

SERFF Tracking Number: CNNB-125304477 State: Arkansas
Filing Company: The Cincinnati Insurance Company State Tracking Number: AR-PC-07-026217
Company Tracking Number: PM-07-2931-AR
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: PM-07-2931-AR
Project Name/Number: /843

Filing at a Glance

Company: The Cincinnati Insurance Company

Product Name: PM-07-2931-AR SERFF Tr Num: CNNB-125304477 State: Arkansas
TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: AR-PC-07-026217
Sub-TOI: 09.0000 Inland Marine Sub-TOI Co Tr Num: PM-07-2931-AR State Status:
Combinations
Filing Type: Rule Co Status: Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding
Author: David Nutt Disposition Date: 10/10/2007
Date Submitted: 09/26/2007 Disposition Status: Filed
Effective Date Requested (New): 04/01/2008 Effective Date (New): 04/01/2008
Effective Date Requested (Renewal): 04/01/2008 Effective Date (Renewal):
04/01/2008

General Information

Project Name: Status of Filing in Domicile:
Project Number: 843 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/10/2007
State Status Changed: 09/26/2007 Deemer Date:
Corresponding Filing Tracking Number: PM-07-2932-AR
Filing Description:
Rewrite of the Personal Inland Marine program.

Company and Contact

Filing Contact Information

Dave Nutt, Senior Filings Specialist dave_nutt@cinfin.com
6200 S. Gilmore Road (513) 870-2887 [Phone]
Fairfield, OH 45014 (513) 881-8885[FAX]

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Filing Company Information

The Cincinnati Insurance Company
6200 S. Gilmore Rd.
Fairfield, OH 45014
(513) 870-2000 ext. [Phone]

CoCode: 10677
Group Code: 244
Group Name:
FEIN Number: 31-0542366

State of Domicile: Ohio
Company Type:
State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$25.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Cincinnati Insurance Company	\$25.00	09/26/2007	15809182

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/10/2007	10/10/2007

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/26/2007	09/26/2007	David Nutt	10/09/2007	10/09/2007

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Disposition

Disposition Date: 10/10/2007

Effective Date (New): 04/01/2008

Effective Date (Renewal): 04/01/2008

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: CNNB-125304477

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Memo	Filed	Yes
Supporting Document	Exhibit	Filed	Yes
Rate	Manual Pages	Filed	Yes
Rate	Manual Page	Filed	Yes
Rate	Manual Pages	Filed	Yes
Rate	Manual Pages	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/26/2007
Submitted Date 09/26/2007
Respond By Date

Dear Dave Nutt,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Please provide statistical support for the increase in minimum premium from \$25 to \$100.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Please feel free to contact me if you have questions.

Sincerely,
Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/09/2007
Submitted Date 10/09/2007

Dear Becky Harrington,

Comments:

Response 1

Comments: The attached statistical exhibit indicates that a \$88.00 minimum premium can be justified. Since \$75.00 is not sufficient to cover expenses, the next \$25.00 increment, \$100.00 was chosen. Research indicates that of the four monoline policies currently on the books, all have premiums above the new minimum premium of \$100.00. All other Personal Inland Marine policies are packaged with homeowners policies and are not effected by the minimum premium

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 rule.

Related Objection 1

Comment:

Please provide statistical support for the increase in minimum premium from \$25 to \$100.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
 David Nutt

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Pages	GR-1...GR-7 (4/08)	Replacement	PM-GR-1...PM-GR-7 GR-1...GR-7 (4-08).pdf
Filed	Manual Page	MD-1 (4/08)	New	MD-1 (4-08).pdf
Filed	Manual Pages	PM-1...PM-8 (4/08)	Replacement	PM-1...PM-11 PM-1...PM-8 (4-08).pdf
Filed	Manual Pages	MPM-1...MPM-5 (4/08)	Replacement	PM-12...PM-19 MPM-1...MPM-5 (4-08).pdf

THE CINCINNATI INSURANCE COMPANY
ARKANSAS
PERSONAL LINES
PERSONAL INLAND MARINE MANUAL
GENERAL RULES
COVERAGES AND DEFINITIONS

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1. INTRODUCTION

A. Personal Inland Marine Program Rules Manual

The Personal Inland Marine Program provides personal property coverage, using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of either a Personal Inland Marine policy, an endorsement, or a supplemental contract being attached to another policy form.

B. Manual Sections

1. Contents

The manual is divided into two primary sections, **General Rules** and **State Pages**.

2. General Rules

These rules are grouped into the following categories:

- a. Coverages and Definitions
- b. Policy Service

3. State Pages

These rules are grouped into the following categories:

- a. Deductibles
- b. Personal Articles / Class Rules
- c. Miscellaneous Personal Marine Coverages

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2. FORMS, ENDORSEMENTS AND DECLARATIONS

A. Personal Articles Coverage Form PM102

Personal Articles Coverage Form **PM102** is used for all Personal Inland Marine classes included in this manual. It contains the following sections:

1. Agreement;
2. Coverage;
3. Coverage Extension;
4. Deductible;
5. Conditions; and
6. Options.

B. Class Specific Forms

The following forms are used for specific classes included in this manual:

1. Mobile Farm Machinery, Livestock, and Farm Personal Property Endorsement **PM106**
2. Household Pets Endorsement **PM108**
3. Personal Home Computer Endorsement **PM120**
4. General Articles Endorsement **PM110**

C. Amendatory Forms

The following forms are used to modify the provisions of the Personal Articles Coverage Form **PM102**:

1. Coverage Territory Amendment Endorsement **PM162**
2. Exhibition Endorsement **PM101**
3. Protective Safeguards Endorsement **PM163**

3. ELIGIBILITY

A Personal Inland Marine Policy may be issued:

- A.** To cover property of an individual and if residents of the individual's household, his or her spouse and relatives of either;
- B.** In the name of unrelated persons who reside together, but only if they are co-owners of the property; and
- C.** To an executor or administrator of a decedent's estate to cover estate property, but only if it is otherwise eligible for coverage.

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POLICY SERVICE

4. POLICY PERIOD

All premiums contained in the filed rates are on an annual basis unless otherwise noted.

- A.** The Personal Inland Marine Policy may be written for a term of either one or three years at any of the following optional payment plans:
- 1. Annual Payment**
Payment is based on the full annual premium applicable at policy inception.
 - 2. Semiannual Payment**
Each semiannual installment shall be 50% of the annual premium.
 - 3. Quarterly Payment**
Each quarterly installment shall be 25% of the annual premium.
 - 4. Monthly Payment - Electronic Funds Transfer (EFT)**
Diamond Direct Bill policies only allow payment on a monthly installment basis through automatic Electronic Funds Transfer. No minimum installment amount applies. A monthly statement is mailed to the insured for confirmation of account activity and premium payments processed for new and renewal policies.
- B.** In order to maintain common anniversary dates, a Personal Inland Marine Policy may be written for an initial term of less than one year on a pro rata basis of the one-year premium.
- C.** Installment premiums shall be adjusted when premium transactions occur during the policy term.
- D. Diamond Direct Bill Installment Charge**
A charge of \$2 per installment applies to semiannual or quarterly payment plans.

5. RENEWAL PLAN

- A.** A Personal Inland Marine Policy may be continued for successive terms upon payment of the required premium to the Company on or before the inception date of each successive term.
- B.** The continuation premium shall be based upon the premiums in effect on renewal date. The current conditions of the applicable forms and endorsements must be made a part of the policy.

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6. MINIMUM PREMIUM

The minimum premium for monoline policies is \$100.

7. POLICIES SUBJECT TO CREDITS

Credits may not be used on monoline policies to bring the total net premium below the prescribed minimum premium of \$100.

8. WAIVER / DEFERMENT OF PREMIUM

When a policy is endorsed after the inception date:

A. Agency Bill - Adjustments of \$1 or more:

Additional or return premiums of \$1 or more will be billed or returned to the insured respectively, depending on the policy change.

B. Direct Bill - Any change resulting in an additional premium of \$14 or less or return premium of less than \$1 will be deferred to the next bill.

9. RATE CALCULATIONS

A. All calculated rates are carried out to two (2) decimal places.

B. Any debit(s) or credit(s) are applied in the following manner:

1. Sum of debit(s);
2. Sum of credit(s);
3. Determine the difference between steps 1. and 2.; and
4. Multiply the base rate by the difference calculated in step 3.

10. WHOLE DOLLAR PREMIUM RULE

Each premium shown on the policy and endorsement shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

11. SCHEDULE REQUIREMENTS

All articles to be insured shall be scheduled, with the amount of insurance or agreed valuation shown for each item, except as otherwise provided in the specific Class Rules.

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12. LOSS PAYEE

- A.** The Loss Payable Clause Option in Personal Articles Coverage Form **PM102** applies when:
1. A person or organization (the loss payee) has an insurable interest in one or more articles or items of personal property insured under the policy; and
 2. That interest is acknowledged by naming the loss payee and the property involved in the policy Declarations.
- B.** The loss payee is notified in event of a loss to such property or if the policy is cancelled or not renewed by The Cincinnati Insurance Company.

13. COVERAGE AT INCREASED PREMIUM

A. With Consent of Insured

1. A policy, which would not otherwise be issued because of unusual circumstances or exposures, may be issued with written agreement by the named insured at an increased premium.

Attach Form **IP-417** - Consent to Rate Form (Other than Automobile)

2. The above endorsement requires the named insured's signature.
3. In some jurisdictions, the insurance regulatory agency requires submission of a form of request for their approval before the increased premium is endorsed onto the policy.

B. Requested by the Company

When warranted by extenuating or unusual circumstances, loss experience, dispersion of risk or other factors, The Cincinnati Insurance Company may promulgate special rates and conditions based on these risk factors.

Such rates and conditions shall apply only for the term of the policy for which application is made.

C. Amendment of Worldwide Coverage

1. Policies may be endorsed to exclude coverage outside the limits of the United States, Puerto Rico and Canada.

2. Endorsement

Attach Form **PM162** - Coverage Territory Amendment Endorsement

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14. PROTECTIVE SAFEGUARDS FOR INSURED PROPERTY

- A. When deemed essential, The Cincinnati Insurance Company may negotiate with an insured for any type of protection device or measure that will safeguard the property insured without consideration of a premium credit, unless otherwise required in the rules for the class of property involved.
- B. **Endorsement**
Attach Form **PM163** - Protective Safeguards Endorsement

15. COVERAGE IN CONJUNCTION WITH OTHER POLICIES

Personal Inland Marine coverages may be provided in conjunction with other policies, subject to the following rules:

- A. Coverage shall be made by means of a supplemental policy, form or endorsement which, in effect, constitutes a separate contract containing all of the terms and conditions required by the applicable Personal Inland Marine filings made by or on behalf of The Cincinnati Insurance Companies.
- B. The supplemental contract shall be subject to all of the rules, as shown in this manual, applicable to the class involved.
- C. The supplemental contract may be made subject to the attachment provision and cancellation provision applicable to the policy to which it is attached.
- D. Premiums for insurance under the supplemental contract must be classified as Personal Inland Marine insurance and the premiums and losses coded and reported for statistical purposes in the manner prescribed in the Personal Lines Statistical Plan.

16. BLANKET COVERAGE

- A. Scheduled articles covered on a blanket basis are restricted to a maximum limit per item or set of \$5,000 per the Loss Settlement provisions of the Personal Articles Coverage Form **PM102**. Loss payment is restricted to the blanket Limit of Insurance, less any applicable deductible, for all articles insured under the blanket limit that are lost or damaged in a single occurrence.
- B. For items or sets exceeding this \$5,000 maximum limit and necessitating blanket coverage, referral to the Company is required for consideration.

17. CANCELLATION

If insurance is cancelled or reduced, the return premium shall be computed on a pro rata basis.

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18. SERVICE CHARGES (DIAMOND DIRECT BILL ONLY)

A. Reinstatements for Nonpayment of Premium

The first time a policy is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement of a policy due to nonpayment of premium, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

B. Non-Sufficient Funds (NSF)

The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, either by an insured's personal check or electronic funds transfer (EFT), the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

19. ACORD FORMS

Current supplies of ACORD applications, binders, and certificates may be used for coverages relative to this line of business. Future state revisions will require use of the proper applications on the effective date mandated.

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STATE PAGES
DEDUCTIBLES

1. APPLICABILITY

- A. The Personal Inland Marine forms provide full coverage for all classes of property contained in the manual rules.
- B. Optional deductible amounts are available for all classes as shown below in Rule **2. OPTIONAL DEDUCTIBLES**.
- C. Some classes require minimum deductibles as noted in their specific rule references.
- D. The applicable deductible for each class of property must be indicated on the Declarations.

2. OPTIONAL DEDUCTIBLES

- A. The following optional deductibles for all classes of property are available with the indicated percentage credits:

Deductible Amount	% Credit
\$ 250	5%
500	10
1,000	15
2,500	20
5,000	25
10,000	30

- B. The amount of the loss or the applicable limit of insurance will be reduced by this deductible.

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PERSONAL ARTICLES / CLASS RULES

1. APPLICABILITY OF RATES

All rates listed in this manual are per \$100 of insurance unless otherwise specifically noted.

2. APPLICABLE FORM

Personal Articles Coverage Form **PM102** applies to all classes of property in this section of the manual.

3. BICYCLES

A. Eligible Property

All types of bicycles are eligible except motorized bicycles, any other kind of motorized conveyance or bicycles used for racing.

B. Limitations

Coverage is not provided when caused by:

1. Rust, mechanical breakdown or derangement;
2. Damage from handling or being worked upon, unless caused by fire or explosion.

C. Rate: \$ 8.75

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4. CAMERAS / PHOTOGRAPHIC EQUIPMENT

A. Eligible Property

The following property is eligible for coverage:

1. Cameras, projection machines, and articles of equipment pertaining thereto;
2. Movable sound equipment pertaining to the recording, projection, reproduction and operation of motion pictures;
3. Home video cameras, playback recorders, and articles of equipment pertaining thereto; and
4. Miscellaneous property such as films, binoculars, telescopes, microscopes and the like which may be used in conjunction with cameras or photographic equipment when insured with such equipment.

B. Ineligible Property

The following property is not eligible for coverage:

1. Television cameras and equipment;
2. Coin or token operated devices;
3. Cameras or other camera property for account of dealers or manufacturers thereof; and
4. Aerial cameras or radar cameras.

C. Professional Use

Professional use under the rules and rates for this coverage is construed to be photographic equipment used in a business activity that has gross compensation to the insured of \$5,000 or more annually. Coverage is only provided in this instance when indicated as such in the Declarations and the applicable rate shown below is charged.

D. Blanket Items

Items of photographic equipment aggregating not more than \$5,000 may be insured on a blanket basis. This limit, if impractical by the nature of the items involved, may be increased at the discretion of the Company. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

E. Rates:

1. Nonprofessional - \$ 1.27
2. Professional - \$ 2.32

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5. FINE ARTS (PRIVATE COLLECTIONS)

A. Eligible Property

Coverage may be afforded for private collections of paintings, etchings, pictures, tapestries, art glass windows, and other works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

B. Definition of Private Collections

1. Private collections are deemed as property owned by any individuals that are not dealers, auction rooms, museums, art galleries or art institutions ordinarily open to the public.
2. The term "private collection" includes property in the custody of dealers, auction rooms, museums, art galleries or art institutions ordinarily open to the public but owned by and insured in the name of an individual private collector. Scheduled articles are not covered while they are exhibited at a fairground or at the premises of a national or international exposition.

C. Ineligible Risks

1. Dealers, Commercial Risks, Museums, Art Galleries or Art Institutions;
2. Property owned by and insured for Federal, State, County, or Municipal Authority accounts; and
3. Temporary exhibits of property not owned by the insured.

D. Blanket Items

Loss settlement is on a replacement cost basis at the time of a loss subject to a \$5,000 maximum per item. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

E. Rates

Protection Class	\$100,000 or less		More than \$100,000	
	Masonry	Frame	Masonry	Frame
PC 1 thru PC 8	\$.31	\$.32	\$.20	\$.23
PC 8B, PC 9 and PC 10	.36	.42	.27	.31

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6. GOLFERS EQUIPMENT

A. Eligible Property

Coverage may be afforded to individually owned golf clubs, other golf equipment and golf clothing.

B. Blanket Coverage

Property considered golfers equipment as described above aggregating not more than \$5,000 may be insured on a blanket coverage basis. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

C. Rate: \$ 2.19

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7. JEWELRY

A. Eligible Property

1. Individually owned personal jewelry is eligible for coverage. Personal jewelry means articles of personal adornment comprised, in whole or in part, of silver, gold, platinum or other precious metals and alloys, whether or not containing pearls, jewels, precious or semiprecious stones.
2. Pens, pencils, flasks, smoking equipment, cigarette cases, trophies and similar items of a personal nature.

B. Ineligible Property

The following property is not eligible:

1. Unmounted gems;
2. Bullion, gold, silver and other precious metals;
3. Goldware, gold-plated ware, pewterware, platinumware, platinum-plated ware, silverware, and silver-plated ware; and
4. Flatware, hollowware, tea sets, trays and trophies made of or including gold, pewter, platinum or silver.

For items in parts 3. and 4., refer to Rule 10. **SILVERWARE** for rules / rates applicable to these types of items.

C. Blanket Coverage

Property considered jewelry as described above may be insured on a blanket coverage basis subject to a \$5,000 maximum per item. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

D. Two Named Insureds

A policy may be issued in the name of two individuals with mutual insurable interest in engagement, wedding, and guard rings, regardless of domicile.

E. Jewelry in Vaults

1. Specific jewelry items kept in a bank vault may be insured at a decreased rate (shown below). Blanket coverage is not permitted.
2. The "In Vault" option will be indicated in the Declarations.

F. Rates

1. Schedules

- | | |
|-------------------------|---------|
| a. Less than \$75,000 - | \$ 1.00 |
| b. \$75,000 or more - | \$ 1.23 |

2. Jewelry in Vaults

\$.33

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8. FURS

A. Eligible Property

1. Coverage may be afforded for furs including imitation furs, fur rugs, and garments trimmed with fur or consisting principally of fur. A schedule of items is required.
2. An ensemble such as a coat, muff, and hat may be scheduled as a single item.

B. Blanket Coverage

Furs may be insured on a blanket coverage basis (including the ensemble example mentioned above) subject to a \$5,000 maximum per item or ensemble. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

C. Rate: \$.57

9. MUSICAL INSTRUMENTS

A. Eligible Property

Coverage may be afforded for musical instruments, sheet music and equipment pertaining to musical instruments when written in connection with musical instruments.

B. Blanket Items

Items of musical instruments and related equipment aggregating not more than \$5,000 may be insured on a blanket basis. This limit, if impractical because of the nature of the item(s), may be increased at the discretion of the Company. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

C. Professional Use

Professional use under the rules and rates for this coverage is construed to be musical instruments and related equipment used in a business activity that has gross compensation to an insured of \$5,000 or more annually. Coverage is only provided in this instance when indicated as such in the Declarations and the applicable rate shown below is charged.

D. Rates:

1. Nonprofessional - \$.44
2. Professional - \$ 1.31

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10. SILVERWARE

A. Eligible Property

1. Silverware, silver-plated ware, goldware, gold-plated ware, pewterware, platinumware, platinum-plated ware; and
2. Flatware, hollowware, tea sets, trays and trophies made of or including silver, gold, platinum or pewter.

B. Ineligible Property

1. Pens, pencils, flasks, or smoking implements or accessories; and
2. Jewelry or articles of personal adornment.

Refer to Rule 7. **JEWELRY** for rules / rates applicable to these types of items.

C. Blanket Coverage

Property considered silverware as described above may be insured on a blanket coverage basis subject to a \$5,000 maximum per item. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

D. Rate: \$.50

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11. COLLECTIBLES

A. Eligible Property

Coverage may be afforded for individually owned collectibles. Dealers or auctioneers are not eligible for this coverage.

B. Blanket Coverage

Collectibles may be insured on a blanket basis subject to a maximum aggregate limit of \$5,000. Multiply a factor of 1.10 times the applicable rate shown below for the appropriate charge.

C. Safe Credit

A credit is allowed, subject to an agreement by the insured, to keep not less than 75% (by value) of the property insured in a fireproof safe or vault equipped with a combination lock when such property is not in use or on exhibition. "In Safe" will be indicated in the Declarations for such articles. Multiply a factor of .90 times the applicable rate shown below for the appropriate charge.

D. Rates

Type of Property	Rate
Baseball Cards	\$1.11
\$250 minimum deductible applies	
Coins	1.66
Dolls and Doll Houses	1.11
Fine Wine Collection (Includes Breakage)	.36
\$250 minimum deductible applies	
Guns	2.19
Knife Collection	2.19
Model Trains (Includes Breakage)	.36
Stamps	.55

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MISCELLANEOUS PERSONAL MARINE COVERAGES

1. PERSONAL ARTICLES ON EXHIBIT

A. Eligible Property

Coverage may be afforded for personal articles on exhibit at a specific described location for a determined time period at an additional premium charge determined by the underwriter.

B. Attaching Form

The applicable endorsement is used in conjunction with Personal Articles Coverage Form **PM102**.

C. Schedule Requirements

A schedule of the items, including description(s), limit(s) of insurance, complete address of the location where exhibited, and the time period of the exhibition must be completed on the endorsement.

D. Endorsement

Attach Form **PM101** - Exhibition Endorsement

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ARKANSAS
PERSONAL LINES
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2. MOBILE FARM MACHINERY, LIVESTOCK, AND FARM PERSONAL PROPERTY

A. Eligible Property

Coverage may be afforded for Mobile Farm Machinery, Equipment, and Implements against risks of direct physical loss. Coverage for death, destruction or theft of Livestock (excepting escape or mysterious disappearance unless caused by a Covered Cause of Loss) is available. Covered Causes of Loss coverage for scheduled farm personal property may be provided.

B. Attaching Form

The applicable endorsement is used in conjunction with Personal Articles Coverage Form **PM102**.

C. Coinsurance Requirement

Blanket Livestock (including horses and mules, but excluding sheep) or Farm Machinery are subject to the 80% coinsurance clause. Refer to Company for rating when this is not applicable.

D. Special Coverage Provision

Coverage for livestock attacked by dogs or wild animals, with the exception of sheep, is included.

E. Definitions

Cows, bulls, steers, and heifers are described as "bovine cattle" in order to distinguish from other farm animals considered as cattle.

F. Rates

Items	Rate
Blanket Livestock	\$.90
Specifically Scheduled Livestock	.79
Sheep	.88
Blanket Farm Machinery	.61
Specifically Scheduled Farm Machinery	.40
Poultry*	.61
Grain in:	
Metal Structures	.69
Other Structures	.84
The Open	1.10
Hay, Straw, Fodder in:	
Structures	1.55
The Open	1.61

* Incidental to the operation of a farm and included in a policy covering livestock.

G. Endorsement

Attach Form **PM106** - Mobile Farm Machinery, Livestock, and Farm Personal Property Endorsement

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3. HOUSEHOLD PETS

A. Eligible Property

Coverage may be afforded for household pets (including birds) owned by, or in the custody and control of, the insured. Scheduled pets are provided coverage for Covered Causes of Loss against death or destruction including attack by dogs or wild animals (except for sheep), drowning, artificial electricity, or accidental shooting (except by an insured or employees). A description(s) of the insured animal(s) with a limit(s) of insurance must be included in the Declarations.

B. Attaching Form

The applicable endorsement is used in conjunction with Personal Articles Coverage Form **PM102**.

C. Optional Coverages

1. Snakebite

The snakebite must be lethal to the Household Pet and the cause of death certified by a licensed veterinarian within 24 hours after death occurs.

2. Veterinarian Care

Coverage for Veterinarian Care which is made necessary by a Covered Cause of Loss, whether or not death or destruction ensues but not exceeding 25% of the Limit of Insurance shown in the Declarations for the Household Pet.

D. Rates

1. Basic Coverage - \$8.75

2. Optional Coverages:

a. Snakebite - \$.88

b. Veterinarian Care - \$4.38

(This rate is applied to the full limit of insurance for the pet, not the 25% sublimit.)

E. Endorsement

Attach Form **PM108** - Household Pets Endorsement

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4. GENERAL ARTICLES

A. Eligible Property

Coverage may be afforded for the below listed types of scheduled personal property located within the limits of the United States, Puerto Rico and Canada.

B. Attaching Form

The applicable endorsement is used in conjunction with Personal Articles Coverage Form **PM102**.

C. Rates

Type of Property	Rate
Art Teacher Supplies	\$ 1.26
Artificial Limb / Eye	2.22
Binoculars	1.31
Bullion - Gold / Krugerrands	2.77
Camping Equipment	2.65
Car Parts	2.65
Ceramics	1.54
Contact Lenses	9.73
Contents of Motor Home	2.77
Dentures	3.50
Doctor's Black Bag Equipment	2.65
Fishing Tackle	1.75
Golf Carts	2.22
Hearing Aids	1.75
Horse Tack	1.11
Kiln	2.09
Microscopes	1.75
Mortician Equipment	1.31
Other Miscellaneous Property	2.19
Pagers	11.10
Portable Cellular Phone	4.38
Salesperson's Samples	2.22
Snow Ski Gear	1.95
Stereo Equipment	1.11
Surveyors' Instruments	1.75
Tools and Equipment (Carpenters, Electricians, Engineers, Mechanics and Plumbers)	3.94
Wheelchairs	1.11
Windsurfers	3.20

D. Endorsement

Attach Form **PM110** - General Articles Endorsement

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5. PERSONAL HOME COMPUTER COVERAGE

A. Eligible Property

Coverage may be provided for Personal Home Computer Equipment including the central processing unit, peripheral hardware and connecting cables, plug-in cartridges and expansion hardware, commercially purchased software, blank tapes, and blank discs.

B. Ineligible Property

Personal Home Computer Equipment does not include data or custom-developed software, any television set used as a computer monitor, or telephone or cable television equipment used to connect the computer to a network through telephone or cable television equipment.

C. Attaching Form

The applicable endorsement is used in conjunction with Personal Articles Coverage Form **PM102**.

D. Additional Coverage Option

If indicated on the Declarations, Personal Home Computer Additional Coverage provides coverage for loss or damage due to electrical or magnetic injury, disturbance or erasure of electronic recordings, faulty construction, and error or omission in design for an additional charge.

E. Rates

Computer Coverage

\$1.05

Additional Coverage Option

\$.24

F. Endorsement

Attach Form **PM120** - Personal Home Computer Endorsement

SERFF Tracking Number: CNNB-125304477

State: Arkansas

Filing Company: The Cincinnati Insurance Company

State Tracking Number: AR-PC-07-026217

Company Tracking Number: PM-07-2931-AR

TOI: 09.0 Inland Marine

Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations

Product Name: PM-07-2931-AR

Project Name/Number: /843

Supporting Document Schedules

Satisfied -Name: Memo

Comments:

Attachment:

Memo.pdf

Review Status:

Filed

10/10/2007

Satisfied -Name: Exhibit

Comments:

Attachment:

Exhibit - AR Pers Inland Marine Minimum Prem Justification.pdf

Review Status:

Filed

10/10/2007

**THE CINCINNATI INSURANCE COMPANY
ARKANSAS PERSONAL INLAND MARINE PROGRAM
FILING # PM-07-2931-AR
RULES MEMORANDUM**

New or Revised Rule	Replaced Rule	Description of Change
GR-1 thru GR-7 (4/08)	PM-GR-1 (1/00)f PM-GR-2 (5/07)f PM-GR-3 (1/00)f PM-GR-4 (5/07)f PM-GR-5 & 6 (1/00)f PM-GR-7 (5/07)f	<p>GENERAL RULES section of the Personal Inland Marine Manual Rules contains the following changes, additions and deletions:</p> <ol style="list-style-type: none">1. Subsection 'COVERAGES AND DEFINITIONS' is comprised of pages GR-1 thru GR-2 (Rules 1. thru 3.).2. Rule 1. INTRODUCTION includes the former Rule 1. GENERAL INSTRUCTIONS under new paragraph A. Personal Inland Marine Program Rules Manual.3. New paragraph B. Manual Sections describes the new sections and subsections of the manual rules.4. New Rule 2. FORMS, ENDORSEMENTS AND DECLARATIONS describes the different types of forms included in the Personal Inland Marine program namely, the Personal Articles Coverage Form PM102 (paragraph A.), the Class Specific Forms (paragraph B.), and the Amendatory Forms (paragraph C.).5. Newly titled Rule 3. ELIGIBILITY replaces the former rule Policy Eligibility Requirements. Editorial revisions and updated text are included in the revisions to these rules.6. Former Rule 4. MORTGAGEE OR PLEDGEE is withdrawn.7. Subsection 'POLICY SERVICE' is comprised of pages GR-3 thru GR-7 (Rules 4. thru 18.).8. Rule 4. POLICY PERIOD has the option of a written term of either a one or three year policy added and also a Quarterly Payment option is afforded (Part 4.). Three-Year Prepaid option is withdrawn. Other editorial revisions are included for purposes of clarity.9. Former Rule 6. RESERVED FOR FUTURE USE is deleted.10. Rule 6. MINIMUM PREMIUM has the amount increased from \$25 to \$100.11. Rule 7. POLICIES SUBJECT TO CREDITS adds the specific minimum premium amount of \$100.12. Rule 8. WAIVER / DEFERMENT OF PREMIUM is revised to delete irrelevant billing type plans for this revised program.13. Rule 9. RATE CALCULATIONS Paragraph A. is revised to show two decimal places in lieu of three.

**THE CINCINNATI INSURANCE COMPANY
ARKANSAS PERSONAL INLAND MARINE PROGRAM
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RULES MEMORANDUM (page 2)**

New or Revised Rule	Replaced Rule	Description of Change
GR-1 thru GR-7 (4/08) Continued	PM-GR-1 (1/00)f PM-GR-2 (5/07)f PM-GR-3 (1/00)f PM-GR-4 (5/07)f PM-GR-5 & 6 (1/00)f PM-GR-7 (5/07)f	<p>14. Rule 12. LOSS PAYEE is added to describe the Loss Payable Clause Option in the Personal Articles Coverage Form PM102.</p> <p>15. Rule 13. COVERAGE AT INCREASED PREMIUM replaces former rule VARIATIONS FROM RULES, RATES AND FORMS. New Paragraph A. With Consent of Insured includes the Consent to Rate provision but deletes reference to special restrictions in coverage and the accompanying ISO endorsement which were contained in former paragraph B. New Paragraph B. Requested by the Company replaces the former Paragraph A, titled Special Rates and Conditions at the Request of the Company. Only editorial changes comprise the revisions to this rule. Paragraph C. Amendment of Worldwide Coverage is revised to add Puerto Rico to the included coverage territory and reference to the applicable endorsement. Paragraph D. Additional Acquired Property is deleted. Paragraph E. ACORD Forms is relocated to new Rule 19.</p> <p>16. Rule 14. PROTECTIVE SAFEGUARDS FOR INSURED PROPERTY replaces former Rule 17. SPECIAL SAFEGUARDS. The text under Paragraph A is revised for clarity. An endorsement is introduced for use when safeguards are used to protect property.</p> <p>17. New Rule 16. BLANKET COVERAGE is added. This rule restricts scheduled articles insured on a blanket basis to a maximum limit per item or set of \$5,000. A provision for possible exceptions to this maximum is included when referred to the Company.</p> <p>18. Rule 18. SERVICE CHARGES replaces 'CIC' with 'Diamond' in the title.</p> <p>19. New Rule 19. ACORD FORMS is relocated from former rule 16</p>
MD-1 (4/08)	-----	<p>New section DEDUCTIBLES is added. All classes of property shown in the manual now follow the same deductible options and percentage credits. A provision that the amount of the loss or the applicable limit of insurance is reduced by the deductible selected is included.</p>

**THE CINCINNATI INSURANCE COMPANY
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FILING # PM-07-2931-AR
RULES MEMORANDUM (page 3)**

New or Revised Page	Replaced Page	Description of Change
PM-1 (4/08)	PM-1 (1/00)f	Newly titled section PERSONAL ARTICLES / CLASS RULES establishes the rates shown in the manual are per \$100 of insurance in Rule 1. APPLICABILITY OF RATES . Rule 2. APPLICABLE FORM establishes form PM102 Personal Articles Coverage Form accordingly. Rule 3. BICYCLES adds limitations relating to rust, mechanical breakdown, derangement, damage from handling or maintenance. The \$50 minimum deductible is deleted.
PM-2 (4/08)	PM-2 (5/02)f	Rule 4. CAMERAS / PHOTOGRAPHIC EQUIPMENT institutes the aggregate blanket limit at \$5,000 in place of \$10,000.
PM-3 (4/08)	PM-3 (1/04)f	Rule 5. FINE ARTS (PRIVATE COLLECTIONS) has the section Separate Policies removed. In part 2. of this rule, private collections are clarified that they must be owned and insured in the name of an individual private collector. Also, no coverage is provided for scheduled articles exhibited at a fairground or expositions. The blanket limit is now \$5,000 per item in place of \$10,000.
PM-4 (4/08)	PM-4 (5/02)f	Rule 6. GOLFERS EQUIPMENT establishes coverage may be provided for clubs, equipment and clothing related to golf. An aggregate limit of \$5,000 is permitted for equipment insured on a blanket basis.
PM-5 (4/08)	PM-5 (5/02)f	Rule 7. JEWELRY contains a more detailed listing of ineligible property and a cross reference where coverage may be provided elsewhere in the manual rules for items listed in parts 3. and 4. Appraisal requirements are displaced from this rule. Blanket coverage limitation of \$5,000 per item is inserted. Jewelry in Vaults no longer requires an endorsement (former form PM-149) as coverage for "In Vault" is now indicated on the Declarations when opted for. The Deductible schedule is deleted as this class of property now follows the deductible schedule on page MD-1.

**THE CINCINNATI INSURANCE COMPANY
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RULES MEMORANDUM (page 4)**

New or Revised Page	Replaced Page	Description of Change
PM-6 (4/08)	PM-6 thru PM-7(5/02)f	Rule 8. FURS revises the blanket coverage maximum per item to \$5,000 in lieu of \$10,000. Rule 9. MUSICAL INSTRUMENTS revises the aggregate blanket limit to \$5,000. The blanket coverage provision for instruments owned by schools, boards of education or municipalities is deleted. The provision for Orchestras, Bands, Chamber Music Ensembles and Similar Groups is deleted.
PM-7 (4/08)	PM-8 (5/02)f	Rule 10. SILVERWARE contains a listing of ineligible property and a cross reference where coverage may be provided elsewhere in the manual rules for items listed in parts 1. and 2. of Paragraph B. The blanket coverage maximum per item is revised to \$5,000 in lieu of \$10,000. The Deductible schedule is deleted as this class of property now follows the deductible schedule on page MD-1.
PM-8 (4/08)	PM-9 (5/02)f	Rule 11. COLLECTIBLES revises the blanket coverage maximum aggregate limit to \$5,000 in lieu of \$10,000. For any of the classes of property in this rule kept in a vault or safe up to 75% of value, 'In Safe' will be indicated on the Declarations and form PM-322 , which applied to only Stamp and Coin Collections, is withdrawn. The minimum deductibles for Baseball Cards and Fine Wine are increased from \$25 to \$250.
-----	PM-10 (5/02)f	Former Rule 10. MISCELLANEOUS SCHEDULED ARTICLES is withdrawn. The types of property and respective rates for coverage are relocated to new Rule 4. GENERAL ARTICLES in the Miscellaneous Personal Article Coverages section.
-----	PM-11 (5/02)f	Former Rule 11. DEDUCTIBLE OPTIONS / CREDITS is withdrawn as this is replaced by the new deductible provisions on page MD-1.
MPM-1 (4/08)	PM-12 (1/05)f	Rule 1. PERSONAL ARTICLES ON EXHIBIT has the provision of a fully earned premium charge removed. Form PM102 is the only form used with endorsement PM101 for this coverage. Former Rule 2. THEFT OF BUILDING MATERIALS is withdrawn.

**THE CINCINNATI INSURANCE COMPANY
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RULES MEMORANDUM (page 5)**

New or Revised Page	Replaced Page	Description of Change
MPM-2 (4/08)	PM-13 (5/02)f	Rule 2. MOBILE FARM MACHINERY, LIVESTOCK, AND FARM PERSONAL PROPERTY has the attaching form PM102 indicated. 'Unscheduled' is now referred to as 'Blanket' wherever applicable in this rule. Coverage for sheep attacked by dogs or wild animals is no longer offered on a refer to Company basis. The Deductible schedule is deleted as this class of property now follows the deductible schedule on page MD-1.
-----	PM-14 (5/02)f	Former rule 4. WEDDING PRESENTS is withdrawn.
MPM-3 (4/08)	PM-15 (5/02)f	Rule 3. HOUSEHOLD PETS has the attaching form PM102 indicated. Wording 'snakebite must be lethal to the Household Pet' is added to Part 1. Snakebite . The Deductible provision is removed, deferring this class of property instead to the deductible schedule on page MD-1. A qualification is added under Section b. part D.2. for Veterinarian Care rate. It applies to the full limit of insurance and not the 25% sublimit.
MPM-4 (4/08)	PM-16 thru PM-17 (5/02)f	Rule 4. GENERAL ARTICLES replaces formerly named General Floater rule. Listed Types of Property are grouped together with their applicable rates. The previous deductible section is deleted as this rule now defers to the Deductible schedule on page MD-1.
MPM-5 (4/08)	PM-18 (5/02)f	Rule 5. PERSONAL HOME COMPUTER COVERAGE is revised to list eligible and ineligible property for this coverage, indicates the attaching form PM102 , removes the deductible section (now deferred to the Deductible schedule on page MD-1, and includes Additional Coverage provisions by indicating the option on the Declarations rather than via an endorsement (withdrawn form PM-121).
-----	PM-19 (1/05)f	Former Rule 8. TRIP TRANSIT COVERAGE is withdrawn.

SUPPORT FOR ARKANSAS PERSONAL INLAND MARINE MINIMUM PREMIUM CHANGE

1. Expenses as a Percentage of Written Premium		
A. Variable Expenses		
Commission		20.5%
Taxes		3.0%
% of General Expenses *		1.0%
Unallocated Loss Expense		5.7%
% Other Acquisitions *		0.8%
Profit		7.6%
	Total Variable Expenses=	38.7%
	B. Fixed Expenses[% of General Expenses & Other Acquisitions]	5.6%
	C. Total Expenses[1A + 1B]	44.3%
	D. Permissible Loss & LAE Ratio[100% - 1C]	55.7%
2. Average Policy Size		379
3. Average Rated Policy Size < \$100		59
4. Calculation of Necessary Minimum Premium		
P = Necessary Premium		
F = Fixed Dollar Expense[1B * #2]		21
L = Permissible Loss & LAE for Policies < \$100[1D * #3]		33
V = Variable Expense Ratio		38.7%
	P = (L + F)/(1 - V) =	88

* may vary