.0%	7.9%	6.0%
\$4,000	22.5%	18.4%	16.0%	13.7%	11.7%	8.5%	6.4%
\$4,500	23.5%	19.3%	16.8%	14.5%	12.3%	9.0%	6.8%
\$5,000	24.4%	20.1%	17.5%	15.1%	12.9%	9.5%	7.2%

Premium Reduction Percentages for the optional indemnity loss deductible program. The following percentages are applicable by deductible amount and hazard group for indemnity only losses on a per claim basis:

Deductible Amount	Hazard Group						
	A	B	C	D	E	F	G
\$2,500	2.7%	2.1%	1.9%	1.8%	1.6%	1.3%	1.0%
\$3,000	3.7%	2.9%	2.7%	2.5%	2.2%	1.9%	1.4%
\$3,500	4.6%	3.7%	3.4%	3.2%	2.8%	2.3%	1.8%
\$4,000	5.4%	4.4%	4.0%	3.8%	3.3%	2.8%	2.1%
\$4,500	6.2%	5.0%	4.6%	4.3%	3.8%	3.2%	2.4%
\$5,000	6.9%	5.6%	5.2%	4.8%	4.3%	3.6%	2.7%
\$0	7.5%	6.2%	5.7%	5.3%	4.7%	4.0%	3.0%
\$0	8.1%	6.7%	6.2%	5.7%	5.1%	4.3%	3.3%
\$0	8.7%	7.2%	6.6%	6.2%	5.5%	4.6%	3.6%

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**DRUG FREE WORKPLACE CREDIT**

1. The premium for an employer who provides certification that it has qualified as a drug-free workplace in accordance with the rules as established by the Workers' Compensation Division of the Alabama Department of Industrial Relations must be reduced 5% for a period not to exceed four (4) years.
2. The premium credit must be applied to the insured's policy pro rata as of the date of receipt of certification by the carrier.
3. The premium credit is applied to a risk in a multiplicative manner, after increased limits factors and deductible credits, if applicable, but before application of the experience modification, and before application of any other premium surcharge and expense constants.
4. Certification is required for each year in which a premium credit is permitted under this program.
5. The insured's policy is subject to additional premium, for reimbursement of premium credit, and cancellation provisions of the policy if it is determined that the insured misrepresented its compliance with the drug-free workplace rules as promulgated by the Workers' Compensation Division.

**EXPERIENCE RATING ELIGIBILITY**

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest approved eligibility amounts by state.

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## Supporting Document Schedules

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

**Comments:**

**Attachment:**

P&C RR.pdf

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

**Comments:**

**Attachments:**

ARWC\_Form F909\_0908\_AFC.pdf  
ARWC\_Form F909\_0908\_OCC.pdf  
ARWC\_Form F909\_0908\_OSC.pdf  
ARWC\_Form F909\_0908\_WAC.pdf

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

**Comments:**

**Attachments:**

ARWC\_Form F504\_0908\_AFC.pdf  
ARWC\_Form F504\_0908\_OC.pdf  
ARWC\_Form F504\_0908\_OSC.pdf  
ARWC\_Form F504\_0908\_WAC.pdf

**Satisfied -Name:** COVER LETTER **Review Status:** Approved 08/04/2008

**Comments:**

**Attachment:**

2008-02434.trb.pdf

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TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: AR-WC-DOMESTIC TERRORISM-OCG-RR  
Project Name/Number: AR-WC-DOMESTIC TERRORISM-OCG-RR/2008-02434

**Satisfied -Name:** FILING MEMO **Review Status:** Approved 08/04/2008  
**Comments:**  
**Attachment:**  
ARWC\_PARIS\_Filing Memo\_0908.pdf

**Satisfied -Name:** FILING SUPPORT **Review Status:** Approved 08/04/2008  
**Comments:**  
**Attachments:**  
AR State X 2005 AFC.pdf  
AR State X 2005 OCC.pdf  
AR State X 2005 OSC.pdf  
AR State X 2005 WAC.pdf





Effective March 1, 2007

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

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

<b>This filing transmittal is part of Company Tracking #</b>	
<b>This filing corresponds to form filing number</b> <small>(Company tracking number of form filing, if applicable)</small>	

- Loss Cost Reference Filing** AR-2008-02     **Independent Rate Filing**  
(Advisory Org, & Reference filing #) NCCI

**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.) See Actuarial Memorandum

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) .829

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.**

		<b>Selected Provisions</b>	
	<b>A.</b>	<b>Total Production Expense</b>	12.7 %
	<b>B.</b>	<b>General Expense</b>	5.5 %
	<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	6.0 %
	<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	2.5% %
	<b>E.</b>	<b>Other (explain)</b>	-2.1% %
	<b>F.</b>	<b>Total</b>	24.6 %
		* Explain how investment income is taken into account See Attached Exhibit	

<b>5.</b>	<b>A.</b>	<b>Expected Loss Ratio: ELR = 100% - 4F =</b>	75.4%
	<b>B.</b>	<b>ELR in Decimal Form =</b>	.754

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

6.	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.000
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>	1.000
8.	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	1.100
9.	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)</b>	1.100

- |            |   | Yes                      | No                                  |
|------------|---|--------------------------|-------------------------------------|
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b>   |                          |                                     |
|            | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b>  |                          |                                     |
|            | If yes, attach schedules and support, detailing premium or rate level changes.  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

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

- Loss Cost Reference Filing** CIF-2008-05     **Independent Rate Filing**  
 (Advisory Org, & Reference filing #) NCCI

**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.) See Actuarial Memorandum

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.556

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	
<b>A.</b>	<b>Total Production Expense</b>	16.0	%
<b>B.</b>	<b>General Expense</b>	6.6	%
<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	4.7	%
<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	2.5	%
<b>E.</b>	<b>Other (explain)</b>	-2.1	%
<b>F.</b>	<b>Total</b>	27.6	%
	* Explain how investment income is taken into account See Attached Exhibit		

<b>5. A.</b>	<b>Expected Loss Ratio: ELR = 100% - 4F =</b>	72.4%
<b>B.</b>	<b>ELR in Decimal Form =</b>	.724

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

6.	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.000
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>	1.000
8.	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	2.150
9.	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)</b>	2.150

- |            |   | Yes                      | No                                  |
|------------|---|--------------------------|-------------------------------------|
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b>   |                          |                                     |
|            | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b>  |                          |                                     |
|            | If yes, attach schedules and support, detailing premium or rate level changes.  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

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

- Loss Cost Reference Filing** CIF-2008-05     **Independent Rate Filing**  
 (Advisory Org, & Reference filing #) NCCI

**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.) See Actuarial Memorandum

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.228

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	
<b>A.</b>	<b>Total Production Expense</b>	11.9	%
<b>B.</b>	<b>General Expense</b>	6.1	%
<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	10.6	%
<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	2.5%	%
<b>E.</b>	<b>Other (explain)</b>	-2.1%	%
<b>F.</b>	<b>Total</b>	29	%
	* Explain how investment income is taken into account See Attached Exhibit		

<b>5. A.</b>	<b>Expected Loss Ratio: ELR = 100% - 4F =</b>	71.0%
<b>B.</b>	<b>ELR in Decimal Form =</b>	.710

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

6.	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.000
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>	1.000
8.	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	1.730
9.	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)</b>	1.730

- |            |   |                          |                                     |
|------------|---|--------------------------|-------------------------------------|
|            |   | Yes                      | No                                  |
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b>   |                          |                                     |
|            | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b>  |                          |                                     |
|            | If yes, attach schedules and support, detailing premium or rate level changes.  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

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

- Loss Cost Reference Filing** CIF-2008-05     **Independent Rate Filing**  
(Advisory Org, & Reference filing #) NCCI

**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.) See Actuarial Memorandum

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.031

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	
<b>A.</b>	<b>Total Production Expense</b>	13.5	%
<b>B.</b>	<b>General Expense</b>	5.3	%
<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	6.1	%
<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	2.5%	%
<b>E.</b>	<b>Other (explain)</b>	-2.1%	%
<b>F.</b>	<b>Total</b>	25.3	%
	* Explain how investment income is taken into account See Attached Exhibit		

<b>5. A.</b>	<b>Expected Loss Ratio: ELR = 100% - 4F =</b>	74.7%
<b>B.</b>	<b>ELR in Decimal Form =</b>	.747

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

6.	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.000
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>	1.000
8.	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	1.380
9.	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)</b>	1.380

- |            |   | Yes                      | No                                  |
|------------|---|--------------------------|-------------------------------------|
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b>   |                          |                                     |
|            | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b>  |                          |                                     |
|            | If yes, attach schedules and support, detailing premium or rate level changes.  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

# ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: America Fire & Casualty Insurance Company  
 NAIC Number: 24066  
 Name of Advisory Organization Whose Filing You are Referencing NCCI  
 Co. Affiliation to Advisory Organization: Member X Subscriber \_\_\_\_\_ Service Purchaser \_\_\_\_\_  
 Reference Filing #: CIF-2008-05 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake  
 Signature: \_\_\_\_\_  
 Telephone No: 603-358-4520

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers' Compensation	N/A	-1.0%	75.4%	.829	1.100		1.100
<b>TOTAL OVERALL EFFECT</b>							

y Apply Lost Cost Factors to Future Filings? (Y or N)  
0.0% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

Year	Policy Count	Rate Change History		5 Year History		Arkansas Loss Ratio	Countrywide Loss Ratio
		%	Eff. Date	AR Earned Premium (000)	Incurred Losses (000)		
2008	29	-9.3%	7/01/08	163	132	80.9%	112.0%
2007	29	-3.9%	9/15/07	109	-34	57.6%	62.89%
2006	18	-2.2%	9/15/06	31	161	482.5%	191.5%
2005	8	-6.1%	9/15/05	26	6	6.9%	-29.53%
2004	0	-0.6%	9/15/04	12	0	0.0%	236.37%

Selected Provisions

A. Total Production Expense	<u>12.7%</u>
B. General Expense	<u>5.5%</u>
C. Taxes, License & Fees	<u>6.0%</u>
D. Underwriting Profit & Contingencies	<u>2.5%</u>
E. Other (explain)	<u>-2.1%</u>
F. TOTAL	<u>24.6%</u>

# ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: Ohio Casualty Insurance Company  
 NAIC Number: 24074  
 Name of Advisory Organization Whose Filing You are Referencing NCCI  
 Co. Affiliation to Advisory Organization: Member X Subscriber \_\_\_\_\_ Service Purchaser \_\_\_\_\_  
 Reference Filing #: CIF-2008-05 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake  
 Signature: \_\_\_\_\_  
 Telephone No: 603-358-4520

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers' Compensation	N/A	-1.0%	72.4%	1.556	2.150		2.150
<b>TOTAL OVERALL EFFECT</b>							

y Apply Lost Cost Factors to Future Filings? (Y or N)  
0.0% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

				5 Year History					Selected Provisions
Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio			
2008	84	-8.8% 7/01/08	809	318	39.3%	117.5%			A. Total Production Expense <u>16.0%</u>
2007	84	-3.9% 9/15/07	643	-7	46.6%	89%			B. General Expense <u>6.6%</u>
2006	97	-2.2% 9/15/06	777	1,293	62.6%	83.24%			C. Taxes, License & Fees <u>4.7%</u>
2005	87	-6.1% 9/15/05	612	610	55.1%	61.67%			D. Underwriting Profit & Contingencies <u>2.5%</u>
2004	0	-0.6% 9/15/04	442	-174	63.3%	64.63%			E. Other (explain) <u>-2.1%</u>
									F. TOTAL <u>27.6%</u>

# ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: Ohio Security Insurance Company  
 NAIC Number: 24082  
 Name of Advisory Organization Whose Filing You are Referencing NCCI  
 Co. Affiliation to Advisory Organization: Member X Subscriber \_\_\_\_\_ Service Purchaser \_\_\_\_\_  
 Reference Filing #: CIF-2008-05 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake  
 Signature: \_\_\_\_\_  
 Telephone No: 603-358-4520

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers' Compensation	N/A	-1.0%	71.0%	1.228	1.730		1.730
<b>TOTAL OVERALL EFFECT</b>							

y Apply Lost Cost Factors to Future Filings? (Y or N)  
0.0% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

				5 Year History				Selected Provisions		
Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio				
2008	24	-13.7% 9/01/08	218	297	136.3%	54.1%	A. Total Production Expense	11.9%		
2007	24	-3.9% 9/15/07	141	57	5.6%	106.8%	B. General Expense	6.1%		
2006	20	-2.2% 9/15/06	0	0	0.0%	96.97%	C. Taxes, License & Fees	10.6%		
2005	0	-6.1% 9/15/05	0	0	0.0%	70.04%	D. Underwriting Profit & Contingencies	2.5%		
2004	0	-0.6% 9/15/04	0	0	0.0%	62.15%	E. Other (explain)	-2.1%		
								F. TOTAL	29%	

# ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: West American Insurance Company  
 NAIC Number: 44393  
 Name of Advisory Organization Whose Filing You are Referencing NCCI  
 Co. Affiliation to Advisory Organization: Member X Subscriber \_\_\_\_\_ Service Purchaser \_\_\_\_\_  
 Reference Filing #: CIF-2008-05 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake  
 Signature: \_\_\_\_\_  
 Telephone No: 603-358-4520

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers' Compensation	N/A	-1.0%	74.7%	1.031	1.380		1.380
<b>TOTAL OVERALL EFFECT</b>							

y Apply Lost Cost Factors to Future Filings? (Y or N)  
0.0% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

Year	Policy Count	Rate Change History		5 Year History		Arkansas Loss Ratio	Countrywide Loss Ratio
		%	Eff. Date	AR Earned Premium (000)	Incurred Losses (000)		
2008	63	-7.2%	7/1/08	350	-57	15.5%	130.8%
2007	63	-3.9%	9/15/07	340	-76	11.6%	159.49%
2006	66	-2.2%	9/15/06	203	111	81.6%	152.99%
2005	32	-6.1%	9/15/05	180	-17	14.9%	57.7%
2004	0	-0.6%	9/15/04	174	149	37.8%	40.35%

Selected Provisions

A. Total Production Expense	<u>13.5%</u>
B. General Expense	<u>5.3%</u>
C. Taxes, License & Fees	<u>6.1%</u>
D. Underwriting Profit & Contingencies	<u>2.5%</u>
E. Other (explain)	<u>-2.1%</u>
F. TOTAL	<u>25.3%</u>



**America First  
Insurance™**

Member of Liberty Mutual Group

62 Maple Avenue  
Keene, NH 03431  
603-352-3221

August 4, 2008

Hon. Julie Benafield Bowman  
Commissioner Of Insurance  
Arkansas Insurance Department  
1200 West Third St  
Little Rock, AR 72201-1904

Attn: Mr. Bill Lacy, Director  
Property and Casualty Division

RE: Workers Compensation  
Rate/Rule Filing  
THE OHIO CASUALTY INSURANCE COMPANY  
NAIC #111-24074  
OHIO SECURITY INSURANCE COMPANY  
NAIC #111-24082  
WEST AMERICAN INSURANCE COMPANY  
NAIC #111-44393  
AMERICAN FIRE AND CASUALTY COMPANY  
NAIC #111-24066  
Company Filing #2008-02434

Dear Mr. Lacy:

Effective September 1, 2008 for new and renewal business, we wish to file revisions to our Workers Compensation Program. With this submission we are filing to implement our workers compensation Terrorism and Catastrophe (other than Certified Acts of Terrorism) rates in accordance with Item Filing #B-1407 as outlined in the enclosed Actuarial Memorandum.

Enclosed, please find our revised Miscellaneous Values Pages along with the required filing forms.

Questions regarding the above filing should be directed to me at 603-358-4520 or 800-826-6189 ext. 84520.

Sincerely,

Tammy R. Blake  
Sr. Analyst Regulatory Filing AM  
E-mail: tammy.blake@libertymutual.com

**ACTUARIAL FILING MEMORANDUM****July 21, 2008**

---

**State:** Arkansas  
**Line of Business:** Workers Compensation  
**Companies:** The Ohio Casualty Insurance Company  
Ohio Security Insurance Company  
West American Insurance Company  
American Fire & Casualty Insurance Company

**Effective Dates:** 09/01/2008 New Business and 09/01/2008 Renewal Business

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**General Comments:**

With this submission, we are filing to implement our workers compensation terrorism and catastrophe (other than certified acts of terrorism) rates in accordance with Item Filing #B-1407. Attached are our revised miscellaneous values pages with the revised rates and phraseologies.

**Summary of Changes:**

- Revise phraseologies for classes 9740 and 9741.
- Revise rates for classes 9740 and 9741.
- The estimated impact of this change is a 1.0% decrease in written premium.

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	American Fire & Casualty Insurance Company

**A. UNEARNED PREMIUM RESERVE**

1. Direct Premiums Earned For Calendar Year Ended December 31, 2005 (Page 14, Col 2)	858,757
2. Mean Unearned Premium Reserve	
a. 2005 Earned Premium (Annual Statement Page 6, Col 4)	366,224,179
b. Unearned Premium Reserve As Of December 31, 2005 (Annual Statement Page 7, Col 5)	156,571,675
c. Unearned Premium Reserve As Of December 31, 2004 (Annual Statement Page 7, Col 5)	136,423,390
d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$	146,497,533
e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$	0.400
f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$	343,521
3. Percentage Total of Prepaid Expense (2005 Insurance Expense Exhibit)	
a. Commission And Brokerage	10.9%
b. Taxes, Licenses And Fees	5.7%
c. 50% Of Other Acquisition	3.4%
d. 50% Of General Expense	3.0%
e. Total	23.0%
4. Deduction for Federal Taxes Payable	0.0%
5. Dollar Total Of Prepaid Expense $\{(A.2.f)*[(A.3.e)+(A.4)]\}$	79,010
6. Subject To Investment $[(A.2.f)-(A.5)]$	264,511

**B. DELAYED REMISSION OF PREMIUMS**

	<u>Previous Year</u>	<u>Current Year</u>
1. Uncollected, In Course Of Collection (Annual Statement Page 2, Ln 12.1)	130,716,196	357,269,000
2. Uncollected, Booked But Not Yet Due (Annual Statement Page 2, Ln 12.2)	723,443,660	775,527,000
3. Total Uncollected Premiums $[(B.1)+(B.2)]$	854,159,856	1,132,796,000
4. Average Uncollected Premiums $[(current)+(previous)/2]$		993,477,928
5. Premiums Earned (Annual Statement Page 4, Ln 1)		2,885,141,000
6. Ratio to earned premium $[(B.4)/(B.5)]$		0.344
7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$		295,707

**C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE**

1. Expected Loss And LAE Ratio	64.0%
2. Expected Losses $[(C.1)*(A.1)]$	549,971
3. Loss Reserve	
a. Incurred Losses And LAE As Of December 31, 2004 ( I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$ )	238,363,000
b. Incurred Losses And LAE As Of December 31, 2005 ( I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$ )	280,285,011
c. Loss Reserves And LAE As Of Dec 31, 2003 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$ )	356,105,797
d. Loss Reserves And LAE As Of Dec 31, 2004 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$ )	458,063,970
e. Loss Reserves And LAE As Of Dec 31, 2005 (Annual Statement, Page 10 $[(Col 8)+(Col 9)]$ )	643,066,767
f. Mean Loss Reserve 2004 $\{1/2*[(C.3.c)+(C.3.d)]\}$	407,084,883
g. Mean Loss Reserve 2005 $\{1/2*[(C.3.d)+(C.3.e)]\}$	550,565,368
h. Reserved To Incurred Ratio 2004 $[(C.3.f)/(C.3.a)]$	1.708
i. Reserved To Incurred Ratio 2005 $[(C.3.g)/(C.3.b)]$	1.964305429
j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$	1.836
k. Estimated Reserve Discount	17.3%
l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$	5.9%
m. $[(C.3.j) * (1.0 - (C.3.l))]$	1.728
4. Expected mean loss reserve $[(C.2)*(C.3.m)]$	950,386

**D. NET SUBJECT TO INVESTMENT  $[(A.6)-(B.7)+(C.4)]$**

919,190

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	American Fire & Casualty Insurance Company

**E. AVERAGE RATE OF RETURN ON INVESTED ASSETS**

	<u>Previous Year</u>	<u>Current Year</u>
1. Investment Income		
a. Net Investment Income Earned (2005 Annual Statement, Page 4, Ln 9)	175,833,835	226,373,000
b. Net Investment Income Earned [(current)+(previous)]		402,206,835
2. Assets		
a. Subtotals, Cash And Invested Assets (2005 Annual Statement, Page 2, Ln 10)	4,839,228,201	6,001,692,000
b. Investment Income Due and Accrued (2005 Annual Statement, Page 2, Ln 11)	28,057,706	44,677,000
c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)]		10,913,654,908
3. Average Rate Of Return [(E.1.b)/(E.2.c)]		3.7%

**F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)\*(E.3)]** 33,875

**G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)]** 3.9%

**H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS**

	<u>Tax Rate</u>	<u>Investment Income</u>
1. Bonds		
a. U.S. Government Bonds (2005 Annual Statement, Page 12, Col 2, Ln 1)	34.0%	46,894,000
b. Bonds Exempt From U.S. Tax (2005 Annual Statement, Page 12, Col 2, Ln 1.1)	5.1%	10,333,000
c. Other Bonds (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 1.2)	34.0%	141,434,000
d. Bonds Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 1.3)	34.0%	-
e. Sub-Total	34.0%	198,661,000
2. Stocks		
a. Preferred Stocks (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 2.1)	13.8%	1,261,000
b. Preferred Stocks Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 2.11)	0.0%	-
c. Common Stocks (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 2.2)	13.8%	16,413,000
d. Common Stocks Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 2.21)	0.0%	1,600,000
e. Sub-Total	13.8%	19,274,000
3. All Other Income (2005 Annual Statement, Page 12, Col 2, Lns 3 thru 9)	34.0%	14,195,000
4. Totals - Bonds, Stocks and All Other Income	33.7%	232,130,000
5. Total Investment Deductions (2005 Annual Statement, Page 12, Col 2, Ln 16)	34.0%	6,920,000
6. Net Investment Income Earned 2005 (E.1.a, (H.4)-(H.5))	25.5%	225,210,000

**I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX {(G)\*[1-(H.6)]}** 2.9%

**J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX** 2.9%

Note: The results above were estimated using data from Liberty Mutual Group, and does not contain data from Ohio Casualty Group

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	Ohio Casualty Insurance Company

**A. UNEARNED PREMIUM RESERVE**

1. Direct Premiums Earned For Calendar Year Ended December 31, 2005 (Page 14, Col 2)	858,757
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d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$	146,497,533
e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$	0.400
f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$	343,521
3. Percentage Total of Prepaid Expense (2005 Insurance Expense Exhibit)	
a. Commission And Brokerage	10.9%
b. Taxes, Licenses And Fees	5.7%
c. 50% Of Other Acquisition	3.4%
d. 50% Of General Expense	3.0%
e. Total	23.0%
4. Deduction for Federal Taxes Payable	0.0%
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6. Subject To Investment $[(A.2.f)-(A.5)]$	264,511

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	<u>Previous Year</u>	<u>Current Year</u>
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4. Average Uncollected Premiums $[(current)+(previous)/2]$		993,477,928
5. Premiums Earned (Annual Statement Page 4, Ln 1)		2,885,141,000
6. Ratio to earned premium $[(B.4)/(B.5)]$		0.344
7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$		295,707

**C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE**

1. Expected Loss And LAE Ratio	64.0%
2. Expected Losses $[(C.1)*(A.1)]$	549,971
3. Loss Reserve	
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j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$	1.836
k. Estimated Reserve Discount	17.3%
l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$	5.9%
m. $[(C.3.j) * (1.0 - (C.3.l))]$	1.728
4. Expected mean loss reserve $[(C.2)*(C.3.m)]$	950,386

**D. NET SUBJECT TO INVESTMENT  $[(A.6)-(B.7)+(C.4)]$**

919,190

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	Ohio Casualty Insurance Company

**E. AVERAGE RATE OF RETURN ON INVESTED ASSETS**

	<u>Previous Year</u>	<u>Current Year</u>
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c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)]		10,913,654,908
3. Average Rate Of Return [(E.1.b)/(E.2.c)]		3.7%

**F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)\*(E.3)]** 33,875

**G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)]** 3.9%

**H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS**

	<u>Tax Rate</u>	<u>Investment Income</u>
1. Bonds		
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e. Sub-Total	34.0%	198,661,000
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b. Preferred Stocks Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 2.11)	0.0%	-
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6. Net Investment Income Earned 2005 (E.1.a, (H.4)-(H.5))	25.5%	225,210,000

**I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX {(G)\*[1-(H.6)]}** 2.9%

**J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
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**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
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k. Estimated Reserve Discount	17.3%
l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$	5.9%
m. $[(C.3.j) * (1.0 - (C.3.l))]$	1.728
4. Expected mean loss reserve $[(C.2)*(C.3.m)]$	950,386

**D. NET SUBJECT TO INVESTMENT  $[(A.6)-(B.7)+(C.4)]$**

919,190

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	Ohio Security Insurance Company

**E. AVERAGE RATE OF RETURN ON INVESTED ASSETS**

	<u>Previous Year</u>	<u>Current Year</u>
1. Investment Income		
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c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)]		10,913,654,908
3. Average Rate Of Return [(E.1.b)/(E.2.c)]		3.7%

**F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)\*(E.3)]** 33,875

**G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)]** 3.9%

**H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS**

	<u>Tax Rate</u>	<u>Investment Income</u>
1. Bonds		
a. U.S. Government Bonds (2005 Annual Statement, Page 12, Col 2, Ln 1)	34.0%	46,894,000
b. Bonds Exempt From U.S. Tax (2005 Annual Statement, Page 12, Col 2, Ln 1.1)	5.1%	10,333,000
c. Other Bonds (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 1.2)	34.0%	141,434,000
d. Bonds Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 1.3)	34.0%	-
e. Sub-Total	34.0%	198,661,000
2. Stocks		
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5. Total Investment Deductions (2005 Annual Statement, Page 12, Col 2, Ln 16)	34.0%	6,920,000
6. Net Investment Income Earned 2005 (E.1.a, (H.4)-(H.5))	25.5%	225,210,000

**I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX {(G)\*[1-(H.6)]}** 2.9%

**J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX** 2.9%

Note: The results above were estimated using data from Liberty Mutual Group, and does not contain data from Ohio Casualty Group

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	Western American Insurance Company

**A. UNEARNED PREMIUM RESERVE**

1. Direct Premiums Earned For Calendar Year Ended December 31, 2005 (Page 14, Col 2)	858,757
2. Mean Unearned Premium Reserve	
a. 2005 Earned Premium (Annual Statement Page 6, Col 4)	366,224,179
b. Unearned Premium Reserve As Of December 31, 2005 (Annual Statement Page 7, Col 5)	156,571,675
c. Unearned Premium Reserve As Of December 31, 2004 (Annual Statement Page 7, Col 5)	136,423,390
d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$	146,497,533
e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$	0.400
f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$	343,521
3. Percentage Total of Prepaid Expense (2005 Insurance Expense Exhibit)	
a. Commission And Brokerage	10.9%
b. Taxes, Licenses And Fees	5.7%
c. 50% Of Other Acquisition	3.4%
d. 50% Of General Expense	3.0%
e. Total	23.0%
4. Deduction for Federal Taxes Payable	0.0%
5. Dollar Total Of Prepaid Expense $\{(A.2.f)*[(A.3.e)+(A.4)]\}$	79,010
6. Subject To Investment $[(A.2.f)-(A.5)]$	264,511

**B. DELAYED REMISSION OF PREMIUMS**

	<u>Previous Year</u>	<u>Current Year</u>
1. Uncollected, In Course Of Collection (Annual Statement Page 2, Ln 12.1)	130,716,196	357,269,000
2. Uncollected, Booked But Not Yet Due (Annual Statement Page 2, Ln 12.2)	723,443,660	775,527,000
3. Total Uncollected Premiums $[(B.1)+(B.2)]$	854,159,856	1,132,796,000
4. Average Uncollected Premiums $[(current)+(previous)/2]$		993,477,928
5. Premiums Earned (Annual Statement Page 4, Ln 1)		2,885,141,000
6. Ratio to earned premium $[(B.4)/(B.5)]$		0.344
7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$		295,707

**C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE**

1. Expected Loss And LAE Ratio	64.0%
2. Expected Losses $[(C.1)*(A.1)]$	549,971
3. Loss Reserve	
a. Incurred Losses And LAE As Of December 31, 2004 ( I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$ )	238,363,000
b. Incurred Losses And LAE As Of December 31, 2005 ( I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$ )	280,285,011
c. Loss Reserves And LAE As Of Dec 31, 2003 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$ )	356,105,797
d. Loss Reserves And LAE As Of Dec 31, 2004 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$ )	458,063,970
e. Loss Reserves And LAE As Of Dec 31, 2005 (Annual Statement, Page 10 $[(Col 8)+(Col 9)]$ )	643,066,767
f. Mean Loss Reserve 2004 $\{1/2*[(C.3.c)+(C.3.d)]\}$	407,084,883
g. Mean Loss Reserve 2005 $\{1/2*[(C.3.d)+(C.3.e)]\}$	550,565,368
h. Reserved To Incurred Ratio 2004 $[(C.3.f)/(C.3.a)]$	1.708
i. Reserved To Incurred Ratio 2005 $[(C.3.g)/(C.3.b)]$	1.964305429
j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$	1.836
k. Estimated Reserve Discount	17.3%
l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$	5.9%
m. $[(C.3.j) * (1.0 - (C.3.l))]$	1.728
4. Expected mean loss reserve $[(C.2)*(C.3.m)]$	950,386

**D. NET SUBJECT TO INVESTMENT  $[(A.6)-(B.7)+(C.4)]$**

919,190

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM AND LOSS RESERVES**

<b>Year:</b>	2005
<b>State:</b>	Arkansas
<b>Line of Business:</b>	Workers' Compensation
<b>Company:</b>	Western American Insurance Company

**E. AVERAGE RATE OF RETURN ON INVESTED ASSETS**

	<u>Previous Year</u>	<u>Current Year</u>
1. Investment Income		
a. Net Investment Income Earned (2005 Annual Statement, Page 4, Ln 9)	175,833,835	226,373,000
b. Net Investment Income Earned [(current)+(previous)]		402,206,835
2. Assets		
a. Subtotals, Cash And Invested Assets (2005 Annual Statement, Page 2, Ln 10)	4,839,228,201	6,001,692,000
b. Investment Income Due and Accrued (2005 Annual Statement, Page 2, Ln 11)	28,057,706	44,677,000
c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)]		10,913,654,908
3. Average Rate Of Return [(E.1.b)/(E.2.c)]		3.7%

**F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)\*(E.3)]** 33,875

**G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)]** 3.9%

**H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS**

	<u>Tax Rate</u>	<u>Investment Income</u>
1. Bonds		
a. U.S. Government Bonds (2005 Annual Statement, Page 12, Col 2, Ln 1)	34.0%	46,894,000
b. Bonds Exempt From U.S. Tax (2005 Annual Statement, Page 12, Col 2, Ln 1.1)	5.1%	10,333,000
c. Other Bonds (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 1.2)	34.0%	141,434,000
d. Bonds Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 1.3)	34.0%	-
e. Sub-Total	34.0%	198,661,000
2. Stocks		
a. Preferred Stocks (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 2.1)	13.8%	1,261,000
b. Preferred Stocks Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 2.11)	0.0%	-
c. Common Stocks (unaffiliates) (2005 Annual Statement, Page 12, Col 2, Ln 2.2)	13.8%	16,413,000
d. Common Stocks Of Affiliates (2005 Annual Statement, Page 12, Col 2, Ln 2.21)	0.0%	1,600,000
e. Sub-Total	13.8%	19,274,000
3. All Other Income (2005 Annual Statement, Page 12, Col 2, Lns 3 thru 9)	34.0%	14,195,000
4. Totals - Bonds, Stocks and All Other Income	33.7%	232,130,000
5. Total Investment Deductions (2005 Annual Statement, Page 12, Col 2, Ln 16)	34.0%	6,920,000
6. Net Investment Income Earned 2005 (E.1.a, (H.4)-(H.5))	25.5%	225,210,000

**I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX {(G)\*[1-(H.6)]}** 2.9%

**J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER  
FEDERAL INCOME TAX** 2.9%

Note: The results above were estimated using data from Liberty Mutual Group, and does not contain data from Ohio Casualty Group