

ARKANSAS INSURANCE DEPARTMENT

RATE FILING ABSTRACT

Insurer Name: Direct Insurance Company
 NAIC Number: 37220
 Name of Advisory Organization Whose Filing You are Referencing: N/A
 Co. Affiliation to Advisory Organization: Member Subscriber Service Purchaser
 Reference Filing #: N/A Proposed Effective Date: 4/15/06

Contact Person: Philip Deal
 Signature: _____
 Telephone No.: (615) 399-5378

| (1) Line of Insurance by Coverage | (2) Indicated % Rate Level Change | (3) Requested % Rate Level Change | For Loss Costs Only | | | | |
|---|--|--|-------------------------------|--|--|--|--|
| | | | (4) Expected Loss Ratio | (5) Loss Cost Modification Factor | (6) Selected Loss Cost Multiplier | (7) Expense Cost (if Applicable) | (8) Co. Current Loss Cost Multiplier |
| Bodily Injury | 0.7% | 0.0% | | | | | |
| Property Damage | 15.0% | 0.0% | | | | | |
| Uninsured Motorists - BI | -0.3% | 0.0% | | | | | |
| Uninsured Motorists - PD | 0.0% | 0.0% | | | | | |
| Underinsured Motorists | 0.0% | 0.0% | | | | | |
| Personal Injury Protection | 0.3% | 0.0% | | | | | |
| Medical Payments | -1.1% | 0.0% | | | | | |
| Comprehensive | -14.8% | 0.0% | | | | | |
| Collision | -4.1% | 0.0% | | | | | |
| Rental/Towing | -4.6% | 0.0% | | | | | |
| Total Overall Effect | 1.4% | 0.0% | | | | | |

N/A Apply Lost Cost Factors to Future Filings? (Y or N)
0% Estimated Maximum Rate Increase for any Arkansas Insured (%)
0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

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

| | | 5 Year History | | | | | | Selected Provisions | |
|-------------|--------------|----------------|----------------------|----------------------------|--------------------------|------------------------|---------------------------|---|-------|
| Year | Policy Count | Rate Chg. % | History Eff. Date | AR Earned Premium (000) | Incurred Losses (000) | Arkansas Loss Ratio | Countrywide Loss Ratio | A. Total Production Exp. | 16.2% |
| <u>2001</u> | <u>8150</u> | <u>1.3</u> | <u>9/7/2001</u> | <u>7,860,206</u> | <u>4,987,075</u> | <u>63%</u> | <u>66%</u> | B. General Expense | 3.0% |
| <u>2002</u> | <u>9472</u> | <u>0</u> | | <u>9,255,764</u> | <u>4,344,596</u> | <u>47%</u> | <u>50%</u> | C. Taxes, License & Fees | 2.0% |
| <u>2003</u> | <u>10533</u> | <u>-0.5</u> | <u>1/3/2003</u> | <u>10,844,746</u> | <u>7,444,743</u> | <u>69%</u> | <u>67%</u> | D. Underwriting Profit & Contingencies | 3.3% |
| <u>2004</u> | <u>12311</u> | <u>-1.8</u> | <u>6/1/2004</u> | <u>11,948,931</u> | <u>7,144,687</u> | <u>60%</u> | <u>69%</u> | E. Other (explain) | |
| <u>2005</u> | <u>12913</u> | <u>0</u> | | <u>12,782,967</u> | <u>6,932,446</u> | <u>54%</u> | <u>60%</u> | F. TOTAL | 24.5% |