Rating Narrative

**Rating:**

The factors chosen were based primarily on underwriting judgment. Our factors of 1.05 for $50,000, 1.10 for $75,000, and 1.15 for $100,000 were designed to develop minimal additional premium for the higher limits as we do not see a great deal of exposure above

$25,000 but are offering the higher limits as an option and in answer to competitors who copied our original filing but with higher limits. Our minimum and maximum premiums remain the same regardless of the limits.

ISO’s Prem Ops ILFs are .72 for $25,000/$25,000, .81 for $50,000/$50,000, and .97 for

$100,000/$100,000 in AK. Using $25,000 as a base, this means that the ILF for $50,000 is 1.125 (.81/.72), and 1.347(.97/.72) for $100,000. The ILFs we are using are significantly below those.

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