

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Filing at a Glance

Company: Republic Underwriters Insurance Company

Product Name: Republic RoadMaster (sm) SERFF Tr Num: TRGR-127657330 State: Arkansas

Personal Automobile Program

TOI: 19.0 Personal Auto

SERFF Status: Closed-Filed

State Tr Num:

Sub-TOI: 19.0000 Personal Auto Combinations Co Tr Num: 11-555

State Status:

Filing Type: Rate

Reviewer(s): Alexa Grissom, Nancy Horton

Author: William Bradford

Disposition Date: 12/15/2011

Date Submitted: 10/03/2011

Disposition Status: Filed

Effective Date Requested (New): 11/15/2011

Effective Date (New): 12/15/2011

Effective Date Requested (Renewal): 12/15/2011

Effective Date (Renewal):

01/01/2012

State Filing Description:

## General Information

Project Name: Rate and Rule Revision

Status of Filing in Domicile: Not Filed

Project Number:

Domicile Status Comments: Arkansas specific

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/15/2011

State Status Changed:

Deemer Date:

Created By: William Bradford

Submitted By: William Bradford

Corresponding Filing Tracking Number:

Filing Description:

We are filing a +6.1% rate change for our Republic RoadMaster (sm) Auto Program. Our indicated overall rate change is +12.4%. This is our first rate change since implementation of the new Roadmaster program on January 26, 2009.

The overall change includes modifications to the tier relativities, policy accident free discount, at-fault accident surcharge threshold, and the charge for New Vehicle Replacement coverage.

## Company and Contact

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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**Filing Contact Information**

William Bradford, Senior Products Filing bill.bradford@republicgroup.com  
 Specialist  
 5525 LBJ Freeway 972-788-6617 [Phone]  
 Dallas, TX 75240 972-788-6022 [FAX]

**Filing Company Information**

Republic Underwriters Insurance Company CoCode: 24538 State of Domicile: Texas  
 5525 LBJ Freeway Group Code: 3489 Company Type:  
 Dallas, TX 75240-6241 Group Name: The Republic Group State ID Number:  
 (972) 788-6001 ext. [Phone] FEIN Number: 75-1221537

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**Filing Fees**

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Republic Underwriters Insurance Company	\$100.00	10/03/2011	52379032

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	12/15/2011	12/15/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	12/06/2011	12/06/2011	William Bradford	12/06/2011	12/06/2011
Pending Industry Response	Alexa Grissom	11/15/2011	11/15/2011	William Bradford	11/17/2011	11/17/2011
Pending Industry Response	Alexa Grissom	10/20/2011	10/20/2011	William Bradford	10/20/2011	10/20/2011
Pending Industry Response	Alexa Grissom	10/17/2011	10/17/2011	William Bradford	10/17/2011	10/17/2011
Pending Industry Response	Alexa Grissom	10/11/2011	10/11/2011	William Bradford	10/11/2011	10/11/2011

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
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SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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 Project Name/Number: Rate and Rule Revision/

Supporting Document Filing Notes Additional APCS William Bradford 11/17/2011 11/17/2011

Subject	Note Type	Created By	Created On	Date Submitted
Timeline	Note To Filer	Alexa Grissom	11/10/2011	11/10/2011
Timeline	Note To Reviewer	William Bradford	11/04/2011	11/04/2011

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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 Project Name/Number: Rate and Rule Revision/

## Disposition

Disposition Date: 12/15/2011  
 Effective Date (New): 12/15/2011  
 Effective Date (Renewal): 01/01/2012  
 Status: Filed  
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Republic Underwriters Insurance Company	12.400%	6.100%	\$160,045	2,622	\$2,623,683	13.400%	-2.400%

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 Project Name/Number: Rate and Rule Revision/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document (revised)	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Additional APCS	Filed	Yes
Rate	Underwriting tier factors	Filed	Yes
Rate	New Vehicle Replacement Cost	Filed	Yes
Rate (revised)	Accident Threshold; Policy Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).	Filed	Yes
Rate	Accident Threshold; Policy Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).	Filed	Yes
Rate	Policy Accident-Free Discount	Filed	Yes
Rate (revised)	Base Rates	Filed	Yes
Rate	Base Rates	Filed	Yes

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Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 12/06/2011  
Submitted Date 12/06/2011  
Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing. I have been advised the APCS is unacceptable. Please submit the form unaltered.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,  
Alexa Grissom

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/06/2011
Submitted Date	12/06/2011

Dear Alexa Grissom,

### Comments:

Thank you for your reply

### Response 1

Comments: I have changed the formatting on the form APCS.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: PDF and Excel formats are both attached.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let us know if this does not work.

Sincerely,  
William Bradford

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 11/15/2011

Submitted Date 11/15/2011

Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing. The Commissioner has agreed to allow a 5 percent increase for the Roadmaster Program. If you choose to amend the filing to a 5 percent overall effect, the Department requires a new RF-1 with the overall amount of the filing and a new APCS with the newly elected effective date.

NOTICE regarding, corrections to filings and scrivener's Errors:

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Sincerely,

Alexa Grissom

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 Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
 Company Tracking Number: 11-555  
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 11/17/2011  
 Submitted Date 11/17/2011

Dear Alexa Grissom,

### Comments:

Thank you for your reply.

### Response 1

Comments: We have reduced base rates so as to achieve an overall 5.0% effect. A revised APCS and RF-1 are also attached.

Please note that the new effective dates will be 12/15/2011 for new business and 1/15/2012 for renewal. Please discard the effective date change in the pending post-submission update, as it is superceded by these dates.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: PDF and Excel formats are both attached.

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Base Rates	R-1	Replacement	TRGR-125887918
<b>Previous Version</b>			
Base Rates	R-1	Replacement	TRGR-125887918

Please let us know if you need anything further.

Sincerely,  
 William Bradford

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/20/2011

Submitted Date 10/20/2011

Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing. Thank you for the most recent APCS. The filing will be held in abeyance pending the meeting with the Commissioner to review the filing.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Alexa Grissom

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TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 10/20/2011  
Submitted Date 10/20/2011

Dear Alexa Grissom,

### Comments:

### Response 1

Comments: Please let us know if you need any further information.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
William Bradford

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 10/17/2011  
Submitted Date 10/17/2011  
Respond By Date  
Dear William Bradford,

This will acknowledge receipt of the captioned filing. The latest APCS version states it has a cell that may be modified. Please correct the form so that it may not be modified.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,  
Alexa Grissom

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 10/17/2011  
Submitted Date 10/17/2011

Dear Alexa Grissom,

### Comments:

Thank you for your reply.

### Response 1

Comments: We have modified the form so that it contains values rather than formulas. There are no changes to the numbers in the form.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: PDF and Excel formats are both attached.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let us know if you need any additional information.

Sincerely,  
William Bradford

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/11/2011

Submitted Date 10/11/2011

Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing. The APCS form would not open. Please resend the form to the Department. Due to the magnitude of the overall increase, the filing will be reviewed with the Commissioner. Please define "other incident" as used in tier rating.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Alexa Grissom

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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 Company Tracking Number: 11-555  
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 10/11/2011  
 Submitted Date 10/11/2011

Dear Alexa Grissom,

### Comments:

Thank you for your reply.

### Response 1

Comments: I have changed form APCS to Excel 97. I have also forwarded a copy of the original and the revised excel files to you by e-mail.

I have reviewed the manual for references to "other incidents". In the countrywide manual there is a section of the merit rating plan for other incidents, which are comprised of not-at-fault accidents and comprehensive losses. This section and all rating factors for it were eliminated in Arkansas. I found two references to this section that were inadvertently left in the Arkansas manual. I have removed those two references.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey  
 Comment: PDF and Excel formats are both attached.

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Accident Threshold; Policy Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).	G-14 to 20	Replacement	TRGR-125887918

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

**Previous Version**

Accident Threshold; Policy G-14 to 20 Replacement TRGR-125887918

Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).

Please let us know if you need any additional information.

Sincerely,  
William Bradford

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

**Amendment Letter**

Submitted Date: 11/17/2011

**Comments:**

Looking at prior correspondence, I have revised formatting of numbers, to ensure one of the two versions loads successfully into AR systems.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: Additional APCS**

Comment: Revised formatting of numbers, to ensure one of the two versions loads successfully into AR systems.  
PPA Survey FORM APCS Effective 2011-11-15.xls

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

**Note To Filer**

**Created By:**

Alexa Grissom on 11/10/2011 01:04 PM

**Last Edited By:**

Alexa Grissom

**Submitted On:**

12/15/2011 03:18 PM

**Subject:**

Timeline

**Comments:**

The meeting has been rescheduled to November 15th. After the meeting, I will advise you via SERFF if the filing is acceptable or if amendments must be made.

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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Project Name/Number: Rate and Rule Revision/

**Note To Reviewer**

**Created By:**

William Bradford on 11/04/2011 08:51 AM

**Last Edited By:**

Alexa Grissom

**Submitted On:**

12/15/2011 03:18 PM

**Subject:**

Timeline

**Comments:**

Can you give us an approximate timeline for how long the review by the Commissioner will take? This will assist us in determining if we need to change the effective date again.

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

**Post Submission Update Request Submitted On 10/31/2011**

**Status:** Submitted  
**Created By:** William Bradford

**General Information:**

<b>Field Name</b>	<b>Requested Change</b>	<b>Prior Value</b>
Project Number		
Reference Organization		
Reference Number		
Reference Title		
Effective Date Requested (New)	12/01/2011	11/15/2011
Effective Date Requested (Renew)	01/01/2012	12/15/2011
Corresponding Filing Tracking Number		

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
 Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
 Company Tracking Number: 11-555  
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:** 01/15/2009  
**Filing Method of Last Filing:** Prior Approval (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:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Republic Underwriters Insurance Company	12.400%	6.100%	\$160,045	2,622	\$2,623,683	13.400%	-2.400%

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
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 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
Filed 12/15/2011	Underwriting tier factors	G-10,11	Replacement	TRGR-125887918	AR PA General Rules 1111 rate rev P10-11.pdf
Filed 12/15/2011	New Vehicle Replacement Cost	G-29	Replacement	TRGR-125887918	AR PA General Rules 1111 rate rev P29.pdf
Filed 12/15/2011	Accident Threshold; Policy Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).	G-14 to 20	Replacement	TRGR-125887918	AR PA General Rules 1111 rate rev P14-20.pdf
Filed 12/15/2011	Policy Accident-Free Discount	C-14 to16	Replacement	TRGR-125887918	AR PA Class Section 1111 rate rev p14-16.pdf
Filed 12/15/2011	Base Rates	R-1	Replacement	TRGR-125887918	AR PA Class Section 1111 rate rev.pdf

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**4. CLASSIFICATIONS, (cont.)**


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(2) It is not customarily used in any occupation other than farming or ranching.

c. PLEASURE USE means:

(1) No BUSINESS USE.

(2) Personal use including driving to or from work or school:

(a) Less than 3 road miles one way; or

(b) 3 or more, but less than 15, road miles one way for not more than 2 days per week or not more than 2 weeks in any 5 week period.

d. WORK means:

(1) No BUSINESS USE.

(2) Personal use including driving to or from work or school 15 or more road miles one way more than 2 days per week or more than 2 weeks in any 5 week period.

e. An auto driven part way to or from work or school, such as to a railroad or bus depot, whether or not the auto is parked at the depot during the day, shall be considered as driving to or from work or school.

**2. Age and Marital Status Classifications**

a. YOUTHFUL OPERATOR means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, or any other person who customarily operates the auto, who is under 25 years of age.

b. AGE means the age attained on the last birthday.

c. MARRIED means a married person living with his or her spouse and includes a person widowed, divorced or legally separated only if such person has custody of one or more resident children.

d. RESIDENT means anyone residing in the same household.

**Exceptions:** A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.

e. PRINCIPAL DRIVER means the driver who operates a vehicle the greatest percentage of the time.

f. OCCASIONAL OPERATOR means a driver who operates a vehicle but is not the PRINCIPAL

g. YOUTHFUL OCCASIONAL OPERATOR means an OCCASIONAL OPERATOR who is a YOUTHFUL OPERATOR (under 25 years of age).

**E. Coverage Premium Classifications**

**1. Base Rate**

Refer to the Base Rate section of this manual.

**2. Underwriting Tier**

Assign tiers based on company tiering guidelines.

Market	Tier		BI	PD	MP	UMBI/ UIM	UMPD	Comp	Coll
Preferred	1		0.76	0.76	0.72	0.72	0.77	0.77	0.77
Preferred	2		0.79	0.79	0.75	0.75	0.81	0.81	0.81
Preferred	3		0.82	0.82	0.81	0.79	0.84	0.84	0.84
Preferred	4		0.86	0.86	0.85	0.83	0.87	0.87	0.87
Preferred	5		0.90	0.90	0.89	0.89	0.91	0.91	0.91
Preferred	6		0.96	0.96	0.95	0.95	0.97	0.97	0.97
Preferred	7		1.00	1.00	1.00	1.00	1.00	1.00	1.00

## 4. CLASSIFICATIONS, (cont.)

Market	Tier		BI	PD	MP	UMBI/ UIM	UMPD	Comp	Coll
Standard	8		1.15	1.15	1.15	1.15	1.14	1.14	1.14
Standard	9		1.22	1.22	1.24	1.24	1.19	1.19	1.19
Standard	10		1.27	1.27	1.30	1.30	1.24	1.24	1.24
Standard	11		1.32	1.32	1.36	1.36	1.28	1.28	1.28
Standard	12		1.40	1.40	1.47	1.47	1.35	1.35	1.35
Non-Standard	13		1.61	1.61	1.68	1.68	1.55	1.55	1.55
Non-Standard	14		1.74	1.74	1.82	1.82	1.67	1.67	1.67
Non-Standard	15		1.89	1.89	1.98	1.98	1.82	1.82	1.82
Non-Standard	16		2.14	2.14	2.24	2.24	2.06	2.06	2.06
Non-Standard	17		2.83	2.83	2.97	2.97	2.73	2.73	2.73

Table 4.E.2., Underwriting Tiers

## 3. Territory

- a. Determine the applicable rating territory based on the location of principal garaging of the vehicle. If the mailing address differs from the location of principal garaging, use the garaging location to assign the rating territory.
- b. When a risk is statutorily required to have, or is eligible for, a coverage that is not available in the territory of principal garaging, use the registration address to determine the territory for that coverage.
- c. Territory Definitions  
Refer to the territory pages in this manual for the territory definitions.
- d. Rating factors  
Refer to the rate pages in this manual for the territory factors.

## 4. Limits

Refer to **Rule 18**.

## 5. Deductibles

Refer to **Rule 14.C**.

## 6. Model Year

- a. Refer to **Rule 6**; and the rate section of this manual for the appropriate factors.
- b. When model year is used in rating and the rates for a model year are not displayed in the Rate Pages, multiply the factor for the latest model year shown in the manual by the following adjustment factors: 1.02 for BI, 1.00 for PD, 1.02 for MP, 1.03 for Comp, and 1.05 for Coll coverage.
- c. If there is more than one year difference, then apply an exponent to the adjustment factors equivalent to the difference between the vehicle model year and the latest model year shown (ex. 2011 model year, 2009 last year shown, the BI adjustment factor would be  $1.02^2$ ).

## 7. Physical Damage Symbols

- a. Refer to the Insurance Services Office Symbol and Identification Manual for the appropriate symbol of the auto.
- b. Refer to the Classification Factors section of this manual for the factor to apply for each symbol. If the symbol is not displayed, refer to **Rule 12**.

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**14. MISCELLANEOUS COVERAGES, (cont.)**

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b. The insured vehicle must be two years old or less.

**2. Rates**

Charge 20% of the Collision Coverage premium for new auto replacement coverage.

**3. Endorsement**

Attach RoadMaster New Auto Replacement Coverage **RA 110** to the policy.

**O. Republic RoadMaster Deluxe Package**

1. The RoadMaster Deluxe coverage package is a grouping of coverage additions and extensions. These additions and extensions are:

**a. Trip Interruption****(1) Definition**

Transportation expenses incurred by an insured and expenses incurred by an insured for lodging and meals in the event of a mechanical or electrical breakdown of a covered vehicle, or loss to the vehicle, under certain conditions.

**(2) Limit**

\$600 each occurrence.

**b. Lock and Key Coverage****(1) Definition**

Services by a locksmith to unlock a covered vehicle and the Repair or replacement of door or window locks.

**(2) Limit**

\$100 per occurrence.

**c. Diminishing Deductible**

The Diminishing Deductible applies to loss caused by collision. For new policies, the Diminishing Deductible will equal the original Collision deductible shown in the Declarations. At each renewal, the Diminishing Deductible will decrease by \$100 for a maximum reduction of \$500.

**d. Pet Injury Protection****(1) Definition**

This coverage applies to a dog or cat owned by an insured which sustains an injury or death as a result of a collision loss.

**(2) Limit**

\$500 per occurrence.

**e. Coverage For Tapes, Records, Disks And Other Media****(1) Definition**

Under Section D – Coverage For Damage To Your Auto, coverage is not provided for tapes, records, disks or other media. Coverage is added for these.

**(2) Limit**

The maximum amount is \$200.

**2. Eligibility**

a. A policy providing both collision and comprehensive coverage may be endorsed to provide the RoadMaster Deluxe package coverage.

b. If this endorsement is added, all vehicles with both collision and comprehensive coverage must have the RoadMaster Deluxe package coverage added.

**4. CLASSIFICATIONS (Cont.)**

c. Use the table below to determine the factor to be applied.

Hybrid Vehicle	Vehicle Age	BI	PD	MP	Comp	Coll
No	<=0	0.85	0.97	0.82	0.78	0.78
No	1	0.88	0.97	0.86	0.85	0.85
No	2	0.91	0.98	0.90	0.90	0.90
No	3	0.94	0.98	0.94	0.94	0.94
No	4	0.97	0.99	0.97	0.97	0.97
No	>4	1.00	1.00	1.00	1.00	1.00
Yes	<=0	0.84	0.87	0.81	0.77	0.77
Yes	1	0.86	0.87	0.84	0.84	0.83
Yes	2	0.87	0.88	0.86	0.86	0.86
Yes	3	0.88	0.88	0.88	0.88	0.88
Yes	4	0.89	0.89	0.89	0.89	0.89
Yes	>4	0.90	0.90	0.90	0.90	0.90

**Table 4.E.15.b., Vehicle Matrix Discount Factors**

**16. Policy Accident-Free Discount****a. Eligibility**

If all listed drivers on the policy:

1. have no at-fault accidents (with any paid loss) or major convictions in the last 3 years, and
2. the named insured has at least five years of driving experience,

then all private passenger autos on the policy are eligible for the Policy Accident Free Discount.

**b.** The discount amount increases if all listed drivers meet the above criteria for the last 4 or 5 years of driving history.

**c.** Use the table below to determine the factor to be applied.

**d.** Refer to the Classification Factors section of this manual for the factor to apply.

**17. Policy Matrix Discount**

The Policy Matrix Discount recognizes reduced loss potential and reduced expenses incurred for several factors.

**a. Pay-in-Full (PIF) Payment Plan Type**

To recognize the savings associated with certain payment plans, the following are included in the Vehicle Matrix Discount:

- (1) Insureds who select the 1-Pay or 2-Pay billing plans at the point of sale qualify.
- (2) This discount is not available midterm and may only be applied at the auto policy's inception or upon renewal.
- (3) Refer to Paragraph **A.1.** and **A.2.** in **Rule 22** for details on these payment options.

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**4. CLASSIFICATIONS, (cont.)**


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**b. Companion Products**

(1) An insured who has a Personal Automobile insurance policy with Republic Underwriters Insurance Company and one or more of the following with any company in The Republic Group qualifies.

**(a) Category One**

Owner occupied homeowners policy (**HO 00 03** or **HO 00 06**)

**(b) Category Two**

(i) Tenant occupied homeowners policy (**HO 00 04**)

(ii) Dwelling policy (Owner or tenant occupied, **DP 00 01** or **DP 00 03**)

**(c) Category Three**

(i) Farm and Ranch policy

(ii) Personal Umbrella or other personal lines policy

**(d) Category Four**

Policies in two or more of the categories above. Multiple policies in the same category (such as two HO 00 03's) do **NOT** qualify.

2. Policies on secondary and seasonal dwellings do not qualify for this credit.

**c. Advanced Quote**

(1) New business policies where the quote is initiated by the customer and uploaded to Republic systems by the agent seven or more days in advance of the policy effective date are eligible.

(2) The named insured must have a prior insurance policy with no days lapse in coverage to qualify.

(3) This discount will continue to apply at renewal.

d. Refer to the Classification Factors section of this manual for the factor to apply.

**18. Pickups and Vans**

a. Liability and Physical Damage: Rate as private passenger auto.

For non-symbolled pickups, determine a symbol based on original cost new from the Price/Symbol Charts in the Symbol and Identification Manual.

b. Refer to **Rule 14.H.** for rating of custom equipment on pickups and vans.

c. Camper bodies with or without facilities for cooking or sleeping: Rate as separate item. Refer to **Rule 19.B.**

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**5. MERIT RATING PLAN**


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The Merit Rating Plan is designed to provide appropriate rates for all drivers based on their driving record history. Drivers that are free from accidents and convictions pay lower premiums while those with driving incidents pay higher premiums. All automobiles are eligible for rating regarding this rule.

**A. Experience Period**

1. New Business: three years immediately preceding the application.

2. Renewal Business: three years immediately preceding the renewal effective date.

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**5. MERIT RATING PLAN, (cont.)**


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**B. Administration**

Information necessary to assign the proper Merit Rating Plan assignments for new and renewal business will be determined by any one or a combination of the following:

1. Company's own records.
2. Motor Vehicle Records (MVRs).
3. CLUE reports.
4. Applications signed by the applicant and producer.

**C. Assigning Merit Rating Plan Surcharges to Autos**

1. The driving record of all drivers who customarily operate the autos being insured shall be used for the purpose of determining Merit Rating Plan surcharges. No surcharges are assigned for the convictions or at fault accidents of:
  - a. A driver demonstrated to be a named insured or a principal operator of an auto insured under a separate policy.
  - b. A driver specifically excluded under a named driver exclusion.

**2. Assigning Drivers To Autos**

Assign each driver to the same auto he or she has been assigned to in accordance with **Rule 4.C.** above.

**D. Convictions Surcharges****1. Definition**

- a. The term conviction shall include a conviction upon a plea of guilty, or of nolo contendere; or the determination of guilt by a jury or by a court though no sentence has been imposed or, if imposed, has been suspended, including a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated; or a prayer for judgment continued.
- b. If the conviction date is not available, the date the violation occurred shall be considered as a conviction.

**2. Major Convictions**

- a. A driver with major convictions will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of major convictions and the months since latest incident (defined as the number of months between the date of the most recent chargeable conviction and the effective date of the policy).
- b. If an occurrence results in both a chargeable at-fault accident and a major violation, only the Major violation will incur a surcharge. The at-fault accident will not be surcharged in this case.
- c. Major convictions are as follows:

Alcohol/Drug Violation	Careless/Reckless/Imprudent Driving	Criminal Negligence Injury/Fatality
Driving w/ Altered or Stolen License	Driving while Intoxicated/Impaired (see note 1)	Evading Arrest
Failure to obey Police Officer	Failure to Stop & Render Aid	False Statement to Insurance
Felony Involving Vehicle	Giving False Report	Gross Criminal Negligence
Hit & Run	Leaving Scene of Accident	License Suspended, Cancelled, or Revoked
Passing Stopped School Bus	Permit Unlicensed Driver to Drive or No License in Effect (see note 2)	Probation/Conditional License

**5. MERIT RATING PLAN, (cont.)**

Racing Vehicular Homicide /Manslaughter/Assault	Transport Hazardous Substance	Unsafe Driving
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**Table 5.D.2.b., List of Major Convictions**

- (1) Operating a motor vehicle while intoxicated/impaired includes under the influence of intoxicants, alcohol or drugs; open container or bottle, implied consent, refusal to submit to chemical test, and refusal to submit to breath test.
- (2) no surcharge will be charged for a conviction of failure to have a motorcycle operator's endorsement provided the operator has an otherwise valid driver's or operator's license.

**d. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**3. Minor Conviction Surcharge**

- a. A driver with minor convictions will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of minor convictions and the months since latest incident (defined as the number of months between the date of the most recent chargeable conviction and the effective date of the policy).
- b. If an occurrence results in both a chargeable at-fault accident and a minor violation, only the at-fault accident will incur a surcharge. The minor violation will not be surcharged in this case. If the at-fault accident is not chargeable, then the minor violation will be surcharged.

**c. Definition**

A minor conviction is a conviction of any other type of moving traffic violation not listed under **Rule 5.D.2. Major Convictions**. This includes but is not limited to the following:

Disobey Emergency Vehicle	Disobey Traffic Control Device	Driving below minimum Speed Limit
Driving on Shoulder/Where Prohibited	Driving on wrong side of road/Wrong Way	Driving too Fast for Conditions
Failure to Control Vehicle	Failure to Dim Lights	Failure to Observe Safety Zone
Failure to Signal Direction	Failure to stay in own lane	Failure to Surrender License
Failure to use Child Restraint	Failure to Use Due Care	Failure to Yield/Stop
Following Too Closely	Illegal Passing	Improper Backing
Improper Lane Change	Improper Parking	Improper Turn
Improper Use of Vehicle	No Seat Belt	Obstructed Vision/Hearing
Obstructing Traffic	Operating Vehicle w/o License or Permit	Prohibited U Turn
Ran off Road	Ran Stop Sign/Red Light	Speeding
Vehicle Unsafe Condition		

**Table 5.D.3.b, List on Minor Violations**

**d. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**E. Accidents**

- 1. Accidents noted on an application or MVR are deemed to be at-fault unless proof is provided to verify that the insured was not-at-fault. Accidents shown on a CLUE report are deemed at-fault if payments were made under the liability coverages. Accidents that occur while insured with the company will have fault determined by the company's evaluation of the claim.

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**5. MERIT RATING PLAN, (cont.)**

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2. Accidents that are considered to be not-at-fault include but are not limited to the following:
  - a. The accident was caused by collision with a bird or animal.
  - b. Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
  - c. The automobile was struck in the rear by another vehicle and the driver of the automobile, which was struck in the rear, was not convicted of a moving violation in association with the accident.
  - d. The automobile was struck by a "hit-and-run" driver and the accident was properly reported to authorities with 24 hours.
  - e. The driver of the automobile was not convicted of a moving violation in connection with the accident, but the driver of another vehicle involved in the accident was convicted of a moving traffic violation.
  - f. Accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects.
  - g. Accidents occurring when using an auto, regardless of ownership, in performance of duty if the operator of the auto at the time of the accident was a paid volunteer peace officer, firefighter, operator of emergency vehicles, or member of any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in the performance of duty.
  - h. The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
3. A driver with an at-fault accident where insurance company payments to all payees exceeds:
  - a. \$1,000 for accidents occurring prior to 12/15/2010 and/or any accidents evaluated prior to the 12/15/2011 effective date or
  - b. \$2,000 for accidents occurring after 12/15/2010 and evaluated after the 12/15/2011 effective date will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of at-fault accidents and the months since latest incident (defined as the number of months between the date of the most recent chargeable accident and the effective date of the policy).
4. Not applicable.

**5. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**F. First Accident Forgiveness**

1. For policies that meet all of the following criteria, the first at-fault accident where insurance company payments to all payees exceeds \$1,000 will have the surcharge waived:
  - a. The policy has been written with the company for at least 3 years of continuous insurance.
  - b. The most recent policy renewal has the Policy Accident Free Discount 5-year level applied. Refer to **Rule 4.E.16** for the Policy Accident Free Discount qualifications.
  - c. There are no other at-fault accidents currently being forgiven from prior application of First Accident Forgiveness associated with any driver assigned to the policy in the prior 5 years.
  - d. The driver that has the at-fault accident must be age 21 or older.
2. First Accident Forgiveness does not apply to **Rule 4.E.16.**, the Policy Accident Free Discount. It will be removed from the policy at renewal following an at-fault accident.

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**5. MERIT RATING PLAN, (cont.)**

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**G. Refund of Surcharged Premium**

If a surcharge has been assigned for a conviction or accident, and it is later determined:

1. That the accident falls under one of the exceptions in this rule; or
2. That the conviction was overturned; or
3. The charge was inappropriately applied for any other reason;

the company shall refund to the insured the increased portion of the premium generated by the surcharge.

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**6. MODEL YEAR WHEN USED IN RATING COVERAGES**

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- A. The model year of the auto is the year assigned by the auto manufacturer.
- B. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.

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**7. MINIMUM PREMIUM RULE**

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- A. A minimum annual premium charge shall be made for each policy, certificate, declaration or binder covering one or more of the following perils:
  1. Comprehensive,
  2. Collision,
  3. Bodily Injury Liability, or
  4. Property Damage Liability.
- B. Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.
- C. The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge shall be adjusted on a pro rata basis, as the conditions require.
- D. The minimum policy premium is \$100.

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**8. POLICY PERIOD**

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- A. No policy may be written for a period longer than 12 months.
- B. For twelve month policies, charge the annual premium. Policy terms of less than twelve months are not available unless written as a short term policy under C. below.
- C. Short Term Policies  
Policies written for less than 12 months shall be written on a pro rata basis in accordance with the Pro Rata Table in the Cancellation rule.

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**9. CHANGES**

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- A. All changes requiring premium adjustments shall be computed pro rata.
- B. If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.
- C. Minimal Premium Adjustments  
All premium shall be returned.

**9. CHANGES, (cont)**

- D. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges.

**10. CANCELLATION**

- A. If a policy, vehicle or form of coverage is cancelled, compute the return premium pro rata.
- B. Instructions for Use of **PRO RATA TABLES**
1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g. March 7, 1976 is designated as 1976.181.
  2. In like manner, express the effective date of the policy by year and decimal part of a year and subtract from the cancellation date.
3. The difference in the case of 1 year policies, represents the percentage of the annual premium which is to be retained by the company.

<b>Example:</b>	
Cancellation date May 19, 1976.....	1976.381
Effective date March 2, 1976.....	1976.167
	.214

**Table 10.B.3., Cancellation Example**

Earned premium for a 1 Year Term Policy will therefore be .214 times the annual premium.

**Note:** As it is not customary to charge for the extra day (February 29th) which occurs one year in every four years this table shall also be used for each such year.

## 4. YOUTHFUL DRIVER DISCOUNTS, (cont'd)

Market Tier	Age	Dr. Trn.	Gd. Std.	Dst. Std.	BI	PD	MP	Comp	Coll
Non-Standard	22	Yes	No	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	22	Yes	Yes	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	22	Yes	No	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	22	Yes	Yes	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	No	No	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	No	Yes	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	No	No	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	No	Yes	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	Yes	No	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	Yes	Yes	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	Yes	No	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	23	Yes	Yes	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	No	No	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	No	Yes	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	No	No	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	No	Yes	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	Yes	No	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	Yes	Yes	No	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	Yes	No	Yes	1.00	1.00	1.00	1.00	1.00
Non-Standard	24	Yes	Yes	Yes	1.00	1.00	1.00	1.00	1.00

Table 4.C., Youthful Discount Factors, Non-Standard Tier

## 5. POLICY ACCIDENT-FREE DISCOUNT

Tenure (Policy Mod)	Market Tier	Named Insured Years Licensed	Years Clean	BI	PD	MP	Comp	Coll
0	Preferred	0-4	any	1.00	1.00	1.00	1.00	1.00
0	Preferred	5+	<3	1.00	1.00	1.00	1.00	1.00
0	Preferred	5+	3	0.97	0.97	0.97	0.98	0.97
0	Preferred	5+	4	0.94	0.94	0.94	0.96	0.94
0	Preferred	5+	5	0.81	0.81	0.81	0.87	0.81
0	Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
0	Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
0	Standard	5+	3	0.96	0.96	0.96	0.98	0.96
0	Standard	5+	4	0.93	0.93	0.93	0.96	0.93
0	Standard	5+	5	0.89	0.89	0.89	0.94	0.89
0	Non-Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
0	Non-Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
0	Non-Standard	5+	3	0.92	0.92	0.92	0.99	0.92

## 5. POLICY ACCIDENT-FREE DISCOUNT, (cont)

Tenure (Policy Mod)	Market Tier	Named Insured Years Licensed	Years Clean	BI	PD	MP	Comp	Coll
0	Non-Standard	5+	4	0.90	0.90	0.90	0.98	0.90
0	Non-Standard	5+	5	0.85	0.85	0.85	0.97	0.85
1	Preferred	0-4	any	1.00	1.00	1.00	1.00	1.00
1	Preferred	5+	<3	1.00	1.00	1.00	1.00	1.00
1	Preferred	5+	3	0.97	0.97	0.97	0.98	0.97
1	Preferred	5+	4	0.94	0.94	0.94	0.96	0.94
1	Preferred	5+	5	0.84	0.84	0.84	0.90	0.84
1	Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
1	Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
1	Standard	5+	3	0.96	0.96	0.96	0.98	0.96
1	Standard	5+	4	0.93	0.93	0.93	0.96	0.93
1	Standard	5+	5	0.89	0.89	0.89	0.94	0.89
1	Non-Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
1	Non-Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
1	Non-Standard	5+	3	0.92	0.92	0.92	0.99	0.92
1	Non-Standard	5+	4	0.90	0.90	0.90	0.98	0.90
1	Non-Standard	5+	5	0.85	0.85	0.85	0.97	0.85
2	Preferred	0-4	any	1.00	1.00	1.00	1.00	1.00
2	Preferred	5+	<3	1.00	1.00	1.00	1.00	1.00
2	Preferred	5+	3	0.97	0.97	0.97	0.98	0.97
2	Preferred	5+	4	0.94	0.94	0.94	0.96	0.94
2	Preferred	5+	5	0.87	0.87	0.87	0.92	0.87
2	Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
2	Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
2	Standard	5+	3	0.96	0.96	0.96	0.98	0.96
2	Standard	5+	4	0.93	0.93	0.93	0.96	0.93
2	Standard	5+	5	0.89	0.89	0.89	0.94	0.89
2	Non-Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
2	Non-Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
2	Non-Standard	5+	3	0.92	0.92	0.92	0.99	0.92
2	Non-Standard	5+	4	0.90	0.90	0.90	0.98	0.90
2	Non-Standard	5+	5	0.85	0.85	0.85	0.97	0.85
3	Preferred	0-4	any	1.00	1.00	1.00	1.00	1.00
3	Preferred	5+	<3	1.00	1.00	1.00	1.00	1.00
3	Preferred	5+	3	0.97	0.97	0.97	0.98	0.97
3	Preferred	5+	4	0.94	0.94	0.94	0.96	0.94
3	Preferred	5+	5	0.90	0.90	0.90	0.94	0.90

## 5. POLICY ACCIDENT-FREE DISCOUNT, (cont)

Tenure (Policy Mod)	Market Tier	Named Insured Years Licensed	Years Clean	BI	PD	MP	Comp	Coll
3	Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
3	Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
3	Standard	5+	3	0.96	0.96	0.96	0.98	0.96
3	Standard	5+	4	0.93	0.93	0.93	0.96	0.93
3	Standard	5+	5	0.91	0.91	0.91	0.95	0.91
3	Non-Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
3	Non-Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
3	Non-Standard	5+	3	0.92	0.92	0.92	0.99	0.92
3	Non-Standard	5+	4	0.90	0.90	0.90	0.98	0.90
3	Non-Standard	5+	5	0.87	0.87	0.87	0.97	0.87
4+	Preferred	0-4	any	1.00	1.00	1.00	1.00	1.00
4+	Preferred	5+	<3	1.00	1.00	1.00	1.00	1.00
4+	Preferred	5+	3	0.97	0.97	0.97	0.98	0.97
4+	Preferred	5+	4	0.94	0.94	0.94	0.96	0.94
4+	Preferred	5+	5	0.92	0.92	0.92	0.95	0.92
4+	Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
4+	Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
4+	Standard	5+	3	0.96	0.96	0.96	0.98	0.96
4+	Standard	5+	4	0.95	0.95	0.95	0.97	0.95
4+	Standard	5+	5	0.93	0.93	0.93	0.96	0.93
4+	Non-Standard	0-4	any	1.00	1.00	1.00	1.00	1.00
4+	Non-Standard	5+	<3	1.00	1.00	1.00	1.00	1.00
4+	Non-Standard	5+	3	0.92	0.92	0.92	0.99	0.92
4+	Non-Standard	5+	4	0.91	0.91	0.91	0.99	0.91
4+	Non-Standard	5+	5	0.90	0.90	0.90	0.98	0.90

Table 5, Policy Accident-Free Discount

## 1. Base Rates

Coverage	Base Limit	Base Rate
BI	25,000/50,000	\$179.11
PD	25,000	\$163.98
MP (MP portion only)	5,000	\$57.53
UMBI	25,000/50,000	\$27.15
UIM	25,000/50,000	\$22.35
UMPD	25,000; 200 deductible	\$17.26
Comprehensive	100 deductible	\$229.42
Collision	250 deductible	\$422.49

Table R.1., Base Rates

## 2. Territory Factors

Territory	BI	PD	MP	UM-BI/UIM	UMPD	Comp	Coll
1	0.95	1.04	1.01	0.97	1.04	1.07	1.02
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3	0.92	0.90	0.98	1.00	1.08	1.32	1.06
4	0.92	0.88	0.99	1.01	1.07	1.39	1.06
5	0.91	0.89	0.99	1.02	1.07	1.43	1.07
6	0.92	0.90	1.01	1.02	1.09	1.47	1.09
7	0.93	0.92	0.99	1.03	1.06	1.37	1.08
8	0.94	0.94	0.99	1.06	1.06	1.39	1.09
9	0.97	0.92	1.03	1.06	1.10	1.54	1.08
10	0.95	0.89	0.97	1.03	1.10	1.46	1.05
11	1.13	1.05	1.01	1.03	1.04	1.18	1.04
12	1.00	0.95	1.01	1.01	1.06	1.42	1.04
13	1.01	0.95	1.07	1.08	1.06	1.51	1.06
14	1.00	0.94	1.01	1.07	0.99	1.32	0.97
15	1.03	0.95	1.03	1.06	1.00	1.44	0.99
16	1.00	0.90	1.02	1.08	1.05	1.49	1.05
17	1.04	0.95	1.01	1.04	1.07	1.40	1.04
18	1.03	0.94	1.00	1.05	1.08	1.47	1.05
19	1.04	0.92	1.05	1.05	1.02	1.57	1.02
20	1.14	1.02	1.02	1.05	1.04	1.16	1.04
21	1.15	0.97	1.12	1.06	1.02	1.26	1.03
22	1.14	1.01	1.03	1.11	1.04	1.22	1.07
23	1.00	0.94	1.00	1.01	1.06	1.46	1.08
24	1.10	1.04	1.02	1.01	1.08	1.37	1.09
25	0.96	0.90	1.03	1.02	1.11	1.72	1.12
26	0.92	0.85	0.99	1.00	1.09	1.55	1.05
27	0.93	0.90	1.04	0.99	1.09	1.69	1.12
28	0.94	0.90	1.04	0.99	1.07	1.69	1.11
29	0.94	0.89	1.03	1.01	1.08	1.72	1.10
30	0.94	0.88	1.01	1.02	1.06	1.79	1.09
31	0.96	0.89	1.02	1.00	1.06	1.70	1.10
32	0.98	0.90	0.99	1.00	1.06	1.50	1.13

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
 Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
 Company Tracking Number: 11-555  
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	A-1 Private Passenger Auto Abstract	Filed	12/15/2011

**Comments:**

**Attachment:**

FORM A-1 Private passenger automobile abstract.pdf

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	APCS-Auto Premium Comparison Survey	Filed	12/15/2011

**Comments:**

PDF and Excel formats are both attached.

**Attachments:**

PPA Survey FORM APCS Effective 2011-11-15.pdf  
 AR PA.xls

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	NAIC loss cost data entry document	Filed	12/15/2011

**Comments:**

**Attachment:**

FORM RF-1 Rate Filing Abstract.pdf

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	12/15/2011

**Bypass Reason:** N/A - not adopting loss costs

**Comments:**

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Actuarial Support	Filed	12/15/2011
<b>Comments:</b>		
<b>Attachments:</b>		
Actuarial Memorandum (eff 2011-11-15).pdf		
Filing Exhibits.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Additional APCS	Filed	12/15/2011
<b>Comments:</b>		
Revised formatting of numbers, to ensure one of the two versions loads successfully into AR systems.		
<b>Attachment:</b>		
PPA Survey FORM APCS Effective 2011-11-15.xls		

PRIVATE PASSENGER AUTOMOBILE ABSTRACT

Instructions: All questions must be answered. If the answer is "none" or "Not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submission that do not alter the information contained herein need not include this form.

Company Name **Republic Underwriters Insurance Company**

NAIC No. **24538**

Group No. **3489**

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance?  
**No**
2. Do you furnish a market for young drivers? **yes**  
Over age 65 drivers? **yes**
3. Do you require collateral business to support a youthful driver risk? **no**
4. Do you insure driver with an international or foreign driver's license? **yes**
5. Specify the percentage you allow in credit or discounts for the following:
 

a.	Driver Over 55	<b>10%</b>
b.	Good Student Discount	<b>up to 17%</b>
c.	Multi-car Discount	<b>up to 20%</b>
d.	Accident Free Discount*	<b>3 - 19%</b>
*Please Specify Qualification for Discount <b>All drivers on the policy must have no at-fault accidents or major violations in the past 3 years. Larger discounts are available if criteria are met for the past 4-5 years.</b>		
e.	Anti-theft Discount	<b>2 - 5%</b>
f.	Other (specify)	
	<b>Hybrid Auto Discount</b>	<b>up to 10%</b>
	<b>New Vehicle Discount</b>	<b>up to 15%</b>
	<b>Passive Restraints Discount</b>	<b>2 - 10%</b>
	<b>Corporate Car Discount</b>	<b>15%</b>
	<b>Policy Discount (Advanced Quote, Pay-In-Full, and/or Multi-Policy)</b>	<b>2 - 22%</b>
	<b>Youthful Driver Training Discount</b>	<b>up to 3%</b>
	<b>Youthful Distant Student Discount</b>	<b>up to 20%</b>
	<b>College Graduate Scholastic Achievement Discount</b>	<b>5%</b>
6. Do you have an installment payment plan for automobile insurance? **yes**  
If so, what is the fee for installment payments? **\$3-\$5 for mail-in payments, no fee for EFT**

7. Does your company utilize a tiered rating plan? **Yes** If so, list the programs and percentage difference. State the current volume for each program.

Tier	Distribution	Percentage Difference*
1	3.9%	-24%
2	9.3%	-21%
3	8.3%	-18%
4	11.1%	-14%
5	9.1%	-10%
6	10.6%	-4%
7	10.1%	0%
8	16.4%	15%
9	6.3%	22%
10	6.4%	27%
11	3.9%	32%
12	4.2%	40%
13	0.4%	61%
14	0.1%	74%
15	0.0%	89%
16	0.0%	114%
17	0.0%	183%

\* Base Tier 7, difference for BI/PD coverages.

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

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Signature

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Title

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Telephone Number

## Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

**NAIC Number:** 24538  
**Company Name:** Republic Underwriters Insurance Company  
**Contact Person:** Randall Buda  
**Telephone No.:** 972-788-6620  
**Email Address:** [randall.buda@republicgroup.com](mailto:randall.buda@republicgroup.com)  
**Effective Date:** 12/15/2011

**Assumptions to Use:**

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident  
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**  
*Uninsured motorist property and bodily injury equal to liability coverage*  
*Underinsured bodily injury equal to liability coverage*
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

**Submit to:** Arkansas Insurance Department  
 1200 West Third Street  
 Little Rock, AR 72201-1904  
**Telephone:** 501-371-2800  
 Email as an attachment to [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)  
 You may also attach to a SERFF filing or submit on a compact disk

**DISCOUNTS OFFERED:**

PASSIVE RESTRAINT/AIRBAG	2 - 10	%
AUTO/HOMEOWNERS	5 - 15	%
GOOD STUDENT	3 - 17	%
ANTI-THEFT DEVICE	2 - 5	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.	21-25% / 8-13	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female
				18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
1999 Chevrolet Silverado 1500 2WD "LS" regular cab 119" WB	Minimum Liability			\$1,319	\$1,548	\$525	\$442	\$1,279	\$1,498	\$516	\$438	\$1,629	\$1,918	\$639	\$537	\$1,268	\$1,484	\$510	\$432	\$1,411	\$1,657	\$561	\$473
	Minimum Liability with Comprehensive and Collision			\$1,837	\$2,235	\$739	\$573	\$1,894	\$2,303	\$786	\$604	\$2,113	\$2,566	\$833	\$650	\$1,989	\$2,416	\$836	\$636	\$1,954	\$2,373	\$790	\$612
	100/300/50 Liability with Comprehensive and Collision			\$2,080	\$2,516	\$849	\$671	\$2,148	\$2,597	\$902	\$708	\$2,431	\$2,936	\$971	\$772	\$2,238	\$2,706	\$951	\$738	\$2,236	\$2,699	\$915	\$723
2003 Ford Explorer 'XLT' 2WD, 4 door	Minimum Liability			\$1,442	\$1,692	\$568	\$478	\$1,399	\$1,638	\$559	\$472	\$1,780	\$2,096	\$694	\$581	\$1,387	\$1,624	\$553	\$467	\$1,546	\$1,813	\$608	\$512
	Minimum Liability with Comprehensive and Collision			\$2,362	\$2,899	\$958	\$729	\$2,465	\$3,020	\$1,030	\$777	\$2,673	\$3,274	\$1,064	\$815	\$2,611	\$3,198	\$1,108	\$826	\$2,508	\$3,071	\$1,025	\$777
	100/300/50 Liability with Comprehensive and Collision			\$2,623	\$3,202	\$1,074	\$832	\$2,737	\$3,336	\$1,153	\$886	\$3,016	\$3,675	\$1,211	\$943	\$2,879	\$3,509	\$1,228	\$933	\$2,811	\$3,425	\$1,156	\$893
2003 Honda Odyssey "EX"	Minimum Liability			\$1,087	\$1,270	\$443	\$377	\$1,059	\$1,233	\$439	\$374	\$1,336	\$1,566	\$537	\$454	\$1,050	\$1,222	\$433	\$371	\$1,166	\$1,361	\$473	\$404
	Minimum Liability with Comprehensive and Collision			\$2,004	\$2,470	\$834	\$634	\$2,108	\$2,590	\$904	\$679	\$2,239	\$2,754	\$914	\$698	\$2,245	\$2,760	\$976	\$726	\$2,123	\$2,610	\$889	\$673
	100/300/50 Liability with Comprehensive and Collision			\$2,206	\$2,703	\$931	\$721	\$2,320	\$2,834	\$1,007	\$772	\$2,503	\$3,059	\$1,036	\$806	\$2,454	\$3,000	\$1,076	\$816	\$2,358	\$2,881	\$1,000	\$772
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability			\$1,321	\$1,542	\$527	\$446	\$1,285	\$1,497	\$519	\$442	\$1,620	\$1,898	\$638	\$537	\$1,274	\$1,485	\$514	\$437	\$1,417	\$1,655	\$564	\$478
	Minimum Liability with Comprehensive and Collision			\$2,468	\$3,035	\$1,026	\$772	\$2,612	\$3,203	\$1,120	\$833	\$2,749	\$3,378	\$1,122	\$849	\$2,791	\$3,426	\$1,216	\$895	\$2,623	\$3,218	\$1,098	\$825
	100/300/50 Liability with Comprehensive and Collision			\$2,703	\$3,308	\$1,134	\$868	\$2,857	\$3,488	\$1,234	\$935	\$3,057	\$3,737	\$1,257	\$969	\$3,034	\$3,705	\$1,327	\$995	\$2,896	\$3,534	\$1,220	\$933
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability			\$1,199	\$1,404	\$482	\$409	\$1,165	\$1,361	\$476	\$404	\$1,478	\$1,735	\$586	\$494	\$1,155	\$1,349	\$471	\$401	\$1,286	\$1,505	\$516	\$437
	Minimum Liability with Comprehensive and Collision			\$2,589	\$3,201	\$1,097	\$816	\$2,770	\$3,413	\$1,214	\$891	\$2,855	\$3,525	\$1,190	\$890	\$2,986	\$3,680	\$1,331	\$967	\$2,752	\$3,392	\$1,178	\$872
	100/300/50 Liability with Comprehensive and Collision			\$2,811	\$3,458	\$1,201	\$909	\$3,003	\$3,681	\$1,324	\$989	\$3,146	\$3,863	\$1,319	\$1,004	\$3,215	\$3,943	\$1,438	\$1,063	\$3,009	\$3,690	\$1,295	\$976
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability			\$1,419	\$1,660	\$561	\$473	\$1,377	\$1,607	\$551	\$467	\$1,743	\$2,045	\$681	\$571	\$1,366	\$1,593	\$547	\$463	\$1,519	\$1,777	\$600	\$506
	Minimum Liability with Comprehensive and Collision			\$1,985	\$2,405	\$803	\$620	\$2,061	\$2,492	\$860	\$659	\$2,271	\$2,751	\$899	\$700	\$2,169	\$2,626	\$920	\$695	\$2,117	\$2,560	\$863	\$664
	100/300/50 Liability with Comprehensive and Collision			\$2,235	\$2,695	\$916	\$720	\$2,323	\$2,795	\$980	\$764	\$2,599	\$3,134	\$1,042	\$824	\$2,426	\$2,923	\$1,035	\$799	\$2,407	\$2,898	\$990	\$777

*SERFF Tracking Number:* TRGR-127657330                      *State:* Arkansas  
*Filing Company:* Republic Underwriters Insurance Company      *State Tracking Number:*  
*Company Tracking Number:* 11-555  
*TOI:* 19.0 Personal Auto                      *Sub-TOI:* 19.0000 Personal Auto Combinations  
*Product Name:* Republic RoadMaster (sm) Personal Automobile Program  
*Project Name/Number:* Rate and Rule Revision/

Attachment "AR PA.xls" is not a PDF document and cannot be reproduced here.

## NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>11-555</b>
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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	<b>N/A</b>
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Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	<b>Republic Underwriters Insurance Company</b>	<b>B.</b>	<b>24538</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>Personal Auto</b>	<b>B.</b>	<b>Private Passenger Auto</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
<b>BI</b>	<b>11.2%</b>	<b>3.7%</b>					
<b>PD</b>	<b>12.6%</b>	<b>3.9%</b>					
<b>PIP</b>	<b>44.9%</b>	<b>21.3%</b>					
<b>UMBI</b>	<b>5.1%</b>	<b>0.0%</b>					
<b>UMPD</b>	<b>37.6%</b>	<b>19.2%</b>					
<b>Comprehensive</b>	<b>29.7%</b>	<b>13.1%</b>					
<b>Collision</b>	<b>4.1%</b>	<b>2.3%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>12.4%</b>	<b>5.0%</b>					

<b>6.</b>		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
<b>2009</b>	<b>NewProgram</b>						
<b>2011</b>	<b>2,622</b>	<b>5.0%</b>	<b>12/15/11</b>	<b>3512976</b>	<b>2515581</b>	<b>71.6%</b>	<b>60.7%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>20.7 / 20.7%</b>
B. General Expense	<b>7.2 / 7.3%</b>
C. Taxes, License & Fees	<b>3.5% / 3.5%</b>
D. Underwriting Profit & Contingencies	<b>8.5% / 4.7%</b>
E. Reinsurance (Phys Dmg)	<b>0.8%</b>
<b>F. TOTAL</b>	<b>39.9 / 37.0%</b>

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 11.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
- 10.** - 3.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_

**ACTUARIAL FILING MEMORANDUM**  
**Arkansas Republic Roadmaster Auto Program**  
**Republic Underwriters Insurance Company**

The Republic Group proposes a +6.1% rate change for our Roadmaster Auto Program written in Republic Underwriters Insurance Company. Our indicated overall rate change is +12.4%. Proposed effective dates are November 15, 2011 for new business and December 15, 2011 for renewals. This is our first rate change since implementation of the new Roadmaster program on January 26, 2009.

The overall change includes modifications to the tier relativities, policy accident free discount, at-fault accident surcharge threshold, and the charge for New Vehicle Replacement coverage.

Base rates are offset as necessary to achieve the overall average effect by coverage, as shown below.

<b>Coverage</b>	<b>Effect</b>
Bodily Injury (BI)	4.8%
Property Damage (PD)	5.0%
Personal Injury Protection (PIP)	21.3%
Uninsured Motorist BI (UMBI)	0.0%
Uninsured Motorist PD (UMPD)	19.2%
Comprehensive (CP)	18.8%
Collision (CL)	2.3%
Miscellaneous Coverages	0.0%
<b>Total</b>	<b>6.1%</b>

The following exhibits provide rate indications and further details on each of the rate relativity changes.

**Exhibit 1: Statewide Rate Level Indications Summary**

Exhibit provides a summary of rate level indications and selected changes by coverage. Coverage summaries for liability and physical damage are shown, along with the all-coverage total.

**Exhibit 2: Statewide Rate Level Indications by Coverage**

This is a detailed set of exhibits illustrating the calculation of rate level indications for individual coverages.

<b>Coverage</b>	<b>Exhibits 2-6</b>
Bodily Injury (BI)	Sheet 1
Property Damage (PD)	Sheet 2
Personal Injury Protection (PIP)	Sheet 3
Uninsured Motorist BI (UMBI)	Sheet 4
Uninsured Motorist PD (UMPD)	Sheet 5
Comprehensive (CP)	Sheet 6
Collision (CL)	Sheet 7

# **ACTUARIAL FILING MEMORANDUM**

## **Arkansas Republic Roadmaster Auto Program**

### **Republic Underwriters Insurance Company**

The weighted loss ratio is determined by calculating trended ultimate losses and trended premiums at current rate level for fiscal accident years 6/30/2009, 6/30/2010, and 6/31/2011 and weighting them together. The indicated rate level change is calculated based on information from expense exhibits. Credibility is calculated using incurred claim counts and the 1084 standard. The complement of credibility is the net trend selection. Indicated statewide rate level changes include credibility considerations.

#### **Exhibit 3: Loss Development**

Loss development triangles are provided by coverage based on Republic Group countrywide experience. Evaluations are provided at 12, 24, 36, 48, 60, 72, and 84 month periods for accident year ending 6/30/2011. Selected link ratios are shown at the bottom of the page, along with calculated LDF to ultimate development factors.

#### **Exhibit 4: Loss Trend**

Frequency, severity, and pure premium loss trends by coverage are shown for AR Roadmaster experience and industry Fast Track. Trend selections are made for frequency and severity, and pure premium results are calculated using these selections. Industry data is given more consideration in the trend selection process at this point, due to lack of credibility of company data.

#### **Exhibit 5: Premium On Level Factors**

This exhibit provides a history of rate changes by coverage and resulting on-level factors for each fiscal year ending 6/30. Premiums are brought to current rate level using the parallelogram method.

#### **Exhibit 6: Premium Trend**

Average earned premiums by coverage for Texas Roadmaster data are shown for each year-quarter on a rolling four quarter basis. Trend selections are based on the 4-point and 6-point fits.

#### **Exhibit 7: Loss Adjustment Expenses (LAE)**

Sheets 1-3 show LAE data for liability coverages and sheets 4-6 for physical damage coverages. Sheets 1 and 4 provide a summary of selected Allocated LAE and Unallocated LAE provisions and the resulting total LAE provision for the line of business. Development of Allocated Loss Adjustment Expenses (ALAE) is shown on an Incurred and Paid Basis on Sheets 2 and 5. Development of Unallocated Loss Adjustment Expense (ULAE) is shown on Sheets 4 and 6.

#### **Exhibit 8: Expense Provisions**

A summary of variable and fixed expense components is provided on Sheet 1, along with calculation of the Permissible Loss, LAE, and Fixed Expense Ratio. Sheet 2 lists the expense component accounting data by calendar year for

**ACTUARIAL FILING MEMORANDUM**  
**Arkansas Republic Roadmaster Auto Program**  
**Republic Underwriters Insurance Company**

Liability and Sheet 3 for Physical Damage coverages. Selected expense ratios are shown on the far right side of the page. Sheet 4 provides policy fee data and ratio to written premiums.

**Exhibit 9: Profit Provision**

The Republic Group targets an after-tax return on equity of 12%. On Sheet 1, the resulting target pre-tax underwriting profit is 8.5% for liability coverages. Sheet 4 shows the resulting 4.7% pre-tax underwriting profit target for physical damage coverages. Sheets 2 and 5 provide the Estimated Investment Earnings on Loss and Loss Adjustment Expense Reserves. Sheets 3 and 6 provide Estimated Investment Earnings on Unearned Premium Reserves. Calculation of the After-Tax Investment Rate of Return is shown on Sheet 7.

**Exhibit 10: Catastrophe Load**

Historical experience for Arkansas is very limited with 2 years of data. Normally, we consider 10 or more years of catastrophe data in determining the average load. With no other sources of information, the 2-year average is selected. This could change dramatically in the future based on gathering more years experience. This is applied to non-cat comprehensive coverage losses in development of the indication.

**Rate Factor, Rule, and Endorsement Changes**

**Underwriting Tier Factors** are being lowered by 2-5% for tiers 1-5, based on favorable loss experience. The revised rate manual includes the updated tier factor table. There are no changes to the underwriting tier criteria.

**Policy Accident Free Discount** factors are being modified. Greater discounts are being offered for various levels of tenure with Republic. The largest discount is currently 10%, and with this proposal, discounts up to 19% are offered. To qualify for our Policy Accident Free Discount, all drivers on the policy must have no at-fault accidents or major convictions for a minimum of 3 years, with greater discounts offered for 4 and 5 years. Also, the named insured must have at least 5 years of driving experience. The revised rate manual provides the proposed discount table.

**At-Fault Accident Surcharge Threshold** is being changed from \$1,000 to \$2,000, based on total loss payments. This will be implemented on a going-forward basis for dates of loss 12/15/2010 and later, effective with this rate change.

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**Arkansas Republic Roadmaster Auto Program**  
**Republic Underwriters Insurance Company**

**New Vehicle Replacement Endorsement** charge is being increased. This is an optional endorsement which provides complete vehicle replacement in case of a total collision loss. We currently charge 5% of the collision premium for this additional coverage. Our indicated charge countrywide after several years of experience is 22%, and we are proposing the new charge of 20%.

**Republic Underwriters Insurance Company**  
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**Arkansas Roadmaster Auto Program**  
**Statewide Rate Level Indications**  
[All Coverage Summary](#)  
**Data as of: 6/30/2011**

<b>Liability Coverage</b>	<b>Inforce Premium 6/30/2011</b>	<b>Rate Level Indication</b>	<b>Selected Rate Change</b>
Bodily Injury (BI)	582,782	11.2%	4.8%
Property Damage (PD)	466,931	12.6%	5.0%
Personal Injury Protection (PI)	81,744	44.9%	21.3%
Uninsured Motorist Bodily Injury (UMB)	213,907	5.1%	0.0%
Uninsured Motorist Property Damage (UMP)	52,616	37.6%	19.2%
<b>Total Liability Coverage</b>	<b>1,397,980</b>	<b>13.7%</b>	<b>5.6%</b>
<b>Physical Damage Coverage</b>	<b>Inforce Premium 6/30/2011</b>	<b>Rate Level Indication</b>	<b>Selected Rate Change</b>
Comprehensive (CP)	341,162	29.7%	18.8%
Collision (CL)	763,084	4.1%	2.3%
<b>Total Physical Damage Coverage</b>	<b>1,104,246</b>	<b>12.0%</b>	<b>7.4%</b>
<b>Miscellaneous Other Coverages*</b>	<b>121,458</b>	<b>n/a</b>	<b>0.0%</b>
<b>ALL COVERAGES COMBINED</b>	<b>2,623,683</b>	<b>12.4%</b>	<b>6.1%</b>

\* Includes Accidental Death & Disability, Roadmaster Deluxe Package Endorsement, Extended Non-Owned Endorsement, Limited Mexico Endorsement, and Rental Reimbursement coverage.

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Statewide Rate Level Indications  
Bodily Injury

Data as of: 6/30/2011

**Proposed Effective Dates**

New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

Fiscal Year Ending	(1) Incurred	(2) Development Factor	(3) Ultimate	(4) Trend Factors	(5) Projection Factor 12/15/2012	(6) Trended Ultimate
6/30/2010	71,324	1.105	78,815	1.030	1.060	<b>86,022</b>
6/30/2011	234,962	1.784	419,056	1.000	1.060	<b>444,052</b>

**Premiums & Loss Ratio**

Fiscal Year Ending	(7) Earned Premiums Actual	(8) Onlevel Factor	(9) at Current Rate	(10) Trend Factors	(11) On-Level at Current Amounts	(12) Projection Factor 12/15/2012	(13) Trended at Current Rate Level	(14) Trended Ultimate On-Level Loss Ratio	(15) Weights
6/30/2010	222,019	1.000	222,019	1.002	222,421	1.000	<b>222,421</b>	<b>38.7%</b>	0.30
6/30/2011	582,782	1.000	582,782	1.000	582,782	1.000	<b>582,782</b>	<b>76.2%</b>	0.70

**Indication**

(16) Weighted Loss Ratio	64.9%	(26)	(27)
(17) Loss Adjustment Expense	16.6%	Fiscal Year Ending	Earned Car Years
(18) Loss and LAE Ratio	75.7%		Incurred Claim Counts
(19) Variable Expenses	28.3%		
(20) Fixed Expenses	11.6%		
(21) Indicated Rate Level Change	21.8%	6/30/2010	504
(22) Complement of Credibility	8.9%	6/30/2011	1,321
(23) Credibility Table Value	0.180		7
			28

**(24) Indicated Statewide Rate Level Change** 11.2%

**(25) Selected Statewide Rate Level Change** 4.8%

Notes:

- (2) is from Exhibit 3.
- (3) = (1) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (13) = (11) x (12).
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Statewide Rate Level Indications  
Property Damage

Data as of: 6/30/2011

**Proposed Effective Dates**

New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

Fiscal Year Ending	(1) Incurred	(2) Development Factor	(3) Ultimate	(4) Trend Factors	(5) Projection Factor 12/15/2012	(6) Trended Ultimate
6/30/2010	108,008	1.000	108,008	1.010	1.020	111,236
6/30/2011	291,329	1.050	305,896	1.000	1.020	311,920

**Premiums & Loss Ratio**

Fiscal Year Ending	(7) Earned Premiums Actual	(8) Onlevel Factor	(9) at Current Rate	(10) Trend Factors	(11) On-Level at Current Amounts	(12) Projection Factor 12/15/2012	(13) Trended at Current Rate Level	(14) Trended Ultimate On-Level Loss Ratio	(15) Weights
6/30/2010	179,689	1.000	179,689	0.992	178,283	0.980	174,717	63.7%	0.30
6/30/2011	466,931	1.000	466,931	1.000	466,931	0.980	457,592	68.2%	0.70

**Indication**

(16) Weighted Loss Ratio	66.8%	(26)	(27)
(17) Loss Adjustment Expense	16.6%	Fiscal Year	Earned
(18) Loss and LAE Ratio	77.9%	Ending	Car Years
(19) Variable Expenses	28.3%		Claim Counts
(20) Fixed Expenses	11.6%		
(21) Indicated Rate Level Change	24.8%	6/30/2010	504
(22) Complement of Credibility	5.9%	6/30/2011	1,320
(23) Credibility Table Value	0.357		98
<b>(24) Indicated Statewide Rate Level Change</b>	<b>12.6%</b>		
<b>(25) Selected Statewide Rate Level Change</b>	<b>5.0%</b>		

Notes:

- |                         |   |
|-------------------------|---|
| (2) is from Exhibit 3.  | (14) = (6) / (13).  |
| (3) = (1) x (2).        | (16) = average of (14) weighted by (15).                                |
| (4) is from Exhibit 4.  | (17) is from Exhibit 7.   |
| (5) is from Exhibit 4.  | (18) = (16) x [1+ (17)]   |
| (6) = (3) x (4) x (5).  | (19) is from Exhibit 8.   |
| (8) is from Exhibit 5.  | (20) is from Exhibit 8.   |
| (9) = (7) x (8).        | (21) = [((18) + (20)) / (1-(19))]-1.                                    |
| (10) is from Exhibit 6. | (22) is the net trend, trended from the last rate change to 12/15/2011. |
| (11) = (9) x (10).      | (23) = SQRT [Sum (27) / 1084]   |
| (12) is from Exhibit 6. | (24) = [(21) x (23)] + [(22) x(1-(23))]                                 |
| (13) = (11) x (12).     | (25) is selected by Republic.   |

**Proposed Effective Dates**

New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

Fiscal Year Ending	(1) Incurred	(2) Development Factor	(3) Ultimate	(4) Trend Factors	(5) Projection Factor 12/15/2012	(6) Trended Ultimate
6/30/2010	30,557	1.007	30,771	1.092	1.188	39,929
6/30/2011	82,727	1.009	83,473	1.000	1.188	99,189

**Premiums & Loss Ratio**

Fiscal Year Ending	(7) Earned Premiums Actual	(8) Onlevel Factor	(9) at Current Rate	(10) Trend Factors	(11) On-Level at Current Amounts	(12) Projection Factor 12/15/2012	(13) Trended at Current Rate Level	(14) Trended Ultimate On-Level Loss Ratio	(15) Weights
6/30/2010	30,547	1.000	30,547	1.009	30,815	1.000	30,815	129.6%	0.30
6/30/2011	81,744	1.000	81,744	1.000	81,744	1.000	81,744	121.3%	0.70

**Indication**

(16) Weighted Loss Ratio	123.8%	(26)	(27)
(17) Loss Adjustment Expense	16.6%	Fiscal Year Ending	Earned Car Years
(18) Loss and LAE Ratio	144.4%		Incurred Claim Counts
(19) Variable Expenses	28.3%		
(20) Fixed Expenses	11.6%		
(21) Indicated Rate Level Change	117.6%	6/30/2010	391
(22) Complement of Credibility	28.9%	6/30/2011	1,038
(23) Credibility Table Value	0.180		
<b>(24) Indicated Statewide Rate Level Change</b>	<b>44.9%</b>		
<b>(25) Selected Statewide Rate Level Change</b>	<b>21.3%</b>		

Notes:

- (2) is from Exhibit 3.
- (3) = (1) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (13) = (11) x (12).
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

**Proposed Effective Dates**

New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

Fiscal Year Ending	(1)	(2)	(3)	(4)	(5)	(6)
	Incurred	Development Factor	Ultimate	Trend Factors	Projection Factor 12/15/2012	Trended Ultimate
6/30/2010	23,141	1.284	29,721	1.030	1.060	<b>32,438</b>
6/30/2011	44,391	2.040	90,538	1.000	1.060	<b>95,938</b>

**Premiums & Loss Ratio**

Fiscal Year Ending	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Actual	Onlevel Factor	at Current Rate	Trend Factors	On-Level at Current Amounts	Projection Factor 12/15/2012	Trended at Current Rate Level	Trended Ultimate On-Level Loss Ratio	Weights
6/30/2010	78,441	1.000	78,441	1.008	79,092	1.010	<b>79,883</b>	<b>40.6%</b>	0.30
6/30/2011	213,907	1.000	213,907	1.000	213,907	1.010	<b>216,046</b>	<b>44.4%</b>	0.70

**Indication**

(16) Weighted Loss Ratio	43.3%	(26)	(27)
(17) Loss Adjustment Expense	16.6%	Fiscal Year	Earned
(18) Loss and LAE Ratio	50.5%	Ending	Car Years
(19) Variable Expenses	28.3%		Claim Counts
(20) Fixed Expenses	11.6%		
(21) Indicated Rate Level Change	-13.4%	6/30/2010	449
(22) Complement of Credibility	7.3%	6/30/2011	1,216
(23) Credibility Table Value	0.105		
<b>(24) Indicated Statewide Rate Level Change</b>	<b>5.1%</b>		
<b>(25) Selected Statewide Rate Level Change</b>	<b>0.0%</b>		

Notes:

- (2) is from Exhibit 3.
- (3) = (1) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (13) = (11) x (12).
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

<u>Proposed Effective Dates</u>	
New:	11/15/2011
Renewal:	12/15/2011

**Losses**

Fiscal Year Ending	(1)	(2)	(3)	(4)	(5)	(6)
	Incurring	Development Factor	Ultimate	Trend Factors	Projection Factor 12/15/2012	Trended Ultimate
6/30/2010	22,496	0.994	22,361	1.010	1.020	<b>23,029</b>
6/30/2011	100,799	0.996	100,395	1.000	1.020	<b>102,372</b>

**Premiums & Loss Ratio**

Fiscal Year Ending	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Actual	Onlevel Factor	at Current Rate	Trend Factors	On-Level at Current Amounts	Projection Factor 12/15/2012	Trended at Current Rate Level	Trended Ultimate On-Level Loss Ratio	Weights
6/30/2010	19,413	1.000	19,413	1.002	19,449	1.000	<b>19,449</b>	<b>118.4%</b>	0.30
6/30/2011	52,616	1.000	52,616	1.000	52,616	1.000	<b>52,616</b>	<b>194.6%</b>	0.70

**Indication**

(16) Weighted Loss Ratio	171.7%	(26)	(27)
(17) Loss Adjustment Expense	16.6%	Fiscal Year	Earned
(18) Loss and LAE Ratio	200.2%	Ending	Car Years
(19) Variable Expenses	28.3%		Claim Counts
(20) Fixed Expenses	11.6%		
(21) Indicated Rate Level Change	195.4%	6/30/2010	442
(22) Complement of Credibility	2.9%	6/30/2011	1,195
(23) Credibility Table Value	0.180		
<b>(24) Indicated Statewide Rate Level Change</b>	<b>37.6%</b>		
<b>(25) Selected Statewide Rate Level Change</b>	<b>19.2%</b>		

Notes:

- (2) is from Exhibit 3.
- (3) = (1) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (13) = (11) x (12).
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Statewide Rate Level Indications  
Comprehensive

Data as of: 6/30/2011

Proposed Effective Dates

New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

	(1)	(1a)	(2)	(3)	(4)	(5)	(6)
Fiscal Year	NonCat	Cat	Development		Trend	Projection	Trended
Ending	Incurred	Factor	Factor	Ultimate	Factors	Factor	Ultimate
6/30/2010	73,981	1.069	1.000	79,086	1.030	1.060	<b>86,317</b>
6/30/2011	285,848	1.069	1.031	315,045	1.000	1.060	<b>333,836</b>

**Premiums & Loss Ratio**

	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Fiscal Year	Earned Premiums						Trended		
Ending	Actual	Onlevel	at Current	Trend	at Current	Projection	at Current	Ultimate	Weights
		Factor	Rate	Factors	Amounts	Factor	Rate Level	On-Level	
6/30/2010	130,791	1.000	130,791	1.008	131,830	1.010	<b>133,149</b>	<b>64.8%</b>	0.30
6/30/2011	341,162	1.000	341,162	1.000	341,162	1.010	<b>344,573</b>	<b>96.9%</b>	0.70

**Indication**

(16) Weighted Loss Ratio	87.3%		(26)	(27)
(17) Loss Adjustment Expense	17.0%	Fiscal Year	Earned	Incurred
(18) Loss and LAE Ratio	102.1%	Ending	Car Years	Claim Counts
(19) Variable Expenses	27.1%			
(20) Fixed Expenses	11.7%			
(21) Indicated Rate Level Change	56.1%	6/30/2010	376	66
(22) Complement of Credibility	7.3%	6/30/2011	972	161
(23) Credibility Table Value	0.458			

**(24) Indicated Statewide Rate Level Change 29.7%**

**(25) Selected Statewide Rate Level Change 18.8%**

Notes:

- (1a) is from Exhibit 10.
- (2) is from Exhibit 3.
- (3) = (1) x (1a) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

Data as of: 6/30/2011

**Proposed Effective Dates**  
New: 11/15/2011  
Renewal: 12/15/2011

**Losses**

Fiscal Year Ending	(1) Incurred	(2) Development Factor	(3) Ultimate	(4) Trend Factors	(5) Projection Factor 12/15/2012	(6) Trended Ultimate
6/30/2010	207,796	1.000	207,796	1.010	1.020	214,007
6/30/2011	473,384	0.951	450,188	1.000	1.020	459,054

**Premiums & Loss Ratio**

Fiscal Year Ending	(7) Earned Premiums Actual	(8) Onlevel Factor	(9) at Current Rate	(10) Trend Factors	(11) On-Level at Current Amounts	(12) Projection Factor 12/15/2012	(13) Trended at Current Rate Level	(14) Trended Ultimate On-Level Loss Ratio	(15) Weights
6/30/2010	288,357	1.000	288,357	1.017	293,373	1.030	302,174	70.8%	0.30
6/30/2011	763,084	1.000	763,084	1.000	763,084	1.030	785,977	58.4%	0.70

**Indication**

(16) Weighted Loss Ratio	62.1%	(26)	(27)
(17) Loss Adjustment Expense	17.0%	Fiscal Year Ending	Earned Car Years
(18) Loss and LAE Ratio	72.7%		Incurring Claim Counts
(19) Variable Expenses	24.5%		
(20) Fixed Expenses	11.7%		
(21) Indicated Rate Level Change	11.8%	6/30/2010	370
(22) Complement of Credibility	-1.4%	6/30/2011	963
(23) Credibility Table Value	0.415		47
			140
<b>(24) Indicated Statewide Rate Level Change</b>	<b>4.1%</b>		
<b>(25) Selected Statewide Rate Level Change</b>	<b>2.3%</b>		

Notes:

- (2) is from Exhibit 3.
- (3) = (1) x (2).
- (4) is from Exhibit 4.
- (5) is from Exhibit 4.
- (6) = (3) x (4) x (5).
- (8) is from Exhibit 5.
- (9) = (7) x (8).
- (10) is from Exhibit 6.
- (11) = (9) x (10).
- (12) is from Exhibit 6.
- (13) = (11) x (12).
- (14) = (6) / (13).
- (16) = average of (14) weighted by (15).
- (17) is from Exhibit 7.
- (18) = (16) x [1+ (17)]
- (19) is from Exhibit 8.
- (20) is from Exhibit 8.
- (21) = [((18) + (20)) / (1-(19))]-1.
- (22) is the net trend, trended from the last rate change to 12/15/2011.
- (23) = SQRT [Sum (27) / 1084]
- (24) = [(21) x (23)] + [(22) x(1-(23))]
- (25) is selected by Republic.

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Development**  
**Bodily Injury**

Exhibit 3  
 Sheet 1

**Rolling Accident Year Selected Loss Development Factors to Ultimate**  
**(Based on Countrywide BI data of the Republic Group through 6/30/11 evaluated as of 6/30/11)**

Triangle of Incurred Losses

Accident Year Ending	12	24	36	48	60	72	84
June							
2000	2,851,893	3,584,805	3,978,220	4,281,060	4,309,457	4,305,206	4,305,206
2001	2,178,133	2,930,171	3,400,276	3,432,061	3,502,232	3,521,732	3,521,732
2002	2,586,251	3,740,059	4,289,019	4,498,371	4,536,671	4,546,871	4,539,930
2003	3,879,420	4,933,536	5,213,319	5,335,788	5,317,523	5,308,523	5,308,523
2004	3,499,814	4,850,809	5,234,179	5,249,778	5,322,123	5,311,861	5,311,861
2005	2,519,573	3,929,739	4,312,994	4,402,096	4,398,296	4,388,294	4,392,794
2006	2,393,478	3,467,134	3,793,285	3,914,762	3,875,993	3,864,293	
2007	2,100,540	3,402,600	3,623,983	3,657,341	3,666,632		
2008	2,168,748	3,317,438	3,605,770	3,555,303			
2009	3,339,790	5,647,952	6,328,755				
2010	3,238,055	5,529,507					
2011	4,157,380						

Triangle of Link Ratios:

Accident Year Ending	12:24	24:36	36:48	48:60	60:72	72:84	
June							
2000	1.257	1.110	1.076	1.007	0.999	1.000	
2001	1.345	1.160	1.009	1.020	1.006	1.000	
2002	1.446	1.147	1.049	1.009	1.002	0.998	
2003	1.272	1.057	1.023	0.997	0.998	1.000	
2004	1.386	1.079	1.003	1.014	0.998	1.000	
2005	1.560	1.098	1.021	0.999	0.998	1.001	
2006	1.449	1.094	1.032	0.990	0.997		
2007	1.620	1.065	1.009	1.003			
2008	1.530	1.087	0.986				
2009	1.691	1.121					
2010	1.708						
Averages							
Total	1.501	1.101	1.017	1.005	1.000	1.000	
Last 3	1.643	1.091	1.009	0.997	0.998	1.000	
Last 5 xhl	1.614	1.093	1.011	1.000	0.998	1.000	
Selections	12:24	24:36	36:48	48:60	60:72	72:84	"Tail"
Link Ratios:	1.614	1.093	1.011	1.000	1.000	1.000	84-Ult.
LDF's to Ult:	1.784	1.105	1.011	1.000	1.000	1.000	1.000



**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Development**  
**Personal Injury Protection**

**Rolling Accident Year Selected Loss Development Factors to Ultimate**  
**(Based on Countrywide PI data of the Republic Group through 6/30/11 evaluated as of 6/30/11)**

Triangle of Incurred Losses

Accident Year Ending	12	24	36	48	60	72	84
June							
2000	801,975	921,895	955,686	1,029,112	1,024,880	1,026,401	1,026,401
2001	768,762	1,000,469	1,123,960	1,111,672	1,148,542	1,148,542	1,148,542
2002	1,345,355	1,389,061	1,372,382	1,686,014	1,698,983	1,711,348	1,711,348
2003	759,768	698,165	706,614	713,831	716,669	713,494	713,494
2004	413,307	485,871	484,004	486,619	487,921	490,421	490,421
2005	348,734	339,249	356,901	354,401	354,401	354,401	354,401
2006	281,025	281,522	276,287	273,287	275,808	275,808	
2007	253,783	230,335	226,473	226,473	228,973		
2008	252,921	224,012	230,668	230,336			
2009	277,656	303,870	306,187				
2010	446,074	457,822					
2011	592,007						

Triangle of Link Ratios:

Accident Year Ending	12:24	24:36	36:48	48:60	60:72	72:84	
June							
2000	1.150	1.037	1.077	0.996	1.001	1.000	
2001	1.301	1.123	0.989	1.033	1.000	1.000	
2002	1.032	0.988	1.229	1.008	1.007	1.000	
2003	0.919	1.012	1.010	1.004	0.996	1.000	
2004	1.176	0.996	1.005	1.003	1.005	1.000	
2005	0.973	1.052	0.993	1.000	1.000	1.000	
2006	1.002	0.981	0.989	1.009	1.000		
2007	0.908	0.983	1.000	1.011			
2008	0.886	1.030	0.999				
2009	1.094	1.008					
2010	1.026						
Averages							
Total	1.032	1.019	1.027	1.010	1.001	1.000	
Last 3	1.002	1.007	0.996	1.007	1.002	1.000	
Last 5 xhl	0.979	1.007	0.997	1.005	1.002	1.000	
Selections	12:24	24:36	36:48	48:60	60:72	72:84	"Tail"
Link Ratios:	1.002	1.007	1.000	1.000	1.000	1.000	84-Ult.
LDF's to Ult:	1.009	1.007	1.000	1.000	1.000	1.000	1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Development**  
**Uninsured Motorist Bodily Injury**

**Rolling Accident Year Selected Loss Development Factors to Ultimate**  
**(Based on Countrywide UB data of the Republic Group through 6/30/11 evaluated as of 6/30/11)**

Triangle of Incurred Losses

Accident Year Ending	12	24	36	48	60	72	84
June							
2000	464,592	652,704	820,100	853,480	970,480	1,009,980	1,014,480
2001	245,072	590,476	730,763	762,963	870,963	1,115,460	1,115,460
2002	327,739	619,854	1,187,047	1,277,369	1,277,606	1,277,606	1,277,606
2003	657,624	611,279	712,669	865,039	903,980	947,969	947,658
2004	562,339	780,306	1,070,212	1,038,287	1,053,287	1,043,487	1,040,987
2005	409,727	746,506	1,016,798	1,113,657	1,126,278	1,125,278	1,125,278
2006	208,138	367,196	428,924	441,454	443,454	443,454	
2007	328,597	690,719	943,242	923,216	1,181,459		
2008	547,208	659,714	800,301	808,989			
2009	587,402	883,383	935,127				
2010	743,474	1,111,764					
2011	650,661						

Triangle of Link Ratios:

Accident Year Ending	12:24	24:36	36:48	48:60	60:72	72:84	
June							
2000	1.405	1.256	1.041	1.137	1.041	1.004	
2001	2.409	1.238	1.044	1.142	1.281	1.000	
2002	1.891	1.915	1.076	1.000	1.000	1.000	
2003	0.930	1.166	1.214	1.045	1.049	1.000	
2004	1.388	1.372	0.970	1.014	0.991	0.998	
2005	1.822	1.362	1.095	1.011	0.999	1.000	
2006	1.764	1.168	1.029	1.005	1.000		
2007	2.102	1.366	0.979	1.280			
2008	1.206	1.213	1.011				
2009	1.504	1.059					
2010	1.495						
Averages							
Total	1.651	1.318	1.052	1.071	1.053	1.000	
Last 3	1.402	1.213	1.006	1.099	0.997	0.999	
Last 5 xhl	1.588	1.248	1.006	1.023	1.000	1.000	
Selections	12:24	24:36	36:48	48:60	60:72	72:84	"Tail"
Link Ratios:	1.588	1.248	1.006	1.023	1.000	1.000	84-Ult.
LDF's to Ult:	2.040	1.284	1.029	1.023	1.000	1.000	1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Development**  
**Uninsured Motorist Property Damage**

**Rolling Accident Year Selected Loss Development Factors to Ultimate**  
**(Based on Countrywide UP data of the Republic Group through 6/30/11 evaluated as of 6/30/11)**

Triangle of Incurred Losses

Accident Year Ending	12	24	36	48	60	72	84
June							
2000	623,685	613,368	603,774	599,209	597,342	597,442	597,292
2001	718,362	735,029	731,775	729,522	728,877	727,721	727,274
2002	780,566	795,053	774,943	774,145	773,122	773,366	773,366
2003	737,422	737,839	728,780	726,543	725,054	724,743	723,341
2004	615,005	609,498	607,846	605,694	604,811	604,811	604,811
2005	473,356	516,318	513,422	511,983	510,608	509,937	510,119
2006	395,524	411,255	411,167	410,084	409,353	408,622	
2007	471,199	456,782	452,653	450,743	450,761		
2008	574,390	599,268	591,016	589,943			
2009	541,685	452,502	450,509				
2010	668,824	666,657					
2011	908,073						

Triangle of Link Ratios:

Accident Year Ending	12:24	24:36	36:48	48:60	60:72	72:84	
June							
2000	0.983	0.984	0.992	0.997	1.000	1.000	
2001	1.023	0.996	0.997	0.999	0.998	0.999	
2002	1.019	0.975	0.999	0.999	1.000	1.000	
2003	1.001	0.988	0.997	0.998	1.000	0.998	
2004	0.991	0.997	0.996	0.999	1.000	1.000	
2005	1.091	0.994	0.997	0.997	0.999	1.000	
2006	1.040	1.000	0.997	0.998	0.998		
2007	0.969	0.991	0.996	1.000			
2008	1.043	0.986	0.998				
2009	0.835	0.996					
2010	0.997						
Averages							
Total	1.001	0.991	0.997	0.999	0.999	0.999	
Last 3	0.958	0.991	0.997	0.998	0.999	0.999	
Last 5 xhl	1.002	0.994	0.997	0.998	1.000	1.000	
Selections	12:24	24:36	36:48	48:60	60:72	72:84	"Tail"
Link Ratios:	1.002	0.994	1.000	1.000	1.000	1.000	84-Ult.
LDF's to Ult:	0.996	0.994	1.000	1.000	1.000	1.000	1.000





Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Loss Trend  
Bodily Injury

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0100	10,559	106
2007-1	0	0	0							0.0099	10,678	106
2007-2	0	0	0							0.0098	10,822	106
2007-3	0	0	0							0.0097	10,978	107
2007-4	0	0	0							0.0096	11,139	107
2008-1	0	0	0							0.0095	11,291	107
2008-2	0	0	0							0.0094	11,426	108
2008-3	0	0	0							0.0093	11,590	108
2008-4	0	0	0							0.0092	11,801	109
2009-1	0	0	0							0.0091	11,878	109
2009-2	0	0	37	0	0	9				0.0090	12,036	109
2009-3	0	0	335	0	0	93				0.0090	12,094	109
2009-4	0	0	712	0	0	271				0.0090	12,047	108
2010-1	1	4,477	1,219	1	4,477	576	0.0017	4,477	8	0.0090	12,154	109
2010-2	2	27,620	1,743	3	32,097	1,002	0.0030	10,699	32	0.0089	12,180	109
2010-3	4	46,770	2,376	7	78,867	1,513	0.0046	11,267	52	0.0089	12,285	110
2010-4	4	56,645	3,032	11	135,512	2,093	0.0053	12,319	65	0.0090	12,429	111
2011-1	9	118,458	3,767	19	249,493	2,730	0.0070	13,131	91	0.0091	12,541	114
2011-2	8	133,473	4,251	25	355,345	3,357	0.0074	14,214	106			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
8-point\*\*  
12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
68.33%	30.44%	98.77%	1.79%	4.05%	5.91%
			-0.22%	2.34%	2.11%
			-1.58%	2.96%	1.33%
<b>Selected Historical Trend</b>	<b>0.0%</b>	<b>3.0%</b>	<b>3.00%</b>		
<b>Selected Future Trend</b>	<b>0.0%</b>	<b>3.0%</b>	<b>3.00%</b>		

Midpoint of latest year  
Project from 12/31/10 -----> 12/14/12 1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.093
2009	1.061
2010	1.030
2011	1.000
Loss Projection Factor	1.060

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Trend**  
**Property Damage**

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0352	2,679	94
2007-1	0	0	0							0.0351	2,696	95
2007-2	0	0	0							0.0353	2,709	96
2007-3	0	0	0	0	0	0				0.0354	2,724	96
2007-4	0	0	0	0	0	0				0.0355	2,732	97
2008-1	0	0	0	0	0	0				0.0355	2,748	97
2008-2	0	0	0	0	0	0				0.0352	2,761	97
2008-3	0	0	0	0	0	0				0.0349	2,770	97
2008-4	0	0	0	0	0	0				0.0343	2,786	96
2009-1	0	0	0	0	0	0				0.0342	2,786	95
2009-2	0	0	37	0	0	9				0.0341	2,787	95
2009-3	2	9,301	335	2	9,301	93	0.0215	4,651	100	0.0343	2,781	95
2009-4	5	11,255	712	7	20,556	271	0.0258	2,937	76	0.0345	2,779	96
2010-1	7	20,915	1,219	14	41,471	576	0.0243	2,962	72	0.0343	2,776	95
2010-2	8	35,633	1,743	22	77,104	1,002	0.0220	3,505	77	0.0342	2,776	95
2010-3	20	40,389	2,376	40	108,192	1,512	0.0264	2,705	72	0.0343	2,791	96
2010-4	15	43,223	3,031	50	140,159	2,092	0.0239	2,803	67	0.0344	2,800	96
2011-1	31	102,395	3,765	74	221,639	2,729	0.0271	2,995	81	0.0344	2,820	97
2011-2	23	82,298	4,248	89	268,305	3,355	0.0265	3,015	80			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
 8-point\*\*  
 12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
5.41%	15.66%	21.08%	0.68%	2.08%	2.78%
8.75%	-16.00%	-7.25%	0.28%	0.62%	0.91%
			-0.50%	0.44%	-0.06%
<b>0.0%</b>	<b>1.0%</b>	<b>1.00%</b>			
<b>0.0%</b>	<b>1.0%</b>	<b>1.00%</b>			

**Selected Historical Trend**  
**Selected Future Trend**

Midpoint of latest year  
 Project from **12/31/10** -----> 12/14/12 1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.030
2009	1.020
2010	1.010
2011	1.000
Loss Projection Factor	1.020

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Loss Trend  
Personal Injury Protection

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0146	7,617	111
2007-1	0	0	0							0.0144	7,739	111
2007-2	0	0	0							0.0142	7,844	111
2007-3	0	0	0	0	0	0				0.0140	7,973	112
2007-4	0	0	0	0	0	0				0.0141	8,107	114
2008-1	0	0	0	0	0	0				0.0139	8,166	113
2008-2	0	0	0	0	0	0				0.0136	8,382	114
2008-3	0	0	0	0	0	0				0.0134	8,537	115
2008-4	0	0	0	0	0	0				0.0132	8,636	114
2009-1	0	0	0	0	0	0				0.0132	8,877	117
2009-2	0	0	26	0	0	6				0.0134	8,958	120
2009-3	1	1,530	247	1	1,530	68	0.0147	1,530	22	0.0137	9,041	124
2009-4	4	11,428	530	5	12,958	200	0.0249	2,592	65	0.0139	9,174	128
2010-1	1	5,060	933	6	18,018	434	0.0138	3,003	42	0.0141	9,298	131
2010-2	1	5,086	1,369	7	23,103	770	0.0091	3,300	30	0.0142	9,422	134
2010-3	2	9,518	1,864	8	31,092	1,174	0.0068	3,887	26	0.0144	9,561	138
2010-4	5	16,897	2,389	9	36,561	1,639	0.0055	4,062	22	0.0146	9,670	141
2011-1	11	35,814	2,973	19	67,315	2,149	0.0088	3,543	31	0.0148	9,666	143
2011-2	8	16,113	3,333	26	78,342	2,640	0.0098	3,013	30			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
8-point\*\*  
12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
63.24%	-36.02%	27.22%	5.13%	3.58%	8.89%
-52.63%	35.14%	-17.49%	5.51%	4.91%	10.69%
			4.07%	5.50%	9.78%

**Selected Historical Trend**  
**Selected Future Trend**

**5.0%**      **4.0%**      **9.20%**  
**5.0%**      **4.0%**      **9.20%**

Midpoint of latest year      12 months past eff. date  
Project from 12/31/10 -----> 12/14/12      1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.302
2009	1.192
2010	1.092
2011	1.000
Loss Projection Factor	1.188

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Trend**  
**Uninsured Motorist Bodily Injury**

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Bodily Injury Data		
										Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0100	10,559	106
2007-1	0	0	0							0.0099	10,678	106
2007-2	0	0	0							0.0098	10,822	106
2007-3	0	0	0	0	0	0				0.0097	10,978	107
2007-4	0	0	0	0	0	0				0.0096	11,139	107
2008-1	0	0	0	0	0	0				0.0095	11,291	107
2008-2	0	0	0	0	0	0				0.0094	11,426	108
2008-3	0	0	0	0	0	0				0.0093	11,590	108
2008-4	0	0	0	0	0	0				0.0092	11,801	109
2009-1	0	0	0	0	0	0				0.0091	11,878	109
2009-2	0	0	34	0	0	9				0.0090	12,036	109
2009-3	0	0	295	0	0	82				0.0090	12,094	109
2009-4	1	13,650	618	1	13,650	237	0.0042	13,650	58	0.0090	12,047	108
2010-1	0	0	1,079	1	13,650	507	0.0020	13,650	27	0.0090	12,154	109
2010-2	1	5,518	1,559	2	19,168	888	0.0023	9,584	22	0.0089	12,180	109
2010-3	2	5,882	2,138	4	25,050	1,348	0.0030	6,262	19	0.0089	12,285	110
2010-4	4	25,166	2,771	7	36,566	1,887	0.0037	5,224	19	0.0090	12,429	111
2011-1	1	1,588	3,475	8	38,154	2,486	0.0032	4,769	15	0.0091	12,541	114
2011-2	3	19,341	3,918	10	51,977	3,075	0.0033	5,198	17			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
 8-point\*\*  
 12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
5.32%	-26.00%	-20.69%	1.79%	4.05%	5.91%
			-0.22%	2.34%	2.11%
			-1.58%	2.96%	1.33%

**Selected Historical Trend**  
**Selected Future Trend**

**0.0%**      **3.0%**      **3.00%**  
**0.0%**      **3.0%**      **3.00%**

Midpoint of latest year      12 months past eff. date  
 Project from 12/31/10 -----> 12/14/12      1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.093
2009	1.061
2010	1.030
2011	1.000
Loss Projection Factor	1.060

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Trend**  
**Uninsured Motorist Property Damage**

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Property Damage Data		
										Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0352	2,679	94
2007-1	0	0	0							0.0351	2,696	95
2007-2	0	0	0							0.0353	2,709	96
2007-3	0	0	0	0	0	0				0.0354	2,724	96
2007-4	0	0	0	0	0	0				0.0355	2,732	97
2008-1	0	0	0	0	0	0				0.0355	2,748	97
2008-2	0	0	0	0	0	0				0.0352	2,761	97
2008-3	0	0	0	0	0	0				0.0349	2,770	97
2008-4	0	0	0	0	0	0				0.0343	2,786	96
2009-1	0	0	0	0	0	0				0.0342	2,786	95
2009-2	0	0	34	0	0	8				0.0341	2,787	95
2009-3	0	0	291	0	0	81				0.0343	2,781	95
2009-4	1	1,028	610	1	1,028	234	0.0043	1,028	4	0.0345	2,779	96
2010-1	1	221	1,062	2	1,249	499	0.0040	625	3	0.0343	2,776	95
2010-2	2	11,469	1,530	4	12,718	873	0.0046	3,180	15	0.0342	2,776	95
2010-3	5	23,413	2,100	9	36,131	1,325	0.0068	4,015	27	0.0343	2,791	96
2010-4	10	42,558	2,720	18	77,661	1,853	0.0097	4,315	42	0.0344	2,800	96
2011-1	4	9,910	3,418	21	87,350	2,442	0.0086	4,160	36	0.0344	2,820	97
2011-2	9	46,788	3,849	28	122,669	3,022	0.0093	4,381	41			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
 8-point\*\*  
 12-point\*\*

	Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
	32.43%	9.02%	41.45%	0.68%	2.08%	2.78%
				0.00%	0.62%	0.91%
				-0.50%	0.44%	-0.06%
<b>Selected Historical Trend</b>	<b>0.0%</b>	<b>1.0%</b>	<b>1.00%</b>			
<b>Selected Future Trend</b>	<b>0.0%</b>	<b>1.0%</b>	<b>1.00%</b>			

Midpoint of latest year  
 Project from 12/31/10 -----> 12/14/12 1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.030
2009	1.020
2010	1.010
2011	1.000
Loss Projection Factor	1.020

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Loss Trend**  
**Comprehensive**

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qtr. Ult. Claim Counts	4-qtr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0640	1,089	70
2007-1	0	0	0							0.0624	1,091	68
2007-2	0	0	0							0.0607	1,072	65
2007-3	0	0	0	0	0	0				0.0605	1,078	65
2007-4	0	0	0	0	0	0				0.0600	1,073	64
2008-1	0	0	0	0	0	0				0.0600	1,086	65
2008-2	0	0	0	0	0	0				0.0614	1,142	70
2008-3	0	0	0	0	0	0				0.0616	1,174	72
2008-4	0	0	0	0	0	0				0.0611	1,209	74
2009-1	0	0	0	0	0	0				0.0611	1,200	73
2009-2	0	0	29	0	0	7				0.0603	1,173	71
2009-3	7	11,708	252	7	11,708	70	0.0998	1,673	167	0.0607	1,152	70
2009-4	4	5,266	541	11	16,974	206	0.0535	1,543	83	0.0621	1,110	69
2010-1	19	25,707	918	30	42,681	435	0.0690	1,423	98	0.0628	1,082	68
2010-2	21	23,511	1,298	51	66,192	752	0.0678	1,298	88	0.0644	1,052	68
2010-3	22	19,501	1,749	66	73,985	1,127	0.0586	1,121	66	0.0654	1,027	67
2010-4	30	35,286	2,241	92	104,005	1,551	0.0593	1,130	67	0.0658	1,043	69
2011-1	47	58,738	2,776	120	137,036	2,016	0.0595	1,142	68	0.0656	1,044	68
2011-2	51	93,139	3,118	150	206,664	2,471	0.0607	1,378	84			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
 8-point\*\*  
 12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
4.42%	25.15%	29.58%	2.57%	-0.26%	2.30%
-16.87%	-17.61%	-34.49%	5.75%	-7.21%	-1.88%
			3.13%	-5.62%	-2.66%

**Selected Historical Trend**  
**Selected Future Trend**

**3.0%**      **0.0%**      **3.00%**  
**3.0%**      **0.0%**      **3.00%**

Midpoint of latest year      12 months past eff. date  
 Project from 12/31/10 -----> 12/14/12      1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.093
2009	1.061
2010	1.030
2011	1.000
Loss Projection Factor	1.060

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Loss Trend  
Collision

Year-Qtr	Ultimate Counts	*Ultimate Losses	Quarterly Earned Exposures	4-qr. Ult. Claim Counts	4-qr. Ultimate Losses	Rolling Annual Exposures	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
2006-4	0	0	0							0.0570	3,001	171
2007-1	0	0	0							0.0574	3,004	172
2007-2	0	0	0							0.0578	3,000	174
2007-3	0	0	0	0	0	0				0.0580	3,002	174
2007-4	0	0	0	0	0	0				0.0584	3,002	175
2008-1	0	0	0	0	0	0				0.0585	3,027	177
2008-2	0	0	0	0	0	0				0.0582	3,020	176
2008-3	0	0	0	0	0	0				0.0577	3,007	174
2008-4	0	0	0	0	0	0				0.0570	3,016	172
2009-1	0	0	0	0	0	0				0.0567	2,992	170
2009-2	0	0	28	0	0	7				0.0563	2,973	167
2009-3	2	6,944	246	2	6,944	69	0.0292	3,472	101	0.0562	2,964	167
2009-4	12	33,303	531	14	40,247	201	0.0696	2,875	200	0.0562	2,948	166
2010-1	9	76,069	903	23	116,316	427	0.0539	5,057	272	0.0557	2,922	163
2010-2	9	37,274	1,278	32	153,590	739	0.0433	4,800	208	0.0556	2,926	163
2010-3	17	60,859	1,732	47	207,504	1,111	0.0423	4,415	187	0.0558	2,943	164
2010-4	13	35,394	2,220	48	209,596	1,533	0.0313	4,367	137	0.0560	2,945	165
2011-1	41	149,862	2,748	80	283,389	1,994	0.0401	3,542	142	0.0563	2,958	166
2011-2	41	147,644	3,093	112	393,759	2,448	0.0458	3,516	161			

\*\*Ending 2nd Qtr. 2011

4-point\*\*  
8-point\*\*  
12-point\*\*

Frequency	Severity	Pure Premium	Frequency	Severity	Pure Premium
19.32%	-35.70%	-16.38%	1.69%	1.37%	3.08%
-6.00%	2.89%	-3.11%	-0.24%	-0.34%	-0.58%
			-1.29%	-1.05%	-2.33%

**Selected Historical Trend**  
**Selected Future Trend**

**0.0%**      **1.0%**      **1.00%**  
**0.0%**      **1.0%**      **1.00%**

Project from Midpoint of latest year 12/31/10 -----> 12/14/12 1.96 yrs.

Fiscal Year Ending	Loss Trend Factor
2008	1.030
2009	1.020
2010	1.010
2011	1.000
Loss Projection Factor	1.020

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Bodily Injury**

**Rate Change History**

<b><u>Date of Change</u></b>	<b><u>Rate Change</u></b>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<b><u>Fiscal Year Ending</u></b>	<b><u>On Level Factor</u></b>
6/30/2010	1.000
6/30/2011	1.000

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Property Damage

Rate Change History

<u>Date of Change</u>	<u>Rate Change</u>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<u>Fiscal Year Ending</u>	<u>On Level Factor</u>
6/30/2010	1.000
6/30/2011	1.000

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Personal Injury Protection

Rate Change History

<u>Date of Change</u>	<u>Rate Change</u>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<u>Fiscal Year Ending</u>	<u>On Level Factor</u>
6/30/2010	1.000
6/30/2011	1.000

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Uninsured Motorist Bodily Injury**

**Rate Change History**

<b><u>Date of Change</u></b>	<b><u>Rate Change</u></b>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<b><u>Fiscal Year Ending</u></b>	<b><u>On Level Factor</u></b>
6/30/2010	1.000
6/30/2011	1.000

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Uninsured Motorist Property Damage**

**Rate Change History**

<b><u>Date of Change</u></b>	<b><u>Rate Change</u></b>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<b><u>Fiscal Year Ending</u></b>	<b><u>On Level Factor</u></b>
6/30/2010	1.000
6/30/2011	1.000

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Comprehensive**

**Rate Change History**

<b><u>Date of Change</u></b>	<b><u>Rate Change</u></b>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<b><u>Fiscal Year Ending</u></b>	<b><u>On Level Factor</u></b>
6/30/2010	1.000
6/30/2011	1.000

Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Roadmaster Auto Program  
Premium On Level Factors  
Collision

Rate Change History

<u>Date of Change</u>	<u>Rate Change</u>
1/26/2009	New Program Implemented

Premiums are brought to current rate level using parallelogram method.

<u>Fiscal Year Ending</u>	<u>On Level Factor</u>
6/30/2010	1.000
6/30/2011	1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Bodily Injury**

Year-Qtr	Rolling 4 qtr			Change from Prior Yr.
	Rolling 4 qtr Earned Exposures	Rolling 4 qtr Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	9	1,404		
2009-2	93	14,575	157	
2009-3	271	41,018	151	
2009-4	576	86,866	151	
2010-1	1,002	149,069	149	
2010-2	1,513	222,019	147	-6.4%
2010-3	2,093	307,139	147	-3.1%
2010-4	2,730	402,548	147	-2.3%
2011-1	3,357	493,388	147	-1.2%
2011-2	3,963	582,782	147	0.2%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	0.10%
12/30/2008	157	0.937	6-point	-0.55%
12/31/2009	147	1.002	12-point	n/a
12/31/2010	147	1.000		

**Future  
Selected 0.0%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Property Damage**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	9	1,150		
2009-2	93	11,735	126	
2009-3	271	33,103	122	
2009-4	576	70,243	122	
2010-1	1,002	120,551	120	
2010-2	1,512	179,689	119	-5.9%
2010-3	2,092	248,033	119	-3.0%
2010-4	2,729	324,159	119	-2.6%
2011-1	3,355	396,311	118	-1.8%
2011-2	3,961	466,931	118	-0.8%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	-0.91%
12/30/2008	126	0.933	6-point	-1.34%
12/31/2009	119	0.992	12-point	n/a
12/31/2010	118	1.000		

**Future  
Selected -1.0%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 0.980

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Personal Injury Protection**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	6	157		
2009-2	68	1,759	26	
2009-3	200	5,091	25	
2009-4	434	11,256	26	
2010-1	770	20,011	26	
2010-2	1,174	30,547	26	0.6%
2010-3	1,639	42,874	26	3.0%
2010-4	2,149	56,612	26	1.5%
2011-1	2,640	69,356	26	1.0%
2011-2	3,114	81,744	26	0.9%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	0.29%
12/30/2008	26	1.015	6-point	0.95%
12/31/2009	26	1.009	12-point	n/a
12/31/2010	26	1.000		

**Future  
Selected 0.0%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Uninsured Motorist Bodily Injury**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	9	446		
2009-2	82	4,570	56	
2009-3	237	13,528	57	
2009-4	507	29,619	58	
2010-1	888	51,606	58	
2010-2	1,348	78,441	58	4.8%
2010-3	1,887	110,394	59	2.5%
2010-4	2,486	145,841	59	0.3%
2011-1	3,075	180,163	59	0.8%
2011-2	3,647	213,907	59	0.8%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	0.23%
12/30/2008	56	1.057	6-point	0.78%
12/31/2009	58	1.008	12-point	n/a
12/31/2010	59	1.000		

**Future  
Selected 0.5%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.010

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Uninsured Motorist Property Damage**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	8	115		
2009-2	81	1,165	14	
2009-3	234	3,391	15	
2009-4	499	7,358	15	
2010-1	873	12,787	15	
2010-2	1,325	19,413	15	1.8%
2010-3	1,853	27,228	15	1.2%
2010-4	2,442	35,927	15	-0.2%
2011-1	3,022	44,338	15	0.2%
2011-2	3,586	52,616	15	0.2%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	-0.27%
12/30/2008	14	1.020	6-point	0.19%
12/31/2009	15	1.002	12-point	n/a
12/31/2010	15	1.000		

**Future  
Selected 0.0%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.000

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Comprehensive**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	7	841		
2009-2	70	8,498	121	
2009-3	206	24,262	118	
2009-4	435	51,047	117	
2010-1	752	87,539	116	
2010-2	1,127	130,791	116	-4.1%
2010-3	1,551	180,849	117	-1.3%
2010-4	2,016	235,968	117	-0.2%
2011-1	2,471	288,835	117	0.5%
2011-2	2,915	341,162	117	0.8%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	0.41%
12/30/2008	121	0.966	6-point	0.60%
12/31/2009	116	1.008	12-point	n/a
12/31/2010	117	1.000		

**Future  
Selected 0.5%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.010

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Premium Trend**  
**Collision**

Year-Qtr	Rolling 4 qtr	Rolling 4 qtr	Rolling 4 qtr	Change from Prior Yr.
	Earned Exposures	Earned Prem @ Current	Average Earned Premium	
2007-3	0	0		
2007-4	0	0		
2008-1	0	0		
2008-2	0	0		
2008-3	0	0		
2008-4	0	0		
2009-1	7	2,040		
2009-2	69	19,025	278	
2009-3	201	53,606	266	
2009-4	427	112,851	264	
2010-1	739	192,745	261	
2010-2	1,111	288,357	260	-6.6%
2010-3	1,533	400,046	261	-2.1%
2010-4	1,994	523,578	263	-0.7%
2011-1	2,448	643,963	263	0.9%
2011-2	2,890	763,084	264	1.7%

Average Earned Date	Average Earned Premium	Premium Index	Premium Trend	
12/31/2007	0		4-point	1.51%
12/30/2008	278	0.951	6-point	1.27%
12/31/2009	260	1.017	12-point	n/a
12/31/2010	264	1.000		

**Future  
Selected 1.5%**

Years From Midpoint Of Latest Year's Data  
To 12 Months Past Renewal 1.96

Premium Projection Factor 1.030

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Private Passenger Auto Liability**

Loss Adjustment Expense (LAE) Provision as a Percent of Incurred Losses

Selected Allocated LAE Provision:	5.6%
Selected Unallocated LAE Provision:	11.0%
Total Selected LAE Provision	16.6%

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Private Passenger Auto Liability**

**Development of Allocated Loss Adjustment Expense (ALAE) Provision**

**Incurred ALAE**

Calendar Year	(1) Page 15 Incurred Loss*	(2) Page 15 Incurred ALAE*	(3) = (2)/(1) ALAE to Incurred Loss
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	63,963	3,676	5.7%
2010	515,730	28,570	5.5%
<b>Total</b>	<b>579,693</b>	<b>32,246</b>	<b>5.6%</b>
		All Year Avg	5.6%
		Weighted All Yr Avg	5.6%

**Paid ALAE**

Calendar Year	(1) Page 15 Paid Loss*	(2) Page 15 Paid ALAE*	(3) = (2)/(1) ALAE to Paid Loss
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	22,808	152	0.7%
2010	287,196	1,018	0.4%
<b>Total</b>	<b>310,004</b>	<b>1,170</b>	<b>0.4%</b>
		All Year Avg	0.5%
		Weighted 3 Yr Avg	0.4%

Selected ALAE Provision as a Percent of Incurred Losses:

**5.6%**

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Private Passenger Auto Liability**

**Development of Unallocated Loss Adjustment Expense (ULAE) Provision**

Calendar Year	(1) Loss Incurred (000's)	(2) ULAE Incurred (000's)	(3) = (2)/(1) ULAE to Incurred Loss
2006	4,428	524	11.8%
2007	3,764	(134)	-3.6%
2008	13,847	1,257	9.1%
2009	21,547	4,427	20.5%
2010	13,335	57	0.4%
Total	56,921	6,131	10.8%
	All Year Avg		7.7%
	Latest 3 Yr Avg		10.0%
	Weighted 3 Yr Avg		11.8%

Selected ULAE Provision as a Percent of Incurred Losses:

**11.0%**

\* Source of Data: Insurance Expense Exhibits;

Combines Republic Fire & Casualty, Republic Vangurd Insurance Companies , Southern Underwriters Insurance Republic Underwriters Insurance Companies, Southern Insurance Companies & Southern Vanguard Insurance C

3 Companies,  
Companies.

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Private Passenger Auto Physical Damage**

Loss Adjustment Expense (LAE) Provision as a Percent of Incurred Losses

Selected Allocated LAE Provision:	1.0%
Selected Unallocated LAE Provision:	16.0%
Total Selected LAE Provision	17.0%

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Private Passenger Auto Physical Damage**

**Development of Allocated Loss Adjustment Expense (ALAE) Provision**

**Incurred ALAE**

Calendar Year	(1) Page 15 Incurred Loss*	(2) Page 15 Incurred ALAE*	(3) = (2)/(1) ALAE to Incurred Loss
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	440,979	3,569	0.8%
2010	1,186,730	8,962	0.8%
Total	1,627,709	12,531	0.8%
		All Year Avg	0.8%

**Paid ALAE**

Calendar Year	(1) Page 15 Paid Loss*	(2) Page 15 Paid ALAE*	(3) = (2)/(1) ALAE to Paid Loss
2006	0	0	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	157,599	1,654	1.0%
2010	403,871	6,165	1.5%
Total	561,470	7,819	1.4%
		All Year Avg	1.3%

Selected ALAE Provision as a Percent of Incurred Losses: **1.0%**

**Republic Underwriters Insurance Company  
The Republic Group  
Arkansas Private Passenger Auto Physical Damage**

**Development of Unallocated Loss Adjustment Expense (ULAE) Provision**

Calendar Year	(1) Loss Incurred (000's)	(2) ULAE Incurred (000's)	(3) = (2)/(1) ULAE to Incurred Loss
2006	3,502	222	6.3%
2007	2,717	548	20.2%
2008	6,907	632	9.2%
2009	6,723	2,609	38.8%
2010	5,289	174	3.3%
<b>Total</b>	<b>25,138</b>	<b>4,185</b>	<b>16.6%</b>
		All Year Avg	15.6%
		Latest 3 Yr Avg	17.1%
		Weighted 3 Yr Avg	18.1%

Selected ULAE Provision as a Percent of Incurred Losses: **16.0%**

\* Source of Data: Insurance Expense Exhibits;  
Combines Republic Fire & Casualty, Republic Vangurd Insurance Companies , Southern Underwriters Insurance  
Republic Underwriters Insurance Companies, Southern Insurance Companies & Southern Vanguard Insurance C

Companies,  
Companies.

Expense Provisions

<u>Expense Component</u>	<u>Liability</u>	<u>Physical Damage</u>	
		<u>Collision</u>	<u>Comprehensive</u>
<b><u>Variable Expenses</u></b>			
(1) Commission and Brokerage	16.3%	16.3%	16.3%
(2) Taxes, Licenses and Fees	3.5%	3.5%	3.5%
(3) Underwriting Profit & Contingencies	8.5%	4.7%	4.7%
(4) Reinsurance Expense	N/A	N/A	2.6%
(5) <b>Total Variable Expenses</b> (1) + (2) + (3) + (4)	28.3%	24.5%	27.1%
<b><u>Fixed Expenses</u></b>			
(6) Other Acquisition	4.4%	4.4%	4.4%
(7) Adjusted General Expenses	8.1%	8.2%	8.2%
(8) less Policy Fees	-0.8%	-0.8%	-0.8%
(9) <b>Total Fixed Expenses</b> (6) + (7) + (8)	11.6%	11.7%	11.7%
(10) <b>Permissible Loss, LAE and Fixed Expense Ratio</b> 1.000 - (5)	71.7%	75.5%	72.9%

Expense Analysis

Private Passenger Auto Liability

Expense Component	2007		2008		2009		2010		Selected	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Consolidated Premiums Earned	\$18,258,374		\$19,546,924		\$22,696,554		\$24,756,986			
Other Acquisition	\$984,460	5.4%	\$884,497	4.5%	\$868,198	3.8%	\$1,165,197	4.7%		4.4%
General Expenses	\$1,828,282	10.0%	\$1,642,637	8.4%	\$1,612,368	7.1%	\$2,163,937	8.7%		8.1%
Premiums Written (Arkansas)	\$0		\$0		\$532,351		\$1,534,544			
Commission & Brokerage	\$0		\$0		\$84,187	15.8%	\$258,480	16.8%		16.3%
Taxes, Licenses, & Fees	\$0		\$0		\$20,062	3.8%	\$49,699	3.2%		3.5%
<b>Total</b>						<b>30.5%</b>		<b>33.5%</b>		<b>32.3%</b>

NOTES:

Consolidated Premium Written

Consolidated Premium Earned From RFSI Accounting Reports

Other Acquisition From RFSI Accounting Reports

General Expenses From RFSI Accounting Reports

Premiums Written (Arkansas) Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15  
Mississippi; line 19.1,19.2; col. 2

Commission & Brokerage Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15  
Arkansas; line 19.1,19.2; col. 12

Taxes, Licenses & Fees Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15  
Arkansas; line 19.1,19.2; col. 13

General and Other Acquisition Expenses are computed as a percentage of earned premium  
Commission & Brokerage and Taxes, Licenses, & Fees are computed as a percentage of written premium

Expense Analysis

Private Passenger Auto Physical Damage

Expense Component	2007		2008		2009		2010		Selected	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Consolidated Premiums Earned	\$12,781,229		\$13,584,497		\$16,551,270		\$18,523,903			
Other Acquisition	\$678,711	5.3%	\$623,886	4.6%	\$644,706	3.9%	\$866,505	4.7%		4.4%
General Expenses	\$1,260,464	9.9%	\$1,158,646	8.5%	\$1,197,311	7.2%	\$1,609,223	8.7%		8.2%
Premiums Written (Arkansas)	\$0		\$0		\$440,979		\$1,186,730			
Commission & Brokerage	\$0		\$0		\$70,056	15.9%	\$198,275	16.7%		16.3%
Taxes, Licenses, & Fees	\$0		\$0		\$16,619	3.8%	\$38,461	3.2%		3.5%
Total						30.8%		33.3%		32.3%

NOTES:

Consolidated Premium Earned	From RFSI Accounting Reports
Other Acquisition	From RFSI Accounting Reports
General Expenses	From RFSI Accounting Reports
Premiums Written (Arkansas)	Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15 Arkansas; line 21.1; col. 2
Commission & Brokerage	Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15 Arkansas; line 21.1; col. 12
Taxes, Licenses & Fees	Republic Underwriters, Southern Insurance Co., Republic Fire & Casualty A.S. Pg 15 Arkansas; line 21.1; col. 13

General and Other Acquisition Expenses are computed as a percentage of earned premium  
Commission & Brokerage and Taxes, Licenses, & Fees are computed as a percentage of written premium

Expense Analysis

Private Passenger Auto

Expense Component	2008		2009		2010		Selected	
	Amount	%	Amount	%	Amount	%		%
Premiums Earned (Arkansas)	\$0		\$373,443		\$1,712,601			
Policy Fees	\$0		\$2,981		\$12,992			
Total				0.8%		0.8%		0.8%

Actuals	\$0	\$369,250	\$1,725,287
% Difference		1%	-1%
Policy Fee % Using Actuals		0.8%	0.8%

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Private Passenger Auto Liability**  
**Calculation of After-Tax Return on Equity**

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After-tax Return on Equity = After-tax return on surplus  
+ (Premium / Surplus) x After-tax Return on Reserves  
+ (1-tax rate) X (Premium / Surplus) X (targeted pre-tax underwriting profit)

(1) After-Tax return on investment earnings	1.8%
(2) Tax rate	35.0%
(3) Premium / surplus ratio	1.5
(4) Return on reserves, after tax	1.2%
(5) Targeted pre-tax underwriting profit	8.5%
(6) After-Tax Return on Equity	12.0%
(1) + (3)x(4) + [(1-(2)) x (3)x(5)]	

- (1) Exhibit 9 Sheet 7  
(4) Exhibit 9 Sheets 2-3

**Estimated Investment Earnings On Loss & Loss Adjustment Expense Reserves**

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1. Loss and Loss Adjustment Expense Reserves as of December 31, 2007 (a)	\$16,725,358
2. Loss and Loss Adjustment Expense Reserves as of December 31, 2008 (a)	\$17,950,162
3. Mean Loss and Loss Adjustment Expense Reserves [ (1) + (2) ] / 2	\$17,337,760
4. Actual Incurred Loss and Loss Adjustment Expenses (b), (d) [ 1.1660 x 18635764 ]	\$21,729,301
5. Average period \$1.00 of Loss and LAE remains in reserves (in years) [(3) / (4)]	0.798
6. Average Rate of Return on Invested Assets (c)	1.80%
7. Expected investment earnings on \$1.00 of Loss and LAE while in reserves [ (1+(6))^(5) - 1 ]	\$0.0144
8. Expected Loss and LAE Ratio = (1.000 - Expense Ratio) (e)	68.5%
9. Estimated Investment Earnings as a percentage of Net Earned Premium [ (7) * (8) ]	1.00%

a. Source: Annual Statement, Part 2a, Column 8 + Column 9, Line 19.1 & 19.2

b. Source: Annual Statement, Part 2, Column 7, Line 19.1 & 19.2

c. Source: Exhibit 9 Sheet 7

d. LAE factor from Exhibit 6, Sheet 1

e. Source: Exhibit 7, Sheet 1

Estimated Investment Earnings On Unearned Premium Reserves

	Installment	Prepaid	Total
1. Personal Auto Liability Unearned Premium Reserve as of December 31, 2007 (a)	9,546,219	3,762,744	13,308,963
2. Personal Auto Liability Unearned Premium Reserve as of December 31, 2008 (a)	12,529,232	3,521,511	16,050,743
3. Mean Personal Auto Liability Unearned Premium Reserve $\{[(1)+(2)]/2\}$	11,037,726	3,642,128	14,679,853
4. Reduction Due to Booking Installment as Full (b)	5,231,882	xxxxxxxxx	5,231,882
5. Net Mean Personal Auto Liability Unearned Premium Reserve	5,805,844	3,642,128	9,447,971
6. Percentage of Prepaid Expenses (c)			
(A) Commissions and Brokerages (W.P.)	16.3%		
(B) Taxes, Licenses, & Fees (E.P.)	3.5%		
(C) 50% of Other Acq. & Gen. Expense (E.P.)	5.8%		
(D) Total Prepaid Expenses $[(A)+(B)+(C)]$			25.7%
7. Agents' balances as of December 31, 2008 (d)			99,910,395
8. Agents' balances as of December 31, 2008 (d)			112,970,114
9. Mean Agents' Balances $\{[(7)+(8)]/2\}$			106,440,255
10. All lines Net Earned Premium for 2008 (e)			401,011,703
11. Factor Representing Delayed Remission of Premium $[(9)/(10)]$			0.265
12. Net Mean Personal Auto Liability Unearned Premiums Subject to Investment $[(5) \times \{1.0 - (6D)\} \times \{1.0 - (11)\}]$			5,163,037
13. Average Rate-of-Return on Investible Assets (f)			1.80%
14. Estimated Investment Earnings on Unearned Premium Reserves $[(12) \times (13)]$			93,147
15. Personal Auto Liability Net Earned Premium for 2008 (g)			48,513,283
16. Estimated Investment Earnings as a Percentage of Personal Auto Liability Net Earned Premiums $[(14)/(15)]$			0.20%

a) A. S., Part 1, Line 19.1 & 19.2, Columns 2 & 3

b) Installment Plan calls for 25% due on Effective Date, payments thereafter in the 3rd, 5th, 7th, & 9th months. By comparison, it can be shown that the average monthly unearned premium reserve on the installment plan is 28.47% of the written, while that on the prepaid basis is 54.17%. Hence, a reduction in the unearned premium reserve of 47.4% is appropriate on installment business  $[(54.17 - 28.47)/54.17]$ .

c) See Exhibit 7, Sheet 1

d) A. S., Page 2, Line 12.1 + Line 12.2

e) A. S., Part 1, Column 4, Line 34

f) Source: Exhibit 9 Sheet 7

g) A. S., Part 1, Column 4, Line 19.1 & 19.2

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Private Passenger Auto Physical Damage**  
**Calculation of After-Tax Return on Equity**

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After-tax Return on Equity = After-tax return on surplus  
+ (Premium / Surplus) x After-tax Return on Reserves  
+ (1-tax rate) X (Premium / Surplus) X (targeted pre-tax underwriting profit)

(1) After-Tax return on investment earnings	1.8%
(2) Tax rate	35.0%
(3) Premium / surplus ratio	2.9
(4) Return on reserves, after tax	0.4%
(5) Targeted Pre-Tax Underwriting Profit	4.7%
(6) After-Tax Return on Equity	11.8%
(1) + (3)x(4) + [(1-(2)) x (3)x(5)]	

- (1) Exhibit 9 Sheet 7  
(4) Exhibit 9 Sheets 5-6

**Estimated Investment Earnings On Loss & Loss Adjustment Expense Reserves**

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1. Loss and Loss Adjustment Expense Reserves as of December 31, 2007 (a)	\$1,875,481
2. Loss and Loss Adjustment Expense Reserves as of December 31, 2008 (a)	\$2,078,068
3. Mean Loss and Loss Adjustment Expense Reserves [ (1) + (2) ] / 2	\$1,976,775
4. Actual Incurred Loss and Loss Adjustment Expenses (b), (d) [ 1.1700 x 20518818 ]	\$24,007,017
5. Average period \$1.00 of Loss and LAE remains in reserves (in years) [(3) / (4)]	0.082
6. Average Rate of Return on Invested Assets (c)	1.80%
7. Expected investment earnings on \$1.00 of Loss and LAE while in reserves [ (1+(6))^(5) - 1 ]	\$0.0015
8. Expected Loss and LAE Ratio = (1.000 - Expense Ratio) (e)	68.5%
9. Estimated Investment Earnings as a percentage of Net Earned Premium [ (7) * (8) ]	0.10%

a. Source: Annual Statement, Part 2a, Column 8 + Column 9, Line 21

b. Source: Annual Statement, Part 2, Column 7, Line 21

c. Source: Exhibit 9 Sheet 7

d. LAE factor from Exhibit 6, Sheet 4

e. Source: Exhibit 7, Sheet 1

Estimated Investment Earnings On Unearned Premium Reserves

	(h)		
	Installment	Prepaid	Total
1. Auto Physical Damage Unearned Premium Reserve as of December 31, 2007 (a)	12,487,551	4,922,102	17,409,653
2. Auto Physical Damage Unearned Premium Reserve as of December 31, 2008 (a)	14,697,120	4,130,826	18,827,946
3. Mean Auto Physical Damage Unearned Premium Reserve $\{[(1)+(2)]/2\}$	13,592,336	4,526,464	18,118,800
4. Reduction Due to Booking Installment as Full (b)	6,442,767	xxxxxxxx	6,442,767
5. Net Mean Auto Physical Damage Unearned Premium Reserve	7,149,568	4,526,464	11,676,032
6. Percentage of Prepaid Expenses (c)			
(A) Commissions and Brokerages (W.P.)	16.3%		
(B) Taxes, Licenses, & Fees (E.P.)	3.5%		
(C) 50% of Other Acq. & Gen. Expense (E.P.)	5.9%		
(D) Total Prepaid Expenses [(A)+(B)+(C)]			25.7%
7. Agents' balances as of December 31, 2008 (d)			99,910,395
8. Agents' balances as of December 31, 2008 (d)			112,970,114
9. Mean Agents' Balances $\{[(7)+(8)]/2\}$			106,440,255
10. All lines Net Earned Premium for 2008 (e)			401,011,703
11. Factor Representing Delayed Remission of Premium $[(9)/(10)]$			0.265
12. Net Mean Auto Physical Damage Unearned Premiums Subject to Investment $[(5) \times \{1.0 - (6D)\} \times \{1.0 - (11)\}]$			6,378,811
13. Average Rate-of-Return on Investible Assets (f)			1.80%
14. Estimated Investment Earnings on Unearned Premium Reserves $[(12) \times (13)]$			115,081
15. Auto Physical Damage Net Earned Premium for 2008 (g)			37,222,397
16. Estimated Investment Earnings as a Percentage of Auto Physical Damage Net Earned Premiums $[(14)/(15)]$			0.31%

a) A. S., Part 1, Line 21, Columns 2 & 3

b) Installment Plan calls for 25% due on Effective Date, payments thereafter in the 3rd, 5th, 7th, & 9th months. By comparison, it can be shown that the average monthly unearned premium reserve on the installment plan is 28.47% of the written, while that on the prepaid basis is 54.17%. Hence, a reduction in the unearned premium reserve of 47.4% is appropriate on installment business  $[(54.17 - 28.47)/54.17]$ .

c) See Exhibit 7, Sheet 1

d) A. S., Page 2, Line 12.1 + Line 12.2

e) A. S., Part 1, Column 4, Line 34

f) Source: Exhibit 9 Sheet 7

g) A. S., Part 1, Column 4, Line 21

**Republic Underwriters Insurance Company  
The Republic Group  
Calculation of After-Tax Investment Rate of Return**

	Southern	Republic-Vanguard	Republic Underwriters	Republic Lloyds	Southern Underwriters	Republic Fire & Cas.	Southern Cnty Mutual	Southern Vanguard	Grand Total	
<b>Investment Income Calendar Year 2008 (2008 AS)</b>										
(1) Net Investment Income (Page 12, Line 17)	707,088	966,675	22,450,861	258,125	186,712	187,554	0	249,762	25,006,777	
(2) Common stock of affiliates (Page 12, Col. 1, Line 2.21)	0	0	0	0	0	0	0	0	0	
(3) Net Investment Income after consolidation (1) - (2)	707,088	966,675	22,450,861	258,125	186,712	187,554	0	249,762	25,006,777	(A)
<b>Capital Gains Calendar Year 2007 (2007 AS)</b>										
(4) Net Realized Capital Gains (Page 4, Line 10, Col. 1)	-53,058	-1,349	302,198	7,944	54,135	21,553	-11,616	-15,841	303,966	
(5) Net Unrealized Capital Gains (Page 4, Line 24, Col. 1)	4,875	-39,300	-488,913	0	0	0	-12,610	0	-535,948	
(6) Total Net Capital Gains (7) + (8)	-48,183	-40,649	-186,715	7,944	54,135	21,553	-24,226	-15,841	-231,982	(B)
<b>Capital Gains Calendar Year 2008 (2008 AS)</b>										
(7) Net Realized Capital Gains (Page 4, Line 10, Col. 1)	-301,650	-634,742	-11,619,407	4,105	2,053	2,069	-766,946	3,158	-13,311,360	
(8) Net Unrealized Capital Gains (Page 4, Line 24, Col. 1)	105,706	31,793	431,465	0	0	0	123,191	0	692,155	
(9) Total Net Capital Gains (7) + (8)	-195,944	-602,949	-11,187,942	4,105	2,053	2,069	-643,755	3,158	-12,619,205	(C)
<b>Invested Assets as of 12/31/07 (2007 AS)</b>										
(10) Total Invested Assets (Page 2, Line 10)	9,939,464	21,510,802	507,714,700	6,628,955	5,194,540	5,587,237	27,666,600	6,760,788	591,003,086	
(11) Value of consolidated affiliates (Sch. D, Col. 2, Line 53)	0	0	52,539,404	0	0	0	0	0	52,539,404	
(12) Net invested assets after consolidation (13) - (14)	9,939,464	21,510,802	455,175,296	6,628,955	5,194,540	5,587,237	27,666,600	6,760,788	538,463,682	(D)
<b>Invested Assets as of 12/31/08 (2008 AS)</b>										
(13) Total Invested Assets (Page 2, Line 10)	20,925,468	21,563,633	529,117,507	6,237,515	5,165,268	5,597,519	25,849,980	7,371,960	621,828,850	
(14) Value of consolidated affiliates (Sch. D, Col. 2, Line 53)	0	0	70,696,222	0	0	0	0	0	70,696,222	
(15) Net invested assets after consolidation (13) - (14)	20,925,468	21,563,633	458,421,285	6,237,515	5,165,268	5,597,519	25,849,980	7,371,960	551,132,628	(E)
(F) Investment Income Rate of Return (Pre-Tax):		4.59%								(F) = (A) / (Avg.((D) , (E)))
(G) Capital Gains Rate of Return (After-Tax):		-1.18%								(G)=((B)+(C)) / ((D)+(E))
(H) Effective Tax-Rate in Investment Earnings:		0.35								(H)
(I) <b>Rate of Return (After-Tax) on Investment Income:</b>		<b>2.98%</b>								(I) = (F) x (1.000 - (H))
(J) <b>Rate of Return (After-Tax) in Invested Assets:</b>		<b>1.80%</b>								(J) = (I) + (G)

Notes:

Item (1) is net of investment expenses.

Items (5) and (8) are valued at Market.

This is appropriate as this is how these items are carried in (4) and (7) respectively.

**Republic Underwriters Insurance Company**  
**The Republic Group**  
**Arkansas Roadmaster Auto Program**  
**Development Of Catastrophe Loading Factor**  
**Comprehensive**

*Catastrophe Loss Data Experience is Limited in Arkansas*

Fiscal Year Ending June	Ex-Cat Incurred Losses	Cat Incurred Losses	Cat Ratio
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010	66,192	6,804	0.103
2011	205,171	7,311	0.036
Total	271,363	14,115	0.052
	Averages:		
		All Year Average	0.069
		Selected	0.069
		Selected Cat Factor	1.069



SERFF Tracking Number: TRGR-127657330 State: Arkansas  
 Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
 Company Tracking Number: 11-555  
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
 Product Name: Republic RoadMaster (sm) Personal Automobile Program  
 Project Name/Number: Rate and Rule Revision/

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/29/2011	Rate and Rule	Accident Threshold; Policy Accident Free Discount (the policy accident free discount is moved to the classification pages, repaginating pages 14-20; accident threshold is page G-18).	10/11/2011	AR PA General Rules 1111 rate rev P14-20.pdf (Superseded)
09/29/2011	Rate and Rule	Base Rates	11/17/2011	AR PA Class Section 1111 rate rev p1.pdf (Superseded)
11/17/2011	Supporting Document	APCS-Auto Premium Comparison Survey	12/06/2011	PPA Survey FORM APCS Effective 2011-11-15.pdf PPA Survey FORM APCS Effective 2011-11-15.xls (Superseded)
10/17/2011	Supporting Document	APCS-Auto Premium Comparison Survey	11/17/2011	PPA Survey FORM APCS Effective 2011-11-15.pdf (Superseded) PPA Survey FORM APCS Effective 2011-11-15.xls (Superseded)
10/11/2011	Supporting Document	APCS-Auto Premium Comparison Survey	10/17/2011	PPA Survey FORM APCS Effective 2011-11-15.pdf PPA Survey FORM APCS Effective 2011-11-15.xls (Superseded)

SERFF Tracking Number: TRGR-127657330 State: Arkansas  
Filing Company: Republic Underwriters Insurance Company State Tracking Number:  
Company Tracking Number: 11-555  
TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations  
Product Name: Republic RoadMaster (sm) Personal Automobile Program  
Project Name/Number: Rate and Rule Revision/

09/27/2011	Supporting APCS-Auto Premium Comparison Document Survey	10/11/2011	PPA Survey FORM APCS Effective 2011-11-15.pdf PPA Survey FORM APCS Effective 2011-11-15.xlsx (Superceded)
09/27/2011	Supporting NAIC loss cost data entry Document	11/17/2011	FORM RF-1 Rate Filing Abstract.pdf (Superceded)

**4. CLASSIFICATIONS (Cont.)**

c. Use the table below to determine the factor to be applied.

Hybrid Vehicle	Vehicle Age	BI	PD	MP	Comp	Coll
No	<=0	0.85	0.97	0.82	0.78	0.78
No	1	0.88	0.97	0.86	0.85	0.85
No	2	0.91	0.98	0.90	0.90	0.90
No	3	0.94	0.98	0.94	0.94	0.94
No	4	0.97	0.99	0.97	0.97	0.97
No	>4	1.00	1.00	1.00	1.00	1.00
Yes	<=0	0.84	0.87	0.81	0.77	0.77
Yes	1	0.86	0.87	0.84	0.84	0.83
Yes	2	0.87	0.88	0.86	0.86	0.86
Yes	3	0.88	0.88	0.88	0.88	0.88
Yes	4	0.89	0.89	0.89	0.89	0.89
Yes	>4	0.90	0.90	0.90	0.90	0.90

**Table 4.E.15.b., Vehicle Matrix Discount Factors**

**16. Policy Accident-Free Discount****a. Eligibility**

If all listed drivers on the policy:

1. have no at-fault accidents (with any paid loss) or major convictions in the last 3 years, and
2. the named insured has at least five years of driving experience,

then all private passenger autos on the policy are eligible for the Policy Accident Free Discount.

**b.** The discount amount increases if all listed drivers meet the above criteria for the last 4 or 5 years of driving history.

**c.** Use the table below to determine the factor to be applied.

**d.** Refer to the Classification Factors section of this manual for the factor to apply.

**17. Policy Matrix Discount**

The Policy Matrix Discount recognizes reduced loss potential and reduced expenses incurred for several factors.

**a. Pay-in-Full (PIF) Payment Plan Type**

To recognize the savings associated with certain payment plans, the following are included in the Vehicle Matrix Discount:

- (1) Insureds who select the 1-Pay or 2-Pay billing plans at the point of sale qualify.
- (2) This discount is not available midterm and may only be applied at the auto policy's inception or upon renewal.
- (3) Refer to Paragraph **A.1.** and **A.2.** in **Rule 22** for details on these payment options.

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**4. CLASSIFICATIONS, (cont.)**


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**b. Companion Products**

- (1) An insured who has a Personal Automobile insurance policy with Republic Underwriters Insurance Company and one or more of the following with any company in The Republic Group qualifies.

**(a) Category One**

Owner occupied homeowners policy (**HO 00 03** or **HO 00 06**)

**(b) Category Two**

(i) Tenant occupied homeowners policy (**HO 00 04**)

(ii) Dwelling policy (Owner or tenant occupied, **DP 00 01** or **DP 00 03**)

**(c) Category Three**

(i) Farm and Ranch policy

(ii) Personal Umbrella or other personal lines policy

**(d) Category Four**

Policies in two or more of the categories above. Multiple policies in the same category (such as two HO 00 03's) do **NOT** qualify.

2. Policies on secondary and seasonal dwellings do not qualify for this credit.

**c. Advanced Quote**

- (1) New business policies where the quote is initiated by the customer and uploaded to Republic systems by the agent seven or more days in advance of the policy effective date are eligible.
- (2) The named insured must have a prior insurance policy with no days lapse in coverage to qualify.
- (3) This discount will continue to apply at renewal.

- d. Refer to the Classification Factors section of this manual for the factor to apply.

**18. Pickups and Vans**

- a. Liability and Physical Damage: Rate as private passenger auto.

For non-symbolled pickups, determine a symbol based on original cost new from the Price/Symbol Charts in the Symbol and Identification Manual.

- b. Refer to **Rule 14.H.** for rating of custom equipment on pickups and vans.

- c. Camper bodies with or without facilities for cooking or sleeping: Rate as separate item. Refer to **Rule 19.B.**

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**5. MERIT RATING PLAN**


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The Merit Rating Plan is designed to provide appropriate rates for all drivers based on their driving record history. Drivers that are free from accidents and convictions pay lower premiums while those with driving incidents pay higher premiums. All automobiles are eligible for rating regarding this rule.

**A. Experience Period**

1. New Business: three years immediately preceding the application.
2. Renewal Business: three years immediately preceding the renewal effective date.

**5. MERIT RATING PLAN, (cont.)****B. Administration**

Information necessary to assign the proper Merit Rating Plan assignments for new and renewal business will be determined by any one or a combination of the following:

1. Company's own records.
2. Motor Vehicle Records (MVRs).
3. CLUE reports.
4. Applications signed by the applicant and producer.

**C. Assigning Merit Rating Plan Surcharges to Autos**

1. The driving record of all drivers who customarily operate the autos being insured shall be used for the purpose of determining Merit Rating Plan surcharges. No surcharges are assigned for the convictions or at fault accidents of:
  - a. A driver demonstrated to be a named insured or a principal operator of an auto insured under a separate policy.
  - b. A driver specifically excluded under a named driver exclusion.

**2. Assigning Drivers To Autos**

Assign each driver to the same auto he or she has been assigned to in accordance with **Rule 4.C.** above.

**D. Convictions Surcharges****1. Definition**

- a. The term conviction shall include a conviction upon a plea of guilty, or of nolo contendere; or the determination of guilt by a jury or by a court though no sentence has been imposed or, if imposed, has been suspended, including a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated; or a prayer for judgment continued.
- b. If the conviction date is not available, the date the violation occurred shall be considered as a conviction.

**2. Major Convictions**

- a. A driver with major convictions will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of major convictions and the months since latest incident (defined as the number of months between the date of the most recent chargeable conviction and the effective date of the policy).
- b. If an occurrence results in both a chargeable at-fault accident and a major violation, only the Major violation will incur a surcharge. The at-fault accident will not be surcharged in this case.

- c. Major convictions are as follows:

Alcohol/Drug Violation	Careless/Reckless/Imprudent Driving	Criminal Negligence Injury/Fatality
Driving w/ Altered or Stolen License	Driving while Intoxicated/Impaired (see note 1)	Evading Arrest
Failure to obey Police Officer	Failure to Stop & Render Aid	False Statement to Insurance
Felony Involving Vehicle	Giving False Report	Gross Criminal Negligence
Hit & Run	Leaving Scene of Accident	License Suspended, Cancelled, or Revoked
Passing Stopped School Bus	Permit Unlicensed Driver to Drive or No License in Effect (see note 2)	Probation/Conditional License

**5. MERIT RATING PLAN, (cont.)**

Racing Vehicular Homicide /Manslaughter/Assault	Transport Hazardous Substance	Unsafe Driving
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**Table 5.D.2.b., List of Major Convictions**

- (1) Operating a motor vehicle while intoxicated/impaired includes under the influence of intoxicants, alcohol or drugs; open container or bottle, implied consent, refusal to submit to chemical test, and refusal to submit to breath test.
- (2) no surcharge will be charged for a conviction of failure to have a motorcycle operator's endorsement provided the operator has an otherwise valid driver's or operator's license.

**d. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**3. Minor Conviction Surcharge**

- a. A driver with minor convictions will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of minor convictions and the months since latest incident (defined as the number of months between the date of the most recent chargeable conviction and the effective date of the policy).
- b. If an occurrence results in both a chargeable at-fault accident and a minor violation, only the at-fault accident will incur a surcharge. The minor violation will not be surcharged in this case. If the at-fault accident is not chargeable, then the minor violation will be surcharged.

**c. Definition**

A minor conviction is a conviction of any other type of moving traffic violation not listed under **Rule 5.D.2. Major Convictions**. This includes but is not limited to the following:

Disobey Emergency Vehicle	Disobey Traffic Control Device	Driving below minimum Speed Limit
Driving on Shoulder/Where Prohibited	Driving on wrong side of road/Wrong Way	Driving too Fast for Conditions
Failure to Control Vehicle	Failure to Dim Lights	Failure to Observe Safety Zone
Failure to Signal Direction	Failure to stay in own lane	Failure to Surrender License
Failure to use Child Restraint	Failure to Use Due Care	Failure to Yield/Stop
Following Too Closely	Illegal Passing	Improper Backing
Improper Lane Change	Improper Parking	Improper Turn
Improper Use of Vehicle	No Seat Belt	Obstructed Vision/Hearing
Obstructing Traffic	Operating Vehicle w/o License or Permit	Prohibited U Turn
Ran off Road	Ran Stop Sign/Red Light	Speeding
Vehicle Unsafe Condition		

**Table 5.D.3.b, List on Minor Violations**

**d. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**E. Accidents**

- 1. Accidents noted on an application or MVR are deemed to be at-fault unless proof is provided to verify that the insured was not-at-fault. Accidents shown on a CLUE report are deemed at-fault if payments were made under the liability coverages. Accidents that occur while insured with the company will have fault determined by the company's evaluation of the claim.

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**5. MERIT RATING PLAN, (cont.)**

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2. Accidents that are considered to be not-at-fault include but are not limited to the following:
  - a. The accident was caused by collision with a bird or animal.
  - b. Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
  - c. The automobile was struck in the rear by another vehicle and the driver of the automobile, which was struck in the rear, was not convicted of a moving violation in association with the accident.
  - d. The automobile was struck by a "hit-and-run" driver and the accident was properly reported to authorities with 24 hours.
  - e. The driver of the automobile was not convicted of a moving violation in connection with the accident, but the driver of another vehicle involved in the accident was convicted of a moving traffic violation.
  - f. Accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects.
  - g. Accidents occurring when using an auto, regardless of ownership, in performance of duty if the operator of the auto at the time of the accident was a paid volunteer peace officer, firefighter, operator of emergency vehicles, or member of any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in the performance of duty.
  - h. The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
3. A driver with an at-fault accident where insurance company payments to all payees exceeds:
  - a. \$1,000 for accidents occurring prior to 12/15/2010 and/or any accidents evaluated prior to the 12/15/2011 effective date or
  - b. \$2,000 for accidents occurring after 12/15/2010 and evaluated after the 12/15/2011 effective date will be assessed a surcharge on the vehicle to which he/she is assigned. The surcharge varies based on the number of at-fault accidents and the months since latest incident (defined as the number of months between the date of the most recent chargeable accident and the effective date of the policy).
4. Accidents determined to be not-at-fault will be considered as an Other Incident for the purpose of merit rating.

**5. Factors**

Refer to the Merit Rating Plan Factors section of this manual for the factor to apply.

**F. First Accident Forgiveness**

1. For policies that meet all of the following criteria, the first at-fault accident where insurance company payments to all payees exceeds \$1,000 will have the surcharge waived:
  - a. The policy has been written with the company for at least 3 years of continuous insurance.
  - b. The most recent policy renewal has the Policy Accident Free Discount 5-year level applied. Refer to **Rule 4.E.16** for the Policy Accident Free Discount qualifications.
  - c. There are no other at-fault accidents currently being forgiven from prior application of First Accident Forgiveness associated with any driver assigned to the policy in the prior 5 years.
  - d. The driver that has the at-fault accident must be age 21 or older.
2. First Accident Forgiveness does not apply to **Rule 4.E.16.**, the Policy Accident Free Discount. It will be removed from the policy at renewal following an at-fault accident.

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**5. MERIT RATING PLAN, (cont.)**

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**G. Refund of Surcharged Premium**

If a surcharge has been assigned for a conviction, accident, or other incident, and it is later determined:

1. That the accident falls under one of the exceptions in this rule; or
2. That the conviction was overturned; or
3. The charge was inappropriately applied for any other reason;

the company shall refund to the insured the increased portion of the premium generated by the surcharge.

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**6. MODEL YEAR WHEN USED IN RATING COVERAGES**

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- A. The model year of the auto is the year assigned by the auto manufacturer.
- B. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.

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**7. MINIMUM PREMIUM RULE**

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- A. A minimum annual premium charge shall be made for each policy, certificate, declaration or binder covering one or more of the following perils:
  1. Comprehensive,
  2. Collision,
  3. Bodily Injury Liability, or
  4. Property Damage Liability.
- B. Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.
- C. The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge shall be adjusted on a pro rata basis, as the conditions require.
- D. The minimum policy premium is \$100.

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**8. POLICY PERIOD**

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- A. No policy may be written for a period longer than 12 months.
- B. For twelve month policies, charge the annual premium. Policy terms of less than twelve months are not available unless written as a short term policy under C. below.
- C. Short Term Policies  
Policies written for less than 12 months shall be written on a pro rata basis in accordance with the Pro Rata Table in the Cancellation rule.

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**9. CHANGES**

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- A. All changes requiring premium adjustments shall be computed pro rata.
- B. If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.
- C. Minimal Premium Adjustments  
All premium shall be returned.

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**9. CHANGES, (cont)**

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- D. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges.

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**10. CANCELLATION**

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- A. If a policy, vehicle or form of coverage is cancelled, compute the return premium pro rata.
- B. Instructions for Use of **PRO RATA TABLES**
1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g. March 7, 1976 is designated as 1976.181.
  2. In like manner, express the effective date of the policy by year and decimal part of a year and subtract from the cancellation date.
3. The difference in the case of 1 year policies, represents the percentage of the annual premium which is to be retained by the company.

<b>Example:</b>	
Cancellation date May 19, 1976.....	1976.381
Effective date March 2, 1976.....	1976.167
	.214

**Table 10.B.3., Cancellation Example**

Earned premium for a 1 Year Term Policy will therefore be .214 times the annual premium.

**Note:** As it is not customary to charge for the extra day (February 29th) which occurs one year in every four years this table shall also be used for each such year.

## 1. Base Rates

Coverage	Base Limit	Base Rate
BI	25,000/50,000	\$180.92
PD	25,000	\$165.64
MP (MP portion only)	5,000	\$57.53
UMBI	25,000/50,000	\$27.15
UIM	25,000/50,000	\$22.35
UMPD	25,000; 200 deductible	\$17.26
Comprehensive	100 deductible	\$240.94
Collision	250 deductible	\$422.49

Table R.1., Base Rates

## 2. Territory Factors

Territory	BI	PD	MP	UM-BI/UIM	UMPD	Comp	Coll
1	0.95	1.04	1.01	0.97	1.04	1.07	1.02
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3	0.92	0.90	0.98	1.00	1.08	1.32	1.06
4	0.92	0.88	0.99	1.01	1.07	1.39	1.06
5	0.91	0.89	0.99	1.02	1.07	1.43	1.07
6	0.92	0.90	1.01	1.02	1.09	1.47	1.09
7	0.93	0.92	0.99	1.03	1.06	1.37	1.08
8	0.94	0.94	0.99	1.06	1.06	1.39	1.09
9	0.97	0.92	1.03	1.06	1.10	1.54	1.08
10	0.95	0.89	0.97	1.03	1.10	1.46	1.05
11	1.13	1.05	1.01	1.03	1.04	1.18	1.04
12	1.00	0.95	1.01	1.01	1.06	1.42	1.04
13	1.01	0.95	1.07	1.08	1.06	1.51	1.06
14	1.00	0.94	1.01	1.07	0.99	1.32	0.97
15	1.03	0.95	1.03	1.06	1.00	1.44	0.99
16	1.00	0.90	1.02	1.08	1.05	1.49	1.05
17	1.04	0.95	1.01	1.04	1.07	1.40	1.04
18	1.03	0.94	1.00	1.05	1.08	1.47	1.05
19	1.04	0.92	1.05	1.05	1.02	1.57	1.02
20	1.14	1.02	1.02	1.05	1.04	1.16	1.04
21	1.15	0.97	1.12	1.06	1.02	1.26	1.03
22	1.14	1.01	1.03	1.11	1.04	1.22	1.07
23	1.00	0.94	1.00	1.01	1.06	1.46	1.08
24	1.10	1.04	1.02	1.01	1.08	1.37	1.09
25	0.96	0.90	1.03	1.02	1.11	1.72	1.12
26	0.92	0.85	0.99	1.00	1.09	1.55	1.05
27	0.93	0.90	1.04	0.99	1.09	1.69	1.12
28	0.94	0.90	1.04	0.99	1.07	1.69	1.11
29	0.94	0.89	1.03	1.01	1.08	1.72	1.10
30	0.94	0.88	1.01	1.02	1.06	1.79	1.09
31	0.96	0.89	1.02	1.00	1.06	1.70	1.10
32	0.98	0.90	0.99	1.00	1.06	1.50	1.13



## Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

**NAIC Number:** 24538  
**Company Name:** Republic Underwriters Insurance Company  
**Contact Person:** Randall Buda  
**Telephone No.:** 972-788-6620  
**Email Address:** [randall.buda@republicgroup.com](mailto:randall.buda@republicgroup.com)  
**Effective Date:** 11/15/2011

**Assumptions to Use:**

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident  
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**  
*Uninsured motorist property and bodily injury equal to liability coverage*  
*Underinsured bodily injury equal to liability coverage*
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

**Submit to:** Arkansas Insurance Department  
 1200 West Third Street  
 Little Rock, AR 72201-1904  
**Telephone:** 501-371-2800  
 Email as an attachment to [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)  
 You may also attach to a SERFF filing or submit on a compact disk

**DISCOUNTS OFFERED:**

PASSIVE RESTRAINT/AIRBAG	2 - 10	%
AUTO/HOMEOWNERS	5 - 15	%
GOOD STUDENT	3 - 17	%
ANTI-THEFT DEVICE	2 - 5	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.	21-25% / 8-13	%

Vehicle	Coverages	Gender	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
			Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female
			18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
1999 Chevrolet Silverado 1500 2WD "LS" regular cab 119" WB	Minimum Liability		\$1,330	\$1,561	\$529	\$445	\$1,290	\$1,512	\$520	\$440	\$1,644	\$1,935	\$644	\$541	\$1,279	\$1,497	\$514	\$435	\$1,424	\$1,671	\$565	\$476
	Minimum Liability with Comprehensive and Collision		\$1,856	\$2,257	\$747	\$580	\$1,918	\$2,330	\$797	\$611	\$2,136	\$2,593	\$842	\$658	\$2,013	\$2,446	\$850	\$644	\$1,977	\$2,398	\$801	\$619
	100/300/50 Liability with Comprehensive and Collision		\$2,101	\$2,541	\$859	\$679	\$2,174	\$2,626	\$915	\$715	\$2,456	\$2,967	\$982	\$780	\$2,265	\$2,738	\$964	\$747	\$2,261	\$2,729	\$927	\$731
2003 Ford Explorer 'XLT' 2WD, 4 door	Minimum Liability		\$1,455	\$1,707	\$572	\$482	\$1,411	\$1,653	\$562	\$476	\$1,796	\$2,115	\$700	\$585	\$1,398	\$1,639	\$557	\$471	\$1,559	\$1,829	\$612	\$516
	Minimum Liability with Comprehensive and Collision		\$2,388	\$2,929	\$970	\$738	\$2,495	\$3,055	\$1,046	\$787	\$2,700	\$3,307	\$1,077	\$825	\$2,645	\$3,239	\$1,126	\$838	\$2,536	\$3,105	\$1,040	\$788
	100/300/50 Liability with Comprehensive and Collision		\$2,651	\$3,234	\$1,088	\$841	\$2,770	\$3,373	\$1,169	\$897	\$3,046	\$3,710	\$1,225	\$954	\$2,915	\$3,553	\$1,246	\$945	\$2,842	\$3,461	\$1,172	\$904
2003 Honda Odyssey "EX"	Minimum Liability		\$1,097	\$1,280	\$446	\$380	\$1,067	\$1,243	\$442	\$376	\$1,348	\$1,579	\$541	\$457	\$1,059	\$1,233	\$436	\$373	\$1,175	\$1,372	\$477	\$406
	Minimum Liability with Comprehensive and Collision		\$2,024	\$2,494	\$844	\$640	\$2,134	\$2,620	\$917	\$688	\$2,261	\$2,780	\$926	\$706	\$2,275	\$2,795	\$992	\$735	\$2,147	\$2,638	\$903	\$682
	100/300/50 Liability with Comprehensive and Collision		\$2,228	\$2,730	\$942	\$729	\$2,348	\$2,866	\$1,022	\$782	\$2,528	\$3,088	\$1,047	\$814	\$2,485	\$3,037	\$1,093	\$827	\$2,383	\$2,910	\$1,013	\$781
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability		\$1,332	\$1,554	\$531	\$449	\$1,295	\$1,509	\$523	\$444	\$1,635	\$1,915	\$643	\$541	\$1,285	\$1,498	\$518	\$440	\$1,430	\$1,668	\$569	\$480
	Minimum Liability with Comprehensive and Collision		\$2,495	\$3,068	\$1,039	\$781	\$2,646	\$3,244	\$1,140	\$845	\$2,778	\$3,412	\$1,137	\$861	\$2,831	\$3,472	\$1,238	\$910	\$2,655	\$3,254	\$1,114	\$835
	100/300/50 Liability with Comprehensive and Collision		\$2,732	\$3,343	\$1,148	\$878	\$2,893	\$3,531	\$1,254	\$948	\$3,090	\$3,774	\$1,273	\$980	\$3,075	\$3,755	\$1,350	\$1,009	\$2,930	\$3,573	\$1,238	\$944
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability		\$1,209	\$1,416	\$486	\$411	\$1,176	\$1,373	\$479	\$408	\$1,491	\$1,751	\$591	\$498	\$1,165	\$1,361	\$474	\$403	\$1,297	\$1,517	\$520	\$440
	Minimum Liability with Comprehensive and Collision		\$2,620	\$3,238	\$1,114	\$827	\$2,811	\$3,460	\$1,238	\$905	\$2,888	\$3,564	\$1,206	\$901	\$3,033	\$3,733	\$1,356	\$984	\$2,787	\$3,434	\$1,198	\$885
	100/300/50 Liability with Comprehensive and Collision		\$2,843	\$3,496	\$1,219	\$921	\$3,045	\$3,730	\$1,347	\$1,004	\$3,181	\$3,905	\$1,337	\$1,016	\$3,263	\$3,999	\$1,464	\$1,080	\$3,046	\$3,734	\$1,315	\$989
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability		\$1,430	\$1,674	\$566	\$477	\$1,388	\$1,621	\$555	\$470	\$1,758	\$2,064	\$687	\$576	\$1,378	\$1,608	\$550	\$466	\$1,532	\$1,793	\$605	\$510
	Minimum Liability with Comprehensive and Collision		\$2,008	\$2,431	\$814	\$628	\$2,088	\$2,524	\$875	\$667	\$2,295	\$2,780	\$910	\$709	\$2,199	\$2,661	\$935	\$707	\$2,143	\$2,590	\$875	\$674
	100/300/50 Liability with Comprehensive and Collision		\$2,259	\$2,724	\$927	\$729	\$2,352	\$2,829	\$994	\$773	\$2,626	\$3,166	\$1,054	\$834	\$2,458	\$2,962	\$1,053	\$810	\$2,435	\$2,930	\$1,004	\$787





*SERFF Tracking Number:* TRGR-127657330                      *State:* Arkansas  
*Filing Company:* Republic Underwriters Insurance Company      *State Tracking Number:*  
*Company Tracking Number:* 11-555  
*TOI:* 19.0 Personal Auto                      *Sub-TOI:* 19.0000 Personal Auto Combinations  
*Product Name:* Republic RoadMaster (sm) Personal Automobile Program  
*Project Name/Number:* Rate and Rule Revision/

Attachment "PPA Survey FORM APCS Effective 2011-11-15.xlsx" is not a PDF document and cannot be reproduced here.

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>11-555</b>
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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	
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Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	<b>Republic Underwriters Insurance Company</b>	<b>B.</b>	<b>24538</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>Personal Auto</b>	<b>B.</b>	<b>Private Passenger Auto</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
<b>BI</b>	<b>11.2%</b>	<b>4.8%</b>					
<b>PD</b>	<b>12.6%</b>	<b>5.0%</b>					
<b>PIP</b>	<b>44.9%</b>	<b>21.3%</b>					
<b>UMBI</b>	<b>5.1%</b>	<b>0.0%</b>					
<b>UMPD</b>	<b>37.6%</b>	<b>19.2%</b>					
<b>Comprehensive</b>	<b>29.7%</b>	<b>18.8%</b>					
<b>Collision</b>	<b>4.1%</b>	<b>2.3%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>12.4%</b>	<b>6.1%</b>					

<b>6.</b>		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
<b>2009</b>	<b>NewProgram</b>						
<b>2011</b>	<b>2,622</b>	<b>6.1%</b>	<b>11/15/11</b>	<b>3512976</b>	<b>2515581</b>	<b>71.6%</b>	<b>60.7%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>20.7 / 20.7%</b>
B. General Expense	<b>7.2 / 7.3%</b>
C. Taxes, License & Fees	<b>3.5% / 3.5%</b>
D. Underwriting Profit & Contingencies	<b>8.5% / 4.7%</b>
E. Reinsurance (Phys Dmg)	<b>0.8%</b>
<b>F. TOTAL</b>	<b>39.9 / 37.0%</b>

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 13.4% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
- 10.** -2.4% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_