

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Filing at a Glance

Company: Privilege Underwriters Reciprocal Exchange

Product Name: PURE Private Fleet Auto SERFF Tr Num: PERR-126933293 State: Arkansas

Insurance Program

TOI: 19.0 Personal Auto

SERFF Status: Closed-Filed

State Tr Num: EFT \$50

Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Co Tr Num: PURE-PPA-PFAI-AR-11-01-R

State Status: Fees verified and received

Filing Type: Rate/Rule

Reviewer(s): Alexa Grissom, Nancy Horton

Authors: Lois Pimentel, Addy Anggelico, Shera Fournier

Disposition Date: 08/08/2011

Date Submitted: 03/08/2011

Disposition Status: Filed

Effective Date Requested (New): 04/07/2011

Effective Date (New): 08/01/2011

Effective Date Requested (Renewal):

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: PURE-PPA-PFAI-AR-11-01-R

Status of Filing in Domicile: Pending

Project Number: PURE-PPA-PFAI-AR-11-01-R

Domicile Status Comments:

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 08/08/2011

State Status Changed: 03/17/2011

Deemer Date:

Created By: Shera Fournier

Submitted By: Addy Anggelico

Corresponding Filing Tracking Number: PURE-PPA-PFAI-AR-11-01-F

Filing Description:

On behalf of Privilege Underwriters Reciprocal Exchange ("PURE" or the "Company"), we are submitting this filing to introduce their PURE Private Fleet Auto Insurance Program.

Please see the memorandum for further details.

Please note that the corresponding form filing has been submitted concurrently under filing number PURE-PPA-PFAI-AR-10-01-F.

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

PURE respectfully requests that the proposed rates and rules be implemented for all policies effective on and after April 7, 2011 or the earliest possible date of acknowledgment or approval.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items in this filing, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it.

Please do not hesitate to contact us with any questions or comments.

Company and Contact

Filing Contact Information

Fournier Shera, Filing Analyst doi@perrknight.com
 881 Alma Real Drive Suite 205 310-230-9339 [Phone] 150 [Ext]
 Pacific Palisades, CA 90272 310-230-8529 [FAX]

Filing Company Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Privilege Underwriters Reciprocal Exchange	CoCode: 12873	State of Domicile: Florida
800 Corporate Drive	Group Code:	Company Type:
Suite 420	Group Name:	State ID Number:
Fort Lauderdale, FL 33334	FEIN Number: 20-8287105	
(954) 302-4675 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	\$100 for 1 rate/rule filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Privilege Underwriters Reciprocal Exchange	\$100.00	03/08/2011	45386025

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	08/08/2011	08/08/2011

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	08/04/2011	08/04/2011	Lois Pimentel	08/05/2011	08/05/2011
Pending Industry Response	Alexa Grissom	06/28/2011	07/26/2011	Lois Pimentel	07/27/2011	07/27/2011
Pending Industry Response	Alexa Grissom	06/23/2011	06/23/2011	Lois Pimentel	06/24/2011	06/24/2011
Pending Industry Response	Alexa Grissom	06/09/2011	06/09/2011	Lois Pimentel	06/15/2011	06/15/2011
Pending Industry Response	Alexa Grissom	06/02/2011	06/02/2011	Lois Pimentel	06/03/2011	06/03/2011
Pending Industry Response	Alexa Grissom	05/12/2011	05/12/2011	Lois Pimentel	05/24/2011	05/24/2011

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Pending Alexa Grissom 04/28/2011 04/28/2011 Lois Pimentel 05/06/2011 05/06/2011
 Industry
 Response

Pending Alexa Grissom 04/18/2011 04/18/2011 Lois Pimentel 04/26/2011 04/26/2011
 Industry
 Response

Pending Alexa Grissom 04/04/2011 04/04/2011 Lois Pimentel 04/12/2011 04/12/2011
 Industry
 Response

Pending Alexa Grissom 03/21/2011 03/21/2011 Lois Pimentel 03/24/2011 03/24/2011
 Industry
 Response

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status check	Note To Reviewer	Lois Pimentel	07/18/2011	07/18/2011

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Disposition

Disposition Date: 08/08/2011
 Effective Date (New): 08/01/2011
 Effective Date (Renewal):
 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):
Privilege Underwriters Reciprocal Exchange	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

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	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Filing Memorandum	Filed	Yes
Supporting Document (revised)	Credit Scoring Information	Filed	Yes
Supporting Document	Credit Scoring Information	Filed	Yes
Supporting Document	Credit Scoring Information	Filed	Yes
Supporting Document	Credit Scoring Information	Filed	Yes
Supporting Document	Letter of Authorization	Filed	Yes
Supporting Document	20110324 Response letter	Filed	Yes
Supporting Document	20110412 Response letter	Filed	Yes
Supporting Document	20110426 Response letter and markup	Filed	Yes
Supporting Document	20110506 Response materials	Filed	Yes
Supporting Document	20110524 Response letter and markup	Filed	Yes
Supporting Document	20110603 Response letter	Filed	Yes
Supporting Document	20110615 Response letter and markup	Filed	Yes
Supporting Document	20110624 response letter	Filed	Yes
Supporting Document	20110805 Response letter	Filed	Yes
Rate	Private Passenger Auto - Countrywide Manual	Filed	Yes
Rate (revised)	Arkansas Exception Pages	Filed	Yes
Rate	Arkansas Exception Pages	Filed	Yes
Rate	Arkansas Exception Pages	Filed	Yes
Rate	Arkansas Exception Pages	Filed	Yes
Rate	Rate Manual Tables	Filed	Yes

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/04/2011

Submitted Date 08/04/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Per our telephone discussion, please resubmit the APCS without altering the form.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/05/2011
Submitted Date 08/05/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached response letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110805 Response letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/28/2011

Submitted Date 07/26/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Please set a new effective date no earlier than July 14th, 2011.

A new APCS with the effective date must be submitted as well.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/27/2011
Submitted Date 07/27/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: We would like to request an effective date of August 1, 2011. Attached is a revised APCS form, and a post-submission update has been created.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Angelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/23/2011
Submitted Date 06/23/2011
Respond By Date
Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Please clarify how adding NC points to a tier would not be in violation of 23.79-152.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/24/2011
Submitted Date 06/24/2011

Dear Alexa Grissom,

Comments:

Thank you for your continued review of this filing.

Response 1

Comments: Please see the attached.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Credit Scoring Information

Comment:

Satisfied -Name: 20110624 response letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/09/2011

Submitted Date 06/09/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. If non-chargeable accidents/claims are utilized to place an insured in a higher rated tier, such would be in violation of Ark. Code Ann. 23-79-152.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/15/2011
Submitted Date 06/15/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see attached.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110615 Response letter and markup

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas Exception Pages	Page 1 thru Page 9	New	
Previous Version			
Arkansas Exception Pages	Page 1 thru Page 9	New	
Arkansas Exception Pages	Page 1 thru Page 9	New	
Arkansas Exception Pages	Page 1 thru Page 9	New	

Thank you.

Sincerely,
Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/02/2011

Submitted Date 06/02/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Please clarify what a "non-chargeable violation" is. By the violation generating a point, it appears you are surcharging for a non-chargeable violation.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/03/2011
Submitted Date 06/03/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110603 Response letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/12/2011
Submitted Date 05/12/2011
Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Our Manager has advised that you must submit your own data to accompany the credit model. Also, Ark. 23-79-152 prohibits surcharging for not-at-fault accidents/claims. Therefore, your rules must be amended accordingly.

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: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/24/2011
Submitted Date 05/24/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached letter and materials.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Credit Scoring Information

Comment:

Satisfied -Name: 20110524 Response letter and markup

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas Exception Pages	Page 1 thru Page 9	New	
Previous Version			
Arkansas Exception Pages	Page 1 thru Page 9	New	
Arkansas Exception Pages	Page 1 thru Page 9	New	

Thank you.

Sincerely,

Addy Angelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 04/28/2011

Submitted Date 04/28/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Please provide an explanation advising why the amended pages were submitted since they were not in response to my objection.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/06/2011
Submitted Date 05/06/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached response letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110506 Response materials

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 04/18/2011

Submitted Date 04/18/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. I have discussed your response with our Manager and he advised the model must be tested on your experience.

It is the Department's position that separately rating of perils relating to weather is in conflict with the Legislative intent of Arkansas Code Annotated § 23-63-109, which is to avoid penalizing insureds for natural cause events beyond their control. We have applied this rationale in the past to the consideration of weather related and catastrophe claims for placement into rating tiers and surcharges. We believe it is appropriate to apply this concept to any rating scheme that might result in the unfair consideration of natural cause events.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/26/2011
Submitted Date 04/26/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached letter and materials.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110426 Response letter and markup
Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas Exception Pages	Page 1 thru Page 9	New	
Previous Version			
Arkansas Exception Pages	Page 1 thru Page 9	New	

Thank you.

Sincerely,
Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 *State:* Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange *State Tracking Number:* EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 04/04/2011

Submitted Date 04/04/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. Was the analysis performed on Privilege Underwriter's book of business?

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.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/12/2011
Submitted Date 04/12/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached response letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 20110412 Response letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/21/2011

Submitted Date 03/21/2011

Respond By Date

Dear Fournier Shera,

This will acknowledge receipt of the captioned filing. The APCS must be submitted in Excel. Additionally, please review Ark. Code Ann. 23-67-409 and submit the credit model as well loss experience justifying it's useage. Please note that you may not adopt another insurers' rates. Lastly, please advise why the program is termed "fleet."

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.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/24/2011
Submitted Date 03/24/2011

Dear Alexa Grissom,

Comments:

Thank you for your review of this filing.

Response 1

Comments: Please see the attached response letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment:

Satisfied -Name: Credit Scoring Information

Comment:

Satisfied -Name: 20110324 Response letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Addy Anggelico, Lois Pimentel, Shera Fournier

SERFF Tracking Number: PERR-126933293 *State:* Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange *State Tracking Number:* EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Note To Reviewer

Created By:

Lois Pimentel on 07/18/2011 03:43 PM

Last Edited By:

Alexa Grissom

Submitted On:

08/08/2011 10:54 AM

Subject:

Status check

Comments:

Thank you for your continued review of this filing. At this time would it be possible to inquire about the status of this filing?

We appreciate your assistance with this matter.

Sincerely,

Lois Pimentel

Filing Analyst

707.546.6896

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Post Submission Update Request Submitted On 07/27/2011

Status: Submitted
Created By: Lois Pimentel

General Information:

Field Name	Requested Change	Prior Value
Domicile Status Comments		
Effective Date Requested (New)	08/01/2011	04/07/2011

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: %
Effective Date of Last Rate Revision:
Filing Method of Last Filing: N/A, new program

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):
Privilege Underwriters Reciprocal Exchange	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed 08/08/2011	Private Passenger Auto - Countrywide Manual	Page 1 thru Page 34	New	Auto Manual - Countrywide 1-19-2011.pdf
Filed 08/08/2011	Arkansas Exception Pages	Page 1 thru Page 9	New	Auto Manual - Arkansas Exception Pages - Revised 6-15-2011.pdf
Filed 08/08/2011	Rate Manual Tables	Page 1 thru Page 35	New	AR Rate Manual Tables.pdf



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

TABLE OF CONTENTS

RULE 1 - DEFINITIONS

RULE 2 - ELIGIBILITY

RULE 3 - DRIVER ASSIGNMENT

RULE 4 - RATING LOGIC

RULE 5 - ACCIDENTS AND VIOLATIONS

RULE 6 - RATING CRITERIA

RULE 7 - DISCOUNTS

RULE 8 - SURCHARGES

RULE 9 - INSURANCE SCORE

RULE 10 - TIER ASSIGNMENT

RULE 11 - MODEL YEAR AND RATING SYMBOL

RULE 12 - MISCELLANEOUS COVERAGES

RULE 13 - POLICY PERIOD

RULE 14 - POLICY CHANGES

RULE 15 - CANCELLATIONS AND NONRENEWALS

RULE 16 - MISCELLANEOUS TYPE VEHICLES



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 1 – DEFINITIONS

- A.** A private passenger auto is a four wheel motor vehicle, other than a truck type, owned or leased under contract for a continuous period of at least six months, and
1. Not used as a public or livery conveyance for passengers; and
 2. Not rented to others.

Truck type vehicles may be insured, under special conditions, under the Antique, Classic, Exotic endorsement.

- B.** A motor vehicle that is a pickup or van shall be considered a private passenger auto if it:
1. Is predominantly used for non-business purposes; and
 2. Is not used for the delivery or transportation of goods or materials unless such use is:
 - a. Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - b. For farming or ranching.

A pickup or van used in the business of the United States Government by an employee of the Government, shall be considered a private passenger auto only if:

- a. It meets the conditions in **a.** and **b.** above; and
 - b. Coverage is limited in accordance with the federal employees using autos in government business provision.
- 3.** A motor vehicle owned by a farm family co-partnership or farm family corporation shall be considered a private passenger auto owned by two or more relatives who are residents of the same households if:
- a. It is principally garaged on a farm or ranch, and
 - b. It otherwise meets the definition in **1.** and **2.** above.
- C.** AUTO as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto.
- D.** LIABILITY as used in this manual refers only to Bodily Injury and Property Damage Coverages.
- E.** COMBINED SINGLE LIMIT as used in this manual refers to one limit of liability that covers both Bodily Injury and Property Damage.
- F.** OTHER THAN COLLISION COVERAGE as used in this manual refers to other than collision damage to a motor vehicle.
- G.** OWNED as used in this manual includes an auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured-lessor endorsement.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

- H. GROSS VEHICLE WEIGHT, as used in this manual refers to the maximum loaded weight for which a single vehicle is designed, as specified by the manufacturer.
- I. THE COMPANY, as used in this manual, refers to Privilege Underwriters, INC., PURE, or Privilege Underwriters Reciprocal Exchange.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 2 – ELIGIBILITY

- A.** A Personal Auto Policy shall be used to afford coverage to private passenger auto and motor vehicles considered as private passenger autos in Rule 1. if:
1. They are written on a specific auto basis, and
 2. They are owned by an individual (married or single) or by
 - a. A married couple who are residents in the same household; or.
 - b. Parties who have joined in a civil union recognized under state law and who are residents of the same household.
- Both married couples, or parties to a civil union who are residents in the same household may be listed as named insureds on the declarations page.
3. An automobile owned by a corporation, partnership or an individual DBA, shall be considered a private passenger automobile, if:
 - a. The vehicle is for the use of the individual, spouse or relatives in the same household.
 - b. The policy is issued in the name of the individual, married couple, individual DBA, or married couple DBA;
 - c. The vehicle otherwise meets the eligibility requirements.
- B.** A Personal Auto Policy shall be used to afford coverage to private passenger autos and pickups and vans as defined in Rule 1, that are owned jointly by two or more:
1. Resident relatives other than:
 - a. A married couple; or
 - b. Parties who have joined in a civil union recognized under state law.
 2. Resident individuals; or
 3. Non-resident relatives, including:
 - a. A non-resident married couple; or
 - b. Non-resident parties who have joined in a civil union recognized under state law,
- IF:
- 1) They are written on a specified auto basis; and
 - 2) The policy affords coverage only for such private passenger autos, pickups or vans which are jointly owned.
- C.** A Personal Auto Policy shall be used to afford coverage to motorcycles, motor homes, golf carts or other similar type vehicles and snowmobiles if:
1. They are written on a specified vehicle basis,
 2. They are owned by:
 - a. An individual;



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

- b. A married couple;
 - c. Parties who have joined in a civil union recognized under state law;
 - d. Two or more resident relatives other than:
 - 1) A married couple; or
 - 2) Parties who have joined in a civil union recognized under state law; and
 - e. Two or more resident individuals.
3. Coverage is limited in accordance with the miscellaneous type vehicle or snowmobile endorsement.
- D. Driving Record Eligibility**

Refer to PURE's Underwriting Guidelines for Driver Eligibility.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 3 - DRIVER ASSIGNMENT

- A.** No driver shall be rated on more than one vehicle. Inexperienced operators will tend to be the highest rated driver when more than one individual uses the vehicle. However, experienced drivers with poor safety records may result in a higher premium than some inexperienced drivers.
- B.** A recreational vehicle, such as a motor home, or van camper, unless operated on a daily basis or the only vehicle insured on the policy, is not counted when assigning principal operators. Use years license code 99 for a recreational vehicle.
- C.** Occasional youthful operators (24 years old or younger) who are students at a school 100 miles or more away from home without a car shall be given the away-at-school rating factors.
- D.** When Rating a Single Car:

Use the driver with the highest Driver Factor for Bodily Injury and Property Damage Liability or CSL. Refer to Rating Algorithm in Rate Manual Tables for Driver Factor calculation.
- E.** When there are multiple vehicles on the policy:
 - 1.** Begin with the driver with the highest Driver Factor. Assign that driver to the vehicle he or she operates most frequently;
 - 2.** Take the driver with the second highest Driver Factor. Assign that driver to the remaining unassigned vehicle which he or she operates most frequently; and
 - 3.** Continue until there are no more unassigned drivers and/or no more unassigned vehicles. If there are more vehicles than drivers on the policy, extra vehicles will be rated with the Extra Vehicle Driver Class Factor.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 4 – RATING LOGIC

Refer to Rating Algorithm in the Rate Manual Tables



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 5 – ACCIDENTS AND VIOLATIONS

A. Accident Verification

1. Diligent broker underwriting should be used to discover accident and violation information. The benefits of thorough underwriting include accurate pricing of the risk, better loss ratios, and fewer cancels for better retention.
2. The Company uses Choicepoint's Other Than Collision Loss Underwriting Exchange (CLUE) reports and/or MVRs to verify accidents and violations.

B. Point Charges

1. If a single occurrence results in multiple point charges, we will use only the highest point charge.
2. We do not combine points for drivers; each driver is rated with his/her own points.
3. Point charges for violations/accidents in the last 36 months before the policy is effective for both new and renewal policies.
4. Point changes are only made at renewal.
5. Accidents

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating an auto.

- a. Six points are assigned for each auto accident that results in:
 - 1) Bodily injury, or death; or
 - 2) Total damage to all property including his or her own in excess of \$1,000.
- b. Six points are assigned if, during the experience period there were two or more accidents each of which resulted in damage to property but have not been assigned a point under 1) above.

Exceptions:

- a. No points are assigned for accidents incurred by an operator demonstrated to be a named insured or a principal operator of an auto insured under a separate policy; and
- b. No points are assigned for accidents occurring under the following circumstances:
 - 1) 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
 - 2) 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) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident, or
 - 4) Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident; or
 - 5) Auto operated by the applicant or any resident operator is struck by a "hit-and-run"



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or

- 6) Accidents involving damage by contact with animals or fowl; or
- 7) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects; or
- 8) Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency.

C. Refund of Surcharged Premium

If a point has been assigned for an accident and it is later determined that the accident falls under one of the exceptions in this rule, the company shall refund to the insured the increased portion of the premium generated by the accident.

NOTE: No Safety Record Points will be assigned to a Recreational Trailer.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

D. ACCIDENT AND VIOLATIONS (LAST 36 MONTHS)

<u>Violation Point Class</u>	<u>Abbrev</u>	<u>Points Assigned</u>	
		<u>1st</u>	<u>2nd</u>
Driving Under the Influence	DUI	10	5
At-Fault Accident	AAF	6	5
Not-At-Fault Accident	NAF	0	0
Speeding Violations	SPD	3	2
Minor Violations	MIN	4	3
Major Violations	MAJ	10	5
Comp Claim > \$1000	CMP	0	0
Non-Chargeable Incident	IND	0	0

<u>Description</u>	<u>Violation Code</u>	<u>Violation Pt. Class</u>	<u>Description</u>	<u>Violation Code</u>	<u>Violation Pt. Class</u>
Accident surcharge waived	ASW	IND	Leaving the Scene	LTS	MAJ
At-fault accident	AAF	AAF	License/Credentials	LIC	MIN
Auto theft/felony motor vehicle	FEL	MAJ	Minor moving violation	MMV	MIN
Careless/Improper operation	CRD	MIN	No-charge violation	NCL	IND
Commercial vehicle violation	CML	MIN	Non-chargeable Speed	NCS	IND
Comprehensive claim >\$1000	CMP	IND	Not-at-fault accident	NAF	NAF
Comprehensive claim <\$1000	CMU	IND	Open Bottle	BOT	DUI
Defective Equipment	DEQ	MIN	Other serious violation	MAJ	MAJ
Drag Racing	DR	MAJ	Passing school bus	SCH	MIN
Driving Under the Influence	DWI	DUI	Reckless driving	RKD	MAJ
Driving under suspension	SUS	MAJ	Refusal to test	REF	DUI
Failure to report accident	FRA	MIN	Safety violation	SAF	MIN
Failure to yield	FTY	MIN	Serious license violation	SLV	MAJ
False reporting	FAR	MIN	Speeding - High	SPO	SPD
Fleeing from Police	FLE	MAJ	Speeding - Low	SPD	SPD
Following too close	FTC	MIN	Traffic device/sign	DEV	MIN
Improper backing	IBK	MIN	Vehicular homicide	HOM	MAJ
Improper passing	IP	MIN	Without owner's consent	LDL	MAJ
Improper turn	IT	MIN	Wrong way on 1-way Street	WSR	MIN



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 6 – RATING CRITERIA

Use of Vehicle

1. Business use means that the vehicle is customarily involved in the duties of the person operating the vehicle in an occupation, profession, or business other than in going to or from the principal place of business. Vehicles used for delivery purposes are NOT acceptable. Examples of acceptable business use include Sales Representatives, Realtors, Gardeners, Clergy Members, Farmers, Electricians, Plumbers, etc.
2. Pleasure use means the vehicle is *not* used in business, is *not* driven to or from school, and is *not* used in a car pool. A vehicle used in the business of the U.S. Government by one of its employees will be classified and rated as pleasure use. This includes Recreational Trailers, as defined in the General Rules.
3. Commute use means the vehicle is not used for business, but is customarily driven to work (including to school and/or use in a car pool) or to any location where other transportation is taken to work.
4. Farm use refers to an auto that is principally garaged or housed on a farm and is customarily not used for functions others than farming or ranching. The auto is not customarily used for going to or from work or school.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 7 - DISCOUNTS

A. Good Student Discount

1. The premium for bodily injury liability, property damage liability, CSL, Medical Payments, and collision coverages shall be reduced by a discount factor if:
 - a. The owner or operator is:
 - 1) under 25 years of age, and
 - 2) a full time high school, college or university student, or full-time student enrolled in a vocational technical school;
 - b. A certified statement from a school official is presented to the Company on each anniversary date of the policy indicating that the student has met one of the following requirements during the immediately preceding school semester;
 - c. Is in the upper 20% of his/her class scholastically; and
 - d. Maintains a "B" average, or its equivalent.
2. If the letter grading system can not be averaged then no grade can be below "B."
3. When in a school maintaining a numerical grade, must have at least a 3 in a 4, 3, 2, 1 point system or its equivalent.
4. Student is included in a "Dean's List," "Honor Roll" or comparable list indicating scholastic achievement.
5. A classification change resulting from a change in the scholastic standing of the student can not be effected between anniversary dates of the policy.

B. Driver Training Discount

A **Driver Training** discount factor shall be applied to the premiums for Bodily Injury, Property Damage, Combined Single Limits, Medical Payments, and Collision coverages applicable to the insured motor vehicle provided the rated operator completed a driver training course and:

1. is age 21 and younger;
2. the course was not assigned by the court; and
3. the driver has not had an at-fault accident since taking the course.

C. Anti-Theft Device Discount

1. There are three levels of the Anti-Theft Device discount. The discount shall be applied to the premium for Other Than Collision coverage applicable to the insured motor vehicles with the appropriate antitheft device. If a vehicle qualifies for multiple levels, the largest discount for which it is eligible will be applied. From smallest to largest, the discount levels are:
 - a. Active disabling device. This is a device which requires the operator to activate. An example is the Club.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

- b. Passive disabling device. This is a disabling device which automatically engages without any required special action by the operator.
- c. Recovery. This applies to vehicles equipped with Lojack and garaged in an area serviced by Lojack.

Note: If requested a copy of the receipt of installation provided to the insured by Lojack must be furnished as proof that the vehicle is equipped with the Lojack Retrieve Recovery System.

2. Removal Of Anti-Theft Devices Discount

This discount will be removed at renewal if the vehicle with the discount is deleted from the policy, or in the case of vehicles with the recovery device discount, if the garaging address of the vehicle changes to an area not serviced by Lojack.

D. Window Glass Etching Discount

The Window Glass Etching discount applies to Comprehensive coverage when at least the vehicle windshield, door glass, rear window and sun roof are etched with the VIN of the insured vehicle.

E. Years Clean Discount

There are two levels of the Years Clean Discount. All vehicles with drivers assigned on a qualifying policy will receive the discount. If the policy meets requirements for more than one level, the higher applicable level will apply.

1. 3 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault or not-at-fault accident in the last 36 months;
- b. No driver on the policy has been convicted of a moving violation in the last 36 months; and
- c. At least one driver on the policy must have three years of driving experience.

2. 5 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault or not-at-fault accident in the last 60 months. Exception: One not-at-fault accident is allowable per policy;
- b. No driver on the policy has been convicted of a moving violation in the last 60 months; and
- c. At least one driver on the policy must have five years of driving experience.

3. Removal of Years Clean Discount

The discount will not be removed at renewal for not-at-fault accidents or at-fault accidents below the threshold. It will be removed for an at-fault accident above the threshold or a major violation.

F. Away At School Discount

This discount applies to a student under age 25 who is attending school full time, living more than 100 miles from home, without a car.



G. Multicar Discount

1. A multi-car risk is considered to exist when any of the following are insured with the Company:
 - a. more than one vehicle **is solely owned** by the named insured;
 - b. more than one vehicle is owned by the named insured and a resident relative;
 - c. other vehicles in the named insured's household are owned by resident relatives; or
 - d. more than one vehicle is owned by the named insured and an unrelated person as long as the vehicles are garaged at the same residence.

NOTE: New business only: When an applicant requested insurance for a multi-car risk, but chooses different effective dates of coverage for each vehicle, multi-car rates will apply at the effective date of the policy if multi-car definition is met within 4 months of inception.

2. The multi-car risk classification does not apply when:
 - a. one of the two vehicles is a utility, travel, or fifth-wheel trailer;
 - b. one of the two vehicles is insured for only Other Than Collision and/or collision; or
 - c. the named insured and an unrelated resident each solely own and insure one vehicle with the Company.
3. A Miscellaneous Vehicle, as defined in the General Rules, is not considered a vehicle in determining number of vehicles insured. Examples of miscellaneous vehicles are motor homes, travel trailers, motorcycles, snowmobiles/ATVs, golf carts, collector cars and dune buggies.

H. Anti-Lock Brake Discount

A discount will be given in Bodily Injury, Property Damage, CSL, Medical Payments and Collision coverages for vehicles with factory-installed antilock brakes.

I. Passive Restraint Discount

A discount will be given to Medical Payments Coverage for vehicles equipped with a passive occupant restraint system for front-seat passengers. Such discount shall apply to passive occupant restraint systems that meet applicable federal or appropriate equivalent standards.

J. Car Condo Discount

A discount will apply to Other Than Collision coverage for vehicles kept in a car condo. A car condo is a building with 24 hour security, security cameras, sprinkler system, etc., dedicated to storage of high value automobiles.

K. Group Marketing Cost Reductions

For members of an identified group that reduces the cost of distributing this product through active promotion, a premium credit will be provided commensurate with the reduction in distribution cost. A group that is formed solely for the purpose of purchasing insurance coverage is not eligible for this credit. The following groups are identified as Marketing Groups, and the associated discount is also shown:

Group	Discount
NONE AT THIS TIME	n/a



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

L. Multi-Line Discount

The Multi-Line Discount applies when the policyholder also has either a home/condo policy or excess liability (umbrella) policy with PURE. The discount will apply to BI, PD, Medical Payments, Other Than Collision and Collision.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 8 - SURCHARGES

INEXPERIENCED OPERATOR SURCHARGE

1. Principal Operators with less than three years of driving experience will receive a surcharge for BI, PD, Medical Payments, and Collision coverages. There are three levels of the surcharge. Drivers with at least two years of driving experience but less than three will generally receive a smaller surcharge than those with less than one year of experience.
2. The amount of surcharge is a function of the driver age, and the years of driving experience. To receive the surcharge, a driver must be old enough to have been licensed for a year.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 9 – INSURANCE SCORE

The Choice Point Attract One model is used along with other variables to determine rating tier (see Rule 10).



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 10 – TIER ASSIGNMENT

A. Tier Assignment for New Business

A rating tier is assigned based on the combination of Underwriting Tier and Financial Responsibility (FR) Tier. Underwriting Tier is determined by accident and claim experience, and driver / vehicle composition. Financial Responsibility (FR) Tier is determined based on the named insured's score in the Choice Point Attract One model.

B. Tier Movement at Renewal

1. Financial Responsibility Tier Movement at Renewal

The Financial Responsibility Tier assignment will be re-evaluated every 36 months or at the request of the insured. The policyholder will then be moved to the applicable Financial Responsibility Tier if warranted by an insurance score change.

2. Underwriting Tier Movement at Renewal

- a.** At the end of every annual policy period, the accident, violation, and claims experience for the prior 36 months will be re-evaluated. This may produce changes in Underwriting Tier. If the new Underwriting Tier results in a lower Rating Tier, then the policy will be moved to that lower Rating Tier without limitation.
- b.** If the new Underwriting Tier results in a higher Rating Tier, then the policy will be moved to that higher Rating Tier.

C. Underwriting Tier Assignment

- 1.** The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a.** Comp claims and Non-chargeable violations generate one NC point each; and
 - b.** Not-at-fault accidents and accidents below the threshold generate two NC points each.
- 2.** NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.



Tiering Point Determination

<u>NC Pts</u>	<u># Drivers Available for Rating</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4+</u>
0	0	-1	-2	-3
1	4	3	2	1
2	8	5	3	2
3	12	7	5	4
4	16	9	7	5
5	20	12	8	6
6	24	14	11	8
7	28	18	13	9
8+	32	20	15	11

1 or more Youthful <25 on policy and performance vehicle = 8 Tiering Points

As an example, a policy with 2 drivers available for rating, 1 comp claim, and one youthful driver and a performance vehicle would produce 11 Tiering Points.

Using the Number of Tiering Points, the Underwriting Tier is derived per the following table:

<u>Tiering Points</u>	<u>Underwriting Tier</u>
<1	A
1 - 4	B
5 - 8	C
9 - 12	D
13 - 16	E
17 - 20	F
21 - 24	G
25 - 28	H
29 - 32	I
33 - 36	J
37 - 40	K
41 - 44	L
45+	M



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

Finally, the Rating Tier is determined using the Underwriting Tier and Financial Responsibility Tier per the following table:

Rating Tier Determination

<u>U/W</u> <u>Tier</u>	Financial Responsibility Tier													
	<u>1F</u>	<u>2F</u>	<u>3F</u>	<u>4F</u>	<u>5F</u>	<u>6F</u>	<u>7F</u>	<u>8F</u>	<u>9F</u>	<u>10F</u>	<u>11F</u>	<u>12F</u>	<u>13F</u>	<u>14F</u>
A	3	3	3	3	4	5	6	7	8	9	11	13	8	8
B	4	4	4	4	5	6	7	8	9	10	12	14	9	9
C	5	5	5	5	6	7	8	9	10	11	13	15	10	10
D	6	6	6	6	7	8	9	10	11	12	14	16	11	11
E	7	7	7	7	8	9	10	11	12	13	15	17	12	12
F	8	8	8	8	9	10	11	12	13	14	16	18	13	13
G	9	9	9	9	10	11	12	13	14	15	17	19	14	14
H	10	10	10	10	11	12	13	14	15	16	18	20	15	15
I	11	11	11	11	12	13	14	15	16	17	19	20	16	16
J	12	12	12	12	13	14	15	16	17	18	20	20	17	17
K	13	13	13	13	14	15	16	17	18	19	20	20	18	18
L	14	14	14	14	15	16	17	18	19	20	20	20	19	19
M	15	15	15	15	16	17	18	19	20	20	20	20	20	20



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 11 - MODEL YEAR AND RATING SYMBOL

A. Agreed Value

Other Than Collision and Collision Coverage are sold on an Agreed Value basis. The model year/age group determines the rate. The system will look up the market value automatically from an outside data source, such as N.A.D.A. If the insured desires a higher Agreed Value than the market value, Agreed Value coverage is added at the rate of \$10 for each \$1,000 above the market value. The increased premium is charged to OTC. If OTC Coverage is not purchased, the Agreed Value premium is charged to Collision. The Agreed Value amount displayed on the Policy Declarations Page for the vehicle should be increased to reflect the additional coverage purchased.

B. High Value Vehicles – 2010 Model Year and Prior

1. Vehicles with market value above \$80,000 are rated by adding a factor (Additive Symbol Factor) to the symbol 27 relativity for every \$10,000 above \$80,000 or fraction thereof. There is a separate Additive Symbol Factor for Other Than Collision and for Collision. (See rating factors tables).
2. For very high performance vehicles, the Additive Symbol Factors used are higher. The list below contains most vehicles we consider very high performance. For low production, not widely known vehicles, please call the underwriter to determine if the higher Additive Symbol Factors should be used.

C. High Value Vehicles – 2011 Model Year and Later

1. Vehicles with market value above \$150,000 are rated by adding a factor (Additive Symbol Factor) to the symbol 70 relativity for every \$10,000 above \$150,000 or fraction thereof. There is a separate Additive Symbol Factor for Other Than Collision and for Collision. (See rating factors tables).
2. For very high performance vehicles, the Additive Symbol Factors used are higher. The list below contains most vehicles we consider very high performance. For low production, not widely known vehicles, please call the underwriter to determine if the higher Additive Symbol Factors should be used.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

C. Very High Performance Vehicles

Make	Model
Acura	NXS
Ascari	any
Aston Martin	any
Bugatti	Veyron 16.4
Cadillac	XLR-V, CTS-V
Caparo	Freestream T1
Chevrolet	Corvette Z06, ZR1
Dodge	Viper
Evans	387
Evans	487
Ferrari	any
Fisker	any
Ford	GT
Ford	Shelby GT
Gumpert	any
Invicta	any
Jaguar	XJ220
Koenigsegg	any
Lamborghini	any
Lotus	any
Maserati	any
MB McLaren	SLR
McLaren	any
Nissan	GT-R
Noble	any
Pagani	any
Porsche	Carrera GT
Porsche	911 Turbo [any model]
Saleen	any
Spyker	any
TVR	any
Ultima	any



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

D. Model Year/Age Groups For Other Than Collision And Collision Coverages

Where Model Year Is Used In Rating

- 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.
- c. If the rates for a model year are not displayed in the Rate Pages, use the rates shown for the latest model year.

E. Rules For Determining Physical Damage Base Rates For Symbols Not Displayed On Rate Pages

Original Cost Means:

- a. Manufacturer's Suggested Retail Price for autos built in U.S;
- b. Manufacturer's Suggested Retail Price in U.S. for specially built autos; and
- c. Manufacturer's Suggested Retail Price in U.S. for imported autos.

F. Symbol Unavailable Through the ISO Circular

- 1. The following guidelines are used for determining the symbol when a vehicle is not listed in an ISO Circular.
- 2. Domestic/Foreign Vehicles of Current/New Model Year with Prior ISO Circular Entry:
Use the symbol of the corresponding model shown for the prior year.
- 3. Domestic/Foreign Vehicles of current/New Model Year With No Prior ISO Circular Entry:
Call the company and an underwriter will assign Collision, OTC, Liability and PIP symbols based on a similar vehicle.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 12 – MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage

1. Owners

This form of coverage may be afforded only if single limit liability or bodily injury liability coverage has been purchased.

If this form of insurance is purchased it must apply to all vehicles on the policy.

a. Basic Limits

The rates shown on the rate pages are the minimum limits available and are the financial responsibility law limits of the state.

b. Increased Limits

Increased Limits may be afforded but may not be in excess of the single limit liability or bodily injury liability limits on the policy. Rates are shown on the rate pages.

c. Rates

The rates are not subject to classification rating or modification by any rating plan.

2. Non-Owners

If a named non-owner policy is extended to afford Uninsured Motorists coverage, the rate for such extension of coverage shall be the applicable single car uninsured motorists coverage rate shown on the rate pages for owners.

B. Underinsured Motorists Coverage

1. Owners

a. Basic Limits

Protection for this coverage up to the Financial Responsibility law limits is provided under the Uninsured Motorists Coverage endorsement.

b. Increased Limits

Increased limits of underinsured motorists coverage may be afforded under the following conditions:

- 1) Only if increased limits uninsured motorists coverage is afforded.
- 2) Increased limits uninsured and underinsured motorists insurance must be afforded at the same limits.
- 3) Underinsured motorists coverage must apply to all vehicles insured under the policy.
- 4) The underinsured motorists coverage endorsement must be attached.

C. Customizing Equipment Coverage



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

Other Than Collision and Collision coverage for customizing equipment may be purchased on a stated amount basis for any panel truck, pickup or van insured for physical damage coverage. Refer to the customizing equipment coverage (stated amount insurance) endorsement for extent of coverage.

1. The cost of customized equipment should not be considered when determining the symbol of the vehicle.
2. The customizing charge determined in this rule is the only charge for customized equipment on a vehicle.
3. The charge for customizing is made only when the customizing equipment coverage (stated amount insurance) endorsement is attached.

Rate as follows:

The value of Customizing Equipment Coverage is treated as Agreed Value coverage above and beyond the vehicle valuation (see Agreed Value under Rule 11.). Thus, it is rated as Agreed Value premium and added to the Agreed Value of the vehicle shown on the Policy Declarations Page.

NOTES:

- a. The Customizing Equipment Coverage (stated amount insurance) endorsement shall be attached.
- b. Other Than Collision or Collision coverage must be purchased on a vehicle for that vehicle to have Customizing Equipment Coverage.

D. Agreed Value Coverage

See Rule 11.

E. Towing and Labor Costs

1. Towing and Labor Costs coverage is provided in the base policy as a result of a covered loss.
2. Towing and Labor Costs coverage as a result of the auto being disabled (i.e. mechanical breakdown) is available for the additional limit and premium below.
 - a. This coverage may only be written for Private Passenger Autos.
 - b. This coverage may only be written on vehicles with Other Than Collision and Collision Coverage.
 - c. Rate – Refer to Rate Manual Tables
 - c. Attach the towing and labor costs coverage endorsement.

F. Transportation Expense Coverage

1. This coverage applies to covered Collision and OTC losses.
2. No additional premium is charged for this coverage, but it only applies to vehicles with Collision and/or OTC Coverage.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

3. Since the coverage is included with Collision and OTC, it is not listed on the Policy Declarations Page.
4. Limits are \$5,000 for Temporary transportation expense for comparable transportation to the damaged vehicle and temporary living expenses, in the event that the loss occurs more than 50 miles away from the insured's closest residence.
5. For details, see the policy contract.

G. Named Non-Owner Coverage

1. The Named Non-Owner Coverage endorsement may be used for an individual who does not own an auto but drives borrowed or rented autos.
2. Coverage may also be extended to the spouse and resident relatives of that named individual.
3. Rating - Refer to rate Pages for applicable rates and coverages.

H. Extended Non-Owned Coverage

1. The Extended Non-Owned Coverage endorsement may be used for an individual who owns an auto but also drives borrowed or rented autos.
2. Coverage may also be extended to the spouse and resident relatives of that named individual.
3. Rating - Refer to rate Pages for applicable rates and coverages.

I. Medical Payments Coverage

1. Coverage for Medical Payments may be written on an optional basis.
2. Refer to the Rate Pages for the factors to be applied to the basic \$1,000 Medical Payments Coverage rate per car.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 13 - POLICY PERIOD

- A.** No policy may be written for a period longer than 12 months.
- B.** Premium charged for policy terms is as follows:

Twelve Month Policies:

Charge the annual premium or minimum premium whichever applies.

EXCEPTIONS:

- a.** The premium is computed Pro Rata:
- b.** When coverage is written to secure a common policy date with other coverages or lines of insurance;
- c.** When a policy is issued on a short rate basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and shall be in effect for a period equal to the unexpired term of the outstanding policy; or
- d.** When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 14 - POLICY CHANGES

A. Changes

1. All changes requiring premium adjustments shall be computed pro rata.
2. 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.
3. Minimal Premium Adjustments
 - a. If an outstanding policy is amended and results in a minimal premium adjustment, the amount may be waived, except that the actual return premium shall be returned at the request of the insured.
 - b. Companies need not refund minimal premium if the insured requests the following:
 - 1) cancellation of coverage,
 - 2) reduction of limits of liability,
 - 3) increase in deductible,except that actual return premium shall be returned at the request of the insured.

Refer to company for the applicable "Minimal Premium."
 - c. 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.

B. Suspension

1. Insurance may be suspended by use of the suspension of insurance endorsement. However, coverage may not be suspended for:
 - a. The minimum required insurance coverages for a motor vehicle which is registered in the state; or
 - b. Risks for which a financial responsibility filing is in effect.
2. Insurance may be reinstated by use of the reinstatement of insurance endorsement.
3. The reinstatement of insurance endorsement shall not extend the policy beyond its original expiration date.
4. Pro rata premium credit shall be granted for the period of suspension upon reinstatement provided the period of suspension is at least thirty (30) consecutive days. Companies can retain a minimum of ninety days premium calculated on a pro rata basis for the policy period.
5. If the policy expires during the period of suspension, the named insured shall be entitled to pro rata return premium in accordance with the foregoing provisions of this rule with respect to the minimum period of suspension and minimum premium retention by the company.
6. If liability or collision is suspended on all private passenger autos owned by an individual or hus-

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

band and wife, use of other autos coverage, for liability only, afforded without separate premium charge under a Personal Auto Policy may be continued in force. In this case, 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 15 – CANCELLATIONS

- A.** On all cancellations the earned premium retained shall be calculated on a pro-rata basis for the length of time the policy or coverage was in force.
- B.** If a premium financed policy is cancelled, by an insurer, insured or premium finance company, the return premium shall be computed pro rata and shall exclude any expenses constant, administrative fees or nonrefundable charges filed with and approved by the insurance commissioner.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

A. Motor Homes

1. A motor home is a self-propelled motor vehicle with a living area that is an integral part of the vehicle chassis, or a pickup with a permanently attached camper body. The living area or camper body must consist of facilities for cooking and sleeping.
2. Motor Homes rated in accordance with this Rule are eligible for the discounts listed in Rule 7.
3. Base Rates are found on the rate portion of the manual. Rating steps are found under Miscellaneous Vehicles in the Rates portion of the manual.
4. Attach the miscellaneous type vehicle and the miscellaneous type vehicle amendment (motor homes) endorsements to the policy.
5. Liability, and Medical Payments Coverages
 - a. Motor Homes used in driving to or from work or used in business - Classify and rate as private passenger autos.
 - b. Pleasure Use Motor Homes - Charge 50% of the otherwise applicable Pleasure use classification rates for private passenger autos. (The Rule 5 and Multi-Car Discount do not apply.)
6. Physical Damage
 - a. Determine the value, including the value of any custom built additions.
 - b. Rate Determination:
 1. Assign a symbol based on the stated amount using the tables in the Symbol and Identification Section corresponding to the model year of the motor home. Refer to the Rate Pages to determine base rates for the appropriate symbol and model year of the motor home.
 2. To determine the base rates for symbols not displayed on rate pages, determine rates in accordance with Rule 11., depending on the model year of the motor home.

EXCEPTION: For 1989 and Prior Model Year motor homes with stated value of \$65,001 and over, increase the Symbol 20 Physical Damage factors (as calculated in Rule 10) as follows:

- 1) Other Than Collision - 1.7% for each \$1,000 or part of \$1,000 in excess of \$65,000.
- 2) Collision - 1.4% for each \$1,000 or part of \$1,000 in excess of \$65,000.
(Statistical Code - Use the code for Symbol 21 (A))
- 3) Motor Homes used in driving to or from work or used in business -Classify and rate as private passenger autos, using the base rates calculated in a. and b.
- 4) Pleasure Use Motor Homes - Charge 79% of the Other Than Collision base rate and 60% of the Collision base rate calculated in a. and b. (The Safe Driver Insurance Plan does apply.)
- 5) Expense Fees - Not applicable.
- 6) For custom built Motor Homes, the model year of the chassis determines the model



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

year of the motor home.

B. Trailers Designed for Use with Private Passenger Autos

A Personal Auto Policy affording liability coverage covers trailers designed for use with a private passenger auto, pickup, panel truck or van without additional premium charge and without specific description of the trailer.

EXCEPTIONS: Coverage is not provided for a trailer:

- a. Used for business purposes with other than a private passenger auto or owned pickup, panel truck or van; or
- b. When no auto is owned by the insured.

1. Medical Payments

A Personal Auto Policy affording medical payments coverage provides coverage for trailers without additional premium charge and without specific description of the trailer if designed for use with a private passenger auto, pickup, panel truck or van.

EXCEPTIONS: Coverage is not provided for a trailer:

- 1) Used for business purposes with other than a private passenger auto or owned pickup, panel truck or van;
- 2) When no auto is owned by the insured; or
- 3) Located for use as a residence or premises.

2. Liability and Medical Payments

Liability and Medical Payments coverage is afforded without additional premium charge for farm wagons and farm implements when attached to a private passenger auto, pickup, panel truck or van.

3. Physical Damage

- a. Trailers are to be insured as separate items with separate premiums shown for each unit. The deductible applies separately to each unit. Attach the coverage for damage to your auto (maximum limit of liability) endorsement.
- b. Recreational Trailers - Non-self-propelled recreational units equipped as living quarters (including cooking, dining, plumbing or refrigeration facilities). To be eligible for coverage, insured must maintain a separate and permanent residence other than the recreational trailer.
- c. Other Than Collision and Collision - Charge 52% of the Other Than Collision and 60% of the Collision otherwise applicable pleasure use rates for private passenger autos. (Rule 5, Lower Mileage and Multi-Car discount do NOT apply.)
- d. All Other Trailers. We do not have rates at this time for trailers other than Recreational Trailers.

C. Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicles Not Used For Business Purposes.

- 1. Attach the miscellaneous type vehicle endorsement.
- 2. Rates are found in the Miscellaneous Vehicles section of the Rates portion of the manual.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

-
3. Passenger Hazard Exclusion - Reduce the Split Limit Bodily Injury Liability rate by 40% or the Single Limit Liability rate by 20%.

D. Snowmobiles and All-Terrain Vehicles

1. A snowmobile is a self-propelled vehicle designed for travel on snow or ice, steered by skis or runners and supported in whole or in part by one or more skis, belts or cleats. Attach the Snowmobile Endorsement.
2. An all-terrain vehicle is a self-propelled vehicle which is manufactured for sale for operation primarily on off-highway trails or off-highway competitions and only incidentally operated on public highways, provided that such vehicle does not exceed 60 inches in width, or 800 pounds dry weight. In addition, an all-terrain vehicle shall not include a snowmobile or other self-propelled vehicle manufactured for off-highway use which utilizes an endless belt tread. Attach Miscellaneous Vehicle endorsement.
3. Base Rates are found on the rate portion of the manual. Rating steps are found under Miscellaneous Vehicles in the Rates portion of the manual.

E. Dune Buggies

A dune buggy is a motor vehicle of the private passenger type designed or modified for use principally off public roads. All premiums apply for the period of coverage. Attach the miscellaneous type vehicle endorsement.

1. Registered Dune Buggies:

Classify and rate as private passenger auto.

2. Non-Registered Dune Buggies

Base Rates are found on the rate portion of the manual. Rating steps are found under Miscellaneous Vehicles in the Rates portion of the manual.

F. Golf Carts

1. A golf cart is a three or four wheel motor vehicle with limited speed capabilities designed to carry golfers and their equipment around a golf course. Attach the miscellaneous type vehicle endorsement.
2. Base Rates are found on the rate portion of the manual. Rating steps are found under Miscellaneous Vehicles in the Rates portion of the manual.

G. Antique, Classic and Exotic Autos

1. Antique vehicle means a vintage motor vehicle or motor cycle of at least 25 years of age that is maintained solely for use in car club activities, exhibitions, parades, or for a private collection. Antique vehicles are rarely driven and generally transported by trailer.
2. Classic vehicle means a motor vehicle of unique or rare design, limited production or limited availability, and generally recognized for its aesthetic value. For purposes of this policy, a classic vehicle also includes a reproduction of an antique vehicle or classic vehicle.

A classic vehicle is maintained primarily for use in car club activities, exhibitions, parades, or for a



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto - Countrywide Manual
Program Name: Private Fleet Auto
Revision Date: 1/19/2011

private collection; and used only infrequently for other purposes.

3. Exotic vehicle means a late model motor vehicle of exceptional condition, that because of its manufacture, design, high performance, limited production, or limited availability is expected to appreciate in value. An exotic vehicle is maintained primarily for use in car club activities, exhibitions, or for a private collection; and used only infrequently for other purposes.
4. Antique, Classic and Exotic Auto rates are mostly significantly lower than for the same vehicles with normal use. These rates are only available on policies with at least as many regular use autos as drivers.
5. Base Rates are found on the rate portion of the manual. Rating steps are found under Miscellaneous Vehicles in the Rates portion of the manual.

6. Liability

Premiums for BI, PD, CSL, and Med Pay are charged once per policy. These coverages are only available if collision coverage is purchased.

7. Physical Damage

1. Collision and Other Than Collision are provided on an Agreed Value Basis.
2. Loss Protection Credit

Loss Protection Credit - A 10% credit will apply to the Physical Damage premium for all covered Antique, Classic and Exotic autos and trailers which are garaged in a storage facility with the following features:

- 1) 24 hour security;
- 2) Security cameras; and
- 3) Sprinkler system.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

RULE 7 - DISCOUNTS

Section E. Years Clean Discount, is deleted and replaced with the following:

E. Years Clean Discount

There are two levels of the Years Clean Discount. All vehicles with drivers assigned on a qualifying policy will receive the discount. If the policy meets requirements for more than one level, the higher applicable level will apply.

1. 3 Years Clean. The criteria are:

- a.** No driver on the policy has been involved in an at-fault accident in the last 36 months;
- b.** No driver on the policy has been convicted of a moving violation in the last 36 months; and
- c.** At least one driver on the policy must have three years of driving experience.

2. 5 Years Clean. The criteria are:

- a.** No driver on the policy has been involved in an at-fault accident in the last 60 months. ;
- b.** No driver on the policy has been convicted of a moving violation in the last 60 months; and
- c.** At least one driver on the policy must have five years of driving experience.

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

- 1.** A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in **2.** below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

- 2. Eligibility**

An insured is eligible for this discount if:

- a.** He or she is under twenty-five years old and has graduated from a college or university, and
- b.** His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. Non-chargeable violations generate one NC point each; and
 - b. At-Fault Accidents below the threshold generate two NC points each.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.

The example in the Tiering Point Determination section is deleted and replaced with the following:

As an example, a policy with 2 drivers available for rating, 1 non-chargeable violation, and one youthful driver and a performance vehicle would produce 11 Tiering Points.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a.** This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a)** If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b)** This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c)** After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b.** If Underinsured Motorists Coverage is provided:
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.
- c. Rates**
Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a.** The named driver exclusion endorsement must be signed by the named insured.
- b.** The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

unless discontinued by the insurer.

- c.** If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d.** If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
- 3. Endorsement**
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

RULE 13 - POLICY PERIOD

The following is added to Section **A**:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1.** Registered Dune Buggies
 - 2.** Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: Revised 6/15/2011

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

AR Auto Rating Algorithm

	BI	PD	MP	Comp	Coll	UMBI	UMPD	UIMBI
Points								
Driver Age/Points	X	X	X		X			
Driver Class	+	+	+	+	+			
Subtract one	-1	-1	-1		-1			
Good Student Dsct	X	X	X		X			
Driver Training Dsct	X	X	X		X			
Inexp Operator Surch	X	X	X		X			
Motor Vehicle Accident Prevention Course Dsct	X	X	X		X			
College Graduate Achievement Dsct	X	X	X	X	X			
Years Clean Discount	X	X	X		X			
Away at School Dsct	X	X	X		X			
Driver Factor	=	=	=	=	=	=	=	=
Base Rate	X	X	X	X	X	X	X	X
Limits	X	X	X			X	X	X
Deductibles				X	X			
Territory	X	X	X	X	X	X	X	X
Multicar Discount	X	X	X	X	X			
Multiple Line Discount	X	X	X	X	X			
Model Year	X	X	X	X	X			
Symbol	X	X	X	X	X			
Anti-theft Discount				X				
Anti-lock brakes dsct	X	X	X		X			
Passive Restraint			X					
VIN Etching				X				
Car Condo Discount				X				
Group Marketing Reduction	X	X	X	X	X	X	X	X
Vehicle Usage	X	X	X	X	X	X	X	X
Tier Factor	X	X	X	X	X	X	X	X
Expense Load								
Policy Term	X	X	X	X	X	X	X	X
Total	=	=	=	=	=	=	=	=

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

DEFAULT DRIVER FACTOR

Used for vehicles with no driver assigned, because there are more vehicles than drivers.

	BI	PD	Comp	Coll	UMBI	UMPD	UIMBI	MP
Default Driver Factor	0.50	0.50	0.50	0.50	0.50	.50	.50	0.50

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

Point Factors

Points	BI	PD	COLL	MP
0	1.00	1.00	1.00	1.00
1	1.00	1.00	1.11	1.00
2	1.04	1.04	1.17	1.00
3	1.13	1.13	1.22	1.01
4	1.22	1.22	1.26	1.07
5	1.30	1.30	1.30	1.13
6	1.38	1.38	1.34	1.19
7	1.44	1.44	1.38	1.25
8	1.49	1.49	1.42	1.29
9	1.52	1.52	1.46	1.32
10	1.55	1.55	1.49	1.35
11	1.57	1.57	1.53	1.36
12	1.58	1.58	1.55	1.37
13	1.61	1.61	1.57	1.37
14	1.67	1.67	1.58	1.37
15	2.28	2.28	1.88	1.43
16	2.33	2.33	1.90	1.43
17	2.38	2.38	1.93	1.44
18	2.43	2.43	1.95	1.44
19	2.48	2.48	1.97	1.44
20	2.50	2.50	1.99	1.45
21	2.50	2.50	2.02	1.45
22	2.50	2.50	2.04	1.46
23	2.50	2.50	2.06	1.46
24	2.50	2.50	2.09	1.46
25	2.50	2.50	2.11	1.47
26	2.50	2.50	2.14	1.47
27	2.50	2.50	2.16	1.47
28	2.50	2.50	2.19	1.48
29	2.50	2.50	2.21	1.48
30	2.50	2.50	2.24	1.49
31	2.50	2.50	2.26	1.49
32	2.50	2.50	2.29	1.49
33	2.50	2.50	2.32	1.50
34	2.50	2.50	2.35	1.50
35	2.50	2.50	2.37	1.51
36	2.50	2.50	2.40	1.51
37	2.50	2.50	2.43	1.51
38	2.50	2.50	2.46	1.52
39	2.50	2.50	2.49	1.52
40	2.50	2.50	2.50	1.53
41	2.50	2.50	2.50	1.53
42	2.50	2.50	2.50	1.54
43	2.50	2.50	2.50	1.54
44	2.50	2.50	2.50	1.54
45	2.50	2.50	2.50	1.55
46	2.50	2.50	2.50	1.55
47	2.50	2.50	2.50	1.56
48	2.50	2.50	2.50	1.56
49	2.50	2.50	2.50	1.56
50+	2.50	2.50	2.50	1.57

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

Driver Age Point Factors

	Age		Points	BI	PD	Collision	MP
1	...	18	0-1	1.02	1.02	1.01	1.01
1	...	18	2	1.00	1.00	1.00	1.00
1	...	18	3	0.90	0.90	0.90	0.99
1	...	18	4+	0.85	0.85	0.82	0.98
19	...	20	0-1	1.01	1.01	1.01	1.01
19	...	20	2	1.00	1.00	1.00	1.00
19	...	20	3	0.90	0.90	0.92	0.99
19	...	20	4+	0.85	0.85	0.83	0.98
21	...	24	0-1	1.01	1.01	1.01	1.01
21	...	24	2	1.00	1.00	1.00	1.00
21	...	24	3	0.95	0.95	0.95	0.96
21	...	24	4+	0.91	0.91	0.85	0.94
25	...	44	0-1	1.00	1.00	1.01	1.01
25	...	44	2	1.00	1.00	1.00	1.00
25	...	44	3	1.00	1.00	0.97	0.94
25	...	44	4+	0.98	0.98	0.95	0.90
45	...	64	0-1	1.00	1.00	1.00	1.01
45	...	64	2	1.00	1.00	1.00	1.00
45	...	64	3	1.01	1.01	0.99	0.94
45	...	64	4+	1.05	1.05	0.98	0.88
65	...	74	0-1	1.00	1.00	0.99	1.01
65	...	74	2	1.00	1.00	1.00	1.00
65	...	74	3	1.04	1.04	1.00	0.98
65	...	74	4+	1.07	1.07	1.00	0.96
75	...	99	0-1	1.00	1.00	1.00	1.00
75	...	99	2	1.00	1.00	1.00	1.00
75	...	99	3	1.00	1.00	1.00	1.00
75	...	99	4+	1.00	1.00	1.00	1.00

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

CLASS FACTORS

Age	Married	Gender	Operator	BI	PD	COMP	COLL	MP
16	Married or Widowed	F	P	2.636	2.697	1.426	2.687	1.928
17	Married or Widowed	F	P	2.092	2.141	1.355	1.708	1.359
18	Married or Widowed	F	P	1.566	1.604	1.285	1.356	1.252
19	Married or Widowed	F	P	1.199	1.216	1.214	1.309	1.145
20	Married or Widowed	F	P	1.103	1.103	1.150	1.262	1.119
21	Married or Widowed	F	P	1.072	1.072	1.081	1.215	1.092
22	Married or Widowed	F	P	1.066	1.066	1.073	1.168	1.083
23	Married or Widowed	F	P	1.059	1.059	1.066	1.121	1.060
24	Married or Widowed	F	P	1.052	1.052	1.059	1.074	1.048
25	Married or Widowed	F	P	1.045	1.045	1.051	1.027	1.042
26	Married or Widowed	F	P	1.038	1.038	1.044	1.023	1.036
27	Married or Widowed	F	P	1.031	1.031	1.037	1.019	1.030
28	Married or Widowed	F	P	1.024	1.024	1.029	1.015	1.024
29	Married or Widowed	F	P	1.017	1.017	1.022	1.012	1.018
30	Married or Widowed	F	P	1.010	1.010	1.015	1.008	1.012
31-35	Married or Widowed	F	P	1.003	1.003	1.007	1.004	1.006
36-40	Married or Widowed	F	P	1.000	1.000	1.000	1.000	1.000
41-45	Married or Widowed	F	P	0.969	0.969	0.985	0.973	0.997
46-50	Married or Widowed	F	P	0.926	0.926	0.941	0.947	0.982
51-55	Married or Widowed	F	P	0.876	0.876	0.845	0.920	0.967
56-60	Married or Widowed	F	P	0.861	0.861	0.823	0.873	0.995
61-65	Married or Widowed	F	P	0.939	0.939	0.783	0.918	0.990
66-70	Married or Widowed	F	P	1.059	1.059	0.738	1.015	1.050
71-75	Married or Widowed	F	P	1.179	1.179	0.692	1.151	1.165
76-80	Married or Widowed	F	P	1.438	1.438	0.668	1.308	1.321
81 +	Married or Widowed	F	P	1.945	1.945	0.676	1.546	1.561
16	Married or Widowed	M	P	3.699	3.755	2.070	3.615	2.902
17	Married or Widowed	M	P	3.174	3.220	2.050	3.120	2.425
18	Married or Widowed	M	P	2.649	2.684	2.015	2.619	2.111
19	Married or Widowed	M	P	2.186	2.199	1.906	2.156	1.976
20	Married or Widowed	M	P	1.913	1.930	1.798	1.902	1.861
21	Married or Widowed	M	P	1.640	1.660	1.611	1.649	1.716
22	Married or Widowed	M	P	1.516	1.534	1.425	1.500	1.588
23	Married or Widowed	M	P	1.362	1.377	1.304	1.350	1.461
24	Married or Widowed	M	P	1.259	1.273	1.270	1.201	1.333
25	Married or Widowed	M	P	1.197	1.209	1.236	1.051	1.206
26	Married or Widowed	M	P	1.135	1.145	1.203	1.044	1.078
27	Married or Widowed	M	P	1.103	1.111	1.169	1.036	1.076
28	Married or Widowed	M	P	1.070	1.077	1.135	1.029	1.074
29	Married or Widowed	M	P	1.040	1.044	1.101	1.022	1.067
30	Married or Widowed	M	P	1.010	1.010	1.068	1.015	1.045
31-35	Married or Widowed	M	P	1.005	1.005	1.034	1.007	1.022
36-40	Married or Widowed	M	P	1.000	1.000	1.000	1.000	1.000
41-45	Married or Widowed	M	P	0.969	0.969	0.985	0.984	1.014
46-50	Married or Widowed	M	P	0.926	0.926	0.956	0.969	1.003
51-55	Married or Widowed	M	P	0.876	0.876	0.872	0.953	1.018
56-60	Married or Widowed	M	P	0.886	0.886	0.849	0.894	1.140
61-65	Married or Widowed	M	P	0.966	0.966	0.824	0.940	1.188
66-70	Married or Widowed	M	P	1.090	1.090	0.788	1.039	1.279
71-75	Married or Widowed	M	P	1.213	1.213	0.755	1.179	1.424
76-80	Married or Widowed	M	P	1.479	1.479	0.740	1.329	1.604
81 +	Married or Widowed	M	P	2.001	2.001	0.755	1.680	1.917

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

Age	Married	Gender	Operator	BI	PD	COMP	COLL	MP
16	S	F	P	3.870	3.928	1.895	3.582	2.799
17	S	F	P	3.387	3.436	1.875	2.739	2.172
18	S	F	P	2.902	2.940	1.855	2.433	1.919
19	S	F	P	2.427	2.442	1.771	2.192	1.815
20	S	F	P	2.152	2.171	1.687	1.936	1.629
21	S	F	P	1.845	1.868	1.542	1.680	1.442
22	S	F	P	1.593	1.612	1.397	1.564	1.359
23	S	F	P	1.475	1.491	1.251	1.448	1.275
24	S	F	P	1.394	1.409	1.194	1.311	1.192
25	S	F	P	1.288	1.271	1.166	1.174	1.108
26	S	F	P	1.247	1.232	1.138	1.154	1.102
27	S	F	P	1.206	1.193	1.110	1.134	1.095
28	S	F	P	1.165	1.155	1.082	1.115	1.089
29	S	F	P	1.123	1.116	1.054	1.095	1.082
30	S	F	P	1.082	1.077	1.027	1.075	1.076
31-35	S	F	P	1.041	1.039	1.013	1.070	1.069
36-40	S	F	P	1.000	1.000	1.000	1.000	1.063
41-45	S	F	P	0.990	0.990	0.954	0.989	1.060
46-50	S	F	P	0.980	0.980	0.908	0.977	1.044
51-55	S	F	P	0.970	0.970	0.861	0.966	1.028
56-60	S	F	P	0.962	0.962	0.829	0.915	1.058
61-65	S	F	P	0.953	0.953	0.784	0.937	1.052
66-70	S	F	P	1.082	1.085	0.738	1.015	1.116
71-75	S	F	P	1.210	1.217	0.692	1.151	1.239
76-80	S	F	P	1.438	1.438	0.671	1.308	1.404
81 +	S	F	P	1.945	1.945	0.685	1.546	1.660
16	S	M	P	4.362	4.417	3.046	4.504	3.188
17	S	M	P	3.707	3.753	2.802	3.728	2.572
18	S	M	P	3.252	3.283	2.558	3.193	2.319
19	S	M	P	2.797	2.813	2.295	2.552	2.066
20	S	M	P	2.448	2.469	2.032	2.208	1.933
21	S	M	P	2.099	2.124	1.789	1.864	1.800
22	S	M	P	1.691	1.708	1.545	1.758	1.654
23	S	M	P	1.519	1.533	1.491	1.653	1.507
24	S	M	P	1.404	1.417	1.436	1.547	1.361
25	S	M	P	1.335	1.346	1.382	1.441	1.214
26	S	M	P	1.266	1.275	1.327	1.373	1.146
27	S	M	P	1.230	1.237	1.273	1.306	1.144
28	S	M	P	1.171	1.171	1.218	1.238	1.142
29	S	M	P	1.130	1.132	1.164	1.171	1.134
30	S	M	P	1.089	1.093	1.109	1.103	1.111
31-35	S	M	P	1.048	1.054	1.055	1.080	1.087
36-40	S	M	P	1.000	1.000	1.000	1.057	1.063
41-45	S	M	P	0.990	0.990	0.974	1.034	1.078
46-50	S	M	P	0.980	0.980	0.948	0.993	1.066
51-55	S	M	P	0.970	0.970	0.921	0.966	1.082
56-60	S	M	P	0.989	0.989	0.897	0.919	1.212
61-65	S	M	P	0.980	0.980	0.858	0.970	1.263
66-70	S	M	P	1.113	1.117	0.811	1.052	1.360
71-75	S	M	P	1.245	1.252	0.774	1.195	1.514
76-80	S	M	P	1.479	1.479	0.759	1.376	1.705
81 +	S	M	P	2.001	2.001	0.772	1.680	2.038

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

DISCOUNTS

DRIVER DISCOUNTS

Away at School

Discount

Applies to a student living at school at least 100 miles from home without a vehicle.

Good Student Discount

Applies to full time drivers under age 25 with grade point average of B or better.

Driver Training

Discount

Applies to driver age 21 and younger who take a defensive driving course provided:

1. Course was not assigned by court
2. The driver has not had an at-fault accident since taking the course.

Motor Vehicle Accident Prevention Course Discount

Applies to driver age 55 or older who take approved defensive driving course within the most recent 36 months.

College Graduate Achievement Discount

Applies to a driver age 25 and younger who has graduated from a college or university.

<u>Discounts</u>	<u>BI</u>	<u>PD</u>	<u>COLL</u>	<u>COMP</u>	<u>MP</u>
Away at School	0.94	0.90	0.90		0.94
Good Student	0.94	0.94	0.94		0.94
Driver Training	0.91	0.92	0.94		0.80
Motor Vehicle Prevention Course Dsct	0.90	0.90	0.90		0.90
College Graduate Achievement Dsct	0.95	0.95	0.95	0.95	0.95

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

VEHICLE DISCOUNTS

Airbag discount: Applies to any vehicle with one or more airbags installed. Can be assigned by VIN decoding.

Anti-lock brake discount: Applies to any vehicle with anti-lock brakes. Can be assigned by VIN decoding.

Anti-theft discount:

Active = disabling device which requires the operator to activate

Passive = disabling device which is activated automatically when the car is parked

Recover = Lo-jack

Apply the discount for the highest level applicable. For example, a car with both an active disabling device and Lo-jack would get the 15% discount for vehicle recovery.

Car Condo Discount

Applies to any vehicle regularly garaged in a "car condo" in AR.

Window Glass Etching Discount (VIN Etching)

Applies when the windshield, door glass, rear window, and sun roof are etched with the VIN of the insured vehicle.

<u>Discounts</u>	<u>BI</u>	<u>PD</u>	<u>COMP</u>	<u>Coll</u>	<u>UMBI/UMPD</u> <u>UIMBI</u>	<u>MP</u>
Anti-lock brakes dsct	0.97	0.97		0.97		0.97
Airbag discount						0.70
Anti-theft (active)			0.95			
Anti-theft (passive)			0.85			
Anti-theft (recovery)			0.75			
Car Condo Discount			0.75			
Window Glass Etching Discount			0.95			

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

POLICY DISCOUNTS

Multicar Discount

	<u>BI</u>	<u>PD</u>	<u>Comp</u>	<u>Coll</u>	<u>UMBI</u>	<u>UMPD</u>	<u>UIMBI</u>	<u>MP</u>
Single Car	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Multicar	0.75	0.75	0.75	0.75	1.00	1.00	1.00	0.75

Multiple Line Discount

	<u>BI</u>	<u>PD</u>	<u>Comp</u>	<u>Coll</u>	<u>UMBI</u>	<u>UMPD</u>	<u>UIMB</u>	<u>MP</u>
None	1.00	1.00	1.00	1.00				1.00
Home/Condo	0.95	0.95	0.95	0.95				0.95
Excess Liability	0.98	0.98	0.98	0.98				0.98

To qualify for the Excess Liability Multiple Line Discount, the Excess Liability policy must have a limit of \$5 million dollars or higher.

Clean in 3/5 Discount

3 Years Clean: All eligible to be rated drivers have no moving violations and no at-fault or not-at-fault accidents in the past 36 months.

5 Years Clean: All eligible to be rated drivers have no moving violations and no at-fault or not-at-fault accidents in the past 60 months.

Exception: Policy can still qualify for 5 year clean if there is one Not-at-fault accident on the policy in the past 60 months.

	<u>BI</u>	<u>PD</u>	<u>Comp</u>	<u>Coll</u>	<u>UMBI</u>	<u>UMPD</u>	<u>UIMB</u>	<u>MP</u>
3 years clean	0.97	0.97		0.97				0.97
5 years clean	0.95	0.95		0.95				0.95

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

DRIVER SURCHARGES

Inexperienced Operator Surcharge

Based on Years licensed in the U.S.

Application of surcharge is based on policy start year - year first licensed.

Does not apply to drivers under age 17.

<u>Driver age</u>	<u>Incept Year</u>	<u>Years</u>	<u>BI</u>	<u>PD</u>	<u>COLL</u>	<u>MP</u>
17	0	0 - 1 years	1.12	1.12	1.12	1.12
	1	1 - 2 years	1.10	1.10	1.10	1.10
	2 -3	2 - 3 years	1.05	1.05	1.05	1.05
18	0	0 - 1 years	1.25	1.25	1.25	1.25
	1	1 - 2 years	1.20	1.20	1.20	1.20
	2 -3	2 - 3 years	1.15	1.15	1.15	1.15
19+	0	0 - 1 years	1.30	1.30	1.30	1.30
	1	1 - 2 years	1.25	1.25	1.25	1.25
	2 -3	2 - 3 years	1.20	1.20	1.20	1.20

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

BASE RATES

	BI	PD	MP	UMBI	UMPD	UIMBI	COMP	COLL
Base Rate	82	56	37	41	12	56	63	129

TERM FACTOR

	BI	PD	MP	UMBI	UMPD	UIMBI	COMP	COLL
6 Month	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
12 Month	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

VEHICLE USAGE

	BI	PD	MP	UMBI	UMPD	UIMBI	COMP	COLL
Pleasure	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Commute	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Farm	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

LIMITS FACTORS

BI Limits		Factor	PD Limits		Factor	CSL		
			Limits	Factor	Limits	BI Factor	PD Factor	
25/50		0.80	25,000	0.90	75,000	0.85	0.85	
250/500		1.00	100,000	1.00	300,000	0.95	0.95	
500/500		1.07	250,000	1.07	500,000	1.05	1.05	
500/1,000		1.34	500,000	1.12	1,000,000	1.38	1.38	
1,000/1,000		1.44						

Split Limits			UMBI	UIMBI	CSL			UMBI	UIMBI
			Factor	Factor	Limits	Factor	Factor	Factor	Factor
25/50			0.50	0.50	50,000	0.55	0.55		
250/500			1.00	1.00	75,000	0.70	0.70		
500/500			1.12	1.12	300,000	1.00	1.00		
500/1,000			1.50	1.50	500,000	1.12	1.12		
1,000/1,000			1.64	1.64	1,000,000	1.64	1.64		

Medical Payment	
Limits	Factor
5,000	1.00
10,000	1.25
25,000	2.31
50,000	3.25
75,000	4.00
100,000	4.31

Accidental Death Benefit	
Limit	Rate Per Vehicle
\$5,000	\$3

Work Loss	
Limit	Rate Per Vehicle
\$5,000	\$5

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

DEDUCTIBLE FACTORS

Agreed Value	Coll Deductible							
	100	200	250	500	1000	2500	5000	10000
\$0 - 20,000	1.190	1.070	1.010	0.940	0.740	0.577	0.510	0.350
\$20,001 - 40,000	1.190	1.070	1.010	0.940	0.740	0.577	0.510	0.350
\$40,001 - 60,000	1.190	1.070	1.010	0.940	0.740	0.577	0.510	0.350
\$60,001 - 80,000	1.190	1.070	1.010	0.940	0.740	0.577	0.510	0.350
\$80,001 - \$120,000	1.215	1.093	1.031	0.960	0.840	0.773	0.740	0.650
\$120,001 - \$160,000	1.215	1.093	1.031	0.960	0.840	0.773	0.740	0.650
\$160,001 - \$200,000	1.215	1.093	1.031	0.960	0.840	0.773	0.740	0.650
\$200,001 - \$250,000	1.215	1.093	1.031	0.960	0.840	0.773	0.740	0.650
>\$250,000	1.215	1.093	1.031	0.960	0.840	0.773	0.740	0.650

Agreed Value	Comp Deductible with Full Glass							
	100	200	250	500	1000	2500	5000	10000
\$0 - 20,000	1.290	1.223	1.190	1.130	0.940	0.762	0.570	0.460
\$20,001 - 40,000	1.290	1.223	1.190	1.130	0.940	0.762	0.570	0.460
\$40,001 - 60,000	1.290	1.223	1.190	1.130	0.940	0.762	0.570	0.460
\$60,001 - 80,000	1.290	1.223	1.190	1.130	0.940	0.762	0.570	0.460
\$80,001 - \$120,000	1.313	1.245	1.211	1.150	1.000	0.943	0.860	0.710
\$120,001 - \$160,000	1.313	1.245	1.211	1.150	1.000	0.943	0.860	0.710
\$160,001 - \$200,000	1.313	1.245	1.211	1.150	1.000	0.943	0.860	0.710
\$200,001 - \$250,000	1.313	1.245	1.211	1.150	1.000	0.943	0.860	0.710
>\$250,000	1.313	1.245	1.211	1.150	1.000	0.943	0.860	0.710

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory	Zip	Territory	Zip	Territory
71601	206	71676	511	71801	811
71602	206	71677	511	71802	811
71603	206	71678	811	71820	811
71611	106	71701	811	71822	811
71612	206	71711	811	71823	811
71613	106	71720	811	71825	811
71630	511	71721	811	71826	811
71631	811	71722	811	71827	811
71635	511	71724	111	71828	811
71638	811	71725	811	71831	811
71639	511	71726	811	71832	811
71640	811	71728	811	71833	811
71642	511	71730	111	71834	411
71643	811	71731	811	71835	811
71644	811	71740	811	71836	811
71646	511	71742	811	71837	411
71647	811	71743	811	71838	811
71649	811	71744	811	71839	411
71650	811	71745	811	71840	811
71651	811	71747	111	71841	811
71652	811	71748	811	71842	811
71653	811	71749	111	71844	811
71654	511	71750	111	71845	811
71655	511	71751	811	71846	811
71656	511	71752	811	71847	811
71657	511	71753	811	71851	811
71658	511	71754	811	71852	811
71659	811	71758	111	71853	811
71660	811	71759	111	71854	411
71661	511	71762	111	71855	811
71662	511	71763	811	71857	811
71663	511	71764	811	71858	811
71665	811	71765	111	71859	811
71666	106	71766	811	71860	811
71667	811	71767	811	71861	811
71670	511	71768	111	71862	811
71671	811	71769	811	71864	811
71674	511	71770	811	71865	811
71675	511	71772	811	71866	811

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory	Zip	Territory	Zip	Territory
71901	8	71969	811	72035	106
71902	8	71970	811	72036	711
71903	8	71971	811	72037	106
71909	8	71972	811	72038	711
71910	8	71973	811	72039	106
71913	8	71998	811	72040	711
71914	8	71999	811	72041	711
71920	811	72001	811	72042	711
71921	811	72002	1	72043	711
71922	811	72003	711	72044	711
71923	811	72004	206	72045	711
71929	811	72005	711	72046	106
71932	811	72006	711	72047	106
71933	811	72007	106	72048	711
71935	811	72010	711	72051	711
71937	811	72011	106	72052	711
71940	811	72012	711	72053	1
71941	811	72013	811	72055	711
71942	811	72014	711	72057	106
71943	811	72015	106	72058	106
71944	811	72016	811	72059	711
71945	811	72017	711	72060	711
71946	811	72018	106	72061	106
71949	8	72019	711	72063	811
71950	811	72020	711	72064	711
71951	8	72021	711	72065	1
71952	811	72022	106	72066	711
71953	811	72023	106	72067	711
71956	8	72024	106	72068	711
71957	811	72025	811	72069	711
71958	811	72026	711	72070	811
71959	811	72027	811	72071	811
71960	811	72028	811	72072	106
71961	811	72029	711	72073	711
71962	811	72030	811	72074	711
71964	8	72031	811	72075	711
71965	811	72032	106	72076	1
71966	811	72033	106	72078	1
71968	8	72034	106	72079	206

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory	Zip	Territory	Zip	Territory
72080	811	72130	711	72190	711
72081	711	72131	711	72198	1
72082	711	72132	206	72199	106
72083	106	72133	206	72201	1
72084	106	72134	711	72202	1
72085	811	72135	1	72203	1
72086	106	72136	711	72204	1
72087	8	72137	711	72205	1
72088	811	72139	711	72206	1
72089	106	72140	711	72207	1
72099	1	72141	811	72209	1
72101	711	72142	1	72210	1
72102	711	72143	711	72211	1
72103	106	72145	711	72212	1
72104	811	72149	106	72214	1
72105	811	72150	106	72215	1
72106	106	72152	206	72216	1
72107	811	72153	811	72217	1
72108	811	72156	811	72219	1
72110	811	72157	811	72221	1
72111	106	72158	106	72222	1
72112	711	72160	711	72223	1
72113	1	72164	1	72225	1
72114	1	72165	711	72227	1
72115	1	72166	711	72231	1
72116	1	72167	106	72260	1
72117	1	72168	106	72295	1
72118	1	72169	711	72301	105
72119	1	72170	711	72303	105
72120	1	72173	106	72310	205
72121	711	72175	106	72311	211
72122	106	72176	106	72312	711
72123	811	72178	711	72313	205
72124	811	72179	711	72314	711
72125	811	72180	1	72315	205
72126	811	72181	106	72316	205
72127	811	72182	206	72319	205
72128	106	72183	1	72320	211
72129	106	72189	711	72321	205

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory	Zip	Territory	Zip	Territory
72322	211	72374	511	72430	711
72324	711	72376	205	72431	711
72325	105	72377	711	72432	711
72326	211	72379	511	72433	711
72327	105	72381	205	72434	711
72328	511	72383	711	72435	711
72329	205	72384	205	72436	711
72330	205	72385	105	72437	9
72331	105	72386	711	72438	205
72332	105	72387	711	72439	711
72333	511	72389	711	72440	711
72335	211	72390	511	72441	711
72336	211	72391	205	72442	205
72338	205	72392	211	72443	711
72339	105	72394	211	72444	711
72340	211	72395	205	72445	711
72341	211	72396	711	72447	9
72342	511	72397	711	72449	711
72346	211	72401	9	72450	711
72347	711	72402	9	72451	711
72348	211	72403	9	72453	711
72350	205	72404	9	72454	711
72351	205	72410	711	72455	711
72352	211	72411	9	72456	711
72353	711	72412	711	72457	711
72354	711	72413	711	72458	711
72355	211	72414	9	72459	711
72358	205	72415	711	72460	711
72359	211	72416	9	72461	711
72360	211	72417	9	72462	711
72364	105	72419	9	72464	711
72365	711	72421	9	72465	711
72366	511	72422	711	72466	711
72367	511	72424	711	72467	9
72368	211	72425	711	72469	711
72369	511	72426	205	72470	711
72370	205	72427	9	72471	711
72372	211	72428	205	72472	711
72373	711	72429	711	72473	711

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

<u>Zip</u>	<u>Territory</u>	<u>Zip</u>	<u>Territory</u>	<u>Zip</u>	<u>Territory</u>
72474	711	72550	711	72626	811
72475	711	72553	711	72628	811
72476	711	72554	711	72629	811
72478	711	72555	711	72630	811
72479	711	72556	711	72631	811
72482	711	72557	711	72632	811
72501	711	72560	711	72633	811
72503	711	72561	711	72634	811
72512	711	72562	711	72635	811
72513	711	72564	711	72636	811
72515	711	72565	711	72638	811
72516	711	72566	711	72639	811
72517	711	72567	711	72640	811
72519	711	72568	711	72641	811
72520	711	72569	711	72642	811
72521	711	72571	711	72644	811
72522	711	72572	711	72645	811
72523	711	72573	711	72648	811
72524	711	72575	711	72650	811
72525	711	72576	711	72651	811
72526	711	72577	711	72653	811
72527	711	72578	711	72654	811
72528	711	72579	711	72655	811
72529	711	72581	711	72657	811
72530	711	72583	711	72658	811
72531	711	72584	711	72659	811
72532	711	72585	711	72660	811
72533	711	72587	711	72661	811
72534	711	72601	811	72662	811
72536	711	72602	811	72663	711
72537	811	72610	711	72666	811
72538	711	72611	811	72668	811
72539	711	72613	811	72669	811
72540	711	72615	811	72670	811
72542	711	72616	811	72672	811
72543	711	72617	811	72675	811
72544	811	72619	811	72677	811
72545	811	72623	811	72679	811
72546	711	72624	811	72680	711

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory	Zip	Territory	Zip	Territory
72682	811	72752	811	72842	811
72683	811	72753	3	72843	811
72685	811	72756	3	72845	811
72686	811	72757	3	72846	811
72687	811	72758	3	72847	811
72701	3	72760	811	72851	811
72702	3	72761	3	72852	811
72703	3	72762	3	72853	811
72704	3	72764	3	72854	811
72711	3	72765	3	72855	811
72712	3	72766	3	72856	811
72714	3	72768	3	72857	811
72715	3	72769	3	72858	811
72716	3	72770	3	72860	811
72717	3	72773	811	72863	811
72718	3	72774	3	72865	811
72719	3	72776	811	72901	110
72721	3	72801	811	72902	110
72722	3	72802	811	72903	110
72727	3	72811	811	72904	110
72728	3	72812	811	72905	110
72729	3	72820	811	72906	110
72730	3	72821	811	72908	110
72732	3	72823	811	72913	110
72733	3	72824	811	72914	110
72734	3	72826	811	72916	110
72735	3	72827	811	72917	210
72736	3	72828	811	72918	110
72737	3	72829	811	72919	110
72738	811	72830	811	72921	210
72739	3	72832	811	72923	210
72740	811	72833	811	72924	210
72741	3	72834	811	72926	811
72742	811	72835	811	72927	811
72744	3	72837	811	72928	811
72745	3	72838	811	72930	811
72747	3	72839	811	72932	210
72749	3	72840	811	72933	811
72751	3	72841	811	72934	210

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY DEFINITIONS

Zip	Territory
72935	210
72936	210
72937	210
72938	210
72940	210
72941	210
72943	811
72944	811
72945	210
72946	210
72947	210
72948	210
72949	811
72950	811
72951	811
72952	210
72955	210
72956	110
72957	110
72958	811
72959	3

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

TERRITORY FACTORS

Territory	BI	PD	MP	UMBI	UMPD	UIMBI	COMP	COLL
0001	1.453	1.417	1.028	1.000	1.000	1.000	0.740	0.987
0003	1.151	1.125	1.028	1.000	1.000	1.000	0.780	0.936
0105	1.170	1.188	1.111	1.000	1.000	1.000	1.240	1.077
0205	1.151	1.146	1.111	1.000	1.000	1.000	1.260	1.019
0106	1.377	1.354	1.111	1.000	1.000	1.000	0.860	0.962
0206	1.528	1.500	1.500	1.000	1.000	1.000	1.040	1.090
0008	1.396	1.375	1.472	1.000	1.000	1.000	0.800	1.103
0009	1.151	1.125	1.056	1.000	1.000	1.000	1.200	1.006
0110	1.170	1.146	1.028	1.000	1.000	1.000	0.720	0.929
0210	1.151	1.146	1.028	1.000	1.000	1.000	0.740	0.936
0111	1.283	1.271	1.222	1.000	1.000	1.000	1.500	1.115
0211	1.151	1.146	1.111	1.000	1.000	1.000	1.240	1.019
0411	1.415	1.375	1.111	1.000	1.000	1.000	1.160	1.045
0511	1.321	1.292	1.250	1.000	1.000	1.000	1.480	1.115
0711	1.151	1.125	1.056	1.000	1.000	1.000	1.200	1.006
0811	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
0911	1.057	1.042	1.222	1.000	1.000	1.000	1.280	1.032

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

SYMBOL FACTORS

Note, a vehicle can have different symbols for BI/PD than Comp and Collision, etc.
Symbols will be ISO symbols.

BI/PD SYM	Factor
250	0.80
255	0.80
260	0.80
265	0.80
270	0.80
275	0.80
280	0.80
285	0.80
290	0.80
295	0.95
300	1.00
305	1.05
310	1.10
315	1.15
320	1.20
325	1.25
330	1.25
335	1.25
340	1.25
345	1.25
350	1.25
355	1.25
360	1.25
365	1.25
370	1.25
375	1.25
380	1.25
385	1.25
390	1.25

MP SYM	Factor
450	0.80
455	0.80
460	0.80
465	0.80
470	0.80
475	0.80
480	0.80
485	0.80
490	0.90
495	0.95
500	1.00
505	1.05
510	1.10
515	1.15
520	1.20
525	1.25
530	1.25
535	1.25
540	1.25
545	1.25
550	1.25
555	1.25
560	1.25
565	1.25
570	1.25
575	1.25
580	1.25
585	1.25
590	1.25

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

2011 AND LATER MODEL YEARS

ISO COMP			ISO COLL		
Symbol	2012	2011	Symbol	2012	2011
1	0.77	0.75	1	0.77	0.74
2	0.95	0.91	2	0.98	0.94
3	1.18	1.11	3	1.19	1.13
4	1.45	1.39	4	1.37	1.31
5	1.66	1.57	5	1.45	1.39
6	1.82	1.75	6	1.52	1.44
7	2.02	1.93	7	1.56	1.48
8	2.18	2.07	8	1.63	1.56
10	2.34	2.25	10	1.71	1.63
11	2.50	2.39	11	1.77	1.69
12	2.66	2.52	12	1.82	1.74
13	2.77	2.66	13	1.89	1.79
14	2.91	2.77	14	1.92	1.82
15	3.05	2.91	15	1.97	1.89
16	3.18	3.02	16	2.00	1.92
17	3.32	3.18	17	2.06	1.97
18	3.48	3.32	18	2.11	2.02
19	3.59	3.43	19	2.16	2.06
20	3.73	3.55	20	2.19	2.10
21	3.84	3.68	21	2.26	2.15
22	3.98	3.80	22	2.31	2.21
23	4.09	3.91	23	2.35	2.26
24	4.23	4.02	24	2.40	2.29
25	4.34	4.16	25	2.45	2.34
26	4.45	4.25	26	2.48	2.37
27	4.57	4.36	27	2.52	2.40
28	4.70	4.48	28	2.58	2.45
29	4.80	4.59	29	2.61	2.48
30	4.93	4.70	30	2.66	2.55
31	5.05	4.82	31	2.69	2.58
32	5.16	4.91	32	2.73	2.61
33	5.25	5.02	33	2.79	2.66
34	5.39	5.14	34	2.82	2.69
35	5.48	5.23	35	2.85	2.73
36	5.64	5.36	36	2.90	2.77
37	5.80	5.55	37	2.97	2.82
38	5.98	5.70	38	3.02	2.89
39	6.14	5.84	39	3.05	2.92
40	6.30	6.02	40	3.11	2.97
41	6.45	6.16	41	3.15	3.00
42	6.64	6.32	42	3.19	3.05
43	6.77	6.48	43	3.23	3.08
44	6.95	6.64	44	3.26	3.11

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

ISO COMP			ISO COLL		
Symbol	2012	2011	Symbol	2012	2011
45	7.09	6.77	45	3.31	3.15
46	7.27	6.95	46	3.35	3.19
47	7.48	7.14	47	3.40	3.26
48	7.68	7.32	48	3.44	3.29
49	7.89	7.52	49	3.50	3.34
50	8.05	7.68	50	3.55	3.39
51	8.25	7.89	51	3.60	3.44
52	8.45	8.07	52	3.65	3.47
53	8.64	8.23	53	3.69	3.52
54	8.93	8.52	54	3.76	3.60
55	9.30	8.89	55	3.85	3.68
56	9.70	9.25	56	3.95	3.77
57	10.09	9.64	57	4.06	3.87
58	10.73	10.23	58	4.24	4.05
59	11.55	11.02	59	4.45	4.26
60	12.41	11.84	60	4.66	4.45
61	13.27	12.68	61	4.94	4.71
62	14.18	13.52	62	5.26	5.02
63	15.09	14.41	63	5.55	5.31
64	16.02	15.30	64	5.87	5.61
65	16.93	16.16	65	6.18	5.89
66	18.30	17.48	66	6.63	6.34
67	20.16	19.23	67	7.26	6.92
68	21.98	20.98	68	7.87	7.52
69	23.80	22.73	69	8.50	8.11
70	25.66	24.48	70	9.10	8.69
71	27.50	26.25	71	9.73	9.27
72	29.34	28.02	72	10.34	9.87
73	31.20	29.77	73	10.97	10.47
74	33.05	31.55	74	11.58	11.06
75	34.91	33.32	75	12.21	11.65

Develop the Base Rates for Symbol 98 vehicles as follows:

1. Comprehensive

a. Increase the factor for Symbol 70 by +1.68 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost; and **b.** Apply this factor to the Symbol 11 rate on the rate pages for the applicable model year.

2. Collision

a. Increase the factor for Symbol 70 by +0.56 for each \$10,000 or fraction of \$10,000 above \$150,000 of Original Cost; and **b.** Apply this factor to the Symbol 11 rate on the rate pages for the applicable model year.

Note: The Premiums for a model year subsequent to the latest model year shown above on the rate pages shall be increased by 3% per model year, applicable to the latest model year rates.

Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas
Program Name: Private Fleet Auto
Revision Date: 2/18/2011

MODEL YEAR AND SYMBOL RELATIVITIES
 MODEL YEAR 2008 BASE
 COMPREHENSIVE

Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989 & prior*	
1	0.86	0.82	0.77	0.75	0.70	0.66	0.64	0.61	0.57	0.55	0.52	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.27
2	1.11	1.07	1.00	0.95	0.91	0.86	0.82	0.77	0.73	0.70	0.66	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.27
3	1.34	1.27	1.20	1.16	1.09	1.02	1.00	0.93	0.89	0.84	0.80	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.27
4	1.52	1.45	1.36	1.32	1.23	1.18	1.14	1.07	1.00	0.95	0.91	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.27
5	1.70	1.61	1.55	1.48	1.39	1.32	1.27	1.20	1.14	1.07	1.02	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.32
6	1.91	1.82	1.73	1.64	1.55	1.48	1.41	1.34	1.25	1.20	1.14	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	0.50
7	2.09	1.98	1.89	1.80	1.70	1.61	1.55	1.45	1.39	1.32	1.25	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	0.64
8	2.27	2.16	2.05	1.95	1.84	1.75	1.68	1.59	1.50	1.43	1.36	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	0.82
10	2.48	2.36	2.23	2.14	2.00	1.91	1.84	1.73	1.64	1.57	1.48	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.05
11	2.73	2.59	2.45	2.34	2.20	2.09	2.02	1.91	1.80	1.73	1.64	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.25
12	2.98	2.82	2.68	2.57	2.41	2.30	2.20	2.09	1.95	1.89	1.80	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.48
13	3.25	3.09	2.93	2.80	2.64	2.50	2.41	2.27	2.14	2.05	1.95	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.77
14	3.55	3.36	3.18	3.05	2.86	2.73	2.61	2.48	2.34	2.23	2.14	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.11
15	3.91	3.70	3.52	3.36	3.16	3.00	2.89	2.73	2.59	2.45	2.34	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.52
16	4.25	4.05	3.82	3.66	3.43	3.27	3.14	2.98	2.80	2.68	2.55	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.93
17	4.59	4.36	4.14	3.95	3.73	3.55	3.39	3.20	3.02	2.89	2.75	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	3.41
18	4.91	4.66	4.41	4.23	3.98	3.77	3.64	3.43	3.25	3.09	2.95	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	3.95
19	5.32	5.05	4.80	4.57	4.32	4.09	3.93	3.73	3.50	3.34	3.18	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	4.59
20	5.77	5.48	5.20	4.95	4.68	4.45	4.27	4.05	3.82	3.64	3.45	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	5.36
21	6.30	5.98	5.66	5.41	5.09	4.84	4.66	4.41	4.16	3.98	3.77	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	6.70
22	6.95	6.61	6.25	5.98	5.64	5.36	5.14	4.86	4.59	4.39	4.18	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95
23	7.66	7.27	6.89	6.59	6.20	5.89	5.66	5.36	5.05	4.82	4.59	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36
24	8.70	8.27	7.84	7.48	7.05	6.70	6.43	6.09	5.75	5.48	5.23	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
25	10.20	9.70	9.18	8.77	8.27	7.86	7.55	7.14	6.73	6.43	6.11	5.82	5.82	5.82	5.82	5.82	5.82	5.82	5.82	5.82	5.82	5.82	5.82
26	11.75	11.16	10.57	10.11	9.52	9.05	8.70	8.23	7.75	7.41	7.05	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70

Vehicles with market value above \$80,000 are rated by adding a factor (+1.68) to the symbol 26 relativity for every \$10,000 above \$80,000 of fraction thereof.

*For Model Years 1975 and Prior above \$10,000, increase the Symbol 7 Base Rate by 20% for each \$10,000 or fraction thereof.

Note: The Premiums for comprehensive coverage for a model year subsequent to the latest model year shown on the rate pages shall be increased by 3% per model year, applicable to the latest model year rates.

Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas
Program Name: Private Fleet Auto
Revision Date: 2/18/2011

MODEL YEAR AND SYMBOL RELATIVITIES
MODEL YEAR 2008 BASE
COLLISION

Symbol	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989 & prior*
1	1.00	0.94	0.89	0.82	0.76	0.69	0.66	0.61	0.58	0.55	0.52	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.32
2	1.13	1.06	1.00	0.94	0.85	0.79	0.74	0.69	0.66	0.63	0.58	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.32
3	1.24	1.16	1.10	1.03	0.95	0.87	0.82	0.77	0.73	0.68	0.63	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.32
4	1.32	1.24	1.16	1.10	1.00	0.92	0.87	0.82	0.77	0.73	0.68	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.32
5	1.39	1.31	1.23	1.15	1.05	0.97	0.92	0.85	0.81	0.76	0.71	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.40
6	1.45	1.37	1.27	1.21	1.10	1.02	0.95	0.90	0.84	0.81	0.74	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.48
7	1.53	1.44	1.35	1.27	1.16	1.08	1.02	0.95	0.89	0.84	0.77	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.55
8	1.61	1.52	1.42	1.34	1.23	1.13	1.06	1.00	0.94	0.89	0.82	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.61
10	1.69	1.60	1.48	1.40	1.29	1.19	1.11	1.05	0.98	0.94	0.87	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.68
11	1.77	1.66	1.56	1.47	1.35	1.24	1.18	1.10	1.03	0.98	0.90	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.76
12	1.85	1.74	1.63	1.53	1.40	1.31	1.23	1.15	1.08	1.02	0.95	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.82
13	1.95	1.84	1.71	1.61	1.48	1.37	1.29	1.21	1.13	1.08	1.00	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.92
14	2.06	1.94	1.82	1.71	1.56	1.45	1.35	1.27	1.19	1.13	1.05	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	1.02
15	2.21	2.08	1.95	1.84	1.68	1.55	1.45	1.37	1.27	1.21	1.13	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.15
16	2.32	2.18	2.05	1.94	1.76	1.63	1.53	1.44	1.35	1.27	1.18	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.27
17	2.45	2.31	2.16	2.03	1.87	1.71	1.61	1.52	1.42	1.35	1.26	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.39
18	2.58	2.42	2.27	2.15	1.97	1.81	1.71	1.60	1.50	1.42	1.32	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.50
19	2.71	2.55	2.39	2.24	2.06	1.90	1.79	1.68	1.56	1.48	1.39	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.63
20	2.84	2.66	2.50	2.35	2.16	1.98	1.87	1.76	1.65	1.56	1.45	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.79
21	2.97	2.79	2.61	2.47	2.26	2.08	1.95	1.84	1.73	1.63	1.52	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	2.10
22	3.13	2.94	2.76	2.60	2.37	2.19	2.06	1.94	1.82	1.73	1.60	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
23	3.31	3.11	2.90	2.74	2.52	2.32	2.18	2.05	1.92	1.82	1.69	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	
24	3.56	3.35	3.13	2.95	2.71	2.50	2.35	2.21	2.06	1.97	1.82	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	1.71	
25	3.97	3.73	3.48	3.29	3.02	2.77	2.61	2.47	2.31	2.18	2.02	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	
26	4.37	4.11	3.84	3.63	3.32	3.06	2.89	2.71	2.53	2.40	2.23	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	

Vehicles with market value above \$80,000 are rated by adding a factor (+0.56) to the symbol 26 relativity for every \$10,000 above \$80,000 of fraction thereof.

*For Model Years 1975 and Prior above \$10,000, increase the Symbol 7 Base Rate by 20% for each \$10,000 or fraction thereof.

Note: The Premiums for collision coverage for a model year subsequent to the latest model year shown on the rate pages shall be increased by 3% per model year,

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MODEL YEAR AND SYMBOL RELATIVITIES (cont.)

For vehicles rated using the Additive Symbol Factor (i.e., above \$80,000 in value) the Additive Symbol Factor is multiplied by the High Performance Vehicle Factor of 2.00. The effect is to increase the symbol factor for vehicles on the High Performance list.

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

RATING TIER FACTORS

Tier	BI	PD	Comp	Coll	UMBI	UMPD	UIMBI	MP
1	0.731	0.731	0.627	0.703	1.000	1.000	1.000	0.561
2	0.760	0.760	0.665	0.735	1.000	1.000	1.000	0.603
3	0.790	0.790	0.705	0.768	1.000	1.000	1.000	0.648
4	0.822	0.822	0.747	0.802	1.000	1.000	1.000	0.697
5	0.855	0.855	0.792	0.839	1.000	1.000	1.000	0.749
6	0.889	0.889	0.840	0.876	1.000	1.000	1.000	0.805
7	0.925	0.925	0.890	0.916	1.000	1.000	1.000	0.865
8	0.962	0.962	0.943	0.957	1.000	1.000	1.000	0.930
9	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10	1.040	1.040	1.060	1.045	1.000	1.000	1.000	1.075
11	1.082	1.082	1.124	1.092	1.000	1.000	1.000	1.156
12	1.125	1.125	1.191	1.141	1.000	1.000	1.000	1.242
13	1.170	1.170	1.262	1.193	1.000	1.000	1.000	1.335
14	1.217	1.217	1.338	1.246	1.000	1.000	1.000	1.436
15	1.265	1.265	1.419	1.302	1.000	1.000	1.000	1.543
16	1.316	1.316	1.504	1.361	1.000	1.000	1.000	1.659
17	1.369	1.369	1.594	1.422	1.000	1.000	1.000	1.783
18	1.423	1.423	1.689	1.486	1.000	1.000	1.000	1.917
19	1.480	1.480	1.791	1.553	1.000	1.000	1.000	2.061
20	1.539	1.539	1.898	1.623	1.000	1.000	1.000	2.216

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MISCELLANEOUS COVERAGES

Additional & Custom Equipment Coverage

Other than Collision and Collision coverage for customizing equipment may be purchased on a stated amount basis for any panel truck, pickup or van insured for physical damage coverage. Refer to the customizing equipment coverage (state amount insurance) endorsement for extent of coverage.

1. The cost of customized equipment should not be considered when determining the symbol of the vehicle.
2. The customizing charge determined in this rule is the only charge for customized equipment on a vehicle.
3. The charge for customizing is made only when the customizing equipment coverage (stated amount insurance) endorsement is attached.

Rate as follows:

1. Refer to state rates pages, use the driver factor and base rate applicable to the vehicle.
2. Multiply the Symbol 2 factor for the current model year and other factors by the following factor to obtain the stated amount rate per \$100 of Additional and Custom Equipment.

Other than Collision (OTC) - .017

Collision (COL) - .010

Note: Prior to October 1, 1989, apply the above factors to the Symbol 7 rate for the current model year.

A&C Equip Factor

0.017	0.010
X	X

A&C Equip Limit/100

Notes:

- a. The customizing equipment coverage (state amount insurance) endorsement shall be attached.
- b. If Other than Collision or Collision coverage for customizing is purchased, the vehicle must have the corresponding Other than Collision or Collision coverage.
- c. The customizing deductibles shall be the same as the vehicle deductibles.

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MISCELLANEOUS COVERAGES

Agreed Value Coverage

If the Agreed Value is more than the Market Value, rate the difference using the same algorithm as used for Additional & Custom Equipment.

Towing and Labor

Rate per covered vehicle: Included

Extended Towing and Labor

Rate per covered vehicle: \$20

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MISCELLANEOUS VEHICLES

VEHICLE TYPE FACTORS

	BI	PD	MP	COMP	COL	UMBI/UIMBI	UMPD
Motor Home	0.50	0.50	0.50	0.79	0.60	0.50	0.50
Rec Trailer				0.52	0.60		
Snowmobile/ATV	0.50	0.50					
Golf Cart	0.25	0.25					
Collector Cars			0.50				
Dune Buggies	0.90	0.90				1.00	1.00

Vehicle Type: MOTOR HOMES

	BI	PD	MP	COMP	COL	UMBI/UIMBI	UMPD	Notes:
Base Rate	X	X	X	X	X	X	X	Round to the nearest .00
Vehicle Type	X	X	X	X	X	X	X	Round to the nearest .00
Limits	X	X	X			X	X	Round to the nearest .00
Motor Vehicle Prevention Course Discount	X	X	X		X			Round to the nearest .00
College Graduate Achievement Discount	X	X	X	X	X			
Deductibles				X	X			Round to the nearest .00
Model Year	X	X	X	X	X	X	X	Round to the nearest .00
Symbol				X	X			Round to the nearest .00
Vehicle Usage	X	X	X	X	X	X	X	Round to the nearest .00
Multicar Discount	X	X	X	X	X	X	X	Round to the nearest .00
Multiple Line Discount	X	X	X	X	X			Round to the nearest .00
Anti-lock Brakes	X	X	X		X			Round to the nearest .00
Passive Restraint			X			X	X	Round to the nearest .00
Tier Factor	X	X	X	X	X			Round to the nearest .00
Expense Fee	+	+	+	+	+			Round to the nearest .00
Policy Term Factor	X	X	X	X	X	X	X	Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=	=	=	Round to the nearest dollar

Notes: Symbol assignment similar to cars. If used for Commute or Business, rate as Automobile. Only rate using Motor Home ROC for Pleasure Use. Farm Use not available for Motor Homes. For Vehicle Type, see below.

Vehicle Type: RECREATIONAL TRAILERS (Non self propelled and equipped as living quarters with cooking, plumbing or refrigeration)

	BI	PD	COMP	COL	UMBI/UIMBI	UMPD	Notes:
Base Rate							Round to the nearest .00
Vehicle Type			X	X			Round to the nearest .00
Symbol			X	X			Round to the nearest .00
Deductible			X	X			Round to the nearest .00
Policy Term Factor			X	X			Round to the nearest .00
Developed Premium (Minimum \$xx)			=	=			Round to the nearest dollar

Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas
Program Name: Private Fleet Auto
Revision Date: 2/18/2011

MISCELLANEOUS VEHICLES (cont.)

Vehicle Type: MOTORCYCLES, MOPEDS, SCOOTERS, GO-CARTS							
	BI	PD	MP	COMP	COL	UMBI/UIMBI	Notes:
Points							Round to the nearest .00
Driver Class	+	+	+		+		Round to the nearest .00
subtract one	-1.00	-1.00			-1.00		Round to the nearest .00
Driver Factor	=	=	=	=	=		Round to the nearest .00
Base Rate	X	X	X	X	X		Round to the nearest .00
Limits	X	X		X	X	X	Round to the nearest .00
Deductibles	X	X		X	X	X	Round to the nearest .00
Symbol				X	X		Round to the nearest .00
Multibike Discount	X	X		X	X	X	Round to the nearest .00
Anti-theft Discount				X			Round to the nearest .00
MC Liab Adjustment	X	X				X	Round to the nearest .00
Policy Term Factor	X	X	X	X	X	X	Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=	=	Round to the nearest dollar

Notes:

Motorcycle Liability Adjustment

BI, PD and CSL			
Operator Age			
Engine Size	< 25	>= 25	UMBI
0 - 50	0.25	0.17	2.00
51 - 100	0.34	0.21	2.00
101 - 200	0.42	0.25	2.00
201 - 300	0.50	0.32	2.00
301 - 500	0.59	0.38	2.00
501 - 800	0.67	0.44	2.00
801 - 1000	0.76	0.50	2.00
> 1000	0.84	0.57	2.00

Motorcycle Physical Damage Symbol Factors

1990 and later: Charge the percentage below of the Symbol 2 rate for the given model year.
 1989 and earlier: Charge the percentage below of the Symbol 7 rate for the given model year.

Cost New	Comprehensive		Collision	
	Operator Age <25	Operator Age >= 25	Operator Age <25	Operator Age >= 25
\$0 - \$400	0.32	0.21	0.21	0.14
\$401 - \$600	0.32	0.21	0.35	0.21
\$601 - \$900	0.39	0.28	0.46	0.32
\$901 - \$1,200	0.60	0.39	0.60	0.39
\$1,201 - \$1,500	0.81	0.53	0.67	0.46
\$1,501 - \$1,800	1.02	0.67	0.77	0.53
\$1,801 - \$2,100	1.19	0.81	0.88	0.56
\$2,101 - \$2,400	1.40	0.95	1.05	0.67
\$2,401 - \$2,700	1.61	1.09	1.16	0.77
>\$2,700	0.010	0.005	0.008	0.005

For > \$2,700: Factor for \$2,401-\$2,700 + Factor in box * each \$100 over \$27,000, or portion thereof.
 Thus, Comp factor for driver age <25 and vehicle value \$4050 = 1.61 + .01*14 = 1.75

Drivers are assigned to Motorcycles purely on usage. If multiple motorcycles are assigned to the same driver, rate the driver on the motorcycle with the highest Collision symbol factor. Then apply the Default Driver Class Factor from the Auto tables to the other motorcycles.

Multibike Discount

Yes
No

	BI	PD	COMP	COL	UMBI/UIMBI
Yes	0.80	0.80	0.80	0.80	0.80
No	1.00	1.00	1.00	1.00	1.00

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MISCELLANEOUS VEHICLES (cont.)

Vehicle Type: SNOWMOBILES AND ATVs

	BI	PD	MP	COMP	COL	UMBI/UIIMBI	Notes:
Base Rate							Round to the nearest .00
Vehicle Type	X	X					Round to the nearest .00
Deductible/Rate				+	+		Round to the nearest .00
Policy Term Factor	X	X	x	X	X		Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=		Round to the nearest dollar

Notes:

Snowmobile and ATV Physical Damage Rates:

Coverage	Deductible	Rate/\$100
Comprehensive	\$100	\$2.00
Comprehensive	\$250	\$1.60
Collision	\$250	\$1.75
Collision	\$500	\$1.60

Vehicle Type: GOLF CARTS

	BI	PD	MP	COMP	COL	Notes:
Base Rate						Round to the nearest .00
Vehicle Type	X	X				Round to the nearest .00
Limits	X	X				Round to the nearest .00
Deductible/Rate				X	X	Round to the nearest .00
Policy Term Factor	X	X	X	X	X	Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=	Round to the nearest dollar

Notes:

Golf Cart Physical Damage Rates

Coverage	Deductible	Rate/\$100
Comprehensive	\$100	\$0.70
Comprehensive	\$250	\$0.55
Collision	\$250	\$0.85
Collision	\$500	\$0.75

Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas
Program Name: Private Fleet Auto
Revision Date: 2/18/2011

MISCELLANEOUS VEHICLES (cont.)

Vehicle Type: COLLECTOR CARS	BI	PD	MP	COMP	COL	UMBI/UIMBI	Notes:
Base Rate							Round to the nearest .00
Vehicle Type							Round to the nearest .00
Motor Vehicle Prevention Course Discount	X	X	X				Round to the nearest .00
College Graduate Achievement Discount							
Passive Restraint			X			X	Round to the nearest .00
Phys Dam Rate				X	X		Round to the nearest .00
Liability Premium	X	X	X			X	Round to the nearest .00
Tort Option	X		X			X	Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=	=	Round to the nearest dollar

Notes:

Liability - Charge only 1 time, regardless of number of vehicles on the policy.

Limit	BI	Limit	PD
25/50	\$22	\$25,000	\$26
250/500	\$30	\$100,000	\$26
500/500	\$32	\$250,000	\$30
500/1000	\$34	\$500,000	\$32
1000/1000	\$40		

CSL		CSL	
Limit	BI	Limit	PD
75,000	\$28	75,000	\$32
300,000	\$38	300,000	\$42
500,000	\$42	500,000	\$46
1,000,000	\$50	1,000,000	\$54

Split Limit	UMBI/UIMBI	CSL	UMBI/UIMBI
25/50	\$10	\$50,000	\$12
250/500	\$26	\$75,000	\$14
500/500	\$28	\$300,000	\$36
500/1000	\$30	\$500,000	\$40
1000/1000	\$34	\$1,000,000	\$48
		\$1,000,000	\$55

Physical Damage
(Always on Agreed Value Basis)

	Deductible	Rates Per \$100 Coverage			
		1st \$10,000 coverage		> \$10,000 Coverage	
		Comp & Coll	Comp Only	Comp & Coll	Comp Only
Antique	\$0	0.78	0.39	0.48	0.24
	\$500	0.74	0.37	0.46	0.23
	\$1,000	0.68	0.34	0.42	0.21
	\$5,000	0.62	0.31	0.38	0.19
Classic	\$0	1.82	0.91	1.12	0.56
	\$500	1.72	0.86	1.06	0.53
	\$1,000	1.58	0.79	0.98	0.49
	\$5,000	1.42	0.71	0.88	0.44
Exotic	\$0	2.99	1.48	1.95	0.94
	\$500	2.57	1.29	1.58	0.79
	\$1,000	2.36	1.18	1.45	0.73
	\$5,000	2.13	1.07	1.3	0.65
Trailers	\$250	1.82	0.91	1.12	0.56

Loss Protection Credit

	Factor
Yes	1.00
No	0.90

BI, PD, CSL, UM/UIM and MP charged only once per policy, no matter how many Collector Cars on the policy.

Company Name: Privilege Underwriters Reciprocal Exchange

Line of Business: Private Passenger Auto – Arkansas

Program Name: Private Fleet Auto

Revision Date: 2/18/2011

MISCELLANEOUS VEHICLES (cont.)

Vehicle Type: DUNE BUGGIES	BI	PD	MP	COMP	COL	UMBI/UIIMBI	Notes:
Base Rate	X	X	X			X	Round to the nearest .00
Vehicle Type	X	X				X	Round to the nearest .00
Limits	X	X				X	Round to the nearest .00
Deductibles/Rates				X	X		Round to the nearest .00
Policy Term Factor	X	X	X	X	X	X	Round to the nearest .00
Developed Premium (Minimum \$xx)	=	=	=	=	=	=	Round to the nearest dollar

Notes:

Dune Buggy Physical Damage Rates:

Coverage	Deductible	Rate/\$100
COMP	\$100	\$2.10
COMP	\$250	\$1.70
COL	\$250	\$6.30
COL	\$500	\$5.10

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Supporting Document Schedules

		Item Status:	Status
			Date:
Satisfied - Item:	A-1 Private Passenger Auto Abstract	Filed	08/08/2011

Comments:

Attachment:

AR Form A-1.pdf

		Item Status:	Status
			Date:
Satisfied - Item:	APCS-Auto Premium Comparison Survey	Filed	08/08/2011

Comments:

Attachments:

Copy of AR PPA Survey FORM APCS 7-26-2011.pdf

Copy of AR PPA Survey FORM APCS 7-26-2011.xls

		Item Status:	Status
			Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	08/08/2011

Comments:

Attachment:

AR RF-1 Rate Filing Abstract - Home.pdf

		Item Status:	Status
			Date:
Bypassed - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	08/08/2011

Bypass Reason:

N/A

Comments:

Item Status:	Status
---------------------	---------------

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Satisfied - Item: Filing Memorandum **Item Status:** Filed **Date:** 08/08/2011
Comments:
Attachment:
 AR Auto Filing Memorandum.pdf

Satisfied - Item: Credit Scoring Information **Item Status:** Filed **Date:** 08/08/2011
Comments:
Attachments:
 Attract One NCOIL.pdf
 Attract One Overview.pdf
 Exhibit 1- Attract One Description.pdf
 Insurance Score Filing Memo - AR Auto.pdf
 AR Exhibit CS-1.pdf
 Exhibit 2 - Financial Responsibility Score and Tiering.pdf

Satisfied - Item: Letter of Authorization **Item Status:** Filed **Date:** 08/08/2011
Comments:
Attachment:
 PURE-Authorization letter.pdf

Satisfied - Item: 20110324 Response letter **Item Status:** Filed **Date:** 08/08/2011
Comments:
Attachment:
 Response to 3-21-2011 Letter.pdf

Satisfied - Item: 20110412 Response letter **Item Status:** Filed **Date:** 08/08/2011

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Comments:

Attachment:

Response to 4-4-2011 Letter.pdf

	Item Status:	Status Date:
Satisfied - Item: 20110426 Response letter and markup	Filed	08/08/2011

Comments:

Attachments:

Auto Manual - Arkansas Exception Pages - Revised 4-26-2011 Marked up.pdf
 Response to 4-18-2011 Objection Letter.pdf

	Item Status:	Status Date:
Satisfied - Item: 20110506 Response materials	Filed	08/08/2011

Comments:

Attachment:

AR Auto Response to 4-28-2011 objection letter.pdf

	Item Status:	Status Date:
Satisfied - Item: 20110524 Response letter and markup	Filed	08/08/2011

Comments:

Attachments:

AR Auto - Response to 5-12 Objection Letter.pdf
 Auto Manual - Arkansas Exception Pages - Revised 5-23-2011 Changes Tracked.pdf

	Item Status:	Status Date:
Satisfied - Item: 20110603 Response letter	Filed	08/08/2011

Comments:

Attachment:

AR Auto - Response to 6-2 Objection Letter.pdf

SERFF Tracking Number: PERR-126933293 State: Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

Item Status: **Status**
Date:
Satisfied - Item: 20110615 Response letter and markup **Filed** 08/08/2011

Comments:

Attachments:

AR Auto - Response to 6-9 Objection Letter.pdf
Auto Manual - Arkansas Exception Pages - Revised 6-15-2011 changes tracked.pdf

Item Status: **Status**
Date:
Satisfied - Item: 20110624 response letter **Filed** 08/08/2011

Comments:

Attachment:

AR Auto - Response to 6-23 Objection Letter.pdf

Item Status: **Status**
Date:
Satisfied - Item: 20110805 Response letter **Filed** 08/08/2011

Comments:

Attachment:

AR Auto - Response to 8-4 Objection Letter.pdf

ARKANSAS INSURANCE DEPARTMENT
FORM A-1 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 private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Privilege Underwriters Reciprocal Exchange
NAIC # (including group #) 4664-12873

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? Yes No
If yes, list the areas: _____

2. Do you furnish a market for young drivers? Yes No

3. Do require collateral business to support a youthful driver? Yes No

4. Do you insure drivers with an international or foreign driver's license? Yes No

5. Specify the percentage you allow in credit or discounts for the following:

- a. Driver over 55 %
- b. Good Student Discount 6%
- c. Multi-car Discount 25%
- d. Accident Free Discount* 3-5%

Please Specify Qualification for Discount:

3-5 yrs of no moving violations and no accidents

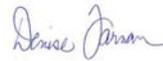
- e. Anti-Theft Discount 5-25%
- f. Other (specify) Anti lock brakes 3%
- Multi-line discount for HO and Excess Liability policies 2-5%
- Airbag: on Med Payment only 30%
- Window Etching 5%

6. Do you have an installment payment plan for automobile insurance? Yes No
If so, what is the fee for installment payments? _____

7. Does your company utilize a tiered rating plan? Yes No
If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
---------	-----------------------	--------

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



Signature
Denise Farnan
Printed Name
Actuarial Consultant
Title
877-737-7564 x223
Telephone Number
dfarnan@perrknight.com
Email address

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 12873
Company Name: Privilege Underwriters Reciprocal Exchange
Contact Person: Lois Pimentel
Telephone No.: 707.546.6896
Email Address: doi@perrknight.com
Effective Date: 8/1/2011

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
 You may also attach to a SERFF filing or submit on a compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	30	%
AUTO/HOMEOWNERS	5	%
GOOD STUDENT	6	%
ANTI-THEFT DEVICE	5-25	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.	+19%-6	%

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			\$763	\$763	\$211	\$252	\$765	\$765	\$211	\$253	\$927	\$927	\$247	\$297	\$683	\$683	\$193	\$230	\$790	\$790	\$217	\$260
	Minimum Liability with Comprehensive and Collision			\$1,393	\$1,393	\$391	\$420	\$1,561	\$1,561	\$451	\$467	\$1,566	\$1,566	\$426	\$466	\$1,411	\$1,411	\$407	\$425	\$1,628	\$1,628	\$468	\$485
	100/300/50 Liability with Comprehensive and Collision			\$1,547	\$1,547	\$452	\$487	\$1,715	\$1,715	\$512	\$534	\$1,751	\$1,751	\$494	\$542	\$1,550	\$1,550	\$464	\$488	\$1,785	\$1,785	\$529	\$553
2003 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			657	657	189	225	660	660	190	226	789	789	218	261	592	592	175	208	682	682	195	233
	Minimum Liability with Comprehensive and Collision			\$1,360	\$1,360	\$386	\$412	\$1,536	\$1,536	\$448	\$461	\$1,503	\$1,503	\$415	\$450	\$1,399	\$1,399	\$407	\$422	\$1,605	\$1,605	\$466	\$480
	100/300/50 Liability with Comprehensive and Collision			\$1,490	\$1,490	\$441	\$472	\$1,666	\$1,666	\$504	\$522	\$1,658	\$1,658	\$475	\$517	\$1,517	\$1,517	\$459	\$480	\$1,737	\$1,737	\$522	\$541
2003 Honda Odyssey "EX"	Minimum Liability			\$535	\$535	\$161	\$190	\$538	\$538	\$162	\$191	\$641	\$641	\$184	\$219	\$484	\$484	\$150	\$176	\$556	\$556	\$166	\$196
	Minimum Liability with Comprehensive and Collision			\$1,287	\$1,287	\$373	\$389	\$1,478	\$1,478	\$441	\$443	\$1,403	\$1,403	\$396	\$420	\$1,347	\$1,347	\$400	\$406	\$1,545	\$1,545	\$459	\$462
	100/300/50 Liability with Comprehensive and Collision			\$1,397	\$1,397	\$424	\$445	\$1,588	\$1,588	\$492	\$499	\$1,534	\$1,534	\$451	\$481	\$1,448	\$1,448	\$449	\$459	\$1,658	\$1,658	\$510	\$517
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability			\$647	\$647	\$188	\$224	\$650	\$650	\$189	\$226	\$772	\$772	\$216	\$259	\$585	\$585	\$175	\$207	\$673	\$673	\$195	\$232
	Minimum Liability with Comprehensive and Collision			\$1,484	\$1,484	\$423	\$446	\$1,696	\$1,696	\$498	\$506	\$1,622	\$1,622	\$450	\$483	\$1,547	\$1,547	\$452	\$464	\$1,773	\$1,773	\$519	\$527
	100/300/50 Liability with Comprehensive and Collision			\$1,610	\$1,610	\$477	\$506	\$1,821	\$1,821	\$553	\$565	\$1,771	\$1,771	\$510	\$549	\$1,660	\$1,660	\$503	\$520	\$1,901	\$1,901	\$573	\$587
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability			\$535	\$535	\$161	\$190	\$538	\$538	\$162	\$191	\$641	\$641	\$184	\$219	\$484	\$484	\$150	\$176	\$556	\$556	\$166	\$196
	Minimum Liability with Comprehensive and Collision			\$1,590	\$1,590	\$466	\$472	\$1,879	\$1,879	\$571	\$553	\$1,706	\$1,706	\$488	\$502	\$1,706	\$1,706	\$513	\$504	\$1,965	\$1,965	\$594	\$577
	100/300/50 Liability with Comprehensive and Collision			\$1,701	\$1,701	\$517	\$527	\$1,989	\$1,989	\$622	\$608	\$1,837	\$1,837	\$543	\$563	\$1,807	\$1,807	\$562	\$557	\$2,078	\$2,078	\$645	\$632
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability			\$723	\$723	\$205	\$245	\$726	\$726	\$206	\$246	\$868	\$868	\$237	\$284	\$652	\$652	\$189	\$225	\$751	\$751	\$212	\$254
	Minimum Liability with Comprehensive and Collision			\$1,314	\$1,440	\$465	\$531	\$1,470	\$1,637	\$556	\$620	\$1,467	\$1,592	\$494	\$571	\$1,333	\$1,482	\$499	\$561	\$1,533	\$1,709	\$578	\$645
	100/300/50 Liability with Comprehensive and Collision			\$1,416	\$1,539	\$505	\$578	\$1,559	\$1,721	\$590	\$659	\$1,597	\$1,719	\$541	\$626	\$1,415	\$1,560	\$533	#N/A	\$1,623	\$1,793	\$611	\$685

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	PURE-PPA-PFAI-AR-10-01-R
-----------	---	--------------------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
-----------	---	-----

Company Name		Company NAIC Number	
3.	A.	Privilege Underwriters Reciprocal Exchange	B.
		12873	

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	19.0 Personal Auto	B.
		19.0001 Private Passenger Auto (PPA)	

5.	(A)	(B)	(C)	FOR LOSS COSTS ONLY				
	COVERAGE (See Instructions)	Indicated % Rate Level Change	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
	Private Fleet Auto	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program
	TOTAL OVERALL EFFECT							

6.	5 Year History	Rate Change History						
	Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

7.	Expense Constants	Selected Provisions
	A. Total Production Expense	12.5%
	B. General Expense	20.0%
	C. Taxes, License & Fees	2.5%
	D. Underwriting Profit & Contingencies	5%
	E. Other (explain)	
	F. TOTAL	40%

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

Privilege Underwriters Reciprocal Exchange

PURE Private Fleet Auto Insurance Program

New Program Filing – Rates and Rules

Arkansas Actuarial Memorandum

Privilege Underwriters Reciprocal Exchange (“PURE”) is a Florida-domiciled reciprocal insurer focused on the High Net Worth personal lines segment. The proposed personal auto program represents PURE’s inaugural filing in the state of Arkansas.

The proposed rating variables and base rates are based primarily on PURE’s countrywide personal auto program and a competitive review of AIG Indemnity Insurance Company’s (“AIG”) approved personal auto filing in Arkansas effective May 20, 2008.

The Company’s goal is to adopt AIG’s territory definitions and territory relativities while still keeping the consistency of PURE’s countrywide private fleet auto insurance program and rating manual.

To establish base rates that are reasonable and competitive for the proposed new program, the Company evaluated the proposed program versus AIG’s for their targeted risk profile. The Company then selected base rates that will produce the Company’s desired rate level. As the Company gains experience in Arkansas, the results will be evaluated and filings will be made if and as appropriate as the experience data gains credibility.

A rating comparison of the targeted risk between the Company and AIG is provided in the Target Risk Comparison exhibit.

Attached are the Company’s proposed rating manual and a complete forms filing. The Company respectfully requests that the proposed filing be implemented for all policies effective on the earliest possible date of acknowledgment or approval.

Attract One

Description	Interval	Interval Points
Constant		0.41938275
# OF ACCOUNTS EVER 30 DAYS LATE OR WORSE	0 1 2 or more bypass no accts	0.00000000 0.03710475 0.05445702 0.00000000 0.05445702
AVERAGE # OF/MONTHS ACCTS HAVE BEEN OPEN	0 - 17 18 - 26 27 - 38 39 - 77 78 - 118 119 - 129 130 - 146 147 or more	0.00000000 -0.01853491 -0.06557460 -0.08455045 -0.08939881 -0.09419093 -0.09992764 -0.10608044
# OF DEROGATORY PUBLIC RECORD ITEMS LESS MEDICAL COLLECTIONS	1 2 or more no public recs	0.05758274 0.10445912 0.00000000
# OF ACCOUNTS ON FILE	1 - 6 7 - 14 15 - 17 18 - 22 23 - 30 31 or more collection accts only	0.00000000 0.02530460 0.02550220 0.05115582 0.06718021 0.07807018 0.06718021
# OF BANK REVOLVING ACCOUNTS PAID SATISFACTORY IN THE LAST 24 MONTHS	0 1 - 4 5 or more	0.00000000 -0.00694762 -0.03286667
# OF CONSUMER INITIATED INQUIRIES IN THE LAST 6 MONTHS EXCLUDING INSURANCE INQUIRIES AUTO & MORTGAGE ARE DE-DUPED WITHIN 30 DAYS	0 1 2 3 - 4 5 - 6 7 or more	0.00000000 0.00624916 0.02263173 0.02450539 0.05516139 0.07783899
TOTAL AVERAGE DEBT BURDEN (TOTAL BALANCE/TOTAL HIGH CREDIT)	0.0000 - 0.0116 0.0117 - 0.0480 0.0481 - 0.4046 0.4047 - 0.7254 0.7255 or more bypass/no accts	0.00000000 -0.00668316 0.01124870 0.02229914 0.02712739 0.02712739
# OF ACCOUNTS ALWAYS PAID SATISFACTORY	0 - 1 2 3 4 5 - 8 9 - 14 15 or more	0.00000000 -0.00616366 -0.02320315 -0.02736071 -0.03674721 -0.01718164 0.00000000
AMOUNT OF PAST DUE BALANCES / TOTAL BALANCES	0 0.0001 - 0.0258 0.0259 or more	0.00000000 0.00587737 0.03218474
# OF OPEN BANK INSTALLMENT ACCOUNTS	0 - 1 2 or more bypass/no bank install	0.00000000 0.02979519 -0.00919318
# OF OPEN RETAIL ACCOUNTS	0 1 2 3 or more	0.00000000 0.01518899 0.02551045 0.02867840
NO AUTO FINANCE ACCOUNTS ESTABLISHED	auto finance accts no auto finance	0.00000000 -0.02217035

Attract One

Description	Interval	Interval Points
% OF ACCOUNTS PAID SATISFACTORY TO TOTAL ACCOUNTS ON FILE	0.0000 - 0.7143 0.7144 or more	0.00000000 -0.01724891
AGE OF OLDEST BANK REVOLVING ACCOUNT (IN MONTHS)	0 1 - 23 24 - 56 57 - 98 99 - 140 141 or more	0.00000000 -0.00497433 -0.02070378 -0.02129159 -0.03797212 -0.04634066
# OF BANK REVOLVING ACCOUNTS WITH BALANCE TO HIGH CREDIT 75% OR MORE	0 1 2 3 or more	0.00000000 0.00822224 0.00883561 0.02432363
# OF RETAIL ACCOUNTS EVER 60 DAYS LATE	0 1 or more	0.00000000 0.03896582
AGE OF YOUNGEST ACCOUNT (IN MONTHS)	0 - 12 13 or more	0.00000000 -0.01990612
FILE CONTAINS CREDIT UNION, S&L, MORTGAGE ACCOUNTS PAID SATISFACTORY, 30 DAYS, 60 DAYS, 90-120 DAYS LATE AND BAD DEBT	NO YES	0.00000000 0.49406772
FILE CONTAINS BANK INSTALLMENT ACCOUNTS PAID SATISFACTORY, 30 DAYS AND 60 DAYS LATE	NO YES	0.00000000 0.06031028

Attract One

Raw Score = Intercept + Sum of points assigned for all variables

Final Score * = -1433.53633565 * (Raw Score - 0.12222861) + 997	if (Raw Score) <= 0.24011889
= -1418.90777099 * (Raw Score - 0.24011890) + 827	else if (Raw Score) <= 0.27042390
= -1158.20609568 * (Raw Score - 0.27042391) + 783	else if (Raw Score) <= 0.29718944
= -1007.35094984 * (Raw Score - 0.29718945) + 751	else if (Raw Score) <= 0.32299972
= -928.12772275 * (Raw Score - 0.32299973) + 724	else if (Raw Score) <= 0.34885824
= -915.72366207 * (Raw Score - 0.34885825) + 699	else if (Raw Score) <= 0.37506703
= -915.69254003 * (Raw Score - 0.37506704) + 674	else if (Raw Score) <= 0.40346085
= -895.18767321 * (Raw Score - 0.40346086) + 647	else if (Raw Score) <= 0.43809047
= -836.62910072 * (Raw Score - 0.43809048) + 615	else if (Raw Score) <= 0.48948721
= -507.13943325 * (Raw Score - 0.48948722) + 571	else if (Raw Score) >= 0.48948722

* (1) Round off Final Score to the nearest integer value

(2) Set (Final Score) = 200 if (Final Score) < 200

(3) Set (Final Score) = 997 if (Final Score) > 997

ChoicePoint Proprietary and Confidential © 2003

Attract One Overview

Table of Contents

Overview of Attract™ One.....	3
Extraordinary Life Events.....	4
No Hits and No Scores.....	4
Score Reason Codes	4
Score Validation	6

Attract One

The Attract One score uses information in credit reports to produce a score that indicates the relative rank ordering of applicants and policyholders by claim frequency and/or loss ratio. Attract One was developed using statistical regression modeling techniques. This method finds the most predictive combination of credit characteristics. The characteristics are weighted based on their significance in predicting loss ratio propensity. The weights assigned are tallied resulting in a final score. Scores delivered on an individual range from 200 to 997 with higher scores indicating better risks.

Credit Characteristic Groups

The credit characteristics evaluated in the development of the Attract One model cover three main areas of the credit report:

Adverse Public Records: These include Bankruptcy, Lien, Garnishment and Judgement. Also included in this group are items reported by Collection Agencies. Collections that can be identified as medical related are excluded.

Account Information: This group includes the number of accounts (often referred to as trades), payment history, financial information such as amount of leverage, and how long accounts have been established. Characteristics that are specific to certain industry types such as bank revolving accounts, bank installment, department store, auto finance, personal finance, credit union, savings & loan, mortgage and oil company card accounts.

Inquiries: These are inquiries initiated by the consumer when the consumer is actively seeking to obtain credit. Inquiries made as a result of an auto loan or mortgage loan are only counted as one when reported within a 30 day timeframe. Inquiries made by insurance companies are excluded. This does not include inquiries that are a result of a promotional credit solicitation, account review or account monitoring or when the consumer request his or her own credit report.

Types of Credit Characteristics Analyzed in Development

- **Payment History**
 - Has a bankruptcy been filed?
 - Are there any adverse public records?
 - Are there any collections?
 - Were payments made on time?

- **Financial Information**
 - Balances on accounts
 - High credit/credit limits on accounts
 - Degree of utilization (balance/credit limit)

- **Types of Credit**
 - Bank Revolving Primarily Visa, MasterCard, Discover type credit cards
 - Bank Installment Installment loans made by banks (fixed # of months to pay back)
 - Department Stores Primarily major department stores such as Penney's, Sears, etc.
 - Consumer Finance Sales finance such as large ticket items (furniture, stereos, TVs, etc.)
 - Personal Finance Primarily creditors that are a more expensive source to obtain credit such as Household Finance, Beneficial, etc.
 - Retail Clothing stores (Limited, Structure, etc.), jewelers, home furnishings, mail order and variety stores
 - Automotive Tires, parts, service stations, new and used car lots, truck and farm equipment dealers
 - Auto Finance Finance or lease of a car primarily through a major car manufacturer such as GMAC, Ford Motor Credit, etc.
 - Credit Union Account established with a credit union. This category also includes savings and loan and mortgage company accounts
 - Oil Company Gas cards such as Amoco, BP, etc.

- Age of Credit File
 - Age of oldest account
 - Age of youngest account
 - Average number of months since account opened

- Inquiry Activity
 - Number of inquiries in the last 6 months
 - Number of inquiries with finance companies in the last 24 months
 - Number of months since most recent inquiry

The Attract models do not consider race, gender, ethnicity, age, religion, income, marital status or residency.

Extraordinary Life Events

It is not systematically possible for the Attract model to identify items contained in a credit report that may be affected due to extraordinary life events such as natural catastrophes, catastrophic illness, loss of employment or divorce. Since the score cannot account for such circumstances, each carrier will need to develop standards and procedures for addressing same. Items identified as being in a dispute status will be excluded from scoring as required.

No Hits and No Scores

There are some transactions where a score cannot be calculated either because a credit file could not be found (no-hit) or the credit information is too limited to produce a score (no-score). Attract will not calculate a score unless the credit file contains at least one consumer initiated inquiry or one account that has been reported to the credit bureau in the last 24 months. In addition a file that contains only consumer initiated inquiries will not be scored.

A study performed by the Bureau for Business Research indicates that no-hits and no-scores perform 7% worse than the average. Another study performed by EPIC Actuaries found similar results.

Score Reason Codes and Meanings

In addition to generating the score value, the model also returns up to four “reason codes” which show the credit characteristics that had the most impact in reducing someone’s score. A list of these reason codes can be found in the following section . Additional explanations of these messages are provided in a separate document.

Attract One Score Reason Codes and Corresponding Meanings

<u>Code</u>	<u>Meaning</u>
0101	Number of Derogatory Public Record Items
0102	# of Inquiries for Transactions Initiated by Consumer in Last 6 Months
0103	Length of Time Accounts Have Been Established
0104	Length of Time Since Newest Account was Established
0108	Number of Open Installment Bank Accounts
0110	Number of Open Retail Accounts
0126	Percent of Accounts Reported in Last 24 Months to Total Accounts on File
0133	Length of Time Bank Revolving Accounts have been Established
0141	Number of Collection Agency Filings
0161	Number of Accounts that have been Established
0170	Percent of Balance to Credit Limit on Open Accounts
0176	Number of Auto Finance Accounts Established
0177	Number of Accounts Currently or in the Past w/30+ Day Late Payments
0231	Ratio of Total Amount of Past Due Balances to Total Balances on Accounts
0232	# of Bank Installment Accounts with Current or Previous Late Payments
0233	# of Open Bank Revolving Accts w/ Balance to Credit Limit 75% or More
0234	# of Bank Revolving Accts Paid as Agreed in the Last 24 Months
0235	# of Credit Union, S&L, Mortgage Accts w/ Current or Previous Late Pays
0236	# of Retail Accounts with Currently or Previous 60 Day Late Payments
0237	Number of Accounts Always Paid as Agreed

Attract One was developed for both auto and property policies. The development database was comprised of hundreds of thousands of policy records pooled from many insurers, including premium and claims data. Historical credit characteristics were matched to the policy records, and scores were developed to rank- order the loss ratio risk of policy groups.

Model Validation

The table below demonstrates the degree to which the Attract One model is able to separate loss ratio performance on auto policies and on homeowner policies.

<u>Score Group</u>	<u>Auto Policies</u>	<u>Homeowner Policies</u>
1	136	183
2	127	135
3	114	115
4	112	106
5	101	95
6	95	86
7	90	87
8	82	75
9	78	69
10	67	59

All credit factors included in the algorithms had P-Values less than .05 indicating high individual statistical significance, and many factors had P-Values less than .0001.

The Attract scores were developed using credit data obtained through Equifax. The models were also validated on Experian data.

ChoicePoint Attract™ One

The Attract One score uses information in credit reports to produce a score that indicates the relative rank ordering of applicants and policyholders by claim frequency and/or loss ratio. Attract One was developed by ChoicePoint using statistical regression modeling techniques. This method finds the most predictive combination of credit characteristics. The characteristics are weighted based on their significance in predicting loss ratio propensity. The weights assigned are tallied resulting in a final score. Scores delivered on an individual range from 200 to 997 with higher scores indicating better risks.

Credit Characteristic Groups

The credit characteristics evaluated in the development of the Attract One model cover three main areas of the credit report:

Adverse Public Records: These include Bankruptcy, Foreclosure, Lien, Garnishment, Financial Counselor, Judgement, and Suit. Also included in this group are items reported by Collection Agencies.

Account Information: This group includes the recent account openings, payment history, financial information such as amount of leverage, and how long accounts have been established.

Inquiries: These are inquiries initiated by the consumer when the consumer is actively seeking to obtain credit. This does not include inquiries that are a result of a promotional credit solicitation.

The credit characteristics that comprise the Attract One score model are:

- Number of Derogatory Public Record Items
- # of Inquiries for Transactions Initiated by Consumer in Last 6 Months
- Length of Time Accounts Have Been Established
- Length of Time Since Newest Account was Established
- Number of Open Installment Bank Accounts
- Number of Retail Accounts Reported in Last 12 Months
- Percent of Accounts Paid as Agreed in Last 24 Months to Total Accounts
- Length of Time Bank Revolving Accounts have been Established
- Number of Collection Agency Filings
- Number of Accounts that have been Established
- Percent of Balance to High Credit on Accounts
- Number of Accounts Currently or in the Past w/30+ Day Late Payments
- Ratio of Total Amount of Past Due Balances to Total Balances on Accounts
- # of Bank Installment Accounts with Current or Previous Late Payments
- # of Bank Revolving Accts with Balance to High Credit 75% or Greater
- # of Bank Revolving Accts Paid as Agreed in the Last 24 Months
- # of Credit Union, S&L, Mortgage Accts w/ Current or Previous Late Paymnts
- # of Retail Accounts with Currently or Previous 60 Day Late Payments
- Number of Accounts Always Paid as Agreed

Attract One was developed for both auto and property policies. The development database was comprised of hundreds of thousands of policy records pooled from many insurers, including premium and claims data. Historical credit characteristics were matched to the policy records, and scores were developed to rank- order the loss ratio risk of policy groups.

The table below demonstrates the degree to which the Attract One insurance score model is able to separate loss ratio performance on a representative set of development policies:

Homeowner Policies

<u>Percentile</u>	<u>Score Range</u>	<u>Rel. Loss Ratio</u>
91 - 100%	236 - 567	183
81 - 90%	568 - 607	135
71 - 80%	608 - 638	115
61 - 70%	639 - 663	106
51 - 60%	664 - 687	95
41 - 50%	688 - 710	86
31 - 40%	711 - 734	87
21 - 30%	735 - 762	75
11 - 20%	763 - 801	69
0 - 10%	802 - 974	59

Auto Policies

<u>Percentile</u>	<u>Score Range</u>	<u>Rel. Loss Ratio</u>
91 - 100%	228 - 564	136
81 - 90%	565 - 601	127
71 - 80%	602 - 632	114
61 - 70%	633 - 657	112
51 - 60%	658 - 681	101
41 - 50%	682 - 705	95
31 - 40%	706 - 731	90
21 - 30%	732 - 762	82
11 - 20%	763 - 804	78
0 - 10%	805 - 984	67

Note: A value of 100 in the table above represents the average loss ratio. Each score group represents ten percent of all policies.

**PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
FILING OF THE USE OF CREDIT INFORMATION
ARKANSAS AUTO**

Privilege Underwriters Reciprocal Exchange (PURE) is requesting approval for the use of credit information for our proposed Auto Program. PURE intends to offer coverage in Arkansas for owners of high value home and will offer auto insurance, jewelry and art coverage and excess liability coverage to these families as well. We believe that these families are underserved today.

SUMMARY

We are proposing to use financial responsibility tiers, employing ChoicePoint's Attract One (CPAO) insurance scoring model, as one of the factors used to price an insurance risk. The financial responsibility tier is one of a myriad of factors considered in pricing our automobile and homeowners products. Exhibit 1 provides a summary of the ChoicePoint Attract One model.

Exhibit 2 shows the financial responsibility score distribution and our selections for use in our Auto program. Selections were based on the relative loss ratios of the sample policies analyzed by Choice Point using their Attract One model.

Below, please find further detail regarding PURE's planned use of credit information in AR:

- ChoicePoint Attract One (CPAO) does not consider race, gender, ethnicity, age, religion, income, marital status or address.
- A policy will not be denied solely on the basis of credit information.
- A policy will not be cancelled, nor adverse action taken against a current insured, based on solely on credit information.
- Adverse action will not be taken solely because a consumer does not have a credit card account.
- In the event that a score cannot be calculated either because a credit file could not be found (no-hit) or the credit information is too limited to produce a score (no-score) the consumer will be treated as if the consumer had neutral credit information.
- CPAO only consider inquiries which were initiated by the consumer. Multiple inquiries made as a result of an auto loan are also only counted as one when reported within a 30 day timeframe.
- Collection items identified as medically related are excluded from scoring.

- Inquiries made by insurance companies are excluded, as are inquiries that are a result of a promotional credit solicitation, account review or account monitoring or when the consumer requests his or her own credit report.
- PURE will not use credit information to take an adverse action against a consumer unless, PURE obtains and uses a CPAO score calculated no more than 90 days prior to the date the policy is first written.

PURE will disclose that PURE may obtain credit information on the consumer at the time of application and on renewal to each policyholder. Please refer to our separate form filing for details.

In accordance with the requirements of the federal Fair Credit Reporting Act, 15 USC 1681 m(a), PURE will provide notification to the consumer when an adverse action based upon credit information within 30 days of taking the action. Please refer to our separate form filing for details.

We understand from ChoicePoint that the Attract One model has been filed with the state of Arkansas, and is in use by several admitted insurers using filed Automobile and Homeowners products in the state.

Exhibit CS - 1

FR Tier	Insurance Score Range	Earned Premium	Uncapped LR	Capped LR
12F	202 - 576	\$ 57,021	302%	105%
11F	577 - 617	\$ 96,490	110%	88%
10F	618 - 662	\$ 499,832	41%	28%
9F	663 - 709	\$ 1,425,399	104%	64%
8F	710 - 741	\$ 1,696,846	67%	53%
7F	742 - 767	\$ 1,881,648	52%	41%
6F	768 - 789	\$ 1,963,178	99%	35%
5F	790 - 811	\$ 1,830,208	86%	62%
4F	812 - 836	\$ 1,940,859	51%	43%
3F	837 - 871	\$ 2,009,570	34%	34%
2F	872 - 914	\$ 1,711,051	40%	32%
1F	915 - 997	\$ 3,392,470	46%	37%
14F	No Hit	\$ 622,802	7%	7%
13F	Thin File	\$ 72,420	34%	34%
Grand Total		19,199,794	60%	42%

Based on PURE Auto Earned Premium from Inception (2007) through year-end 2010
Capped Loss Ratios are calculated with the incurred losses capped at \$50,000

Underwriting Tier Determination

1. Nonchargeable Incidents

NC Points:

- Each non-chargeable violation = 1 points
- At-Fault Accident below threshold = 2 points

NC Pts	# Drivers Available for Rating			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4+</u>
0	0	-1	-2	-3
1	4	3	2	1
2	8	5	3	2
3	12	7	5	4
4	16	9	7	5
5	20	12	8	6
6	24	14	11	8
7	28	18	13	9
8+	32	20	15	11

2. Other Underwriting Items

1 or more Youthful <25 on policy and performance vehicle = 8 points

3. Underwriting Tier Assignment

Tiering Points = NC Points + points for Other Underwriting Items

<u>Tiering Points</u>	<u>Underwriting Tier</u>
<1	A
1 - 4	B
5 - 8	C
9 - 12	D
13 - 16	E
17 - 20	F
21 - 24	G
25 - 28	H
29 - 32	I
33 - 36	J
37 - 40	K
41 - 44	L
45+	M

Financial Responsibility Tier Determination

Model: CP Attract One

Range	High	FR Tier
<u>Low</u>	576	
202		12F
577	617	11F
618	662	10F
663	709	9F
710	741	8F
742	767	7F
768	789	6F
790	811	5F
812	836	4F
837	871	3F
872	914	2F
915	997	1F
Thin File		13F
No Hit		14F

Rating Tier Determination

U/W Tier	Financial Responsibility Tier													
	1F	2F	3F	4F	5F	6F	7F	8F	9F	10F	11F	12F	13F	14F
A	3	3	3	3	4	5	6	7	8	9	11	13	8	8
B	4	4	4	4	5	6	7	8	9	10	12	14	9	9
C	5	5	5	5	6	7	8	9	10	11	13	15	10	10
D	6	6	6	6	7	8	9	10	11	12	14	16	11	11
E	7	7	7	7	8	9	10	11	12	13	15	17	12	12
F	8	8	8	8	9	10	11	12	13	14	16	18	13	13
G	9	9	9	9	10	11	12	13	14	15	17	19	14	14
H	10	10	10	10	11	12	13	14	15	16	18	20	15	15
I	11	11	11	11	12	13	14	15	16	17	19	20	16	16
J	12	12	12	12	13	14	15	16	17	18	20	20	17	17
K	13	13	13	13	14	15	16	17	18	19	20	20	18	18
L	14	14	14	14	15	16	17	18	19	20	20	20	19	19
M	15	15	15	15	16	17	18	19	20	20	20	20	20	20

Tier Factors by Coverage

<u>Tier</u>	<u>BI</u>	<u>PD</u>	<u>PIP</u>	<u>MP</u>	<u>Comp</u>	<u>Coll</u>	<u>UM</u>
1	0.731	0.731	0.561	0.561	0.627	0.703	1.000
2	0.790	0.760	0.603	0.603	0.665	0.735	1.000
3	0.822	0.790	0.648	0.648	0.705	0.768	1.000
4		0.822	0.697	0.697	0.747	0.802	1.000
5	0.855	0.855	0.749	0.749	0.792	0.839	1.000
6	0.889	0.889	0.805	0.805	0.840	0.876	1.000
7	0.925	0.925	0.865	0.865	0.890	0.916	1.000
8	0.962	0.962	0.930	0.930	0.943	0.957	1.000
9	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10	1.040	1.040	1.075	1.075	1.060	1.045	1.000
11	1.082	1.082	1.156	1.156	1.124	1.092	1.000
12	1.125	1.125	1.242	1.242	1.191	1.141	1.000
13	1.170	1.170	1.335	1.335	1.262	1.193	1.000
14	1.217	1.217	1.436	1.436	1.338	1.246	1.000
15	1.265	1.265	1.543	1.543	1.419	1.302	1.000
16	1.316	1.316	1.659	1.659	1.504	1.361	1.000
17	1.369	1.369	1.783	1.783	1.594	1.422	1.000
18	1.423	1.423	1.917	1.917	1.689	1.486	1.000
19	1.480	1.480	2.061	2.061	1.791	1.553	1.000
20	1.539	1.539	2.216	2.216	1.898	1.623	1.000
<u>PURE</u>							
Low	0.731	0.731	0.561	0.561	0.627	0.703	1.000
High	1.539	1.539	2.216	2.216	1.898	1.623	1.000
Lift	2.105	2.105	3.950	3.950	3.027	2.309	1.000

Choice Point Relative Loss Ratios

<u>Decile Group</u> (1)	<u>Low</u>	<u>Score Range</u>		<u>Relative Loss Ratio</u> (5)
		<u>High</u> (3)	<u>Average</u> (4)	
	228			
10		564	564	1.36
9	565	601	583	1.27
8	602	632	617	1.14
7	633	657	645	1.12
6	658	681	670	1.01
5	682	705	694	0.95
4	706	731	719	0.90
3	732	762	747	0.82
2	763	804	784	0.78
1	805	984	895	0.67
Total			661	1.00

INDICATED & SELECTED RATING GROUP FOR NO-HITS/NO-SCORES			
	Relative Loss Ratio	Indicated Score Range	PURE Selected FR Group
No hit and No score	1.00	658 - 681	9F

Note:
 (1)-(5) Provided by ChoicePoint for the Attract One Model.



THE GATEWAY BUILDING
ONE NORTH LEXINGTON AVENUE, SUITE 1450
WHITE PLAINS, NEW YORK 10601

(888) 813-PURE
WWW.PUREHNW.COM

November 5, 2010

**Re: Privilege Underwriters Reciprocal Exchange,
NAIC Company Number: 12873
Private Passenger Auto and Homeowners Programs**

To Whom It May Concern:

Perr&Knight, Inc. is hereby authorized to submit rate, rule, form filings on behalf of Privilege Underwriters Reciprocal Exchange. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to remain in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department
Perr&Knight, Inc.
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Phone: (310) 230-9339
Fax: (310) 230-1061

Please contact me if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jack Willis', written in a cursive style.

Jack Willis
Vice President, Product Management
914-328-7389
914-328-3883
jwillis@purehnw.com

This will acknowledge receipt of the captioned filing. The APCS must be submitted in Excel. Additionally, please review Ark. Code Ann. 23-67-409 and submit the credit model as well loss experience justifying its usage. Please note that you may not adopt another insurer's rates. Lastly, please advise why the program is termed "fleet."

APCS

Please find the completed APCS submitted in Excel, along with our response.

Credit Answer

We are filing the Choice Point Attract One Model for your review. This includes the Attract One Overview and Attract One NCOIL. We respectfully ask that these files remain confidential.

Exhibit 2 shows the financial responsibility score distribution and our selections for use in our automobile program. Selections were based on the relative loss ratios of the sample analyzed by Choice Point using their Attract One model.

Private Fleet

The term "Private Fleet" is a marketing term used in recognition that our typical member maintains more than the average number of vehicles for a household. This is a private passenger auto program and the term is not intended to reflect any commercial automobile exposure.

This will acknowledge receipt of the captioned filing. Was the analysis performed on Privilege Underwriter's book of business?

The analysis was performed by ChoicePoint on industry data. When these tier factors were developed, PURE did not have any in-force business, so we utilized competitor filings, ChoicePoint Data, and judgment and experience to develop our factor selections.

While PURE does not yet have enough earned exposures to be used to support the tier factors with credibility, we do believe that the selections are reasonable and supported by ChoicePoint's data and competitive comparisons.

We propose to utilize these factors and as our book increases in size and credibility, we will monitor the results on a countrywide basis and file to make any adjustments (if any) that are supported by our experience.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

RULE 7 - DISCOUNTS

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

1. A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility
An insured is eligible for this discount if:
 - a. He or she is under twenty-five years old and has graduated from a college or university, and
 - b. His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. Comp claims and Non-chargeable violations generate one NC point each; and
 - b. Not-at-fault accidents and accidents below the threshold generate two NC points each.
 - c. Weather and catastrophe-related claims will not be considered in the determination of Underwriting Tier.
2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.

Formatted: Numbered + Level: 1 +
 Numbering Style: 1, 2, 3, ... + Start at: 1 +
 Alignment: Left + Aligned at: 0.25" + Indent
 at: 0.5"

Formatted: Indent: Left: 0.5"

Formatted: Indent: Left: 0.5", First line: 0.5"

Formatted: Indent: Left: 1"

Formatted: Underline

Formatted: Indent: First line: 0.5"



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a. This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b) This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b. If Underinsured Motorists Coverage is provided:
 - 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.

- c. Rates
Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a. The named driver exclusion endorsement must be signed by the named insured.
- b. The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

unless discontinued by the insurer.

- c. If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
3. Endorsement
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

RULE 13 - POLICY PERIOD

The following is added to Section A.:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1. Registered Dune Buggies
 - 2. Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~02/17/2011~~ 4/26/2011

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

This will acknowledge receipt of the captioned filing. I have discussed your response with our Manager and he advised the model must be tested on your experience.

PURE only began writing business in 2007, and we have nowhere near the experience yet that would produce statistically credible results at the tier level. We can provide this information, but we question what purpose it could possibly serve, as PURE has not yet amassed the earned car years or claims that would enable an actuary to place any reliance on the results for any of the tiers.

In other states (as we have done in Arkansas), as support for the selected tier factors, we have provided industry data that was gathered by ChoicePoint as they developed and tested the Attract One insurance score model. Using this methodology and support, 20 states have approved our auto product and tiering and we have not had a state disapprove the tiering or the use of the ChoicePoint data as support.

We request approval of these factors based on the industry data we have submitted, and as our book increases in size and credibility, we will monitor the results on a countrywide basis and file to make any adjustments (if any) that are supported by our experience.

It is the Department's position that separately rating of perils relating to weather is in conflict with the Legislative intent of Arkansas Code Annotated § 23-63-109, which is to avoid penalizing insureds for natural cause events beyond their control. We have applied this rationale in the past to the consideration of weather related and catastrophe claims for placement into rating tiers and surcharges. We believe it is appropriate to apply this concept to any rating scheme that might result in the unfair consideration of natural cause events.

We have revised our Rate and Rule Manual Exception Pages for Arkansas to exclude weather and catastrophe-related claims in Underwriting Tier determination. Please see our revised rate and Rule Manual Exception pages submitted along with this response.

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

04/28/2011

Respond By Date:

Submitted Date:

04/28/2011 01:32 PM

This will acknowledge receipt of the captioned filing. Please provide an explanation advising why the amended pages were submitted since they were not in response to my objection.

It was our understanding based on your 4/18 objection letter and our subsequent conversation with you that we were required to remove weather and catastrophe related claims from consideration in tiering. Please let us know if we have misunderstood the request.

Introduction:

Please feel free to contact me if you have questions.

Conclusion:

Sincerely,

Alexa Grissom

SERFF - System for Electronic Rate and Form Filing Page 1 of 1

<https://>

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

05/12/2011

Respond By Date:

Submitted Date:

05/12/2011 02:14 PM

This will acknowledge receipt of the captioned filing. Our Manager has advised that you must submit your own data to accompany the credit model.

As requested, we are submitting our own loss ratio data from our inception in 2007 through December 2010 by credit score range. Please Exhibit CS-1, which is being submitted along with this response.

While the data generally supports our selected factors, because of our very limited experience and high limits profiles, this data has not yet reached a point where it is statistically credible and in our opinion, any conclusions based on this data should be made with careful consideration of credibility.

Also, Ark. 23-79-152 prohibits surcharging for not-at-fault accidents/claims. Therefore, your rules must be amended accordingly. 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.

We have revised our Rate and Rule manual state exception pages to comply with Ark. 23-79-152. Please see our revised Rate and Rule Manual Submitted along with this response.

Introduction:

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."

Conclusion:

Sincerely,
Alexa Grissom



RULE 7 - DISCOUNTS

Section E. Years Clean Discount, is deleted and replaced with the following:

E. Years Clean Discount

There are two levels of the Years Clean Discount. All vehicles with drivers assigned on a qualifying policy will receive the discount. If the policy meets requirements for more than one level, the higher applicable level will apply.

1. 3 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault accident in the last 36 months;
- b. No driver on the policy has been convicted of a moving violation in the last 36 months;
- and
- c. At least one driver on the policy must have three years of driving experience.

2. 5 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault accident in the last 60 months.;
- b. No driver on the policy has been convicted of a moving violation in the last 60 months;
- and
- c. At least one driver on the policy must have five years of driving experience.

Formatted: Indent: First line: 0.5"

Formatted: Indent: First line: 0.5"

Formatted: Indent: Left: 0.5", First line: 0.5"

Formatted: Indent: Left: 1"

Formatted: Indent: Left: 0.5", First line: 0.5"

Formatted: Indent: First line: 0.5"

Formatted: Indent: Left: 0.5", First line: 0.5"

Formatted: Indent: Left: 1"

Formatted: Indent: Left: 0.5", First line: 0.5"

Formatted: Left, Indent: Left: 0.5", Widow/Orphan control

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

1. A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility
An insured is eligible for this discount if:

- a. He or she is under twenty-five years old and has graduated from a college or university, and
- b. His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~4/26/2011

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. ~~Comp claims and~~ Non-chargeable violations generate one NC point each; and
 - b. ~~Not-at-fault accidents and aA~~ accidents below the threshold generate two NC points each.

Includes copyrighted material of ISO, Inc., with its permission.
2 of 10



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~/~~4/26/2011~~

~~c. Weather and catastrophe-related claims will not be considered in the determination of Underwriting Tier.~~

2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.

The example in the Tiering Point Determination section is deleted and replaced with the following:

Formatted: Left

As an example, a policy with 2 drivers available for rating, 1 non-chargeable violation, and one youthful driver and a performance vehicle would produce 11 Tiering Points.

Formatted: Left, Indent: Left: 0.5", First line: 0", Widow/Orphan control



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~/~~4/26/2011~~

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~/~~4/26/2011~~

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a. This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b) This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b. If Underinsured Motorists Coverage is provided:**
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.

c. Rates

Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a. The named driver exclusion endorsement must be signed by the named insured.
- b. The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~ ~~4/26/2011~~

unless discontinued by the insurer.

- c. If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
3. Endorsement
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~ ~~4/26/2011~~

RULE 13 - POLICY PERIOD

The following is added to Section A.:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~ ~~4/26/2011~~

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1. Registered Dune Buggies
 - 2. Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~ ~~4/26/2011~~

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~5/23/2011~~ ~~4/26/2011~~

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

06/02/2011

Respond By Date:

Submitted Date:

06/02/2011 09:14 AM

Introduction:

This will acknowledge receipt of the captioned filing. Please clarify what a "non-chargeable violation" is. By the violation generating a point, it appears you are surcharging for a non-chargeable violation. 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.

Please refer to our country wide manual Rule 5 paragraph D. Accident and Violations (last 36 Months) (Page 10) for a description of our non-chargeable violations. All violations and accidents with a Violation Point Class "NAF" and "IND" receive zero (0) points for the first and each subsequent occurrence. As a result, these incidents are "non-chargeable".

Conclusion:

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

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

06/09/2011

Respond By Date:

Submitted Date:

06/09/2011 02:58 PM

This will acknowledge receipt of the captioned filing. If non-chargeable accidents/claims are utilized to place an insured in a higher rated tier, such would be in violation of Ark. Code Ann. 23-79-152.

We have revised Rule 10 in our Arkansas Rate and Rule Exception Pages to reflect the requirements of Ark. Code Ann. 23-79-152. Please see our revised pages submitted along with this response.

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.

Introduction:

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."

Conclusion:

Sincerely,

Alexa Grissom



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

RULE 7 - DISCOUNTS

Section E. Years Clean Discount, is deleted and replaced with the following:

E. Years Clean Discount

There are two levels of the Years Clean Discount. All vehicles with drivers assigned on a qualifying policy will receive the discount. If the policy meets requirements for more than one level, the higher applicable level will apply.

1. 3 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault accident in the last 36 months;
- b. No driver on the policy has been convicted of a moving violation in the last 36 months; and
- c. At least one driver on the policy must have three years of driving experience.

2. 5 Years Clean. The criteria are:

- a. No driver on the policy has been involved in an at-fault accident in the last 60 months. ;
- b. No driver on the policy has been convicted of a moving violation in the last 60 months; and
- c. At least one driver on the policy must have five years of driving experience.

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

1. A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in **2.** below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility

An insured is eligible for this discount if:

- a. He or she is under twenty-five years old and has graduated from a college or university, and
- b. His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. Non-chargeable violations generate one NC point each; and
 - b. At-Fault Accidents below the threshold generate two NC points each.

Formatted: Font: Not Bold

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.

The example in the Tiering Point Determination section is deleted and replaced with the following:

As an example, a policy with 2 drivers available for rating, 1 non-chargeable violation, and one youthful driver and a performance vehicle would produce 11 Tiering Points.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a. This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b) This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b. If Underinsured Motorists Coverage is provided:**
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.

- c. **Rates**
Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a. The named driver exclusion endorsement must be signed by the named insured.
- b. The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

unless discontinued by the insurer.

- c. If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
3. Endorsement
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

RULE 13 - POLICY PERIOD

The following is added to Section A.:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1. Registered Dune Buggies
 - 2. Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: ~~Revised 6/15/2011~~ ~~5/23/2011~~

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

06/23/2011

Respond By Date:

Submitted Date:

06/23/2011 09:42 AM

This will acknowledge receipt of the captioned filing. Please clarify how adding NC points to a tier would not be in violation of 23.79-152.

Please refer to Exhibit 2 – Financial Responsibility Score and Tiering which has been updated to conform to our rate and rule.

23-79-152 prohibits cancellation, negative risk rating and increases in premium when an insured is not at fault – when the insured is innocent of any negligent or intentional act that was the proximate cause of an accident or injury.

We have modified our tiering to conform to the requirements of 23-79-152, eliminating the charging of NC points when an insured is innocent of a negligent or intentional act that is the proximate cause of an accident or injury.

After this modification, NC points are only assessed for non-chargeable violations (which by virtue of the insured being cited and convicted of a violation precludes innocence) and at-fault accidents with damage below the chargeability threshold (which by virtue of the insured being at fault again precludes innocence).

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.

Introduction:

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."

Conclusion:

Sincerely, Alexa Grissom

Objection Letter for PERR-126933293

Dear Fournier Shera,

SERFF Tracking

Number:

PERR-126933293 **State:** Arkansas

Filing Company: Privilege Underwriters Reciprocal Exchange

State Tracking

Number:

EFT \$50

Company Tracking

Number:

PURE-PPA-PFAI-AR-11-01-R

TOI: 19.0 Personal Auto **Sub-TOI:** 19.0001 Private Passenger Auto (PPA)

Product Name: PURE Private Fleet Auto Insurance Program

Project Name: PURE-PPA-PFAI-AR-11-01-R

Objection Letter Status:

Pending Industry Response

Objection Letter Date:

08/04/2011

Respond By Date:

Submitted Date:

08/04/2011 01:38 PM

This will acknowledge receipt of the captioned filing. Per our telephone discussion, please resubmit the APCS without altering the form.

We have submitted corrected form to P&C Division Director.

Introduction:

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."

Conclusion:

Sincerely,

Alexa Grissom

SERFF - System for Electronic Rate and Form Filing Page 1 of 1

<https://>

SERFF Tracking Number: PERR-126933293 State: Arkansas
 Filing Company: Privilege Underwriters Reciprocal Exchange State Tracking Number: EFT \$50
 Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PURE Private Fleet Auto Insurance Program
 Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

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)
03/24/2011	Supporting Document	APCS-Auto Premium Comparison Survey	07/27/2011	AR PPA Survey FORM APCS.pdf (Superseded) AR PPA Survey FORM APCS.xls (Superseded)
12/03/2010	Supporting Document	APCS-Auto Premium Comparison Survey	03/24/2011	AR PPA Survey FORM APCS.pdf
05/24/2011	Supporting Document	Credit Scoring Information	06/24/2011	Attract One NCOIL.pdf Attract One Overview.pdf Exhibit 1- Attract One Description.pdf Exhibit 2 - Financial Responsibility Score and Tiering.pdf (Superseded) Insurance Score Filing Memo - AR Auto.pdf AR Exhibit CS-1.pdf
03/24/2011	Supporting Document	Credit Scoring Information	05/24/2011	Attract One NCOIL.pdf Attract One Overview.pdf Exhibit 1- Attract One Description.pdf Exhibit 2 - Financial Responsibility Score and Tiering.pdf Insurance Score Filing Memo - AR Auto.pdf

SERFF Tracking Number: PERR-126933293 *State:* Arkansas
Filing Company: Privilege Underwriters Reciprocal Exchange *State Tracking Number:* EFT \$50
Company Tracking Number: PURE-PPA-PFAI-AR-11-01-R
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: PURE Private Fleet Auto Insurance Program
Project Name/Number: PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R

02/18/2011	Supporting Credit Scoring Information Document	03/24/2011	Insurance Score Filing Memo - AR Auto.pdf (Superceded) Exhibit 1- Attract One Description.pdf (Superceded) Exhibit 2 - Financial Responsibility Score and Tiering.pdf (Superceded)
05/24/2011	Rate and Arkansas Exception Pages Rule	06/15/2011	Auto Manual - Arkansas Exception Pages - Revised 5-23-2011.pdf (Superceded)
04/26/2011	Rate and Arkansas Exception Pages Rule	05/24/2011	Auto Manual - Arkansas Exception Pages - Revised 4-26-2011 Clean version.pdf (Superceded)
02/18/2011	Rate and Arkansas Exception Pages Rule	04/26/2011	Auto Manual - Arkansas Exception Pages 02-17-2011.pdf (Superceded)

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 12873
Company Name: Privilege Underwriters Reciprocal Exchange
Contact Person: Lois Pimentel
Telephone No.: 707.546.6896
Email Address: doi@perrknight.com
Effective Date: 4/7/2011

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
 501-371-2800

Telephone: insurance.pnc@arkansas.gov
 Email as an attachment to insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	30	%
AUTO/HOMEOWNERS	5	%
GOOD STUDENT	6	%
ANTI-THEFT DEVICE	5-25	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.	+19%-6	%

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			\$763	\$763	\$211	\$252	\$765	\$765	\$211	\$253	\$927	\$927	\$247	\$297	\$683	\$683	\$193	\$230	\$790	\$790	\$217	\$260
	Minimum Liability with Comprehensive and Collision			\$1,393	\$1,393	\$391	\$420	\$1,561	\$1,561	\$451	\$467	\$1,566	\$1,566	\$426	\$466	\$1,411	\$1,411	\$407	\$425	\$1,628	\$1,628	\$468	\$485
	100/300/50 Liability with Comprehensive and Collision			\$1,547	\$1,547	\$452	\$487	\$1,715	\$1,715	\$512	\$534	\$1,751	\$1,751	\$494	\$542	\$1,550	\$1,550	\$464	\$488	\$1,785	\$1,785	\$529	\$553
2003 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			657	657	189	225	660	660	190	226	789	789	218	261	592	592	175	208	682	682	195	233
	Minimum Liability with Comprehensive and Collision			\$1,360	\$1,360	\$386	\$412	\$1,536	\$1,536	\$448	\$461	\$1,503	\$1,503	\$415	\$450	\$1,399	\$1,399	\$407	\$422	\$1,605	\$1,605	\$466	\$480
	100/300/50 Liability with Comprehensive and Collision			\$1,490	\$1,490	\$441	\$472	\$1,666	\$1,666	\$504	\$522	\$1,658	\$1,658	\$475	\$517	\$1,517	\$1,517	\$459	\$480	\$1,737	\$1,737	\$522	\$541
2003 Honda Odyssey "EX"	Minimum Liability			\$535	\$535	\$161	\$190	\$538	\$538	\$162	\$191	\$641	\$641	\$184	\$219	\$484	\$484	\$150	\$176	\$556	\$556	\$166	\$196
	Minimum Liability with Comprehensive and Collision			\$1,287	\$1,287	\$373	\$389	\$1,478	\$1,478	\$441	\$443	\$1,403	\$1,403	\$396	\$420	\$1,347	\$1,347	\$400	\$406	\$1,545	\$1,545	\$459	\$462
	100/300/50 Liability with Comprehensive and Collision			\$1,397	\$1,397	\$424	\$445	\$1,588	\$1,588	\$492	\$499	\$1,534	\$1,534	\$451	\$481	\$1,448	\$1,448	\$449	\$459	\$1,658	\$1,658	\$510	\$517
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability			\$647	\$647	\$188	\$224	\$650	\$650	\$189	\$226	\$772	\$772	\$216	\$259	\$585	\$585	\$175	\$207	\$673	\$673	\$195	\$232
	Minimum Liability with Comprehensive and Collision			\$1,484	\$1,484	\$423	\$446	\$1,696	\$1,696	\$498	\$506	\$1,622	\$1,622	\$450	\$483	\$1,547	\$1,547	\$452	\$464	\$1,773	\$1,773	\$519	\$527
	100/300/50 Liability with Comprehensive and Collision			\$1,610	\$1,610	\$477	\$506	\$1,821	\$1,821	\$553	\$565	\$1,771	\$1,771	\$510	\$549	\$1,660	\$1,660	\$503	\$520	\$1,901	\$1,901	\$573	\$587
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability			\$535	\$535	\$161	\$190	\$538	\$538	\$162	\$191	\$641	\$641	\$184	\$219	\$484	\$484	\$150	\$176	\$556	\$556	\$166	\$196
	Minimum Liability with Comprehensive and Collision			\$1,590	\$1,590	\$466	\$472	\$1,879	\$1,879	\$571	\$553	\$1,706	\$1,706	\$488	\$502	\$1,706	\$1,706	\$513	\$504	\$1,965	\$1,965	\$594	\$577
	100/300/50 Liability with Comprehensive and Collision			\$1,701	\$1,701	\$517	\$527	\$1,989	\$1,989	\$622	\$608	\$1,837	\$1,837	\$543	\$563	\$1,807	\$1,807	\$562	\$557	\$2,078	\$2,078	\$645	\$632
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability			\$723	\$723	\$205	\$245	\$726	\$726	\$206	\$246	\$868	\$868	\$237	\$284	\$652	\$652	\$189	\$225	\$751	\$751	\$212	\$254
	Minimum Liability with Comprehensive and Collision			\$1,314	\$1,440	\$465	\$531	\$1,470	\$1,637	\$556	\$620	\$1,467	\$1,592	\$494	\$571	\$1,333	\$1,482	\$499	\$561	\$1,533	\$1,709	\$578	\$645
	100/300/50 Liability with Comprehensive and Collision			\$1,416	\$1,539	\$505	\$578	\$1,559	\$1,721	\$590	\$659	\$1,597	\$1,719	\$541	\$626	\$1,415	\$1,560	\$533	#N/A	\$1,623	\$1,793	\$611	\$685

SERFF Tracking Number: *PERR-126933293* *State:* *Arkansas*
Filing Company: *Privilege Underwriters Reciprocal Exchange* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *PURE-PPA-PFAI-AR-11-01-R*
TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0001 Private Passenger Auto (PPA)*
Product Name: *PURE Private Fleet Auto Insurance Program*
Project Name/Number: *PURE-PPA-PFAI-AR-11-01-R/PURE-PPA-PFAI-AR-11-01-R*

Attachment "AR PPA Survey FORM APCS.xls" is not a PDF document and cannot be reproduced here.

Underwriting Tier Determination

1. Nonchargeable Incidents

NC Points:

- Comp Claims = 1 point
- Each non-chargeable violation = 1 points
- Nonchargeable Accidents = 2 points
- NAF
- AAF below threshold

NC Pts	# Drivers Available for Rating			
	1	2	3	4+
0	0	-1	-2	-3
1	4	3	2	1
2	8	5	3	2
3	12	7	5	4
4	16	9	7	5
5	20	12	8	6
6	24	14	11	8
7	28	18	13	9
8+	32	20	15	11

2. Other Underwriting Items

1 or more Youthful <25 on policy and performance vehicle = 8 points

3. Underwriting Tier Assignment

Tiering Points = NC Points + points for Other Underwriting Items

<u>Tiering Points</u>	<u>Underwriting Tier</u>
<1	A
1 - 4	B
5 - 8	C
9 - 12	D
13 - 16	E
17 - 20	F
21 - 24	G
25 - 28	H
29 - 32	I
33 - 36	J
37 - 40	K
41 - 44	L
45+	M

Financial Responsibility Tier Determination

Model: CP Attract One

Range

<u>Low</u>	<u>High</u>	<u>FR Tier</u>
202	576	12F
577	617	11F
618	662	10F
663	709	9F
710	741	8F
742	767	7F
768	789	6F
790	811	5F
812	836	4F
837	871	3F
872	914	2F
915	997	1F
Thin File		13F
No Hit		14F

Rating Tier Determination

<u>U/W Tier</u>	<u>Financial Responsibility Tier</u>													
	<u>1F</u>	<u>2F</u>	<u>3F</u>	<u>4F</u>	<u>5F</u>	<u>6F</u>	<u>7F</u>	<u>8F</u>	<u>9F</u>	<u>10F</u>	<u>11F</u>	<u>12F</u>	<u>13F</u>	<u>14F</u>
A	3	3	3	3	4	5	6	7	8	9	11	13	8	8
B	4	4	4	4	5	6	7	8	9	10	12	14	9	9
C	5	5	5	5	6	7	8	9	10	11	13	15	10	10
D	6	6	6	6	7	8	9	10	11	12	14	16	11	11
E	7	7	7	7	8	9	10	11	12	13	15	17	12	12
F	8	8	8	8	9	10	11	12	13	14	16	18	13	13
G	9	9	9	9	10	11	12	13	14	15	17	19	14	14
H	10	10	10	10	11	12	13	14	15	16	18	20	15	15
I	11	11	11	11	12	13	14	15	16	17	19	20	16	16
J	12	12	12	12	13	14	15	16	17	18	20	20	17	17
K	13	13	13	13	14	15	16	17	18	19	20	20	18	18
L	14	14	14	14	15	16	17	18	19	20	20	20	19	19
M	15	15	15	15	16	17	18	19	20	20	20	20	20	20

Tier Factors by Coverage

<u>Tier</u>	<u>BI</u>	<u>PD</u>	<u>PIP</u>	<u>MP</u>	<u>Comp</u>	<u>Coll</u>	<u>UM</u>
1	0.731	0.731	0.561	0.561	0.627	0.703	1.000
2	0.760	0.760	0.603	0.603	0.665	0.735	1.000
3	0.790	0.790	0.648	0.648	0.705	0.768	1.000
4	0.822	0.822	0.697	0.697	0.747	0.802	1.000
5	0.855	0.855	0.749	0.749	0.792	0.839	1.000
6	0.889	0.889	0.805	0.805	0.840	0.876	1.000
7	0.925	0.925	0.865	0.865	0.890	0.916	1.000
8	0.962	0.962	0.930	0.930	0.943	0.957	1.000
9	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10	1.040	1.040	1.075	1.075	1.060	1.045	1.000
11	1.082	1.082	1.156	1.156	1.124	1.092	1.000
12	1.125	1.125	1.242	1.242	1.191	1.141	1.000
13	1.170	1.170	1.335	1.335	1.262	1.193	1.000
14	1.217	1.217	1.436	1.436	1.338	1.246	1.000
15	1.265	1.265	1.543	1.543	1.419	1.302	1.000
16	1.316	1.316	1.659	1.659	1.504	1.361	1.000
17	1.369	1.369	1.783	1.783	1.594	1.422	1.000
18	1.423	1.423	1.917	1.917	1.689	1.486	1.000
19	1.480	1.480	2.061	2.061	1.791	1.553	1.000
20	1.539	1.539	2.216	2.216	1.898	1.623	1.000
<u>PURE</u>							
Low	0.731	0.731	0.561	0.561	0.627	0.703	1.000
High	1.539	1.539	2.216	2.216	1.898	1.623	1.000
Lift	2.105	2.105	3.950	3.950	3.027	2.309	1.000

Choice Point Relative Loss Ratios

<u>Decile Group</u>	<u>Score Range</u>			<u>Relative Loss Ratio</u>
	<u>Low</u>	<u>High</u>	<u>Average</u>	
(1)	(2)	(3)	(4)	(5)
10	228	564	396	1.36
9	565	601	583	1.27
8	602	632	617	1.14
7	633	657	645	1.12
6	658	681	670	1.01
5	682	705	694	0.95
4	706	731	719	0.90
3	732	762	747	0.82
2	763	804	784	0.78
1	805	984	895	0.67
Total			661	1.00

INDICATED & SELECTED RATING GROUP FOR NO-HITS/NO-SCORES				
	Relative Loss Ratio	Indicated Score Range	PURE Selected FR Group	
No hit and No score	1.00	658 - 681	9F	

Note:
(1)-(5) Provided by ChoicePoint for the Attract One Model.

**PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
FILING OF THE USE OF CREDIT INFORMATION
ARKANSAS AUTO**

Privilege Underwriters Reciprocal Exchange (PURE) is requesting approval for the use of credit information for our proposed Auto Program. PURE intends to offer coverage in Arkansas for owners of high value home and will offer auto insurance, jewelry and art coverage and excess liability coverage to these families as well. We believe that these families are underserved today.

SUMMARY

We are proposing to use financial responsibility tiers, employing ChoicePoint's Attract One (CPAO) insurance scoring model, as one of the factors used to price an insurance risk. The financial responsibility tier is one of a myriad of factors considered in pricing our automobile and homeowners products. Exhibit 1 provides a summary of the ChoicePoint Attract One model.

Exhibit 2 shows the financial responsibility score distribution and our selections for use in our Auto program. Selections were based on the relative loss ratios of the sample policies analyzed by Choice Point using their Attract One model.

Below, please find further detail regarding PURE's planned use of credit information in AR:

- ChoicePoint Attract One (CPAO) does not consider race, gender, ethnicity, age, religion, income, marital status or address.
- A policy will not be denied solely on the basis of credit information.
- A policy will not be cancelled, nor adverse action taken against a current insured, based on solely on credit information.
- Adverse action will not be taken solely because a consumer does not have a credit card account.
- In the event that a score cannot be calculated either because a credit file could not be found (no-hit) or the credit information is too limited to produce a score (no-score) the consumer will be treated as if the consumer had neutral credit information.
- CPAO only consider inquiries which were initiated by the consumer. Multiple inquiries made as a result of an auto loan are also only counted as one when reported within a 30 day timeframe.
- Collection items identified as medically related are excluded from scoring.

- Inquiries made by insurance companies are excluded, as are inquiries that are a result of a promotional credit solicitation, account review or account monitoring or when the consumer requests his or her own credit report.
- PURE will not use credit information to take an adverse action against a consumer unless, PURE obtains and uses a CPAO score calculated no more than 90 days prior to the date the policy is first written.

PURE will disclose that PURE may obtain credit information on the consumer at the time of application and on renewal to each policyholder. Please refer to our separate form filing for details.

In accordance with the requirements of the federal Fair Credit Reporting Act, 15 USC 1681 m(a), PURE will provide notification to the consumer when an adverse action based upon credit information within 30 days of taking the action. Please refer to our separate form filing for details.

We understand from ChoicePoint that the Attract One model has been filed with the state of Arkansas, and is in use by several admitted insurers using filed Automobile and Homeowners products in the state.

ChoicePoint Attract™ One

The Attract One score uses information in credit reports to produce a score that indicates the relative rank ordering of applicants and policyholders by claim frequency and/or loss ratio. Attract One was developed by ChoicePoint using statistical regression modeling techniques. This method finds the most predictive combination of credit characteristics. The characteristics are weighted based on their significance in predicting loss ratio propensity. The weights assigned are tallied resulting in a final score. Scores delivered on an individual range from 200 to 997 with higher scores indicating better risks.

Credit Characteristic Groups

The credit characteristics evaluated in the development of the Attract One model cover three main areas of the credit report:

Adverse Public Records: These include Bankruptcy, Foreclosure, Lien, Garnishment, Financial Counselor, Judgement, and Suit. Also included in this group are items reported by Collection Agencies.

Account Information: This group includes the recent account openings, payment history, financial information such as amount of leverage, and how long accounts have been established.

Inquiries: These are inquiries initiated by the consumer when the consumer is actively seeking to obtain credit. This does not include inquiries that are a result of a promotional credit solicitation.

The credit characteristics that comprise the Attract One score model are:

- Number of Derogatory Public Record Items
- # of Inquiries for Transactions Initiated by Consumer in Last 6 Months
- Length of Time Accounts Have Been Established
- Length of Time Since Newest Account was Established
- Number of Open Installment Bank Accounts
- Number of Retail Accounts Reported in Last 12 Months
- Percent of Accounts Paid as Agreed in Last 24 Months to Total Accounts
- Length of Time Bank Revolving Accounts have been Established
- Number of Collection Agency Filings
- Number of Accounts that have been Established
- Percent of Balance to High Credit on Accounts
- Number of Accounts Currently or in the Past w/30+ Day Late Payments
- Ratio of Total Amount of Past Due Balances to Total Balances on Accounts
- # of Bank Installment Accounts with Current or Previous Late Payments
- # of Bank Revolving Accts with Balance to High Credit 75% or Greater
- # of Bank Revolving Accts Paid as Agreed in the Last 24 Months
- # of Credit Union, S&L, Mortgage Accts w/ Current or Previous Late Paymnts
- # of Retail Accounts with Currently or Previous 60 Day Late Payments
- Number of Accounts Always Paid as Agreed

Attract One was developed for both auto and property policies. The development database was comprised of hundreds of thousands of policy records pooled from many insurers, including premium and claims data. Historical credit characteristics were matched to the policy records, and scores were developed to rank- order the loss ratio risk of policy groups.

The table below demonstrates the degree to which the Attract One insurance score model is able to separate loss ratio performance on a representative set of development policies:

Homeowner Policies

<u>Percentile</u>	<u>Score Range</u>	<u>Rel. Loss Ratio</u>
91 - 100%	236 - 567	183
81 - 90%	568 - 607	135
71 - 80%	608 - 638	115
61 - 70%	639 - 663	106
51 - 60%	664 - 687	95
41 - 50%	688 - 710	86
31 - 40%	711 - 734	87
21 - 30%	735 - 762	75
11 - 20%	763 - 801	69
0 - 10%	802 - 974	59

Auto Policies

<u>Percentile</u>	<u>Score Range</u>	<u>Rel. Loss Ratio</u>
91 - 100%	228 - 564	136
81 - 90%	565 - 601	127
71 - 80%	602 - 632	114
61 - 70%	633 - 657	112
51 - 60%	658 - 681	101
41 - 50%	682 - 705	95
31 - 40%	706 - 731	90
21 - 30%	732 - 762	82
11 - 20%	763 - 804	78
0 - 10%	805 - 984	67

Note: A value of 100 in the table above represents the average loss ratio. Each score group represents ten percent of all policies.

Underwriting Tier Determination

1. Nonchargeable Incidents

NC Points:

- Comp Claims = 1 point
- Each non-chargeable violation = 1 points
- Nonchargeable Accidents = 2 points
- NAF
- AAF below threshold

NC Pts	# Drivers Available for Rating			
	1	2	3	4+
0	0	-1	-2	-3
1	4	3	2	1
2	8	5	3	2
3	12	7	5	4
4	16	9	7	5
5	20	12	8	6
6	24	14	11	8
7	28	18	13	9
8+	32	20	15	11

2. Other Underwriting Items

1 or more Youthful <25 on policy and performance vehicle = 8 points

3. Underwriting Tier Assignment

Tiering Points = NC Points + points for Other Underwriting Items

<u>Tiering Points</u>	<u>Underwriting Tier</u>
<1	A
1 - 4	B
5 - 8	C
9 - 12	D
13 - 16	E
17 - 20	F
21 - 24	G
25 - 28	H
29 - 32	I
33 - 36	J
37 - 40	K
41 - 44	L
45+	M

Financial Responsibility Tier Determination

Model: CP Attract One

Range

<u>Low</u>	<u>High</u>	<u>FR Tier</u>
202	576	12F
577	617	11F
618	662	10F
663	709	9F
710	741	8F
742	767	7F
768	789	6F
790	811	5F
812	836	4F
837	871	3F
872	914	2F
915	997	1F
Thin File		13F
No Hit		14F

Rating Tier Determination

<u>U/W Tier</u>	<u>Financial Responsibility Tier</u>													
	<u>1F</u>	<u>2F</u>	<u>3F</u>	<u>4F</u>	<u>5F</u>	<u>6F</u>	<u>7F</u>	<u>8F</u>	<u>9F</u>	<u>10F</u>	<u>11F</u>	<u>12F</u>	<u>13F</u>	<u>14F</u>
A	3	3	3	3	4	5	6	7	8	9	11	13	8	8
B	4	4	4	4	5	6	7	8	9	10	12	14	9	9
C	5	5	5	5	6	7	8	9	10	11	13	15	10	10
D	6	6	6	6	7	8	9	10	11	12	14	16	11	11
E	7	7	7	7	8	9	10	11	12	13	15	17	12	12
F	8	8	8	8	9	10	11	12	13	14	16	18	13	13
G	9	9	9	9	10	11	12	13	14	15	17	19	14	14
H	10	10	10	10	11	12	13	14	15	16	18	20	15	15
I	11	11	11	11	12	13	14	15	16	17	19	20	16	16
J	12	12	12	12	13	14	15	16	17	18	20	20	17	17
K	13	13	13	13	14	15	16	17	18	19	20	20	18	18
L	14	14	14	14	15	16	17	18	19	20	20	20	19	19
M	15	15	15	15	16	17	18	19	20	20	20	20	20	20

Tier Factors by Coverage

<u>Tier</u>	<u>BI</u>	<u>PD</u>	<u>PIP</u>	<u>MP</u>	<u>Comp</u>	<u>Coll</u>	<u>UM</u>
1	0.731	0.731	0.561	0.561	0.627	0.703	1.000
2	0.760	0.760	0.603	0.603	0.665	0.735	1.000
3	0.790	0.790	0.648	0.648	0.705	0.768	1.000
4	0.822	0.822	0.697	0.697	0.747	0.802	1.000
5	0.855	0.855	0.749	0.749	0.792	0.839	1.000
6	0.889	0.889	0.805	0.805	0.840	0.876	1.000
7	0.925	0.925	0.865	0.865	0.890	0.916	1.000
8	0.962	0.962	0.930	0.930	0.943	0.957	1.000
9	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10	1.040	1.040	1.075	1.075	1.060	1.045	1.000
11	1.082	1.082	1.156	1.156	1.124	1.092	1.000
12	1.125	1.125	1.242	1.242	1.191	1.141	1.000
13	1.170	1.170	1.335	1.335	1.262	1.193	1.000
14	1.217	1.217	1.436	1.436	1.338	1.246	1.000
15	1.265	1.265	1.543	1.543	1.419	1.302	1.000
16	1.316	1.316	1.659	1.659	1.504	1.361	1.000
17	1.369	1.369	1.783	1.783	1.594	1.422	1.000
18	1.423	1.423	1.917	1.917	1.689	1.486	1.000
19	1.480	1.480	2.061	2.061	1.791	1.553	1.000
20	1.539	1.539	2.216	2.216	1.898	1.623	1.000
<u>PURE</u>							
Low	0.731	0.731	0.561	0.561	0.627	0.703	1.000
High	1.539	1.539	2.216	2.216	1.898	1.623	1.000
Lift	2.105	2.105	3.950	3.950	3.027	2.309	1.000

Choice Point Relative Loss Ratios

<u>Decile Group</u>	<u>Score Range</u>			<u>Relative Loss Ratio</u>
	<u>Low</u>	<u>High</u>	<u>Average</u>	
(1)	(2)	(3)	(4)	(5)
10	228	564	396	1.36
9	565	601	583	1.27
8	602	632	617	1.14
7	633	657	645	1.12
6	658	681	670	1.01
5	682	705	694	0.95
4	706	731	719	0.90
3	732	762	747	0.82
2	763	804	784	0.78
1	805	984	895	0.67
Total			661	1.00

INDICATED & SELECTED RATING GROUP FOR NO-HITS/NO-SCORES				
	Relative Loss Ratio	Indicated Score Range	PURE Selected FR Group	
No hit and No score	1.00	658 - 681	9F	

Note:
(1)-(5) Provided by ChoicePoint for the Attract One Model.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

RULE 7 - DISCOUNTS

Section E. Years Clean Discount, is deleted and replaced with the following:

E. Years Clean Discount

There are two levels of the Years Clean Discount. All vehicles with drivers assigned on a qualifying policy will receive the discount. If the policy meets requirements for more than one level, the higher applicable level will apply.

1. 3 Years Clean. The criteria are:

- a.** No driver on the policy has been involved in an at-fault accident in the last 36 months;
- b.** No driver on the policy has been convicted of a moving violation in the last 36 months; and
- c.** At least one driver on the policy must have three years of driving experience.

2. 5 Years Clean. The criteria are:

- a.** No driver on the policy has been involved in an at-fault accident in the last 60 months. ;
- b.** No driver on the policy has been convicted of a moving violation in the last 60 months; and
- c.** At least one driver on the policy must have five years of driving experience.

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

- 1.** A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in **2.** below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

- 2. Eligibility**

An insured is eligible for this discount if:

- a.** He or she is under twenty-five years old and has graduated from a college or university, and
- b.** His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. Non-chargeable violations generate one NC point each; and
 - b. Accidents below the threshold generate two NC points each.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.

The example in the Tiering Point Determination section is deleted and replaced with the following:

As an example, a policy with 2 drivers available for rating, 1 non-chargeable violation, and one youthful driver and a performance vehicle would produce 11 Tiering Points.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a.** This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a)** If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b)** This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c)** After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b.** If Underinsured Motorists Coverage is provided:
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.
- c.** Rates
- Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a.** The named driver exclusion endorsement must be signed by the named insured.
- b.** The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

unless discontinued by the insurer.

- c.** If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d.** If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
- 3. Endorsement**
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

RULE 13 - POLICY PERIOD

The following is added to Section **A**:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1.** Registered Dune Buggies
 - 2.** Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 5/23/2011

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

RULE 7 - DISCOUNTS

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

1. A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility

An insured is eligible for this discount if:

- a. He or she is under twenty-five years old and has graduated from a college or university, and
- b. His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.

RULE 10 – TIER ASSIGNMENT

Section C. Underwriting Tier Assignment is deleted and replaced with the following:

1. The first step in determining Underwriting Tier is to calculate the number of NC Points. Non chargeable incidents generate NC points. NC Points are assigned as follows:
 - a. Comp claims and Non-chargeable violations generate one NC point each; and
 - b. Not-at-fault accidents and accidents below the threshold generate two NC points each.
 - c. Weather and catastrophe-related claims will not be considered in the determination of Underwriting Tier.
2. NC points are then translated into Tiering points per the following table. In addition, the presence of a youthful driver on the same policy as a performance vehicle generates Tiering Points.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a.** This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a)** If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b)** This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c)** After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b.** If Underinsured Motorists Coverage is provided:
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.
- c.** Rates
- Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a.** The named driver exclusion endorsement must be signed by the named insured.
- b.** The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

unless discontinued by the insurer.

- c.** If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d.** If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
- 3. Endorsement**
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

RULE 13 - POLICY PERIOD

The following is added to Section **A**:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1.** Registered Dune Buggies
 - 2.** Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 4/26/2011

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

RULE 7 - DISCOUNTS

The following discounts are added:

M. College Graduate Scholastic Achievement Discount

1. A discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums shall be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount shall be afforded to the one vehicle to which the eligible insured is assigned for classification and rating purposes. If the eligible insured has **not** been used to classify any vehicle on the policy, the discount shall be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility

An insured is eligible for this discount if:

- a. He or she is under twenty-five years old and has graduated from a college or university, and
- b. His or her cumulative scholastic record shows that he or she attained one of the following:
 - 1) A grade average of "B" or higher, if letter grades are used, or
 - 2) At least a 3 point average on a 4 point scale (or equivalent).

An insured is **not** eligible for this discount if he or she is a married operator who has been used to classify a vehicle on the policy.

3. This discount shall be provided to each eligible insured on the policy who qualifies for the discount.
4. Refer to rate tables for applicable percentage discount.

N. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

Exception

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of provided the adult principal operator of the auto:
 - a. Is age 55 or over, and
 - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

3. The Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
 - a. Only to the auto principally operated by the operator with the course completion certificate.
 - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
 - a. Be approved by the Arkansas Department of Motor Vehicles, and
 - b. Be taught by an approved instructor, and
 - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
 - d. Shall not be self-instructed.
5. Refer to rate tables for applicable percentage discount.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

RULE 12 – MISCELLANEOUS COVERAGES

Section **A.1.** is replaced by the following:

A. Uninsured Motorists Coverage

1. Owners

BODILY INJURY

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

Exceptions

- 1) The named insured has the right to reject such coverage in writing.
- 2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- 3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

Note:

- a. For new policies written on or after July 30, 1999, but prior to January 1, 2000, such offer need not be rejected in writing.
- b. For new policies written on or after January 1, 2000, an insured or applicant who does not want to purchase increased limits shall reject such increased limits in writing on the application for insurance coverage.
- c. For existing policies written prior to July 30, 1999, the insurer shall provide at the next two renewals on or after July 30, 1999, notice that increased limits are available.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits shall not be afforded unless a named insured requests such coverage in writing.

PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

Exceptions

- 1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- 2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- 3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- 4) Whenever a new application is submitted in connection with any renewal, reinstatement,



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

Section **B.1.** is replaced by the following:

B. Underinsured Motorists Coverage

1. Owners

- a.** This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- 1) All new policies issued on or after July 1, 1993; and
- 2) The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

Exceptions

- a)** If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
 - b)** This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
 - c)** After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b.** If Underinsured Motorists Coverage is provided:
- 1) The coverage shall apply to all vehicles insured under the policy.
 - 2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
 - 3) Attach the applicable endorsement at basic or increased limits.
- c.** Rates
Rates are displayed on the rate pages.

The following Section is added:

J. Named Driver Exclusion

1. Applicability

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

2. Requirements

- a.** The named driver exclusion endorsement must be signed by the named insured.
- b.** The named driver exclusion endorsement shall remain in effect:
 - 1) For the term of the policy; and
 - 2) For each renewal, reinstatement, substitute, modified, replacement or amended policy;



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

unless discontinued by the insurer.

- c. If a named driver exclusion endorsement is attached to the policy:
 - 1) The premiums charged shall not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
 - 2) The named excluded driver shall not be listed as an operator of any auto covered under the policy.
 - d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.
3. Endorsement
Attach the named driver exclusion endorsement to the policy.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

RULE 13 - POLICY PERIOD

The following is added to Section **A.**:

No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

RULE 16 - MISCELLANEOUS TYPE VEHICLES

Sections **C.**, **D.** and **E.** are amended as follows:

- C.** Motorcycles, Mopeds, Motorscooters, Motorbikes, Go-Carts and Any Other Similar Motor Vehicle Not Used for Business Purposes
- D.** Snowmobiles and All-Terrain Vehicles
- E.** Dune Buggies
 - 1.** Registered Dune Buggies
 - 2.** Non-Registered Dune Buggies

Liability

The Passenger Hazard Exclusion is NOT applicable in Arkansas.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

The Following Rule is added:

RULE 17 - ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT

A. Eligibility

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

Exceptions

1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
2. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

B. Coverages and Rates

1. Medical Payments

a. Limits

Statutory Limit per person – \$5,000.

- 1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- 2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- 3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

b. Rates

Use the base rates for Medical Payments Insurance.

2. Work Loss Coverage

a. Limits

Maximum per person

- 1) For an Income Earner – \$140 per week for 52 weeks.
- 2) For a Non-Income Earner – \$70 per week for 52 weeks.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Includes copyrighted material of ISO, Inc., with its permission.



Company Name: Privilege Underwriters Reciprocal Exchange
Line of Business: Private Passenger Auto – Arkansas Exception Pages
Program Name: Private Fleet Auto
Revision Date: 02/17/2011

3. Accidental Death Benefit

a. Limits

Maximum per person – \$5,000.

b. Rates

- 1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to rate pages.
- 2) All Other Motor Vehicles
 - Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.