CUMIS INSURANCE SOCIETY, INC.
COMMERCIAL PROPERTY
STATE OR
ACTUARIAL MEMORANDUM

CUMIS Insurance Society, Inc. currently has an approved Property insurance filing in the State of Oregon under SERFF Tracking Number [CUNA-132463258], which applies to a broad range of commercial property risks.

Community Association risks exhibit operational and exposure characteristics that differ from other commercial property risks. To address these characteristics, the Company is introducing **Community Association–specific underwriting rules and rates** while continuing to utilize the previously approved Property rates for non-specified rules.

Separately, the Company is also introducing **proprietary property endorsements** that are designed to operate as supplements to the existing Property manual. These endorsements may be utilized across eligible property risks and are not limited solely to Community Association business.

Community Association Risk–specific underwriting rules and rates

As this is the new risk we are writing in state of OR, the Company does not yet have historical experience of independently developing its own rates. We are referencing rates and rating values that have been filed and approved for Accelerant National Insurance Company, with few modifications (SERFF Tracking No. PERR-134303363).

Community Association Rating Factor (CARF)

We are introducing a Community Association-specific rating factor within the Company's property insurance rating plan. The ISO manual rates that we have filed and approved for do not include a rating variable that specifically accounts for the shared-ownership governance structure, common-element exposure aggregation, or the maintenance risk profile unique to community associations. The CARF is therefore introduced to bridge this gap between ISO loss costs and the expected loss costs of community association risks

The CARF is filed as a range (0.90 -1.10) rather than a single point factor to reflect the meaningful variation in expected loss costs that exists within the community association class.

Risks at the upper end of the range (approaching 1.10) present the elevated loss cost characteristics described above to a greater degree. For example, associations with greater common-element concentration, more complex governance structures, or higher coinsurance exposure.

Risks at the lower end of the range (approaching 0.90) demonstrate property risk characteristics that mitigate the class-level loss drivers, resulting in expected loss costs that are lower than the class average.

Factor Level	Value	Application
Minimum (Credit)	0.90	Risks demonstrating superior property risk characteristics relative to the community association class average
Standard (Neutral)	1.00	Risks exhibiting average property risk characteristics for the community association class
Maximum (Surcharge)	1.10	Risks exhibiting elevated property risk characteristics relative to the community association class average

Equipment Breakdown Coverage

This filing also includes rules, forms, and rates for an optional Equipment Breakdown (EB) Endorsement. For Equipment Breakdown coverage, the Company directly adopts both the forms and rates filed and approved for Accelerant National Insurance Company, with no modifications. (SERFF Tracking No. PERR-134303363).

The Company believes that the rates included in this filing are not excessive, not inadequate, and not unfairly discriminatory. CUMIS Insurance Society, Inc. will continue to monitor emerging experience as it becomes available and will make adjustments to rates as appropriate in the future.

Your approval of this filing would be appreciated.