

Riverport Insurance Company
Berkley One Classics Program
State of New Jersey

Actuarial Memorandum

Riverport Insurance Company is proposing to introduce a new Auto program in the State of New Jersey. The Berkley One Classics program is designed to meet the insurance needs of car collectors across the country. Berkley One Classics specializes in insuring antique, classic, and modern collectible cars that are not utilized as regular use vehicles. Berkley Classics also offers insurance for other types of collectible vehicles such as antique motorcycles, historic military vehicles and vintage snowmobiles. This program requires insureds to have regular use PPA vehicles on a separate policy. The program is writing business in twenty-eight other states.

Because this is a new program in New Jersey, Riverport does not have loss experience on which to base its proposed rates. The proposed rates and rules for the program were based on a competitive review. We used Essentia's (Hagerty) and American Modern's rate levels as a benchmark for our initial rates. Both companies are large writers in the collector vehicle space. To perform this analysis, we used a market basket of 10,373 actual Berkley Classics policies and quotes. Our proposed overall rate level is -10.3% below Essentia's and 69.0% above American Modern's. We have chosen a rate level much closer to Essentia as they are the market leader in the collector vehicle space and have much more credible data due to being so large. Market basket results are shown in Exhibit 55.

Rate 115: Limited International Coverage Rate (Rule 501)

Rates for this coverage match our competitor American Modern. Please see Rating Factor Comparisons Exhibit 1.

Rate 125: Spare Parts Coverage Rate (Rule 503)

Rates for this coverage match our competitor American Modern. Please see Rating Factor Comparisons Exhibit 2.

Rate 135: Automobilia Coverage Rate (Rule 504)

Rates for this coverage match our competitor Essentia. Essentia's rates for this coverage are found in their Inland Marine filing. Please see Rating Factor Comparisons Exhibit 3.

Rate 145: Full Safety Glass Coverage Rate (Rule 505)

Rates for this coverage match Riverport's own approved rates in the State of Connecticut. Connecticut was used as a regional comparison to New Jersey. Please see Rating Factor Comparisons Exhibit 4.

Rate 155: Towing and Labor Coverage Rate (Rule 506)

Rates for this coverage match Riverport's own approved rates in the State of New York. New York was used as a regional comparison to New Jersey. Please see Rating Factor Comparisons Exhibit 5.