MGT Insurance Company
Kansas
Businessowners Program

Revision Filing – Rates/Rules/Forms

Explanatory Memorandum

MGT Insurance Company ("the Company") is submitting this filing to revise its current Businessowners Program. This filing includes the introduction of new proprietary forms, new rules, and some rate adjustments to select endorsements and optional coverages.

This filing includes the introduction of the following proprietary forms:

- MGTBP 04 10 02 26 - Business Income Changes- Extended Period of Restoration (18 months)
- MGTBP 04 11 02 26 - Business Income Changes- Extended Period of Restoration (24 months)
- MGTBP 04 08 02 26 - Non-Cumulation of Liability Limits
- MGTBP 04 06 02 26 - Blanket Additional Insured - When Required in Written Agreement
- MGTBP 04 07 02 26 - Two or More Policies Issued by Us - Anti-Stacking Endorsement
- MGTBP 04 09 02 26 - Exclusion - Food and Retail Delivery Operations
- MGTBP 04 03 02 26 - Psychotropic, Synthetic, or Similar Designer Drug Property Exclusion
- MGTBP 04 04 02 26 - Psychotropic, Synthetic, or Similar Designer Drug Liability Exclusion
- MGT IL 1002 01 25 - Minimum Earned Premium Retained

This filing does not include the calculation of a rate indication. There is not sufficient data with which to calculate an indication. This program has a total of 9 policyholders in the state of Kansas affected by this change. The overall impact to Kansas policyholders is 14.8% for a total additional premium of $4,399. This filing includes some new endorsements and rating factors intended to provide enhancements to the program. While there is no rate indication, the selected rates and factors being proposed are based on competitor filings as shown in the attached KS Rate Support document.

Three policyholders will receive rate increases exceeding 45%. Please see the attached exhibit for a histogram illustrating the distribution of policyholder rate changes.

These three policies are relatively small, with an average premium increase of approximately $450. All three policies are classified as Nail Salons. Based on our competitive analysis, we have determined that our current rates for Nail Salons are materially below prevailing market levels. Accordingly, these adjustments are intended to bring our pricing more in line with the marketplace.

These changes represent a proactive rate adjustment designed to better align premiums with the underlying risk and current market conditions. Implementing these changes now is expected to reduce the need for more significant rate increases in the future. While some short-term impact on policyholder retention is possible, we believe this approach will promote greater rate stability and support stronger long-term retention.

Policyholders will be notified of any premium changes through the standard renewal process.