

**Privilege Underwriters Reciprocal Exchange
Rhode Island Private Passenger Automobile
Explanatory Memorandum**

Privilege Underwriters Reciprocal Exchange (PURE) is filing to revise its Automobile Program in Rhode Island. PURE is a Florida-domiciled reciprocal insurer focused on the high net worth personal lines market.

The purpose of this filing is to enhance our rating structure, maintain renewal retention, and enable continued profitable growth. We are requesting a new business effective date of November 15, 2026 and a renewal effective date of January 1, 2027.

We have completed rate indications for our book of business, which are detailed in Exhibits 1 through 5A. The exhibits show our derivation of the 19.4% credibility weighted overall indicated rate level change.

The net impact of the proposed changes is 4.9% applicable to approximately \$4,004,053 of in-force premium applicable to 991 policies.

The impact by coverage is:

| Premiums | BI | PD | COMP | COLL | UMBI | UMPD | MP | Total |
|------------|-------|-------|--------|-------|--------|--------|--------|-------|
| Indication | 93.2% | 27.0% | -19.4% | -7.7% | 101.4% | 101.4% | -10.7% | 19.4% |
| Impact | 25.0% | 4.0% | -5.0% | -2.0% | 27.0% | 26.0% | 0.0% | 4.9% |

The proposed changes are designed to address the rate indication by improving risk classifications, enhancing pricing sophistication and updating rating factors. The proposed revisions include the following:

Revised Base Rates

We are proposing to revise base rates to achieve the desired overall change by coverage. Please see additional details in *Exhibit A – Base Rates*.

Summary

In conclusion, we believe that the changes described in this filing result in rates which are not excessive, not inadequate, and not unfairly discriminatory. We are quite confident that the revisions will be received favorably and not be disruptive to the book of business. We will closely monitor the associated quote volume, renewal retention, renewal rate changes, and market / broker communication, and propose further changes if necessary.