

SERFF Tracking Number: SFMA-125266697 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number: AR-PC-07-025897
Company Tracking Number: MH-22458
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MH-22458
Project Name/Number: MH-22458/MH-22458

Filing at a Glance

Company: State Farm Fire and Casualty Company

Product Name: MH-22458

TOI: 04.0 Homeowners

Sub-TOI: 04.0002 Mobile Homeowners

Filing Type: Rate

SERFF Tr Num: SFMA-125266697 State: Arkansas

SERFF Status: Closed

Co Tr Num: MH-22458

Co Status:

Authors: Richard Haberer, Sheri Anderson

Date Submitted: 08/27/2007

State Tr Num: AR-PC-07-025897

State Status:

Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding

Disposition Date: 09/12/2007

Disposition Status: Filed

Effective Date Requested (New): 01/01/2008

Effective Date Requested (Renewal): 04/01/2008

Effective Date (New): 01/01/2008

Effective Date (Renewal):

04/01/2008

General Information

Project Name: MH-22458

Project Number: MH-22458

Reference Organization: N/A

Reference Title: N/A

Filing Status Changed: 09/12/2007

State Status Changed: 08/27/2007

Corresponding Filing Tracking Number:

Filing Description:

We respectfully submit a revision in the manual and rates for use in our Manufactured Home Program. The revisions result in an overall rate level change of 0.0%. This rate and rule revision is being submitted in conjunction with our companion forms filing identified as MH-22459.

The details of and support for these changes are provided in the attached Filing Memorandum, Summary of Manual Revisions Exhibit, and supporting Exhibit 1.

The rate level changes contained in this filing specifically consider the expected effect that any prior changes in policy

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language will have on our future underwriting experience.

Company and Contact

Filing Contact Information

Jessica Newman, jessica.newman.jpis@statefarm.com
 One State Farm Plaza (309) 735-0665 [Phone]
 Bloomington, IL 61710 (309) 766-0225[FAX]

Filing Company Information

State Farm Fire and Casualty Company CoCode: 25143 State of Domicile: Illinois
 1 State Farm Plaza Group Code: 176 Company Type:
 Bloomington, IL 61710 Group Name: State ID Number:
 (309) 735-0649 ext. [Phone] FEIN Number: 37-0533080

Filing Fees

Fee Required? Yes
 Fee Amount: \$125.00
 Retaliatory? No
 Fee Explanation: \$100.00 per Rate filing X 1 filing = \$100.00

\$25.00 per Rule filing X 1 filing = \$25.00

Total = \$125.00

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Fire and Casualty Company	\$125.00	08/27/2007	15298572

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/12/2007	09/12/2007

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	08/29/2007	08/29/2007	Richard Haberer	09/10/2007	09/10/2007

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State: Arkansas
 State Tracking Number: AR-PC-07-025897
 Sub-TOI: 04.0002 Mobile Homeowners

Disposition

Disposition Date: 09/12/2007
 Effective Date (New): 01/01/2008
 Effective Date (Renewal): 04/01/2008
 Status: Filed
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
State Farm Fire and Casualty Company	0.000%	\$-325,000	8,122	\$5,866,925	-5.600%	-3.200%	0.000%

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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	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Supporting Document	Filing Memorandum & Exhibits	Filed	Yes
Supporting Document	RF-1	Filed	Yes
Rate	Manual Pages	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/29/2007

Submitted Date 08/29/2007

Respond By Date

Dear Jessica Newman,

This will acknowledge receipt of the captioned filing.

Objection 1

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

Comment: Form RF-1 is still required with all rate filings.

Objection 2

- Filing Memorandum & Exhibits (Supporting Document)

Comment:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated 23-67-209 and Rule 23, Section 7.A.2.

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

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 09/10/2007

Submitted Date 09/10/2007

Dear Becky Harrington,

Comments:

SERFF Tracking Number: SFMA-125266697 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number: AR-PC-07-025897
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Response 1

Comments: The effect of changes were calculated using our currently filed credits for removal of coverage. When a policyholder elects to exclude flood coverage, the Flood Exclusion Endorsement (FE-7431) is used and provides a \$10 credit. This credit translates into a 1.4% premium reduction for the average Arkansas Manufactured Home policy. When a policyholder elects to delete Earth Movement coverage, a 4% credit is applied. Policyholders currently electing to eliminate both Flood and Earth Movement coverages would receive, on average, a 5.5% premium reduction. In order to achieve a 5.5% premium reduction for the Arkansas Manufactured Home Program, we implemented a 5.6% basic premium reduction.

Related Objection 1

Applies To:

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

Comment:

Form RF-1 is still required with all rate filings.

Related Objection 2

Applies To:

- Filing Memorandum & Exhibits (Supporting Document)

Comment:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated 23-67-209 and Rule 23, Section 7.A.2.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: RF-1

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Richard Haberer, Sheri Anderson

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Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: -0.400%
Effective Date of Last Rate Revision: 03/15/2005
Filing Method of Last Filing: File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
State Farm Fire and Casualty Company	0.000%	0.000%	\$-325,000	8,122	\$5,866,925	-5.600%	-3.200%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Pages	See attached	New	AR MH-22458 Manual Pages.pdf AR MH Reissue Summary.pdf

RULES FOR ALL POLICY FORMS

The rules, rates and premiums in this manual govern the writing of Manufactured Home policies. The rules and rates filed by or on behalf of the Company for each coverage shall govern in all cases not specifically provided for in these rules.

1. ELIGIBILITY

Several types of occupancy are permitted:

- + Occupied by owner - used principally for private residential purposes
- + Rented to others
- + Seasonals

The manufactured home can house one or two families, but cannot have more than two roomers or boarders. The term "owner" includes persons purchasing a manufactured home, such as under a lien agreement or contract of sale.

2. POLICY PERIOD AND PREMIUM PAYMENT

All premiums and rates shown in this manual are on an annual term basis. All policies are initially written for a one year term and are then automatically renewed annually. The rates on renewals will be those rates in effect at that time.

3. OTHER INSURANCE

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the Manufactured Home policy.

4. MINIMUM PREMIUMS

The annual minimum premium is \$100.

5. ROUNDING OF PREMIUMS

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

6. TRANSFER OR ASSIGNMENT

A. Transfer of the Manufactured Home policy to another location within the state is allowed, provided the new location meets underwriting requirements. Limited coverage is provided while the manufactured home is in transit.

B. Assignment of insurance under a Manufactured Home policy is allowed, provided the new owner meets underwriting requirements.

Transfers and assignments are subject to any necessary adjustment of premium.

RULES

7. MID-TERM CHANGES

- > Changes that affect coverage or a risk characteristic used in rating the policy may be made during the policy term, unless otherwise stated in this manual. Mid-term changes to take advantage of a new discount or charge OR a rate or classification change implemented by the company during the policy term are NOT permitted.

If a different premium is required for the remainder of the current policy term, the additional or return premium is to be computed pro rata unless otherwise stated in this manual.

8. CANCELLATION

- > When a policy is cancelled, the annual premium that applies to the policy period multiplied by the PRO RATA FACTOR is returned to the insured.

Calculate the PRO RATA FACTOR as follows:

- a) Compute the number of days left in the annual term until the policy expires. (Example: 122 days)
- b) Divide the number of days by 365 (days in a year) and round to 3 decimal places. This produces the PRO RATA FACTOR. A few examples may help:

<u>Number of Days</u>	<u>Divided By</u>	<u>Pro Rata Factor</u>
360	365	.986
240	365	.658
122	365	.334
73	365	.200
34	365	.093

9. RESTRICTION OF COVERAGE

The named insured can request a restriction on an individual policy. The circumstances or exposure must be so unusual that without the restriction the policy would not be issued. No reduction from the prescribed rate and minimum premium is allowed. Refer each request to the Company.

10. RESERVED FOR FUTURE USE

COVERAGES AND RATING

1. COVERAGES AND AMOUNTS

The policy contains two sections, each with various coverages.

Section I - Physical Damage Coverages

Section II - Liability Coverages

COVERAGES		MINIMUMS OR AMOUNTS
SECTION I	COVERAGE A: DWELLING	Dwelling Actual Cash Value of the described Manufactured Home
		Dwelling Extension: Other structures on premises 10% of Coverage A amount.
	COVERAGE B: PERSONAL PROPERTY	Personal Property 75% of Coverage A* (5% for Rentals) Increased Limits Available Special Limit: \$ 5,000 200 1,000 on premises (\$250 off premises) 1,000 1,000 1,000 1,000 2,500 2,500 10,000 (\$5,000 per item) 2,500
		Type of personal property: Computers and Equipment Money, Bank Notes, Coins Property used in a business Securities, Accounts, Deeds Watercraft and Equipment Trailers not used with Watercraft Jewelry and Furs (Theft) Stamps, Trading Cards & Comic Books Firearms (Theft) Area Rugs (Theft) Silverware and Goldware (Theft)
	COVERAGE C: LOSS OF USE	Additional Living Expense Fair Rental Value Actual Loss Sustained - within 24 Months - within 12 Months
	ADDITIONAL COVERAGES:	Arson Reward Collapse Credit Card and Forgery Debris Removal Fire Department Service Charge Lock Rekeying Power Interruption Property Removed Refrigerated Products Temporary Repairs Tree Debris Removal Trees, Shrubs and Other Plants Volcanic Action \$ 1,000 1,000 500 Coverage B Limit 500 5% of Cov. A (\$500 per item)

> *A \$4,000 minimum applies except for Seasonals/Secondaries and Rentals.

2. *LOSSES INSURED*

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1 of this unit, there are three coverages under Section I.

- COVERAGE A - Dwelling
- COVERAGE B - Personal Property
- COVERAGE C - Loss of Use

Listed below are the losses that are insured.

Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Fire or Lightning	Accidental Direct	Yes
Windstorm or Hail	Physical Loss (with certain exclusions)	Yes
Explosion		Yes
Riot or Civil Commotion		Yes
Aircraft		Yes
Vehicles		Yes
Smoke		Yes
Vandalism or Malicious Mischief		Yes
Breakage of Glass		Yes
Theft		Yes
Falling Objects		Yes
Weight of Ice, Snow or Sleet		Yes
Accidental Discharge of Water or Steam		Yes
Sudden, Accidental Tearing etc. of Water Heating Systems or Appliances		Yes
Freezing of Plumbing		Yes
Damage from Artificially Generated Electricity	Yes	

RATING

3. RATING

A. Determine the BASIC PREMIUM.

- >
- 1) Determine the Coverage A amount by using the Actual Cash Value of the manufactured home. (If replacement cost coverage is desired, the Coverage A amount must be equal to at least 100% of the current model year value.)
 - 2) Use the correct zone according to the location of the manufactured home.
 - 3) Use the correct premium from the basic premium pages.
 - 4) Apply all applicable basic premium adjustments from the Basic Premium Adjustment Section sequentially in the order presented in this section.

B. Apply any remaining PERCENTAGE discounts or charges to the BASIC PREMIUM.

C. Apply any FLAT DOLLAR discounts or charges, including premiums for optional coverages.

3. RATING (Continued)

D. Premium Calculation Example:

NOTE: The discounts and charges used in the following example were chosen for illustration purposes only.

1) Manufactured Home <u>BASIC PREMIUM</u>		
a. Precalculated Premium	=	\$ 260
b. Park Class 2 Adjustment (20% x \$260)	=	+\$ 52
Subtotal	=	\$ 312
c. Model Year Rating Adjustment (10% x \$312)	=	-\$ 31
Subtotal	=	\$ 281
d. Discount for local smoke alarm (2% x \$281)	=	-\$ 6
Subtotal	=	\$ 275
e. Charge for Replacement Cost (12% x \$275; 25 min.)	=	+\$ 33
Subtotal	=	\$ 308
f. Discount for \$1,000 Deductible (11% x 308)	=	-\$ 34
Subtotal	=	\$ 274
g. New Basic Premium	=	\$ 274
2) Charge for \$3000 Coverage B - Increased Limits 3 x \$1.60	=	+ \$ 5
3) Adjustment for \$2,500 Jewelry and Furs Option	=	+ \$ 20
4) Final Premium (Subject to Policy Minimum Premium)	=	\$ 299

NOTE: EACH DISCOUNT AND CHARGE IS TO BE ROUNDED TO THE NEAREST DOLLAR BEFORE BEING SUBTRACTED FROM OR ADDED TO THE BASIC PREMIUM.

FORM 3 BASIC PREMIUMS
 \$500 DEDUCTIBLE
 \$100,000/\$1,000 SECTION II LIMITS

AMOUNT	ALL
4,000*	136
8,000	193
10,000	222
15,000	286
20,000	357
25,000	425
30,000	497
35,000	568
40,000	640
45,000	711
50,000	782
55,000	854
60,000	925
65,000	1000
70,000	1072
75,000	1143
100,000	1508
150,000	2233

* PREMIUMS BELOW \$8,000 ARE FOR SEASONALS/SECONDARY ONLY.

NOTE: IF RENTAL EXISTS, ATTACH FE-7437, RENTED MANUFACTURED HOME ENDORSEMENT REFER TO COMPANY FOR POLICY AMOUNTS NOT SHOWN.

FORM 3 BASIC PREMIUMS
 \$500 DEDUCTIBLE
 \$100,000/\$1,000 SECTION II LIMITS

AMOUNT	ALL
4,000*	142
8,000	202
10,000	232
15,000	299
20,000	373
25,000	444
30,000	519
35,000	594
40,000	668
45,000	743
50,000	818
55,000	892
60,000	967
65,000	1046
70,000	1120
75,000	1195
100,000	1576
150,000	2334

* PREMIUMS BELOW \$8,000 ARE FOR SEASONALS/SECONDARY ONLY.

NOTE: IF RENTAL EXISTS, ATTACH FE-7437, RENTED MANUFACTURED HOME ENDORSEMENT
 REFER TO COMPANY FOR POLICY AMOUNTS NOT SHOWN.

STATE FARM FIRE AND CASUALTY COMPANY
 MANUFACTURED HOMES
 ARKANSAS

751-759

ARKANSAS
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BASIC PREMIUM ADJUSTMENTS INDEX

<i>BASIC PREMIUM ADJUSTMENTS</i>	<i>PARAGRAPH NUMBER</i>
Deductibles	8
Home Alert	5
Inflation and Replacement Cost	6
Manufactured Home 369 Discount	7
Model Year Rating Plan	2
Occupancy	3
Park Class	1
Roof Surfaces	4

2. MODEL YEAR RATING PLAN

Manufactured homes are eligible for a discount from the basic premium depending on the calendar year that the manufactured home was built. The discount to be applied is determined by the following:

FOR MANUFACTURED HOMES BUILT	APPLY DISCOUNT OF
During current calendar year	25%
One year preceding current calendar year	20%
Two years preceding current calendar year	15%
Three years preceding current calendar year	10%
Four years preceding current calendar year	5%
Five years or more preceding current calendar year	No Adjustment

3. OCCUPANCY

The precalculated premiums reflect standard occupancy of the manufactured home. For other occupancies the following adjustments apply:

Occupancy	Basic Premium Adjustment	
	Park Class 1	Park Class 2
Standard	No Charge	No Charge
Seasonal/Secondary	Add 50%	Add 15%
Rental	Add 73%	Add 15%

NOTES: If rental exists, attach FE-7437, Rented Manufactured Home Endorsement.

> 6. INFLATION AND REPLACEMENT COST COVERAGE

A. Inflation/Replacement Cost on Contents

Replacement Cost coverage is available only in conjunction with Inflation Coverage and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. If replacement cost on the dwelling is also desired, rule 6.A. does not apply. Refer to Rule 6.C.

Coverage may be extended to include the full cost of repair or replacement subject to the limit of liability and the terms of the endorsement below. Rented manufactured homes are not eligible for this coverage.

The additional annual premium for this coverage shall be determined by applying the following charge to the basic premium. In addition to providing the replacement cost feature, this premium increases the Coverage B limit by 25% of the Coverage A limit.

BASIC PREMIUM CHARGE	ENDORSEMENT MINIMUM PREMIUM
8%	\$15

Apply the rates shown in Paragraph 18 (Coverage B -- Increased Limits) to the policy amounts above those provided by this endorsement.

ATTACH: COVERAGE B INFLATION COVERAGE ENDORSEMENT, FE-3200.

ACTIVATE: LOSS SETTLEMENT PROVISION B1, LIMITED REPLACEMENT COST LOSS SETTLEMENT.

6. INFLATION AND REPLACEMENT COST COVERAGE (Continued)

B. Inflation/Dwelling Replacement Cost Coverage

Replacement cost coverage is available for homes up to and including the most recent 10 model years only in conjunction with Inflation Coverage, and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. If replacement cost on contents is also desired, rule 6.B. does not apply. Refer to rule 6.C.

Loss to property insured under Coverage A is settled at replacement cost subject to the limits of liability and to the terms of the endorsement below.

Premium
\$10

ATTACH: INFLATION AND DWELLING REPLACEMENT COST ENDORSEMENT, FE-7528.
ACTIVATE: LOSS SETTLEMENT PROVISION B2, DEPRECIATED LOSS SETTLEMENT.

C. Inflation/Dwelling Replacement Cost/Replacement Cost on Contents

Replacement cost coverage is available for homes up to and including the most recent 10 model years only in conjunction with Inflation coverage, and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. Coverage may be extended to include the full cost of repair or replacement subject to the limits of liability and to the terms of the endorsement below. Rented Manufactured Homes are not eligible for Replacement Cost on Contents Coverage.

The additional annual premium for this coverage shall be determined by applying the following charge to the basic premium. In addition to providing the replacement cost feature, this premium increases the Coverage B limit by 25% of the Coverage A limit.

BASIC PREMIUM CHARGE	ENDORSEMENT MINIMUM PREMIUM
13%	\$24

Apply the rates shown in Paragraph 18 (Coverage B -- Increased Limits) to the policy amounts above those provided by this endorsement.

ATTACH: INFLATION AND DWELLING REPLACEMENT COST ENDORSMENT, FE-7528.
ACTIVATE: LOSS SETTLEMENT PROVISION B1, LIMITED REPLACEMENT COST LOSS SETTLEMENT.

7. MANUFACTURED HOME 369 DISCOUNT

The premium will be discounted according to the schedule shown below. The amount of the discount depends upon the number of consecutive years, ending with the current renewal date, the policyholder or spouse has had a State Farm Manufactured Home, Homeowners or Farm/Ranch policy covering their primary dwelling or contents. Although eligibility and the amount of the discount are determined by the policy on the primary dwelling or contents, the discount also applies to any secondary residence insured by State Farm.

Consecutive Years Insured with State Farm	Subtract
0 - 2	0%
3 - 5	5
6 - 8	10
9 +	15

Examples

	(1)	(2)	(3)
A. Manufactured Home Policy First Issued:	1999	1994	2001
B. Calendar year of anniversary date being billed:	2003	2003	2003
C. (B - A)	4	9	2
D. Amount of Discount	5%	10%	0%

If a policy is reinstated, the number of consecutive years with State Farm applying at the time of cancellation or expiration will be used to determine this discount, provided the reinstatement occurs within three years. (The period of time away from State Farm does not apply towards this discount.)

BASIC PREMIUM ADJUSTMENTS

9. RESERVED FOR FUTURE USE

DISCOUNTS, CHARGES AND OPTIONS

INDEX

<i>DISCOUNTS, CHARGES, OPTIONS</i>	<i>PROVIDED BY</i>	<i>PARAGRAPH NUMBER</i>
Additional Insured	Option AI in Policy or Endorsement	24
Business Property - Increased Limits	Option BP in Policy	27
Business Pursuits	Option BU in Policy	44
Child Care	Endorsement	43
Coverage B - Increased Limits	Declarations Page	18
Dwelling Extension - Other Structures - Increased Limits - Off Premises Structures	Declarations Page Endorsement	20 21
Earthquake Coverage	Endorsement	26
Firearms	Option FA in Policy	16
Home Computers	Option HC in Policy	23
Incidental Business	Option IO in Policy	42
Jewelry and Furs - \$2500 Limit - \$5000 Limit	Option JF in Policy Option JF in Policy	15
Joint Ownership - Seasonal Dwelling	Endorsement	1
Loss Assessments	Endorsement	22
Nurses' Professional Liability	Endorsement	46
Personal Injury	Endorsement	45

DISCOUNTS, CHARGES AND OPTIONS

INDEX

<i>DISCOUNTS, CHARGES, OPTIONS</i>	<i>PROVIDED BY</i>	<i>PARAGRAPH NUMBER</i>
Section II - Other Limits	Declarations Page	41
Silverware - Increased Limits	Option SG in Policy	17
Vendors' Single Interest	Endorsement	25
Waterbed Liability	Endorsement	47

DISCOUNTS, CHARGES AND OPTIONS

All percentage discounts, charges and options are to be applied to the premium prior to any adjustment for flat dollar discounts, charges and options. The policy minimum premium (\$100) applies to the policy premium after adjustment for discounts, charges and options.

> **1. JOINT OWNERSHIP - SEASONAL DWELLINGS**

Coverage may be provided on jointly owned seasonal dwellings subject to the following limitations:

- + Coverage B is limited to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- + Section II Liability and Medical Payments to Others is limited to the premises only.

ATTACH: JOINT OWNERSHIP ENDORSEMENT, FE-7566

2-14. RESERVED FOR FUTURE USE

15. JEWELRY AND FURS

The policy provides named peril coverage with a \$200 limit on gold, silver and platinum (other than goldware and silverware), and a \$1,000 limit on loss by theft of Jewelry, Precious and Semi-Precious Stones, Watches and Furs.

Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

Limits for Loss by the Following Perils	\$2,500 Option JF		\$5,000 Option JF	
	Limit Any One Article	Total	Limit Any One Article	Total
1. Theft	\$1,500	\$2,500	\$2,500	\$5,000
2. Coverage B Perils Other than Theft	Cov. B Limit plus \$2,500	Cov. B Limit plus \$2,500	Cov. B Limit plus \$5,000	Cov. B Limit plus \$5,000
3. All Other Covered Perils	\$1,500	\$2,500	\$2,500	\$5,000

The deductible amount of the policy applies to this coverage.

Policy Deductible	Premium	
	\$2,500 Option	\$5,000 Option
\$ 500	\$12	\$21
1000	10	17
2000	8	15

ACTIVATE: OPTION JF in the Policy. Limits will be shown on the Declarations Page.

17. SILVERWARE AND GOLDWARE

The policy provides named peril coverage with a \$2,500 limit on loss by theft of Silverware and Goldware.

This special limit may be increased in increments of \$2,500 for the following additional premiums.

Policy Deductible	Limit for Loss by Theft		
	\$ 5,000	\$ 7,500	\$10,000
\$ 500	\$ 8	\$16	\$24
1000	6	13	19
2000	6	11	17

ACTIVATE: OPTION SG in the Policy. The limit will be shown on the Declarations Page.

18. COVERAGE B - INCREASED LIMITS

> The basic policy provides a limit of liability for personal property equal to 75% of Coverage A (5% for rental manufactured homes) OR 100% of Coverage A for policies with Loss Settlement BI activated. This optional coverage will be rated on the total value of Coverage B personal property in excess of the basic limits noted above.

If an earthquake endorsement is attached to the policy, it applies to this coverage. (In this case, a separate charge for Increased Coverage B must also be made under Paragraph 26 - Earthquake.)

Policy Deductible	For Each Increase of \$1,000
\$ 500	\$0.45
1000	0.36
2000	0.32

DISCOUNTS, CHARGES AND OPTIONS

19. RESERVED FOR FUTURE USE

20. OTHER STRUCTURES - INCREASED LIMITS

The basic policy provides a limit of liability for other structures equal to 10% of Coverage A. Increased limits can be provided for other structures on the premises. The coverage will be the same as the basic policy and will be rated on the total value of the other structures in excess of 10% of Coverage A.

> If an earthquake endorsement is attached to the policy, it applies to this coverage. (In this case, a separate charge for Increased Other Structures must also be made under Paragraph 26 - Earthquake.)

Policy Deductible	Rate Per \$1,000
\$ 500	\$6.00
1000	4.85
2000	4.20

21. OFF PREMISES STRUCTURES

Coverage under Coverage A - Dwelling Extension Other Structures may be extended to include structures which are located off premises. Coverage will be provided on an actual cash value basis. Coverage will not apply to:

- A. Off premises dwellings, whether or not owner occupied;
- B. Buildings used in whole or in part for business purposes;
- C. Buildings which are rented or held for rental, unless used solely as a private garage.
- D. Structures which were intended for use as a dwelling when originally constructed.
- E. Buildings not permanently attached to or otherwise forming a part of the realty.

This endorsement does not increase the coverage amount applying to Other Structures. If the total value of Other Structures both on and off premises exceeds 10% of Coverage A, the Dwelling Extension limit may be increased using rates shown in Paragraph 20 (Other Structures - Increased Limits).

Policy Deductible	Premium
\$ 500	\$22
1000	18
2000	15

> **ATTACH:** OFF PREMISES STRUCTURES ENDORSEMENT, FE-5255

DISCOUNTS, CHARGES AND OPTIONS

22. LOSS ASSESSMENTS

If the insured is a member of a homeowners association, coverage may be purchased for the insured's portion of an assessment against all members of the association. Coverage applies when the assessment is made in accordance with the governing rules of the association as a result of:

- A. A direct loss to commonly owned property caused by a peril covered under Section I of the policy;
- B. An occurrence to which Section II would apply; or
- C. Damages which the Association may be obligated to pay due to personal injury.

> If an earthquake endorsement is attached to the policy, it applies to this coverage. (In this case, a separate charge for Increased Other Structures must also be made under Paragraph 26 - Earthquake.)

The following rates apply:

Coverage D Amount	Rate per \$1000
First \$ 5,000	\$.50
Next 20,000	.25
Above 25,000	Refer to Company

> **ATTACH:** COVERAGE D LOSS ASSESSMENT ENDORSEMENT, FE-5256

23. HOME COMPUTERS

The policy provides \$5,000 coverage on electronic data processing equipment include the recording or storage media used with that equipment. This coverage applies to equipment primarily used on premises regardless of whether or not it is used in a business. Coverage is included for recording or storage media which can be replaced with other or like kind and quality on the open retail market.

This limit can be increased to \$10,000.

Deductible	\$10,000 Limit Premium
\$ 500	\$13
1000	11
2000	9

ACTIVATE: OPTION HC in the Policy. The limit will be shown on the Declarations Page.

24. ADDITIONAL INSURED

A. Sections I and II (Co-Owner or Additional Insured)

The interest of a co-owner or another additional insured with an interest only in the residence premises may be covered for no additional premium.

1) Occupant - Co-owner

A Manufactured Home policy can be issued to the co-owner of a one or two family dwelling if each of the co-owners occupying the home lives in independently separate premises. A separate Manufactured Home policy can be issued to the other co-owner.

2) Non-Occupant - Co-owner

Interests of a non-occupant, other than a contractor, may be covered in the event of joint ownership in the dwelling.

3) Other Additional Insureds

The interest of an additional insured with an interest only in the residence premises may be covered.

ACTIVATE: OPTION AI in the Policy.

B. Section II Only (Special Event)

The Section II interest of an additional insured arising from a special event may be covered for the following additional fully earned premium.

Liability Limit	PREMIUM
\$100,000	\$25
300,000	30
500,000	35
1,000,000	50

ATTACH: ADDITIONAL INSURED - SPECIAL EVENT ENDORSEMENT (SECTION II), FE-5263.

> C. Sections I and II (Additional Insured)

The interest of an additional insured, not described elsewhere in this section, may be covered for no additional premium.

ATTACH: ADDITIONAL INSURED ENDORSEMENT, FE-5267.

25. VENDORS' SINGLE INTEREST

Vendors' Single Interest (VSI) Coverage covers the lienholder's interest in the manufactured home against loss due to collision damage or embezzlement while in the lawful possession of the retail purchaser. It includes repossession return expense and expenses for releasing liens for rent, storage and utility charges. It should be written only when required by the lienholder.

Premium
\$5

ATTACH: VENDORS' SINGLE INTEREST ENDORSEMENT, FE-7374.

26. EARTHQUAKE DAMAGE ASSUMPTION

Earthquake damage can be covered by the addition of an endorsement.

A. Earthquake Zones

Zone 02 - Counties of:

Clay	Crittenden	Greene	Lee	Poinsett
Craighead	Cross	Jackson	Mississippi	St. Francis

Zone 03 - Counties of:

Arkansas	Lawrence	Phillips	Randolph	White
Independence	Monroe	Prairie	Sharp	Woodruff

Zone 04 - Counties of:

Baxter	Desha	Izard	Lonoke	Searcy
Cleburne	Faulkner	Jefferson	Marion	Sebastian
Conway	Fulton	Little River	Pulaski	Stone

Zone 05 - Remainder of State

B. Deductible

The deductible amounts are:

Deductible*
5% or 10% of the Coverage A limit of liability, 5% or 10% of the Coverage B limit of liability, and 5% or 10% of the limit of liability for Dwelling Extension (other structures); \$250 minimum.

*Deductible applies separately to Coverage A (Dwelling), Dwelling Extension, and Coverage B (Personal Property), subject to a minimum aggregate deductible amount of \$250 in any one occurrence.

C. Basic Rates (These provide basic package amounts of coverage.)

Rates shown apply per \$1,000 of Coverage A.

Deductible	Rate per \$1,000			
	Zone 2	Zone 3	Zone 4	Zone 5
5%	---	---	\$0.30	\$0.26
10%	\$0.58	\$0.28	0.20	0.18

26. EARTHQUAKE DAMAGE ASSUMPTION (Continued)

D. Earthquake Damage Limiting System

For manufactured homes which have an earthquake damage limiting system installed, apply the following factor to the premium developed from the basic earthquake rate table above:

Earthquake Damage
Limiting System Factor

0.70

E. Increasing Other Coverages

If higher than basic limits are provided for the following types of coverage, additional charges are made according to all applicable rates shown below. These rates apply only to the increased amount of coverage.

Coverage	Deductible	Add'l Rate per \$1,000			
		Zone 2	Zone 3	Zone 4	Zone 5
Coverage B	5%	---	---	\$0.22	\$0.19
	10%	\$0.40	\$0.20	0.15	0.13
Dwelling Extension	5%	---	---	\$0.30	\$0.26
	10%	\$0.58	\$0.28	0.20	0.18
Loss Assessments	5%	---	---	\$0.30	\$0.26
	10%	\$0.58	\$0.28	0.20	0.18

ATTACH: EARTHQUAKE ENDORSEMENT -- EXCLUDING MASONRY VENEER, FE-7300

DISCOUNTS, CHARGES AND OPTIONS

27. BUSINESS PROPERTY - INCREASED LIMITS

The policy provides \$1,000 on premises coverage and \$250 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

On premises coverage can be increased to \$2,500 or \$5,000 for the following additional premium.

Policy Deductible	\$2,500 Limit	\$5,000 Limit
\$ 500	\$12	\$17
1,000	10	14
2,000	8	12

ACTIVATE: OPTION BP in the Policy. Limits will be shown on the Declarations Page.

28-40. RESERVED FOR FUTURE USE

41. SECTION II - OTHER LIMITS

The basic premiums for Section II include \$100,000 Liability and \$1,000 Medical Payments. For increased limits, apply the following charges:

A.

Personal Liability Limits	Adjustment To Premium
\$300,000	\$10
500,000	17
1,000,000	35

B.

Medical Payments Limits	Adjustment To Premium
\$ 2,000	\$ 3
3,000	5
4,000	7
5,000	9

C. Remember -- Limits for all Section II coverages must be equal. The Section II limits for the following coverages should be reviewed if applicable:

- 1) Incidental Business
- 2) Child Care
- 3) Business Pursuits
- 4) Nurses' Professional Liability
- 5) Personal Injury

DISCOUNTS, CHARGES AND OPTIONS

42. INCIDENTAL BUSINESS

If the insured maintains an eligible incidental office or a professional or private school or studio in the manufactured home, Option 10 should be activated. This option provides additional Section I coverage of \$5,000 on premises and \$1,000 off premises for equipment, supplies and furnishings usual and incidental to the business occupancy. No coverage is provided under this option for computers and equipment or merchandise held as samples or for sale.

In addition, Section II coverage is provided for the incidental business. This coverage does not replace professional liability coverage.

The following premiums apply:

Liability Limit*	Premium
\$100,000	\$ 14
300,000	16
500,000	18
1,000,000	21

*Selected amount must coincide with the policy Section II limit.

The above charges apply regardless of Medical Payments limits.

ACTIVATE: OPTION 10 in the Policy.

43. CHILD CARE

When the insured provides babysitting care in the manufactured home, Section II coverage should be provided. The following additional premiums apply:

Limit of Liability*		Premium	
Occurrence Aggregate		Number of children cared for	
		1-3	4-6
\$100,000	\$100,000	\$50	\$75
300,000	300,000	65	90
500,000	500,000	70	95
1,000,000	1,000,000	81	110

*Selected amount must coincide with the policy Section II limit.

To reinstate the aggregate, refer to company.

The above charges apply regardless of Medical Payments limits.

> **ATTACH:** CHILD CARE LIABILITY ENDORSEMENT, FE-5268.

DISCOUNTS, CHARGES AND OPTIONS

45. PERSONAL INJURY COVERAGE

Coverage for Personal Injury may be provided under Coverage L - Personal Liability. This coverage includes injury arising out of the following offenses subject to the limitations in the endorsement:

- A. False arrest, detention, imprisonment, eviction or malicious prosecution;
- B. Libel, slander or defamation of character; or
- C. Invasion of privacy.

The following charges apply per policy.

Liability Amount *	Premium
\$100,000	\$10
300,000	13
500,000	16
1,000,000	24

* Selected amount must coincide with the policy Section II limit.

ATTACH: PERSONAL INJURY ENDORSEMENT, FE-7468.

46. NURSES' PROFESSIONAL LIABILITY COVERAGE

Coverage for liability arising out of nursing activities as a registered nurse, a licensed practical nurse or a licensed vocational nurse can be provided.

The following charges apply per policy.

Limit of Liability*		Premium
Occurrence	Aggregate	
\$100,000	\$100,000	\$20
300,000	300,000	24
500,000	500,000	26
1,000,000	1,000,000	30

*Selected amount must coincide with the policy Section II amount.

To reinstate the aggregate, refer to company.

> **ATTACH:** NURSES' PROFESSIONAL LIABILITY INSURANCE ENDORSEMENT, FE-5257.

MANUFACTURED HOME PROGRAM

PREMIUMS FOR AMOUNTS NOT SHOWN IN THE PERSONAL LINES MANUAL

A. PREMIUMS FOR LOWER AMOUNTS

1. All Occupancies, EXCEPT Seasonals.
The BASIC PREMIUM for amounts from \$4,000 to \$8,000 are the same as the Basic Seasonal premiums before the Seasonal Factor is applied.
2. All Occupancies, including Seasonals.
To derive the BASIC PREMIUM for the \$2,000 policy amount, multiply the premium for the \$4,000 policy amount by 0.8.

B. EACH ADDITIONAL \$10,000 ADD-ON CHARGES

The following "Each Additional \$10,000 Add-On Charges" are to be used to obtain premiums for amounts of insurance above those precalculated in the Personal Lines Manual.

Form 3 Basic Premiums
\$500 Deductible
\$100,000/\$1,000 Section II Limits

ZONE	RATE
10,14	\$146
11,13,16,17,19,21	153

State Farm Fire and Casualty Company
Personal Lines Supplemental Manual
Manufactured Home Program
ARKANSAS

300-304

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MANUFACTURED HOME PROGRAM

PREMIUMS FOR AMOUNTS NOT SHOWN IN THE PERSONAL LINES MANUAL

C. STRUCTURAL STABILITY

The following adjustments apply based upon the presence of structural stability devices. This adjustment applies after any adjustment for the Model Year Rating Plan.

Structural Stability	Adjustment to Basic Premium
Tied Down Not-Tied	No Adjustment Add 11%

State Farm Fire and Casualty Company
Personal Lines Supplemental Manual
Manufactured Home Program
ARKANSAS

305-308

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MANUFACTURED HOME PROGRAM

1. LOSS ASSESSMENT COVERAGE

Agent's binding authority is \$25,000.

ADDITIONAL AMOUNT	RATE PER \$1,000
Next \$25,000	\$ 0.10

2. INFLATION AND REPLACEMENT COST COVERAGE

Inflation and Dwelling Replacement Cost Coverage and Inflation and Dwelling/Personal Property Replacement Cost Coverage are available for renewal policyholders not meeting current eligibility requirements but already having this coverage. The rates and coverage limits included in the Personal Lines Manual apply.

Inflation Coverage Only (Renewals Only):

Inflation coverage may be added for no additional charge. Coverage on the manufactured home, other structures and contents will be increased as inflation occurs.

INFLATION COVERAGE ENDORSEMENT, FE-7419.

ATTACH:

State Farm Fire and Casualty Company
Personal Lines Supplemental Manual
Manufactured Home Program
ARKANSAS

309-319

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MANUFACTURED HOME PROGRAM

3. OCCUPANCY

The precalculated premiums reflect standard occupancy of the manufactured home. For other occupancies the following adjustments apply:

Occupancy	Basic Premium Adjustment	
	Park Class 1	Park Class 2
Travel Trailer - Seasonal	Add 50%	Add 15%
Travel Trailer - Full Time	Add 73%	Add 15%

4. INCREASED LIABILITY LIMITS AVAILABLE FOR ALL BUSINESS

PREMIUMS

Section II Coverage	Personal Liability Limit			
	\$2M	\$3M	\$4M	\$5M
Basic Policy Optional Limits - Section II	\$53	\$74	\$88	\$98
Incidental Business	32	44	53	59
Business Pursuits	18	25	30	34
Nurses' Professional Liability Coverage	45	63	75	84
Personal Injury Coverage	36	50	60	67
Additional Insured (Special Event)	75	105	125	140
Child Care				
1-3 Children Cared For	128	179	213	238
4-6 Children Cared For	165	231	275	308

5. FIRE DEPARTMENT SERVICE CHARGE INCREASED LIMITS

The Homeowners policy includes a Fire Department Service Charge limit of \$500. Increased limits may be purchased as follows:

Fire Department Service Charge Limit	Premium
\$1,000	\$10
\$1,500	\$20
\$2,000	\$30

ATTACH: FIRE DEPARTMENT SERVICE CHARGE INCREASE ENDORSEMENT (\$1,000 LIMIT), FE-7473 or
 FIRE DEPARTMENT SERVICE CHARGE INCREASE ENDORSEMENT (\$1,500 LIMIT), FE-7474 or
 FIRE DEPARTMENT SERVICE CHARGE INCREASE ENDORSEMENT (\$2,000 LIMIT), FE-7475

State Farm Fire and Casualty Company
 Personal Lines Supplemental Manual
 Manufactured Home Program
 ARKANSAS

320-399

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**ARKANSAS MANUFACTURED HOME PROGRAM
STATE FARM FIRE AND CASUALTY COMPANY
SUMMARY OF MANUAL REVISIONS**

Agents			
Page Number	Description Of Changes		
730, 736, 762	Travel Trailers moved to Personal Supplemental Manual (PSM) for renewals only.		
731-735	Simplified Mid-Term Change Rule – no changes to current operational procedures. Revised the Cancellation rule to include the Pro Rata calculation.		
736	<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">Coverage Summary revised to reflect policy changes:</td> <td> <ul style="list-style-type: none"> • Deleted Temporary Living Expense Allowance. • ALE changed to 24 months. • Stamps, Trading Cards limit added. • Revised the Trees & Shrubs Add'l coverage limit. </td> </tr> </table>	Coverage Summary revised to reflect policy changes:	<ul style="list-style-type: none"> • Deleted Temporary Living Expense Allowance. • ALE changed to 24 months. • Stamps, Trading Cards limit added. • Revised the Trees & Shrubs Add'l coverage limit.
Coverage Summary revised to reflect policy changes:	<ul style="list-style-type: none"> • Deleted Temporary Living Expense Allowance. • ALE changed to 24 months. • Stamps, Trading Cards limit added. • Revised the Trees & Shrubs Add'l coverage limit. 		
738	Removed Flood as a loss insured.		
739-741	Added reference to Cov. A requirements when Replacement Cost applies.		
742,760,769	Deleted Option EM rating rules.		
750-759	Basic premiums are revised.		
765, 766	Revised RC rules and endorsement references. Deleted Inflation Coverage Only option – moved to PSM for renewals only.		
770	Deleted Flood Amendatory End. from index Added Earthquake and Joint Ownership to index.		
772	Added Joint Ownership rule.		
774	Clarified rating rule for Coverage B - Increased Limits.		
775	Added EQ references to Other Structures rule.		
776, 777, 778, 787, 789	Revised endorsement references due to policy rewrite.		
777	Added EQ references to Loss Assessments rule.		
778	Added Additional Interest rule for FE-5267.		
779, 780	EQ rule added (designed to follow HO). Added rate factor for Earthquake Damage Limiting System.		
781-785	Deleted Flood Amendatory End. Rule.		
786	Deleted reference to Initial Residence Premises only.		

**ARKANSAS MANUFACTURED HOME PROGRAM
STATE FARM FIRE AND CASUALTY COMPANY
SUMMARY OF MANUAL REVISIONS**

Supplemental Manual	
Page Number	Description Of Change
300-308	Each additional rates are revised.
309	Deleted Flood Exclusion Rule.
310-320	Added "Inflation Coverage Only" rule for renewals only. Travel Trailers moved to PSM for renewals only.
321-399	Revised endorsement references due to policy rewrite.

SERFF Tracking Number: SFMA-125266697 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number: AR-PC-07-025897
Company Tracking Number: MH-22458
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MH-22458
Project Name/Number: MH-22458/MH-22458

Supporting Document Schedules

Bypassed -Name:	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Review Status:	Filed	09/12/2007
Bypass Reason:	N/A			
Comments:				
Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	09/12/2007
Comments:				
Attachment:	PCTD-1.pdf			
Satisfied -Name:	Filing Memorandum & Exhibits	Review Status:	Filed	09/12/2007
Comments:				
Attachments:	AR MHO Filing Memorandum.pdf Exhibit 1.pdf			
Satisfied -Name:	RF-1	Review Status:	Filed	09/12/2007
Comments:				
Attachment:	AR MH - FORM RF-1 Rate Filing Abstract.pdf			

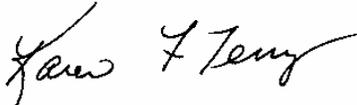
Property & Casualty Transmittal Document Error! Unknown document property name.

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:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
h. Subject Codes	

3. Group Name	Group NAIC #			
State Farm Insurance Companies	0176			
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
State Farm Fire and Casualty Company	Illinois	25143	37-0533080	

5. Company Tracking Number	MH-22458
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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
	Karen Terry State Farm Fire and Casualty Company One State Farm Plaza, D-4 Bloomington, IL 61710	Actuary and Assistant Secretary-Treasurer	(309) 766-2265	309-766-0225	karen.terry.agr7@statefarm.com
	Jessica Newman State Farm Fire and Casualty Company One State Farm Plaza, D-4 Bloomington, IL 61710	Pricing Manager	(309) 735-0665	309-766-0225	jessica.newman.jpis@statefarm.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Karen F Terry		

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

9. Type of Insurance (TOI)	04.0
10. Sub-Type of Insurance (Sub-TOI)	04.0002
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	Homeowners Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) -
14. Effective Date(s) Requested	January 1, 2008 for new business and April 1, 2008 for renewals.
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	n/a
17. Reference Organization # & Title	n/a
18. Company's Date of Filing	August 27, 2007
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 #	MH-22458
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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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We respectfully submit a revision in the manual and rates for use in our Manufactured Home Program. The revisions result in an overall rate level change of 0.0%. This rate and rule revision is being submitted in conjunction with our companion forms filing identified as MH-22459.

The details of and support for these changes are provided in the attached Filing Memorandum, Summary of Manual Revisions Exhibit, and supporting Exhibit 1.

The rate level changes contained in this filing specifically consider the expected effect that any prior changes in policy language will have on our future underwriting experience.

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 #: Submitted via EFT
Amount: \$125.00

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.)**

STATE FARM FIRE AND CASUALTY COMPANY
Arkansas Manufactured Home Program
Filing Memorandum
Effective Dates: 01-01-2008 New Business
04-01-2008 Renewal Business

I. Rate Revision

This filing represents an overall 0.0% change for the Arkansas Manufactured Home Program. We are eliminating Flood and Earth Movement coverage from our policy. We are also adding a Section II liability exclusion for fungus. We are implementing a basic premium reduction to recognize the rate effect of these coverage changes. The loss experience by year is shown in Exhibit 1.

II. Earthquake Rating

We are introducing the following rates for Earthquake coverage. The Basic Rates and Increasing Other Coverages Rates are currently in effect in the Homeowners Program for dwellings with no exterior masonry veneer. The factor for Earth Movement Damage Limiting System was selected based upon judgment. This factor will be reviewed as experience develops.

A. Basic Rates

Deductible	Rate per \$1000			
	Zone 02	Zone 03	Zone 04	Zone 05
5%	----	----	\$ 0.30	\$ 0.26
10%	\$ 0.58	\$ 0.28	\$ 0.20	\$ 0.18

B. Increasing Other Coverages

Coverage	Deductible	Additional Rate per \$1000			
		Zone 02	Zone 03	Zone 04	Zone 05
Coverage B	5%	----	----	\$ 0.22	\$ 0.19
	10%	\$ 0.40	\$ 0.20	\$ 0.15	\$ 0.13
Dwelling Extension	5%	----	----	\$ 0.30	\$ 0.26
	10%	\$ 0.58	\$ 0.28	\$ 0.20	\$ 0.18
Loss Assessments	5%	----	----	\$ 0.30	\$ 0.26
	10%	\$ 0.58	\$ 0.28	\$ 0.20	\$ 0.18

C. Earth Movement Damage Limiting System

For manufactured homes which have an earth movement damage limiting system installed, we propose apply the following factor to the basic earthquake rates:

0.70

III. Summary of Changes

Shown below are the changes and their effects.

Changes	Effect Of Changes
Flood Coverage Removed	1.4%
Earth Movement Coverage Removed	4.0%
Section II Liability Exclusion	0.0%
Basic Premium Change	-5.6%
Manufactured Home Program	0.0%

Exhibit 1
State Farm Fire and Casualty
Arkansas Manufactured Homes
Gross Underwriting Profit or Loss on a Statutory Basis

Arkansas						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2002	5,966,117	49.9%	4.3%	54.2%	30.3%	84.6%
2003	5,867,096	60.3%	13.9%	74.2%	27.2%	101.4%
2004	5,877,029	29.9%	5.6%	35.5%	27.9%	63.4%
2005	5,799,142	51.2%	2.1%	53.3%	25.5%	78.8%
2006	5,849,274	32.4%	21.6%	54.0%	26.4%	80.4%
02-06	29,358,658	44.7%	9.5%	54.2%	27.5%	81.7%

Companywide						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2002	214,821,215	66.8%	17.2%	84.0%	30.5%	114.4%
2003	228,606,204	58.4%	17.6%	75.9%	29.3%	105.3%
2004	247,233,971	50.8%	65.3%	116.1%	27.8%	143.9%
2005	256,253,325	48.4%	41.4%	89.8%	24.7%	114.5%
2006	264,147,908	47.5%	8.2%	55.8%	26.9%	82.6%
02-06	1,211,062,623	53.9%	30.2%	84.1%	27.7%	111.8%

Expense Ratios include Agents' Commissions, Taxes, Other Acquisition and General Expenses.

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	MH-22458
-----------	---	-----------------

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.	State Farm Fire and Casualty Company	B. 0176-25143

	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.	4.0 Homeowners	B. 4.002 Mobilehomeowners

5.			FOR LOSS COSTS ONLY					
	(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(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
	Manufactured Homes	0.0	0.0					
	Multi-Peril							
	TOTAL OVERALL EFFECT	0.0	0.0					

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
	2003	9,266	+23.1	8/1/03	5,867	3,620	62%	61%
	2004	8,408	--	No Chg	5,877	1,726	29%	99%
	2005	8,207	-0.4	3/15/05	5,799	2,458	42%	74%
	2006	8,122	--	No Chg	5,849	2,508	43%	43%

7.		
	Expense Constants	Selected Provisions
	A. Total Production Expense	21.0
	B. General Expense	2.8
	C. Taxes, License & Fees	2.6
	D. Underwriting Profit & Contingencies	7.0
	E. Other (explain)	
	F. TOTAL	33.4

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. N/A Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -5.6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____