

SERFF Tracking Number: FARM-125425412 State: Arkansas
First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
Company Tracking Number: HAR0703-107650, HAR0703-207650
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Filing at a Glance

Companies: Farmers Insurance Company, Inc., Farmers Insurance Exchange

Product Name: H-AR-2008-HO-F

SERFF Tr Num: FARM-125425412 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed

State Tr Num: #? \$200

Sub-TOI: 04.0000 Homeowners Sub-TOI

Co Tr Num: HAR0703-107650,

State Status: Fees verified

Combinations

HAR0703-207650

Filing Type: Rate

Co Status:

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

Authors: Anahit Bekarian, Jeanette Disposition Date: 01/22/2008

Campion, Gayane Rupchian, Mina

Villegas, Chris SalvaCruz, Edmond

Balaian, Karen Lacy

Date Submitted: 01/16/2008

Disposition Status: Filed

Effective Date Requested (New): 05/01/2008

Effective Date (New): 05/01/2008

Effective Date Requested (Renewal): 05/01/2008

Effective Date (Renewal):

05/01/2008

State Filing Description:

Rate and rule for ID Fraud endorsement

General Information

Project Name: AR ID Fraud -- J6502 -- Rates

Status of Filing in Domicile: Authorized

Project Number: F-07-104

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 01/22/2008

State Status Changed: 01/22/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Cover memo is attached as separate item in Supporting Documents header

SERFF Tracking Number: FARM-125425412 State: Arkansas
 First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
 Company Tracking Number: HAR0703-107650, HAR0703-207650
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: H-AR-2008-HO-F
 Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Company and Contact

Filing Contact Information

Feliksa Barran, Manager - Business Feliksa_Barran@farmersinsurance.com
 Implementation
 4700 Wilshire Blvd. (323) 932-3056 [Phone]
 Los Angeles, CA 90010

Filing Company Information

Farmers Insurance Company, Inc. CoCode: 21628 State of Domicile: Kansas
 10850 Lowell Avenue Group Code: 212 Company Type:
 Overland Park, KS 66210-1667 Group Name: State ID Number:
 (323) 932-3056 ext. [Phone] FEIN Number: 48-0609012

Farmers Insurance Exchange CoCode: 21652 State of Domicile: California
 4680 Wilshire Blvd. Group Code: 212 Company Type:
 Los Angeles, CA 90010 Group Name: State ID Number:
 (323) 932-3056 ext. [Phone] FEIN Number: 95-2575893

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 ios the required filing fee amount for each of FIE & FICI for a total of \$200.00. Checks will be mailed today, 01/16/2008 via DHL.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Farmers Insurance Company, Inc.	\$0.00	01/16/2008	
Farmers Insurance Exchange	\$0.00	01/16/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
2562	\$100.00	01/11/2008
3010679646	\$100.00	01/15/2008

SERFF Tracking Number: FARM-125425412 State: Arkansas
First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
Company Tracking Number: HAR0703-107650, HAR0703-207650
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/22/2008	01/22/2008

SERFF Tracking Number: FARM-125425412 State: Arkansas
First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
Company Tracking Number: HAR0703-107650, HAR0703-207650
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Disposition

Disposition Date: 01/22/2008
Effective Date (New): 05/01/2008
Effective Date (Renewal): 05/01/2008
Status: Filed
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: FARM-125425412 State: Arkansas
 First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
 Company Tracking Number: HAR0703-107650, HAR0703-207650
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: H-AR-2008-HO-F
 Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Cover memo	Filed	Yes
Rate	Temporary manual pages	Filed	Yes

SERFF Tracking Number: FARM-125425412 *State:* Arkansas
First Filing Company: Farmers Insurance Company, Inc., ... *State Tracking Number:* #? \$200
Company Tracking Number: HAR0703-107650, HAR0703-207650
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125425412 State: Arkansas
 First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
 Company Tracking Number: HAR0703-107650, HAR0703-207650
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: H-AR-2008-HO-F
 Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Temporary manual pages	Pages 67, 1807	New	Temporary manual page 67.pdf Temporary manual page 1807.pdf

**HOMEOWNERS PACKAGE
FARMERS INSURANCE COMPANY
FARMERS INSURANCE EXCHANGE**

OPTIONAL COVERAGES — SECTION I — PROPERTY

**COURSE OF CONSTRUCTION — THEFT BUYBACK — E6032
(No Longer Available on New Business)**

The Homeowners policy form excludes theft of contents while the dwelling is under construction. Coverage for theft of building materials up to \$2,000 is available via this buyback endorsement.

All eligible discounts/surcharges are available.

INCREASED SPECIAL LIMITS ON CERTAIN PERSONAL PROPERTY — J6143

Increased special limits on the following types of personal property can be purchased. The classes of property covered and their limits include:

Money, bank notes, medals, coins, bullion, platinum, gold and silver other than goldware and silverware, and collections of all such property. There is no minimum per article limit. Coverage may be purchased in \$100 increments up to \$500.

Securities, accounts, deeds, evidences of debt, letter of credit, notes other than bank notes, manuscripts, passports, tickets and stamp collections. There is no minimum per article limit. Coverage may be purchased in \$100 increments up to \$10,000.

Jewelry, watches, precious and semi-precious stones and furs including articles for which fur represents the principal value. There is no minimum per article limit. The maximum per article limit is \$2,500. Coverage may be purchased in \$500 increments up to \$10,000.

Silverware, goldware and pewterware, including articles for which such metal represents the principal value. There is no minimum per article limit. The maximum per article limit is \$2,500. Coverage may be purchased in \$500 increments up to \$10,000.

Firearms (guns). There is no minimum per article limit. The maximum per article limit is \$2,500. Coverage may be purchased in \$500 increments up to \$10,000.

Electronic Data Processing (EDP) equipment including recording or storage media used with such equipment. There is no minimum per article limit. Coverage may be purchased in \$1,000 increments up to \$10,000.

The upper limit maximum for each of the items listed above is a total of the underlying property policy limit and the increased coverage amount. For example, if there is \$100 coverage provided for money, bank, notes, etc. under the Homeowners policy, the limit can be increased only \$400 more to reach the \$500 maximum limit.

An appraisal of the item(s) covered under this endorsement will not be required.

The Increased Limits Endorsement (J6143) cannot be used in conjunction with the Unscheduled Personal Articles Floater Endorsement (J6194) if coverage is being provided for the **same item(s)** under each endorsement.

IDENTITY FRAUD EXPENSE COVERAGE — H4140

For an additional premium, coverage will be provided for expenses incurred as the result of fraudulent use of the Insured's identity by a third party. Maximum limit of liability per identity fraud loss is \$15,000. A \$100 deductible is applicable per loss.

★ **IDENTITY MANAGEMENT SERVICES AND IDENTITY FRAUD EXPENSE COVERAGE – J6502**

This endorsement provides professional services for an insured who has experienced identity fraud, account takeover, the loss of identity or travel documents while traveling, or the loss of specified valuable documents in a covered loss at the residence premises. An advocate will assist an insured with services including, but not limited to, form preparation, calls to financial companies and governmental agencies and direction to resolve their loss event. The advocate does not pay any fees or expenses to or on behalf of the insured. This endorsement provides an insured with the means to track their own credit.

This endorsement also provides coverage for expenses incurred as a result of fraudulent use of the insured's identity by a third person. The total aggregate limit for Identity Fraud Expense coverage during any one policy period is \$28,500.

This endorsement is available for an additional charge.

**HOMEOWNERS PACKAGE
FARMERS INSURANCE COMPANY
FARMERS INSURANCE EXCHANGE**

OPTIONAL COVERAGES — SECTION I — PROPERTY

**UNSCHEDULED PERSONAL ARTICLES ENDORSEMENT — J6194
(Farmers Insurance Company Only)**

All Forms

Jewelry Articles

Amount of coverage	Rate per \$100	
	Territory 1	Territory 2
\$1,000 (min.) - \$5,000	\$ 1.40	\$ 1.40
over \$5,000	\$ 1.40	\$ 1.40
over \$10,000	\$ 1.40	\$ 1.40

Territory 1 - Entire Pulaski County

Territory 2 - Balance of State

For base policy deductibles \$250 or above, apply 0.80 factor to above rate and round to the nearest cent.

For base policy deductibles lower than \$250, apply 0.80 factor **and** the appropriate Homeowners deductible factor to above rate and round to the nearest cent.

Note:

The limit of insurance is subject to the policy deductible shown in the Declarations or \$250, whichever is less. Coverage must be purchased in increments of \$100.00 only.

The value of an individual item must be less than \$2,500. The minimum aggregate coverage amount is \$1,000.

	Territory 1		
	Example 1	Example 2	Example 3
Base Policy Deductible	\$100	\$250	\$500
Type of Policy	Special Form	Protector Plus	Renters
(A) Amount of coverage	\$ 4,300	\$ 5,200	\$12,000
(B) Rate per \$100	\$1.40	\$1.40	\$1.40
(C) Deductible Factor	0.80	0.80	0.80
(D) Homeowners Ded. Factor	1.30	1.00	1.00
Total Premium = (A/100)*(B)*(C)*(D)	\$62.61	\$58.24	\$ 134.40

*** IDENTITY FRAUD EXPENSE COVERAGE — H4140**

Annual Premium	\$25.00
-----------------------	---------

\$100 deductible applicable per loss.

★ IDENTITY MANAGEMENT SERVICES AND IDENTITY FRAUD EXPENSE COVERAGE — J6502

Annual Premium: \$65.00

\$0.00 deductible applicable per loss.

SERFF Tracking Number: FARM-125425412 State: Arkansas
First Filing Company: Farmers Insurance Company, Inc., ... State Tracking Number: #? \$200
Company Tracking Number: HAR0703-107650, HAR0703-207650
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR ID Fraud -- J6502 -- Rates/F-07-104

Supporting Document Schedules

Satisfied -Name: Form RF-1 NAIC Loss Cost Data **Review Status:** Filed 01/22/2008
Entry Document--All P&C Lines

Comments:

Attachments:

RF1 - FIE.pdf
RF1 -- FICl.pdf

Satisfied -Name: Uniform Transmittal Document- **Review Status:** Filed 01/22/2008
Property & Casualty

Comments:

Attachment:

P & C transmittal.pdf

Satisfied -Name: Cover memo **Review Status:** Filed 01/22/2008

Comments:

Attachment:

Cover memo.pdf

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # HAR0703-107760

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

	Company Name		Company NAIC Number
3.	A. Farmers Insurance Exchange	B.	21652

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
PTP, SPF, TP, Renters**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Overall Effect							

6. 5 Year History Rate Change History

Year	Policy Count***	% of Change	Effective Date	State Earned* Premium (000)	Incurred* Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	1,180	40.0%	4/16/2002	820	335	40.8%	141.4%
2003	1,046	7.1%	9/16/2003	779	188	24.1%	64.4%
2004	939	0%	12/16/2004	688	271	39.3%	35.3%
2005	856	0.5%	1/16/2005	577	197	34.2%	77.6%
2006	767	0%	None	515	522	101.3%	60.9%
2007		10.7%	2/16/2007				

7.

Expense Ratio	Selected Provisions
A. Total Production Expense	26.80%
B. General Expense	5.00%
C. Taxes, Licenses & Fees	3.50%
D. Underwriting Profit & Contingencies	8.10%
E. Other (explain)	7.80%
F. TOTAL	51.20%

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

* Figures from Page 14/15, Farmers Insurance Company, Inc.
 * Based on current book of business multi-variable analysis.
 *** Figures from TA635 reports

ORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # HAR0703-207760

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

		Company Name			Company NAIC Number
3.	A.	Farmers Insurance Company, Inc.	B.		21628

		Product Coding Matrix Line of Business (i.e., Type of Insurance)			Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	A.	04.0 Homeowners	B.		04.0000 Homeowners Sub-TOI

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
PTP, SPF, TP, Renters**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Overall Effect	N/A	N/A					

6. 5 Year History Rate Change History

Year	Policy Count***	% of Change	Effective Date	State Earned* Premium (000)	Incurred* Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	37,093	40.9%	4/16/2002	26,418	11,552	43.7%	42.2%
2003	35,161	8.1%	9/16/2003	28,505	10,022	35.2%	49.5%
2004	35,463	0.0%	12/16/2004	28,913	10,866	37.6%	39.0%
2005	37,790	0.0%	1/16/2005	28,592	10,526	36.8%	31.1%
2006	40,814	0.0%	None	30,053	21,070	70.1%	57.5%
2007		10.7%	2/16/2007				

7.

Expense Ratios	Selected Provisions
A. Total Production Expense	26.90%
B. General Expense	5.20%
C. Taxes, Licenses & Fees	3.00%
D. Underwriting Profit & Contingencies	8.10%
E. Other (explain)	7.80%
F. TOTAL	51.00%

8. N Apply Loss Cost Factors to Future filings? (Y or N)

9. N/A Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

* Figures from Page 14/15, Farmers Insurance Company, Inc. Based on current book of business multi-variable analysis.

** PTP, SPF and TP are initialisms for Protector Plus, Special Form and Townhouse Protector, respectively

*** Figures from TA635 reports

Property & Casualty Transmittal Document

<p>1. Reserved for Insurance Dept. Use Only</p>	<p>2. Insurance Department Use only</p> <p>a. Date the filing is received:</p> <p>b. Analyst:</p> <p>c. Disposition:</p> <p>d. Date of disposition of the filing:</p> <p>e. Effective date of filing:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> <p>f. State Filing #:</p> <p>g. SERFF Filing #:</p> <p>h. Subject Codes</p>	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #			
Farmers Insurance Group of Companies	0212			
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Farmers Insurance Company, Inc	KS	21628	48-0609012	0212
Farmers Insurance Exchange	CA	21652	95-2575893	0212

5. Company Tracking Number	HAR0703-107650, HAR0703-207650
-----------------------------------	--------------------------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Grace Pelczynski 4700 Wilshire Blvd. L.A. CA 90010	Product Specialist	(323) 932-3794 ((323) 932-3950	grace_pelczynski@farmersinsurance.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Mina A. Villegas		

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

9. Type of Insurance (TOI)	4.0 Homeowners
10. Sub-Type of Insurance (Sub-TOI)	4.0000 Homeowners Sub-TOI Combinations
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	4.0 / 4.0000
12. Company Program Title (Marketing title)	Homeowners Rate/Rule Revision
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 05/1/2008 Renewal: 05/1/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	1/10/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

On behalf of Farmers Insurance Exchange, we respectfully submit for your review and approval a Homeowners rate and rule revision for our existing Homeowners products.

With this submission, we propose the introduction of a rate for a new optional endorsement – “Identity Management Services and Identity Fraud Expense Coverage” – J6502, 1st Edition, previously filed with your department.

The selected rate of \$65.00 for this new coverage option is based on an analysis of similar coverages offered by our competitors (see Exhibit 1). The selected rate is somewhat higher than those of our competitors, reflecting the greater coverage provided by this endorsement. Once implemented, the rate will be evaluated and modified as experience deems appropriate.

As this new endorsement is optional, there is no rate impact to existing customers. In addition, any losses paid under this endorsement will be considered non-chargeable under our Property Experience Rating Plan.

This submission also includes marked up manual pages reflecting the above revisions.

Our targeted effective date for this proposal is May 1st, 2008 for new business and renewals.

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

Check #: Checks not available yet

Amount: \$100.00 for each company – FIE & FICI

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.)**



FARMERS

4700 Wilshire Blvd.
Los Angeles, CA 90010
Bus: (323) 964-8036
Fax: (323) 932-3950

www.farmersinsurance.com

January 7th, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

Attention: Ms. Becky Harrington
Certified Analyst
Property & Casualty Division

Subject: **HOMEOWNERS FORM & MANUAL RULE REVISION – J6502**

COMPANY	Reference Number	NAIC No.	GROUP No.
Farmers Insurance Exchange	HAR0703-107650	21652	0212
Farmers Insurance Company, Inc.	HAR0703-207650	21628	0212

Dear Ms. Harrington;

On behalf of Farmers Insurance Exchange, we respectfully submit for your review and approval a Homeowners rate and rule revision for our existing Homeowners products.

With this submission, we propose the introduction of a rate for a new optional endorsement – “**Identity Management Services and Identity Fraud Expense Coverage**” – J6502, 1st Edition, previously filed with your department.

The selected rate of \$65.00 for this new coverage option is based on an analysis of similar coverages offered by our competitors (see Exhibit 1). The selected rate is somewhat higher than those of our competitors, reflecting the greater coverage provided by this endorsement. Once implemented, the rate will be evaluated and modified as experience deems appropriate.

As this new endorsement is optional, there is no rate impact to existing customers. In addition, any losses paid under this endorsement will be considered non-chargeable under our Property Experience Rating Plan.

This submission also includes marked up manual pages reflecting the above revisions.

Our targeted effective date for this proposal is May 1st, 2008 for new business and renewals.

HOMEOWNERS FORM & MANUAL RULE REVISION

Page 2 of 2

If you have any questions, please contact me at (323) 964-8036.

Very truly yours,
FARMERS INSURANCE GROUP OF COMPANIES

A handwritten signature in black ink that reads "Jeff Reinig". The signature is written in a cursive style. To the right of the signature is a vertical red line.

Jeff Reinig, CPCU
Vice-President, Fire Product Manager

By: Brian Sniegowski
Assistant Product Manager
Farmers Insurance Group