

SERFF Tracking Number: TRGR-125377288 State: Arkansas
Filing Company: Southern Insurance Company State Tracking Number: #302176 \$100
Company Tracking Number: 07-209
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Arkansas Home Protectors
Project Name/Number: Initial Filing of Rates and Rules/07-209

Filing at a Glance

Company: Southern Insurance Company

Product Name: Arkansas Home Protectors

TOI: 04.0 Homeowners

Sub-TOI: 04.0003 Owner Occupied

Homeowners

Filing Type: Rate

SERFF Tr Num: TRGR-125377288 State: Arkansas

SERFF Status: Closed

Co Tr Num: 07-209

Co Status: Submitted

Author: William Bradford

Date Submitted: 12/11/2007

State Tr Num: #302176 \$100

State Status: Fees verified and received

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

Disposition Date: 01/04/2008

Disposition Status: Filed

Effective Date Requested (New): 02/01/2008

Effective Date Requested (Renewal): 02/01/2008

Effective Date (New): 02/01/2008

Effective Date (Renewal):

02/01/2008

State Filing Description:

General Information

Project Name: Initial Filing of Rates and Rules

Project Number: 07-209

Reference Organization: ISO

Reference Title: Homeowners 2000 Program

Filing Status Changed: 01/04/2008

State Status Changed: 12/13/2007

Corresponding Filing Tracking Number:

Filing Description:

This is our initial filing of rates and rules for the Arkansas Home Protectors program. This is a low value program using the ISO HO 00 08. The manual is based upon the ISO manual and the rates are based on a competitive analysis.

The reference numbers below refer to the ISO manual, which is being adopted in part.

Status of Filing in Domicile: Authorized

Domicile Status Comments: A similar low value program is approved in Texas

Reference Number: H-2000-H00RU

Advisory Org. Circular: LI-HO-2000-256

Deemer Date:

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Please refer to the filing support for additional information.

Company and Contact

Filing Contact Information

William Bradford, Senior Products Filing bill.bradford@republicgroup.com
 Specialist
 5525 LBJ Freeway (972) 788-6617 [Phone]
 Dallas, TX 75240 (972) 788-6609[FAX]

Filing Company Information

Southern Insurance Company CoCode: 19216 State of Domicile: Texas
 5525 LBJ Freeway Group Code: 3489 Company Type:
 Dallas, TX 75240 Group Name: The Republic Group State ID Number:
 (972) 788-6001 ext. [Phone] FEIN Number: 75-6021170

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100 x 1 company
 Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0000302176	\$100.00	12/07/2007
	\$0.00	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/04/2008	01/04/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	12/12/2007	12/12/2007	William Bradford	01/03/2008	01/03/2008

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Disposition

Disposition Date: 01/04/2008

Effective Date (New): 02/01/2008

Effective Date (Renewal): 02/01/2008

Status: Filed

Comment: HO-8

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Filing Memorandum	Filed	Yes
Supporting Document	Actuarial Exhibits	Filed	Yes
Supporting Document (revised)	Underwriting Guidelines	Filed	No
Supporting Document	Underwriting Guidelines		No
Rate (revised)	Complete manual	Filed	Yes
Rate	Complete manual		Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/12/2007

Submitted Date 12/12/2007

Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing.

Objection 1

- Complete manual (Rate)

Comment: Please explain the appropriateness of surcharging for dogs even though they may not have a history of viciousness.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 01/03/2008

Submitted Date 01/03/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: We have eliminated the dog surcharge. Our low values programs are fairly recent and we do not yet have sufficient information on this surcharge, which we adopted from competitors.

The manual and the underwriting guidelines have been revised.

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Related Objection 1

Applies To:

- Complete manual (Rate)

Comment:

Please explain the appropriateness of surcharging for dogs even though they may not have a history of viciousness.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Underwriting Guidelines

Comment: This is confidential

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Complete manual	All pages	New	
Previous Version			
<i>Complete manual</i>	<i>All pages</i>	<i>New</i>	

Sincerely,
William Bradford

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Complete manual	All pages	New	AR HP HO manual.pdf

**ARKANSAS
HOME PROTECTOR PROGRAM
HOMEOWNER MANUAL**

**PART I
COVERAGE AND DEFINITION TYPE RULES****RULE 100. INTRODUCTION****A. About the Homeowners Manual**

The Arkansas Home Protectors Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

B. Manual Structure**1. Contents**

The Manual is divided into two primary sections, general rules, and company specific rules and rates.

2. General Rules

These rules are grouped into the following categories:

- a. **Part I** - Coverage and Definition Type Rules,
- b. **Part II** - Servicing Type Rules,
- c. **Part III** - Base Premium Computation Rules,
- d. **Part IV** – Additional Base Premium Computation Rules,
- e. **Part V** Section I - Property – Additional Coverages and Increased Limits Rules,
- f. **Part VI** Section II - Liability – Additional Coverages and Increased Limits Rules, and
- g. **Part VII** Section II - Liability - Other Exposures Increased Limits Rules.

3. Company Specific Rules and Rates

These rules are grouped into the following categories:

- a. Additional Rules,
- b. Territory Definitions,
- c. Base Class Premium Tables, and
- d. Classification and Key Factor Tables.

4. Form References

The Manual refers to various homeowners forms. Form **HO 00 08** is the only form available in the AHP Program.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS**A. Limits**

The limits of liability required under the Homeowners policy are as follows:

1. Property Damage

Coverage A - Dwelling		Coverage C - Personal Property	
HO 00 08	Refer to Rule 301 . in the state classification pages	HO 00 08	50% of A (One and two family dwelling)
Coverage B - Other Structures		Coverage D - Loss Of Use	
HO 00 08	10% of A (One and two family dwelling)	HO 00 08	10% of A

Table 101.A.1. Property Damage Limits**2. Section II - Liability**

Coverage E - Personal Liability And Coverage F – Medical Payments	Refer to Rule 301 . in the state classification pages.
Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis	

Table 101.A.2. Liability Limits**B. Increases in Limits**

The limit of liability for Coverages **C** or **D** of Section **I** may not be increased; the limit of liability for Coverages **E** or **F** of Section **II** may be increased.

C. Coverage C Reduction

Under Coverage **C** of Section **I**, it is permissible to reduce the limit of liability to an amount not less than 25% of the Coverage **A** limit.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS (cont.)**E. Valuation**

Loss Settlement Condition Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provision in **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

RULE 102. DESCRIPTION OF COVERAGES

The following is a general description of the coverages provided by the individual homeowners Policy forms. The policy should be consulted for exact contract conditions.

A. Section I - Property - Perils Insured Against

Perils Insured Against

Peril	HO 00 08
Fire or Lightning	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes
Vandalism or malicious mischief	Yes
Theft	Yes
Volcanic eruption	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	No
Additional risks with certain exceptions (Special Coverage)	No

Table 102.A. Perils Insured Against**B. Section II. Liability. All Forms****1. Coverage E - Personal Liability**

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F - Medical Payments to Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

RULE 103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections **I** and **II** of the Homeowners Policy.

RULE 104. ELIGIBILITY**A. HO 00 08**

A Homeowners Policy may be issued:

- To the owner-occupant(s) of a 1 or 2 family dwelling which is used exclusively for private residential purposes. A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
- To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement - **HO 04 41**; or
- To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
- When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy HO 00 04 may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling. It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

B. Seasonal Dwelling; Mobile Home, Trailer Home or House Trailer; Permitted Business Occupancies; Farm Property; and Residence Held in Trust

Not applicable to the AHP Program

RULE 105. SECONDARY RESIDENCE PREMISES

Not applicable to the AHP Program

RULE 106. PROTECTION CLASSIFICATION INFORMATION

The Protection Class listings in the Community Mitigation Classification Manual apply to risks insured under Homeowners Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).
- B. In a classified area where two or more classifications are shown (for example, 6/9), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9
3. Over 5 road miles	10

*First protection class (for example, 6/9...use Class 6)

Table 106.B. Two or More Classifications

- C. All other properties are Class 10.
- D. Subscription type fire departments are identified by a footnote in the Community Mitigation Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 miles from the nearest recognized fire station of the listed fire department.

RULE 107. CONSTRUCTION DEFINITIONS**A. Frame**

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

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

D. Superior Construction

1. Non-Combustible

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

2. Masonry Non-Combustible

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

3. Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

RULE 108. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period. Seasonal dwellings are **NOT** eligible for coverage in the AHP Program.

RULE 109. SINGLE AND SEPARATE BUILDINGS DEFINITION**A. Single Building**

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

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or

RULE 109. SINGLE AND SEPARATE BUILDINGS DEFINITION, (cont.)

- b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner-side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

RULES 110. - 200. RESERVED FOR FUTURE USE

PART II
SERVICING TYPE RULES**RULE 201. POLICY PERIOD**

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B. Less than one year on a pro rata basis.

RULE 202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

RULE 203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 - 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

RULE 204. MULTIPLE COMPANY INSURANCE

Not applicable to the AHP Program

RULE 205. MINIMUM PREMIUM

- A. For prepaid policies a minimum annual premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. The minimum premium is \$200.

RULE 206. TRANSFER OR ASSIGNMENT

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

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

RULE 207. WAIVER OF PREMIUM

Not applicable to the AHP Program. Return all premium, regardless of amount.

RULE 208. WHOLE DOLLAR PREMIUM RULE

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

RULE 209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

RULE 210. REFER TO COMPANY

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

RULE 211. ADDITIONAL INTEREST

- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph D.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or non-renewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interest Residence Premises Endorsement **HO 04 10**.

RULES 212. - 300. RESERVED FOR FUTURE USE

PART III**BASE PREMIUM COMPUTATION RULES****RULE 301. BASE PREMIUM COMPUTATION**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

A. Form HO 00 08

1. One and Two Family Dwelling
 - a. From the company Base Class Premium Table, select the premium for the territory that applies.
 - b. Multiply the company Base Class Premium by Superior Construction factor from Rule **401**. and round to the nearest whole dollar.
 - c. From the Classification Tables in this Manual, select the Protection - Construction Classification Factor that applies.
 - d. Multiply the result of paragraph **b.** by the Protection - Construction Classification Factor and round, again, to the nearest whole dollar.
 - e. Multiply the premium in paragraph **d.** by the Townhouse or Row House Factor from Rule **402** and round to the nearest whole dollar.
 - f. From the Classification Tables in this Manual, select the Number of Families Factor that applies.
 - g. Multiply the result of paragraph **f.** by the Number of Families Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
 - h. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph **C.** of this rule.
 - i. Multiply the premium from Paragraph **g.**, by the Key Factor and round to the nearest whole dollar.
 - j. Multiply the premium in **i.** by the deductible factor from Rule **406** to arrive at the **Base Premium**.
2. Three or Four Family Dwelling
Not applicable to the AHP Program

B. All Other Forms

Not applicable to the AHP Program

C. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:
 - a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.
 - b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .1005 = .02 \end{array}$$
 - c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$
 - d. The result, 2.897, is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

RULES 302 – 400 RESERVED FOR FUTURE USE

PART IV**ADDITIONAL BASE PREMIUM COMPUTATION RULES****RULE 401. SUPERIOR CONSTRUCTION**

The factor for a dwelling or apartment unit in a building of superior construction is .85. The factor for all other buildings is 1.00.

RULE 402. TOWNHOUSE OR ROW HOUSE**RULE 402. TOWNHOUSE OR ROW HOUSE**

The premium for an eligible 1 or 2 family dwelling in a town or row house structure is computed by using the appropriate factor selected from the following table in Rule 301:

Townhouse and Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 -8	1.10	1.10
9 & Over	Refer to company	

*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. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse and Row House Factors**RULE 403 - 405. RESERVED FOR FUTURE USE****RULE 406. DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils.

A. Base Deductible

\$500 Deductible.

B. Base Premium Calculation

Use the factors selected from the following tables for calculating the Base Premium in Rule 301:

Deductible Amounts	Factor
\$250	1.10
\$500	1.00
\$1,000	0.90
\$2,500	0.80
\$5,000	0.70

Table 406.C. Deductible Factors**RULES 407 - 500. RESERVED FOR FUTURE USE**

PART V**SECTION I - PROPERTY - ADDITIONAL COVERAGES AND INCREASED LIMITS RULES****RULES 501. - 514. RESERVED FOR FUTURE USE****RULE 515. PERSONAL PROPERTY**

- A. Not applicable to the AHP Program
- B. **Reduction in Limit**
1. The limit of liability for Coverage C may be reduced in accordance with Rule **101.C.**
 2. The credit per \$1,000 is \$2.

RULES 516 - 576. RESERVED FOR FUTURE USE**RULE 577. PROTECTIVE DEVICES**

- A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium. Compute the credit by multiplying the Base Premium by the selected factors from the following table:

Protective Devices Factors

Type Of Installation*	Factor
Central Station Reporting Burglar Alarm	.05
Central Station Reporting Fire Alarm	.05
Police Station Reporting Burglar Alarm	.03
Fire Department Reporting Fire Alarm	.03
Local Burglar and/or Fire Alarm	.02

*Refer to company for eligibility, types of systems and devices, and installations.

Table 404.A. Protective Devices Factors

- B. Use Premises Alarm or Fire Protection System Endorsement **HO 04 16.**
- C. Multiple credits for the same type of device (e.g., two local fire alarms) are not allowed.

RULES 578 - 600. RESERVED FOR FUTURE USE

PART VI**SECTION II - LIABILITY - ADDITIONAL COVERAGES AND INCREASED LIMITS RULES****RULE 601. RESIDENCE PREMISES - BASIC AND INCREASED LIMITS/OTHER EXPOSURES - BASIC LIMITS****A. Residence Premises****1. Minimum Limits**

- a. The minimum limit for Coverage E (Personal Liability) is \$25,000.
- b. The minimum limit for Coverage F (Medical Payments to Others) is \$500.
- c. The premium for these limits is included in the Base Premium.

2. Increased Limits.**a. Coverage E – Personal Liability**

Limit	Additional Charge
\$50,000	\$25
\$100,000	\$40

Table 601.A.2.a., Increased Limits Rates, Liability**b. Coverage F – Medical Payments**

Limit	Additional Charge
\$1,000	\$5

Table 601.A.2.b., Increased Limits Rates, Medical Payments**B. Other Exposures**

Not applicable to the AHP Program

C. Rates and Factors Not Shown

1. Rates and factors for limits between the lowest and highest limits shown in this Manual may be developed by interpolation.
2. For rates and factors for limits above the highest shown, refer to company.

RULES 602 - 700. RESERVED FOR FUTURE USE

PART VII

SECTION II - LIABILITY - OTHER EXPOSURES INCREASED LIMITS

RULES 701 - 800 RESERVED FOR FUTURE USE

ADDITIONAL RULES**RULE A1. SPECIAL STATE REQUIREMENTS****A. Special Provisions Endorsement HO 01 03**

Use this endorsement with all Homeowners policies.

B. No Coverage For Home Day Care Business Endorsement HO 04 96

This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

C. Amendatory Mandatory Endorsement – Arkansas Endorsement HP 120AR

This endorsement clarifies the water exclusion. Use this endorsement with all Homeowners policies.

D. Amendatory Mandatory Asbestos and Lead Exclusion Endorsement HP 953

This endorsement details the restrictions for lead and asbestos. Use this endorsement with all Homeowners policies.

E. Required Notices

Attach the following notices to all Homeowners policies.

1. **IL N 016**, Fraud Statement
2. **PR-2001**, Important Notice About The Protection Of Your Privacy

F. Required Notices – Renewal Policies

Attach **PHAR 100**, Notice to Policyholders, to all renewal policies. This notice provides required information on earthquake coverage.

RULE A2. TYPE OF ROOF SURFACINGS – RESIDENCE PREMISES**A. Metal Roofs**

1. If the roof surfacing is metal, a premium credit is applied to all homeowners policies.
2. To compute the premium credit by multiplying the Base Premium by a factor of .05.
3. Attach endorsement **HP 146** Exclusion of Cosmetic Damage to Roof Surfacing Caused by Hail

B. Hail Resistive Composition Shingle Roofs

1. Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U. L. Standard 2218, Class 4, and that are composition shingle are eligible for a credit.
2. If the roof covering meets these criteria, compute the credit by multiplying the Base Premium by a factor of .15

C. Wood Roofs

1. If the roof surfacing is wood, a premium surcharge is applied to all homeowners policies.
2. Compute the surcharge by multiplying the Base Premium by a factor of .30.

D. Multiple Roof Layers

1. Some premises have multiple layers of roof surfacing material. Example – a composition shingle layer is overlaid on the prior composition shingle roof, instead of the prior surfacing being removed.
2. If there are multiple layers of roof surfacing material, a premium surcharge applies. Compute the surcharge as follows:
 - a. 2 layers of roof surfacing material, apply a factor of .15 to the Base Premium
 - b. 3 or more layers of roof surfacing material, apply a factor of .30 to the Base Premium.

E. All Other Roofs

For all other roof surfacings and premises, credits and surcharges do not apply.

RULE A3. LOSS FREE CREDIT**A. The loss free credit applies to a homeowner policy that:**

1. has been in force with Republic for 36 months or more, and
2. has had no losses

B. Claims from natural causes and claims that are filed but not paid will not be considered losses for the purposes of this credit.**C. Premium Computation.**

Calculate the credit by multiplying the Base Premium by .10.

RULE A4. AGENCY RENEWAL CREDIT

- A. The agency renewal credit applies to a homeowner new business policy if:
1. the risk has been with the current agent for any period of time, and
 2. the risk has been loss free for 36 months or more.
- B. This credit would apply for 36 months or until the next renewal following a paid, disqualifying loss, whichever occurs first. After 36 months, if there have been no paid losses, the Loss Free Credit will apply.
- C. Claims from natural causes and claims that are filed but not paid will not be considered losses for the purposes of this credit.
- D. Premium Computation.
Calculate the credit by multiplying the Base Premium by .10.

RULE A5. DOG AND ANIMAL EXCLUSIONS

- A. Premises with certain types of dogs (e.g., dogs with a history of biting) and other animals (e.g., poisonous snakes) are not eligible for coverage. These dwellings may be written if this exposure is excluded.
- B. Endorsements
1. For unacceptable dog exposures, use endorsement **RH 103**, Canine Exclusion
 2. For all other unacceptable animal exposures, use **RH 105**, Animal Exclusion
- C. Refer to the company's underwriting guidelines for further information on unacceptable exposures.

RULE A6. TRAMPOLINE SURCHARGE

- A. A \$25 surcharge will apply to all Homeowner policies with a trampoline on the premises.
- B. The surcharge applies to the final premium

RULE A7. ADDITIONAL EXTENDED COVERAGE - LIMITED WATER DAMAGE**A. Definitions**

1. For an additional premium, Additional Extended Coverage may be added to the policy. Additional Extended Coverage adds Peril 11. Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam.
2. **Limits**
Available limits are \$2,500 or \$5,000 of coverage.

B. Endorsement

Use endorsement **HP 110AR**, Home Protectors Additional Extended Coverage - Limited Water Damage

C. Premium.**1. Base Rate**

Limit	Charge
\$2,500	\$50
\$5,000	\$64

Table A7.C.1., Base Rates for Additional Extended Coverage

2. Multiply the base rate by the Amount of Insurance factor and the territory factor from Table **A8.C.2.a.** and Table **A8.C.2.b.**, rounding to the whole dollar at each step.

a. Amount of Insurance Factors – Additional Extended Coverage

Coverage Amount	\$2,500 Factor	\$5,000 Factor	Coverage Amount	\$2,500 Factor	\$5,000 Factor
15,000	0.90	0.86	65,000	1.20	1.28
20,000	0.90	0.88	70,000	1.25	1.35
25,000	0.92	0.90	75,000	1.29	1.41
30,000	0.94	0.92	80,000	1.33	1.47
35,000	0.96	0.94	85,000	1.37	1.53
40,000	0.98	0.97	90,000	1.41	1.59
45,000	1.00	1.00	95,000	1.44	1.64
50,000	1.05	1.07	100,000	1.47	1.69
55,000	1.10	1.14	Each Additional		
60,000	1.15	1.21	\$5,000	0.03	0.04

Table A7.C.2.a., Amount of Insurance Factors for Additional Extended Coverage

RULE A7. ADDITIONAL EXTENDED COVERAGE - LIMITED WATER DAMAGE, (cont.)**b. Territory Factors – Additional Extended Coverage**

Territory	Factor
All	1.00

Table A7.C.2.b, Territory Factors for Additional Extended Coverage

3. Multiply the result of Paragraph 2 by the appropriate deductible factor from Rule **406** and round to the nearest whole dollar. The result is the final premium for Additional Extended Coverage.

RULE A9. PAYMENT PLANS AND OTHER PAYMENT INFORMATION**A. Payment Plans**

1. Annual Payment Plan (New and Renewal)
 - a. No service fees.
 - b. Policy is required to be paid in full either with application or annual billing statement.
2. Two Payment Plan (New and Renewal)
 - a. 50% down payment plus one installment payment
 - b. Installment: billed 150 days from effective date
 - c. Service fee is \$5.00 per installment.
3. Four Payment Plan (New and Renewal)
 - a. 25% down payment plus three installment payments
 - b. Installments
 - (1) First installment due 60 days from effective date
 - (2) Remaining installment due every 90 days
 - c. Service fee is \$5.00 per installment.
4. Ten Fixed Bill Payment Plan (New and Renewal)
 - a. 16.67% down payment for new business
 - b. Installments
 - (1) **Renewal** Installments will be 10% each
 - (2) Installments are due on the effective day each month (example - if policy is effective 1/15, each installment will be due on the 15th)
 - c. Service fee is \$3.00 per installment.
5. Eleven Payment Plan (New Business)
 - a. 6.67% down payment
 - b. Installments
 - (1) First installment billed 10 days after the effective date
 - (2) Remaining installments due on the effective day each month
 - c. Service fee is \$3.00 per installment.
6. Eleven Payment Plan (Renewals)
 - a. 9.1% down payment
 - b. Installments
 - (1) First installment billed 10 days from effective date
 - (2) Remaining installments due on the effective day each month
 - c. Service fee is \$3.00 per installment.

RULE A10. PAYMENT PLANS AND OTHER PAYMENT INFORMATION (cont.)

7. Electronic Fund Transfer (New and Renewal)
 - a. Down Payment
 - (1) 16.67% down payment for new business
 - (2) 8.34% down payment for renewals
 - b. Installments
Monthly withdrawal from the 1st-28th
 - c. No service fees.
8. A service fee is not applied to a down payment.

B. Other Billing Information

1. Non-Sufficient Fund Charges
When a check is returned to the company marked as "Non-Sufficient Funds" or "Insufficient Funds" a \$25 charge will be applied to the next bill for the returned check.
2. Web and IVR Payments
 - a. Payments under all billing plans may be paid by using Internet or IVR (Interactive Voice Recording) systems
 - b. There is no service charge added for using these options; however, the third party vendors that provide these services may charge a convenience fee for these transactions. Republic does not set these fees nor receive any portion of the fee.

1. TERRITORY ASSIGNMENT

This section applies to territories based on ZIP Codes and is not currently applicable to the Republic Underwriters Homeowners program.

2. TERRITORY DEFINITIONS – (FOR ALL COVERAGES AND PERILS OTHER THAN EARTHQUAKE).**A. Territory Descriptions**

Territory	Zone	Description
1	A	Benton and Washington Counties
2	A	Carroll and Madison Counties
3	A	Baxter, Boone and Marion Counties
4	B	Fulton, Independence, Izard and Sharp Counties
5	B	Lawrence County
6	C	Clay, Greene and Randolph Counties
7	A	Crawford and Sebastian Counties
8	A	Conway, Franklin, Johnson, Newton and Pope Counties
9	A	Cleburne, Searcy, Stone and Van Buren Counties
10	B	Jackson and Woodruff Counties
11	C	Craighead County
12	C	Mississippi County
13	A	Logan County
14	A	Yell County
15	A	Faulkner County
16	B	White County
17	C	Cross, Lee, Poinsett and St. Francis Counties
18	C	Crittenden County
19	A	Montgomery, Polk and Scott Counties
20	A	Garland, Hot Spring and Perry Counties
21	A	Grant and Saline Counties
22	B	Remainder of Pulaski County
23	B	Lonoke County
24	B	Prairie County
25	B	Monroe County
26	B	Jefferson County
27	B	Arkansas County
28	C	Phillips County
29	B	Clark, Howard, Pike and Sevier Counties
30	B	Bradley, Calhoun, Cleveland, Dallas and Lincoln Counties
31	C	Desha County
32	B	Little River and Miller Counties
33	B	Hempstead and LaFayette Counties
34	B	Nevada and Ouachita Counties
35	B	Columbia County

2. TERRITORY DEFINITIONS – (FOR ALL COVERAGES AND PERILS OTHER THAN EARTHQUAKE), (cont.)

Territory	Zone	Description
36	B	Union County
37	C	Ashley, Chicot and Drew Counties
38	B	Cities of Little Rock and North Little Rock (Pulaski County)

B. Territory Names**1. Cities**

City	County of	Territory
Little Rock	Pulaski	38
North Little Rock	Pulaski	38

2. Other Than Cities

County	Territory	County	Territory	County	Territory
Arkansas	27	Garland	20	Newton	8
Ashley	37	Grant	21	Ouachita	34
Baxter	3	Greene	6	Perry	20
Benton	1	Hempstead	33	Phillips	28
Boone	3	Hot Spring	20	Pike	29
Bradley	30	Howard	29	Poinsett	17
Calhoun	30	Independence	4	Polk	19
Carroll	2	Izard	4	Pope	8
Chicot	37	Jackson	10	Prairie	24
Clark	29	Jefferson	26	Pulaski (a)	22
Clay	6	Johnson	8	Randolph	6
Cleburne	9	LaFayette	33	Saline	21
Cleveland	30	Lawrence	5	Scott	19
Columbia	35	Lee	17	Searcy	9
Conway	8	Lincoln	30	Sebastian	7
Craighead	11	Little River	32	Sevier	29
Crawford	7	Logan	13	Sharp	4
Crittenden	18	Lonoke	23	St. Francis	17
Cross	17	Madison	2	Stone	9
Dallas	30	Marion	3	Union	36
Desha	31	Miller	32	Van Buren	9
Drew	37	Mississippi	12	Washington	1
Faulkner	15	Monroe	25	White	16
Franklin	8	Montgomery	19	Woodruff	10
Fulton	4	Nevada	34	Yell	14

(a) That part of Pulaski County not in Little Rock or North Little Rock

3. Territory Definitions – Earthquake

Not applicable to the AHP Program.

Base Rates by Zone

Zone	Base Rate
A	620
B	682
C	837

B. Base Rates by Territory

Territory	Base Rate	Territory	Base Rate	Territory	Base Rate
1	620	14	620	27	682
2	620	15	620	28	837
3	620	16	682	29	682
4	682	17	837	30	682
5	682	18	837	31	837
6	837	19	620	32	682
7	620	20	620	33	682
8	620	21	620	34	682
9	620	22	682	35	682
10	682	23	682	36	682
11	837	24	682	37	837
12	837	25	682	38	682
13	620	26	682		

Classification and Key Factor Tables

RULE 301. BASE PREMIUM COMPUTATION**A. Form HO 00 08****1. Classification Tables****a. Protection/Construction Factors**

Protection Class	Frame	Masonry
1	1.06	0.95
2	1.06	0.95
3	1.06	0.95
4	1.11	1.00
5	1.11	1.00
6	1.17	1.05
7	1.47	1.30
8	1.70	1.50
8B	2.36	2.00
9	2.54	2.15
10	2.91	2.40

Table 301.A.1.a., Protection/Construction Factors**b. Number of Family Factors**

Number of Families	Factor
One	1.00
Two	1.10

Table 301.A.1.b., Number of Family Factors**2. Key Factor Table**

Cov. A Amt.	Factor						
15	0.407	49	0.982	83	1.571	117	2.173
16	0.424	50	1.000	84	1.588	118	2.191
17	0.440	51	1.018	85	1.605	119	2.210
18	0.457	52	1.034	86	1.623	120	2.228
19	0.473	53	1.052	87	1.639	121	2.246
20	0.490	54	1.069	88	1.657	122	2.264
21	0.506	55	1.087	89	1.674	123	2.282
22	0.523	56	1.103	90	1.691	124	2.301
23	0.539	57	1.121	91	1.709	125	2.318
24	0.556	58	1.138	92	1.726	126	2.337
25	0.572	59	1.155	93	1.744	127	2.356
26	0.589	60	1.173	94	1.760	128	2.375
27	0.606	61	1.190	95	1.778	129	2.394
28	0.622	62	1.208	96	1.795	130	2.413
29	0.639	63	1.224	97	1.813	131	2.432
30	0.655	64	1.242	98	1.829	132	2.451
31	0.673	65	1.259	99	1.847	133	2.470
32	0.689	66	1.277	100	1.865	134	2.489
33	0.707	67	1.293	101	1.882	135	2.508

Classification and Key Factor Tables

RULE 301. BASE PREMIUM COMPUTATION. (cont.)

Cov. A Amt.	Factor	Cov. A Amt.	Factor	Cov. A Amt.	Factor	Cov. A Amt.	Factor
34	0.723	68	1.311	102	1.901	136	2.527
35	0.741	69	1.328	103	1.919	137	2.546
36	0.758	70	1.346	104	1.937	138	2.565
37	0.775	71	1.364	105	1.955	139	2.584
38	0.792	72	1.380	106	1.974	140	2.603
39	0.810	73	1.398	107	1.991	141	2.622
40	0.828	74	1.415	108	2.010	142	2.641
41	0.844	75	1.432	109	2.027	143	2.660
42	0.862	76	1.449	110	2.046	144	2.679
43	0.879	77	1.467	111	2.065	145	2.698
44	0.896	78	1.484	112	2.082	146	2.717
45	0.913	79	1.501	113	2.101	147	2.736
46	0.931	80	1.519	114	2.118	148	2.755
47	0.947	81	1.536	115	2.137	149	2.774
48	0.965	82	1.553	116	2.155	150	2.793
Each Additional \$1,000			0.019				

Table 301.A.2. Key Factors

SERFF Tracking Number: TRGR-125377288 State: Arkansas
Filing Company: Southern Insurance Company State Tracking Number: #302176 \$100
Company Tracking Number: 07-209
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Arkansas Home Protectors
Project Name/Number: Initial Filing of Rates and Rules/07-209

Supporting Document Schedules

Satisfied -Name: Form RF-1 NAIC Loss Cost Data
Entry Document--All P&C Lines **Review Status:** Filed 01/04/2008

Comments:

Attachment:

FORM RF-1 Rate Filing AbstractAHP.pdf

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Filed 01/04/2008

Comments:

Attachment:

AR AHP rate.pdf

Satisfied -Name: Filing Memorandum **Review Status:** Filed 01/04/2008

Comments:

Attachment:

AR Filing Memorandum HO-8.pdf

Satisfied -Name: Actuarial Exhibits **Review Status:** Filed 01/04/2008

Comments:

Attachment:

AR Proposed Rates HO-8.pdf

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # _____

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.	Southern Insurance Company	B.	19216

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	04.0 Homeowners	B.	04.0003 Owner Occupied Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	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
2006	n/a	n/a	n/a	n/a	n/a	n/a	42.2%
2005	n/a	n/a	n/a	n/a	n/a	n/a	133.2%
2004	n/a	n/a	n/a	n/a	n/a	n/a	27.7%
2003	n/a	n/a	n/a	n/a	n/a	n/a	50.2%
2002	n/a	n/a	n/a	n/a	n/a	n/a	70.0%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	25.0%
B. General Expense	6.3%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.4%
E. Other (explain)	
F. TOTAL	41.7%

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

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
-----------------------------------	--

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

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

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

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
------------	--	--

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

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 #:
Amount:

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

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

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

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
-----------	---	--

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

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

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

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

2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
-----------	---	--

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

4a.	Rate Change by Company (As Proposed)						
------------	---	--	--	--	--	--	--

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)

4b.	Rate Change by Company (As Accepted) For State Use Only						
------------	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

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

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

6.	Overall percentage of last rate revision	
-----------	---	--

7.	Effective Date of last rate revision	
-----------	---	--

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

FILING MEMORANDUM
Arkansas Home Protectors HO-8
Southern Insurance Company (SIC)

Southern Insurance Company (SIC), one of three licensed companies in Arkansas from the Republic group of companies, currently is filing a new low-value homeowners insurance program in Arkansas. The policy form is based off an ISO form 8 with several endorsements developed by Republic. Our new Home Protectors HO-8 product will be written in Southern Insurance Company.

The proposed effective date is February 1, 2008.

Proposed Rates

Since this is a new program filing, SIC currently has no written premium for this line of business in AR. The following exhibits provide our competitive analysis and proposed territories, rates and factors, as follows:

Exhibits 1 – 2	Territory Definitions and Map
Exhibits 3 - 5	Territorial Rates
Exhibit 6	Coverage A Amount of Insurance Curve
Exhibit 7	Protection/Construction Factors
Exhibit 8	Deductible Factors
Exhibit 9	Additional Extended Coverage Endorsement
Exhibit 10	Other Factors, Credits, and Charges

Rates and rating factors were determined by reviewing similar low-value programs from three major competitor filings, manuals, and forms, along with current Republic rating in other states (MS, TX, OK).

Territory Definitions and Map

Republic's proposed territory definitions are listed by county on Exhibit 1. A territory map is provided on Exhibit 2. These territory definitions are used for all Republic's property products in Arkansas.

Territorial Rates

Rate comparisons are based on the following standard risk:

- HO-8 Policy form
- \$50,000 Coverage A amount of insurance
- Masonry construction
- Protection class 4/5
- \$500 All-Peril Deductible
- \$25,000 of Personal Liability / \$500 Medical Payments

Coverage A Amount of Insurance Curve

The chart provides the coverage A curve for each of the competitors considered and the proposed curve. The base factor is set at \$50,000 amount of insurance.

FILING MEMORANDUM
Arkansas Home Protectors HO-8
Southern Insurance Company (SIC)

Protection/Construction Factors

This chart shows the protection/construction factors for each of the competitors considered and our proposed factors. The base classification is masonry, protection class 4-5.

Deductible Factors

Republic's proposed deductible factors are based off competitor structure and factors. The base deductible in all territories is \$500 all-peril. Other flat dollar deductibles offered include \$250, \$1000, \$2500 and \$5000.

Additional Extended Coverage with Limited Water Damage (HP 110AR)

Republic currently provides a similar endorsement in its low value homeowners programs in Mississippi, Texas and Oklahoma that cover the perils of Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam with coverage limits of \$2,500 and \$5,000. The propose rates for this endorsement are based on the pricing of this endorsement in our other states.

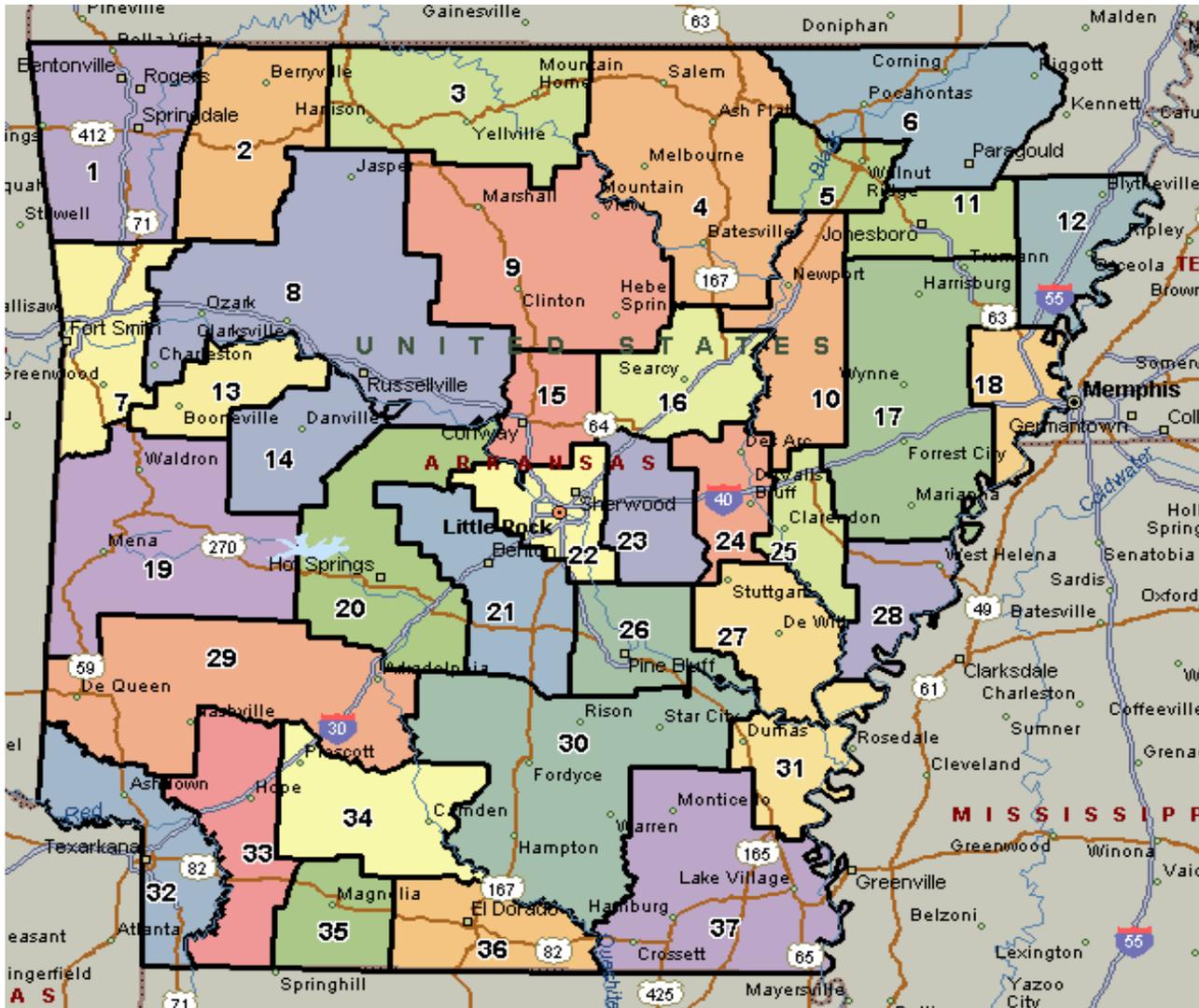
Other Factors, Credits, and Charges

Proposed rating factors are provided for the following: Increased Liability Limits, Decreased Coverage C Limits, Miscellaneous Charges (dog, trampoline, multifamily, wood roof, multi-layer roofs, and rowhouse/townhouse), and Miscellaneous Credits (agency renewal, loss free, superior construction, protective devices, hail resistive composition roofs, and metal roofs). These rating factors are based on Republic's standard offerings in other states (MS, TX and OK).

**SOUTHERN INSURANCE COMPANY
ARKANSAS HOMEOWNERS AND DWELLING FIRE
TERRITORY DEFINITIONS**

County	Republic Territory	County	Republic Territory
Arkansas	27	Little River	32
Ashley	37	Logan	13
Baxter	3	Lonoke	23
Benton	1	Madison	2
Boone	3	Marion	3
Bradley	30	Miller	32
Calhoun	30	Mississippi	12
Carroll	2	Monroe	25
Chicot	37	Montgomery	19
Clark	29	Nevada	34
Clay	6	Newton	8
Cleburne	9	Ouachita	34
Cleveland	30	Perry	20
Columbia	35	Phillips	28
Conway	8	Pike	29
Craighead	11	Poinsett	17
Crawford	7	Polk	19
Crittenden	18	Pope	8
Cross	17	Prairie	24
Dallas	30	Remainder of Pulaski	22
Desha	31	Randolph	6
Drew	37	Saline	21
Faulkner	15	Scott	19
Franklin	8	Searcy	9
Fulton	4	Sebastian	7
Garland	20	Sevier	29
Grant	21	Sharp	4
Greene	6	St. Francis	17
Hempstead	33	Stone	9
Hot Spring	20	Union	36
Howard	29	Van Buren	9
Independence	4	Washington	1
Izard	4	White	16
Jackson	10	Woodruff	10
Jefferson	26	Yell	14
Johnson	8		
LaFayette	33		
Lawrence	5		
Lee	17		
Lincoln	30		
		Cites within Pulaski County	
		Little Rock	38
		N. Little Rock	38

**SOUTHERN INSURANCE COMPANY
 ARKANSAS HOMEOWNERS AND DWELLING FIRE
 TERRITORY MAP**



<u>Territory</u>	<u>Description</u>	<u>Territory</u>	<u>Description</u>
1	Benton, Washington	20	Garland, Hot Spring, Perry
2	Carroll, Madison	21	Grant, Saline
3	Baxter, Boone, Marion	22	Remainder of Pulaski
4	Fulton, Independence, Izard, Sharp	23	Lonoke
5	Lawrence	24	Prairie
6	Clay, Greene, Randolph	25	Monroe
7	Crawford, Sebastian	26	Jefferson
8	Conway, Franklin, Johnson, Newton, Pope	27	Arkansas
9	Cleburne, Searcy, Stone, Van Buren	28	Phillips
10	Jackson, Woodruff	29	Clark, Howard, Pike, Sevier
11	Craighead	30	Bradley, Calhoun, Cleveland, Dallas, Lincoln
12	Mississippi	31	Desha
13	Logan	32	Little River, Miller
14	Yell	33	Hempstead, LaFayette
15	Faulkner	34	Nevada, Ouachita
16	White	35	Columbia
17	Cross, Lee, Poinsett, St. Francis	36	Union
18	Crittenden	37	Ashley, Chicot, Drew
19	Montgomery, Polk, Scott	38	Cities of Little Rock and North Little Rock (Pulaski County)

**SOUTHERN INSURANCE COMPANY
 ARKANSAS HOME PROTECTORS HO-8
 TERRITORIAL RATES**

Republic Territory												
Competitor	1	2	3	4	5	6	7	8	9	10	11	12
Competitor 1	\$622	\$622	\$622	\$684	\$684	\$870	\$622	\$622	\$622	\$684	\$870	\$870
Competitor 2	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$838
Competitor 3	\$594	\$594	\$594	\$594	\$594	\$652	\$594	\$594	\$594	\$594	\$652	\$652
Republic Proposed*	\$620	\$620	\$620	\$682	\$682	\$837	\$620	\$620	\$620	\$682	\$837	\$837

Territory	Area Description	Counties Included
1	Northwest Corner	Benton, Washington
2	Northwest Corner	Carroll, Madison
3	Northern AR	Baxter, Boone, Marion
4	Northern AR	Fulton, Independence, Izard, Sharp
5	Northern AR	Lawrence
6	Northern AR	Clay, Greene, Randolph
7	Fort Smith Area	Crawford, Sebastian
8	Ozark National Forest	Conway, Franklin, Johnson, Newton, Pope
9	East of Ozark National Forest	Cleburne, Searcy, Stone, Van Buren
10	Newport Area	Jackson, Woodruff
11	Jonesboro Area	Craighead
12	North of Memphis	Mississippi

RISK: \$50,000 AOI, MASONRY, P/C 4-5, \$500 DEDUCTIBLE

**SOUTHERN INSURANCE COMPANY
 ARKANSAS HOME PROTECTORS HO-8
 TERRITORIAL RATES**

Republic Territory

Competitor	13	14	15	16	17	18	19	20	21	22	23	24	25
Competitor 1	\$622	\$622	\$622	\$684	\$870	\$870	\$622	\$622	\$622	\$684	\$684	\$684	\$684
Competitor 2	\$641	\$641	\$641	\$641	\$641/\$838	\$838	\$641	\$641	\$641	\$641	\$641	\$641	\$641
Competitor 3	\$594	\$594	\$594	\$594	\$652	\$652	\$594	\$594	\$594	\$594	\$594	\$594	\$594

Republic Proposed*	\$620	\$620	\$620	\$682	\$837	\$837	\$620	\$620	\$620	\$682	\$682	\$682	\$682
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Territory	Area Description	Counties Included
13	Western AR	Logan
14	Western AR	Yell
15	North of Pulaski (LR)	Faulkner
16	Northeast of Pulaski (LR)	White
17	Eastern AR	Cross, Lee, Poinsett, St. Francis
18	West of Memphis	Crittenden
19	Ouchita National Forest	Montgomery, Polk, Scott
20	Hot Springs Area	Garland, Hot Spring, Perry
21	Southwest of Pulaski (LR)	Grant, Saline
22	Western AR	Remainder of Pulaski
23	East of Pulaski (LR)	Lonoke
24	East of Pulaski (LR)	Prairie
25	Eastern AR	Monroe

RISK: \$50,000 AOI, MASONRY, P/C 4-5, \$500 DEDUCTIBLE

**SOUTHERN INSURANCE COMPANY
 ARKANSAS HOME PROTECTORS HO-8
 TERRITORIAL RATES**

Republic Territory

Competitor	26	27	28	29	30	31	32	33	34	35	36	37	38
Competitor 1	\$684	\$684	\$870	\$684	\$684	\$870	\$684	\$684	\$684	\$684	\$684	\$870	\$684
Competitor 2	\$641	\$641	\$838	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641	\$641
Competitor 3	\$594	\$594	\$652	\$594	\$594	\$652	\$594	\$594	\$594	\$594	\$594	\$652	\$594

Republic Proposed*	\$682	\$682	\$837	\$682	\$682	\$837	\$682	\$682	\$682	\$682	\$682	\$837	\$682
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Territory	Area Description	Counties Included
26	Southeast of Pulaski (LR)	Jefferson
27	Eastern AR	Arkansas
28	Eastern AR	Phillips
29	Southwestern AR	Clark, Howard, Pike, Sevier
30	South Central AR	Bradley, Calhoun, Cleveland, Dallas, Lincoln
31	Southeastern AR	Desha
32	Texarkana Area	Little River, Miller
33	Southwest Corner (xTexarkana Area)	Hempstead, LaFayette
34	Southern AR	Nevada, Ouachita
35	Southern AR	Columbia
36	Southern AR	Union
37	Southeast Corner	Ashley, Chicot, Drew
38	Little Rock and N. Little Rock	Cities of Little Rock and North Little Rock (Pulaski County)

RISK: \$50,000 AOI, MASONRY, P/C 4-5, \$500 DEDUCTIBLE

**SOUTHERN INSURANCE COMPANY
ARKANSAS HOME PROTECTORS HO-8
COVERAGE A AMOUNT OF INSURANCE CURVE**

Base Risk: 50,000 coverage

Cov A AOI	Competitor 1	Competitor 2	Competitor 3	Republic Proposed
\$15,000				0.407
\$20,000	0.463	0.517		0.490
\$25,000	0.551	0.594	0.794	0.572
\$30,000	0.641	0.669	0.835	0.655
\$35,000	0.732	0.750	0.876	0.741
\$40,000	0.822	0.833	0.917	0.828
\$45,000	0.909	0.917	0.959	0.913
\$50,000	1.000	1.000	1.000	1.000
\$55,000	1.090	1.084	1.042	1.087
\$60,000	1.180	1.167	1.082	1.173
\$65,000	1.268	1.250	1.124	1.259
\$70,000	1.358	1.333	1.162	1.346
\$75,000	1.448	1.416	1.198	1.432
\$80,000	1.538	1.500	1.233	1.519
\$85,000	1.626	1.583	1.264	1.605
\$90,000	1.717	1.666	1.300	1.691
\$95,000	1.807	1.750	1.338	1.778
\$100,000	1.897	1.833	1.377	1.865
\$105,000	1.985	1.925		1.955
\$110,000	2.075	2.017		2.046
\$115,000	2.165	2.109		2.137
\$120,000	2.255	2.201		2.228
\$125,000	2.343	2.294		2.318
\$130,000	2.458	2.384		2.413
\$135,000	2.573	2.474		2.508
\$140,000	2.688	2.564		2.603
\$145,000	2.803	2.654		2.698
\$150,000	2.918	2.744		2.793

Each additional \$1,000: add 0.019 to the \$150,000 AOI factor.

**SOUTHERN INSURANCE COMPANY
ARKANSAS HOME PROTECTORS HO-8
PROTECTION/CONSTRUCTION FACTORS**

Base Class: Masonry 4-5

Protection / Construction	Competitor 1	Competitor 2	Competitor 3	Republic Proposed
1 / Frame	1.11	0.95	1.06	1.06
2 / Frame	1.11	0.95	1.06	1.06
3 / Frame	1.11	0.95	1.06	1.06
4 / Frame	1.11	0.95	1.12	1.11
5 / Frame	1.11	1.00	1.12	1.11
6 / Frame	1.11	1.00	1.18	1.17
7 / Frame	1.44	1.50	1.18	1.47
8 / Frame	1.44	1.50	1.36	1.70
8B / Frame	2.22	2.41	1.80	2.36
9 / Frame	2.22	2.41	1.80	2.54
10 / Frame	2.67	2.41	2.47	2.91
1 / Masonry	1.00	0.95	0.95	0.95
2 / Masonry	1.00	0.95	0.95	0.95
3 / Masonry	1.00	0.95	0.95	0.95
4 / Masonry	1.00	0.95	1.00	1.00
5 / Masonry	1.00	1.00	1.00	1.00
6 / Masonry	1.00	1.00	1.05	1.05
7 / Masonry	1.30	1.50	1.05	1.30
8 / Masonry	1.30	1.50	1.21	1.50
8B / Masonry	2.00	2.41	1.55	2.00
9 / Masonry	2.00	2.41	1.55	2.15
10 / Masonry	2.40	2.41	2.17	2.40

**SOUTHERN INSURANCE COMPANY
ARKANSAS HOME PROTECTORS HO-8
DEDUCTIBLE FACTORS**

Deductible	Competitor 1	Competitor 2	Competitor 3	Republic Proposed
\$250	5%	included	Did not	1.10
\$500	Base	-\$15	have	1.00
\$1,000	-10%	-\$25	information	0.90
\$2,500	-20%	n/a		0.80
\$5,000	n/a	n/a		0.70

**SOUTHERN INSURANCE COMPANY
 ARKANSAS HOME PROTECTORS HO-8
 ADDITIONAL EXTENDED COVERAGE WITH LIMITED WATER DAMAGE**

	\$2,500	\$5,000
Base Rate	\$50	\$64

	\$2,500 Factor	\$5,000 Factor
Coverage A		
15,000	0.90	0.86
20,000	0.90	0.88
25,000	0.92	0.90
30,000	0.94	0.92
35,000	0.96	0.94
40,000	0.98	0.97
45,000	1.00	1.00
50,000	1.05	1.07
55,000	1.10	1.14
60,000	1.15	1.21
65,000	1.20	1.28
70,000	1.25	1.35
75,000	1.29	1.41
80,000	1.33	1.47
85,000	1.37	1.53
90,000	1.41	1.59
95,000	1.44	1.64
100,000	1.47	1.69
Add'l \$5,000	0.03	0.04

	\$2,500 Factor	\$5,000 Factor
Territory		
ALL	1.00	1.00

	\$2,500 Factor	\$5,000 Factor
Deductible		
Same as all peril deductibles		

**SOUTHERN INSURANCE COMPANY
ARKANSAS HOME PROTECTORS HO-8
OTHER FACTORS, CREDITS, AND CHARGES**

Liability Coverage

	Liability/MP	
	Limit	Charge
	\$25,000/\$500	Base
	\$50,000/\$500	\$25
	\$100,000/\$500	\$40
Medical Payments	\$1000	\$5
Decrease Contents Rate per \$1000		\$2

Surcharges

Dog Surcharge (applies to liability coverage only)	\$25
Trampoline Surcharge (applies to liability coverage only)	\$25

Two-Family Factor	1.100
Wood Roof Factor	1.300
Two Layer Roof Factor	1.150
Three + Layer Roof Factor	1.300
Townhouse/Rowhouse Factor	1.100

Credits

Agency Renewal Credit	10%
Loss Free Credit	10%

Protective Devices Credit

Central Station Reporting Burglar Alarm	5%
Central Station Reporting Fire Alarm	5%
Police Station Reporting Burglar Alarm	3%
Fire Department Reporting Fire Alarm	3%
Local Burglar and/or Fire Alarm	2%

Hail Resistive Composition Roof Credit (Class IV)	15%
Metal Roof Credit	5%
Superior Construction	15%

Minimum Premium	\$200
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SERFF Tracking Number: TRGR-125377288 *State:* Arkansas
Filing Company: Southern Insurance Company *State Tracking Number:* #302176 \$100
Company Tracking Number: 07-209
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Arkansas Home Protectors
Project Name/Number: Initial Filing of Rates and Rules/07-209

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Rate and Rule	Complete manual	12/11/2007	AR HP HO manual.pdf

**ARKANSAS
HOME PROTECTOR PROGRAM
HOMEOWNER MANUAL**

**PART I
COVERAGE AND DEFINITION TYPE RULES****RULE 100. INTRODUCTION****A. About the Homeowners Manual**

The Arkansas Home Protectors Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

B. Manual Structure**1. Contents**

The Manual is divided into two primary sections, general rules, and company specific rules and rates.

2. General Rules

These rules are grouped into the following categories:

- a. **Part I** - Coverage and Definition Type Rules,
- b. **Part II** - Servicing Type Rules,
- c. **Part III** - Base Premium Computation Rules,
- d. **Part IV** - Additional Base Premium Computation Rules,
- e. **Part V** Section I - Property – Additional Coverages and Increased Limits Rules,
- f. **Part VI** Section II - Liability – Additional Coverages and Increased Limits Rules, and
- g. **Part VII** Section II - Liability - Other Exposures Increased Limits Rules.

3. Company Specific Rules and Rates

These rules are grouped into the following categories:

- a. Additional Rules,
- b. Territory Definitions,
- c. Base Class Premium Tables, and
- d. Classification and Key Factor Tables.

4. Form References

The Manual refers to various homeowners forms. Form **HO 00 08** is the only form available in the AHP Program.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS**A. Limits**

The limits of liability required under the Homeowners policy are as follows:

1. Property Damage

Coverage A - Dwelling		Coverage C - Personal Property	
HO 00 08	Refer to Rule 301 . in the state classification pages	HO 00 08	50% of A (One and two family dwelling)
Coverage B - Other Structures		Coverage D - Loss Of Use	
HO 00 08	10% of A (One and two family dwelling)	HO 00 08	10% of A

Table 101.A.1. Property Damage Limits**2. Section II - Liability**

Coverage E - Personal Liability And Coverage F – Medical Payments	Refer to Rule 301 . in the state classification pages.
Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis	

Table 101.A.2. Liability Limits**B. Increases in Limits**

The limit of liability for Coverages **C** or **D** of Section **I** may not be increased; the limit of liability for Coverages **E** or **F** of Section **II** may be increased.

C. Coverage C Reduction

Under Coverage **C** of Section **I**, it is permissible to reduce the limit of liability to an amount not less than 25% of the Coverage **A** limit.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS (cont.)**E. Valuation**

Loss Settlement Condition Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provision in **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

RULE 102. DESCRIPTION OF COVERAGES

The following is a general description of the coverages provided by the individual homeowners Policy forms. The policy should be consulted for exact contract conditions.

A. Section I - Property - Perils Insured Against

Perils Insured Against

Peril	HO 00 08
Fire or Lightning	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes
Vandalism or malicious mischief	Yes
Theft	Yes
Volcanic eruption	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	No
Additional risks with certain exceptions (Special Coverage)	No

Table 102.A. Perils Insured Against**B. Section II. Liability. All Forms****1. Coverage E - Personal Liability**

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F - Medical Payments to Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

RULE 103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections **I** and **II** of the Homeowners Policy.

RULE 104. ELIGIBILITY**A. HO 00 08**

A Homeowners Policy may be issued:

- To the owner-occupant(s) of a 1 or 2 family dwelling which is used exclusively for private residential purposes. A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
- To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement - **HO 04 41**; or
- To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
- When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy HO 00 04 may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling. It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

B. Seasonal Dwelling; Mobile Home, Trailer Home or House Trailer; Permitted Business Occupancies; Farm Property; and Residence Held in Trust

Not applicable to the AHP Program

RULE 105. SECONDARY RESIDENCE PREMISES

Not applicable to the AHP Program

RULE 106. PROTECTION CLASSIFICATION INFORMATION

The Protection Class listings in the Community Mitigation Classification Manual apply to risks insured under Homeowners Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).
- B. In a classified area where two or more classifications are shown (for example, 6/9), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9
3. Over 5 road miles	10

*First protection class (for example, 6/9...use Class 6)

Table 106.B. Two or More Classifications

- C. All other properties are Class 10.
- D. Subscription type fire departments are identified by a footnote in the Community Mitigation Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 miles from the nearest recognized fire station of the listed fire department.

RULE 107. CONSTRUCTION DEFINITIONS**A. Frame**

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

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

D. Superior Construction

1. Non-Combustible

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

2. Masonry Non-Combustible

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

3. Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

RULE 108. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period. Seasonal dwellings are **NOT** eligible for coverage in the AHP Program.

RULE 109. SINGLE AND SEPARATE BUILDINGS DEFINITION**A. Single Building**

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

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or

RULE 109. SINGLE AND SEPARATE BUILDINGS DEFINITION, (cont.)

- b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner-side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

RULES 110. - 200. RESERVED FOR FUTURE USE

PART II
SERVICING TYPE RULES**RULE 201. POLICY PERIOD**

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B. Less than one year on a pro rata basis.

RULE 202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

RULE 203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 - 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

RULE 204. MULTIPLE COMPANY INSURANCE

Not applicable to the AHP Program

RULE 205. MINIMUM PREMIUM

- A. For prepaid policies a minimum annual premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. The minimum premium is \$200.

RULE 206. TRANSFER OR ASSIGNMENT

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

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

RULE 207. WAIVER OF PREMIUM

Not applicable to the AHP Program. Return all premium, regardless of amount.

RULE 208. WHOLE DOLLAR PREMIUM RULE

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

RULE 209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

RULE 210. REFER TO COMPANY

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

RULE 211. ADDITIONAL INTEREST

- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph D.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or non-renewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interest Residence Premises Endorsement **HO 04 10**.

RULES 212. - 300. RESERVED FOR FUTURE USE

PART III**BASE PREMIUM COMPUTATION RULES****RULE 301. BASE PREMIUM COMPUTATION**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

A. Form HO 00 08

1. One and Two Family Dwelling
 - a. From the company Base Class Premium Table, select the premium for the territory that applies.
 - b. Multiply the company Base Class Premium by Superior Construction factor from Rule **401**. and round to the nearest whole dollar.
 - c. From the Classification Tables in this Manual, select the Protection - Construction Classification Factor that applies.
 - d. Multiply the result of paragraph **b.** by the Protection - Construction Classification Factor and round, again, to the nearest whole dollar.
 - e. Multiply the premium in paragraph **d.** by the Townhouse or Row House Factor from Rule **402** and round to the nearest whole dollar.
 - f. From the Classification Tables in this Manual, select the Number of Families Factor that applies.
 - g. Multiply the result of paragraph **f.** by the Number of Families Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
 - h. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph **C.** of this rule.
 - i. Multiply the premium from Paragraph **g.**, by the Key Factor and round to the nearest whole dollar.
 - j. Multiply the premium in **i.** by the deductible factor from Rule **406** to arrive at the **Base Premium**.
2. Three or Four Family Dwelling
Not applicable to the AHP Program

B. All Other Forms

Not applicable to the AHP Program

C. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:
 - a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.
 - b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .1005 = .02 \end{array}$$
 - c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$
 - d. The result, 2.897, is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

RULES 302 – 400 RESERVED FOR FUTURE USE

PART IV**ADDITIONAL BASE PREMIUM COMPUTATION RULES****RULE 401. SUPERIOR CONSTRUCTION**

The factor for a dwelling or apartment unit in a building of superior construction is .85. The factor for all other buildings is 1.00.

RULE 402. TOWNHOUSE OR ROW HOUSE**RULE 402. TOWNHOUSE OR ROW HOUSE**

The premium for an eligible 1or 2 family dwelling in a town or row house structure is computed by using the appropriate factor selected from the following table in Rule 301:

Townhouse and Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 -8	1.10	1.10
9 & Over	Refer to company	

*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. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse and Row House Factors**RULE 403 - 405. RESERVED FOR FUTURE USE****RULE 406. DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils.

A. Base Deductible

\$500 Deductible.

B. Base Premium Calculation

Use the factors selected from the following tables for calculating the Base Premium in Rule 301:

Deductible Amounts	Factor
\$250	1.10
\$500	1.00
\$1,000	0.90
\$2,500	0.80
\$5,000	0.70

Table 406.C. Deductible Factors**RULES 407 - 500. RESERVED FOR FUTURE USE**

PART V**SECTION I - PROPERTY - ADDITIONAL COVERAGES AND INCREASED LIMITS RULES****RULES 501. - 514. RESERVED FOR FUTURE USE****RULE 515. PERSONAL PROPERTY**

- A. Not applicable to the AHP Program
- B. **Reduction in Limit**
1. The limit of liability for Coverage C may be reduced in accordance with Rule **101.C.**
 2. The credit per \$1,000 is \$2.

RULES 516 - 576. RESERVED FOR FUTURE USE**RULE 577. PROTECTIVE DEVICES**

- A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium. Compute the credit by multiplying the Base Premium by the selected factors from the following table:

Protective Devices Factors

Type Of Installation*	Factor
Central Station Reporting Burglar Alarm	.05
Central Station Reporting Fire Alarm	.05
Police Station Reporting Burglar Alarm	.03
Fire Department Reporting Fire Alarm	.03
Local Burglar and/or Fire Alarm	.02

*Refer to company for eligibility, types of systems and devices, and installations.

Table 404.A. Protective Devices Factors

- B. Use Premises Alarm or Fire Protection System Endorsement **HO 04 16.**
- C. Multiple credits for the same type of device (e.g., two local fire alarms) are not allowed.

RULES 578 - 600. RESERVED FOR FUTURE USE

PART VI**SECTION II - LIABILITY - ADDITIONAL COVERAGES AND INCREASED LIMITS RULES****RULE 601. RESIDENCE PREMISES - BASIC AND INCREASED LIMITS/OTHER EXPOSURES - BASIC LIMITS****A. Residence Premises****1. Minimum Limits**

- a. The minimum limit for Coverage E (Personal Liability) is \$25,000.
- b. The minimum limit for Coverage F (Medical Payments to Others) is \$500.
- c. The premium for these limits is included in the Base Premium.

2. Increased Limits.**a. Coverage E – Personal Liability**

Limit	Additional Charge
\$50,000	\$25
\$100,000	\$40

Table 601.A.2.a., Increased Limits Rates, Liability**b. Coverage F – Medical Payments**

Limit	Additional Charge
\$1,000	\$5

Table 601.A.2.b., Increased Limits Rates, Medical Payments**B. Other Exposures**

Not applicable to the AHP Program

C. Rates and Factors Not Shown

1. Rates and factors for limits between the lowest and highest limits shown in this Manual may be developed by interpolation.
2. For rates and factors for limits above the highest shown, refer to company.

RULES 602 - 700. RESERVED FOR FUTURE USE

PART VII

SECTION II - LIABILITY - OTHER EXPOSURES INCREASED LIMITS

RULES 701 - 800 RESERVED FOR FUTURE USE

ADDITIONAL RULES**RULE A1. SPECIAL STATE REQUIREMENTS****A. Special Provisions Endorsement HO 01 03**

Use this endorsement with all Homeowners policies.

B. No Coverage For Home Day Care Business Endorsement HO 04 96

This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

C. Amendatory Mandatory Endorsement – Arkansas Endorsement HP 120AR

This endorsement clarifies the water exclusion. Use this endorsement with all Homeowners policies.

D. Amendatory Mandatory Asbestos and Lead Exclusion Endorsement HP 953

This endorsement details the restrictions for lead and asbestos. Use this endorsement with all Homeowners policies.

E. Required Notices

Attach the following notices to all Homeowners policies.

1. **IL N 016**, Fraud Statement
2. **PR-2001**, Important Notice About The Protection Of Your Privacy

F. Required Notices – Renewal Policies

Attach **PHAR 100**, Notice to Policyholders, to all renewal policies. This notice provides required information on earthquake coverage.

RULE A2. TYPE OF ROOF SURFACINGS – RESIDENCE PREMISES**A. Metal Roofs**

1. If the roof surfacing is metal, a premium credit is applied to all homeowners policies.
2. To compute the premium credit by multiplying the Base Premium by a factor of .05.
3. Attach endorsement **HP 146** Exclusion of Cosmetic Damage to Roof Surfacing Caused by Hail

B. Hail Resistive Composition Shingle Roofs

1. Residential roof coverings meeting the impact resistance of the Underwriters' Laboratories testing criteria of U. L. Standard 2218, Class 4, and that are composition shingle are eligible for a credit.
2. If the roof covering meets these criteria, compute the credit by multiplying the Base Premium by a factor of .15

C. Wood Roofs

1. If the roof surfacing is wood, a premium surcharge is applied to all homeowners policies.
2. Compute the surcharge by multiplying the Base Premium by a factor of .30.

D. Multiple Roof Layers

1. Some premises have multiple layers of roof surfacing material. Example – a composition shingle layer is overlaid on the prior composition shingle roof, instead of the prior surfacing being removed.
2. If there are multiple layers of roof surfacing material, a premium surcharge applies. Compute the surcharge as follows:
 - a. 2 layers of roof surfacing material, apply a factor of .15 to the Base Premium
 - b. 3 or more layers of roof surfacing material, apply a factor of .30 to the Base Premium.

E. All Other Roofs

For all other roof surfacings and premises, credits and surcharges do not apply.

RULE A3. LOSS FREE CREDIT**A. The loss free credit applies to a homeowner policy that:**

1. has been in force with Republic for 36 months or more, and
2. has had no losses

B. Claims from natural causes and claims that are filed but not paid will not be considered losses for the purposes of this credit.**C. Premium Computation.**

Calculate the credit by multiplying the Base Premium by .10.

RULE A4. AGENCY RENEWAL CREDIT

- A. The agency renewal credit applies to a homeowner new business policy if:
1. the risk has been with the current agent for any period of time, and
 2. the risk has been loss free for 36 months or more.
- B. This credit would apply for 36 months or until the next renewal following a paid, disqualifying loss, whichever occurs first. After 36 months, if there have been no paid losses, the Loss Free Credit will apply.
- C. Claims from natural causes and claims that are filed but not paid will not be considered losses for the purposes of this credit.
- D. Premium Computation.
Calculate the credit by multiplying the Base Premium by .10.

RULE A5. DOG AND ANIMAL EXCLUSIONS

- A. Premises with certain types of dogs (e.g., dogs with a history of biting) and other animals (e.g., poisonous snakes) are not eligible for coverage. These dwellings may be written if this exposure is excluded.
- B. Endorsements
1. For unacceptable dog exposures, use endorsement **RH 103**, Canine Exclusion
 2. For all other unacceptable animal exposures, use **RH 105**, Animal Exclusion
- C. Refer to the company's underwriting guidelines for further information on unacceptable exposures.

RULE A6. DOG SURCHARGE

- A. A \$25 surcharge will apply to all Homeowner policies with dogs on the premises.
- B. Do not apply this surcharge if endorsement **RH 103**, Canine Exclusion Endorsement, or **RH105**, Animal Exclusion Endorsement, is attached to the policy.
- C. The surcharge applies to the final premium.

RULE A7. TRAMPOLINE SURCHARGE

- A. A \$25 surcharge will apply to all Homeowner policies with a trampoline on the premises.
- B. The surcharge applies to the final premium

Rule A8. ADDITIONAL EXTENDED COVERAGE - LIMITED WATER DAMAGE**A. Definitions**

1. For an additional premium, Additional Extended Coverage may be added to the policy. Additional Extended Coverage adds Peril 11. Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam.
2. **Limits**

Available limits are \$2,500 or \$5,000 of coverage.

B. Endorsement

Use endorsement **HP 110AR**, Home Protectors Additional Extended Coverage - Limited Water Damage

C. Premium.**1. Base Rate**

Limit	Charge
\$2,500	\$50
\$5,000	\$64

Table A8.C.1., Base Rates for Additional Extended Coverage

2. Multiply the base rate by the Amount of Insurance factor and the territory factor from Table **A8.C.2.a.** and Table **A8.C.2.b.**, rounding to the whole dollar at each step.

a. Amount of Insurance Factors – Additional Extended Coverage

Coverage Amount	\$2,500 Factor	\$5,000 Factor	Coverage Amount	\$2,500 Factor	\$5,000 Factor
15,000	0.90	0.86	65,000	1.20	1.28
20,000	0.90	0.88	70,000	1.25	1.35
25,000	0.92	0.90	75,000	1.29	1.41
30,000	0.94	0.92	80,000	1.33	1.47

Additional Rules

Rule A8. ADDITIONAL EXTENDED COVERAGE - LIMITED WATER DAMAGE, (cont.)

Coverage Amount	\$2,500 Factor	\$5,000 Factor	Coverage Amount	\$2,500 Factor	\$5,000 Factor
35,000	0.96	0.94	85,000	1.37	1.53
40,000	0.98	0.97	90,000	1.41	1.59
45,000	1.00	1.00	95,000	1.44	1.64
50,000	1.05	1.07	100,000	1.47	1.69
55,000	1.10	1.14	Each Additional \$5,000	0.03	0.04
60,000	1.15	1.21			

Table A8.C.2.a, Amount of Insurance Factors for Additional Extended Coverage**b. Territory Factors – Additional Extended Coverage**

Territory	Factor
All	1.00

Table A8.C.2.b, Territory Factors for Additional Extended Coverage

3. Multiply the result of Paragraph 2 by the appropriate deductible factor from Rule **406** and round to the nearest whole dollar. The result is the final premium for Additional Extended Coverage.

RULE A9. PAYMENT PLANS AND OTHER PAYMENT INFORMATION**A. Payment Plans**

1. Annual Payment Plan (New and Renewal)
 - a. No service fees.
 - b. Policy is required to be paid in full either with application or annual billing statement.
2. Two Payment Plan (New and Renewal)
 - a. 50% down payment plus one installment payment
 - b. Installment: billed 150 days from effective date
 - c. Service fee is \$5.00 per installment.
3. Four Payment Plan (New and Renewal)
 - a. 25% down payment plus three installment payments
 - b. Installments
 - (1) First installment due 60 days from effective date
 - (2) Remaining installment due every 90 days
 - c. Service fee is \$5.00 per installment.
4. Ten Fixed Bill Payment Plan (New and Renewal)
 - a. 16.67% down payment for new business
 - b. Installments
 - (1) **Renewal** Installments will be 10% each
 - (2) Installments are due on the effective day each month (example - if policy is effective 1/15, each installment will be due on the 15th)
 - c. Service fee is \$3.00 per installment.
5. Eleven Payment Plan (New Business)
 - a. 6.67% down payment
 - b. Installments
 - (1) First installment billed 10 days after the effective date
 - (2) Remaining installments due on the effective day each month
 - c. Service fee is \$3.00 per installment.

RULE A10. PAYMENT PLANS AND OTHER PAYMENT INFORMATION (cont.)

6. Eleven Payment Plan (Renewals)
 - a. 9.1% down payment
 - b. Installments
 - (1) First installment billed 10 days from effective date
 - (2) Remaining installments due on the effective day each month
 - c. Service fee is \$3.00 per installment.
7. Electronic Fund Transfer (New and Renewal)
 - a. Down Payment
 - (1) 16.67% down payment for new business
 - (2) 8.34% down payment for renewals
 - b. Installments
Monthly withdrawal from the 1st-28th
 - c. No service fees.
8. A service fee is not applied to a down payment.

B. Other Billing Information

1. Non-Sufficient Fund Charges
When a check is returned to the company marked as "Non-Sufficient Funds" or "Insufficient Funds" a \$25 charge will be applied to the next bill for the returned check.
2. Web and IVR Payments
 - a. Payments under all billing plans may be paid by using Internet or IVR (Interactive Voice Recording) systems
 - b. There is no service charge added for using these options; however, the third party vendors that provide these services may charge a convenience fee for these transactions. Republic does not set these fees nor receive any portion of the fee.

1. TERRITORY ASSIGNMENT

This section applies to territories based on ZIP Codes and is not currently applicable to the Republic Underwriters Homeowners program.

2. TERRITORY DEFINITIONS – (FOR ALL COVERAGES AND PERILS OTHER THAN EARTHQUAKE).**A. Territory Descriptions**

Territory	Zone	Description
1	A	Benton and Washington Counties
2	A	Carroll and Madison Counties
3	A	Baxter, Boone and Marion Counties
4	B	Fulton, Independence, Izard and Sharp Counties
5	B	Lawrence County
6	C	Clay, Greene and Randolph Counties
7	A	Crawford and Sebastian Counties
8	A	Conway, Franklin, Johnson, Newton and Pope Counties
9	A	Cleburne, Searcy, Stone and Van Buren Counties
10	B	Jackson and Woodruff Counties
11	C	Craighead County
12	C	Mississippi County
13	A	Logan County
14	A	Yell County
15	A	Faulkner County
16	B	White County
17	C	Cross, Lee, Poinsett and St. Francis Counties
18	C	Crittenden County
19	A	Montgomery, Polk and Scott Counties
20	A	Garland, Hot Spring and Perry Counties
21	A	Grant and Saline Counties
22	B	Remainder of Pulaski County
23	B	Lonoke County
24	B	Prairie County
25	B	Monroe County
26	B	Jefferson County
27	B	Arkansas County
28	C	Phillips County
29	B	Clark, Howard, Pike and Sevier Counties
30	B	Bradley, Calhoun, Cleveland, Dallas and Lincoln Counties
31	C	Desha County
32	B	Little River and Miller Counties
33	B	Hempstead and LaFayette Counties
34	B	Nevada and Ouachita Counties
35	B	Columbia County

2. TERRITORY DEFINITIONS – (FOR ALL COVERAGES AND PERILS OTHER THAN EARTHQUAKE), (cont.)

Territory	Zone	Description
36	B	Union County
37	C	Ashley, Chicot and Drew Counties
38	B	Cities of Little Rock and North Little Rock (Pulaski County)

B. Territory Names**1. Cities**

City	County of	Territory
Little Rock	Pulaski	38
North Little Rock	Pulaski	38

2. Other Than Cities

County	Territory	County	Territory	County	Territory
Arkansas	27	Garland	20	Newton	8
Ashley	37	Grant	21	Ouachita	34
Baxter	3	Greene	6	Perry	20
Benton	1	Hempstead	33	Phillips	28
Boone	3	Hot Spring	20	Pike	29
Bradley	30	Howard	29	Poinsett	17
Calhoun	30	Independence	4	Polk	19
Carroll	2	Izard	4	Pope	8
Chicot	37	Jackson	10	Prairie	24
Clark	29	Jefferson	26	Pulaski (a)	22
Clay	6	Johnson	8	Randolph	6
Cleburne	9	LaFayette	33	Saline	21
Cleveland	30	Lawrence	5	Scott	19
Columbia	35	Lee	17	Searcy	9
Conway	8	Lincoln	30	Sebastian	7
Craighead	11	Little River	32	Sevier	29
Crawford	7	Logan	13	Sharp	4
Crittenden	18	Lonoke	23	St. Francis	17
Cross	17	Madison	2	Stone	9
Dallas	30	Marion	3	Union	36
Desha	31	Miller	32	Van Buren	9
Drew	37	Mississippi	12	Washington	1
Faulkner	15	Monroe	25	White	16
Franklin	8	Montgomery	19	Woodruff	10
Fulton	4	Nevada	34	Yell	14

(a) That part of Pulaski County not in Little Rock or North Little Rock

3. Territory Definitions – Earthquake

Not applicable to the AHP Program.

Base Rates by Zone

Zone	Base Rate
A	620
B	682
C	837

B. Base Rates by Territory

Territory	Base Rate	Territory	Base Rate	Territory	Base Rate
1	620	14	620	27	682
2	620	15	620	28	837
3	620	16	682	29	682
4	682	17	837	30	682
5	682	18	837	31	837
6	837	19	620	32	682
7	620	20	620	33	682
8	620	21	620	34	682
9	620	22	682	35	682
10	682	23	682	36	682
11	837	24	682	37	837
12	837	25	682	38	682
13	620	26	682		

Classification and Key Factor Tables

RULE 301. BASE PREMIUM COMPUTATION

A. Form HO 00 08

1. Classification Tables

a. Protection/Construction Factors

Protection Class	Frame	Masonry
1	1.06	0.95
2	1.06	0.95
3	1.06	0.95
4	1.11	1.00
5	1.11	1.00
6	1.17	1.05
7	1.47	1.30
8	1.70	1.50
8B	2.36	2.00
9	2.54	2.15
10	2.91	2.40

Table 301.A.1.a., Protection/Construction Factors

b. Number of Family Factors

Number of Families	Factor
One	1.00
Two	1.10

Table 301.A.1.b., Number of Family Factors

2. Key Factor Table

Cov. A Amt.	Factor						
15	0.407	49	0.982	83	1.571	117	2.173
16	0.424	50	1.000	84	1.588	118	2.191
17	0.440	51	1.018	85	1.605	119	2.210
18	0.457	52	1.034	86	1.623	120	2.228
19	0.473	53	1.052	87	1.639	121	2.246
20	0.490	54	1.069	88	1.657	122	2.264
21	0.506	55	1.087	89	1.674	123	2.282
22	0.523	56	1.103	90	1.691	124	2.301
23	0.539	57	1.121	91	1.709	125	2.318
24	0.556	58	1.138	92	1.726	126	2.337
25	0.572	59	1.155	93	1.744	127	2.356
26	0.589	60	1.173	94	1.760	128	2.375
27	0.606	61	1.190	95	1.778	129	2.394
28	0.622	62	1.208	96	1.795	130	2.413
29	0.639	63	1.224	97	1.813	131	2.432
30	0.655	64	1.242	98	1.829	132	2.451
31	0.673	65	1.259	99	1.847	133	2.470
32	0.689	66	1.277	100	1.865	134	2.489
33	0.707	67	1.293	101	1.882	135	2.508

Classification and Key Factor Tables

RULE 301. BASE PREMIUM COMPUTATION. (cont.)

Cov. A Amt.	Factor	Cov. A Amt.	Factor	Cov. A Amt.	Factor	Cov. A Amt.	Factor
34	0.723	68	1.311	102	1.901	136	2.527
35	0.741	69	1.328	103	1.919	137	2.546
36	0.758	70	1.346	104	1.937	138	2.565
37	0.775	71	1.364	105	1.955	139	2.584
38	0.792	72	1.380	106	1.974	140	2.603
39	0.810	73	1.398	107	1.991	141	2.622
40	0.828	74	1.415	108	2.010	142	2.641
41	0.844	75	1.432	109	2.027	143	2.660
42	0.862	76	1.449	110	2.046	144	2.679
43	0.879	77	1.467	111	2.065	145	2.698
44	0.896	78	1.484	112	2.082	146	2.717
45	0.913	79	1.501	113	2.101	147	2.736
46	0.931	80	1.519	114	2.118	148	2.755
47	0.947	81	1.536	115	2.137	149	2.774
48	0.965	82	1.553	116	2.155	150	2.793
Each Additional \$1,000			0.019				

Table 301.A.2. Key Factors