

CARE PROVIDERS INSURANCE PROGRAM

Explanatory Memo

The Companies are introducing a multi-line program called Care Providers Insurance Program (the "Program") designed to cover social service agency risks. These agencies assist individuals with a variety of personal and family issues and often serve clients who face life threatening diseases or social problems, such as inadequate housing, unemployment, a serious illness, a disability, or substance abuse. Social service agencies also assist families that have serious domestic conflicts, sometimes involving child or spousal abuse. The Program provides coverage for the following lines of business:

- Commercial Auto (Liability and Physical Damage)
- Professional Liability
- General Liability
- Property

This filing is limited to the Commercial Auto coverage while a separate filing will be made for the Professional Liability, General Liability and Property lines of business.

The product will be distributed through a Program Administrator who has administered this Program for over 10 years.

FORMS

The forms consist of:

- ISO's Business Auto Coverage Form and the ISO mandatory state specific forms as adopted by the Companies.
- One independent Social Services Auto Enhancement Endorsement (118368) included in this filing.

RULES

The Commercial Auto rule for this Program is based off of a similar social services program filed by Arch Insurance Company, Filing No. ARCH-10-015. As we begin to provide coverage under this Program, statistics will be collected and analyzed.

The Program rating is a combination of the applicable ISO rating from the ISO Commercial Lines Manual and the independent rule contained in this filing.

Rating for the Commercial Auto line is as follows:

Commercial Auto (Liability and Physical Damage)

- ISO coverage form will be rated in accordance with current approved ISO loss costs, rules, rating plans and Company filed Loss Cost Multipliers.
- Independent endorsement (program enhancement) - Form 118368 is added for a \$500 charge.

This is a new program for the Companies, therefore there are no current policyholders and no rate level impact related to this filing.