

SERFF Tracking Number: STAT-125268968 State: Arkansas  
First Filing Company: State Automobile Mutual Insurance Company, ... State Tracking Number: AR-PC-07-026088  
Company Tracking Number: SAC-HO-2007-564  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: AR HO  
Project Name/Number: AR 11 15 RR/SAC-HO-2007-564

## Filing at a Glance

Companies: State Automobile Mutual Insurance Company, State Auto Property and Casualty Insurance Company  
Product Name: AR HO SERFF Tr Num: STAT-125268968 State: Arkansas  
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: AR-PC-07-026088  
Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: SAC-HO-2007-564 State Status:  
Combinations  
Filing Type: Rate Co Status: Reviewer(s): Becky Harrington,  
Betty Montesi, Brittany Yielding  
Authors: Doug Griffith, Barb Wickham Disposition Date: 09/14/2007  
Date Submitted: 09/14/2007 Disposition Status: Filed  
Effective Date Requested (New): 11/15/2007 Effective Date (New): 11/15/2007  
Effective Date Requested (Renewal): 11/15/2007 Effective Date (Renewal):  
11/15/2007

## General Information

Project Name: AR 11 15 RR Status of Filing in Domicile:  
Project Number: SAC-HO-2007-564 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 09/14/2007  
State Status Changed: 09/14/2007 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
With this filing we are proposing rate and rule revisions, resulting in an overall statewide impact of -5.0%.

## Company and Contact

### Filing Contact Information

Theresa Brundage, Actuarial Technician Theresa.Brundage@StateAuto.com  
518 E. Broad Street (614) 917-5141 [Phone]

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Columbus, OH 43215 (614) 719-0154[FAX]

**Filing Company Information**

State Automobile Mutual Insurance Company CoCode: 25135 State of Domicile: Ohio  
518 E. Broad Street Group Code: 175 Company Type: Property and  
Casualty

PO Box 182822  
Columbus, OH 43215 Group Name: State ID Number:  
(614) 464-5000 ext. [Phone] FEIN Number: 31-4316080  
-----

State Auto Property and Casualty Insurance CoCode: 25127 State of Domicile: Iowa  
Company Group Code: 175 Company Type: Property and  
1300 Woodland Ave Casualty

PO Box 66150  
West Des Moines, IA 50265-0150 Group Name: State ID Number:  
(614) 464-5000 ext. [Phone] FEIN Number: 57-6010814  
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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance Company	\$100.00	09/14/2007	15625503
State Automobile Mutual Insurance Company	\$0.00	09/14/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
	\$0.00	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/14/2007	09/14/2007

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 Product Name: AR HO  
 Project Name/Number: AR 11 15 RR/SAC-HO-2007-564

## Disposition

Disposition Date: 09/14/2007  
 Effective Date (New): 11/15/2007  
 Effective Date (Renewal): 11/15/2007  
 Status: Filed  
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
State Automobile Mutual Insurance Company	-5.200%	\$-41,024	1,192	\$818,493	%	%	-16.000%
State Auto Property and Casualty Insurance Company	-5.000%	\$-341,161	7,938	\$6,806,616	%	%	-16.000%

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	-16.000%
Overall Percentage Rate Impact For This Filing	-5.000%
Effect of Rate Filing-Written Premium Change For This Program	\$-382,185
Effect of Rate Filing - Number of Policyholders Affected	9,130

SERFF Tracking Number: STAT-125268968 State: Arkansas  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Filed	Yes
<b>Supporting Document</b>	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
<b>Supporting Document</b>	Exhibits	Filed	Yes
<b>Supporting Document</b>	Rate Document	Filed	Yes
<b>Supporting Document</b>	Revised Manual Pages	Filed	Yes
<b>Supporting Document</b>	Form H-1	Filed	Yes

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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: AR HO  
 Project Name/Number: AR 11 15 RR/SAC-HO-2007-564

## Rate Information

Rate data applies to filing.

**Filing Method:** File and Use  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** -6.400%  
**Effective Date of Last Rate Revision:** 11/15/2006  
**Filing Method of Last Filing:** File and 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 Automobile Mutual Insurance Company	-16.000%	-5.200%	\$-41,024	1,192	\$818,493	%	%
State Auto Property and Casualty Insurance Company	-16.000%	-5.000%	\$-341,161	7,938	\$6,806,616	%	%

## Overall Rate Information for Multiple Company Filings

**Overall % Rate Indicated:** -16.000%  
**Overall Percentage Rate Impact For This Filing:** -5.000%

<i>SERFF Tracking Number:</i>	<i>STAT-125268968</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>State Automobile Mutual Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026088</i>
<i>Company Tracking Number:</i>	<i>SAC-HO-2007-564</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>AR HO</i>		
<i>Project Name/Number:</i>	<i>AR 11 15 RR/SAC-HO-2007-564</i>		

<b>Effect of Rate Filing - Written Premium Change For This Program:</b>	<b>\$-382,185</b>
<b>Effect of Rate Filing - Number of Policyholders Affected:</b>	<b>9130</b>



SERFF Tracking Number: STAT-125268968 State: Arkansas  
First Filing Company: State Automobile Mutual Insurance Company, ... State Tracking Number: AR-PC-07-026088  
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: AR HO  
Project Name/Number: AR 11 15 RR/SAC-HO-2007-564

## Supporting Document Schedules

**Satisfied -Name:** Form RF-1 NAIC Loss Cost Data  
Entry Document--All P&C Lines **Review Status:** Filed 09/14/2007

**Comments:**

**Attachments:**

RF-1 Home RR 2007 SAPC.pdf  
RF-1 Home RR 2007 SAMIC.pdf

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Filed 09/14/2007

**Comments:**

**Attachment:**

Transmittal AR Home.pdf

**Satisfied -Name:** Exhibits **Review Status:** Filed 09/14/2007

**Comments:**

**Attachment:**

AR HO Exhibits.pdf

**Satisfied -Name:** Rate Document **Review Status:** Filed 09/14/2007

**Comments:**

**Attachment:**

AR HO Rate Document.pdf

**Satisfied -Name:** Revised Manual Pages **Review Status:** Filed 09/14/2007

**Comments:**

**Attachment:**

AR HO Rev Man Pages 8-31.pdf

SERFF Tracking Number: STAT-125268968 State: Arkansas  
First Filing Company: State Automobile Mutual Insurance Company, ... State Tracking Number: AR-PC-07-026088  
Company Tracking Number: SAC-HO-2007-564  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: AR HO  
Project Name/Number: AR 11 15 RR/SAC-HO-2007-564

**Review Status:**

**Satisfied -Name:** Form H-1

Filed

09/14/2007

**Comments:**

**Attachments:**

Form H-1 SAMIC - 2007.pdf

Form H-1 SAPC - 2007.pdf

**ARKANSAS INSURANCE DEPARTMENT  
RATE FILING ABSTRACT**

Insurer Name: State Auto Property & Casualty Insurance Company  
 NAIC Number: 25127  
 Name of Advisory Organization Whose Filing You Are Referencing \_\_\_\_\_  
 Co. Affiliation to Advisory Organization: Member  Subscriber  Service Purchaser   
 Reference Filing #: \_\_\_\_\_ Proposed Effective Date: 11/15/2007

Contact Person: Theresa Brundage  
 Signature: \_\_\_\_\_  
 Telephone No: 800-695-9436 (ext. 5141)

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant If Applicable	(8) Co. Current Loss Cost Multiplier
Homeowner Options Program Forms HO-3 and HO-5 Form HO-4 Form HO-6	-16.4 0.0 0.0	-4.9 -10.7 -7.7					
<b>TOTAL OVERALL EFFECT</b>	-16.0	-5.0					

N/A Apply Loss Cost Factors to Future Filings (Y or N)  
22.20% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-23.70% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History								Selected Provisions	
Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio	A. Total Production Expense	See Exhibit I	
2002	7502	+8.0 05/17/2002	3573	1792	50.2%	81.1	B. General Expense		
2003	8637	+4.8 05/30/2003	4799	2246	46.8%	82.8	C. Taxes, License & Fees		
2004	7945	+8.0 11/15/2004	5915	2380	40.2%	84.5	D. Underwriting Profit & Contingences		
2005	8502	-3.2 11/15/2005	6598	4327	65.6%	59.7	E. Other (explain)		
2006	7938	-6.5 11/15/2006	7084	4576	64.6%	61.5	F. TOTAL		

**ARKANSAS INSURANCE DEPARTMENT  
RATE FILING ABSTRACT**

Insurer Name: State Automobile Mutual Insurance Company  
 NAIC Number: 25135  
 Name of Advisory Organization Whose Filing You Are Referencing \_\_\_\_\_  
 Co. Affiliation to Advisory Organization: Member  Subscriber  Service Purchaser   
 Reference Filing #: \_\_\_\_\_ Proposed Effective Date: 11/15/2007

Contact Person: Theresa Brundage  
 Signature: \_\_\_\_\_  
 Telephone No: 800-695-9436 (ext. 5141)

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant If Applicable	(8) Co. Current Loss Cost Multiplier
Homeowner Options Program							
Forms HO-3 and HO-5	-16.4	-4.9					
Form HO-4	0.0	-10.7					
Form HO-6	0.0	-7.7					
<b>TOTAL OVERALL EFFECT</b>	<b>-16.0</b>	<b>-5.2</b>					

N/A Apply Loss Cost Factors to Future Filings (Y or N)  
+22.2% Estimated Maximum Rate Increase for any Arkansas Insured (%)  
-23.7% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History								Selected Provisions	
Year	Policy Count	Rate Change History % Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio	A. Total Production Expense	See Exhibit I	
2002	2028	+7.9 05/17/2002	1060	598	56.4%	75.5	B. General Expense	_____	
2003	1741	+14.9 05/30/2003	1031	673	65.3%	60.2	C. Taxes, License & Fees	_____	
2004	1692	+6.7 11/15/2004	1016	463	45.6%	53.2	D. Underwriting Profit & Contingences	_____	
2005	1793	-2.7 11/15/2005	950	302	31.8%	39.0	E. Other (explain)	_____	
2006	1192	-5.3 11/15/2006	896	384	42.9%	62.8	F. TOTAL	_____	

## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	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		

<b>3. Group Name</b>	State Auto Insurance Companies				<b>Group NAIC #</b>	175
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>		
State Automobile Mutual Insurance Company	OH	25135	31-4316080			
State Auto Property & Casualty Insurance Company	IA	25127	57-6010814			

<b>5. Company Tracking Number</b>	<b>SAC-HO-2007-564</b>
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## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Theresa Brundage 518 E. Broad Street Columbus, OH 43215	Actuarial Technician	800.695.9436 (ext. 5141)	614.719.0154	Theresa.Brundage@StateAuto.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>		Theresa Brundage		

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

<b>9. Type of Insurance (TOI)</b>	04.0 Homeowners			
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	04.0000 Homeowners Sub-TOI Combinations			
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>	Homeowner Options			
<b>13. Filing Type</b>	<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)			
<b>14. Effective Date(s) Requested</b>	New:	November 15, 2007	Renewal:	November 15, 2007
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>	September 13, 2007			
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

**Property & Casualty Transmittal Document—**

<b>20. This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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**1. Base Rates:**

In response to our experience, and to maintain a competitive position, we propose a base rate decrease by territory for Forms HO-3 and HO-5, resulting in an overall statewide base rate impact of -0.6%. No changes are proposed for Forms HO-4 and HO-6 base rates.

Program	Forms HO-3, 5	Form HO-4	Form HO-6
Securgard Option	-0.5%	0.0%	0.0%
Defender Option	-0.6%	0.0%	0.0%
Estates Option	-1.1%	0.0%	0.0%

**2. Territorial Revisions:**

We propose to create the following territories with these changes. The impact of the territorial revisions is included in the base rate impacts above.

- Faulkner County will become Territory 33.
- Johnson and Pope Counties will become Territory 42.
- Montgomery County will become Territory 48.
- Hempstead County will become Territory 58.

**3. Protection/Construction:**

With this rate change we will amend our Protection\Construction relativities. We are moving 40% of the way toward ISO's relativities in PC classes 6-10; however we have kept 8B equal to 9 and have kept the relationships between the Protected Suburban classes and ISO classes intact. We are also lowering the relativities for Masonry classes 1-3.

The overall impact of this change is -2.2%.

**4. Deductibles:**

We wish to introduce higher All-Peril deductible options and Windstorm or Hail deductible options of \$1,500 and \$2,000. The tables below show the proposed All-Peril and Windstorm or Hail deductibles. There is no impact from the addition of these deductible options. Please see manual page CD-3 for the corresponding credit and maximum dollar credit for the All-Peril deductibles and the factors for the Windstorm or Hail deductibles.

All Forms			
Flat Deductible	Credit	Current Maximum Dollar Credit	Proposed Maximum Dollar Credit
\$500	None	N/A	--
\$1,000	-10%	\$200	\$200
\$1,500	-14%	N/A	\$275
\$2,000	-18%	N/A	\$325
\$2,500	-22%	\$400	\$400
\$5,000	-35%	\$675	\$675

All Other Perils Deductible Amount	All Programs – Windstorm or Hail Deductible Factor					
	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000
\$500	--	0.98	0.97	0.96	0.95	0.93
\$1,000	--	--	0.89	0.88	0.87	0.85
\$1,500	--	--	--	0.85	0.84	0.82
\$2,000	--	--	--	--	0.81	0.79
\$2,500	--	--	--	--	--	0.76

**Property & Casualty Transmittal Document—**

<b>20. This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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- Corresponding with the addition of the \$1500 and \$2000 All-peril and Windstorm or Hail deductible options, we will add these options to the Optional coverages of **Jewelry, Watches and Furs and Silverware, Goldware and Pewterware.**

<b>Jewelry, Watches and Furs</b>					
<b>Premiums Per Each Additional \$500 by Deductible</b>					
\$500 Deductible	\$1,000 Deductible	\$1,500 Deductible	\$2,000 Deductible	\$2,500 Deductible	\$5,000 Deductible
\$4.00	\$3.50	\$3.33	\$3.17	\$3.00	\$2.50

<b>Silverware, Goldenware and Pewterware</b>					
<b>Premiums Per Each Additional \$500 by Deductible</b>					
\$500 Deductible	\$1,000 Deductible	\$1,500 Deductible	\$2,000 Deductible	\$2,500 Deductible	\$5,000 Deductible
\$1.75	\$1.50	\$1.42	\$1.33	\$1.25	\$1.00

**5. Age of Dwelling Discounts:**

We wish to revise the Age of Dwelling Discount as follows:

Age of Dwelling	Current Discount	Proposed Discount
0	20%	25%
1	18%	24%
2	16%	23%
3	14%	22%
4	12%	21%
5	10%	20%
6	8%	18%
7	6%	15%
8	4%	12%
9	2%	9%
10	0%	6%
11	0%	3%
12+	0%	0

The impact of this change will be -2.1%, applicable to Forms 3 and 5.

**6. Auto/Home Discount:**

The current Auto/Home discount is 15% for Owners Forms and 5% for Form 6 policies. No discount is given to Form 4 policies. With this change we are revising the Form 6 discount to 15% and will allow a 15% discount on Form 4 policies, who have a qualifying auto policy. Additionally, the Auto/Home discount will be allowed on the supporting auto policy if the Coverage C amount is \$20,000 instead of the \$30,000 currently required (this applies to both Forms 4 and 6). The overall impact of this change is -10.7% on Form 4 policies and -7.7% on Form 6 policies.

**7. Prime of Life Discount:**

Currently, an HO-6 policy must have a minimum Coverage C limit of \$30,000 to qualify for the Prime of Life Discount. This coverage requirement is being revised to \$20,000. The impact of this change is negligible.

**Property & Casualty Transmittal Document—**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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**8. Payment Plans:**

- a. We are removing the requirement that policies must have a valid credit score to be eligible for any payment plan.
- b. We are eliminating the \$1 service charge from all EFT payments.

**9. Manual Changes**

All manual changes have been outline in the Rate/Rule Filing Schedule.

<b>22.</b>	<b>Filing Fees</b> (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]
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**Check #: EFT**  
**Amount: \$100**

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

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

PC TD-1 pg 2 of 2

**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.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	
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Rate Increase       Rate Decrease       Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	File and Use
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
State Automobile Mutual Insurance Company	-16.0%	-5.2%	-\$41,024	1,192	\$818,493		
State Auto Property & Casualty Insurance Company	-16.0%	-5.0%	-\$341,161	7,938	\$6,806,619		

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

<b>5. Overall Rate Information (Complete for Multiple Company Filings only)</b>			
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		COMPANY USE	STATE USE
<b>5a</b>	<b>Overall percentage rate indication (when applicable)</b>	-16.0%	
<b>5b</b>	<b>Overall percentage rate impact for this filing</b>	-5.0%	
<b>5c</b>	<b>Effect of Rate Filing – Written premium change for this program</b>	-\$382,186	
<b>5d</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>	9,130	

<b>6.</b>	<b>Overall percentage of last rate revision</b>	-6.4%
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<b>7.</b>	<b>Effective Date of last rate revision</b>	11-15-06
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<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	File and Use
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<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01	Table of Contents General Rules has been revised to reflect the following changes.	[ ] New [X] Replacement [ ] Withdrawn	
02	Rule 6, Page GR-4, Agency Issued Policies, Revised wording of how an agent can obtain proof of insurance.	[ ] New [X] Replacement [ ] Withdrawn	

**RATE/RULE FILING SCHEDULE**

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

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or withdrawn?</b>	<b>Previous state filing number, if required by state</b>
03	Rule 7, Page GR-5 - Removed the EFT \$1 surcharge. Removed wording "A credit score is required to select a payment plan.	[ ] New [X] Replacement [ ] Withdrawn	
04	Rule 7, Page GR-5 – Added "Customers Can Pay Online/Credit Card Payments" wording.	[X] New [ ] Replacement [ ] Withdrawn	
05	Rule 15, Page GR-11 – The wording in the Protected Suburban Rule has been revised to include wording for PC-10.	[ ] New [X] Replacement [ ] Withdrawn	
06	Rule 17, Page GR 12, Removed Rating Steps.	[ ] New [ ] Replacement [X] Withdrawn	
07	Table of Contents- Credits/Discounts/Charges has been updated to reflect the changes in #8-13 below.	[ ] New [X] Replacement [ ] Withdrawn	
08	Rule 1, Page CD-1 – Age of Dwelling Discounts have been revised.	[ ] New [X] Replacement [ ] Withdrawn	
09	Rule 2, Page CD-1 – HO-4 and HO-6 policies are now eligible for the 15% Auto/Home Discount. Also the Coverage C amount has been revised from \$30,000 to \$20,000.	[ ] New [X] Replacement [ ] Withdrawn	
10	Rule 4, Pages CD 2 & 3, Deductible options of \$1500 and \$2000 are being added.	[ ] New [X] Replacement [ ] Withdrawn	
11	Rule 5, Pages CD 3-7, Removed credit chart. This caused the other rules to be moved onto different pages.	[ ] New [X] Replacement [ ] Withdrawn	
12	Rule 6, Page CD-3, Deleted wording regarding the rate pages.	[ ] New [X] Replacement [ ] Withdrawn	
13	Rule 8, Page CD-4, Coverage C amount has been revised from \$30,000 to \$20,000.	[ ] New [X] Replacement [ ] Withdrawn	
14	Rule 33, Page OC-21, – Corrected the HO0492 Endorsement title under Rule 33.C.	[ ] New [X] Replacement [ ] Withdrawn	
15	Rule 37, Pages OC-25 & OC-26, Optional Coverages has been revised to include the new deductibles.	[ ] New [X] Replacement [ ] Withdrawn	

**RATE/RULE FILING SCHEDULE**

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

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>SAC-HO-2007-564</b>
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
16	Rule 3, Page WS-2 – Removed B. g. from this rule “Watercraft (and motors combined) less than 26 feet with a market value of less than \$1,000 or \$5,000 for watercraft (and motors combined) greater than 26 feet. B.h. then became B.g.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
17	Rule 3, Page WS-2 – B.2. added c and d.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
18	Rule 3 – C, Page WS-2 -The Personal Watercraft wording has been combined into this section. Revised wording.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
19	Rule 3 - C, Page WS-3 – Moved Exclusions Rule 3.3 to page W2-2, Rule 3.B.5.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
20	Rule 5, Page WS-6, Revised wording.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
21	Page TR-1, Several territories have been revised.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
22	Index Page 3 has been revised due to the above changes.	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
23		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
24		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
25		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
26		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
27		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
28		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
29		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**Index of Exhibits**  
**State Auto Insurance Companies**  
**Arkansas - Homeowner Options Program**

<b>Exhibit</b>	<b>I</b>	Rate Level Indications
<b>Exhibit</b>	<b>II</b>	Premium Adjustments
<b>Exhibit</b>	<b>III</b>	Loss Adjustments
<b>Exhibit</b>	<b>IV</b>	Incurred Loss and ALAE Development
<b>Exhibit</b>	<b>V</b>	ULAE Factor Calculation
<b>Exhibit</b>	<b>VI</b>	Base Rate Impact
<b>Exhibit</b>	<b>VII</b>	Comparison of Protection/Construction Relativities
<b>Exhibit</b>	<b>VIII</b>	Summary of Rate Level Changes by Form

Rate Level Indications -- Assumed Effective Date 11/15/2007

Accident Year	(1) Trended Adjusted Earned Premiums	(2) Earned House Years	(3) Trended Adjusted Incurred Loss & LAE	(4) Adjusted Incurred Claims	(5) (3) / (1) Loss & LAE Ratio	(6) Weights
2002	6,452,566	7,374	4,308,112	551	66.8%	0.10
2003	7,365,298	8,553	4,242,719	572	57.6%	0.15
2004	7,649,324	8,714	3,676,848	584	48.1%	0.20
2005	7,820,941	8,715	5,686,520	872	72.7%	0.25
2006	7,943,744	8,586	2,764,939	894	34.8%	0.30
	37,231,873	41,942	20,679,138	3,474	55.5%	1.00

(7)	Weighted Experience Loss & LAE Ratio .....	53.5%
(8)	Permissible Loss & LAE Ratio (A) .....	64.1%
(9)	Indicated Rate Level Change Before Credibility .....	-16.4%
(10)	Credibility (B) .....	1.00
(11)	Complement Loss & LAE Ratio (C) .....	68.3%
(12)	Credibility Weighted Loss & LAE Ratio (D) .....	53.5%
(13)	Credibility Weighted Indicated Rate Level Change .....	-16.4%

Other Acq. & Gen. Exp.	9.80%
Commissions Expense	17.00%
Taxes, Misc. Fees	3.13%
Profit & contingencies (E)	6.00%
<u>Expense Ratio</u>	<u>35.93%</u>

- (A) Permissible Loss Ratio = 1 - Expense Ratio
- (B) Credibility = [Total Column (2) / 40,000] ^ (1/2)
- (C) Trended Expected Loss Ratio
- (D) Credibility Weighted Loss & LAE Ratio = [Row (10) x Row (7)] + [(1 - Row (10)) x Row (11)]
- (E) Includes Offset For Investment Income

NOTE: The net effect of the Wind Procedure is a -21.4% change in losses.

**Arkansas Homeowners  
Forms 1-3,5**

Exhibit II  
Page 1 of 2

Assumed Effective Date: 11/15/2007

Trend Date: 05/15/2008

**All Programs**

Year	Earned Premium On Level	Current Amount Factor	Trended Premium Projection Factor	Adjusted Earned Premium	Earned House Years
2002	5,061,860	1.206	1.057	6,452,566	7,374
2003	5,996,657	1.162	1.057	7,365,298	8,553
2004	6,519,662	1.110	1.057	7,649,324	8,714
2005	6,960,666	1.063	1.057	7,820,941	8,715
2006	7,310,670	1.028	1.057	7,943,744	8,586
	<u>31,849,514</u>			<u>37,231,873</u>	<u>41,942</u>

Annual Premium Projection Factor: 1.038  
 Projection Factor Trended From: 11/15/2006  
 Projection Factor Trended To: 05/15/2008  
 Trended Premium Projection Factor: 1.057

Arkansas Homeowners  
Calculation of Current Amount and Premium Projection Factors

Exhibit II  
Page 2 of 2

**Forms 1-3,5**

	(1)	(2)	(3)	(4)
	Average Relativity(a)	Relativity To Latest Point(b)	Current Amount Factor(c)	Annual Premium Projection Factor(d)
01/01/2002	1.169	1.242	1.206	1.038
01/01/2003	1.220	1.190	1.162	1.038
01/01/2004	1.286	1.129	1.110	1.038
01/01/2005	1.352	1.074	1.063	1.038
01/01/2006	1.405	1.033	1.028	1.038

Notes:

- (a) Latest two points are projected.
- (b)  $1.451 / \text{Column (1)}$ , where 1.451 is the projected relativity at 11/15/2006.
- (c)  $[\text{Column (2)} - 1] \times 0.85 + 1$ .
- (d)  $[\text{Avg. Annual Increment} / 5 \text{ Year Average Relativity}] \times 0.85 + 1$ .

Year		ISO	Regression Output:	
Beginning	X-Range	Average Relativity	Constant	1.0442
07/01/2000	1	1.110	Std Err of Y Est	0.0147
07/01/2001	2	1.145	R Squared	0.9776
07/01/2002	3	1.192	No. of Observations	5
07/01/2003	4	1.247	Degrees of Freedom	3
07/01/2004	5	1.325	X Coefficient(s)	0.0532
5 Year Average Relativity		1.204	Std Err of Coef.	0.0046

Relativities from ISO Trend Circular: AS-HO-2007-001

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(2) - (1)	(1) / (3)	(4) > 0.380	(3) x (5)	(2) - (6)
Year	Ultimate Incurred Wind Losses	Total Ultimate Incurred Losses	Incurred Non-Wind Losses	Wind to Non-Wind Ratio	Ratio Excess (a)	Dollar Excess	Total minus Excess
2002	482,303	2,655,744	2,173,441	0.222	0.000	0	2,655,744
2003	843,145	2,808,787	1,965,643	0.429	0.049	96,316	2,712,471
2004	1,209,943	2,996,883	1,786,940	0.677	0.297	530,721	2,466,162
2005	2,970,697	5,816,611	2,845,914	1.044	0.664	1,889,687	3,926,924
2006	3,106,021	4,544,886	1,438,865	2.159	1.779	2,559,741	1,985,145
	8,612,109	18,822,912	10,210,803			5,076,466	13,746,445

	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	(7) x 1.076						(8) x (9) x (10) x (11) x (12) x (13)
Year	Wind Adjusted Incurred Losses (b)	ULAE Factor	First Dollar Trend Factor	Current Cost Factor (c)	Trended Loss Projection Factor (d)	Trended LTA Factor	Projected Losses
2002	2,856,529	1.056	1.024	1.174	1.188	1.000	4,308,112
2003	2,917,544	1.056	1.024	1.132	1.188	1.000	4,242,719
2004	2,652,613	1.056	1.024	1.079	1.188	1.000	3,676,848
2005	4,223,816	1.056	1.024	1.048	1.188	1.000	5,686,520
2006	2,135,230	1.056	1.024	1.008	1.188	1.000	2,764,939
	14,785,732						20,679,138

(a) Normal Wind to Non-Wind Ratio From ISO Circular AS-HO-2006-006

(b) Excess Wind Factor From ISO Circular AS-HO-2006-006

(c) Current Cost Factors From ISO Circular AS-HO-2007-001 (To 11/15/2006)

(d) Loss Projection of 9.0% per Year selected. (To 11/15/2008)

**NOTE: The net effect of the Wind Procedure is a -21.4% change in losses.**

Arkansas Homeowners  
 All Programs - Forms 3, 5  
 FIRST DOLLAR TREND FACTOR CALCULATION

Deductible Amount	2002 - 2006 Incurred Property Claims	2002 - 2006 Property Loss Below Deductible
\$50	0	0
\$100	21	2,100
\$150	0	0
\$250	789	197,250
\$300	0	0
\$500	1,817	908,500
\$600	0	0
\$750	0	0
\$1,000	662	662,000
\$1,500	0	0
\$2,000	0	0
\$2,500	17	42,500
\$5,000	6	30,000
	3,312	1,842,350

Weighted Current Cost Factor	Trended Loss Projection Factor	Trended Property Loss Above Deductible	Ult. Losses Excluding First Dollar Trend
1.067	1.188	493,005	20,194,471

FIRST DOLLAR TREND FACTOR: 1.024

Arkansas Homeowners  
 TRENDED LOSS FACTORS

ISO TREND CIRCULAR  
 ISO WIND CIRCULAR

AS-HO-2007-001  
 AS-HO-2006-006

Assumed Effective Date: 11/15/2007  
 Year Past Effective Date: 11/15/2008

LTA Factor: 1.000  
 LTA Factor Trended From: 01/01/2005  
 LTA Factor Trended To: 11/15/2008  
 Trended LTA Factor 1.000

Selected Loss Projection Factor: 1.090  
 Projection Factor Trended From: 11/15/2006  
 Projection Factor Trended To: 11/15/2008  
 Trended Projection Factor: 1.188

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR END 12/31	AGE OF DEVELOPMENT						
	12 MTHS	24 MTHS	36 MTHS	48 MTHS	60 MTHS	72 MTHS	84 MTHS
2000	2,367,962	4,395,058	4,377,396	4,382,960	4,420,470	4,420,470	4,420,470
2001	1,830,093	1,909,568	1,914,289	1,913,870	1,918,270	1,918,270	
2002	2,252,880	2,332,426	2,634,369	2,629,479	2,629,505		
2003	2,822,206	2,724,444	2,705,942	2,716,296			
2004	2,890,059	2,995,289	2,964,761				
2005	4,660,082	5,570,092					
2006	4,191,073						

YEAR END 12/31	AGE - TO - AGE DEVELOPMENT FACTORS						
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	Tail Factor
2000	1.8561	0.9960	1.0013	1.0086	1.0000	1.0000	
2001	1.0434	1.0025	0.9998	1.0023	1.0000		
2002	1.0353	1.1295	0.9981	1.0000			
2003	0.9654	0.9932	1.0038				
2004	1.0364	0.9898					
2005	1.1953						
ALL WTD AVG	1.1845	1.0167	1.0009	1.0047	1.0000	1.0000	
5YR WTD AVG	1.0745	1.0259	1.0007	1.0010	1.0000	0.0000	
5YR STR AVG	1.0552	1.0287	1.0006	1.0054	1.0000	0.0000	
<b>SELECTED</b>	<b>1.0170</b>	<b>1.0259</b>	<b>1.0007</b>	<b>1.0010</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
CUM	1.0450	1.0276	1.0017	1.0010	1.0000	1.0000	1.0000

ULT \$	4,379,845	5,723,692	2,969,713	2,718,942	2,629,505	1,918,270	4,420,470
ACC. YR.	12/2006	12/2005	12/2004	12/2003	12/2002	12/2001	12/2000

INCURRED COUNT DEVELOPMENT

YEAR END 12/31	AGE OF DEVELOPMENT						
	12 MTHS	24 MTHS	36 MTHS	48 MTHS	60 MTHS	72 MTHS	84 MTHS
2000	647	1,361	1,371	1,373	1,374	1,374	1,374
2001	488	511	515	515	516	516	
2002	510	532	532	532	532		
2003	519	538	542	544			
2004	544	564	565				
2005	662	847					
2006	824						

YEAR END 12/31	AGE - TO - AGE DEVELOPMENT FACTORS						
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	Tail Factor
2000	2.1036	1.0073	1.0015	1.0007	1.0000	1.0000	
2001	1.0471	1.0078	1.0000	1.0019	1.0000		
2002	1.0431	1.0000	1.0000	1.0000			
2003	1.0366	1.0074	1.0037				
2004	1.0368	1.0018					
2005	1.2795						
ALL WTD AVG	1.2917	1.0054	1.0014	1.0008	1.0000	1.0000	
5YR WTD AVG	1.0988	1.0042	1.0013	1.0010	1.0000	0.0000	
5YR STR AVG	1.0886	1.0043	1.0012	1.0013	1.0000	0.0000	
<b>SELECTED</b>	<b>1.0408</b>	<b>1.0042</b>	<b>1.0013</b>	<b>1.0010</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
CUM	1.0474	1.0064	1.0022	1.0010	1.0000	1.0000	1.0000

ULT CNT.	863	852	566	545	532	516	1,374
ACC. YR.	12/2006	12/2005	12/2004	12/2003	12/2002	12/2001	12/2000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR END 12/31	AGE OF DEVELOPMENT						
	12 MTHS	24 MTHS	36 MTHS	48 MTHS	60 MTHS	72 MTHS	84 MTHS
2000	36,471	108,800	88,730	88,730	93,531	86,908	86,908
2001	13,735	14,028	14,028	14,028	14,028	14,028	
2002	36,874	33,483	29,393	26,041	26,041		
2003	101,744	45,633	86,822	88,284			
2004	26,912	39,019	26,283				
2005	19,140	71,132					
2006	92,008						

YEAR END 12/31	AGE - TO - AGE DEVELOPMENT FACTORS						
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	Tail Factor
2000	2.9832	0.8155	1.0000	1.0541	0.9292	1.0000	
2001	1.0213	1.0000	1.0000	1.0000	1.0000		
2002	0.9080	0.8778	0.8860	1.0000			
2003	0.4485	1.9026	1.0168				
2004	1.4499	0.6736					
2005	3.7164						

ALL WTD AVG	1.3288	1.0178	0.9914	1.0373	0.9384	1.0000	
5YR WTD AVG	1.0246	1.1843	0.9855	1.0000	1.0000	0.0000	
5YR STR AVG	1.5088	1.1135	0.9676	1.0271	1.0000	0.0000	
<b>SELECTED</b>	<b>1.3732</b>	<b>1.2636</b>	<b>1.0158</b>	<b>1.0100</b>	<b>1.0076</b>	<b>1.0000</b>	<b>1.0000</b>
CUM	1.7938	1.3063	1.0338	1.0177	1.0076	1.0000	1.0000
ULT \$	165,041	92,919	27,170	89,845	26,239	14,028	86,908
ACC. YR.	12/2006	12/2005	12/2004	12/2003	12/2002	12/2001	12/2000

INCURRED COUNT DEVELOPMENT

YEAR END 12/31	AGE OF DEVELOPMENT						
	12 MTHS	24 MTHS	36 MTHS	48 MTHS	60 MTHS	72 MTHS	84 MTHS
2000	23	41	40	40	40	39	39
2001	13	16	16	16	16	16	
2002	21	20	19	19	19		
2003	26	25	28	28			
2004	18	20	18				
2005	15	20					
2006	29						

YEAR END 12/31	AGE - TO - AGE DEVELOPMENT FACTORS						
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	Tail Factor
2000	1.7826	0.9756	1.0000	1.0000	0.9750	1.0000	
2001	1.2308	1.0000	1.0000	1.0000	1.0000		
2002	0.9524	0.9500	1.0000	1.0000			
2003	0.9615	1.1200	1.0000				
2004	1.1111	0.9000					
2005	1.3333						

ALL WTD AVG	1.2241	0.9918	1.0000	1.0000	0.9821	1.0000	
5YR WTD AVG	1.0860	1.0000	1.0000	1.0000	1.0000	0.0000	
5YR STR AVG	1.1178	0.9925	1.0000	1.0000	1.0000	0.0000	
<b>SELECTED</b>	<b>1.0854</b>	<b>1.0056</b>	<b>0.9942</b>	<b>0.9927</b>	<b>0.9971</b>	<b>1.0000</b>	<b>1.0000</b>
CUM	1.0740	0.9895	0.9840	0.9898	0.9971	1.0000	1.0000
ULT \$	31	20	18	28	19	16	39
ACC. YR.	12/2006	12/2005	12/2004	12/2003	12/2002	12/2001	12/2000

**STATE AUTO INSURANCE COMPANIES**  
**Homeowners Loss and Loss Adjustment Expense**  
 Annual Statement Line 4.0

	2001	2002	2003	2004	2005	<b><u>Selected</u></b>
Direct Losses Incurred	91,958,025	101,145,966	129,064,000	138,498,000	124,213,000	
Direct ALAE Incurred	4,865,869	6,110,248	6,536,253	8,149,813	8,079,609	
Direct ULAE Incurred	4,740,486	5,400,372	7,368,875	8,110,093	7,652,225	
ULAE Ratio	1.049	1.050	1.054	1.055	1.058	<b>1.056</b>

ULAE Ratio = 
$$\frac{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred} + \text{Direct ULAE Incurred})}{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred})}$$

\* For 2001, ALAE paid is used instead of ALAE incurred, due to an allocation change which affected 2001 ALAE outstanding.

\* For 2004 Meridian business, Paid LAE amounts are used instead of Incurred due to a difference in reserving method versus State Auto business.

Source of data: 1997 -- IEE for State Auto Group.  
 1998-2001 -- IEE and Internal Accounting Report for State Auto Group.

<b>Securguard</b>			
Territory	Form 3, 5 Percent Change	Form 4 Percent Change	Form 6 Percent Change
30	-3.2%	0.0%	0.0%
31	-1.6%	0.0%	0.0%
32	2.0%	0.0%	0.0%
33	-1.7%	0.0%	0.0%
34	5.1%	0.0%	0.0%
35	-1.5%	0.0%	0.0%
36	2.8%	0.0%	0.0%
37	0.5%	0.0%	0.0%
38	-2.5%	0.0%	0.0%
39	0.0%	0.0%	0.0%
40	-1.0%	0.0%	0.0%
41	1.9%	0.0%	0.0%
42	0.0%	0.0%	0.0%
44	1.4%	0.0%	0.0%
45	-4.7%	0.0%	0.0%
47	0.0%	0.0%	0.0%
48	2.9%	0.0%	0.0%
49	1.0%	0.0%	0.0%
54	-1.6%	0.0%	0.0%
58	-5.2%	0.0%	0.0%
59	-5.7%	0.0%	0.0%
	-0.5%	0.0%	0.0%

<b>Defender</b>			
Territory	Form 3, 5 Percent Change	Form 4 Percent Change	Form 6 Percent Change
30	-3.1%	0.0%	0.0%
31	-1.6%	0.0%	0.0%
32	2.0%	0.0%	0.0%
33	-1.6%	0.0%	0.0%
34	5.0%	0.0%	0.0%
35	-1.5%	0.0%	0.0%
36	2.8%	0.0%	0.0%
37	0.5%	0.0%	0.0%
38	-2.5%	0.0%	0.0%
39	0.0%	0.0%	0.0%
40	-1.0%	0.0%	0.0%
41	1.9%	0.0%	0.0%
42	0.0%	0.0%	0.0%
44	1.4%	0.0%	0.0%
45	-4.6%	0.0%	0.0%
47	0.0%	0.0%	0.0%
48	2.8%	0.0%	0.0%
49	1.0%	0.0%	0.0%
54	-1.6%	0.0%	0.0%
58	-5.1%	0.0%	0.0%
59	-5.6%	0.0%	0.0%
Total Defender	-0.6%	0.0%	0.0%

<b>Estates</b>			
Territory	Form 3, 5 Percent Change	Form 4 Percent Change	Form 6 Percent Change
30	-3.0%	0.0%	0.0%
31	-1.5%	0.0%	0.0%
32	1.9%	0.0%	0.0%
33	-1.6%	0.0%	0.0%
34	4.8%	0.0%	0.0%
35	-1.4%	0.0%	0.0%
36	2.7%	0.0%	0.0%
37	0.4%	0.0%	0.0%
38	-2.5%	0.0%	0.0%
39	0.0%	0.0%	0.0%
40	-1.0%	0.0%	0.0%
41	1.8%	0.0%	0.0%
42	0.0%	0.0%	0.0%
44	1.5%	0.0%	0.0%
45	-4.6%	0.0%	0.0%
47	0.0%	0.0%	0.0%
48	2.8%	0.0%	0.0%
49	1.0%	0.0%	0.0%
54	-1.5%	0.0%	0.0%
58	-5.1%	0.0%	0.0%
59	-5.4%	0.0%	0.0%
Total Estates	-1.1%	0.0%	0.0%

Territory 33 is a new territory consisting of Faulner County from 36.  
Territory 42 is a new territory consisting of Johnson and Pope Counties from 40.  
Territory 48 is a new territory consisting of Montgomery County from 59.  
Territory 58 is a new territory consisting of Hempstead County from 59.

**Forms 3 & 5**

	Masonry										
	1	2	3	4	5	6	7	8	8B	9	10
State Farm Average	0.89	0.89	0.89	1.00	1.00	1.11	1.23	1.34	1.46	1.46	1.63
ISO	0.96	0.97	0.98	0.99	1.00	1.01	1.02	1.28	1.51	1.67	2.11
State Auto Current	0.92	0.92	0.92	1.00	1.00	1.05	1.29	1.73	2.44	2.44	3.35
vs. State Farm	3.9%	3.9%	3.9%	0.0%	0.0%	-5.7%	5.1%	28.9%	67.7%	67.7%	105.9%
vs. ISO	-3.7%	-4.8%	-5.9%	1.1%	0.0%	3.8%	26.2%	35.4%	61.5%	46.4%	58.7%
<b>Proposed</b>	<b>0.91</b>	<b>0.91</b>	<b>0.91</b>	<b>1.00</b>	<b>1.00</b>	<b>1.03</b>	<b>1.18</b>	<b>1.55</b>	<b>2.13</b>	<b>2.13</b>	<b>2.85</b>
vs. State Farm	2.7%	2.7%	2.7%	0.0%	0.0%	-7.5%	-3.9%	15.5%	46.4%	46.4%	75.2%
vs. ISO	-4.8%	-5.9%	-6.9%	1.1%	0.0%	1.9%	15.4%	21.3%	41.0%	27.8%	35.0%
vs. Current State Auto	-1.1%	-1.1%	-1.1%	0.0%	0.0%	-1.9%	-8.5%	-10.4%	-12.7%	-12.7%	-14.9%

	Frame										
	1	2	3	4	5	6	7	8	8B	9	10
State Farm Average	1.00	1.00	1.00	1.13	1.13	1.26	1.39	1.52	1.65	1.65	1.84
ISO	1.07	1.08	1.09	1.10	1.11	1.12	1.22	1.56	1.89	2.11	2.33
State Auto Current	1.00	1.00	1.00	1.10	1.10	1.19	1.42	2.10	2.82	2.82	3.86
vs. State Farm	-0.5%	-0.5%	-0.5%	-2.9%	-2.9%	-5.7%	2.1%	38.2%	71.1%	71.1%	109.6%
vs. ISO	-6.3%	-7.2%	-8.2%	0.0%	-1.0%	6.0%	16.2%	35.0%	49.3%	33.6%	65.4%
<b>Proposed</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.10</b>	<b>1.10</b>	<b>1.16</b>	<b>1.34</b>	<b>1.88</b>	<b>2.54</b>	<b>2.54</b>	<b>3.25</b>
vs. State Farm	-0.5%	-0.5%	-0.5%	-2.9%	-2.9%	-8.1%	-3.6%	23.7%	54.1%	54.1%	76.5%
vs. ISO	-6.3%	-7.2%	-8.2%	0.0%	-1.0%	3.4%	9.6%	20.9%	34.5%	20.3%	39.3%
vs. Current State Auto	0.0%	0.0%	0.0%	0.0%	0.0%	-2.5%	-5.6%	-10.5%	-9.9%	-9.9%	-15.8%

Overall Impact of proposed changes: **-2.2%**

Note: State Farm has revised their rating plan, and it is difficult to compare directly with our competitor on protection/construction relativities. Instead, we have included SF relativities from a prior manual (eff. 3/15/2005). State Farm and ISO relativities have been rebased to facilitate comparison.

State Auto Insurance Companies  
Arkansas Homeowners  
Summary of Rate Level Changes by Form

Exhibit VIII

Form(s)	Level	2006 Onlevel Written Premium	Base Rate	PC Change	Auto/ Home Discount	Age of Dwelling	Total Impact	Total Dollar	Indicated	
									Percent	Dollar
3, 5	Securgard	1,579,208	-0.5%	-3.3%		-1.0%	-4.8%	(75,387)		
	Defender	5,430,051	-0.6%	-2.0%		-2.3%	-4.8%	(260,500)		
	Estates	410,427	-1.1%	-1.7%		-3.8%	-6.5%	(26,505)		
		7,419,686	-0.6%	-2.2%	0.0%	-2.1%	-4.9%	(362,392)	-16.4%	(1,217,888)
4	Securgard	80,085	0.0%				-10.7%	(8,530)	NA	
	Defender	53,320	0.0%				-10.7%	(5,679)	NA	
	Estates	1,200	0.0%				-10.7%	(128)	NA	
		134,605	0.0%	0.0%	-10.7%	0.0%	-10.7%	(14,338)		0
6	Securgard	28,152	0.0%				-7.7%	(2,169)	NA	
	Defender	27,849	0.0%				-7.7%	(2,146)	NA	
	Estates	14,821	0.0%				-7.7%	(1,142)	NA	
		70,822	0.0%	0.0%	-7.7%	0.0%	-7.7%	(5,456)		0
<b>Overall</b>		<b>7,625,113</b>	<b>-0.6%</b>	<b>-2.2%</b>	<b>-0.3%</b>	<b>-2.0%</b>	<b>-5.0%</b>	<b>(382,186)</b>	<b>-16.0%</b>	<b>(1,217,888)</b>

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Coverage A Rating Steps

### Form HO-0003 and HO-0005

(round to whole dollar after each step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity (HO 5)
5. Result #4 X Special Loss Settlement Rating Factor
6. Result #5 – Secondary Residence Credit (\$ amount)
7. Result #6 X Number of Family Factor
8. Result #7 X Townhouse/Rowhouse Factor
9. Result #8 X Superior Construction Factor
10. Result #9 X Age Dwelling/Update Factor
11. Result #10 X Home Purchase Discount Factor (if applicable)
12. Result #11 X Deductible Factor
13. Result #12 X Building Code Effectiveness Grading (BCEG) (if applicable)
14. Result #13 X Wind/Hail Exclusion Credit Factor (if applicable)
15. Result #14 X Windstorm Protective Devices Factor (if applicable)
16. Result #15 X Class 4 Roof Discount Factor
17. Result #16 X ACV Wind/Hail Loss to Roof Factor
18. Result #17 X Loss Experience Rating Factor
19. Result #18 X Financial Stability Rating Factor
20. Result #19 X Protective Device Credit Factor
21. Result #20 X Package Factor
22. Result #21 + Package Charge (\$ Amt.)
23. Result #22 X Auto/Home Discount Factor
24. Result #23 X Prime of Life Discount Factor
25. Result #24 X Advantage/Group Factor (If applicable)
26. Result #25 X Term Factor

## Coverage C Rating Steps

### Form HO-0004

(round to whole dollar after each step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 – Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X Protective Device Credit Factor
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ Amt.)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Advantage/Group Factor (If applicable)
18. Result #17 X Term Factor

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Coverage C Rating Steps

### Form HO-0006

(round to whole dollar after each step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 – Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X Protective Device Credit Factor
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ Amt.)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Prime of Life Discount Factor
18. Result #17 X Advantage/Group Factor (if applicable)
19. Result #18 X Term Factor

ARKANSAS HOMEOWNERS  
BASE RATES  
\$500 Deductible

	Form	Form	Form
Terr	3	4	6
30	489	193	156
31	496	193	156
32	506	193	156
33	417	193	156
34	475	193	156
35	389	193	156
36	436	193	156
37	418	193	156
38	500	193	156
39	512	193	156
40	396	193	156
41	480	193	156
42	400	193	156
44	640	193	156
45	593	193	156
47	410	193	156
48	575	193	156
49	482	193	156
54	480	193	156
58	530	193	156
59	527	193	156

ARKANSAS HOMEOWNERS  
PROTECTION/CONSTRUCTION RELATIVITIES

FRAME	Form 3 ALL Terrs.	Form 4 ALL Terrs.	Form 6 ALL Terrs.
PC Class			
1	1.00	1.00	1.00
2	1.00	1.00	1.00
3	1.00	1.00	1.00
4	1.10	1.00	1.00
5	1.10	1.10	1.10
6	1.16	1.10	1.10
7	1.34	1.26	1.26
8	1.88	1.26	1.26
9	2.54	1.65	1.65
10	3.25	1.65	1.65
11	1.34	1.26	1.26
12	1.34	1.26	1.26
13	1.34	1.26	1.26
14	1.34	1.26	1.26
15	1.34	1.26	1.26
16	1.34	1.26	1.26
17	1.34	1.26	1.26
18	1.88	1.26	1.26
19	2.54	1.65	1.65
8B	2.54	1.65	1.65

ARKANSAS HOMEOWNERS  
PROTECTION/CONSTRUCTION RELATIVITIES

MASONRY	Form 3 ALL Terrs.	Form 4 ALL Terrs.	Form 6 ALL Terrs.
PC Class			
1	0.91	1.00	1.00
2	0.91	1.00	1.00
3	0.91	1.00	1.00
4	1.00	1.00	1.00
5	1.00	1.10	1.10
6	1.03	1.10	1.10
7	1.18	1.26	1.26
8	1.55	1.26	1.26
9	2.13	1.65	1.65
10	2.85	1.65	1.65
11	1.18	1.26	1.26
12	1.18	1.26	1.26
13	1.18	1.26	1.26
14	1.18	1.26	1.26
15	1.18	1.26	1.26
16	1.18	1.26	1.26
17	1.18	1.26	1.26
18	1.55	1.26	1.26
19	2.13	1.65	1.65
8B	2.13	1.65	1.65

# ARKANSAS HOMEOWNER RATE DOCUMENT

<b>Policy Size Relativities – Forms 3 and 5</b>
---

COV A (000's)	Form 3  ALL Terrs.		
		160	2.075
		170	2.206
		180	2.330
		190	2.463
		200	2.578
		210	2.708
		220	2.821
		230	2.950
		240	3.079
20	0.900	250	3.212
25	0.903	260	3.350
30	0.906	270	3.488
35	0.910	280	3.627
40	0.914	290	3.766
45	0.918	300	3.905
50	0.922	310	4.057
55	0.926	320	4.209
60	0.930	330	4.362
65	0.949	340	4.514
70	1.000	350	4.667
75	1.068	360	4.834
80	1.135	370	5.000
85	1.183	380	5.167
90	1.231	390	5.334
95	1.278	400	5.501
100	1.325	410	5.669
105	1.377	420	5.837
110	1.429	430	6.004
115	1.488	440	6.173
120	1.547	450	6.340
125	1.616	460	6.503
130	1.685	470	6.667
135	1.755	480	6.830
140	1.825	490	6.993
145	1.891	500	7.157
150	1.958	add10K	0.155

# ARKANSAS HOMEOWNER RATE DOCUMENT

<b>Policy Size Relativities – Forms 4 and 6</b>
---

FORMS 4&6					
	Form 4	Form 6			
COV A (000's)	ALL Terrs.	ALL Terrs.			
			24	0.890	0.890
			25	0.908	0.908
			26	0.927	0.927
			27	0.945	0.945
			28	0.963	0.963
			29	0.982	0.982
			30	1.000	1.000
			31	1.019	1.019
			32	1.038	1.038
			33	1.058	1.058
			34	1.076	1.076
			35	1.096	1.096
5	0.260	0.260	36	1.113	1.113
6	0.313	0.313	37	1.129	1.129
7	0.365	0.365	38	1.146	1.146
8	0.417	0.417	39	1.163	1.163
9	0.469	0.469	40	1.181	1.181
10	0.521	0.521	45	1.265	1.265
11	0.573	0.573	50	1.338	1.338
12	0.625	0.625	55	1.416	1.416
13	0.651	0.651	60	1.493	1.493
14	0.676	0.676	65	1.570	1.570
15	0.699	0.699	70	1.647	1.647
16	0.724	0.724	75	1.724	1.724
17	0.750	0.750	80	1.801	1.801
18	0.772	0.772	85	1.878	1.878
19	0.794	0.794	90	1.955	1.955
20	0.816	0.816	95	2.032	2.032
21	0.838	0.838	100	2.109	2.109
22	0.857	0.857	Add10K	0.154	0.154
23	0.875	0.875			

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Form Relativities

Form	Rel
3	1.00
4	1.00
5	1.05
6	1.00

## Common Construction Loss Settlement / Special Loss Settlement

The Coverage A limit of liability should be multiplied by the following factor before selecting the appropriate policy size relativity from the table that is shown earlier in this document:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	1.14	1.14
60%	1.33	1.33
50%	1.60	1.60
40%	2.00	2.00
30%	2.67	2.67
20%	4.00	4.00

The premium for the coverage A limit of liability determined above should be multiplied by the appropriate factor from the tables below:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	0.89	0.99
60%	0.87	0.97
50%	0.86	0.95
40%	0.84	0.93
30%	0.81	0.90
20%	0.77	0.85

## Secondary Residence Credit

\$11

## Number of Family Factors

Number of Families	Factor
1 or 2	1.00
3	1.50
4	1.55

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Townhouse/Rowhouse Factor

<b>TOWNHOUSE/ROWHOUSE FACTORS</b>		
<b>Total Number of Individual Family Units Within The Fire Division</b>	<b>Protection Class</b>	
	<b>1-8</b>	<b>8B, 9, and 10</b>
<b>1 and 2</b>	1.00	1.00
<b>3 and 4</b>	1.10	1.15
<b>5 to 8</b>	1.25	1.30
<b>9 and over</b>	1.35	1.40

## Superior Construction Factor

0.85

## Age of Dwelling Discount

<b>Age of Dwelling</b>	<b>Discount Percentage</b>
0	25%
1	24%
2	23%
3	22%
4	21%
5	20%
6	18%
7	15%
8	12%
9	9%
10	6%
11	3%
12 & above	0%

Note: the total Utility Update Credit is the sum of all applicable utility update discount percentages.

## Home Purchase Discount

<b>Policy Age</b>	<b>Discount Percentage</b>
0	10%
1	8%
2	6%
3	4%
4	2%
5	0%

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Deductibles

Multiply by a factor from one (not both) of the following tables depending on whether the insured has selected a flat all-perils deductible or a separate wind/hail deductible.

Flat Deductible	Credit	Maximum Dollar Credit
\$500	None	N/A
\$1,000	-10%	\$200
\$1,500	-14%	\$275
\$2,000	-18%	\$325
\$2,500	-22%	\$400
\$5,000	-35%	\$675

All Other Perils Deductible Amount	ALL PROGRAMS WINDSTORM OR HAIL DEDUCTIBLE FACTOR					
	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000
\$500	--	.98	.97	.96	.95	.93
\$1,000	--	--	.89	.88	.87	.85
\$1,500	--	--	--	.85	.84	.82
\$2,000	--	--	--	--	.81	.79
\$2,500	--	--	--	--	--	.76

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Building Code Effectiveness Grading

Not applicable for Arkansas.

## Wind/Hail Exclusion Credit

Not applicable for Arkansas.

## Windstorm Protective Devices Credit Factor

Not applicable for Arkansas.

## Class 4 Roof Discount

5%

## Actual Cash Value Wind/Hail Loss to Roof Factor

0.99

## Loss Experience Rating

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

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Financial Stability Rating

Credit Grade	Discount or Surcharge
A	-38.7%
B	-34.8%
C	-30.7%
D	-26.2%
E	-22.6%
F	-18.8%
G	-14.9%
H	-9.7%
I	-5.3%
J	0.0%
K	+3.5%
L	+7.1%
M	+10.8%
N	+14.7%
O	+18.7%
P	+22.9%
Q	+34.1%
R	+46.4%
S	+55.2%
T	+64.5%
U	+125.0%
V	0.0%
W	-22.6%

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Protective Devices

TYPE CODE	PROTECTIVE DEVICE DESCRIPTION	DISCOUNT PERCENT
I	Central Station Burglary Alarm System	5%
J	Central Fire Alarm System	5%
K	Burglary Alarm System That Alerts the Police Department	3%
M	Fire Alarm System That Alerts the Fire Department	3%
N	Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detector Devices	2%
O	Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures	13%
Q	Sprinkler System With Sprinklers Totally or Partly Omitted in Bathrooms, Closets, Attics and Attached Structures and With Fire Detectors In All Areas Where the Sprinkler is Omitted	8%

Maximum credit allowed is 20%.

## Options Packages

Form(s)	Endorsement/Level	Percentage Charge	Dollar Charge
3 or 5	FI-264 / Securgard Plus	10%	\$20
3 or 5	FI-270 / Defender Option	11%	\$20
5	FI-280 / Estates Option	14%	\$75
6	FI-271 / Defender Option	25%	\$20
6	FI-281 / Estates Option	50%	\$75
4	FI-272 / Defender Option	25%	\$20
4	FI-282 / Estates Option	50%	\$75

The FI-264 percentage charge is subject to an annual minimum amount of \$15.

## Auto/Home Discount

Form	Auto/Home Discount
3	15%
4	15%
5	15%
6	15%

## Prime of Life Discount

Form	Prime of Life Discount
3	5%
4	N/A
5	5%
6	5%

# ARKANSAS HOMEOWNER RATE DOCUMENT

## Advantage/Group Factor

Not applicable for Arkansas.

## Utility Update Credit

<b>UTILITY UPDATE CREDIT</b>			
<b>Years Since Heating and Cooling Update</b>	<b>Years Since Electrical Update</b>	<b>Years Since Plumbing Update</b>	<b>Discount Per Utility</b>
0	0	0	4%
1	1	1	4%
2	2	2	3%
3	3	3	3%
4	4	4	2%
5	5	5	2%
6	6	6	1%
7	7	7	1%
8 and above	8 and above	8 and above	0%

Note: the total Utility Update Credit is the sum of all applicable utility update discount percentages.

## Minimum Premiums

<b>Form</b>	<b>Minimum Premium</b>
3	\$200
4	\$75
5	\$200
6	\$100

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## General Rules Section

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# ARKANSAS HOMEOWNER OPTIONS MANUAL

## General Rules Section

### 5. MANDATORY COVERAGES

- A. It is mandatory that insurance be written for all coverages provided under both Property and Liability Coverage Sections of the Options Homeowner Policy.
- B. Liability Coverage Section of the policy requires coverage for the following exposures. When such exposures exist, refer to the Optional Coverages Section.
  - 1. All additional insured locations where the named insured or spouse maintain a residence other than business or farm properties; and
  - 2. All residence employees of the named insured or spouse not covered or not required to be covered by Worker Compensation Insurance.
- C. Coverage for business property/business pursuits is limited under the Property Coverage Section and excluded under the Liability Coverage Section of the Homeowner Options Policy. If an incidental business occupancy is permitted by the Company to be covered under a Homeowner Options Policy, it is required that the policy be endorsed, at an additional premium charge, to cover the exposure. When a permitted exposure exists, refer to the Optional Coverage Section of this manual.
- D. Inflation Protection is provided automatically for all policies. At renewal, Property Coverage Section will be adjusted based on the factors reflecting current construction costs. The renewal premium will be based on the new Property Coverage Section coverage limits.

### 6. PROCESSING INSTRUCTIONS

#### A. Applications

New policies, except agency uploaded issued policies, will be issued using the ACORD application. A separate application must be submitted for any secondary residence with a notation in Policies and Coverages – Coverage E and F – that the policy is for a secondary residence.

#### B. Change Requests

You must complete a current ACORD change request, indicating the minimum information requirements for any endorsement that takes place during the term of the policy. This form must be used when making changes.

#### C. Agency Issued Policies

Homeowner Policy proof of insurance can be obtained from the agent's office by issuing a policy directly from netXpress. The Evidence of Personal Property Insurance, ACORD 27, is available immediately for the **insured's convenience for proof of insurance.**

#### D. Required Information

The date of birth and social security number of the named insured(s) and spouse must be shown on the application or in the remarks section of the application. This is for any applicable discounts the insured(s) may qualify for, as well as enabling us to receive applicable underwriting reports.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## General Rules Section

### 7. POLICY PERIOD/PAYMENT PLAN

- A. The Homeowner Options Policy may be written for a period of one year.
- B. The Homeowner Options Program is eligible for Direct Bill and Electronic Fund Transfer Billing per the table below:

PAYMENT OPTION	E-PAY AVAILABLE	SERVICE CHARGE	BILLING DUE DATES
12 Month Full Pay	YES	\$0	Full payment due at inception of policy term
12 Month Two Pay	YES	\$0	50% due at inception with remaining due in 6 months
12 Month Four Pay	YES	\$4 Direct Bill N/A EFT Bill	25% due at inception with remaining billed in 25% installments each 90 days
12 Month Monthly E-Pay	YES	N/A EFT Bill	1/12 <sup>th</sup> due at inception with remaining equal installments due each month

C. E-Pay (Electronic Funds Transfer)

- The insured has the option of choosing the date they would like the deduction to take place on EFT billed policies. The insured will be notified by the company 14 days in advance of the initial amount of premium to be deducted, as well as any changes to that amount of one dollar (\$1.00) or more.

**Note:** If the down payment for any of the above plans is received 21 days or less before the effective date, the remaining installment payments will be divided accordingly by the number of installments remaining in the term. At renewal, the payment cycle will convert to the valid pay plan that was selected.

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

E. **NSF Charge:** A \$20 non-sufficient fund fee will be charged on all returned checks.

F. If the homeowner policy is to be mortgagee bill, the policy must be paid in full.

### 8. OTHER INSURANCE

Credit for existing insurance is not permitted.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## General Rules Section

### 15. PROTECTED SUBURBAN CLASSES

The Protected Suburban Rule may be applied to risks located in class 9 as determined by the Insurance Service Office. The protection class is based on the fire department which is the primary responding department. Back-up or secondary fire departments are not eligible for the Protected Suburban Rule. Refer to the Underwriting Guidelines for Eligibility Requirements.

Protection Class of Primary Responding Fire Department**	Identify on Application as "1" followed by the Primary Responding Fire Department Class	Will be rated as class:
1-4	11-14	7
5	15	7
6	16	7
7	17	7
8	18	8
9 & 10**	19	9

Dwellings currently classified as protection class 8b, 9 or 10 but located within 1,000 feet of a fire hydrant and within five miles travel distance over paved roads of the primary responding fire department are identified on the application as a class 18 and will be rated as a class 8.

Class 10 dwellings located within five miles driving distance over all-weather roads of the primary fire department are identified on the application as a class 19 and will be rated as class 9.

\*\*If any part of a platted subdivision is within the required 5 miles, all property in the subdivision shall be considered as being within the required 5 miles therefore making PC 9's and PC 10's eligible for Protected Suburban Rating under this rule.

### 16. PREMIUM DETERMINATION

#### A. Rating Procedures

1. Determine the minimum replacement cost of the dwelling based on your underwriting guidelines and your loss settlement provisions such as Specified Additional Amount of Coverage A which requires 100% of replacement cost; Special Loss Settlement Provision or Common Construction Loss Settlement provisions which require as low as 20% of replacement cost.
2. Select the correct territory from the state page according to the location of the dwelling. The construction type of the dwelling is also used in determining the proper premium and can be found in the Construction Definitions.
3. Select the appropriate protection class. The Protected Suburban Rule may also affect the Protection Class.
4. Based upon the above information refer to the rating example.

#### B. Whole Dollar Premium

All premiums shown in the manual shall be rounded to the nearest whole dollar separately. A premium of fifty cents (\$0.50) or more shall be rounded to the next higher whole dollar.

To determine premium follow the steps shown in the rating example.

#### C. Interpolation of Premiums for Policy Amounts Not Shown on Premium Charts

The premium for a policy amount, in excess of the minimum policy amount, not shown in the basic premium charts may be obtained by interpolation. Refer to the rating examples.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## General Rules Section

### 16. PREMIUM DETERMINATION (CONTINUED)

When the Premium is obtained by interpolation the limits of Coverage B, C and D, Section I should be revised in relation to the basic limit of liability on the dwelling.

#### D. Minimum Premium

The minimum premium under this policy will be

POLICY FORM	MINIMUM PREMIUM
HO 0003	\$200
HO 0005	\$200
HO 0006	\$100
HO 0004	\$75

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

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# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 1. AGE OF DWELLING DISCOUNT

Under the ESTATES, DEFENDER or SECURGARD options, for policy forms HO 0003 or HO 0005 the following premium credits apply to newer dwellings:

Age of Dwelling	Discount Percentage
0	25%
1	24%
2	23%
3	22%
4	21%
5	20%
6	18%
7	15%
8	12%
9	9%
10	6%
11	3%
12+	0%

**To determine the credit:** Age of dwelling equals the current year minus the year the home was completed.

### 2. AUTO/HOME DISCOUNT

This credit is available to insureds that have both an automobile and homeowner policy written with State Auto Insurance Companies. While the application of this plan is relatively simple, we have outlined below a number of rules and requirements that apply to our various programs.

#### A. Credit

 The credit is 15% of the base premium.

#### B. Eligibility

 All HO 0003, HO 0004, HO 0005 and HO 0006 policies are eligible for the Auto/Home Discount, although there are a number of requirements in addition to our normal underwriting rules:

1. Primary and Secondary residences are eligible to receive the discount.
2. Private passenger autos written under a State Auto National Policy or State Auto Commercial Auto Policy will enable eligible homeowners to qualify for the discount.

 **Note:** Any homeowner's policy, except HO 0004 and HO 0006 policies with Coverage C less than \$20,000 will qualify an eligible auto policy for the discount.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 2. AUTO/HOME DISCOUNT (continued)

#### C. Processing Instructions

##### 1. New Applications

When a homeowner application is submitted that is eligible for the Auto/Home Discount, indicate in the Rating Credits area of the application under "other". Include the policy number of the corresponding auto risk.

##### 2. Agent Issued Policies

Indicate on the daily and accompanying applications, the policy number for the corresponding policy.

**EXAMPLE:** Homeowner Policy – A/H DISCOUNT AAR X XXX XXX

##### 3. Mid-Term Changes to Existing Policies

The Auto/Home Discount may be added to existing business as of the effective date of supporting coverage.

A change request for each policy, with the corresponding policy number shown, must be submitted.

##### 4. Cancellation of a Policy With Auto/Home Discount

When one of the two policies with a discount applying is canceled, the Homeowner policy will be set up to remove the discount at the next renewal.

##### 5. Declarations Pages

When the Auto/Home Discount credit applies, the annual amount of the credit will be displayed on the declarations page of the policy.

### 3. CLASS FOUR ROOF DISCOUNT

A discount of 5% will apply to all policies whose roofs are covered with Class 4 Impact Resistant Roofing Materials. To be eligible for the discount the roof must meet the following requirements:

1. Roof must be less than 15 years old.
2. Proof must be sent in at the time the discount is applied. Proof would consist of an invoice showing the UL ranking or an inspection (at the insured's expense) by a reputable roofing company.
3. This discount does not apply to HO 0004 and HO 0006 policies.

### 4. DEDUCTIBLES

#### A. Deductible Options

The following deductible options are available:

All Forms		
Flat Deductible	Credit/Surcharge	Maximum Dollar Credit
\$500	None	N/A
\$1,000	-10%	\$200
\$1,500	-14%	\$275
\$2,000	-18%	\$325
\$2,500	-22%	\$400
\$5,000	-35%	\$675

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 4. DEDUCTIBLES (continued)

#### B. Windstorm or Hail Deductibles – FI 187

All Forms except HO 0004

To compute the premium, multiply the BASE PREMIUM by the factor listed below for the deductible amounts selected:

All Other Perils Deductible Amount	ALL PROGRAMS WINDSTORM OR HAIL DEDUCTIBLE FACTOR					
	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000
\$500	N/A	.98	.97	.96	.95	.93
\$1,000	N/A	N/A	.89	.88	.87	.85
\$1,500	N/A	N/A	N/A	.85	.84	.82
\$2,000	N/A	N/A	N/A	N/A	.81	.79
\$2,500	N/A	N/A	N/A	N/A	N/A	.76

### 5. FINANCIAL STABILITY RATING

The option of this discount or surcharge is based on the insurance score ranking of the insured. The company will use mutually exclusive characteristics to assign tier levels to each new business risk.

### 6. LOSS EXPERIENCE RATING

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

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

- Apply the applicable percentage to the rate based on the number of losses the insured has had in the past three years. Surcharges only apply to losses for which any company has incurred costs in excess of \$500, and do not apply for catastrophes or weather related losses.

Watercraft losses that are surcharged will be applied to the watercraft premium.

### 7. NUMBER OF FAMILY RATING

Apply the following factor to develop the base premium for a 3 or 4 family dwelling:

Number of Families	Factor
1 or 2	1.00
3	1.50
4	1.55

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 8. PRIME OF LIFE HOMEOWNERS DISCOUNT

#### Prime of Life Extra Value Coverages

- The Prime of Life Plan affords extra value coverages provided by endorsement FI 199 for insureds **ages 45 and older**. It applies to policy forms HO 0003, HO 0005 and HO 0006 with Coverage C of \$20,000 or more that qualify for the Auto/Home Discount. Form FI 199 applies.

#### Prime of Life Discount

A discount is available to the named insureds and/or spouse who are at least **55 years of age or older** and their homeowner policy is part of an Auto/Home Discount account. This discount applies to the HO0003, HO0005 and HO0006 forms that are a part of an Auto/Home Discount account.

##### A. Credit

This credit is applied to the otherwise applicable annual base premium.

5% discount for named insured ages 55 and older.

##### B. Eligibility

In order for the Prime of Life Discount to apply, all new homeowners applications must be submitted concurrently with the personal automobile application or the personal automobile policy must concurrently be written with State Auto. No trial applications will be accepted, and the personal auto applications must meet all of our underwriting requirements to qualify for the discounts.

This credit is available for all HO 0003 and HO 0005 forms in all policy options and HO 0006 policy forms with Coverage C limit of \$30,000 or greater written in any policy option (ESTATES, DEFENDER or SECURGARD).

HO 0004 tenant homeowner forms do not qualify for the discount.

Primary and Secondary residences are eligible.

- **NOTE:** Any homeowner's policy, except HO 0004 and HO 0006 policies with Coverage C less than \$20,000 will qualify an eligible auto policy for the discount.

##### C. Processing Instructions

###### 1. New Applications

When homeowner applications are submitted that are eligible for the Prime of Life Homeowner Discount, the discount will be automatically applied to the policy. **PLEASE INDICATE IN THE APPLICANT INFORMATION SECTION OF THE ACORD™ APPLICATION THE DATE OF BIRTH AND SOCIAL SECURITY NUMBER FOR THE NAMED INSURED AND SPOUSE.**

###### 2. Cancellation of a Policy With Prime of Life Discount

When one of the two policies receiving the Prime of Life Discount is canceled, the credit will be automatically removed from the remaining policy at the next renewal date.

###### 3. Declarations Pages

When the Prime of Life Discount credit applies, the percentage will be displayed on the declarations page of the policy.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 9. PROTECTIVE DEVICE CREDITS

The following premium credits may be allowed for the installation of an approved and properly maintained burglar alarm, fire alarm or sprinkler system in the dwelling:

PROTECTIVE DEVICE CREDITS		
TYPE CODE	PROTECTIVE DEVICE DESCRIPTION	DISCOUNT PERCENT
I	Central Station Burglary Alarm System	5%
J	Central Station Fire Alarm System	5%
K	Burglary Alarm System That Alerts the Police Department	3%
M	Fire Alarm System That Alerts the Fire Department	3%
N	Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detector Devices	2%
O	Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures	13%
Q	Sprinkler System With Sprinklers Totally or Partly Omitted in Bathrooms, Closets, Attics and Attached Structures and With Fire Detectors In All Areas Where the Sprinkler is Omitted	8%

The total credit applies to the adjusted base policy premium derived from the basic premium charts and the Scheduled Personal Property premium for each class.

**Note:** Identify the type of device on the homeowner application.

**Maximum Credit** – The maximum credit for Protective Devices is 20% for both the Base Policy Premium and Scheduled Personal Property Premium.

### 10. SOLID FUEL HEATING DEVICE SURCHARGE

A surcharge of \$25 will be added to all policies with a solid fuel heating device such as a wood burning stove or fireplace insert.

The surcharge will be added to the premium in the same rating steps as an optional endorsement.

This applies to all forms.

### 11. SUPERIOR CONSTRUCTION – ALL FORMS

The premium for an eligible dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry BASE PREMIUM for a comparable dwelling or apartment unit by a factor of .85.

Refer to the Construction Definitions page in this manual for details.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 12. TOWNHOUSE/MULTI FAMILY SURCHARGE

- A. All forms except HO 0004 and HO 0006
- B. A multiple family townhouse or row-house is *not eligible for coverage if the structure has a flat roof.*
- C. The premium for an eligible one, two, three or four family dwelling in a town or row house structure is computed by multiplying the BASE PREMIUM by the appropriate factor below:

TOWNHOUSE/ROWHOUSE FACTORS		
Total Number of Individual Family Units Within The Fire Division	Protection Class	
	1-8	9 and Protected Suburban
1 and 2	1.00	1.00
3 and 4	1.10	1.15
5 to 8	1.25	1.30
9 and over	1.35	1.40

**Note:**

An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by fire walls would be considered 8 individual family units.

### 13. UTILITY UPDATE CREDIT

- A. Available for forms HO 0003 and HO 0005 only.
- B. For new business, or for renewal business after the home no longer qualifies for the new home discount, the insured may begin to qualify for a discount of up to 4% per utility for plumbing, electrical and the heating and cooling systems if there have been extensive updates made to those systems within the past seven (7) years. If components of any utility were updated in different years, the premium adjustment is based on the earliest year in which any one of the components of the utility was updated.
- C. The following guidelines must be met in order to qualify for the credit (All utility updates must meet current building code requirements):
  - PLUMBING** – Improvements include the installation of all new water lines within the structure, including plumbing fixtures, traps, pumps, holding tanks and hot water heater.
  - ELECTRICAL** – Improvements include the installation of a new, approved circuit breaker service box, fixtures, receptacles and wiring (aluminum wiring is not acceptable).
  - HEATING AND COOLING** – Improvements include the installation of a new heating plant, including burner, boiler, fans, coupling valves, safety switches or connectors, radiator and baseboard units and compressors on central air conditioning systems.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Credits/Discounts/Charges

### 13. UTILITY UPDATE CREDIT (continued)

**D. Rehabilitated Home Certification Form – FI 249** must be completed, signed by the agent and insured and submitted with the application before this discount is permitted.

<b>UTILITY UPDATE CREDIT</b>			
<b>Years Since Heating and Cooling Update</b>	<b>Years Since Electrical Update</b>	<b>Years Since Plumbing Update</b>	<b>Discount Per Utility</b>
0	0	0	4%
1	1	1	4%
2	2	2	3%
3	3	3	3%
4	4	4	2%
5	5	5	2%
6	6	6	1%
7	7	7	1%
8 and above	8 and above	8 and above	0%

**Note:** The total Utility Update Credit is the sum of all applicable update utility discount percentages.

### 14. HOME PURCHASE DISCOUNT

This credit is available to any new homeowner policy where the insured has newly purchased their home, for a policy effective on or after 08/19/07 that meets the following requirements:

**Eligibility**

- For new business, the home must be purchased within the last twelve months prior to the effective date of the policy.
- Renewal policies will qualify only if they received the discount when the policy was newly issued and have had continuous coverage under State Auto.
- The discount applies to HO 0003 and HO 0005 policies only.
- Primary residences only are eligible for the discount.

The credits listed below apply to eligible policies:

<b>Policy Age</b>	<b>Credit</b>
New Policy	10%
1 <sup>st</sup> Renewal	8%
2 <sup>nd</sup> Renewal	6%
3 <sup>rd</sup> Renewal	4%
4 <sup>th</sup> Renewal	2%
5 <sup>th</sup> Renewal +	0%

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Optional Coverages

### 33. OTHER STRUCTURES (continued)

#### 2. Liability Coverage: See Chart Below

Structures Rented to Others – Residence Premises – HO 0440			
Limit	Premium	Limit	Premium
\$100,000	\$11	\$1,000	Included
\$200,000	\$13	\$2,000	\$1
\$300,000	\$15	\$3,000	\$2
\$400,000	\$16	\$4,000	\$3
\$500,000	\$16	\$5,000	\$4
\$1,000,000	\$19		

Note: \*Coverage E and F are applied per structure

#### C. Specific Structures Away from the Residence Premises – HO 0492

This endorsement extends property and liability coverage to other structures away from the residence premises which are not used for business or held for rental. Minimum coverage amount is \$5,000. A photo of the structure is required.

Charge \$7 per \$1,000 of insurance

### 34. OWNED MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE HO 0528

- A. The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are **not** permanently installed provided such property is at an insured's residence or in or upon the cart if off the insured's residence at the time of loss.

Coverage for loss caused by *collision is optional* and only applies if declared on the schedule of the endorsement.

- B. **Eligibility**—To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground.

Read the endorsement for all conditions of coverage.

- C. **Limit of Liability**—The limit of liability shall be selected by the insured. However, the limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, etc.

- D. **Deductible**—A deductible amount of \$500 applies separately to each involved golf cart and, separately to Section I Property Coverages if not in or upon a golf cart at the time of loss.

The \$500 deductible replaces any other deductible in the policy with respect to property covered under the endorsement.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Optional Coverages

### 37. PERSONAL PROPERTY (Continued)

Current Firearms Limit By Form			
Basic Contract	FI 264AR SECURGARD PLUS Coverage	DEFENDER Option FI 270AR, FI 271AR and FI 272AR	ESTATES Option FI 280AR, FI 281AR and FI 282AR
\$2,500	\$2,500	\$2,500	\$5,000

#### 4. Electronic Apparatus

The special limit of liability of an apparatus in or upon a motor vehicle or motorized land conveyance may be increased to a maximum of \$6,000 in increments of \$500.

**The additional premium is \$10 per each additional \$500 in coverage.**

The special limit of liability for an apparatus ***not*** in or upon a motor vehicle or motorized land conveyance that is away from the residence premises and used for business may be increased to a maximum of \$6,000 in increments of \$500.

**The additional premium is \$10 per each additional \$500 in coverage.**

Note: For electronic apparatus which is “computer equipment”, the same limit that is afforded for business property off premises is also afforded to electronic apparatus which is used in business and off the residence premises. For details, see form(s) FI264AR, FI270AR, FI271AR, FI272AR, FI280AR, FI281AR and FI282AR.

Current Electronic Apparatus Limit By Form			
Basic Contract	FI 264AR SECURGARD PLUS Coverage	DEFENDER Option FI 270AR, FI 271AR and FI 272AR	ESTATES Option FI 280AR, FI 281AR and FI 282AR
\$1,500	\$1,500	\$1,500	\$2,000

#### D. Increased Limits – Theft, and Open Peril Coverage

##### 1. Jewelry, Watches and Furs

The special limit of liability for theft of jewelry, watches and furs may be increased to a maximum of \$6,500. See contract and endorsements for maximum on any one article.

#### Jewelry, Watches and Furs Premiums Per Each Additional \$500 by Deductible

\$250 Deductible	\$500 Deductible	\$1,000 Deductible	\$1,500 Deductible	\$2,000 Deductible	\$2,500 Deductible	\$5,000 Deductible
NA	\$4.00	\$3.50	\$3.33	\$3.17	\$3.00	\$2.50

Current Jewelry, Watches and Furs Aggregate Limit By Form			
Basic Contract	FI 264AR SECURGARD PLUS Coverage	DEFENDER Option FI 270AR, FI 271AR and FI 272AR	ESTATES Option FI 280AR, FI 281AR and FI 282AR
\$1,500	\$3,000	\$3,000	\$5,000

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Optional Coverages

### 37. PERSONAL PROPERTY (Continued)

**2. ...Silverware, Goldware and Pewterware**

The special limit of liability for loss of theft of Silverware, Goldware and Pewterware may be increased to a maximum of \$10,000\*.

**Silverware, Goldware and Pewterware Premiums Per Each Additional \$500 by Deductible**

\$250 Deductible	\$500 Deductible	\$1,000 Deductible	\$1,500 Deductible	\$2,000 Deductible	\$2,500 Deductible	\$5,000 Deductible
NA	\$1.75	\$1.50	\$1.42	\$1.33	\$1.25	\$1.00

**Note:** For endorsements FI 280AR; FI 281AR and FI 282, coverage is already provided for Silverware, Goldware and Pewterware at the \$10,000 maximum at no charge.

Current Silverware, Goldware and Pewterware Limit By Form			
Basic Contract	FI 264AR SECURGARD PLUS Coverage	DEFENDER Option FI 270AR, FI 271AR and FI 272AR	ESTATES Option FI 280AR, FI 281AR and FI 282AR
\$2,500	\$3,000	\$3,000	\$10,000

**E. Endorsements**

**1. Named Perils Coverage**

Where Named Perils Coverage is provided by the contract or corresponding endorsements, use form FI 0465 for the above desired increased limits.

**2. Open Perils Coverage**

When Open Perils Coverage is provided in the contract or corresponding endorsements, use endorsement FI 0466 for the above desired increased limits.

### 38. REFRIGERATED PERSONAL PROPERTY – HO 0498

**A.** The policy may be endorsed to provide \$500 of covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.

**B.** A deductible of \$100 applies.

**The additional premium is \$15.00**

**Note:** This coverage is not available with forms FI 280AR; FI 270AR; FI 281AR; FI 271AR; FI 282AR; FI 272AR or FI 264AR since coverage is already provided under those forms.

### 39. RENTAL TO OTHERS – EXTENDED THEFT COVERAGE HO 0541

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders.

**The additional premium is \$30.**

**Important Note:** Once added, coverage cannot be deleted until renewal.

Do not use this form if any of the following forms are reflected: HO0005, HO1731, HO0524, FI280AR, FI281AR or FI282. These forms provide open peril coverage for personal property. With any of these forms attached, this endorsement is not needed as coverage is not excluded.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Watercraft Section

### 3. WATERCRAFT ELIGIBILITY (Continued)

#### B. Eligibility

##### 1. Type of watercraft – The following vessels are ineligible:

- a. Amphibicars or amphibious vehicles.
- b. Watercraft with automobile engine conversions (unless factory installed).
- c. Home built or kit watercraft.
- d. Marsh craft (Air Propeller watercraft).
- e. Submarine type watercraft.
- f. Watercraft with motors that exceed the manufacturer's recommended horsepower for the craft.
- g. Watercraft over 15 years old, unless accompanied by a recent photo or boat dealer's statement or current marine survey as to condition and value.

##### 2. Type of watercraft – The following vessels requires prior underwriting approval:

- a. Bass boats that have an advertised maximum speed of more than 70 miles per hour and all other watercraft that have an advertised maximum speed of more than 55 miles per hour
- b. Yachts with a hull value in excess of \$250,000.
- c. Yachts that exceed 40 feet in length
- d. Risks with more than one boat loss in the past 3 years
- e. Houseboats

##### 3. Use of watercraft – The following vessels are ineligible:

- a. Watercraft chartered, rented to others, or utilized for any commercial or business purpose.
- b. Watercraft held for sale.
- c. Watercraft stored in unsupervised areas.
- d. Watercraft operated outside of the following boundaries: the inland waters of the forty-eight contiguous states of the U.S., the District of Columbia, the Dominion of Canada, and the Atlantic and Gulf Coastal waters within a 12-mile limit of the coast.

##### 4. Ownership of watercraft – The following are ineligible:

- a. Watercraft titled in the name of a business

##### 5. Exclusions – Liability and physical damage coverages do not apply while any Personal Watercraft described in this policy is engaged in competing, practicing or preparing for any prearranged race, competitive speed or mobility contest or any other racing activity. Please refer to the racing exclusion in the Homeowners Pleasure Boat Endorsement.

#### C. Operators of Pleasure Boats, Personal Watercraft and Yachts

1. **Age** – the principal operator must be at least 21 years of age
2. **Experience** – the principal operator must have at least one year of experience in operating a watercraft of similar size or type or proof of completion of a boating safety course.
3. **Driving Record** – the three-year driving record of all operators in the household are considered. There must be:
  - a. no major violations
  - b. no more than 2 minor violations per person
  - c. no more than 2 at-fault accidents per person
  - d. no more than 4 minor violations/at-fault accidents per household
  - e. no one under 21 with an at-fault accident
  - f. no one under 21 with more than one minor violation

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Watercraft Section

### 3. WATERCRAFT COVERAGE (Continued)

This section applies to **Personal Watercraft**:

1. **Age/Experience** – all operators must either:
  - a. Be at least 21 years of age and have a minimum of two years of experience operating a Personal Watercraft, or
  - b. Have at least one year experience operating a Personal Watercraft and have had instruction and training on the use or operation of a Personal Watercraft provided by or recognized by any of the following: Personal Watercraft Riders Association (PWRA), National Association of State Boating Law Administrators, U.S. Coast Guard Auxiliary, or U.S. or Canadian Power Squadron.
2. **Driving Record** – the three year driving records of all operators in the household are considered.
  - a. Operators under the age of 25 must be free from violations and accidents.
  - b. Operators at least 25 years of age must have:
    1. No more than one minor moving violation per individual; two per household
    2. No major moving violations
    3. No more than two not-at-fault accidents, per individual
    4. No more than one at-fault accident (and no additional violations) per operator
    5. No more than one at-fault accident per household

### 4. OPTIONAL COVERAGES FOR WATERCRAFT

- A. Physical damage coverage for watercraft trailers** - Coverage can be purchased for the trailer of a covered watercraft. A \$100 deductible applies to trailers of pleasure boats and a \$250 deductible applies to trailers of yachts.

Rate: \$2 per \$100 of coverage

- B. Emergency service or towing and labor coverage** for disabled watercraft may be provided up to a maximum of \$500.

Rate: \$7 per \$100 of coverage

- C. Sailboat Racing Buy-Back** - Racing coverage for loss or damage to the following sailboat components may be purchased: spars, spinnakers or sails. This option is available for pleasure boats only. Attach Sailboats (Racing Buy-back) Amendatory Endorsement.

Premium: Flat charge of \$10

- D. Broadened Navigational Territory Limits** - When a boat or yacht is rated for Territory III, the coverage territory may be extended from 12 statute miles of the coastline to 20 statute miles of the coastline for pleasure boats and to 50 statute miles of the coastline for yachts.

This coverage may be written only if:

- The captain/owner/operator is a full-time resident of the state/home port where the insured boat is moored.

# ARKANSAS HOMEOWNER OPTIONS MANUAL

## Watercraft Section

### 5. CREDITS (Continued)

H. **Optional Deductibles** – The basic premiums are for a \$250 deductible. The following options are available:

**Pleasure Boat** – (Boat and Miscellaneous Equipment only – Applies to Physical Damage Only)

**Yacht** -- (Yacht, Equipment and Auxiliary Watercraft only—Applies to Physical Damage Only)

Deductible	Credit/Charge
\$ 100*	+15%
\$ 500	- 15%
\$1,000	- 30%
\$2,500	- 40%
\$5,000	- 50%

**Note:** \$100 deductible option is only available for outboard motors and boats insured under Forms FI-84 and FI254.

I. **Auto/Home Discount** – This credit is available for insureds who have both their automobile and homeowners policies written with the State Auto Insurance Companies.

Credit: 15% (applies to physical damage, liability and medical payments premiums)

### 6. DEBITS

The following debits apply to all watercraft unless indicated otherwise. Pleasure Boats –apply to hull and miscellaneous equipment premiums. Yachts – apply to hull, equipment and auxiliary watercraft premiums.

A. **Advertised Speed (Not applicable to Personal Watercraft)** – When advertised speed is greater than 45 mph, apply the following debit:

Debit: 100% (applies to physical damage, liability and medical payments premiums)

B. **Increased Navigation Period (Yacht only)** – Base premiums are calculated on a seven (7) month navigation period, with the exception of Territory III, Atlantic and Gulf Coastal Waters, where base premiums are calculated on a 12 month navigation period. This may be increased (except for territory III where base premiums already contemplate a 12 month navigation) for a premium debit.

Debit: 5% per month

### 7. TERRITORY DEFINITIONS

<u>Territory Number</u>	<u>Description</u>
I	Waters of the Great Lakes
II	Inland Waters of the U.S. (excluding the Great Lakes, Ohio and Mississippi Rivers)
III	Atlantic and Gulf Coastal Waters (including the inland water tributaries) – within 12 statute miles of the coastline
IV	Ohio and Mississippi Rivers
V	Chesapeake Bay and its inland tributaries

**Note:** Please include all territories in which the watercraft is navigated. The declarations page must reflect the territory or territories in which the craft is operated. Also, when two or more navigational territories apply, the highest rated territory will be used for rating.

## ARKANSAS HOMEOWNER OPTIONS MANUAL

County	Territory	County	Territory
Arkansas .....	38	Lincoln.....	45
Ashley .....	45	Little River.....	39
Baxter.....	36	Logan .....	37
Benton.....	35	Lonoke .....	34
Boone.....	35	Madison .....	37
Bradley.....	39	Marion .....	41
Calhoun.....	39	Miller .....	59
Carroll.....	35	Mississippi.....	44
Chicot.....	45	Monroe.....	38
Clark.....	39	Montgomery.....	48
Clay .....	54	Nevada.....	39
Cleburne.....	36	Newton.....	35
Cleveland.....	39	Ouachita.....	39
Columbia.....	39	Perry .....	34
Conway .....	34	Phillips.....	45
Craighead.....	44	Pike .....	39
Crawford.....	37	Poinsett.....	44
Crittenden.....	45	Polk .....	49
Cross.....	38	Pope.....	42
Dallas .....	39	Prairie.....	34
Desha.....	45	Pulaski .....	31
Drew.....	39	• Little Rock.....	30
Faulkner.....	33	• North Little Rock.....	30
Franklin .....	37	Randolph.....	54
Fulton .....	36	St. Francis.....	45
Garland .....	40	Saline .....	39
Grant .....	39	Scott.....	37
Greene .....	54	Searcy.....	41
Hempstead.....	58	Sebastian.....	37
Hot Spring.....	34	• Ft. Smith .....	47
Howard.....	39	Sevier .....	39
Independence .....	36	Sharp .....	36
Izard .....	36	Stone.....	36
Jackson.....	44	Union.....	39
Jefferson .....	32	Van Buren.....	36
Johnson.....	42	Washington.....	35
Lafayette .....	39	White.....	34
Lawrence.....	44	Woodruff .....	38
Lee .....	45	Yell.....	41

# ARKANSAS HOMEOWNERS PROGRAM

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ARKANSAS INSURANCE DEPARTMENT  
 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 \_\_\_\_\_

NAIC No. \_\_\_\_\_ Group No. \_\_\_\_\_

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

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. \_\_\_\_\_  
 \_\_\_\_\_

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.  
 \_\_\_\_\_  
 \_\_\_\_\_

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

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

- a. Fire Extinguisher \_\_\_\_\_%
- b. Burglar Alarm \_\_\_\_\_%
- c. Smoke Alarm \_\_\_\_\_%
- d. Insured who has both homeowners and auto with your company \_\_\_\_\_%
- e. Deadbolt Locks \_\_\_\_\_%
- f. Window or Door Locks \_\_\_\_\_%
- g. Other (specify) \_\_\_\_\_%  
 \_\_\_\_\_%  
 \_\_\_\_\_%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?  
 \_\_\_\_\_ If so, state the areas and explain reason for not writing. \_\_\_\_\_  
 \_\_\_\_\_

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

Form	Premium Volume
_____	_____
_____	_____
_____	_____

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

9. If there is a surcharge on risks with wood heat? \_\_\_\_\_  
If yes, state surcharge \_\_\_\_\_  
Does the surcharge apply to conventional fire places? \_\_\_\_\_  
If yes, state surcharge \_\_\_\_\_

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number

ARKANSAS INSURANCE DEPARTMENT  
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 \_\_\_\_\_

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

- |    |  |         |
|----|--|---------|
| a. | Fire Extinguisher  | _____ % |
| b. | Burglar Alarm  | _____ % |
| c. | Smoke Alarm  | _____ % |
| d. | Insured who has both homeowners and auto with your company | _____ % |
| e. | Deadbolt Locks   | _____ % |
| f. | Window or Door Locks                                       | _____ % |
| g. | Other (specify)  | _____ % |
|    | _____  | _____ % |
|    | _____  | _____ % |

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If yes, state surcharge \_\_\_\_\_

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number