

SERFF Tracking Number: CATL-125805336 State: Arkansas
Filing Company: Catlin Insurance Company, Inc. State Tracking Number: EFT \$100
Company Tracking Number: 08-IM-IM001-CW-AR-R
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Inland Marine
Project Name/Number: Inland Marine - Initial Product Filing /08-IM-IM001-CW-AR-R

Filing at a Glance

Company: Catlin Insurance Company, Inc.

Product Name: Inland Marine

TOI: 09.0 Inland Marine

Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: CATL-125805336 State: Arkansas

SERFF Status: Closed State Tr Num: EFT \$100

Co Tr Num: 08-IM-IM001-CW-AR-R State Status: Fees verified and received

Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: Diane Lichorobiec Disposition Date: 09/17/2008

Date Submitted: 09/17/2008 Disposition Status: Exempt from Review

Effective Date Requested (New): 10/15/2008

Effective Date Requested (Renewal):

Effective Date (New): 10/15/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Inland Marine - Initial Product Filing

Project Number: 08-IM-IM001-CW-AR-R

Reference Organization: ISO

Reference Title:

Filing Status Changed: 09/17/2008

State Status Changed: 09/17/2008

Corresponding Filing Tracking Number: 08-IM-IM001-CW-AR-R

Filing Description:

The Catlin Insurance Company, Inc. submits for your review and approval our initial commercial inland marine program filing. The Catlin Insurance Company, Inc. is new to the admitted market in the United States and therefore has little data available to support our filings.

The filing represents our adoption of the Insurance Service Office, Inc. loss costs, rules, and rating plans as outlined below along with Independent rules:

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number: CM-2008-RLA1

Advisory Org. Circular: LI-CM-2008-051

Deemer Date:

<i>SERFF Tracking Number:</i>	<i>CATL-125805336</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Catlin Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>08-IM-IM001-CW-AR-R</i>		
<i>TOI:</i>	<i>09.0 Inland Marine</i>	<i>Sub-TOI:</i>	<i>09.0000 Inland Marine Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Inland Marine</i>		
<i>Project Name/Number:</i>	<i>Inland Marine - Initial Product Filing /08-IM-IM001-CW-AR-R</i>		

Loss Costs: CM-2008-RLA1

Rules: All Currently Approved ISO rules including TRIA

Rating Plans: All Currently Approved ISO rating plans including TRIA

We will be using our proposed Loss Costs Multiplier of 1.70 with the loss costs indicated above to develop our final rates. We also wish to adopt the currently approved ISO Terrorism Risk Insurance Act Coverages and Exclusion and rating which corresponds to the Terrorism Risk Insurance Act of 2007.

This filing will bring the Catlin Insurance Company current with all approved ISO rates, rules, and rating plans.

Company and Contact

Filing Contact Information

Diane Lichorobiec, State Filings Analyst	diane.lichorobiec@catlin.com
1600 Market Street	(215) 446-9136 [Phone]
Philadelphia, PA 19103	(215) 446-9131[FAX]

Filing Company Information

Catlin Insurance Company, Inc.	CoCode: 19518	State of Domicile: Texas
1600 Market Street	Group Code:	Company Type: Property and Casualty

Suite 1616		
Philadelphia, PA 19103	Group Name:	State ID Number:
(215) 466-9132 ext. [Phone]	FEIN Number: 20-4929941	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	Initial filing to adopt advisory organization's loss costs- \$100.00
Per Company:	No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Catlin Insurance Company, Inc.	\$100.00	09/17/2008	22556446

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	09/17/2008	09/17/2008

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Disposition

Disposition Date: 09/17/2008

Effective Date (New): 10/15/2008

Effective Date (Renewal):

Status: Exempt from Review

Comment:

This line is exempt from filing rates 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 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:
Catlin Insurance Company, Inc.	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	Adoption of Advisory Loss Costs	Accepted for Informational Purposes	Yes
Supporting Document	Calculation of LCM	Accepted for Informational Purposes	Yes
Supporting Document	Actuarial Support	Accepted for Informational Purposes	Yes

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing: N/A - INITIAL FILING

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):
Catlin Insurance Company, Inc.	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Supporting Document Schedules

Satisfied -Name: Adoption of Advisory Loss Costs **Review Status:** Accepted for Informational Purposes 09/17/2008

Comments:

Attachment:

Adoption of Advisory Loss Costs.pdf

Satisfied -Name: Calculation of LCM **Review Status:** Accepted for Informational Purposes 09/17/2008

Comments:

Attachment:

Calculation of LCM.pdf

Satisfied -Name: Actuarial Support **Review Status:** Accepted for Informational Purposes 09/17/2008

Comments:

Attachment:

Actuarial Support.pdf

Space Reserved for Insurance Department Use

Date: 9/15/2008

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

1. INSURER NAME Catlin Insurance Company, Inc.
ADDRESS 1600 Market Street
Suite 1616
Philadelphia, PA 19103

PERSON RESPONSIBLE FOR FILING Diane Lichorobiec

TITLE State Filings Analyst TELEPHONE # 215.446.9136

2. INSURER NAIC # 19518

3. LINE OF INSURANCE Inland Marine

4. ADVISORY ORGANIZATION ISO

5. ADVISORY ORGANIZATION REFERENCE FILING # CM-2008-RLA1

6. 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.

7. PROPOSED RATE LEVEL CHANGE 0 % EFFECTIVE DATE 10/15/2008

8. PRIOR RATE LEVEL CHANGE 0 % EFFECTIVE DATE n/a

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer-selected loss cost multiplier.)

10. CHECK ONE OF THE FOLLOWING:

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

(NAIC sample loss costs filing form)

Catlin Insurance Company, Inc.

Projected Expenses and Calculation of LCM

Inland Marine

Expense Item	% of Premium
(1) General	10.0%
(2) Commission/Brokerage	17.5%
(3) Other Acquisition	5.0%
(4) Taxes & Fees	4.0%
(5) Profit (from Sheet 2)	7.8%
(6) Total Expenses	44.3%
Loss Cost Multiplier (LCM)	Factor
(7) Permissible Loss & LAE Ratio = 1.0 - (6)	55.7%
(8) Indicated LCM = 1 / (7)	1.80
(9) Selected LCM	1.70

Catlin Insurance Company, Inc.

Discounted Cash Flow Model

Inland Marine

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Calendar Year	Premium	Losses and LAE	Acquisition Expenses	General & Other Expenses	Loss & LAE Payment Pattern	Paid Losses & LAE	Undiscounted Outstanding Reserves	Statutory U/W Income	IRS Discount Factor	Discounted Outstanding Reserves	Tax on U/W Inc	Required Surplus	Cash Avail. For Investment	Investment Income	Federal Income Taxes	Net Income	Surplus Released	Total Return	Present Value Factor	Present Value of Return
0												\$50					(\$50)	(\$50)		(\$50)
1	\$100	\$56	\$23	\$14	44.6%	\$25	\$31	\$8	0.967	\$30	\$3	\$15	\$57	\$5	\$5	\$8	\$35	\$43	0.976	\$42
2					41.9%	23	8	0	0.962	7	(0)	4	(12)	2	0	1	12	13	0.929	12
3					13.6%	8	0	0	0.981	0	(0)	0	(4)	0	0	0	4	4	0.885	4
4					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.843	0
5					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.803	0
6					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.765	0
7					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.728	0
8					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.694	0
9					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.661	0
10					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.629	0
11					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.599	0
12					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.571	0
13					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.543	0
14					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.518	0
15					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.493	0
16					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.469	0
17					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.447	0
18					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.426	0
19					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.406	0
20					0.0%	0	0	0	0.981	0	0	0	0	0	0	0	0	0	0.386	0
TOTAL	\$100	\$56	\$23	\$14	100.0%	\$56		\$8			\$3			\$7	\$5	\$10	\$0	\$10		\$7

Assumptions:

Target Return on Surplus:	15.0%
Premium-to-Surplus Ratio:	2.00
Reserve-to-Surplus Ratio:	2.00
Rate of Return (ROR)	5.0%
Federal Income Tax Rate (FIT)	35.0%

Return % of Surplus 15.0%

Results:

Provision for Loss & LAE:	55.7%	<---- determined iteratively in order to achieve target return on surplus
Provision for Acquisition Expenses:	22.5%	<---- from sheet 1
Provision for General & Other Expenses:	14.0%	<---- from sheet 1
U/W Profit (after FIT, Investment)	7.8%	----> to sheet 1

Amounts reflected in U/W Profit (above):

Federal Income Tax Provision:	5.3% = col (15) / col (1)
Investment Income Provision:	7.4% = col (14) / col (1)

Discounted Cash Flow Model

Explanatory Notes

Column:

- (1) Policy Premium
- (2) Loss & LAE = (1) * (Target Loss & LAE Ratio of 55.7%)
- (3) Acquisition Expense = (1) * (Acquisition Expense Ratio of 22.5%)
- (4) General/Other Expense = (1) * (General/Other Expense Ratio of 14.0%)
- (5) Loss & LAE payment pattern based on AM Best data
- (6) = (2) * (5)
- (7) = (2) - (6)
- (8) = (1) - (3) - (4) - (6) + (7, prior) - (7)
- (9) IRS Bulletin 2008-3
- (10) = (7) * (9)
- (11) = [(1) - (3) - (4) - (6) + (10, prior) - (10)] * (FIT Rate of 35.0%)
- (12) = (7) / (Reserve-to-Surplus Ratio)
- (13) = (1) - (3) - 0.5 * [(4) + (6) + (11)]
- (14) = [(7, prior) + (12, prior) + (13)] * (ROR of 5.0%)
- (15) = (11) + [(14) * (FIT Rate of 35.0%)]
- (16) = (8) + (14) - (15)
- (17) = (12) - (12, prior)
- (18) = (16) + (17)
- (19) Assumes discount rate of 5.0% and payments made in middle of year
- (20) = (18) * (19)