

**Tennessee  
Illinois EMCASCO Insurance Company  
Small Business Commercial Umbrella**

**Actuarial Memorandum**

With this filing, EMC is introducing a new Small Business Program product for Commercial Umbrella, modernizing our offerings to address the needs of small business customers. This submission includes rates, rules, and forms to be filed in Illinois EMCASCO Insurance Company (IEIC). This product provides coverage options for customers' current and future business needs, allowing EMC to better align rates with exposures.

This product will utilize various forms, rules, and rates that have been approved in other EMC subsidiaries, as well as new rates for some exposures. The rating algorithm has been updated to modernize rating and bring it up to small business industry standards. Utilizing materials across companies and products is both efficient and effective, enabling us to leverage previously approved filings through the regulatory review process.

Our pricing for this coverage is based on underwriting and marketing considerations along with our analysis of advisory organization information. Since this is a new program, IEIC does not have data to support expense provisions. Expenses are based on projected expenses for Small Business. Based on the market, risk of higher limits and social inflation, our pricing is not excessive, inadequate or unfairly discriminatory. There is no rate impact as this is a new program.

The Small Business Program product for Commercial Umbrella will be available for eligible new business and subsequent renewals written in IEIC. Our current Commercial Umbrella offering will remain available for customers that do not meet the definition of small business, determined by sales, payroll and the number of automobiles owned.

Proposed implementation of the new program will be for policies effective on or after 10/1/2026.