

SERFF Tracking Number: NWPC-125366336 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: #? \$100
Company Tracking Number: 07H-5324AR-KR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

Filing at a Glance

Company: Nationwide Mutual Fire Insurance Company.

Product Name: Homeowners SERFF Tr Num: NWPC-125366336 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: #? \$100
Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: 07H-5324AR-KR State Status: Fees verified
Combinations
Filing Type: Rate Co Status: Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding
Author: Filings D Disposition Date: 11/30/2007
Date Submitted: 11/21/2007 Disposition Status: Filed
Effective Date Requested (New): 02/16/2008 Effective Date (New): 02/16/2008
Effective Date Requested (Renewal): 02/16/2008 Effective Date (Renewal):
02/16/2008

State Filing Description:

General Information

Project Name: Rate Revision Status of Filing in Domicile: Not Filed
Project Number: 07H-5324AR-KR Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 11/30/2007
State Status Changed: 11/27/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
Rate Revision

Company and Contact

Filing Contact Information

Kerra Reinke, Pricing Analyst

reinkek@nationwide.com

SERFF Tracking Number: NWPC-125366336 State: Arkansas
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Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

One Nationwide Plaza (800) 882-2822 [Phone]
Columbus, OH 43215 (614) 249-5113[FAX]

Filing Company Information

Nationwide Mutual Fire Insurance Company. CoCode: 23779 State of Domicile: Ohio
One Nationwide Plaza Group Code: 140 Company Type: Property and
Casualty
Columbus, OH 43215 Group Name: Nationwide Insurance State ID Number:
(614) 249-7022 ext. [Phone] FEIN Number: 31-4177110

SERFF Tracking Number: NWPC-125366336 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: Fee for Rate Filing.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Nationwide Mutual Fire Insurance Company.	\$0.00	11/21/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0011624583	\$100.00	11/09/2007

SERFF Tracking Number: NWPC-125366336 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	11/30/2007	11/30/2007

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	11/27/2007	11/27/2007	Filings D	11/28/2007	11/28/2007

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Memo	Reviewer Note	Becky Harrington	11/30/2007	

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Disposition

Disposition Date: 11/30/2007

Effective Date (New): 02/16/2008

Effective Date (Renewal): 02/16/2008

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NWPC-125366336 State: Arkansas
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 Company Tracking Number: 07H-5324AR-KR
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Rate Revision/07H-5324AR-KR

Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Supporting Document	F779	Filed	Yes
Supporting Document	Form H-1 Homeowners Abstract	Filed	Yes
Supporting Document	F311	Filed	Yes
Supporting Document	Filing Fee	Filed	Yes
Supporting Document	Pricing Exhibits	Filed	Yes
Supporting Document	Response to 11/27/2007 Objection Letter	Filed	Yes

SERFF Tracking Number: NWPC-125366336 State: Arkansas
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/27/2007
Submitted Date 11/27/2007
Respond By Date

Dear Kerra Reinke,

This will acknowledge receipt of the captioned filing.

Objection 1

- Pricing Exhibits (Supporting Document)

Comment: The manual pages show an increased base rate for tenants, condo, and mobile home. The exhibits show 0% change and a decrease percentage due to credits. Please explain.

Objection 2

- Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines (Supporting Document)

Comment: The rate change information does not include the most recent change that was effective in 2007. Please update the form.

Please feel free to contact me if you have questions.

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.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/28/2007
Submitted Date 11/28/2007

Dear Becky Harrington,

Comments:

SERFF Tracking Number: NWPC-125366336 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: #? \$100
Company Tracking Number: 07H-5324AR-KR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

Response 1

Comments: See new scheduled item

Related Objection 1

Applies To:

- Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines (Supporting Document)

Comment:

The rate change information does not include the most recent change that was effective in 2007. Please update the form.

Related Objection 2

Applies To:

- Pricing Exhibits (Supporting Document)

Comment:

The manual pages show an increased base rate for tenants, condo, and mobile home. The exhibits show 0% change and a decrease percentage due to credits. Please explain.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 11/27/2007 Objection Letter

Comment: See attached

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Filings D

SERFF Tracking Number: *NWPC-125366336* *State:* *Arkansas*
Filing Company: *Nationwide Mutual Fire Insurance Company.* *State Tracking Number:* *#? \$100*
Company Tracking Number: *07H-5324AR-KR*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Rate Revision/07H-5324AR-KR*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: NWPC-125366336 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: #? \$100
Company Tracking Number: 07H-5324AR-KR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

Supporting Document Schedules

Satisfied -Name:	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Review Status: Filed	11/30/2007
Comments:	See attached.		
Attachment:	RF-1.pdf		
Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status: Filed	11/30/2007
Comments:	See attached.		
Attachment:	F777.pdf		
Satisfied -Name:	F779	Review Status: Filed	11/30/2007
Comments:			
Attachment:	F779.pdf		
Satisfied -Name:	Form H-1 Homeowners Abstract	Review Status: Filed	11/30/2007
Comments:			
Attachment:	F503.pdf		
Satisfied -Name:	F311	Review Status: Filed	11/30/2007
Comments:	See attached.		
Attachment:			

SERFF Tracking Number: NWPC-125366336 *State:* Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. *State Tracking Number:* #? \$100
Company Tracking Number: 07H-5324AR-KR
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

F311.pdf

SERFF Tracking Number: NWPC-125366336 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: #? \$100
Company Tracking Number: 07H-5324AR-KR
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate Revision/07H-5324AR-KR

Review Status:
Satisfied -Name: Filing Fee Filed 11/30/2007
Comments:
Sent via UPS: 11/21/2007
Attachment:
Check.pdf

Review Status:
Satisfied -Name: Pricing Exhibits Filed 11/30/2007
Comments:
See attached.
Attachment:
Exhibits.pdf

Review Status:
Satisfied -Name: Response to 11/27/2007 Objection Letter Filed 11/30/2007
Comments:
See attached
Attachment:
Response_20071128.pdf

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **07H-5324AR-KR**

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number **N/A**

		Company Name		Company NAIC Number
3.	A.	Nationwide Mutual Fire Insurance Company	B.	23779

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	Homeowners	B.	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	17.4%	5.0%					
Tenants	15.6%	0.0%					
Condominium	11.3%	0.0%					
Mobile Homeowners	-1.8%	0.0%					
TOTAL OVERALL EFFECT	17.1%	4.8%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	28,079	0.1%	10/01/2005	22,853	12,388	54.2%	58.7%
2004	26,887	0.4%	10/01/2004	20,127	10,333	51.3%	70.1%
2003	25,493	11.1%	10/01/2003	18,665	12,607	67.5%	66.6%
2002	25,436	14.7%	08/13/2002	14,263	9,814	68.8%	59.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.1%
B. General Expense	8.8%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain)	
F. TOTAL	37.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 8.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
HO-3, All Mono-line Policies
10. -3.3% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____
HO-8, All Multi-line Policies

Property & Casualty Transmittal Document

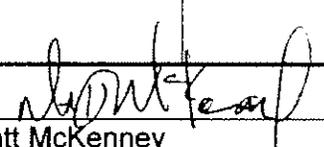
1. Reserved for Insurance Dept. Use Only 	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="width: 50%; 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 #
Nationwide Insurance Companies	140

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Nationwide Mutual Fire Insurance Company	OH	23779	31-4177110	03

5. Company Tracking Number	07H-5324AR-KR
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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
	Matt McKenney One Nationwide Plaza 01-19-18 Columbus, OH 43215	Pricing Supervisor	(800)882-2822 Ext. 93219	(614)249-5113	mckenm2@nationwide.com
7. Signature of authorized filer					
8. Please print name of authorized filer			Matt McKenney		

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

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	NA
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	NA
12. Company Program Title (Marketing title)	NA

13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input 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: 2/16/2008 Renewal: 2/16/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input checked="" 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 #	07H-5324AR-KR
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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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FILING MEMORANDUM

Outlined herein are the details and supporting data relating to the changes in Homeowners rates.

STATEWIDE CHANGE

The indication developed in this filing for all policy forms combined is based on an assumed effective date of February 16, 2008. Exhibit II shows five years of homeowners experience ending June 30, 2007, evaluated as of September 30, 2007, by form for the Nationwide Mutual Fire Insurance Company. Exhibit I shows the indicated rate changes as well as our proposed rate changes by policy forms. The effect of all the changes for all policy forms is a statewide premium level increase of 4.8 percent.

We increased rates for the homeowners form by 6.7 percent with the revision effective July 15, 2007. The indicated rate need at that time was 13.4 percent. This change includes a 5.0 percent increase in the homeowners form, and no increase in any other form.

Earned Premium

We have adjusted the earned premiums on Exhibit II, row (1), to current rate level. They are further modified by the premium projection factors shown in row (2). These factors reflect past and anticipated future increases in the average amount of insurance, deductible, and territory relativities.

Accident Year Losses

The following adjustments to losses are summarized in rows (4) through (15) of Exhibit II:

1. The actual losses have been adjusted to ultimate accident year costs. We removed losses greater than \$200,000 for the Homeowners policy form. The losses were developed; then, the large losses were added back into the estimated ultimate losses.

The ultimate losses represent the ultimate cost expected when all claims are finally closed. Row (4) of Exhibit II shows the estimated ultimate accident year loss costs for all non-weather causes combined.

2. The loss cost projection factors, shown in row (5) of Exhibit II, reflect changes that have occurred in average loss costs levels from the midpoint of each year to the present. They also reflect the change anticipated from the present to the future average claim date, assuming an effective date of February 16, 2008. Exhibit III reflects the determination of the non-weather loss projection factors. Row (9) shows the projected estimated ultimate loss costs. Exhibit IV shows the Arkansas and Companywide paid loss trend data for all four policy forms.

3. The calendar year weather losses are decomposed into their frequency and severity components. The average long-term frequency is calculated after adjusting for outlying annual frequencies. This average frequency is used as the estimate of the expected weather frequency in the prospective period. The

projected weather severity is calculated as the average of the projected weather severities for each year after adjusting for outlying yearly severities. The severity for each calendar year is projected to the prospective period using the selected severity trend. The loss trend summary is reflected on Exhibit V.

The expected frequency and severity are used to calculate the expected weather pure premium for the prospective period, as shown on Exhibit VI. The expected weather pure premium is multiplied by a provision for allocated loss adjustment expenses. This adjusted weather pure premium determines the expected future weather losses and allocated loss adjustment expenses for each experience year in the calculation of the indicated rate level. The projected weather losses are shown in row (7) of Exhibit II and are obtained by multiplying the expected pure premium by the earned exposures.

4. The estimated loss ratios in row (10) of Exhibit II are calculated as the ratio of the projected estimated ultimate loss costs in row (9) of Exhibit II to the projected current level earned premium in row (3) of Exhibit II, and then are averaged, with greater weight given to the more recent years to be responsive to changes in the portfolio or loss climate.

Projected Expense Adjustments

Fixed Expenses, which include General Expense, Other Acquisition, and Unallocated Loss Adjustment, are calculated as a percentage of projected current-leveled earned premium.

Fixed Expenses

Homeowners	15.8%
Tenants	39.2%
Condominium	28.9%
Mobile Homeowners	17.0%

The average projected fixed expense is exposure-weighted across all five years as shown on Exhibit II, row (16).

Permissible Loss, Loss Adjustment, and Fixed Expense Ratio

The 62.1 percent permissible loss, loss adjustment, and fixed expense ratio is derived using the components of the variable expense ratio of 27.9 percent, which includes the average commission and brokerage ratio for all agency states, the state premium tax rate, plus an allowance for miscellaneous taxes, licenses, and fees based on Companywide data.

$$\text{Permissible Loss, Loss Adjustment, and Fixed Expense Ratio} \\ (100\% - \text{Variable Expenses} - 10\% \text{ Profit Provision}) = 62.1 \text{ percent}$$

Exhibit VII is the Companies' Financial Needs Model, which demonstrates the need for a 10.0 percent loading for underwriting gain and contingencies, considering total investment income from all sources.

CHANGES BY POLICY FORM

The table below shows a summary of the proposed rate level changes by policy form:

<u>Policy Form</u>	<u>Percent Change</u>
Homeowners	5.0%
Tenant	0.0%
Condo	0.0%
Mobile Homeowners	0.0%
Total	4.8%

Base Rates

Effective March 1, 2007

We are revising base rates for Homeowners, Tenants, and Condominiums forms as reflected on draft manual pages H-13, H-17, and H-18.

Home and Car Discount

We are changing the home and car discount from 15.0 to 20.0 percent. This includes Homeowners, Tenants, and Condominiums forms. Draft manual page H-408 reflects this change.

Replacement Cost Plus Option

We are revising the charge for Replacement Cost Plus option from \$1.00 to \$10.00. See draft manual page H-420.

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 #: 0011624583

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 #	07H-5324AR-KY
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	NA
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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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)
Nationwide Mutual Fire Insurance Company	17.2	4.8	1,338,800	28,937	27,718,472		

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 (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)			
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		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	6.7%
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7.	Effective Date of last rate revision	July 15, 2007
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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	H-13, H-17, and H-18	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	H-408	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03	H-420	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each Company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Nationwide Mutual Fire Insurance Company

NAIC No. 23779

GROUP No. 140

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

The company has continued with its Home Care initiative, where employees review insured properties for review of adequate insurance to value and the identification of hazards. Customers are encouraged to remediate hazardous conditions that are identified. During 2003, 538 properties had increases in the amount of insurance as a result of this review. The average increase was \$16,000.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

We have used a cost estimator for dwelling for approximately 25 years. We moved to a component based tool provided by Marshall-Swift/Boechk in 2002, which we believe improves the accuracy of the insurance to value calculation, which protects our customers in the event of a loss. As noted in the answer to question #1, some homes experienced an increase.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

For dwellings, we require a minimum 40 percent amount of insurance to reconstruction amount. The customer has the option of insuring the dwelling at 40 percent to 100 percent of the reconstruction cost. This decision is made by the customer after a reconstruction amount is determined by a representative of our company. Insuring at less than 100 percent of the reconstruction cost does not provide for the customer to choose our replacement cost plus coverage option, which provides for an additional 25 percent of the dwelling coverage amount to be available in the event of a loss.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

We do use inflation guard protection, which adjusts the dwelling coverage in accordance with indexes provided by Marshall-Swift/Boechk. The estimated average adjustment has been in the four percent range annually. However, sharp increases have been observed in late 2003 into 2004 with costs for wood products, so this range is increasing.

5. Specify the percentage given for credits or discounts for the following:

a. Fire Extinguisher	<u>5, 7, 10, 15 %</u>
b. Burglar Alarm	<u>2, 4, 5, 7, 10, 15 %</u>
c. Smoke Alarm	<u>2, 4, 5, 7, 10, 15 %</u>

- d. Insured who has both homeowners and auto with your company 20 %
- e. Deadbolt Locks 5, 7, 10, 15 %
- f. Window or Door Locks 0 %
- g. Other (Specify) _____ %

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

We do not write insurance for those homes defined to be in ISO Protection Class 10.

If so, state areas and explain reason for not writing These areas are unprotected.

7. Specify the form(s) utilized in writing homeowner insurance. Indicate the Arkansas premium volume for each form.

<u>FORM</u>	<u>PREMIUM VOLUME</u>
Homeowners (HO-3)	\$23,369,206
Tenants (HO-4)	\$381,988
Condominium (HO-6)	\$88,697
Mobile Homeowners (HO-7)	\$385,156

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

9. Is there a surcharge on risks with wood heat? Yes

If yes, state surcharge 5%

Does the surcharge apply to conventional fire places? No

If yes, state surcharge _____

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Signature

Matt McKenney

Printed Name

Pricing Supervisor

Title

614-249-3219

Telephone Number

mckenm2@nationwide.com

Email Address

NAIC Number: 23779
 Company Name: Nationwide Mutual Fire Insurance Company
 Contact Person: Kerra Reinke
 Telephone No.: (614)249-2540
 Email Address: reinkek@nationwide.com
 Effective Date: February 16, 2008

**Homeowners Premium Comparison Survey Form
 FORM HPCS - last modified August, 2005**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to: insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE
 BLANK**

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	899.85	988.94	883.17	970.60	1,081.16	1,188.19	1,294.72	1,422.90	1,288.05	1,415.56	1,048.90	1,152.74	1,044.45	1,147.85	1,054.46	1,158.86	1,112.30	1,222.42
	\$120,000	1,164.02	1,279.26	1,142.44	1,255.54	1,398.55	1,537.01	1,674.81	1,840.62	1,666.18	1,831.13	1,356.83	1,491.15	1,351.07	1,484.83	1,364.02	1,499.06	1,438.84	1,581.28
	\$160,000	1,494.49	1,642.45	1,466.78	1,612.00	1,795.61	1,973.37	2,150.30	2,363.18	2,139.21	2,351.00	1,742.04	1,914.50	1,734.65	1,906.38	1,751.27	1,924.65	1,847.33	2,030.22
6	\$80,000	1,059.13	1,179.71	1,039.49	1,157.83	1,272.52	1,417.40	1,523.89	1,697.38	1,516.03	1,688.63	1,234.56	1,375.11	1,229.32	1,369.28	1,241.10	1,382.40	1,309.18	1,458.23
	\$120,000	1,370.05	1,526.03	1,344.65	1,497.74	1,646.10	1,833.50	1,971.25	2,195.68	1,961.09	2,184.36	1,596.98	1,778.80	1,590.21	1,771.25	1,605.45	1,788.23	1,693.51	1,886.32
	\$160,000	1,759.02	1,959.28	1,726.40	1,922.95	2,113.43	2,354.04	2,530.90	2,819.04	2,517.85	2,804.51	2,050.38	2,283.81	2,041.68	2,274.12	2,061.25	2,295.92	2,174.31	2,421.86
9	\$80,000	2,038.17	2,408.91	2,000.38	2,364.24	2,448.83	2,894.26	2,932.54	3,465.97	2,917.43	3,448.10	2,375.76	2,807.91	2,365.69	2,796.00	2,388.36	2,822.80	2,519.37	2,977.64
	\$120,000	2,636.51	3,116.08	2,587.62	3,058.31	3,167.72	3,743.92	3,793.44	4,483.46	3,773.89	4,460.35	3,073.21	3,632.22	3,060.17	3,616.82	3,089.51	3,651.48	3,258.97	3,851.77
	\$160,000	3,385.03	4,000.76	3,322.27	3,926.58	4,067.06	4,806.85	4,870.42	5,756.35	4,845.32	5,726.68	3,945.71	4,663.43	3,928.98	4,643.65	3,966.63	4,688.16	4,184.21	4,945.32

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	104.03	104.03	104.03	104.03	108.13	108.13	109.54	109.54	109.54	109.54	109.54	109.54	109.54	109.54	108.13	108.13	124.46	124.46
	\$15,000	167.78	167.78	167.78	167.78	174.41	174.41	176.68	176.68	176.68	176.68	176.68	176.68	176.68	176.68	174.41	174.41	200.75	200.75
	\$25,000	223.99	223.99	223.99	223.99	232.84	232.84	235.86	235.86	235.86	235.86	235.86	235.86	235.86	235.86	232.84	232.84	268.00	268.00
6	\$5,000	122.44	122.44	122.44	122.44	127.27	127.27	128.93	128.93	128.93	128.93	128.93	128.93	128.93	128.93	127.27	127.27	146.49	146.49
	\$15,000	197.48	197.48	197.48	197.48	205.28	205.28	207.95	207.95	207.95	207.95	207.95	207.95	207.95	207.95	205.28	205.28	236.28	236.28
	\$25,000	263.64	263.64	263.64	263.64	274.05	274.05	277.61	277.61	277.61	277.61	277.61	277.61	277.61	277.61	274.05	274.05	315.43	315.43
9	\$5,000	235.62	235.62	235.62	235.62	244.92	244.92	248.11	248.11	248.11	248.11	248.11	248.11	248.11	248.11	244.92	244.92	281.91	281.91
	\$15,000	380.03	380.03	380.03	380.03	395.04	395.04	400.17	400.17	400.17	400.17	400.17	400.17	400.17	400.17	395.04	395.04	454.69	454.69
	\$25,000	507.34	507.34	507.34	507.34	527.38	527.38	534.23	534.23	534.23	534.23	534.23	534.23	534.23	534.23	527.38	527.38	607.01	607.01

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

**SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:
 HO3 and HO4 only**

Fire Extinguisher 5, 7, 10, 15 % Deadbolt Lock 5, 7, 10, 15 %
 Burglar Alarm 2, 4, 5, 7, 10, 15 % Window Locks 0 %
 Smoke Alarm 2, 4, 5, 7, 10, 15 % \$1,000 Deductible 17 %
 Other (specify) _____ %
 Maximum Credit Allowed 29.5 %

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this coverage

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? Yes _____ (yes or no)
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 5, 10 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?
 Highest Risk \$ 0.92
 Lowest Risk \$ 0.28



00157

Nationwide Mutual Insurance Company
NSC - Accounts Payable DSPF-77
One Nationwide Plaza
Columbus OH 43215-2220

9-10-07

101AP
0000004295

DATE	CHECK NO
11/09/07	0011624583

DATE	INVOICE NUMBER/DESCRIPTION	GROSS	DISCOUNT	NET
11/08/07	08H-5324AR-KR PL	100.00		100.00
QUESTIONS? CONTACT: (614) 277-3772		TOTAL	100.00	100.00

IMPORTANT NOTICE
VENDOR PRIVACY STATEMENT

Nationwide respects the privacy of individual's personal information. Service providers must comply with state and federal privacy laws, including the privacy provisions of the Gramm-Leach-Bliley Act and with Nationwide's Privacy Statement. Accordingly, any personal information shared with or obtained by service providers shall be used solely for the purpose for which it was provided and for no other purpose whatsoever.

Fold top down to dashed line

PLEASE DETACH THIS STUB AND CASH ATTACHED CHECK PROMPTLY

THE BACK OF THIS CHECK CONTAINS A SECURITY MARK

DO NOT ACCEPT WITHOUT HOLDING AT AN ANGLE TO VERIFY MARK

Nationwide Mutual Insurance Company
NSC - Accounts Payable DSPF-77
One Nationwide Plaza
Columbus OH 43215-2220



Check No: 0011624583

56-1512
441

Date of Issue: 11/09/07
Valid if Not Cashed Within Six Months

PAY
EXACTLY: ONE HUNDRED DOLLARS AND 00/100

Pay
To The
Order
Of

THE STATE INSURANCE DEPARTMENT
TRUST FUND
1200 WEST THIRD STREET
LITTLE ROCK AR 72201-1904

\$*****100.00*

CS
Authorized Signature

By

⑈0011624583⑈ ⑆044115126⑆ 01891709001⑈

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**Arkansas Homeowners
Income Summary**

Exhibit I

Company	Form	Projected Current Level Earned Premium	Indicated Change	Indicated Additional Premium	Proposed Rerated Income Effect	Proposed Rerated Additional Premium
Nationwide Mutual Fire						
	Homeowners	26,775,226	17.4%	4,658,900	5.0%	1,338,800
	Tenants	440,050	15.6%	68,600	0.0%	0
	Condominiums	104,068	11.3%	11,800	0.0%	0
	Mobile Home	399,128	-1.8%	(7,200)	0.0%	0
Nationwide Mutual Fire Total		27,718,472	17.1%	4,732,100	4.8%	1,338,800

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective February 16, 2008
Elite II, Golden Blanket, Market Value, Market Value Plus**

Exhibit II

Fiscal Accident Year Ending	2003/2	2004/2	2005/2	2006/2	2007/2	5-Year
Premium						
1. Earned Exposures	22,432	24,097	24,766	26,112	26,858	
2. Historical Earned Premium	14,797,030	17,889,498	20,429,919	21,965,891	23,369,206	
3. Current Level Earned Premium	18,644,434	20,436,116	21,823,893	23,407,452	24,907,187	
4. Selected Retrospective Premium Trend	3.0%	3.0%	3.0%	3.0%	3.0%	
5. Selected Prospective Premium Trend	3.5%	3.5%	3.5%	3.5%	3.5%	
6. Premium Projection Factor	1.210	1.174	1.138	1.106	1.075	
7. Projected Current Level Earned Premium = (3) x (6)	22,559,765	23,992,000	24,835,590	25,888,642	26,775,226	124,051,223
Losses and DCC Expense						
8. Non-Weather Estimated Ultimate Losses and DCC Expense	6,123,273	3,648,221	4,203,442	10,265,196	6,861,918	
9. Selected Retrospective Loss Cost Trend	3.6%	3.6%	3.6%	3.6%	3.6%	
10. Selected Prospective Loss Cost Trend	3.0%	3.0%	3.0%	3.0%	3.0%	
11. Non-Weather Loss Projection Factor	1.227	1.184	1.143	1.103	1.065	
12. Projected Non-Weather Losses and DCC Expense = (8) x (11)	7,513,256	4,319,494	4,804,534	11,322,511	7,307,943	35,267,738
13. Projected Non-Weather Losses and DCC Expense Ratio = (12) ÷ (7)	33.3%	18.0%	19.3%	43.7%	27.3%	28.4%
14. Projected Weather Losses and DCC Expense	6,821,123	7,327,416	7,530,845	7,940,137	8,166,981	37,786,502
15. Projected Weather Losses and DCC Expense Ratio = (14) ÷ (7)	30.2%	30.5%	30.3%	30.7%	30.5%	30.5%
16. Current Coverage Adjustment	0.988	0.990	0.997	1.000	1.000	
17. Projected Estimated Ultimate Losses and DCC Expense = [(12) + (14)] x (16)	14,162,366	11,530,441	12,298,373	19,262,648	15,474,924	73,934,529
18. Projected Loss and DCC Expense Ratio = (17) ÷ (7)	62.8%	48.1%	49.5%	74.4%	57.8%	59.6%
19. Experience Year Weights Used Above	15%	15%	20%	25%	25%	
20. Credibility Assigned to Experience						75.6%
21. Trended Permissible Loss and DCC Expense Ratio						49.5%
22. Credibility-Weighted Loss and DCC Expense Ratio = (20) x (18) + [1-(20)] x (21)						57.1%
23. Credibility-Weighted Losses and DCC Expense = (7) x (22)						70,833,248
Non-Hurricane Fixed Expenses						
24. Estimated General and Other Acquisition Expenses = (7) x 8.8%	1,985,259	2,111,296	2,185,532	2,278,200	2,356,220	
25. Adjusting and Other Loss Adjustment Expenses = (7) x 7.0%	1,579,184	1,679,440	1,738,491	1,812,205	1,874,266	
26. Total Fixed Expenses = (24) + (25)	3,564,443	3,790,736	3,924,023	4,090,405	4,230,486	19,600,093
27. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						
Indication						
28. Projected Experience Losses, DCC and Fixed Expenses = (17) + (26)						93,534,622
29. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (23) + (26)						90,433,341
30. Permissible Loss and Fixed Expense Ratio						62.1%
31. Experience Required Premium = (28) ÷ (30)						150,619,359
32. Credibility-Weighted Required Premium = (29) ÷ (30)						145,625,348
33. Experience Indicated Rate Level Change = (31) ÷ (7) - 1						21.4%
34. Credibility-Weighted Indicated Rate Level Change = (32) ÷ (7) - 1						17.4%
35. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						17.4%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective February 16, 2008
Tenants**

Exhibit II

Fiscal Accident Year Ending	2003/2	2004/2	2005/2	2006/2	2007/2	5-Year
Premium						
1. Earned Exposures	1,704	1,617	1,672	1,764	1,791	
2. Historical Earned Premium	303,556	322,882	354,032	364,277	381,988	
3. Current Level Earned Premium	437,143	409,669	420,031	437,637	440,050	
4. Selected Retrospective Premium Trend	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
5. Selected Prospective Premium Trend	0.0%	0.0%	0.0%	0.0%	0.0%	
6. Premium Projection Factor	0.961	0.970	0.980	0.990	1.000	
7. Projected Current Level Earned Premium = (3) x (6)	420,094	397,379	411,630	433,261	440,050	2,102,414
Losses and DCC Expense						
8. Non-Weather Estimated Ultimate Losses and DCC Expense	261,461	72,040	290,875	134,582	234,738	
9. Selected Retrospective Loss Cost Trend	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	
10. Selected Prospective Loss Cost Trend	6.0%	6.0%	6.0%	6.0%	6.0%	
11. Non-Weather Loss Projection Factor	1.105	1.112	1.118	1.125	1.132	
12. Projected Non-Weather Losses and DCC Expense = (8) x (11)	288,914	80,108	325,198	151,405	265,723	1,111,348
13. Projected Non-Weather Losses and DCC Expense Ratio = (12) ÷ (7)	68.8%	20.2%	79.0%	34.9%	60.4%	52.9%
14. Projected Weather Losses and DCC Expense	18,454	17,512	18,108	19,104	19,397	92,575
15. Projected Weather Losses and DCC Expense Ratio = (14) ÷ (7)	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
16. Current Coverage Adjustment	0.986	0.989	0.998	1.000	1.000	
17. Projected Estimated Ultimate Losses and DCC Expense = [(12) + (14)] x (16)	303,065	96,546	342,619	170,509	285,120	1,217,298
18. Projected Loss and DCC Expense Ratio = (17) ÷ (7)	72.1%	24.3%	83.2%	39.4%	64.8%	57.9%
19. Experience Year Weights Used Above	10%	10%	15%	25%	40%	
20. Credibility Assigned to Experience						25.5%
21. Trended Permissible Loss and DCC Expense Ratio						23.9%
22. Credibility-Weighted Loss and DCC Expense Ratio = (20) x (18) + [1-(20)] x (21)						32.6%
23. Credibility-Weighted Losses and DCC Expense = (7) x (22)						685,387
Non-Hurricane Fixed Expenses						
24. Estimated General and Other Acquisition Expenses = (7) x 35.8%	150,394	142,262	147,364	155,107	157,538	
25. Adjusting and Other Loss Adjustment Expenses = (7) x 3.4%	14,283	13,511	13,995	14,731	14,962	
26. Total Fixed Expenses = (24) + (25)	164,677	155,773	161,359	169,838	172,500	824,147
27. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						
Indication						
28. Projected Experience Losses, DCC and Fixed Expenses = (17) + (26)						2,041,445
29. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (23) + (26)						1,509,534
30. Permissible Loss and Fixed Expense Ratio						62.1%
31. Experience Required Premium = (28) ÷ (30)						3,287,351
32. Credibility-Weighted Required Premium = (29) ÷ (30)						2,430,812
33. Experience Indicated Rate Level Change = (31) ÷ (7) - 1						56.4%
34. Credibility-Weighted Indicated Rate Level Change = (32) ÷ (7) - 1						15.6%
35. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						15.6%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective February 16, 2008
Condominiums, Comprehensive Condominiums**

Exhibit II

Fiscal Accident Year Ending	2003/2	2004/2	2005/2	2006/2	2007/2	5-Year
Premium						
1. Earned Exposures	190	228	252	260	275	
2. Historical Earned Premium	50,713	65,246	77,158	81,889	88,697	
3. Current Level Earned Premium	70,766	82,399	91,636	97,581	101,928	
4. Selected Retrospective Premium Trend	0.0%	0.0%	0.0%	0.0%	0.0%	
5. Selected Prospective Premium Trend	1.0%	1.0%	1.0%	1.0%	1.0%	
6. Premium Projection Factor	1.021	1.021	1.021	1.021	1.021	
7. Projected Current Level Earned Premium = (3) x (6)	72,252	84,129	93,560	99,630	104,068	453,639
Losses and DCC Expense						
8. Non-Weather Estimated Ultimate Losses and DCC Expense	18,008	80,627	9,619	216,984	4,180	
9. Selected Retrospective Loss Cost Trend	4.7%	4.7%	4.7%	4.7%	4.7%	
10. Selected Prospective Loss Cost Trend	5.0%	5.0%	5.0%	5.0%	5.0%	
11. Non-Weather Loss Projection Factor	1.334	1.274	1.217	1.162	1.110	
12. Projected Non-Weather Losses and DCC Expense = (8) x (11)	24,023	102,719	11,706	252,135	4,640	395,223
13. Projected Non-Weather Losses and DCC Expense Ratio = (12) ÷ (7)	33.2%	122.1%	12.5%	253.1%	4.5%	87.1%
14. Projected Weather Losses and DCC Expense	21,687	26,024	28,763	29,676	31,389	137,539
15. Projected Weather Losses and DCC Expense Ratio = (14) ÷ (7)	30.0%	30.9%	30.7%	29.8%	30.2%	30.3%
16. Current Coverage Adjustment	0.980	0.983	0.993	1.000	1.000	
17. Projected Estimated Ultimate Losses and DCC Expense = [(12) + (14)] x (16)	44,796	126,554	40,186	281,811	36,029	537,562
18. Projected Loss and DCC Expense Ratio = (17) ÷ (7)	62.0%	150.4%	43.0%	282.9%	34.6%	118.5%
19. Experience Year Weights Used Above	10%	15%	20%	25%	30%	
20. Credibility Assigned to Experience						4.6%
21. Trended Permissible Loss and DCC Expense Ratio						36.4%
22. Credibility-Weighted Loss and DCC Expense Ratio = (20) x (18) + [1-(20)] x (21)						40.2%
23. Credibility-Weighted Losses and DCC Expense = (7) x (22)						182,363
Non-Hurricane Fixed Expenses						
24. Estimated General and Other Acquisition Expenses = (7) x 23.9%	17,268	20,107	22,361	23,812	24,872	
25. Adjusting and Other Loss Adjustment Expenses = (7) x 5.0%	3,613	4,206	4,678	4,982	5,203	
26. Total Fixed Expenses = (24) + (25)	20,881	24,313	27,039	28,794	30,075	131,102
27. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						
Indication						
28. Projected Experience Losses, DCC and Fixed Expenses = (17) + (26)						668,664
29. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (23) + (26)						313,465
30. Permissible Loss and Fixed Expense Ratio						62.1%
31. Experience Required Premium = (28) ÷ (30)						1,076,754
32. Credibility-Weighted Required Premium = (29) ÷ (30)						504,775
33. Experience Indicated Rate Level Change = (31) ÷ (7) - 1						137.4%
34. Credibility-Weighted Indicated Rate Level Change = (32) ÷ (7) - 1						11.3%
35. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						11.3%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective February 16, 2008
Mobile Home - Broad, Mobile Home - Comprehensive**

Exhibit II

Fiscal Accident Year Ending	2003/2	2004/2	2005/2	2006/2	2007/2	5-Year
Premium						
1. Earned Exposures	810	756	668	585	507	
2. Historical Earned Premium	451,665	469,220	444,909	441,911	385,156	
3. Current Level Earned Premium	609,748	576,671	517,874	455,168	394,785	
4. Selected Retrospective Premium Trend	1.0%	1.0%	1.0%	1.0%	1.0%	
5. Selected Prospective Premium Trend	0.5%	0.5%	0.5%	0.5%	0.5%	
6. Premium Projection Factor	1.052	1.041	1.031	1.021	1.011	
7. Projected Current Level Earned Premium = (3) x (6)	641,455	600,315	533,928	464,727	399,128	2,639,553
Losses and DCC Expense						
8. Non-Weather Estimated Ultimate Losses and DCC Expense	89,447	175,108	102,442	21,452	110,497	
9. Selected Retrospective Loss Cost Trend	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	
10. Selected Prospective Loss Cost Trend	4.0%	4.0%	4.0%	4.0%	4.0%	
11. Non-Weather Loss Projection Factor	1.061	1.067	1.074	1.080	1.087	
12. Projected Non-Weather Losses and DCC Expense = (8) x (11)	94,903	186,840	110,023	23,168	120,110	535,044
13. Projected Non-Weather Losses and DCC Expense Ratio = (12) ÷ (7)	14.8%	31.1%	20.6%	5.0%	30.1%	20.3%
14. Projected Weather Losses and DCC Expense	106,726	99,611	88,016	77,080	66,802	438,235
15. Projected Weather Losses and DCC Expense Ratio = (14) ÷ (7)	16.6%	16.6%	16.5%	16.6%	16.7%	16.6%
16. Current Coverage Adjustment	0.974	0.978	0.992	1.000	1.000	
17. Projected Estimated Ultimate Losses and DCC Expense = [(12) + (14)] x (16)	196,387	280,149	196,455	100,248	186,912	984,553
18. Projected Loss and DCC Expense Ratio = (17) ÷ (7)	30.6%	46.7%	36.8%	21.6%	46.8%	37.3%
19. Experience Year Weights Used Above	15%	20%	20%	20%	25%	
20. Credibility Assigned to Experience						7.7%
21. Trended Permissible Loss and DCC Expense Ratio						44.6%
22. Credibility-Weighted Loss and DCC Expense Ratio = (20) x (18) + [1-(20)] x (21)						44.0%
23. Credibility-Weighted Losses and DCC Expense = (7) x (22)						1,161,403
Non-Hurricane Fixed Expenses						
24. Estimated General and Other Acquisition Expenses = (7) x 10.2%	65,428	61,232	54,461	47,402	40,711	
25. Adjusting and Other Loss Adjustment Expenses = (7) x 6.8%	43,619	40,821	36,307	31,601	27,141	
26. Total Fixed Expenses = (24) + (25)	109,047	102,053	90,768	79,003	67,852	448,723
27. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						#N/A
Indication						
28. Projected Experience Losses, DCC and Fixed Expenses = (17) + (26)						1,433,276
29. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (23) + (26)						1,610,126
30. Permissible Loss and Fixed Expense Ratio						62.1%
31. Experience Required Premium = (28) ÷ (30)						2,308,013
32. Credibility-Weighted Required Premium = (29) ÷ (30)						2,592,795
33. Experience Indicated Rate Level Change = (31) ÷ (7) - 1						-12.6%
34. Credibility-Weighted Indicated Rate Level Change = (32) ÷ (7) - 1						-1.8%
35. Indicated Rate Level Change Including Reinsurance Charge with Investment Income Adjustment (GA Only) = [(1 + ()) ÷ 1.000] - 1						-1.8%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Elite II, Golden Blanket, Market Value, Market Value Plus**

Exhibit III

	Fiscal Calendar Year Ending				
	2003/2	2004/2	2005/2	2006/2	2007/2
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006
2. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
3. Years of Trend = (2) - (1)	4.003	3.003	2.000	1.000	0.000
4. Selected Severity Trend	14.5%	14.5%	14.5%	14.5%	14.5%
5. Selected Frequency Trend	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%
6. Selected Pure Premium Trend = $[1+(4)] \times [1+(5)] - 1$	3.6%	3.6%	3.6%	3.6%	3.6%
7. Past-to-Present Factor = $[1+(6)]^{(3)}$	1.152	1.112	1.073	1.036	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
9. Average Loss Date for Assumed Effective Period	2/16/2009	2/16/2009	2/16/2009	2/16/2009	2/16/2009
10. Years of Trend = (9) - (8)	2.132	2.132	2.132	2.132	2.132
11. Selected Severity Trend	3.0%	3.0%	3.0%	3.0%	3.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = $[1+(11)] \times [1+(12)] - 1$	3.0%	3.0%	3.0%	3.0%	3.0%
14. Present-to-Future Factor = $[1+(13)]^{(10)}$	1.065	1.065	1.065	1.065	1.065
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) × (14)	1.227	1.184	1.143	1.103	1.065

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Tenants**

Exhibit III

	Fiscal Calendar Year Ending				
	2003/2	2004/2	2005/2	2006/2	2007/2
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006
2. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
3. Years of Trend = (2) - (1)	4.003	3.003	2.000	1.000	0.000
4. Selected Severity Trend	8.0%	8.0%	8.0%	8.0%	8.0%
5. Selected Frequency Trend	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%
6. Selected Pure Premium Trend = $[1+(4)] \times [1+(5)] - 1$	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%
7. Past-to-Present Factor = $[1+(6)]^{(3)}$	0.976	0.982	0.988	0.994	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
9. Average Loss Date for Assumed Effective Period	2/16/2009	2/16/2009	2/16/2009	2/16/2009	2/16/2009
10. Years of Trend = (9) - (8)	2.132	2.132	2.132	2.132	2.132
11. Selected Severity Trend	6.0%	6.0%	6.0%	6.0%	6.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = $[1+(11)] \times [1+(12)] - 1$	6.0%	6.0%	6.0%	6.0%	6.0%
14. Present-to-Future Factor = $[1+(13)]^{(10)}$	1.132	1.132	1.132	1.132	1.132
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) × (14)	1.105	1.112	1.118	1.125	1.132

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Condominiums, Comprehensive Condominiums**

Exhibit III

	Fiscal Calendar Year Ending				
	2003/2	2004/2	2005/2	2006/2	2007/2
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006
2. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
3. Years of Trend = (2) - (1)	4.003	3.003	2.000	1.000	0.000
4. Selected Severity Trend	14.9%	14.9%	14.9%	14.9%	14.9%
5. Selected Frequency Trend	-8.9%	-8.9%	-8.9%	-8.9%	-8.9%
6. Selected Pure Premium Trend = $[1+(4)] \times [1+(5)] - 1$	4.7%	4.7%	4.7%	4.7%	4.7%
7. Past-to-Present Factor = $[1+(6)]^{(3)}$	1.202	1.148	1.096	1.047	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
9. Average Loss Date for Assumed Effective Period	2/16/2009	2/16/2009	2/16/2009	2/16/2009	2/16/2009
10. Years of Trend = (9) - (8)	2.132	2.132	2.132	2.132	2.132
11. Selected Severity Trend	5.0%	5.0%	5.0%	5.0%	5.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = $[1+(11)] \times [1+(12)] - 1$	5.0%	5.0%	5.0%	5.0%	5.0%
14. Present-to-Future Factor = $[1+(13)]^{(10)}$	1.110	1.110	1.110	1.110	1.110
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) \times (14)	1.334	1.274	1.217	1.162	1.110

**Arkansas Homeowners
 Nationwide Mutual Fire
 Determination of Loss Projection Factors
 Non-Weather
 Mobile Home - Broad, Mobile Home - Comprehensive**

Exhibit III

	Fiscal Calendar Year Ending				
	2003/2	2004/2	2005/2	2006/2	2007/2
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006
2. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
3. Years of Trend = (2) - (1)	4.003	3.003	2.000	1.000	0.000
4. Selected Severity Trend	8.0%	8.0%	8.0%	8.0%	8.0%
5. Selected Frequency Trend	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%
6. Selected Pure Premium Trend = [1+(4)] × [1+(5)] - 1	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%
7. Past-to-Present Factor = [1+(6)] ⁽³⁾	0.976	0.982	0.988	0.994	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	12/31/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006
9. Average Loss Date for Assumed Effective Period	2/16/2009	2/16/2009	2/16/2009	2/16/2009	2/16/2009
10. Years of Trend = (9) - (8)	2.132	2.132	2.132	2.132	2.132
11. Selected Severity Trend	4.0%	4.0%	4.0%	4.0%	4.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = [1+(11)] × [1+(12)] - 1	4.0%	4.0%	4.0%	4.0%	4.0%
14. Present-to-Future Factor = [1+(13)] ⁽¹⁰⁾	1.087	1.087	1.087	1.087	1.087
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) × (14)	1.061	1.067	1.074	1.080	1.087

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , Adjusted for Miscoded Catastrophes, With
Losses Capped at \$140,000
Elite II, Golden Blanket, Market Value, Market Value Plus**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2002/4	5,214	2.952	5,163	3.194
2003/1	5,416	2.870	5,462	3.038
2003/2	6,377	2.701	5,972	2.781
2003/3	8,292	2.456	6,388	2.558
2003/4	8,132	2.412	6,568	2.440
2004/1	8,169	2.388	6,792	2.326
2004/2	7,069	2.378	7,158	2.236
2004/3	6,415	2.207	7,799	2.031
2004/4	6,762	2.169	8,155	1.912
2005/1	6,926	1.939	8,573	1.830
2005/2	6,909	1.833	9,051	1.768
2005/3	7,568	1.908	8,917	1.817
2005/4	8,830	1.829	9,173	1.817
2006/1	9,682	2.049	9,169	1.866
2006/2	11,046	2.206	8,915	1.916
2006/3	10,512	2.235	9,433	1.889
2006/4	9,530	2.292	9,715	1.895
2007/1	8,870	2.236	10,077	1.858
2007/2	7,710	2.145	10,693	1.803
2007/3	8,462	2.151	11,120	1.814

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , Adjusted for Miscoded Catastrophes, With
Losses Capped at \$60,000
Tenants**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2002/4	3,427	2.997	2,964	2.075
2003/1	4,413	2.580	3,156	1.993
2003/2	4,951	2.406	3,462	1.842
2003/3	4,143	2.048	3,388	1.699
2003/4	4,040	2.153	3,476	1.651
2004/1	2,534	2.236	3,294	1.565
2004/2	2,034	1.917	3,210	1.521
2004/3	3,006	2.021	3,394	1.436
2004/4	5,506	1.574	3,439	1.370
2005/1	7,230	1.566	3,466	1.350
2005/2	7,722	1.734	3,502	1.344
2005/3	7,145	1.949	3,524	1.399
2005/4	6,395	2.160	3,732	1.415
2006/1	6,302	1.894	4,009	1.446
2006/2	7,566	1.757	4,048	1.494
2006/3	9,197	1.417	3,965	1.508
2006/4	7,384	1.471	3,909	1.525
2007/1	7,427	1.744	3,829	1.508
2007/2	6,526	1.844	4,036	1.490
2007/3	4,420	2.373	4,347	1.551

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , Adjusted for Miscoded Catastrophes, With
Losses Capped at \$30,000
Condominiums, Comprehensive Condominiums**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2002/4	3,702	3.846	2,997	1.568
2003/1	2,876	4.348	3,097	1.485
2003/2	3,542	2.632	3,290	1.338
2003/3	3,350	2.020	3,092	1.238
2003/4	17,914	1.449	2,992	1.170
2004/1	14,992	1.382	3,220	1.152
2004/2	16,345	1.316	3,572	1.154
2004/3	15,489	1.271	3,701	1.141
2004/4	1,768	1.235	3,978	1.075
2005/1	2,653	0.806	4,193	1.003
2005/2	3,206	1.195	3,986	0.976
2005/3	4,809	0.784	4,422	0.950
2005/4	9,510	2.335	4,633	0.968
2006/1	12,716	2.317	4,966	1.010
2006/2	16,808	1.533	5,440	1.035
2006/3	16,808	1.527	5,348	1.052
2006/4	13,750	0.752	5,146	1.091
2007/1	3,305	1.103	5,150	1.111
2007/2	3,110	1.455	5,266	1.088
2007/3	3,110	1.434	5,146	1.093

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , Adjusted for Miscoded Catastrophes, With
Losses Capped at \$75,000
Mobile Home - Broad, Mobile Home - Comprehensive**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2002/4	7,080	2.395	4,149	2.867
2003/1	6,977	2.309	4,156	2.773
2003/2	7,744	1.975	4,416	2.647
2003/3	10,978	1.761	4,536	2.486
2003/4	9,382	2.171	4,195	2.385
2004/1	8,911	2.073	4,401	2.283
2004/2	10,024	1.852	4,687	2.216
2004/3	6,164	1.630	4,943	2.023
2004/4	5,447	1.823	5,275	1.986
2005/1	2,870	1.881	5,477	1.967
2005/2	2,725	3.144	5,736	1.936
2005/3	2,000	3.395	5,709	2.002
2005/4	1,913	3.025	5,712	1.951
2006/1	1,774	3.306	5,496	1.974
2006/2	1,397	2.222	5,149	1.976
2006/3	1,585	1.779	5,510	1.907
2006/4	2,579	1.479	5,560	1.963
2007/1	8,631	2.099	5,633	1.975
2007/2	8,434	2.174	6,190	1.924
2007/3	6,801	2.851	6,208	1.848

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit V

**Exponential Regression on Four Quarter Ending Trend Data as of September 30, 2007
Non-Weather, Adjusted for Miscoded Catastrophes, With Losses Capped at \$140,000
Elite II, Golden Blanket, Market Value, Market Value Plus**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	14.5%	0.699	0.44	16.9%		16.6%	0.959		15.7%
23	13.7%	0.658	0.43			16.8%	0.956		15.5%
22	12.6%	0.610	0.44			16.8%	0.950		15.0%
21	11.8%	0.554	0.43			16.4%	0.945		14.4%
20	10.0%	0.485	0.43	14.8%		15.7%	0.940		13.2%
19	8.7%	0.404	0.40		10.4%	15.0%	0.939	10.1%	12.5%
18	7.1%	0.306	0.36		10.3%	14.1%	0.939	10.1%	11.6%
17	6.2%	0.230	0.34		10.3%	13.5%	0.933	10.0%	11.0%
16	7.6%	0.286	0.34	27.9%	10.5%	13.0%	0.922	9.8%	11.2%
15	9.3%	0.342	0.34		10.8%	12.3%	0.911	9.3%	11.3%
14	11.5%	0.419	0.31		10.9%	11.3%	0.906	8.2%	11.4%
13	12.0%	0.386	0.25		10.6%	10.2%	0.904	7.0%	10.7%
12	10.3%	0.278	0.25	18.6%	9.9%	9.7%	0.878	5.2%	9.9%
11	8.1%	0.167	0.25		9.3%	9.4%	0.843	3.3%	9.1%
10	4.7%	0.054	0.27		7.8%	9.7%	0.812	2.3%	8.4%
9	-1.9%	0.010	0.26		6.6%	11.4%	0.859	1.3%	7.9%
8	-9.9%	0.299	0.35		6.3%	12.7%	0.864	0.6%	4.8%
7	-16.9%	0.642	0.34		6.9%	15.5%	0.929	0.1%	4.5%
6	-23.4%	0.851	0.11		8.5%	18.9%	0.992	-0.6%	14.2%
5	-22.8%	0.755	0.12		8.7%	18.5%	0.986	-0.3%	13.5%
4	-18.0%	0.521	0.06		11.0%	20.4%	0.991	-0.3%	18.1%
3	-9.0%	0.109	0.06		11.1%	21.8%	0.986	2.8%	20.0%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	-9.5%	0.635	0.72	-9.0%		-12.4%	0.840		-10.3%
23	-8.4%	0.593	0.78			-12.2%	0.818		-9.2%
22	-7.4%	0.538	0.81			-11.8%	0.793		-8.2%
21	-6.3%	0.471	0.83			-11.1%	0.764		-7.1%
20	-5.5%	0.391	0.83	-5.5%		-10.3%	0.732		-6.3%
19	-4.5%	0.298	0.82		-0.3%	-9.3%	0.695	-7.2%	-5.4%
18	-3.4%	0.191	0.80		1.0%	-8.1%	0.656	-7.1%	-4.3%
17	-2.2%	0.089	0.78		2.6%	-6.9%	0.602	-6.9%	-3.2%
16	-1.3%	0.032	0.75	-0.6%	4.0%	-5.8%	0.525	-6.5%	-2.4%
15	-0.3%	0.001	0.71		6.9%	-4.5%	0.425	-5.9%	-1.5%
14	1.2%	0.022	0.65		10.0%	-3.1%	0.293	-4.9%	-0.3%
13	3.4%	0.171	0.50		13.4%	-1.2%	0.116	-3.9%	1.1%
12	5.5%	0.350	0.41	3.4%	17.7%	0.0%	0.000	-4.3%	2.3%
11	8.2%	0.606	0.47		20.6%	0.7%	0.059	-5.2%	4.2%
10	9.2%	0.604	0.49		24.0%	0.8%	0.052	-5.0%	4.9%
9	8.1%	0.480	0.42		27.9%	-0.3%	0.010	-4.4%	3.2%
8	7.0%	0.338	0.37		26.4%	-1.3%	0.123	-3.6%	1.8%
7	1.3%	0.036	0.39		15.3%	-3.1%	0.580	-4.5%	-1.4%
6	-3.1%	0.334	0.40		-5.8%	-4.8%	0.876	-8.5%	-4.1%
5	-5.6%	0.636	0.54		-32.1%	-5.1%	0.824	-15.6%	-5.4%
4	-8.9%	0.877	0.73		-45.6%	-6.2%	0.825	-19.3%	-8.2%
3	-7.5%	0.696	0.71		-60.6%	-4.7%	0.569	-13.6%	-6.7%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	3.6%	0.126	0.38	6.3%		2.1%	0.298		2.7%
23	4.1%	0.141	0.35			2.5%	0.384		3.1%
22	4.3%	0.138	0.32			3.0%	0.466		3.4%
21	4.8%	0.146	0.30			3.4%	0.513		3.8%
20	4.0%	0.096	0.28	8.6%		3.8%	0.564		3.9%
19	3.8%	0.076	0.26		10.0%	4.3%	0.613	2.1%	4.2%
18	3.4%	0.056	0.22		11.5%	4.9%	0.683	2.3%	4.6%
17	3.9%	0.059	0.17		13.2%	5.7%	0.768	2.4%	5.4%
16	6.2%	0.127	0.14	27.2%	15.0%	6.5%	0.837	2.7%	6.5%
15	8.9%	0.218	0.12		18.4%	7.2%	0.880	2.8%	7.4%
14	12.8%	0.361	0.11		22.0%	7.9%	0.904	3.0%	8.4%
13	15.8%	0.428	0.07		25.4%	8.8%	0.947	2.8%	9.3%
12	16.3%	0.383	0.03	22.7%	29.4%	9.7%	0.975	0.7%	9.9%
11	17.0%	0.341	0.02		31.7%	10.2%	0.980	-2.0%	10.3%
10	14.2%	0.225	0.02		33.7%	10.6%	0.979	-2.8%	10.7%
9	6.1%	0.052	0.02		36.3%	11.0%	0.979	-3.2%	10.9%
8	-3.6%	0.021	0.02		34.4%	11.3%	0.973	-3.1%	11.0%
7	-15.8%	0.450	0.05		23.2%	11.9%	0.970	-4.4%	10.5%
6	-25.8%	0.854	0.07		2.2%	13.2%	0.984	-9.0%	10.5%
5	-27.1%	0.793	0.06		-26.2%	12.5%	0.976	-15.8%	10.1%
4	-25.3%	0.626	0.07		-39.6%	12.9%	0.958	-19.5%	10.2%
3	-15.8%	0.223	0.02		-56.2%	16.1%	0.985	-11.2%	15.5%

* Z is the credibility assigned to the statewide calendar year trend, based on the formula $N/(N+K)$, where $K=K'[(1-R^2_{STATE})S^2_{STATE}]/[(1-R^2_{COUNTRYWIDE})S^2_{COUNTRYWIDE}]$, N is the latest year's earned exposures (26,917), and K=5,000 is the credibility constant for the selected policy forms.

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit V

**Exponential Regression on Four Quarter Ending Trend Data as of September 30, 2007
Non-Weather, Adjusted for Miscoded Catastrophes, With Losses Capped at \$60,000
Tenants**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	19.7%	0.527	0.02	7.2%		7.8%	0.884		8.0%
23	19.3%	0.487	0.02			7.5%	0.871		7.7%
22	19.3%	0.453	0.02			7.2%	0.854		7.4%
21	18.3%	0.398	0.02			6.7%	0.849		6.9%
20	18.5%	0.368	0.02	8.5%		6.3%	0.829		6.5%
19	18.5%	0.332	0.01		4.2%	5.9%	0.803	6.6%	6.0%
18	20.3%	0.341	0.02		5.1%	5.8%	0.772	6.7%	6.1%
17	23.8%	0.381	0.01		6.0%	6.5%	0.811	6.9%	6.7%
16	25.8%	0.378	0.01	28.8%	7.4%	7.0%	0.823	7.3%	7.2%
15	27.7%	0.365	0.01		8.2%	7.8%	0.870	7.3%	8.0%
14	21.9%	0.251	0.01		9.2%	8.0%	0.854	7.1%	8.1%
13	8.7%	0.080	0.01		9.8%	7.6%	0.818	6.5%	7.6%
12	-3.0%	0.022	0.02	-19.7%	8.1%	7.7%	0.783	5.1%	7.5%
11	-8.2%	0.151	0.03		5.2%	7.7%	0.735	3.6%	7.2%
10	-9.8%	0.165	0.03		-0.9%	7.4%	0.660	2.2%	6.9%
9	-9.9%	0.128	0.03		-5.3%	6.5%	0.544	0.6%	6.0%
8	-12.0%	0.137	0.02		-9.8%	4.5%	0.353	-1.6%	4.2%
7	-20.1%	0.285	0.03		-14.7%	2.9%	0.153	-3.8%	2.2%
6	-34.6%	0.650	0.05		-17.2%	4.5%	0.227	-5.1%	2.5%
5	-47.0%	0.862	0.08		-22.5%	9.0%	0.493	-6.3%	4.5%
4	-48.7%	0.777	0.05		-23.1%	16.0%	0.743	-7.1%	12.8%
3	-64.6%	0.923	0.01		-23.7%	28.9%	0.990	-2.7%	28.0%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	-13.1%	0.613	0.24	-11.4%		-8.4%	0.636		-9.5%
23	-12.0%	0.560	0.25			-7.9%	0.587		-8.9%
22	-10.8%	0.498	0.27			-7.1%	0.528		-8.1%
21	-8.9%	0.425	0.31			-6.1%	0.458		-7.0%
20	-7.3%	0.335	0.31	-5.8%		-4.9%	0.373		-5.6%
19	-5.6%	0.233	0.31		-8.0%	-3.7%	0.270	-5.1%	-4.3%
18	-4.4%	0.145	0.25		-7.1%	-2.3%	0.148	-4.8%	-2.8%
17	-3.1%	0.071	0.20		-6.0%	-1.0%	0.036	-4.5%	-1.4%
16	-2.7%	0.048	0.15	-1.2%	-4.5%	0.2%	0.001	-4.4%	-0.2%
15	-1.6%	0.014	0.10		-3.4%	1.5%	0.114	-4.1%	1.2%
14	0.7%	0.003	0.07		-2.8%	2.8%	0.367	-3.5%	2.7%
13	1.9%	0.015	0.03		-1.9%	4.3%	0.719	-3.0%	4.2%
12	4.7%	0.074	0.02	8.0%	-1.8%	5.3%	0.869	-2.5%	5.3%
11	3.4%	0.033	0.02		-1.7%	5.7%	0.865	-2.6%	5.7%
10	1.0%	0.002	0.02		-2.5%	5.5%	0.822	-3.1%	5.4%
9	-0.2%	0.000	0.01		-3.8%	4.6%	0.780	-3.7%	4.6%
8	2.6%	0.008	0.01		-5.1%	4.0%	0.686	-5.2%	4.0%
7	15.0%	0.195	0.01		-6.5%	3.0%	0.530	-7.3%	3.1%
6	32.5%	0.510	0.01		-9.6%	1.6%	0.256	-9.0%	1.9%
5	65.3%	0.930	0.08		-11.6%	1.3%	0.120	-9.9%	6.4%
4	81.5%	0.945	0.12		-11.4%	1.6%	0.086	-7.2%	11.2%
3	85.1%	0.881	0.07		-16.3%	5.8%	0.466	-0.1%	11.4%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	4.1%	0.051	0.10	-5.0%		-1.2%	0.034		-0.7%
23	5.0%	0.067	0.10			-1.0%	0.019		-0.4%
22	6.5%	0.099	0.10			-0.4%	0.003		0.3%
21	7.8%	0.124	0.10			0.2%	0.001		1.0%
20	9.9%	0.171	0.10	2.3%		1.1%	0.019		2.0%
19	11.8%	0.203	0.09		-4.1%	2.0%	0.057	1.1%	2.9%
18	15.1%	0.276	0.08		-2.4%	3.4%	0.150	1.7%	4.3%
17	19.9%	0.394	0.07		-0.3%	5.4%	0.355	2.1%	6.4%
16	22.4%	0.412	0.06	27.3%	2.5%	7.1%	0.514	2.6%	8.0%
15	25.7%	0.440	0.03		4.5%	9.4%	0.738	3.0%	9.9%
14	22.7%	0.347	0.02		6.1%	11.1%	0.821	3.3%	11.3%
13	10.8%	0.184	0.03		7.8%	12.2%	0.842	3.3%	12.2%
12	1.6%	0.010	0.04	-13.2%	6.1%	13.4%	0.858	2.5%	12.9%
11	-5.0%	0.190	0.10		3.4%	13.8%	0.833	0.9%	11.9%
10	-8.9%	0.513	0.17		-3.3%	13.3%	0.780	-0.9%	9.5%
9	-10.0%	0.510	0.16		-8.8%	11.4%	0.699	-3.2%	8.0%
8	-9.7%	0.406	0.13		-14.4%	8.7%	0.574	-6.7%	6.3%
7	-8.1%	0.246	0.12		-20.3%	6.0%	0.367	-10.8%	4.3%
6	-13.3%	0.436	0.15		-25.1%	6.2%	0.282	-13.6%	3.3%
5	-12.4%	0.278	0.13		-31.5%	10.5%	0.439	-15.6%	7.5%
4	-6.9%	0.057	0.10		-31.9%	17.8%	0.612	-13.7%	15.3%
3	-34.4%	0.970	0.41		-36.1%	36.3%	0.930	-2.8%	7.3%

* Z is the credibility assigned to the statewide calendar year trend, based on the formula $N/(N+K)$, where $K = K'[(1-R^2_{STATE})S^2_{STATE}] / [(1-R^2_{COUNTRYWIDE})S^2_{COUNTRYWIDE}]$, N is the latest year's earned exposures (1,812), and K=1,000 is the credibility constant for the selected policy forms.

**Arkansas Homeowners
Nationwide Mutual Fire**
Exponential Regression on Four Quarter Ending Trend Data as of September 30, 2007
Non-Weather, Adjusted for Miscoded Catastrophes, With Losses Capped at \$30,000
Condominiums, Comprehensive Condominiums

Exhibit V

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Calendar Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	-3.2%	0.006	0.00			14.9%	0.926		14.9%
23	-2.2%	0.002	0.00			15.8%	0.942		15.8%
22	0.8%	0.000	0.00			16.1%	0.938		16.1%
21	2.7%	0.003	0.00			15.8%	0.930		15.8%
20	4.5%	0.006	0.00			15.3%	0.920		15.3%
19	1.4%	0.001	0.00		6.6%	15.6%	0.911	5.7%	15.6%
18	-4.6%	0.006	0.00		5.3%	15.9%	0.902	5.4%	15.9%
17	-10.6%	0.029	0.00		3.8%	16.5%	0.899	4.7%	16.5%
16	-18.9%	0.087	0.00		2.7%	16.3%	0.880	3.9%	16.3%
15	-14.1%	0.041	0.00		1.4%	15.0%	0.864	2.8%	15.0%
14	-8.2%	0.011	0.00		3.0%	13.6%	0.842	1.3%	13.6%
13	3.4%	0.002	0.00		4.2%	12.9%	0.803	-0.7%	12.9%
12	23.5%	0.054	0.00		4.4%	11.8%	0.750	-3.3%	11.8%
11	2.1%	0.000	0.00		4.0%	11.0%	0.679	-6.4%	11.0%
10	-18.4%	0.042	0.00		-5.4%	10.6%	0.596	-7.7%	10.6%
9	-41.3%	0.241	0.00		-11.4%	7.0%	0.457	-8.3%	7.0%
8	-61.3%	0.563	0.00		-15.8%	4.0%	0.234	-7.8%	4.0%
7	-73.2%	0.730	0.00		-17.7%	0.1%	0.000	-4.9%	0.1%
6	-81.8%	0.822	0.00		-11.6%	-3.6%	0.536	-2.2%	-3.6%
5	-85.7%	0.796	0.00		-10.9%	-2.1%	0.235	2.5%	-2.1%
4	-83.6%	0.633	0.00		-5.5%	0.9%	0.064	7.8%	0.9%
3	-11.5%	0.750	0.29		3.0%	-0.2%	0.001	17.6%	-3.5%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Calendar Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	-16.7%	0.409	0.01			-8.9%	0.696		-9.0%
23	-17.0%	0.390	0.01			-8.5%	0.656		-8.6%
22	-18.2%	0.399	0.01			-7.9%	0.607		-8.0%
21	-17.5%	0.348	0.01			-7.1%	0.548		-7.2%
20	-15.4%	0.270	0.01			-6.1%	0.478		-6.2%
19	-12.3%	0.179	0.01		-9.8%	-4.9%	0.392	9.1%	-5.0%
18	-6.7%	0.067	0.01		-8.8%	-3.5%	0.285	10.0%	-3.5%
17	-2.6%	0.010	0.01		-7.2%	-2.4%	0.165	10.8%	-2.4%
16	1.0%	0.001	0.01		-5.0%	-1.4%	0.066	11.4%	-1.4%
15	2.4%	0.006	0.01		-3.2%	-0.7%	0.014	11.4%	-0.7%
14	3.9%	0.013	0.00		-0.9%	0.3%	0.002	10.5%	0.3%
13	5.2%	0.019	0.00		2.0%	1.8%	0.091	8.3%	1.8%
12	6.5%	0.023	0.00		3.5%	4.0%	0.427	4.0%	4.0%
11	7.6%	0.023	0.00		5.0%	6.0%	0.781	-2.5%	6.0%
10	-2.8%	0.003	0.00		6.4%	7.3%	0.870	-6.1%	7.3%
9	-7.7%	0.018	0.00		7.9%	8.0%	0.873	-9.6%	8.0%
8	-29.8%	0.344	0.00		9.3%	7.3%	0.821	-13.8%	7.3%
7	-23.4%	0.175	0.00		2.0%	5.8%	0.757	-20.9%	5.8%
6	-1.1%	0.000	0.00		-4.9%	4.6%	0.612	-33.0%	4.6%
5	23.8%	0.081	0.00		-9.4%	3.0%	0.341	-43.2%	3.0%
4	142.4%	0.856	0.00		-21.0%	-0.6%	0.045	-51.6%	-0.6%
3	69.0%	0.709	0.00		-24.2%	-3.2%	0.552	-51.7%	-3.2%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide				Credibility Weighted NW Calendar Year Ending 2007/3
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Calendar Year Ending 2007/2	Non-NW Fast Track Ending 2007/2	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track Ending 2007/2	
24	-19.4%	0.176	0.00			4.8%	0.302		4.8%
23	-18.8%	0.151	0.00			6.0%	0.425		6.0%
22	-17.5%	0.118	0.00			6.9%	0.486		6.9%
21	-15.2%	0.080	0.00			7.5%	0.513		7.5%
20	-11.6%	0.042	0.00			8.3%	0.540		8.3%
19	-11.1%	0.032	0.00		-3.9%	9.9%	0.652	15.4%	9.9%
18	-11.0%	0.027	0.00		-3.9%	11.8%	0.768	15.9%	11.8%
17	-13.0%	0.033	0.00		-3.6%	13.7%	0.865	16.1%	13.7%
16	-18.1%	0.057	0.00		-2.4%	14.6%	0.869	15.7%	14.6%
15	-12.1%	0.021	0.00		-1.8%	14.2%	0.842	14.5%	14.2%
14	-4.7%	0.002	0.00		2.1%	14.0%	0.808	12.0%	14.0%
13	8.8%	0.007	0.00		6.3%	14.9%	0.803	7.6%	14.9%
12	31.5%	0.060	0.00		8.0%	16.2%	0.806	0.6%	16.2%
11	9.8%	0.006	0.00		9.2%	17.7%	0.809	-8.7%	17.7%
10	-20.6%	0.036	0.00		0.7%	18.6%	0.781	-13.4%	18.6%
9	-45.8%	0.206	0.00		-4.4%	15.5%	0.706	-17.1%	15.5%
8	-72.9%	0.781	0.00		-7.9%	11.6%	0.589	-20.5%	11.6%
7	-79.5%	0.841	0.00		-16.1%	5.8%	0.435	-24.8%	5.8%
6	-82.0%	0.804	0.00		-15.9%	0.8%	0.157	-34.5%	0.8%
5	-82.3%	0.705	0.00		-19.3%	0.8%	0.098	-41.8%	0.8%
4	-60.2%	0.415	0.00		-25.3%	0.3%	0.007	-47.8%	0.3%
3	49.7%	0.696	0.00		-21.9%	-3.4%	0.697	-43.2%	-3.4%

* Z is the credibility assigned to the statewide calendar year trend, based on the formula $N/(N+K)$, where $K = K'[(1-R^2_{STATE})^2_{STATE}] / [(1-R^2_{COUNTRYWIDE})^2_{COUNTRYWIDE}]$, N is the latest year's earned exposures (0,279), and K=1,000 is the credibility constant for the selected policy forms.

**Arkansas Homeowners
Nationwide Mutual Fire**
Exponential Regression on Four Quarter Ending Trend Data as of September 30, 2007
Non-Weather, Adjusted for Miscoded Catastrophes, With Losses Capped at \$75,000
Mobile Home - Broad, Mobile Home - Comprehensive

Exhibit V

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2 Non-NW Fast Track	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track	NW Calendar Year Ending 2007/3
24	-13.5%	0.154	0.01	-7.9%	7.7%	0.847		7.5%
23	-14.4%	0.157	0.00		8.1%	0.853		8.1%
22	-15.6%	0.163	0.00		8.5%	0.864		8.5%
21	-17.8%	0.190	0.00		8.6%	0.849		8.6%
20	-19.5%	0.200	0.00	-5.5%	8.5%	0.828		8.5%
19	-19.9%	0.185	0.00		8.4%	0.801		8.4%
18	-20.3%	0.167	0.00		8.1%	0.766		8.1%
17	-19.7%	0.137	0.00		8.1%	0.733		8.1%
16	-15.5%	0.075	0.00	-21.6%	8.1%	0.697		8.1%
15	-10.1%	0.028	0.00		7.0%	0.639		7.0%
14	-1.8%	0.001	0.00		5.7%	0.562		5.7%
13	14.7%	0.040	0.00		4.5%	0.453		4.5%
12	33.5%	0.154	0.01	40.0%	3.5%	0.316		3.8%
11	64.6%	0.378	0.01		3.1%	0.222		3.7%
10	92.8%	0.492	0.01		3.2%	0.189		4.1%
9	139.9%	0.636	0.01		4.8%	0.299		6.2%
8	193.7%	0.704	0.01		7.2%	0.459		9.1%
7	278.8%	0.767	0.01		11.4%	0.744		14.1%
6	403.1%	0.801	0.00		16.0%	0.913		16.0%
5	415.1%	0.704	0.00		14.8%	0.848		14.8%
4	217.2%	0.426	0.00		18.5%	0.856		18.5%
3	-37.9%	0.822	0.06		21.5%	0.772		17.9%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2 Non-NW Fast Track	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track	NW Calendar Year Ending 2007/3
24	-4.6%	0.090	0.02	-4.8%	-8.4%	0.861		-8.3%
23	-3.1%	0.041	0.03		-8.5%	0.847		-8.3%
22	-1.5%	0.009	0.03		-8.4%	0.827		-8.2%
21	0.8%	0.002	0.03		-8.2%	0.802		-7.9%
20	2.7%	0.027	0.03	0.9%	-7.7%	0.771		-7.4%
19	3.8%	0.044	0.03		-7.1%	0.741		-6.8%
18	4.9%	0.062	0.02		-6.2%	0.711		-6.0%
17	4.9%	0.053	0.01		-5.3%	0.680		-5.2%
16	3.5%	0.025	0.01	8.6%	-4.5%	0.632		-4.4%
15	4.0%	0.026	0.01		-3.6%	0.574		-3.5%
14	3.9%	0.020	0.00		-2.7%	0.497		-2.7%
13	1.8%	0.004	0.00		-1.6%	0.449		-1.6%
12	-3.8%	0.015	0.00	-14.9%	-1.4%	0.345		-1.4%
11	-10.0%	0.095	0.00		-1.4%	0.297		-1.4%
10	-18.5%	0.297	0.00		-1.7%	0.300		-1.7%
9	-18.2%	0.227	0.00		-2.4%	0.474		-2.4%
8	-12.8%	0.093	0.00		-2.3%	0.357		-2.3%
7	-4.5%	0.008	0.00		-3.0%	0.438		-3.0%
6	28.6%	0.281	0.00		-3.4%	0.383		-3.4%
5	70.1%	0.739	0.01		-3.3%	0.247		-2.6%
4	122.9%	0.923	0.01		-8.0%	0.795		-6.7%
3	84.5%	0.835	0.00		-12.4%	0.985		-12.4%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2007/3	R ²	Z*	NW Accident Year Ending 2007/2 Non-NW Fast Track	NW Calendar Year Ending 2007/3	R ²	Non-NW Fast Track	NW Calendar Year Ending 2007/3
24	-17.5%	0.273	0.01	-12.4%	-1.4%	0.136		-1.6%
23	-17.1%	0.239	0.01		-1.1%	0.084		-1.3%
22	-16.8%	0.210	0.01		-0.6%	0.028		-0.8%
21	-17.2%	0.194	0.01		-0.3%	0.005		-0.5%
20	-17.3%	0.175	0.01	-4.7%	0.1%	0.001		-0.1%
19	-16.9%	0.147	0.00		0.8%	0.039		0.8%
18	-16.4%	0.121	0.00		1.4%	0.112		1.4%
17	-15.8%	0.096	0.00		2.3%	0.301		2.3%
16	-12.5%	0.052	0.00	-14.9%	3.3%	0.511		3.3%
15	-6.5%	0.012	0.00		3.1%	0.443		3.1%
14	2.0%	0.001	0.00		2.8%	0.357		2.8%
13	16.8%	0.054	0.00		2.9%	0.309		2.9%
12	28.5%	0.112	0.00	19.2%	2.0%	0.172		2.0%
11	48.2%	0.217	0.00		1.6%	0.094		1.6%
10	57.1%	0.218	0.00		1.5%	0.065		1.5%
9	96.3%	0.356	0.00		2.3%	0.103		2.3%
8	156.2%	0.485	0.00		4.8%	0.337		4.8%
7	261.7%	0.611	0.00		8.0%	0.626		8.0%
6	546.8%	0.817	0.00		12.0%	0.860		12.0%
5	776.3%	0.804	0.00		11.1%	0.758		11.1%
4	607.2%	0.634	0.00		9.1%	0.543		9.1%
3	14.6%	0.878	0.52		6.3%	0.202		10.6%

* Z is the credibility assigned to the statewide calendar year trend, based on the formula $N/(N+K)$, where $K = K'[(1-R^2_{STATE})^2 S^2_{STATE}] / [(1-R^2_{COUNTRYWIDE})^2 S^2_{COUNTRYWIDE}]$, N is the latest year's earned exposures (0,491), and K=1,000 is the credibility constant for the selected policy forms.

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit VI

**Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses, Adjusted for Miscoded Catastrophes
Elite II, Golden Blanket, Market Value, Market Value Plus**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/3	7,820	1,096	3.579	3,923	1	3.862	1.000	3.862	1	42.33	151.51
1988/3	7,494	1,310	3.377	4,424	1	4.577	1.000	4.577	1	59.96	202.49
1989/3	7,333	1,641	3.186	5,228	1	9.628	1.000	9.628	1	158.00	503.35
1990/3	7,583	1,607	3.005	4,829	1	6.739	1.000	6.739	1	108.30	325.43
1991/3	7,978	1,604	2.835	4,547	1	5.315	1.000	5.315	1	85.25	241.67
1992/3	8,563	1,470	2.675	3,932	1	6.108	1.000	6.108	1	89.79	240.17
1993/3	9,577	1,397	2.523	3,525	1	3.717	1.000	3.717	1	51.93	131.02
1994/3	11,081	2,168	2.381	5,162	1	7.247	1.000	7.247	1	157.11	374.09
1995/3	12,703	2,545	2.246	5,716	1	5.786	1.000	5.786	1	147.25	330.73
1996/3	14,352	4,733	2.119	10,029	0.25	14.193	1.000	14.193	0.25	671.75	1,423.42
1997/3	15,888	3,348	1.999	6,693	1	6.514	1.000	6.514	1	218.09	435.98
1998/3	17,527	2,658	1.886	5,013	1	4.604	1.000	4.604	1	122.37	230.80
1999/3	19,180	2,798	1.779	4,978	1	10.558	1.000	10.558	1	295.41	525.58
2000/3	20,464	2,454	1.678	4,118	1	5.971	1.000	5.971	1	146.53	245.89
2001/3	21,504	2,012	1.583	3,185	1	11.416	1.000	11.416	1	229.69	363.60
2002/3	21,848	3,199	1.494	4,779	1	7.644	1.000	7.644	1	244.53	365.31
2003/3	22,838	3,570	1.409	5,030	1	6.621	1.000	6.621	1	236.37	333.04
2004/3	24,283	3,139	1.329	4,172	1	5.877	1.000	5.877	1	184.48	245.19
2005/3	25,103	3,212	1.254	4,028	1	3.772	1.000	3.772	1	121.16	151.94
2006/3	26,349	5,530	1.183	6,542	1	7.507	1.000	7.507	1	415.14	491.11
2007/3	26,917	4,073	1.116	4,545	1	3.723	1.000	3.723	1	151.64	169.21
Wtd Avg		2,569		4,784		6.456		6.456		165.85	308.86

m=	4,971	m=	6.732	187.48	356.26
s=	1,451	s=	2.751	142.01	271.68
m-2s=	2,069	m-2s=	1.230	-96.54	-187.10
m-1s=	3,520	m-1s=	3.981	45.47	84.58
m+1s=	6,422	m+1s=	9.483	329.49	627.94
m+2s=	7,873	m+2s=	12.234	471.50	899.62

Severity Trend	Retro	Pro	Selected
Frequency Trend	6.0%	6.0%	4,791
Pure Premium Trend	0.0%	0.0%	6,347
	6.0%	6.0%	C. Projected Weather Pure Premium= (A)x(B)÷100: 304.08

	Projected
(12) Linearly Projected Severity	4,183
(13) Linearly Projected Frequency	7.26
(14) Linearly Projected Pure Premium	288.14

- Earned Exposures
- Wind, water, and catastrophe severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Severity Trend})^{(\text{Years of Prospective Trend})}$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind, water, and catastrophe frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Frequency Trend})^{(\text{Years of Prospective Trend})}$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit VI

**Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses, Adjusted for Miscoded Catastrophes
Tenants**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/3	1,018	797	4.396	3,504	1	0.098	1.000	0.098	1	0.78	3.43
1988/3	931	1,158	4.108	4,757	1	0.752	1.000	0.752	1	8.71	35.77
1989/3	927	488	3.840	1,874	1	0.324	1.000	0.324	1	1.58	6.07
1990/3	940	163	3.588	585	1	0.106	1.000	0.106	1	0.17	0.62
1991/3	952	0	3.354			0.000	1.000			0.00	
1992/3	911	942	3.134	2,952	1	0.220	1.000	0.220	1	2.07	6.49
1993/3	900	238	2.929	697	1	0.222	1.000	0.222	1	0.53	1.55
1994/3	1,010	0	2.738			0.000	1.000			0.00	
1995/3	1,044	781	2.559	1,999	1	0.383	1.000	0.383	1	2.99	7.66
1996/3	1,135	8,736	2.391	20,888	0.25	0.529	1.000	0.529	1	46.21	110.50
1997/3	1,166	2,065	2.235	4,615	1	0.600	1.000	0.600	1	12.39	27.69
1998/3	1,246	297	2.089	620	1	0.401	1.000	0.401	1	1.19	2.49
1999/3	1,610	2,756	1.952	5,380	1	0.435	1.000	0.435	1	11.99	23.40
2000/3	2,077	1,184	1.824	2,160	1	0.193	1.000	0.193	1	2.29	4.17
2001/3	2,111	947	1.705	1,615	1	0.711	1.000	0.711	1	6.73	11.48
2002/3	1,877	2,914	1.593	4,642	1	0.373	1.000	0.373	1	10.87	17.31
2003/3	1,660	1,703	1.489	2,536	1	0.181	1.000	0.181	1	3.08	4.59
2004/3	1,633	3,441	1.392	4,790	1	0.245	1.000	0.245	1	8.43	11.74
2005/3	1,693	1,934	1.301	2,516	1	0.177	1.000	0.177	1	3.42	4.45
2006/3	1,764	2,927	1.216	3,559	1	0.227	1.000	0.227	1	6.64	8.08
2007/3	1,812	3,186	1.136	3,619	1	0.331	1.000	0.331	1	10.55	11.98
Wtd Avg		1,650		3,158		0.343		0.343		5.66	10.83

m= 3,858
s= 4,386
m-2s= -4,914
m-1s= -528
m+1s= 8,244
m+2s= 12,630

m= 0.343
s= 0.192
m-2s= -0.041
m-1s= 0.151
m+1s= 0.535
m+2s= 0.727

6.70
10.00
-13.30
-3.30
16.70
26.70

Selected

Severity Trend 7.0%
Frequency Trend 0.0%
Pure Premium Trend 7.0%

A. Selected Weather Severity: 3,158
B. Selected Weather Frequency (per 100): 0.343
C. Projected Weather Pure Premium= (A)x(B)÷100: 10.83

	Projected
(12) Linearly Projected Severity	2,664
(13) Linearly Projected Frequency	0.35
(14) Linearly Projected Pure Premium	9.29

- Earned Exposures
- Wind, water, and catastrophe severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Severity Trend})^{(\text{Years of Prospective Trend})}$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind, water, and catastrophe frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Frequency Trend})^{(\text{Years of Prospective Trend})}$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit VI

**Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses, Adjusted for Miscoded Catastrophes
Condominiums, Comprehensive Condominiums**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/3	43	0	2.909			0.000	1.000			0.00	
1988/3	49	0	2.770			0.000	1.000			0.00	
1989/3	41	1,979	2.638	5,221	1	2.439	1.000	2.439	1	48.27	127.34
1990/3	34	571	2.513	1,435	1	5.882	1.000	5.882	1	33.59	84.41
1991/3	39	0	2.393			0.000	1.000			0.00	
1992/3	45	250	2.279	570	1	6.667	1.000	6.667	1	16.67	38.00
1993/3	60	200	2.171	434	1	1.667	1.000	1.667	1	3.33	7.23
1994/3	78	1,528	2.067	3,158	1	1.282	1.000	1.282	1	19.59	40.49
1995/3	100	440	1.969	866	1	2.000	1.000	2.000	1	8.80	17.32
1996/3	124	623	1.875	1,168	1	5.645	1.000	5.645	1	35.17	65.93
1997/3	143	1,333	1.786	2,381	1	6.294	1.000	6.294	1	83.90	149.86
1998/3	154	4,137	1.701	7,037	1	1.299	1.000	1.299	1	53.74	91.41
1999/3	169	2,551	1.620	4,133	1	5.325	1.000	5.325	1	135.84	220.08
2000/3	192	958	1.543	1,478	1	4.167	1.000	4.167	1	39.92	61.59
2001/3	190	1,866	1.469	2,741	1	3.684	1.000	3.684	1	68.74	100.98
2002/3	181	2,828	1.399	3,956	1	4.420	1.000	4.420	1	125.00	174.86
2003/3	198	1,546	1.333	2,061	1	0.505	1.000	0.505	1	7.81	10.41
2004/3	236	5,521	1.269	7,006	1	2.542	1.000	2.542	1	140.34	178.09
2005/3	255	4,466	1.209	5,399	1	3.137	1.000	3.137	1	140.10	169.37
2006/3	262	3,873	1.151	4,458	1	1.527	1.000	1.527	1	59.14	68.07
2007/3	279	10,547	1.096	11,560	0.5	2.151	1.000	2.151	1	226.87	248.66
Wtd Avg		2,282		3,388		3.369		3.369		76.88	114.14

m= 3,615
s= 2,873
m-2s= -2,131
m-1s= 742
m+1s= 6,488
m+2s= 9,361

m= 3.369
s= 1.951
m-2s= -0.533
m-1s= 1.418
m+1s= 5.320
m+2s= 7.271

59.37
61.68
-63.99
-2.31
121.05
182.73

Selected

Severity Trend Retro 5.0% Pro 5.0%
Frequency Trend 0.0% 0.0%
Pure Premium Trend 5.0% 5.0%

A. Selected Weather Severity: 3,388
B. Selected Weather Frequency (per 100): 3.369
C. Projected Weather Pure Premium= (A)x(B)÷100: 114.14

	Projected
(12) Linearly Projected Severity	4,814
(13) Linearly Projected Frequency	3.43
(14) Linearly Projected Pure Premium	124.26

- Earned Exposures
- Wind, water, and catastrophe severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Severity Trend})^{(\text{Years of Prospective Trend})}$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind, water, and catastrophe frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Frequency Trend})^{(\text{Years of Prospective Trend})}$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire**

Exhibit VI

**Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses, Adjusted for Miscoded Catastrophes
Mobile Home - Broad, Mobile Home - Comprehensive**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/3	1,036	1,159	3.579	4,148	1	1.737	1.000	1.737	1	20.13	72.05
1988/3	853	795	3.377	2,685	1	3.400	1.000	3.400	1	27.03	91.29
1989/3	774	1,394	3.186	4,441	1	6.977	1.000	6.977	1	97.26	309.85
1990/3	752	1,516	3.005	4,556	1	3.457	1.000	3.457	1	52.41	157.50
1991/3	689	1,116	2.835	3,164	1	3.048	1.000	3.048	1	34.02	96.44
1992/3	611	620	2.675	1,659	1	2.128	1.000	2.128	1	13.19	35.30
1993/3	569	947	2.523	2,389	1	2.460	1.000	2.460	1	23.30	58.77
1994/3	563	1,231	2.381	2,931	1	4.085	1.000	4.085	1	50.29	119.73
1995/3	554	853	2.246	1,916	1	3.069	1.000	3.069	1	26.18	58.80
1996/3	565	2,718	2.119	5,759	1	5.664	1.000	5.664	1	153.95	326.19
1997/3	582	8,860	1.999	17,711	0.25	4.467	1.000	4.467	1	395.78	791.15
1998/3	621	1,799	1.886	3,393	1	2.254	1.000	2.254	1	40.55	76.48
1999/3	693	1,785	1.779	3,176	1	5.195	1.000	5.195	1	92.73	164.99
2000/3	776	1,624	1.678	2,725	1	6.186	1.000	6.186	1	100.46	168.57
2001/3	836	875	1.583	1,385	1	7.656	1.000	7.656	1	66.99	106.04
2002/3	846	2,215	1.494	3,309	1	2.955	1.000	2.955	1	65.45	97.78
2003/3	795	2,016	1.409	2,841	1	3.899	1.000	3.899	1	78.60	110.77
2004/3	736	2,182	1.329	2,900	1	2.582	1.000	2.582	1	56.34	74.88
2005/3	648	1,850	1.254	2,320	1	2.315	1.000	2.315	1	42.83	53.71
2006/3	562	4,661	1.183	5,514	1	4.626	1.000	4.626	1	215.62	255.08
2007/3	491	3,311	1.116	3,695	1	2.648	1.000	2.648	1	87.68	97.84
Wtd Avg		1,821		3,424		3.848		3.848		70.07	131.76

m= 3,934
s= 3,356
m-2s= -2,778
m-1s= 578
m+1s= 7,290
m+2s= 10,646

m= 3.848
s= 1.667
m-2s= 0.514
m-1s= 2.181
m+1s= 5.515
m+2s= 7.182

82.89 158.25
86.30 165.87
-89.71 -173.49
-3.41 -7.62
169.19 324.12
255.49 489.99

Severity Trend	Retro 6.0%	Pro 6.0%	Selected	3,424
Frequency Trend	0.0%	0.0%	B. Selected Weather Frequency (per 100):	3.848
Pure Premium Trend	6.0%	6.0%	C. Projected Weather Pure Premium= (A)x(B)÷100:	131.76

	Projected
(12) Linearly Projected Severity	3,020
(13) Linearly Projected Frequency	4.15
(14) Linearly Projected Pure Premium	122.64

- Earned Exposures
- Wind, water, and catastrophe severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Severity Trend})^{(\text{Years of Prospective Trend})}$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind, water, and catastrophe frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})^{(\text{Years of Retrospective Trend})} * (1 + \text{Selected Prospective Frequency Trend})^{(\text{Years of Prospective Trend})}$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

Nationwide Mutual and Affiliated Insurance Companies

Financial Needs Model

Underwriting Profit Provision Support

Homeowners

The required underwriting profit provision used in this filing's rate level analysis was developed using an internal rate of return model that incorporates the estimated timing of premium receipts, loss payments, expense payments and other underwriting components. This model simulates a single insurance transaction (Premium = \$100.00) and its related assets flow and determines the required underwriting profit provision that would result in the desired rate of return on the surplus that supports the transaction.

The underlying surplus supporting the transaction at any given point in time is a function of the insurance reserves being held. Also, if the cash balance is insufficient to offset the insurance liabilities less receivables, additional surplus is committed to fund these reserves.

In addition to the historical payout patterns and expense provisions, the model reflects the following assumptions:

Desired Rate of Return:	15.0 %
Equity Allocated to Line of Business Using Premium to Surplus Ratio:	1.07 to 1.00
Reserve to Premium Ratio:	0.85 to 1.00
Investment Yield – Single Rate Equivalent:	6.00 %
Portion of Assets Available for Investments:	93.0 %
Federal Tax Rate:	35.0 %

Page 2 of this exhibit displays the cash flow resulting from these assumptions. The model derives an underwriting profit of \$13.99 (sum the net underwriting flow across all time periods) in order to achieve the desired rate of return. Page 3 provides the model's required assets (sum of reserve and surplus requirements) as well as the available assets (sum of receivables and cash balance from insurance operations). If the available assets are not sufficient to offset the required assets, additional assets (from surplus) must be infused to support the transaction. Page 4 displays the assets flow (negative values indicate flow to insurance operations while positive values indicate flow back to surplus). The total asset flow is then discounted at the desired rate of return, and the resulting sum of the discounted asset flow is \$0.00. Thus, an underwriting profit provision of 13.99 percent (\$13.99/\$100.00) is expected to achieve a 15.0 percent rate of return.

For this filing, we have selected to use a 10.0 underwriting profit provision which results in a 12.2 percent return on surplus.

Nationwide Mutual and Affiliated Insurance Companies

Homeowners

Cash Flow Related to Insurance Operations

Months from Policy Inception	Cash Flow				Actual Cash Balance	Excess Cash Flow	Adjusted Cash Balance
	Net Underwriting	Investment Income	Federal Income Tax	Total			
-1	(0.11)	0.00	0.00	(0.11)	0.00	0.00	0.00
0	61.65	0.00	4.28	65.93	65.93	0.00	65.93
3	(7.59)	2.42	(3.45)	(8.63)	57.31	0.00	57.31
6	(0.63)	1.99	(3.11)	(1.75)	55.56	0.00	55.56
9	(14.18)	1.58	(2.91)	(15.51)	40.04	0.00	40.04
12	(11.68)	0.96	(2.67)	(13.38)	26.66	0.00	26.66
15	(5.74)	0.46	(0.03)	(5.31)	21.35	4.62	16.73
18	(2.18)	0.27	0.02	(1.90)	14.83	2.76	12.07
21	(1.19)	0.19	(0.01)	(1.00)	11.07	1.56	9.51
24	(0.81)	0.15	(0.01)	(0.67)	8.84	1.08	7.76
27	(0.49)	0.14	(0.02)	(0.37)	7.40	0.70	6.69
30	(0.36)	0.12	(0.03)	(0.26)	6.43	0.52	5.91
33	(0.33)	0.11	(0.02)	(0.24)	5.66	0.50	5.16
36	(0.26)	0.10	(0.02)	(0.18)	4.98	0.39	4.59
39	(0.21)	0.09	(0.05)	(0.17)	4.42	0.29	4.12
42	(0.21)	0.08	(0.01)	(0.15)	3.98	0.31	3.66
45	(0.18)	0.07	(0.01)	(0.12)	3.54	0.27	3.27
48	(0.16)	0.06	(0.01)	(0.11)	3.16	0.25	2.91
51	(0.13)	0.06	0.00	(0.07)	2.85	0.22	2.63
54	(0.14)	0.05	(0.01)	(0.10)	2.53	0.21	2.32
57	(0.12)	0.05	(0.01)	(0.08)	2.23	0.18	2.05
60	(0.11)	0.04	(0.01)	(0.07)	1.98	0.17	1.81
72	(0.34)	0.16	(0.04)	(0.22)	1.59	0.51	1.08
84	(0.24)	0.10	(0.02)	(0.16)	0.92	0.35	0.56
96	(0.08)	0.05	(0.01)	(0.04)	0.53	0.13	0.39
108	(0.07)	0.04	(0.01)	(0.04)	0.35	0.11	0.24
120	(0.04)	0.02	(0.01)	(0.02)	0.22	0.06	0.16
132	(0.03)	0.01	(0.00)	(0.02)	0.14	0.05	0.09
144	(0.02)	0.01	(0.00)	(0.02)	0.07	0.03	0.04
156	(0.01)	0.00	(0.00)	(0.01)	0.03	0.02	0.01
168	(0.00)	0.00	(0.00)	(0.00)	0.01	0.00	0.01
180	(0.00)	0.00	(0.00)	(0.00)	0.01	0.00	0.00
192	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
204	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
216	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
228	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
240	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
252	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
264	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
276	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
288	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
300	0.00	0.00	0.00	0.00	0.00	0.00	0.00
312	0.00	0.00	0.00	0.00	0.00	0.00	0.00
324	0.00	0.00	0.00	0.00	0.00	0.00	0.00
336	0.00	0.00	0.00	0.00	0.00	0.00	0.00
348	0.00	0.00	0.00	0.00	0.00	0.00	0.00
360	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.99	9.38	(8.18)	15.19			

Nationwide Mutual and Affiliated Insurance Companies

Homeowners

Infused and Excess Asset Flows Resulting from Insurance Operations

Months from Policy Inception	Required Assets	Assets Prior to Infusion	Required Infused Assets	Infused Asset Flow	Excess Asset Flow	Total Asset Flow	Discount Factor at 15.0% ROR	Discounted Asset Flow
-1	0.00	0.00	0.00	0.00	(0.11)	(0.11)	1.0117	(0.11)
0	211.11	84.92	126.19	(126.19)	0.00	(126.19)	1.0000	(126.19)
3	174.36	74.08	100.28	25.92	0.00	25.92	0.9657	25.03
6	128.38	58.92	69.47	30.81	0.00	30.81	0.9325	28.73
9	77.71	41.19	36.52	32.94	0.00	32.94	0.9005	29.66
12	29.06	27.10	1.96	34.56	0.00	34.56	0.8696	30.05
15	17.11	17.11	0.00	1.96	4.62	6.58	0.8397	5.53
18	12.40	12.40	0.00	0.00	2.76	2.76	0.8109	2.24
21	9.80	9.80	0.00	0.00	1.56	1.56	0.7830	1.22
24	8.01	8.01	0.00	0.00	1.08	1.08	0.7561	0.82
27	6.92	6.92	0.00	0.00	0.70	0.70	0.7302	0.51
30	6.11	6.11	0.00	0.00	0.52	0.52	0.7051	0.37
33	5.33	5.33	0.00	0.00	0.50	0.50	0.6809	0.34
36	4.73	4.73	0.00	0.00	0.39	0.39	0.6575	0.26
39	4.25	4.25	0.00	0.00	0.29	0.29	0.6349	0.19
42	3.77	3.77	0.00	0.00	0.31	0.31	0.6131	0.19
45	3.37	3.37	0.00	0.00	0.27	0.27	0.5921	0.16
48	2.99	2.99	0.00	0.00	0.25	0.25	0.5718	0.14
51	2.70	2.70	0.00	0.00	0.22	0.22	0.5521	0.12
54	2.38	2.38	0.00	0.00	0.21	0.21	0.5332	0.11
57	2.11	2.11	0.00	0.00	0.18	0.18	0.5149	0.09
60	1.86	1.86	0.00	0.00	0.17	0.17	0.4972	0.08
72	1.11	1.11	0.00	0.00	0.51	0.51	0.4323	0.22
84	0.58	0.58	0.00	0.00	0.35	0.35	0.3759	0.13
96	0.40	0.40	0.00	0.00	0.13	0.13	0.3269	0.04
108	0.25	0.25	0.00	0.00	0.11	0.11	0.2843	0.03
120	0.16	0.16	0.00	0.00	0.06	0.06	0.2472	0.02
132	0.09	0.09	0.00	0.00	0.05	0.05	0.2149	0.01
144	0.04	0.04	0.00	0.00	0.03	0.03	0.1869	0.01
156	0.01	0.01	0.00	0.00	0.02	0.02	0.1625	0.00
168	0.01	0.01	0.00	0.00	0.00	0.00	0.1413	0.00
180	0.00	0.00	0.00	0.00	0.00	0.00	0.1229	0.00
192	0.00	0.00	0.00	0.00	0.00	0.00	0.1069	0.00
204	0.00	0.00	0.00	0.00	0.00	0.00	0.0929	0.00
216	0.00	0.00	0.00	0.00	0.00	0.00	0.0808	0.00
228	0.00	0.00	0.00	0.00	0.00	0.00	0.0703	0.00
240	0.00	0.00	0.00	0.00	0.00	0.00	0.0611	0.00
252	0.00	0.00	0.00	0.00	0.00	0.00	0.0531	0.00
264	0.00	0.00	0.00	0.00	0.00	0.00	0.0462	0.00
276	0.00	0.00	0.00	0.00	0.00	0.00	0.0402	0.00
288	0.00	0.00	0.00	0.00	0.00	0.00	0.0349	0.00
300	0.00	0.00	0.00	0.00	0.00	0.00	0.0304	0.00
312	0.00	0.00	0.00	0.00	0.00	0.00	0.0264	0.00
324	0.00	0.00	0.00	0.00	0.00	0.00	0.0230	0.00
336	0.00	0.00	0.00	0.00	0.00	0.00	0.0200	0.00
348	0.00	0.00	0.00	0.00	0.00	0.00	0.0174	0.00
360	0.00	0.00	0.00	0.00	0.00	0.00	0.0151	0.00
Total				0.00	15.19	15.19		(0.00)

**Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Replacement Cost Plus Rate *
Effective Date: 2/16/2008**

Year (1)	Losses Over The Occurrence Limit (RCP Losses) (2)	Loss Projection Factor (3)	Exposures (4)	RCP Pure Premium (5)=(2)*(3)/(4)	Experience Year Weight (6)
2002/4	107,785	1.141	21,950	5.60	15%
2003/4	260,700	1.117	23,301	12.50	15%
2004/4	59,736	1.092	24,386	2.67	20%
2005/4	352,007	1.069	25,484	14.77	25%
2006/4	204,189	1.046	26,526	8.05	25%
Weighted Average RCP Pure Premium				(7) = $\sum (5) \times (6)$	8.95
Variable Expense Provision				(8)	37.9%
RCP Rate inc. Variable Expenses				(9) = (7)/[1-(8)]	14.42

Selected Replacement Cost Plus Rate	10.00
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* Note: Replacement Cost Plus Apply To Homeowner Form Only

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Replacement Cost Plus Premium Impact
 Effective Date: 2/16/2008**

Current Replacement Cost Plus Rate (1)	Proposed Replacement Cost Plus Rate (2)	Total Policy Count (3)	Projected Current Level Earned Premium (4)	Replacement Cost Plus Policy Count (5)	New RCP Premium by Rate Increase (6)=[(2)-(1)]*(5)	Premium Impact (7)=(6)/(4)	Complement to 5% (8)=5%-(7)
1.00	10.00	27,609	27,323,276	21,700	195,300	0.7%	4.3%

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Proposed Home Car Discount
 Effective Date: 2/16/2008**

MPD	Homeowners			
	Policy Distribution	Current Factor	Proposed Factor	% change including off-balance
No	9,370	1.00	1.00	3.8%
Yes	18,339	0.85	0.80	-2.3%

Homeowners Premium impact: **-3.7%**

MPD	Condominiums			
	Policy Distribution	Current Factor	Proposed Factor	% change including off-balance
No	145	1.00	1.00	2.7%
Yes	142	0.85	0.80	-3.3%

Condominiums Premium impact: **-2.7%**

MPD	Tenants			
	Policy Distribution	Current Factor	Proposed Factor	% change including off-balance
No	536	1.00	1.00	4.1%
Yes	1,322	0.85	0.80	-2.0%

Tenants Premium impact: **-4.0%**

Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Homeowners Base Rate
Effective Date: 2/16/2008

Policy Form	Current Base Rate	Home and Car Premium Effect	Selected Base Policy Change	Proposed Base Rate
	(1)	(2)	(3)	(4) = (1)/[1+(2)]*[1+(3)]
Homeowner	1,201.65	-3.7%	4.3%	1,300.94
Tenants	167.46	-4.0%	0.0%	174.41
Condos	303.73	-2.7%	0.0%	312.07

PREMIUM COMPUTATION FOR HOMEOWNER POLICIES

BASE RATE
Eff. 7-15-07

Step (1)

Multiply the base rate of ~~\$1,201.68~~ by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

31,300.44

TABLE A — TERRITORY RATING FACTORS

Rating Territory	Factor
79	0.972
81	0.814
84	0.809
85	0.948
89	0.981
90	0.965
91	0.965
92	0.981
93	1.000
94	0.891
100	0.891
101	1.164
102	1.164
103	1.164
104	1.158
105	1.158
106	1.158
107	1.158
108	1.154
109	0.794
110	0.814
111	0.794
112	0.794
113	0.842
114	0.842
115	0.939
116	0.954
117	0.954
118	0.943
119	0.943
120	0.943
121	0.939
122	0.939

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Type of Construction rating factor in Table B. Round to the nearest penny.

**TABLE B —
PROTECTION CLASS/CONSTRUCTION TYPE
RATING FACTORS**

Protection Class	Entire State		
	MAS	FRM	MSV
02	1.000	1.099	1.000
03	1.000	1.099	1.000
04	1.041	1.177	1.041
05	1.041	1.177	1.041
06	1.177	1.311	1.177
07	1.320	1.458	1.320
08	1.787	2.099	1.787
09	2.265	2.677	2.265
10	3.097	3.794	3.097
11	4.032	4.590	4.032

PREMIUM COMPUTATION FOR TENANTS POLICIES

BASE RATE
Eff. 7-15-07

Step (1)

Multiply the base rate of ~~167.46~~ by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

\$174.41

TABLE A — TERRITORY RATING FACTORS
Eff. 10-1-05

Rating Territory	Factor
84, 111, 113	0.962
79, 85, 91, 92, 102, 105, 109, 110, 112, 114, 116, 118	1.000
81, 89, 90, 94, 101, 103, 104, 106, 107, 108, 115, 117, 119, 120-122	1.013
93	1.151

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Number of Families rating factor in Table B. Round to the nearest penny.

**TABLE B —
PROTECTION CLASS/NUMBER OF FAMILIES*
RATING FACTORS**

Protection Class	Terr: Entire State	
	1 - 4	A/O
02	1.000	1.000
03	1.000	1.000
04	1.000	1.000
05	1.095	1.095
06	1.095	1.095
07	1.248	1.248
08	1.248	1.248
09	1.600	1.600
10	1.600	1.600
11	1.819	1.819

* 1 - 4: One to four families or fire resistive.
A/O: All other risks.

Step (3)

Multiply the result from Step (2) by the appropriate Amount of Insurance rating factor from Table C. Interpolation may be used to calculate factors for amounts not shown. See page H — 401 for instructions. Round to the nearest penny, then round to the nearest whole dollar.

**TABLE C —
AMOUNT OF INSURANCE RATING FACTORS**

Amount of Insurance	All Territories
\$ 4,000	0.620
5,000	0.620
6,000	0.620
7,000	0.652
8,000	0.690
9,000	0.740
10,000	0.780
11,000	0.832
12,000	0.873
13,000	0.912
14,000	0.953
15,000	1.000
16,000	1.040
17,000	1.078
18,000	1.120
19,000	1.155
20,000	1.194
25,000	1.335
30,000	1.496
35,000	1.657
40,000	1.803
45,000	1.940
**5,000	0.121

** Add For Each Additional \$5,000

PREMIUM COMPUTATION FOR CONDOMINIUM POLICIES

BASE RATE
Eff. 7-15-07

Step (1)

Multiply the base rate of ~~839.73~~ ^{\$312.07} by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

TABLE A — TERRITORY RATING FACTORS

Rating Territory	Factor
All	1.000

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Number of Families rating factor in Table B. Round to the nearest penny.

**TABLE B —
PROTECTION CLASS/NUMBER OF FAMILIES*
RATING FACTORS**

Protection Class	Terr: Entire State	
	1 - 4	A/O
02	1.000	1.000
03	1.000	1.000
04	1.000	1.000
05	1.100	1.100
06	1.100	1.100
07	1.100	1.100
08	1.100	1.100
09	1.592	1.592
10	1.592	1.592
11	1.815	1.815

* 1 - 4: One to four families or fire resistive.
A/O: All other risks.

Step (3)

Multiply the result from Step (2) by the appropriate Amount of Insurance rating factor from Table C. Interpolation may be used to calculate factors for amounts not shown. See page H — 401 for instructions. Round to the nearest penny, then round to the nearest whole dollar.

**TABLE C —
AMOUNT OF INSURANCE RATING FACTORS**

Amount of Insurance	All Territories
\$ 4,000	0.471
5,000	0.471
6,000	0.471
7,000	0.500
8,000	0.529
9,000	0.563
10,000	0.592
11,000	0.632
12,000	0.661
13,000	0.690
14,000	0.718
15,000	0.753
16,000	0.787
17,000	0.816
18,000	0.845
19,000	0.868
20,000	0.897
25,000	1.000
30,000	1.121
35,000	1.241
40,000	1.351
45,000	1.448
**5,000	0.086

** Add For Each Additional \$5,000

CREDITS AND CHARGES (cont'd)

K. FINANCIAL RESPONSIBILITY RATE FACTOR (cont'd)
Eff. 7-15-07

Renewal Scoring (cont'd):

4. On policies where the first or second named insureds are all credit "no-hits," the Financial Responsibility Class 812 Factor shall be assigned to the policy. The age of the first or second named insured shall be used to determine which class 812 factor applies.

5. Policies may move up or down only two credit classes per review, subject to the following credit reclassification rules:

Move policies to a better credit class upon renewal if:

- a. It is the annual renewal date for the policy, AND
- b. The policy satisfies the requirements of the better credit class.

Move policies to a worse credit class upon renewal if:

- a. It is the annual renewal date for the policy, AND
- b. The policy satisfies the requirements of the worse credit class.

6. Once a policy reaches its true Financial Responsibility Class, credit will only be ordered every three years.

Renewal Scoring Exception:

Policies where the first or second named insureds were all prior "no-hits" or exclusions are subject to the New Business Scoring Rules above.

Added/Deleted Named Insured(s) and Spouse:

- 1. Do not order a credit report on the added named insured at the time of the change.
- 2. Apply the Renewal Business Scoring Rules at the annual renewal date of the policy.

When the first or second named insured is deleted from the policy at any time other than the annual renewal of the policy, the following rules apply:

- 1. The policy retains the current credit class.
- 2. Apply the Renewal Business Scoring Rules at the annual renewal date of the policy.

Spin-Off Policies

Any time a new policy must be set up for an existing customer of a Nationwide Company, a new credit class must be established using the rules outlined in the New Business Scoring portion of the Financial Responsibility Rate Factor section of this rating manual.

L. SUPPLEMENTAL HEATING CHARGE

This rule applies to Homeowner Policies

Charge applies to fuel burning appliances, including wood, coal and pellet stoves, cook-stoves, freestanding stoves, freestanding fireplaces, and fireplaces with fireplace inserts. Conventional masonry fireplaces and factory-built fireplaces without fireplace inserts, and coal furnaces as well as portable heating units are not included in this class.

When the charge applies, the otherwise applicable premiums shall be increased by 5 percent (multiply by a factor of 1.05). This charge is applied to the premium after the application of the Financial Responsibility Credit.

The charges are not applicable to the premium charged for Optional Coverage Against Backing of Sewers and Drains or New Construction Theft Coverage.

M. HOME AND CAR DISCOUNT

Eff. 7-15-07

This rule applies to Homeowner, Tenants, and Condominium policies only.

When the Named Insured is also the Named Insured under a Nationwide Mutual Insurance Company Standard Auto policy, the otherwise applicable premiums shall be reduced by 15 percent (multiply by a factor of 0.85). This discount is applied after the application of all other charges and credits, including charges for additional Section I coverages and Personal Liability coverages.

Handwritten annotations: "20" with an arrow pointing to "15 percent" and "a.80" with an arrow pointing to "0.85".

ADDITIONAL SECTION I COVERAGES (cont'd)

Q. EARTHQUAKE AND VOLCANIC ERUPTION COVERAGE (cont'd)

Construction Year	Factors	
	Other	Frame
1939 and Prior	2.00	1.00
1940 - 1949	1.30	1.00
1950 and Later	1.00	1.00

Earthquake Rating Zones

Zone 1 — Counties of Clay, Craighead, Crittenden, Cross, Greene, Jackson, Mississippi, and Poinsett.

Zone 2 — Counties of Lee and St. Francis.

Zone 3 — Counties of Independence, Lawrence, Randolph, and Sharp.

Zone 4 — Counties of Arkansas, Monroe, Phillips, Prairie, White, and Woodruff.

Zone 5 — Counties of Baxter, Fulton, and Izard.

Zone 6 — Counties of Cleburne, Conway, Desha, Faulkner, Jefferson, Little River, Lonoke, Marion, Pulaski, Searcy, Sebastian, and Stone.

Zone 7 — Remainder of State.

Construction

Construction materials affect the rate for Earthquake Damage protection as follows:

1. Homeowner
 - a. Exterior Masonry Veneer that is NOT to be covered is rated as "FRAME."
 - b. Exterior Masonry Veneer that is to be covered is rated as "OTHER."
 - c. Frame Stucco is to be rated as "FRAME."
2. Tenants and Condominium

All constructions to be rated as "FRAME."

R. REPLACEMENT COST PLUS — HOMEOWNER POLICY

This option modifies the policy loss settlement provisions to pay up to an additional 25 percent of the dwelling limit, if needed.

The premium for this option is ~~\$1.00~~ → \$10.00

The guarantee applies to total losses only when:

1. The dwelling is originally insured to 100 percent of replacement cost as determined by the Replacement Guide. If this is not the case, a current replacement cost computation and an adjustment to the policy limit needed to bring it to 100 percent of replacement cost must be submitted with requests to add this coverage.
2. The Inflation Protection Coverage is activated.
3. The Insured notifies us within ninety (90) days of the start of any improvements or additions, which increase the value of the dwelling by \$5,000 or more. We will pay no more than the policy limit if the Insured fails to so notify us.

S. OPTIONAL COVERAGE AGAINST BACKING OF SEWERS AND DRAINS

1. Option P — Limited Water Back Up of Sewers or Drains Coverage

We will pay up to a maximum of \$5,000 for all damage to:

- a. The Coverage A — Dwelling, AND
- b. The following personal property:
 1. Clothes washers and dryers,
 2. Food freezers and the food in them,
 3. Refrigerators,
 4. Ranges,
 5. Portable dishwashers, AND
 6. Dehumidifiers

caused by or resulting from water or water-borne material which

- a. Backs up through sewers or drains from outside the dwelling's plumbing system, OR
- b. Overflows a sump pump, sump pump well or other system designed to remove subsurface water or water-borne material from the foundation area.



November 28, 2007

Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 W 3rd Street
Little Rock, AR 72201-1901

Attention: Ms. Becky Harrington

Re: Nationwide Mutual Fire Insurance Company, NAIC No. 23779
Homeowners Rate Revision
File No. 07H-5324AR-KR
SERFF Tracking No. NWPC-125366336

Dear Ms. Harrington:

In response to your November 27, 2007 Objection Letter, we offer the following information. For your convenience, your questions/requests are shown in bold.

**1. Form RF-1 NAIC Loss Cost Data Entry Document—All P&C Lines
(Supporting Document)**

Comment: The rate change information does not include the most recent change that was effective in 2007. Please update the form.

Please see the revised Form RF-1, included with this response. The 2007 rate change is reflected here. We apologize for any confusion.

2. Pricing Exhibits (Supporting Document)

Comment: The manual pages show an increased base rate for tenants, condo, and mobile home. The exhibits show 0% change and a decrease percentage due to credits. Please explain.

The “Selected Base Policy Change” in Exhibit XI refers to the change to the statewide rate level as a result of this revision. The decreased Home and Car Discount factor generates a negative premium effect for homeowners, tenants, and condominiums forms. We increase the Base Rate to offset the effect of the Home and Car Discount revision, in order to achieve the targeted statewide rate level change (see calculation in column 4 of Exhibit XI). There is no change to mobile homes.

Ms. Harrington
November 28, 2007

Please contact me at (614) 249-2540 or at (800) 882-2822, extension 92540, with any questions. I may also be reached via facsimile at (614) 249-5113 or via e-mail at reinkek@nationwide.com.

Sincerely,

A handwritten signature in black ink that reads "Kara Reinke". The signature is written in a cursive, flowing style.

Pricing Analyst
Property Pricing

KR/mm
Attachments

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **07H-5324AR-KR**

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number **N/A**

		Company Name		Company NAIC Number
3.	A.	Nationwide Mutual Fire Insurance Company	B.	23779

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	Homeowners	B.	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	17.4%	5.0%					
Tenants	15.6%	0.0%					
Condominium	11.3%	0.0%					
Mobile Homeowners	-1.8%	0.0%					
TOTAL OVERALL EFFECT	17.1%	4.8%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	28,937	6.7%	07/15/2007	23,566	18,448	78.3%	46.1%
2005	28,079	0.1%	10/01/2005	22,853	12,388	54.2%	58.7%
2004	26,887	0.4%	10/01/2004	20,127	10,333	51.3%	70.1%
2003	25,493	11.1%	10/01/2003	18,665	12,607	67.5%	66.6%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.1%
B. General Expense	8.8%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain)	
F. TOTAL	37.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 8.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
HO-3, All Mono-line Policies
10. -3.3% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____
HO-8, All Multi-line Policies