

SERFF Tracking Number: STAT-125303339 State: Arkansas
Filing Company: State Auto Property and Casualty Insurance Company State Tracking Number: AR-PC-07-026241
Company Tracking Number: PC-DF-2007-765
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: AR DF
Project Name/Number: AR 12 17/PC-DF-2007-765

Filing at a Glance

Company: State Auto Property and Casualty Insurance Company
Product Name: AR DF SERFF Tr Num: STAT-125303339 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: AR-PC-07-026241
Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines) Co Tr Num: PC-DF-2007-765 State Status:
Filing Type: Rate Co Status: Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Authors: Doug Griffith, Barb Wickham Disposition Date: 10/15/2007
Date Submitted: 09/27/2007 Disposition Status: Filed
Effective Date Requested (New): 12/17/2007 Effective Date (New): 12/17/2007
Effective Date Requested (Renewal): 12/17/2007 Effective Date (Renewal): 12/17/2007

General Information

Project Name: AR 12 17 Status of Filing in Domicile:
Project Number: PC-DF-2007-765 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/15/2007
State Status Changed: 09/27/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

With this filing we wish to adopt ISO's 2002 Dwelling Program. We have outlined the changes between our current program and the 2002 program. The corresponding forms have been filed under filing PC-DF-2007-764.

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 Product Name: AR DF
 Project Name/Number: AR 12 17/PC-DF-2007-765

Company and Contact

Filing Contact Information

Doug Griffith, Supervisor, State Filings doug.griffith@stateauto.com
 518 E. Broad Street (614) 917-5492 [Phone]
 Columbus, OH 43215 (614) 887-1615[FAX]

Filing Company Information

State Auto Property and Casualty Insurance CoCode: 25127 State of Domicile: Iowa
 Company
 1300 Woodland Ave Group Code: 175 Company Type: Property and Casualty
 PO Box 66150
 West Des Moines, IA 50265-0150 Group Name: State ID Number:
 (614) 464-5000 ext. [Phone] FEIN Number: 57-6010814

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance Company	\$100.00	09/27/2007	15830752

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/15/2007	10/15/2007

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	09/28/2007	09/28/2007	Barb Wickham	10/02/2007	10/15/2007

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Disposition

Disposition Date: 10/15/2007
 Effective Date (New): 12/17/2007
 Effective Date (Renewal): 12/17/2007
 Status: Filed
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
State Auto Property and Casualty Insurance Company	0.000%	\$0	1,215	\$536,973	%	%	0.000%

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TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: AR DF
Project Name/Number: AR 12 17/PC-DF-2007-765

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/28/2007
Submitted Date 09/28/2007

Respond By Date
Dear Doug Griffith,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Please specify the ISO reference numbers being adopted.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/02/2007
Submitted Date 10/15/2007

Dear Becky Harrington,

Comments:

Response 1

Comments: We are not changing our rates with this filing to reflect updated ISO loss costs. The only newly added rates in our manual are the rating factors for the Ordinance or Law coverage. These rating factors are taken from edition 5-07 of the ISO Dwelling Policy Program Manual for Arkansas.

Related Objection 1

Comment:

Please specify the ISO reference numbers being adopted.

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Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: The ISO contract is 2002. The Reference number is

Related Objection 1

Comment:

Please specify the ISO reference numbers being adopted.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Barb Wickham, Doug Griffith

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Filed 10/15/2007

Comments:

Attachment:

Transmittal AR DF Header.pdf

Satisfied -Name: Revised Manual **Review Status:** Filed 10/15/2007

Comments:

Attachment:

AR DF Revised Man Pages as of 9-13.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
State Auto Insurance Companies	175

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
State Auto Property & Casualty Insurance Company	IA	25127	57-6010814	

5. Company Tracking Number	PC-DF-2007-765
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Doug Griffith 518 E. Broad Street Columbus, OH 43215	Supervisor, State Filings	800.695.9436 (ext. 5492)	614.887.1615	doug.griffith@stateauto.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Doug Griffith		

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	01.0 Property			
10.	Sub-Type of Insurance (Sub-TOI)	01.0002 Personal Property			
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]				
12.	Company Program Title (Marketing title)	Dwelling Fire			
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
14.	Effective Date(s) Requested	New:	December 17, 2007	Renewal:	December 17, 2007
15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
16.	Reference Organization (if applicable)				
17.	Reference Organization # & Title				
18.	Company's Date of Filing	September 25, 2007			
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	PC-DF-2007-765
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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With this filing we wish to adopt ISO's 2002 Dwelling Program. We have outlined the changes between our current program and the 2002 program. The corresponding forms have been filed under filing PC-DF-2007-764.

1. Non-relative Occupant of Resident Premises Liability Rates:

We will no longer charge the \$3 annual premium for this coverage. The impact of this change will be negligible. Manual page 15 has been updated to reflect this change.

2. Coverage D – Fair Rental Value and Coverage E – Additional Living Expense:

These items have been combined into one rule and may be combined with limits for D and E, up to 20% of the Coverage A limit. Please see manual page 10.

3. Trees, Shrubs, and other Plants:

The maximum per item has been increased from \$250 to \$500.

4. Incidental Occupancies:

Coverage has been increased from \$5,000 to \$10,000. Please see manual page 5.

5. Ordinance Or Law Coverage:

Under the 2002 Program Coverage Forms DP-2 and DP-3 include Ordinance Or Law Coverage with a limit of 10% of Coverage A, while DP-1 excludes Ordinance Or Law coverage entirely.

- a. We will be offering Ordinance Or Law Coverage for DP-1, by the way of endorsement DP 04 74 (12/02) up to 75% of Coverage A. The corresponding limits and factors are provided below.

DP 04 74 Ordinance or Law Coverage DP -1	
Percentage of Coverage A	
Total Amount	Factors
10%	1.03
25%	1.08
50%	1.15
75%	1.23

- b. We will be offering Increased Amounts of Coverage A for DP-2 and DP-3, by the way of endorsement DP 04 71 (12/02), for limits up to 90%. The corresponding limits and factors are provided below.

DP 04 71 Ordinance or Law Coverage – Increased Amount of Coverage A, DP -2 and DP-3		
Increase in Amount	Total Amount	Factors
15%	25%	1.05
40%	50%	1.12
65%	75%	1.20
90%	100%	1.27

6. Unit Owners Coverage Including Modified Other Insurance and Service Agreement:

We will be introducing Unit Owners Coverage by the way of endorsement DP 17 66 and Modified Other Insurance and Service Agreement Coverage by the way of endorsement DP 17 71. Please see manual page 13 for further details and rating information.

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	PC-DF-2007-765
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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7. Billing Options:

We have revised our billing options with the following:

- Customers can now pay their premium Online via Automated Check payment or Credit Card.

8. Manual Changes:

All manual changes have been outlined in the rate/rule schedule.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
------------	---

Check #: EFT
Amount: \$100

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	PC-DF-2007-765
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Use and File
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
State Auto Property & Casualty Insurance Company		0%	0	1,215	\$536,973		

4b.	Rate Change by Company (As Accepted) For State Use Only
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	0
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7.	Effective Date of last rate revision	11-15-2006
-----------	---	------------

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	The Table of Contents has been update reflecting the following changes.	[] New [X] Replacement [] Withdrawn	
02	Pages 1-20, R1-R4 have been revised to DP0001, DP0002 and DP0003 throughout the manual.	[] New [X] Replacement [] Withdrawn	
03	Page 5, Rule 9, Added "Customers Can Pay Online/Credit Card Payments".	[] New [X] Replacement [] Withdrawn	

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	PC-DF-2007-765	
9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
04	Page 5, Rule 10, Revised the value of merchandise amount from \$5,000 to \$10,000.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05	Pages 7-19, Rule 18, Added "Coverage for Certified Terrorism Loss". This caused the other rules to be renumbered and shifted on different pages.	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
06	Page 10, Rule 20.B Added a paragraph clarifying how coverage is provided.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
07	Page 10, Rule 20.C, Coverage D – Fair Rental Value and Coverage E – Additional Living Expense has been combined in one rule. This caused the following items to be re-alphabetized and D. Improvements, Alterations has been shifted onto the following pages.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
08	Page 11, Rule 20, Added an additional paragraph to D. Improvements, Alterations and Additions.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
09	Page 11, Rule 20.E, Revised Merchandise in Storage to \$10,000.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
10	Page 11, Rule 20.F, Plants, Shrubs and Trees – added "either with or without the peril of windstorm or hail" to item 1.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
11	Page 12, Rule 20.G, Optional Coverage- Earthquake- The endorsement numbers have been updated.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
12	Page 13, Rule 20.J & L, Added Ordinance or Law Coverage and Building Items Condo Unit Owner.	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
13	Page 14, Rule 21, Added endorsement DL2404 and wording to this rule.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
14	Page 15, Rule 21.E, Optional Endorsements removed the \$3.00 premium from E.1.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
15	Page 16, Rule 21, Liability Coverages, Deleted D.4, regarding residence premises.	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn	
16	Page 19, Rule 26, Single Building Definitions, Revised wordage.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
17		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ARKANSAS
DWELLING FIRE
MANUAL

ARKANSAS DWELLING FIRE PROGRAM

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ARKANSAS DWELLING FIRE PROGRAM

1. UNDERWRITING INSTRUCTIONS

1. Underwriting Requirements

Minimum Coverage

A. Primary Residence, (All Forms)

1. Dwelling	\$35,000
2. Contents - in conjunction with Dwelling	\$ 1,000
3. Contents - without Dwelling Coverage	
a. DP0001	\$ 2,500
b. DP0002	\$ 4,000
c. DP0003	N/A

B. Secondary - Seasonal Residence (All Forms)

1. Dwelling	\$10,000
2. Contents	\$ 1,000

C. Liability Coverage

1. Comprehensive Personal Liability	
a. Liability	\$100,000
b. Medical Payments	\$ 1,000
2. Landlords Liability	
a. Liability	\$100,000
b. Medical Payments	\$ 1,000

ARKANSAS DWELLING FIRE PROGRAM

1. UNDERWRITING INSTRUCTIONS (CON'T)

2. Coverage

- a. DP0001
Coverage on Dwelling is not to exceed the Actual Cash Value.
- b. DP0002 and DP0003
If Replacement Cost Coverage is desired, Coverage must equal 80% of Replacement Cost.

If Replacement Cost Coverage is selected, Actual Cash Value must be no less than 75% of coverage written on the dwelling. If Replacement Cost Coverage is not selected, coverage on the dwelling is not to exceed the Actual Cash Value of the dwelling.

New application required for each policy.

12 month or six month term.

Photograph required with each application.

A Replacement Cost Estimator is required with each application.

Inflation Protection will be attached to all policies except when Form DP0001 is attached to the policy, or when the policy does not provide coverage on the dwelling.

Previous loss history must be satisfactory and reported on the application. ie: no more than one loss in past three years.

No isolated property.

All properties must have a telephone.

Dwelling must be located on all weather road that is accessible year round.

Farm properties are not eligible for coverage.

We require the supporting coverage of the insureds primary residence before accepting coverage for any tenant-occupied dwelling or owner-occupied seasonal residence.

Mobile Homes are not eligible for coverage.

Solid Fuel Questionnaire (FI-125) must be submitted for dwellings with a woodburning stove/solid fuel heating device. In addition, a photo of the device is required.

Homes built with Exterior Insulation and Finish System are ineligible.

Homes with aluminum wiring or knob and tube wiring are ineligible.

Company approval is required before writing more than 10 individual family units for an insured.

3. State Auto Advantages

Inflation Protection will be applied to all dwelling policies with Forms DP-0002 or DP-0003.

Theft of Building Materials Endorsement, FI-50, provides \$2,000 Coverage.

Extension of Builders Risk Credit to Contractors.

State Auto Insurance Companies

ARKANSAS DWELLING FIRE PROGRAM

1. UNDERWRITING INSTRUCTIONS (CON'T)

Liability Coverages available are follows:

Owner Occupied Dwellings - Personal Liability Endorsement, **DL2401**

2. PROCESSING INSTRUCTIONS

New policies, except in "emergency" situations, will be issued by State Auto from a completed application.

Endorsements will also be issued by the Company. A completed ACORD "Change Request" provides the information needed to endorse a policy. When indicating "Additional Coverages", if the added endorsement is a "fill-in", indicate the information in the remarks section or attach a completed endorsement.

3. AGENCY ISSUED POLICIES

Contact your Specialist in these rare cases when the policy must be delivered sooner than it can be processed by the company.

4. FORMS, COVERAGES, MINIMUM LIMITS OF LIABILITY

The dwelling policy program forms provide the following coverages listed and are subject to the minimum limits shown.

Coverages	DP0001 Basic Form	DP0002 Broad Form	DP0003 Special Form
Cov. A Dwelling	\$35,000	\$35,000	\$35,000
Cov. C Personal Property	\$2,500 w/o Cov. A	\$4,000 w/o Cov. A	**

** Contents only not available with Form DP0003.

5. PERILS INSURED AGAINST

The dwelling policy program forms provide coverage for loss by the perils listed.

Perils Insured Against	DP0001 Basic Form	DP0002 Broad Form	DP0003 Special Form
Fire or Lightning, Internal Explosion	Yes	Yes	Yes
Extended Coverage: Windstorm or Hail; Explosion, Riot, or Civil Commotion, Aircraft, Vehicles or Smoke	Optional	Yes	Yes
Vandalism or Malicious Mischief	Optional	Yes	Yes
Breakage of glass, Burglars, Falling objects, Weight of ice, snow or sleet, Collapse of buildings. Accidental discharge of water or steam. Sudden cracking of a steam or hot water system, Freezing, Sudden damage from artificial electric currents.	No	Yes	Yes
All Risks with certain exclusions			Yes Cov. A only

ARKANSAS DWELLING FIRE PROGRAM

6. ELIGIBILITY

A Dwelling Policy may be issued to provide insurance under:

A. Coverage A Dwelling - on a dwelling building:

1. Used solely for residential purposes except that certain incidental occupancies or up to 5 roomers or boarders are permitted;
2. Containing not more than 4 apartments; and
3. Which may be in a townhouse or row house structure; or
4. In course of construction.

B. Coverage B - Other Structures:

1. At the same location as the dwelling eligible for insurance under Coverage A;
2. Not used for business purposes except a permitted incidental occupancy or rented for use as a private garage;
3. At a separate location when used in connection with the insured location but not for business purposes.

Note: It is permissible to extend the Dwelling Policy without additional premium charge to cover the interest of a non-occupant joint owner in the building.
Use endorsement **DP0441** - Additional Insured

C. Coverage C - Personal Property in:

1. A dwelling eligible under Coverage A; or
2. A dwelling with rental apartments including furnishings, equipment and appliances in hall or utility rooms; or
3. Any apartment or condominium unit used as private living quarters of the insured or rented to others furnished.

D. Coverage D - Fair Rental Value -

For the loss of the fair rental value of a building, eligible for insurance under Coverage A or Coverage B while uninhabitable as a result of a property loss caused by a peril insured against.

E. Coverage E - Additional Living Expense -

For the additional living expenses incurred to maintain the insured's household as a result of property loss caused by a peril insured against.

Note: Apartment means one or more rooms on one or more floors designed for occupancy by one family for dwelling purposes.

7. MANDATORY COVERAGES

A. Inflation Protection

Mandatory for all Broad Form (DP0002) and Special Form (DP0003) policies with building coverage. This coverage provides, without charge, automatic increases in building coverage at renewal.

ARKANSAS DWELLING FIRE PROGRAM

7. MANDATORY COVERAGES (CON'T)

B. Special State Requirements

Endorsement **DP0103**, Special Provisions (All Forms), shall be attached to all Dwelling Policies.

8. DEDUCTIBLES

For available deductible amounts and options, refer to Credits and Charges Rule of this manual.

9. POLICY PERIOD/PAYMENT OPTION

- A. The dwelling policy may be written for a period of:
1. 6 months or
 2. 12 months
 3. The E-Pay Option will be available on full pay plans.

B. Electronic Funds Transfers ("E-Pay")

An option available to insureds is to have their payment automatically transferred, on a monthly basis, from their checking account to State Auto electronically. The insured has the option of choosing the date they would like the deduction to take place. The insured will be notified by the company of the initial monthly amount of premium to be transferred, as well as any changes to that amount of one dollar (\$1.00) or more.

This option is available for new and existing business. Once State Auto receives the enrollment form, the insured's policy will be set up for the electronic funds transfer. This option is not available on premium financed policies.

- .. C. **Customers Can Pay Online / Credit Card Payments.** Direct bill customers can now make premium payments online at www.stateauto.com. After selecting the option to "Pay Your Policy" customers can make a one-time payment without enrolling in the system or they can enroll in our "Pay Now" program where personal and payment type information is stored to facilitate and expedite future payments. Whether direct bill customers are making a one-time online payment or are enrolled in our "Pay Now" program, they can opt to pay through use of an automated check (ACH payment) or can make payment using a VISA™ or MasterCard™ credit or "pin-less" debit card. Credit card and "pin-less" debit card payments are accepted for all transactions with the exception of the initial downpayment on a policy.

- D. Service Charge - A \$20 non-sufficient fund fee will be charged.

10. INCIDENTAL OCCUPANCIES

One of the following incidental occupancies is permitted in a premises eligible for coverage under a dwelling policy if;

1. The policy provides insurance under Coverage A, B or C.
 2. The incidental occupancy is operated by the insured who is the owner or a resident of the premises.
 3. There are not more than two persons at work in the incidental occupancy.
- A. Office, Schools or studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.
- B. Small service occupancies meaning occupancies primarily for service rather than sales for example, barber or beauty shop, tailor or dressmaker, telephone exchanges or shoe repair shops using handwork only.
- .. Storage of merchandise is permitted if the value of the merchandise does not exceed \$10,000.

Note: Coverage on contents of incidental occupancies written in the same policy providing Insurance under Coverage A, B or C must be covered as a separate item.

Use endorsement **DP0420** - Permitted Incidental Occupancies

ARKANSAS DWELLING FIRE PROGRAM

11. CANCELLATIONS OR REDUCTIONS

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

12. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Program shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. When an existing Dwelling Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.
- D. The forms and endorsements in effect on the effective date of the revision are to be used with the revised premiums or rates except on existing policies when the limits of liability are increased.

13. MULTIPLE LOCATIONS

A dwelling policy may be issued to provide insurance at up to four described location in the same state provided:

- A. The same DP form and deductible applies at each location;
- B. A separate policy declaration page will be issued for each location.

14. MULTIPLE POLICIES

Separate Dwelling policies may be issued by one or more companies to provide insurance under the same coverages at the same location to a maximum of 4.

Refer to Additional Rating Provisions for the Multiple Policies Procedure.

15. TRANSFER OR ASSIGNMENT

Subject to all rules of this manual, a Dwelling Policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

16. OTHER COVERAGES

For available coverages and perils other than provided by the DP forms, refer to the State Rules.

17. SIX MONTH TERM POLICY CALCULATION

- A. Calculate basic premium
- B. Apply credits for deductible, dwelling under construction and additional charges to reach annual premium.
- C. Multiply annual premium x .50.
- D. Apply protective device to credit to the six month term.

ARKANSAS DWELLING FIRE PROGRAM

...18. COVERAGE FOR CERTIFIED TERRORISM LOSS

- A. The "Terrorism Risk Insurance Act" (TRIA) and accompanying regulations establish a program with the department of the Treasury in which the Federal Government shares the risk of loss from terrorist attacks with the insurance industry. All insurers providing commercial property and casualty insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Under the Dwelling Policy Program, 1-4 family dwelling owned for the purpose of generating income for the property owner would be considered commercial exposures for the purposes of this act and hence eligible for participation in the program.
- B. Under this program, Federal Participation is triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism, committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for:
1. Losses that occur through December 31, 2006, 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention;
 2. Losses that occur on or after January 1, 2007 through December 31, 2007, 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention; and
 3. Losses that occur on or after January 1, 2008, the applicable percentage of such insured losses that exceeds the applicable insurer retention if the federal program is in effect beyond 2007.

The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses.

- C. If an exposure is subject to the Terrorism Risk Insurance Act, an insurer must extend coverage to insureds for losses caused by certified acts of Terrorism. The insurer must disclose to the policy holder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy.
- D. All dwelling policies are issued with coverage provided for certified acts of terrorism (subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard). However, the program would only be available to policies that cover 1-4 family dwellings owned for the purpose of generating income for the property owner. Form **DF2075** Cap on Losses from Certified Terrorism Loss will be attached to all dwelling policies along with Policyholder Disclosure Notice of Terrorism Insurance Coverage, **DF2534**. This notice provides information about TRIA, as well as providing the policyholder the election to reject "certified acts of terrorism" coverage.
- E. If the insured rejects coverage for "certified acts of terrorism", coverage is excluded for losses arising out of "certified acts of terrorism". The policy would be re-issued adding endorsement **DF2076**, Exclusion of Certified Acts of Terrorism and removing **DF2075**, Cap on Losses from Certified Terrorism Loss.
- F. The Terrorism Risk Insurance Act will sunset on or about December 31, 2007, unless extended by the federal government. Policies will be renewed while the federal program is still in effect, but prior to a decision by the federal government on the extension of the federal Program. Therefore, all dwelling policies have been endorsed with **DF2077**, titled "Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act). The Provisions of **DF2077** will become applicable commencing on the date when certain conditions occur as outlined in the endorsement.

ARKANSAS DWELLING FIRE PROGRAM

19. CREDITS AND CHARGES TO THE BASIC PREMIUM

A. Townhouse or Row House - All Forms

Determine the total number of individual family units within a fire division. For example, a 2 family dwelling attached to a 1 family dwelling is considered 3 individual family units within a fire division if both dwellings are not separated by a fire wall. Four attached 2 family dwellings are considered 8 individual family units within a fire division if they are not separated by fire walls.

1. A dwelling policy may be issued for:
 - Coverage A when the dwelling contains 1, 2, 3 or 4 individual family units within a fire division.
 - Coverage C in a dwelling with 1 or more individual family units within a fire division.

Refer to the commercial lines manual for building coverage when it contains 5 or more individual family units within a fire division.

Premium No. of Individual Family Units	Use Cov A or C Base Premium for
1,2,3 or 4 5 or more (Contents only)	1,2,3 or 4 families 5 or more families

B. Superior Construction - All Forms

Refer to the construction definition page in this manual for details.

Premium -

Multiply the Masonry FIRE BASE PREMIUM by the appropriate factor noted below:

Fire Resistive, Masonry
Non-Combustible and .50

C. Coverage C - Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates

Refer to Commercial Department for proper forms and rates.

D. Deductibles - All Forms

All dwelling policies are subject to a deductible that applies to loss from all perils covered, except liability endorsements, under the policy on an occurrence basis.

When a separate deductible amount applies to a certain peril such as Windstorm or Hail, also enter that deductible amount and peril on the dwelling application.

1. \$250 Deductible, this is the base deductible amount
2. Optional Deductibles -
\$100, \$500, \$1,000, \$2,500 or \$5,000 Deductibles

Multiply the BASE PREMIUM by the following factors:

	\$100	\$500	\$1,000	\$2,500	\$5,000
All Forms	1.11	0.89	0.80	0.69	0.58

ARKANSAS DWELLING FIRE PROGRAM

19. CREDITS AND CHARGES TO THE BASIC PREMIUM (CON'T)

E. Dwelling Under Construction - All Forms

1. Named Insured is the Intended Occupant

A builder (contractor) may be designated as an additional insured. Pro rata cancellation permitted upon completion of the dwelling.

The policy premium shall be 65% of the completed building premium. (Coverage A only)

Use endorsement **DP1143** - Dwelling Under Construction.

2. Named Insured is not the Intended Occupant

Dwellings in the course of construction may be insured using the Dwelling Under Construction Endorsement. Pro rata cancellation is permitted upon completion of the dwelling.

The policy premium shall be 65% of the completed building premium. (Coverage A only)

For other exposures, refer to the Commercial Lines Manual.

Use endorsement **DP1143** - Dwelling Under Construction.

3. Theft of Building Materials - Forms DP0002 and DP0003

Theft coverage for building materials, installed or not installed, for a one or two family dwelling, may be provided by attaching Theft of Building Materials Endorsement. The amount of coverage is \$2,000.

The premium shall be \$35 annually per dwelling structure.

Use endorsement **FI-50** - Theft of Building Materials.

F. Protective Devices - All Forms

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a premium credit - developed by applying the selected factors to the base policy premium.

	Credits	
	Dwelling	Contents
1. Central Station Reporting Fire Alarm	-10%	-5%
2. Fire Department Reporting Fire Alarm	-10%	-5%
3. Local Fire Alarm	-5%	-3%
4. Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	-15%	-10%
5. Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	-5%	-3%
6. Smoke Detectors	-2%	-2%

Maximum policy credit allowed is 15%.

Use endorsement **DP0470** - Premises Alarm or Fire Protection System

ARKANSAS DWELLING FIRE PROGRAM

19. CREDITS AND CHARGES TO THE BASIC PREMIUM (CON'T)

G. Loss Experience Rating

The Loss Experience Rating incorporates the number of losses with the length of time the insured has been with the Company. A loss experience surcharge will apply to all programs based on a rolling three (3) year experience period as follows:

Number of Losses in the Last Three Years	0-9 years with State Auto	10 Plus Years with State Auto
1	+15%	0%
2 or more	+40%	+25%

The loss experience surcharge will apply to all programs on a rolling three-year experience period. The surcharge only applies to losses for which any company has a paid and reserved amount in excess of \$500. The surcharge applies to all losses with the exception of catastrophe and weather related losses.

Apply the applicable percentage to the rate shown in the rate pages based on the number of losses the insured has had in the past three years.

20. OPTIONAL COVERAGES

A. Vandalism & Malicious Mischief - Form DP0001 Only

To provide vandalism & malicious mischief coverage apply the rates listed per each \$1,000 of coverage.

Seasonal & Not Vacant	Vacant	Builders Risk	All Other
\$.54	\$8.82	\$.11	\$.11

B. Coverage B - Other Structures - All Forms

☛ Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A amount. Use of this option reduces the Coverage A limit for the same loss under form DP 00 01. This limit is additional insurance under forms DP 00 02 and DP 00 03.

Coverage may be provided for specific structures as a specific item for an additional premium.

1. Other Structures written on the same policy with dwelling coverage - To determine the premium, use the same territory, protection class, and construction as the dwelling. See Rate Table A for applicable rates.
2. Other Structures written on a policy without the dwelling coverage - When the policy does not include the dwelling or the structures has permitted business occupancy, the rate shall be; the rate for a 1 family dwelling for the territory, protection class and construction applying to the structure. (Owner Occupied). See Dwelling Policy Premium page for applicable premiums.
3. Structures Rented to Others for dwelling purposes shall be covered and rated as separate dwellings. (Tenant Occupied) See Dwelling Premium pages for the applicable premium.

☛ C. COVERAGE D - FAIR RENTAL VALUE and COVERAGE E – ADDITIONAL LIVING EXPENSE

1. Form DP 00 01

Coverage D – up to 20% of the Coverage A limit is available. Use of this option reduces the Coverage A limit for the same loss. The amount recoverable each month is limited to a fraction of the total rental value amount insured under the policy. This fraction is equal to one divided by the number of months the dwelling is rented per year.

To increase coverage, see rate table A.

Coverage E – not automatically included in form.

Coverage may be added. No more than 25% of the limit is recoverable in any one month. See rate table A and attach Endorsement **DP 0414** – Additional Living Expense.

2. Form DP 00 02 or DP 00 03

Coverage D and E combined – up to 20% of the Coverage A limit is available for Coverage D and Coverage E combined as additional insured.

Coverage may be added. No more than 25% of the limit is recoverable in any one month. See rate table A and attach Endorsement **DP 04 14** – Additional Living Expenses.

State Auto Insurance Companies

ARKANSAS DWELLING FIRE PROGRAM

20. OPTIONAL COVERAGES (CONT')

D. Improvements, Alterations & Additions - All Forms

Improvements, alterations and additions may be increased for a tenant or condominium unit owner. See Rate Table B.

☛...For DP 00 01, use of the 10% of the Coverage C limit reduces that limit for the same loss. Forms DP 00 02 and DP 00 03 provide the 10% limit as additional insurance.

Use Endorsement **DP0431** - Improvements, Alterations and Additions.

E. Merchandise In Storage - All Forms

☛...Coverage for merchandise in storage may be added up to a maximum limit of \$10,000.

To develop the premium:

1. Determine the rate from Rate Table B.
2. Multiply times the amount of coverage per \$1,000.

Use Endorsement **DP0420** - Permitted Incidental Occupancy

☛..F. Plants, Shrubs and Trees

1. Form DP0001-
To provide coverage for plants, shrubs and trees either with or without the peril of windstorm or hail.

Use Endorsement **DP0417** - Plants, Shrubs and Trees

2. Form DP0002 & DP0003 -
Up to 5% of the Coverage A limit is available in the basic form (subject to a \$500 per item maximum) for all perils except Windstorm or Hail.

See Rate Table A

- ☛.. 3. Windstorm or Hail Coverage -
To provide wind or hail coverage up to 5% of Coverage A (subject to a \$500 per item maximum), for plants, shrubs or trees, the additional premium shall be:

DP0001 \$45 per \$1,000 times the amount selected.

DP0002 or \$45 per \$1,000 times the amount equal to 5% of the Coverage A limit
DP0003 equal to 5% of the Coverage A limit.

Use Endorsement **DP0418** - Windstorm and Hail

☛..G. Earthquake - All Forms

When earthquake or volcanic eruption is provided, coverage shall apply for the coverages and limits that apply to the peril of fire.

Coverage can only be added at policy inception or renewal date.

A deductible equal to 5% of limit of liability subject to an overall minimum of \$250 shall apply.

The premium is fully earned upon adding coverage to the policy.

The following rate per \$1,000 shall apply:

	Territory 1	Territory 2
Masonry Frame	\$.54	\$.41
	\$.41	\$.27

State Auto Insurance Companies

ARKANSAS DWELLING FIRE PROGRAM

20. OPTIONAL COVERAGES (CON'T)

Territory 1 - Baxter, Clay, Craighead, Crittendon, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp.

Territory 2 - Remainder of State

Use Endorsement **DF0469** - Earthquake

Use Endorsement **FI-163** - Earthquake Coverage Amendment (all construction types).

H. Windstorm or Hail - Awnings, Signs, Outdoor Radio And Television Equipment - All Forms

Windstorm or Hail is not provided for:

- Awnings, Signs and Outdoor Radio & Television equipment in Forms DP0001 or DP0002.
- Outdoor Radio & Television Equipment in Form DP0003.

To provide coverage, the **additional premium is \$45** per \$1,000

Use Endorsement **DP0419** – Windstorm or Hail, Radio and Televisions Antennas, Awnings, Canopies and Signs

I. Condition Charges - All forms

Apply when building or addition has metal stovepipes, plain tile, terra cotta, brick-on-edge, concrete, or concrete block flue less than 4 inches in thickness, through combustible floors, ceilings, partitions, windows, roof, or side of building.

To figure Premium -

1. The Fire BASE PREMIUM for each dwelling building or addition, plus
2. **\$2.40 per \$1,000** of insurance.

Note: No change should be made for type "B" vent pipes from domestic appliances using artificial or natural gas or for flues or vent pipes described above from domestic type gas burning appliances with approved down-draft diverters.

Note: A type "B" vent is one listed by Underwriters' Laboratories as approved with domestic type appliances.

ARKANSAS DWELLING FIRE PROGRAM

20. OPTIONAL COVERAGES (CON'T)

J. ORDINANCE OR LAW COVERAGE - DP0001, 2 or 3

DP0001 - For a described location which includes Coverage A, determine the fire and EC premium by multiplying the base premium by the appropriate factor:

Percentage of Coverage A	
Total Amount	Factors
10%	1.03
25%	1.08
50%	1.15
75%	1.23

Use Endorsement **DP 04 74** – Ordinance or Law Coverage (DP 00 01 only)

DP0002 and DP0003 – A limited amount of coverage is automatically included at each described location to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. This amount is equal to 10% of the limit of liability that applies to:

1. Coverage A or Unit-Owners Building items if the insured is an owner of a described location; or
2. Coverage B if the insured is an owner of a Described location which is not insured for Coverage A or Unit-Owner Building Items; or
3. Improvements, Alterations and Additions if the insured is a tenant of a described location.

To determine the premium for a location which includes Coverage A, multiply the base premium by the appropriate factor:

Increase in Amount	Total Amount	Factors
15%	25%	1.05
40%	50%	1.12
65%	75%	1.20
90%	100%	1.27

L. BUILDING ITEMS CONDO UNIT-OWNER – DP0001, DP0002 or DP0003

Named Perils is available for an additional premium.

1. Unit-Owners Coverage Including Standard Other Insurance and Service Agreement

Building items are not covered in the forms and Named Perils or Special Coverage is available for an additional premium. See Rate Table A for applicable rates.

Use Endorsement **DP 17 66** – Unit-Owners Coverage

2. Unit-Owners Coverage Including Modified Other Insurance and Service Agreement

Unit-Owners Coverage Endorsement, DP 17 66, provides that if there is other insurance in the name of a corporation or association of property owners covering the same property, payment for a covered loss will be excess over the amount recoverable. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit-owner under DP 17 66.

- a. The policy may be endorsed to modify the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.
- b. To determine the rate, multiply the premium developed in A. above by 1.25.

Use Endorsement **DP 17 71** – Unit-Owners Coverage – Modified Other Insurance and Service Agreement Condition

ARKANSAS DWELLING FIRE PROGRAM

21. LIABILITY COVERAGES

Minimum limits for liability and medical payments are \$50,000 Coverage E and \$500 Coverage F.

A. Landlords Liability -

Use only when the dwellings covered on the policy are non-owner occupied.

B. Comprehensive Personal Liability - Non-Owner Occupied -

Use only when a non-owner occupied dwelling is written on the same policy with the owner occupied dwelling.

21. LIABILITY COVERAGES (CON'T)

The following premiums apply per location:

1 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$12		\$500	\$1
\$100,000	\$14		\$1,000	\$2
\$200,000	\$16		\$2,000	\$3
\$300,000	\$18		\$3,000	\$4
\$400,000	\$19		\$4,000	\$5
\$500,000	\$20		\$5,000	\$6
2 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$21		\$500	\$1
\$100,000	\$24		\$1,000	\$2
\$200,000	\$28		\$2,000	\$3
\$300,000	\$30		\$3,000	\$4
\$400,000	\$32		\$4,000	\$5
\$500,000	\$33		\$5,000	\$6
3 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$45		\$500	\$2
\$100,000	\$50		\$1,000	\$3
\$200,000	\$58		\$2,000	\$4
\$300,000	\$63		\$3,000	\$5
\$400,000	\$66		\$4,000	\$6
\$500,000	\$69		\$5,000	\$7
4 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$45		\$500	\$2
\$100,000	\$50		\$1,000	\$3
\$200,000	\$58		\$2,000	\$4
\$300,000	\$63		\$3,000	\$5
\$400,000	\$66		\$4,000	\$6
\$500,000	\$69		\$5,000	\$7

Use Endorsement **DL2404** – Additional Residence Rented to Others is attached when the owner's primary residence is also insured by State Auto.

Use Endorsement **DL2401** - Personal Liability

ARKANSAS DWELLING FIRE PROGRAM

21. LIABILITY COVERAGES (CON'T)

C. Comprehensive Personal Liability - Owner Occupied

Use only when owner occupied dwelling is written on the policy.

1 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$16		\$500	\$1
\$100,000	\$19		\$1,000	\$2
\$200,000	\$22		\$2,000	\$4
\$300,000	\$24		\$3,000	\$6
\$400,000	\$25		\$4,000	\$8
\$500,000	\$26		\$5,000	\$10
2 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$29		\$500	\$3
\$100,000	\$33		\$1,000	\$4
\$200,000	\$39		\$2,000	\$6
\$300,000	\$42		\$3,000	\$8
\$400,000	\$44		\$4,000	\$10
\$500,000	\$46		\$5,000	\$12
3 & 4 FAMILY - ENTIRE STATE				
Limits of Liability	All Terr.		Medical Payments	All Terr.
\$50,000	\$32		\$500	\$3
\$100,000	\$36		\$1,000	\$4
\$200,000	\$42		\$2,000	\$6
\$300,000	\$46		\$3,000	\$8
\$400,000	\$48		\$4,000	\$10
\$500,000	\$50		\$5,000	\$12

Use Endorsement **DL2401** - Personal Liability

D. Mandatory Endorsements

When Personal Liability Endorsement **DL2401** is attached, the following mandatory endorsement will also be attached:

DL2503 - Special Provisions Endorsement - Arkansas

E. Optional Endorsements

These options apply to the Personal Liability Endorsement only:

- **1. Non-Relative Occupant of Resident Premises** - To extend coverage to non-relative occupant of the residence premises.
 Coverage may be extended to cover additional insureds, but only with respect to the insured location. Any additional insured is a person or organization with interest in the insured location or a joint owner who does not occupy the insured location. No additional charge is required.

Use Endorsement **DL2410** – Additional Insured Liability

- 2. Child or Parent Occupant of Additional Residences** - When a child or parent is the occupant of an additional residence on the policy, you may extend liability coverage. The premium will be the rates that apply for an owner occupant of the dwelling.

Use Endorsement **DI 2410** - Additional Insured Liability.

ARKANSAS DWELLING FIRE PROGRAM

21 LIABILITY COVERAGES (CON'T)

- 3. Additional Insured - Non-Owner Occupant** - A person or organization with interest in the insured location or a joint owner who does not occupy the insured location may be covered for premises liability.

Use Endorsement **DL2410** - Additional Insured Residence Premises

22. ADDITIONAL RATING PROVISIONS

A. Minimum Premium

1. Prepaid policies: A minimum of not less than \$50 must be charged for each policy.
2. The \$50 minimum premium may include all chargeable endorsements or coverages for Fire and Allied Lines if attached at inception of the policy. When such endorsement or coverages are attached after inception of the policy, the charge for each shall apply in accordance with the minimum premium rule for the endorsement.

B. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements 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 the return premium may be carried to the next higher whole dollar.

C. Interpolation

If the desired limit of liability is less than the highest limit shown, interpolate Key Factors shown for the nearest limit above and below the desired limit.

For example, for a policy with \$25,500 limit of liability, the nearest limits are \$25,000 and \$26,000.

STEPS	PROCEDURE	EXAMPLE		
1.	Find the Key Factors for the limits noted above.	Limits	Factor	
		\$26,000	1.33	- higher limit
		\$25,000	1.30	- smaller limit
2.	Subtract the small limit from the desired limit. This is the additional amount	\$25,500		- desired limit
		-25,000		- smaller limit
		\$ 500		- additional limit
3.	Subtract the smaller limit from the higher limit. This is the amount difference.	\$26,000		- higher limit
		-25,000		- higher limit
		\$ 1,000		- amount differ.
4.	Subtract the Key Factor for the smaller limit from the Key Factor for the higher limit. This is the Factor difference.		1.33	- higher limit factor
			1.30	- smaller limit factor
			.03	- Factor Difference
5.	Determine the Factor for the additional amount by the following formula: add'l amt X Factor Diff. = Factor amt. diff. for add'l amt	\$1,000	\$500 x .03 = 0.15 (02)	Key Factor for add'l amt.
6.	Add the Factor for the add'l amount to the Factor for the smaller limit to obtain the Key Factor for the desired limit.		1.30	- smaller limit factor
			+.02	- add'l amt factor
			1.32	- Key factor for desired limit

ARKANSAS DWELLING FIRE PROGRAM

22. ADDITIONAL RATING PROVISIONS (CON'T)

D. Coverage Limits Greater Than \$50,000

If the desired limit of liability is greater than \$50,000, calculate the desired premium by using the Key Factors for the limits of \$50,000 and each additional \$10,000.

For example, for a policy with \$56,400 limit of liability, the calculations would be as follows:

STEPS	PROCEDURE	EXAMPLE																
1.	Find the Key Factors for the highest limit and for each add'l \$10,000 limit.	<table style="border: none;"> <tr> <td style="padding-right: 20px;">Limits</td> <td>Factor</td> <td></td> </tr> <tr> <td>\$50,000</td> <td>1.490</td> <td>- higher limit</td> </tr> <tr> <td>ea.</td> <td>0.16</td> <td>- ea. add'l. \$10,000</td> </tr> <tr> <td>add'l.</td> <td></td> <td></td> </tr> <tr> <td>10,000</td> <td></td> <td></td> </tr> </table>	Limits	Factor		\$50,000	1.490	- higher limit	ea.	0.16	- ea. add'l. \$10,000	add'l.			10,000			
Limits	Factor																	
\$50,000	1.490	- higher limit																
ea.	0.16	- ea. add'l. \$10,000																
add'l.																		
10,000																		
2.	Find the Key Premium for the desired form, # of family, construction, and protection class.	\$72	- Key Premium															
3.	Subtract the highest limit from the desired limit. This is the add'l. amount.	<table style="border: none;"> <tr> <td>\$56,400</td> <td>- desired limit</td> </tr> <tr> <td><u>-50,000</u></td> <td>- highest limit</td> </tr> <tr> <td>\$ 6,400</td> <td>- add'l. amount</td> </tr> </table>	\$56,400	- desired limit	<u>-50,000</u>	- highest limit	\$ 6,400	- add'l. amount										
\$56,400	- desired limit																	
<u>-50,000</u>	- highest limit																	
\$ 6,400	- add'l. amount																	
4.	Multiply Key Premium X Key Factor for highest limit.	<table style="border: none;"> <tr> <td>\$72 x 1.490 =</td> <td>prem. for \$50,000</td> </tr> <tr> <td>\$107.28</td> <td>of cov.</td> </tr> <tr> <td></td> <td>- round to 2 decimals</td> </tr> </table>	\$72 x 1.490 =	prem. for \$50,000	\$107.28	of cov.		- round to 2 decimals										
\$72 x 1.490 =	prem. for \$50,000																	
\$107.28	of cov.																	
	- round to 2 decimals																	
5.	Multiply Key Premium X Ea. Add'l Key Factor.	<table style="border: none;"> <tr> <td>\$72 x 0.16 =</td> <td>prem. for ea. add'l.</td> </tr> <tr> <td>\$11.52</td> <td>\$10,000 round to 2</td> </tr> <tr> <td></td> <td>decimals.</td> </tr> </table>	\$72 x 0.16 =	prem. for ea. add'l.	\$11.52	\$10,000 round to 2		decimals.										
\$72 x 0.16 =	prem. for ea. add'l.																	
\$11.52	\$10,000 round to 2																	
	decimals.																	
6.	Multiply Add'l. Amt. X .001.	<table style="border: none;"> <tr> <td>6,400 x .001 =</td> <td>- factor for add'l</td> </tr> <tr> <td>.640</td> <td>\$10,000 of ins.</td> </tr> </table>	6,400 x .001 =	- factor for add'l	.640	\$10,000 of ins.												
6,400 x .001 =	- factor for add'l																	
.640	\$10,000 of ins.																	
7.	Multiply prem. for ea. add'l. \$10,000 X factor for ea. add'l. \$10,000 of Ins.	<table style="border: none;"> <tr> <td>\$11.52 x .640 =</td> <td>- Add'l. Prem.</td> </tr> <tr> <td>\$7.37</td> <td></td> </tr> </table>	\$11.52 x .640 =	- Add'l. Prem.	\$7.37													
\$11.52 x .640 =	- Add'l. Prem.																	
\$7.37																		
8.	Premium for \$50,000 of Cov. + Add'l. Prem.	<table style="border: none;"> <tr> <td>\$107.28 + \$7.37</td> <td>- Total Premium.</td> </tr> <tr> <td>= 114.65</td> <td>\$110 round to whole</td> </tr> <tr> <td></td> <td>dollar.</td> </tr> </table>	\$107.28 + \$7.37	- Total Premium.	= 114.65	\$110 round to whole		dollar.										
\$107.28 + \$7.37	- Total Premium.																	
= 114.65	\$110 round to whole																	
	dollar.																	

ARKANSAS DWELLING FIRE PROGRAM

23. CONSTRUCTION DEFINITIONS

A. Frame

Exterior walls of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports.

Aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior wall of combustible construction veneered with brick or stone shall be classified as masonry.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roofs of combustible construction (Disregarding floors resting directly on the ground.)

D. Mixed (Masonry/Frame)

A dwelling with additions (other than open porches), sections, or exterior walls of frame construction shall be classed as frame construction when the wall area of frame construction exceeds 33 1/3% of the total wall area.

24. SUPERIOR CONSTRUCTION DEFINITIONS

A. Non-Combustible

Exterior walls and floors and roof constructed of and supported by metal, asbestos, gypsum, or other non-combustible materials.

B. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Masonry Construction) and floors and roof of metal or other non-combustible materials.

C. Fire Resistive

Dwelling with walls, floors and roof constructed entirely of masonry or other fire resistive materials with Fire Resistive rating of not less than one hour.

See Fire Resistive Rating Credits.

25. SEASONAL DWELLING DEFINITIONS

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

ARKANSAS DWELLING FIRE PROGRAM

26. SINGLE BUILDING DEFINITIONS

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

Buildings which are separated by space shall be considered separate buildings.

Buildings or sections of buildings which are separated by an 8 inch masonry party wall which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

27. PROTECTION CLASS

The protection class listings in the Public Protection Classifications Manual apply to risks insured under Dwelling Fire Policies. If protection class 8B rate as 9.

Protection Classification Codes

Protection Class

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8 and 8B
- 9
- 10

ARKANSAS DWELLING FIRE PROGRAM

28. RATING STEPS

A. Fire - Building And Contents

Step 1 -

Select the pre-deviated Key Premium (ISO Key Premium x Company Deviation .90) for the territory, protection class, construction and number of families.

Step 2 -

If Construction is Fire Resistive, apply the credit to the premium from Step 1, and round to whole dollars.

B. Extended Coverage - Building And Contents

Step 1 -

Select the pre-deviated Key Premium (ISO Key Premium x Company Deviation .90) for the territory.

Multiply the Key Premium by the Key Factor for the coverage requested and round to whole dollars.

Step 2 -

Broad and/or Special Coverage (DP0002 or DP0003)

Non - Seasonal

Select the pre-deviated DP0002/3 Key Premium (ISO DP0001 Key Premium x Company Deviation .90 x form relativity) for the territory.

Multiply this DP0002/3 Key Premium by the Key Factor for the coverage requested and round to whole dollars.

Seasonal

Select the pre-deviated DP0001 E.C. Key Premium (SO DP0001 Key Premium x Company Deviation .90) for the territory.

Apply the DP0002/3 seasonal factors and round to the closest dollar.

Multiply this DP0002/3 Key Premium by the Key Factor for the coverage requested and round to whole dollars.

ARKANSAS DWELLING FIRE PROGRAM

A. KEY PREMIUMS - FIRE

Coverage A - Dwelling

Coverage C - Personal Property

1. Select the Key Premium that applies for:
 - a. Tenant Occupied;
 - b. Territory;
 - c. Protection Class;
 - d. Construction;
 - e. Number of Families;
 - f. Coverage A or C;
2. Select the Key Factor for the limit of liability.
3. **KEY PREMIUM** times **KEY FACTOR** equals Base Premium for Base Deductible.
4. See Rating Steps.

KEY FACTORS

LIMIT OF LIAB.	COV. A	COV. C
\$1,000	.310	.35
2,000	.346	.48
3,000	.382	.61
4,000	.419	.74
5,000	.455	.87
6,000	.491	1.00
7,000	.528	1.13
8,000	.564	1.26
9,000	.600	1.39
10,000	.637	1.52
11,000	.673	1.65
12,000	.709	1.78
13,000	.746	1.91
14,000	.782	2.04
15,000	.818	2.17
16,000	.855	2.30
17,000	.891	2.43
18,000	.927	2.56
19,000	.964	2.69
20,000	1.000	2.82
21,000	1.016	2.95
22,000	1.033	3.08
23,000	1.049	3.21
24,000	1.065	3.34
25,000	1.082	3.47
26,000	1.098	3.60
27,000	1.098	3.73
28,000	1.131	3.86
29,000	1.147	3.99
30,000	1.163	4.12
31,000	1.180	4.25
32,000	1.196	4.38
33,000	1.212	4.51
34,000	1.229	4.64
35,000	1.245	4.77
36,000	1.261	4.90
37,000	1.278	5.03
38,000	1.294	5.16
39,000	1.310	5.29
40,000	1.327	5.42
41,000	1.343	5.55
42,000	1.359	5.68
43,000	1.376	5.81
44,000	1.392	5.94
45,000	1.408	6.07
46,000	1.425	6.20
47,000	1.441	6.33
48,000	1.457	6.46
49,000	1.474	6.59
50,000	1.490	6.72
Each Add'l		
\$10,000	0.16	1.30

COVERAGES A - FORMS DP0001, DP0002 & DP0003

OWNER OCCUPIED

Ter	No. of Fam	PROTECTION CLASSES								
		Con	1-3	4	5	6	7	8	8b or 9	10
30-33	1	M	72	74	86	108	165	189	213	293
		F	96	97	108	128	186	234	338	444
	2	M	79	81	95	119	182	208	234	322
		F	106	107	119	141	205	257	372	488
	3-4	M	115	118	138	173	264	302	341	469
		F	154	155	173	205	298	374	541	710

TENANT OCCUPIED

Terr.	No. of Fam	PROTECTION CLASSES								
		Co n.	1-3	4	5	6	7	8	8b or 9	10
30 - 33	1	M	90	93	108	135	206	236	266	366
		F	120	121	135	160	233	293	423	555
	2	M	99	102	119	149	227	260	293	403
		F	132	133	149	176	256	322	465	611
	3-4	M	144	149	173	216	330	378	426	586
		F	192	194	216	256	373	469	677	888

COVERAGES C - FORMS DP0001, DP0002 & DP0003

OWNER & TEN. OCCUPIED

Terr	No. of Fam	PROTECTION CLASSES								
		Con	1-3	4	5	6	7	8	8b or 9	10
30 - 33	1-2	M	21	21	22	25	34	36	43	55
		F	28	28	28	33	40	48	62	78
	3 & over	M	27	27	29	33	44	47	56	72
		F	36	36	36	43	52	62	81	101

ARKANSAS DWELLING FIRE PROGRAM

KEY PREMIUMS - EXTENDED COVERAGE

Coverage A - Dwelling
Coverage C - Personal Property

1. Select the Key Premium that applies for:
 - a. Territory;
 - b. Form applicable;
2. Select the Key Factor for the limit of liability that applies.
3. **KEY PREMIUM** times **KEY FACTOR** equals Base Premium for the Base Deductible.
4. See Rating Steps.

KEY PREMIUMS					
TERR.	Coverage A			Coverage C	
	DP0 001	DP0 002	DP0 003	DP0 001	DP0002 & DP0003
ALL	47	71	85	4	9

C. Rating Notes:

DP0001 Key Premiums are Non-Seasonal and Seasonal.

DP0002 and 3 Key Premiums are Non-Seasonal only and include the charge for E.C. and V&MM perils. To develop the Seasonal BASE PREMIUM, multiply the following factors by the DP0001 E.C. KEY PREMIUM:

	DP0002	DP0003
Cov. A	1.75	2.10
Cov. C	2.75	2.75

The Cov. C. Minimum Limit is \$4,000 unless included in the same policy as Cov. A.

KEY FACTORS

LIMIT OF LIAB.	COV. A	COV. C
\$1,000	.566	.17
2,000	.588	.33
3,000	.611	.50
4,000	.634	.67
5,000	.657	.83
6,000	.680	1.00
7,000	.703	1.17
8,000	.726	1.34
9,000	.749	1.50
10,000	.771	1.67
11,000	.794	1.84
12,000	.817	2.00
13,000	.840	2.17
14,000	.862	2.33
15,000	.855	2.50
16,000	.908	2.67
17,000	.931	2.84
18,000	.953	3.00
19,000	.976	3.17
20,000	1.000	3.34
21,000	1.023	3.51
22,000	1.046	3.67
23,000	1.068	3.84
24,000	1.091	4.00
25,000	1.114	4.17
26,000	1.137	4.34
27,000	1.159	4.51
28,000	1.182	4.68
29,000	1.205	4.85
30,000	1.228	5.02
31,000	1.250	5.19
32,000	1.273	5.36
33,000	1.296	5.53
34,000	1.320	5.70
35,000	1.342	5.87
36,000	1.365	6.04
37,000	1.388	6.21
38,000	1.411	6.38
39,000	1.433	6.55
40,000	1.456	6.72
41,000	1.479	6.89
42,000	1.502	7.06
43,000	1.524	7.23
44,000	1.547	7.40
45,000	1.570	7.57
46,000	1.593	7.74
47,000	1.615	7.91
48,000	1.639	8.08
49,000	1.662	8.25
50,000	1.685	8.42
Each Add'l		
\$10,000	0.23	1.70

ARKANSAS DWELLING FIRE PROGRAM

Use the rates shown on these Tables for the following endorsements or coverage options, rates are per \$1,000 amount of coverage:

- Other Structures
- Fair Rental Value
- Additional Living Expense
- Plants, Shrubs, Trees (DP0001 only)

RATE TABLE A TERRITORY 30 - 33 FIRE

FORM	PT CLASS	OWNER					
		1 FAMILY		2 FAMILY		3-4 FAMILY	
		B	F	B	F	B	F
ALL FORMS	1-3	\$1.15	\$1.54	\$1.26	\$1.70	\$1.84	\$2.46
	4	\$1.18	\$1.55	\$1.30	\$1.71	\$1.89	\$2.48
	5	\$1.38	\$1.73	\$1.52	\$1.90	\$2.21	\$2.77
	6	\$1.73	\$2.05	\$1.90	\$2.26	\$2.77	\$3.28
	7	\$2.64	\$2.98	\$2.91	\$3.28	\$4.22	\$4.77
	8	\$3.02	\$3.74	\$3.33	\$4.11	\$4.83	\$5.98
	8b or 9	\$3.41	\$5.41	\$3.74	\$5.95	\$5.46	\$8.66
	10	\$4.69	\$7.10	\$5.15	\$7.81	\$7.50	\$11.36

FORM	PT CLASS	TENANT					
		1 FAMILY		2 FAMILY		3-4 FAMILY	
		B	F	B	F	B	F
ALL FORMS	1-3	\$1.44	\$1.92	\$1.58	\$2.11	\$2.30	\$3.07
	4	\$1.49	\$1.94	\$1.63	\$2.13	\$2.38	\$3.10
	5	\$1.73	\$2.16	\$1.90	\$2.38	\$2.77	\$3.46
	6	\$2.16	\$2.56	\$2.38	\$2.82	\$3.46	\$4.10
	7	\$3.30	\$3.73	\$3.63	\$4.10	\$5.28	\$5.97
	8	\$3.78	\$4.69	\$4.16	\$5.15	\$6.05	\$7.50
	8b or 9	\$4.26	\$6.77	\$4.69	\$7.44	\$6.82	\$10.83
	10	\$5.86	\$8.88	\$6.45	\$9.78	\$9.38	\$14.21

EXTENDED COVERAGES

DP0001
\$1.08

DP0002
\$1.63

DP0003
\$1.96

VANDALISM & MALICIOUS MISCHIEF (Form DP0001)

Use the V&MM premium per \$1,000.

ARKANSAS DWELLING FIRE PROGRAM

Use the rates shown on this table for the following endorsements, rates are per \$1,000 amount of coverage:

- Improvements, Alterations and Additions
- Merchandise in Storage

RATE TABLE B

TERRITORY 30 - 33

FIRE

FORM	PROTECTION CLASS	1 -2 FAMILY		3 -5 FAMILY	
		BRICK	FRAME	BRICK	FRAME
ALL FORMS	1 -3	\$2.73	\$3.64	\$3.51	\$4.68
	4	\$2.73	\$3.64	\$3.51	\$4.68
	5	\$2.86	\$3.64	\$3.77	\$4.68
	6	\$3.25	\$4.29	\$4.29	\$5.59
	7	\$4.42	\$5.20	\$5.72	\$6.76
	8	\$4.68	\$6.24	\$6.11	\$8.06
	8b or 9	\$5.59	\$8.06	\$7.28	\$10.53
	10	\$7.15	\$10.14	\$9.36	\$13.13

EXTENDED COVERAGE

DP0001

\$0.68

DP0002 & DP0003

\$1.53

VANDALISM & MALICIOUS MISCHIEF (DP0002)

Use V&MM premium per \$1,000.