

SLIDE SPECIALTY INSURANCE COMPANY

New Jersey Dwelling Fire Program DP 03

Explanatory Memo

Overview

Slide Specialty Insurance Company (Slide) is proposing to introduce a new Dwelling Fire product in New Jersey. This new Dwelling Fire program is a me-too of Narragansett Bay Insurance Company (NBIC) with a base rate adjustment described below, with information through approved filing SERFF reference number BLCK-133795890. Slide is filing the new proposed program rates, rules, and forms as proprietary. This filing includes a forms list of the ISO forms we are adopting as well as proprietary forms that Slide is proposing.

The following exhibits are provided in support of Slide's proposed new program.

- Expense Exhibit
- Rate & Rule Manual
- Forms List and Proposed Forms
 - ISO Forms – including form number, edition, and ISO filing reference number
 - Slide ISO Based Forms – including a side-by-side comparison of the edited ISO forms
 - Slide Specific Forms

Expenses

Expenses are provided in *Expense Exhibit.pdf*. Since this is a new program, only direct countrywide figures are provided from Slide's IEE Pt III.

Base Rates & Territory Factors

The rate structure was copied from NBIC. NBIC was used as a competitor to help determine the overall rate level by territory to set our rates. NBIC's target market is coastal risks which is most similar to the risks that Slide desires. The selection process consisted of choosing rate levels to be consistent with NBIC after adjusting for differences in expenses and reinsurance costs. An overall rate level of NBIC less 15% was targeted. In NBIC's latest approved filing (BLCK-133795890), their [UW Expenses (excl ULAE) + Reinsurance Costs + Profit] is 58.2%. Slide's comparable figure is 32.7%. Slide currently has over \$1 billion in DWP in the southeast and no northeast exposure and believes the reinsurance synergies will allow its northeast business to be adequate despite being 15% less than NBIC. As the book organically grows, rate levels will be monitored, and rate filings will be made as necessary.