

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Filing at a Glance

Company: American Family Home Insurance Company

Product Name: RV 2008 - Rate-Rule

SERFF Tr Num: AMMH-125605679 State: Arkansas

TOI: 19.0 Personal Auto

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 19.0003 Recreational Vehicle

Co Tr Num: 20080108-22

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Alexa Grissom, Betty Montesi, Brittany Yielding

Author: Mellisa Anderson

Disposition Date: 10/23/2008

Date Submitted: 04/11/2008

Disposition Status: Filed

Effective Date Requested (New): 07/01/2008

Effective Date (New): 07/01/2008

Effective Date Requested (Renewal): 07/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: RV 2008 - Rate-Rule

Status of Filing in Domicile:

Project Number: 20080108-22

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/23/2008

State Status Changed: 04/15/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Under the General Rules – changed the definition of the Minor Violation

Under the Discount and Surcharges – Under the Loss free discount we changed the percent of renewals on Motor Homes and Travel Trailers.

Under the Territory – We changed the Territory 2 factor as well as we no longer have a territory 3 & 4.

Company and Contact

SERFF Tracking Number: AMMH-125605679 State: Arkansas
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 Product Name: RV 2008 - Rate-Rule
 Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Filing Contact Information

Mellisa Anderson, Filing Analyst melanderson@amig.com
 7000 Midland Blvd (800) 759-9008 [Phone]
 Amelia, OH 45102 (513) 947-4929[FAX]

Filing Company Information

American Family Home Insurance Company CoCode: 23450 State of Domicile: Florida
 7000 Midland Blvd. Group Code: 127 Company Type:
 Amelia, OH 45102 Group Name: State ID Number:
 (800) 759-9008 ext. [Phone] FEIN Number: 31-0711074

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Family Home Insurance Company	\$100.00	04/11/2008	19476996

SERFF Tracking Number: AMMH-125605679 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	10/23/2008	10/23/2008
Filed	Alexa Grissom	05/15/2008	05/15/2008

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	Alexa Grissom	05/15/2008	05/15/2008	Jayme Lawrence	05/15/2008	05/15/2008
Pending Industry Response	Alexa Grissom	05/05/2008	05/05/2008	Jayme Lawrence	05/07/2008	05/07/2008
Pending Industry Response	Alexa Grissom	04/15/2008	04/15/2008	Mellisa Anderson	04/29/2008	04/29/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
R-10 Page - REVISED	Supporting Document	Mellisa Anderson	10/20/2008	10/20/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
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SERFF Tracking Number: *AMMH-125605679* *State:* *Arkansas*
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Product Name: *RV 2008 - Rate-Rule*
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Correction **Note To Filer** **Alexa Grissom** **10/16/2008 10/16/2008**
Question about Filing **Note To Reviewer** **Mellisa Anderson** **10/14/2008 10/14/2008**

SERFF Tracking Number: AMMH-125605679 State: Arkansas
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TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Disposition

Disposition Date: 10/23/2008

Effective Date (New): 07/01/2008

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125605679 State: Arkansas
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 Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Item Type	Item Name	Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	No
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	No
Supporting Document	NAIC loss cost data entry document	Filed	No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	No
Supporting Document	Cover Letter	Filed	No
Supporting Document (revised)	Financial inf needed for RV and MH	Filed	No
Supporting Document	Financial inf needed for RV and MH	Filed	No
Supporting Document	Proposed Filing	Filed	No
Supporting Document	Requested Transmittals	Filed	No
Supporting Document	revised rule pages	Filed	No
Supporting Document	R-10 Page - REVISED	Filed	No

SERFF Tracking Number: *AMMH-125605679* *State:* *Arkansas*
Filing Company: *American Family Home Insurance Company* *State Tracking Number:* *EFT \$100*
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Project Name/Number: *RV 2008 - Rate-Rule/20080108-22*

Disposition

Disposition Date: 05/15/2008

Effective Date (New): 07/01/2008

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125605679 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	No
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	No
Supporting Document	NAIC loss cost data entry document	Filed	No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	No
Supporting Document	Cover Letter	Filed	No
Supporting Document (revised)	Financial inf needed for RV and MH	Filed	No
Supporting Document	Financial inf needed for RV and MH	Filed	No
Supporting Document	Proposed Filing	Filed	No
Supporting Document	Requested Transmittals	Filed	No
Supporting Document	revised rule pages	Filed	No
Supporting Document	R-10 Page - REVISED	Filed	No

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/15/2008

Submitted Date 05/15/2008

Respond By Date

Dear Mellisa Anderson,

This will acknowledge receipt of the correspondence regarding the captioned filing. Per our conversation today, please revise Page G-1 for compliance with Ark. Code Ann. 23-79-152.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

Response Letter

Response Letter Status Submitted to State

Response Letter Date 05/15/2008

Submitted Date 05/15/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Please see the enclosed revised rule page G-2. I have added rule number 8 to the At Fault Accident rule to read the stated statute. If you have any questions please let us know.

Thanks Jayme

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: revised rule pages

Comment:

No Form Schedule items changed.

SERFF Tracking Number: *AMMH-125605679* *State:* *Arkansas*
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Product Name: *RV 2008 - Rate-Rule*
Project Name/Number: *RV 2008 - Rate-Rule/20080108-22*

No Rate/Rule Schedule items changed.

Sincerely,
Mellisa Anderson

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/05/2008

Submitted Date 05/05/2008

Respond By Date

Dear Mellisa Anderson,

This will acknowledge receipt of the captioned filing. Thank you for sending the RF-1 abstracts. Please respond to my other two objections.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

Response Letter

Response Letter Status Submitted to State

Response Letter Date 05/07/2008

Submitted Date 05/07/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Dear reviewer,

In response to your objection letter dated 05/05/08 I have revised the actuarial indications that were attached with the original submission. We inadvertently attached justification from 2003. Please see the 4th quarter 2007 support now attached.

In addition to the revised justification I need to request further information from you regarding the surcharge concern that you had. I reviewed the AR code you referenced but am not sure what rule conflicts with the code. Can you be more specific?

As a reminder I am responding for Mellisa in her absence, thank you for your consideration of my request. Please feel free to call me.

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TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0003 Recreational Vehicle*
Product Name: *RV 2008 - Rate-Rule*
Project Name/Number: *RV 2008 - Rate-Rule/20080108-22*

Jayme Lawrence
Compliance Analyst
1-800-759-9008 Ext. 6715

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Financial inf needed for RV and MH
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Mellisa Anderson

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/15/2008
Submitted Date 04/15/2008
Respond By Date

Dear Mellisa Anderson,

This will acknowledge receipt of the captioned filing. The RF-1 abstract must be completed and submitted for the filing. Please explain why the latest year of loss data is 2003. The rules regarding surcharges must comply with Ark. Code Ann. 23-79-152.

Please feel free to contact me if you have questions.

Sincerely,
Alexa Grissom

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/29/2008
Submitted Date 04/29/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Good Afternoon,
Please find attached the requested transmittal forms. Because impacts, indications and expense information are different by program, I have completed a transmittal for both motor home and travel trailer. Please feel free to contact me should you have any questions.

Thank you

Changed Items:

Supporting Document Schedule Item Changes

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Satisfied -Name: Requested Transmittals

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Mellisa Anderson

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Amendment Letter

Amendment Date:
Submitted Date: 10/20/2008

Comments:

Good Morning Alexa Grissom,

Per our correspondence please find a revised R-10 page showing the Anti-Lock Brake Discount.

If you have any questions please do not hesitate to contact me.

Thank you for re-opening this filing. It is greatly appreciated.

Thank you

Mellisa Anderson

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: R-10 Page - REVISED

Comment:

R-10 page only.pdf

SERFF Tracking Number: *AMMH-125605679* *State:* *Arkansas*
Filing Company: *American Family Home Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *20080108-22*
TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0003 Recreational Vehicle*
Product Name: *RV 2008 - Rate-Rule*
Project Name/Number: *RV 2008 - Rate-Rule/20080108-22*

Note To Filer

Created By:

Alexa Grissom on 10/16/2008 02:35 PM

Subject:

Correction

Comments:

I reopened the filing so you can add the page.

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Note To Reviewer

Created By:

Mellisa Anderson on 10/14/2008 08:48 AM

Subject:

Question about Filing

Comments:

Good Morning Alexa Grissom,

Our product department was reviewing over this filing and they noticed a typo. On the previously approved filing we have the Anti-Lock Brake Discount on the Rate page under Discounts. On the newly approved filing it was listed under the Rule section. Since this is merely a typo, and there is no impact to current insureds as it has never been taken away, am I able to add the wording back on the Rate/Discount page showing the discount or do I have to re-file the R-10 showing where I added the discount there?

Thank you

Mellisa Anderson

SERFF Tracking Number: *AMMH-125605679* *State:* *Arkansas*
Filing Company: *American Family Home Insurance Company* *State Tracking Number:* *EFT \$100*
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TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0003 Recreational Vehicle*
Product Name: *RV 2008 - Rate-Rule*
Project Name/Number: *RV 2008 - Rate-Rule/20080108-22*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125605679 State: Arkansas
 Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20080108-22
 TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
 Product Name: RV 2008 - Rate-Rule
 Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Supporting Document Schedules

Bypassed -Name:	A-1 Private Passenger Auto Abstract	Review Status: Filed	05/15/2008
Bypass Reason:	n/a		
Comments:			
Satisfied -Name:	APCS-Auto Premium Comparison Survey	Review Status: Filed	05/15/2008
Comments:	have all financial info below		
Satisfied -Name:	NAIC loss cost data entry document	Review Status: Filed	05/15/2008
Comments:	have all financial info below		
Satisfied -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status: Filed	05/15/2008
Comments:	have all financial info below		
Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status: Filed	05/15/2008
Comments:			
Attachments:	F777AR_rate_rule.pdf F779AR_021307_Rate_rule.pdf		

Review Status:

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Satisfied -Name: Cover Letter Filed 05/15/2008

Comments:

Attachment:

Cover Letter_rate_rule.pdf

SERFF Tracking Number: AMMH-125605679 State: Arkansas
Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080108-22
TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
Product Name: RV 2008 - Rate-Rule
Project Name/Number: RV 2008 - Rate-Rule/20080108-22

Review Status:
Satisfied -Name: Financial inf needed for RV and MH **Filed** 05/15/2008
Comments:
Attachments:
AR RV indications 070.pdf
AR TT indications 070.pdf

Review Status:
Satisfied -Name: Proposed Filing **Filed** 05/15/2008
Comments:
Attachment:
Proposed RATE-RULE pages only.pdf

Review Status:
Satisfied -Name: Requested Transmittals **Filed** 05/15/2008
Comments:
Attachments:
MH FORM RF-1 Rate Filing Abstract_new.pdf
TT FORM RF-1 Rate Filing Abstract_new.pdf

Review Status:
Satisfied -Name: revised rule pages **Filed** 05/15/2008
Comments:
Attachment:
revised rule pages.pdf

Review Status:
Satisfied -Name: R-10 Page - REVISED **Filed** 10/23/2008
Comments:
Attachment:
R-10 page only.pdf

Property & Casualty Transmittal Document

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

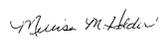
3. Group Name	Group NAIC #
American Modern Insurance Group	127

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Family Home Insurance Company	FL	23450	31-0711074	09

5. Company Tracking Number	20080108-22
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Mellisa M. Holder PO Box 5323 Cincinnati, OH 45201-5323	Filing Analyst	800-759-9008 x 5835	513-947-4929	mholder@amig.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Mellisa M. Holder

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

9. Type of Insurance (TOI)	19.0000 (Personal Auto)
10. Sub-Type of Insurance (Sub-TOI)	19.0003 (Recreational Vehicle)
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	n/a
12. Company Program Title (Marketing title)	RV 2008 - Rate-Rule
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules X 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: 07-01-2008 Renewal: 07-01-2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	n/a

17. Reference Organization # & Title	n/a
18. Company's Date of Filing	04/11/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	20080108-22 <input type="checkbox"/>
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

On behalf of American Family Home Insurance Company I would like to submit for your approval to our Rate/Rule filing. This Rate/Rule filing go along with our form filing that is pending also 20080410-01.

Under the General Rules – changed the definition of the Minor Violation

Under the Discount and Surcharges – Under the Loss free discount we changed the percent of renewals on Motor Homes and Travel Trailers.

Under the Territory – We changed the Territory 2 factor as well as we no longer have a territory 3 & 4.

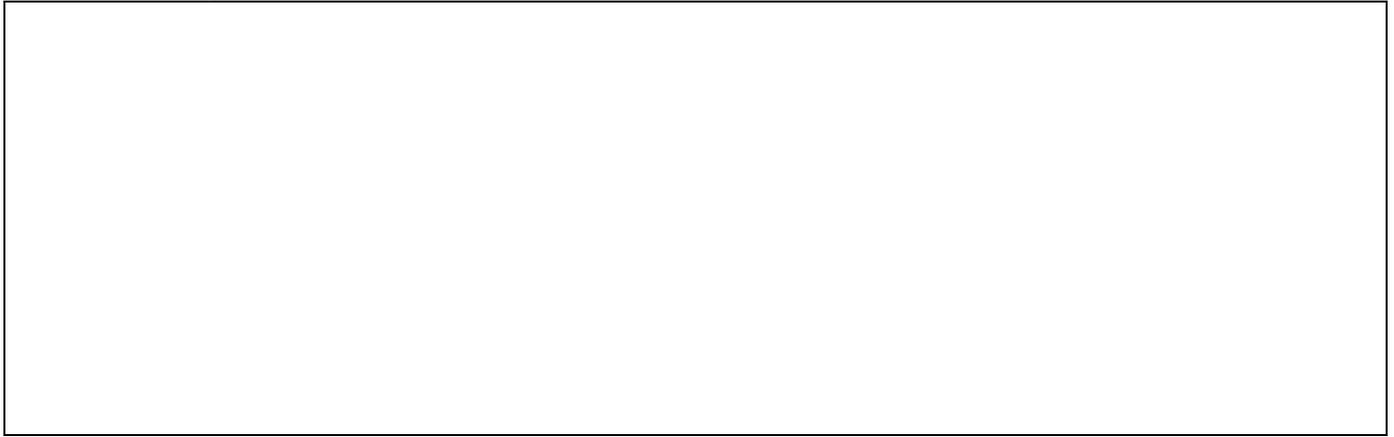
22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
--

Check #: N/a

Amount: \$100.00 (eft)

Using EFT through SERFF

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



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

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	20080108-22
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	20080410-01
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
AFH	10.6%	10.6%	30,487	562	30,487	33%	-13%

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

Overall Rate Information (Complete for Multiple Company Filings only)			
		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.)	
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Whole proposed Filing	<input type="checkbox"/> New <input checked="" 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	



AMERICAN FAMILY HOME
INSURANCE COMPANY

April 10, 2008

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: American Modern Home Insurance Company
Recreational Vehicle Program
Rate/rule Filing
Company File Number: 20080410-01
NAIC Number: 127-23469

Dear Commissioner:

On behalf of American Family Home Insurance Company I would like to submit for your approval to our Rate/Rule filing. This Rate/Rule filing go along with our form filing that is pending also 20080410-01.

Under the General Rules – changed the definition of the Minor Violation

Under the Discount and Surcharges – Under the Loss free discount we changed the percent of renewals on Motor Homes and Travel Trailers.

Under the Territory – We changed the Territory 2 factor as well as we no longer have a territory 3 & 4.

We are requesting these changes become effective for new business on or after July 1, 2008 and renewal business on or after July 1, 2008. If you have any questions, please contact me at the number listed below or by email at mholder@amig.com.

Sincerely,

Mellisa M. Holder
Compliance Analyst
American Modern Home Insurance Company
1-800-759-9008 ext. 5835

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 1

Proposed Effective Date: 9/1/2008

	(1)	(2)	(3)
	Premium in Force	Premium in Force	Credibility
Coverage	As of: 12/31/2007	Distribution	Weighted Indicated Rate Change
Bodily Injury	6,141	5.8%	5.8%
Collision	21,765	20.7%	33.7%
Comprehensive	63,355	60.3%	89.1%
Medical Payments	-12	0.0%	3.0%
Property Damage	5,332	5.1%	3.6%
Personal Injury Protection	1,933	1.8%	0.7%
Uninsured Motorist	6,491	6.2%	7.9%
Total Premium in Force:	105,005		

Arkansas Indicated Rate Change: 61.7%

General:

The purpose of this report is to evaluate the rate level adequacy of the Motorhome product in this state. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods.

Assumptions & Methodologies:

1. On Exhibits 1 and 2, we show the overall rate indication for the Motorhome product. We describe the data adjustments used in these exhibits in the succeeding paragraphs.

2. Earned premiums are adjusted to the current rate levels by program and then trended, using the factors described below:

(a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned equally throughout experience quarters, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes affecting the experience period and the resulting Rate Level Adjustment Factors.

(b) The Premium Trend Factor projects the current level premium in our experience period to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to 4 years (16 groups of rolling four quarters) current level average premiums by coverage for the state. Historical and a prospective premium trend factors are selected for each coverage. The historical factor is applied using a time period from the midpoint of the experience period to the ending date of the last experience period. The prospective factor is applied from the ending date of the last experience period to the midpoint of the time the rates are anticipated to be in effect.

3. We adjust incurred losses using the factors described below.

(a) Catastrophic Losses (including alae). Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average. Our methodology is based on the relative stability of non-catastrophe losses, and we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.

American Modern Insurance Group
Motorhome Rate Level Indication Explanation
Arkansas

Exhibit 1
Page 3

- (b) The Loss+ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting an exponential curve to 5 years (20 groups of rolling 4 quarters) of frequency and severity trends. These are multiplied together to obtain the pure premium trend. We use countrywide consolidated AMIG data to develop the frequency, severity and pure premiums shown on Exhibit 6.
- (c) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group countrywide Motorhome losses. We calculate quarterly factors and weight them together using the incurred losses to get annual numbers. See Exhibit 7.
- (d) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.

4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 1084 Claim Counts as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.

5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 11, pages 1-3, shows the computation of return on investment income. Exhibit 11, Page 4 provides a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.1

Coverage: Bodily Injury

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	6,734	1.033	6,957	0.834	5,802	102
9/30/2006	6,516	1.048	6,827	0.897	6,122	121
9/30/2007	6,857	1.116	7,653	0.964	7,380	137

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	0	0	1.000	0	1.327	0.980
9/30/2006	0	0	1.000	0	1.251	0.984
9/30/2007	0	0	1.000	0	1.179	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	0	0.000	0.250	0
9/30/2006	1.040	0	0.000	0.350	0
9/30/2007	1.040	0	0.000	0.400	0

Weighted Experience Loss & LAE Ratio	0.000
Permissible Loss & LAE Ratio	0.560
Loss Ratio Trend Factor	1.058
Trended Permissible Loss Ratio used as complement of credibility	0.593
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.000
Credibility-Weighted Loss & LAE Ratio	0.593
Credibility-Weighted Indicated Rate Level Change	5.8%

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.2

Coverage: Collision

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	11,578	2.074	24,013	0.789	18,938	77
9/30/2006	14,519	1.572	22,830	0.857	19,570	98
9/30/2007	20,724	1.286	26,651	0.932	24,831	113

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	70,899	0	1.000	70,899	1.271	0.998
9/30/2006	2,997	0	1.000	2,997	1.177	0.996
9/30/2007	26,248	0	1.000	26,248	1.090	0.977

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	93,565	4.941	0.150	11
9/30/2006	1.040	3,652	0.187	0.300	6
9/30/2007	1.040	29,061	1.170	0.550	8

Weighted Experience Loss & LAE Ratio	1.441
Permissible Loss & LAE Ratio	0.474
Loss Ratio Trend Factor	1.032
Trended Permissible Loss Ratio used as complement of credibility	0.490
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.152
Credibility-Weighted Loss & LAE Ratio	0.634
Credibility-Weighted Indicated Rate Level Change	33.7%

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.3

Coverage: Comprehensive

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	38,476	1.064	40,952	1.054	43,155	77
9/30/2006	49,388	1.025	50,614	1.052	53,230	98
9/30/2007	62,291	0.952	59,286	1.050	62,226	113

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	104,406	0	1.059	110,568	1.095	0.998
9/30/2006	12,088	616	1.059	12,801	1.096	0.996
9/30/2007	274,530	0	1.059	290,732	1.098	0.977

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	125,627	2.911	0.150	7
9/30/2006	1.040	14,528	0.273	0.300	8
9/30/2007	1.040	324,291	5.211	0.550	7

Weighted Experience Loss & LAE Ratio	3.385
Permissible Loss & LAE Ratio	0.474
Loss Ratio Trend Factor	1.020
Trended Permissible Loss Ratio used as complement of credibility	0.484
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.142
Credibility-Weighted Loss & LAE Ratio	0.897
Credibility-Weighted Indicated Rate Level Change	89.1%

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.4

Coverage: Medical Payments

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	93	1.000	93	1.000	93	12
9/30/2006	-5	1.000	-5	1.000	-5	8
9/30/2007	-2	1.000	-2	1.000	-2	9

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	0	0	1.000	0	1.209	0.980
9/30/2006	0	0	1.000	0	1.153	0.984
9/30/2007	0	0	1.000	0	1.100	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	0	0.000	0.000	0
9/30/2006	1.040	0	0.000	0.400	0
9/30/2007	1.040	0	0.000	0.600	0

Weighted Experience Loss & LAE Ratio	0.000
Permissible Loss & LAE Ratio	0.560
Loss Ratio Trend Factor	1.030
Trended Permissible Loss Ratio used as complement of credibility	0.577
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.000
Credibility-Weighted Loss & LAE Ratio	<u>0.577</u>
Credibility-Weighted Indicated Rate Level Change	<u>3.0%</u>

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.5

Coverage: Property Damage

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	5,654	1.071	6,057	0.799	4,842	102
9/30/2006	5,705	1.039	5,930	0.864	5,125	121
9/30/2007	5,924	1.107	6,559	0.934	6,128	137

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	0	0	1.000	0	1.161	0.980
9/30/2006	0	0	1.000	0	1.127	0.984
9/30/2007	5,225	0	1.000	5,225	1.094	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	0	0.000	0.250	0
9/30/2006	1.040	0	0.000	0.350	0
9/30/2007	1.040	6,560	1.071	0.400	1

Weighted Experience Loss & LAE Ratio	0.428
Permissible Loss & LAE Ratio	0.560
Loss Ratio Trend Factor	1.044
Trended Permissible Loss Ratio used as complement of credibility	0.585
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.030
Credibility-Weighted Loss & LAE Ratio	0.580
Credibility-Weighted Indicated Rate Level Change	3.6%

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.6

Coverage: Personal Injury Protection

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	1,406	1.001	1,407	1.253	1,764	45
9/30/2006	2,140	1.000	2,140	1.171	2,506	53
9/30/2007	2,256	1.000	2,256	1.095	2,469	56

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	0	0	1.000	0	1.217	0.980
9/30/2006	0	0	1.000	0	1.159	0.984
9/30/2007	0	0	1.000	0	1.104	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	0	0.000	0.250	0
9/30/2006	1.040	0	0.000	0.350	0
9/30/2007	1.040	0	0.000	0.400	0

Weighted Experience Loss & LAE Ratio	0.000
Permissible Loss & LAE Ratio	0.560
Loss Ratio Trend Factor	1.007
Trended Permissible Loss Ratio used as complement of credibility	0.564
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.000
Credibility-Weighted Loss & LAE Ratio	0.564
Credibility-Weighted Indicated Rate Level Change	0.7%

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 2.7

Coverage: Uninsured Motorist

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	3,803	1.001	3,805	0.977	3,716	184
9/30/2006	5,565	1.000	5,565	0.963	5,359	255
9/30/2007	6,357	1.000	6,357	0.950	6,038	304

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	0	0	1.000	0	1.326	0.980
9/30/2006	0	0	1.000	0	1.245	0.984
9/30/2007	0	0	1.000	0	1.169	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	0	0.000	0.250	0
9/30/2006	1.040	0	0.000	0.350	0
9/30/2007	1.040	0	0.000	0.400	0

Weighted Experience Loss & LAE Ratio	0.000
Permissible Loss & LAE Ratio	0.560
Loss Ratio Trend Factor	1.079
Trended Permissible Loss Ratio used as complement of credibility	0.604
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.000
Credibility-Weighted Loss & LAE Ratio	0.604
Credibility-Weighted Indicated Rate Level Change	7.9%

American Family Home Ins. Co.
Rate Level Adjustment Factors
Arkansas

Exhibit 3

Rate Impacts:							
Date	BI	COLL	COMP	MED	PD	PIP	UM
11/15/07	15.4%	26.4%	-6.4%	0.0%	15.0%	0.0%	0.0%
08/01/06	-9.1%	5.3%	5.1%	0.0%	-10.2%	0.0%	0.0%
10/01/05	0.0%	38.1%	9.1%	0.0%	0.0%	0.0%	0.0%
04/01/05	-1.8%	14.9%	-1.0%	0.0%	4.2%	0.0%	0.0%
12/01/03	4.5%	3.8%	2.9%	0.0%	4.5%	4.5%	4.5%

Earned Premiums:							
Date	BI	COLL	COMP	MED	PD	PIP	UM
9/30/2005	6,734	11,578	38,476	93	5,654	1,406	3,803
9/30/2006	6,516	14,519	49,388	-5	5,705	2,140	5,565
9/30/2007	6,857	20,724	62,291	-2	5,924	2,256	6,357

Rate Level Adjustment Factors:							
Date	BI	COLL	COMP	MED	PD	PIP	UM
9/30/2005	1.033	2.074	1.064	1.000	1.071	1.001	1.001
9/30/2006	1.048	1.572	1.025	1.000	1.039	1.000	1.000
9/30/2007	1.116	1.286	0.952	1.000	1.107	1.000	1.000

Current Level Earned Premiums:							
Date	BI	COLL	COMP	MED	PD	PIP	UM
9/30/2005	6,957	24,013	40,952	93	6,057	1,407	3,805
9/30/2006	6,827	22,830	50,614	-5	5,930	2,140	5,565
9/30/2007	7,653	26,651	59,286	-2	6,559	2,256	6,357

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Bodily Injury

Exhibit 4.1

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	67.55					
3/31/2004	68.68	74.02				
6/30/2004	69.95	72.38				
9/30/2004	70.71	70.79				
12/31/2004	71.14	69.22				
3/31/2005	70.96	67.70	70.38			
6/30/2005	70.05	66.20	68.43			
9/30/2005	68.39	64.74	66.53			
12/31/2005	66.00	63.31	64.68			
3/31/2006	62.49	61.91	62.89	59.95		
6/30/2006	59.33	60.55	61.14	58.92		
9/30/2006	56.65	59.21	59.45	57.91	55.73	
12/31/2006	54.65	57.90	57.80	56.92	55.44	
3/31/2007	54.21	56.62	56.19	55.94	55.15	54.78
6/30/2007	55.02	55.37	54.63	54.98	54.87	54.73
9/30/2007	55.80	54.15	53.12	54.04	54.58	54.67
12/31/2007	53.79	52.96	51.64	53.11	54.30	54.62

Bodily Injury	Premium Trend
16 point	-8.5%
12 point	-10.6%
8 point	-6.7%
6 point	-2.1%
4 point	-0.4%
Historical Selected	-7.0%
Prospective Selected	0.0%

Year Ending	Premium Trend Factor *
9/30/2003	0.721
9/30/2004	0.776
9/30/2005	0.834
9/30/2006	0.897
9/30/2007	0.964

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Collision

Exhibit 4.2

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	246.67					
3/31/2004	262.94	310.37				
6/30/2004	278.20	303.91				
9/30/2004	294.82	297.58				
12/31/2004	305.19	291.39				
3/31/2005	311.50	285.32	314.92			
6/30/2005	314.51	279.38	303.88			
9/30/2005	310.16	273.57	293.23			
12/31/2005	296.68	267.87	282.95			
3/31/2006	272.51	262.30	273.03	254.27		
6/30/2006	250.22	256.84	263.45	249.26		
9/30/2006	232.11	251.49	254.22	244.35	230.44	
12/31/2006	225.99	246.26	245.30	239.54	230.14	
3/31/2007	228.38	241.13	236.70	234.82	229.83	231.86
6/30/2007	232.57	236.11	228.40	230.20	229.53	230.62
9/30/2007	236.03	231.20	220.40	225.66	229.23	229.40
12/31/2007	223.25	226.38	212.67	221.22	228.93	228.18

Collision	Premium Trend
16 point	-8.1%
12 point	-13.3%
8 point	-7.6%
6 point	-0.5%
4 point	-2.1%
Historical Selected	-8.0%
Prospective Selected	-1.5%

Year Ending	Premium Trend Factor *
9/30/2003	0.667
9/30/2004	0.726
9/30/2005	0.789
9/30/2006	0.857
9/30/2007	0.932

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Comprehensive

Exhibit 4.3

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	410.13					
3/31/2004	438.50	480.40				
6/30/2004	463.67	484.25				
9/30/2004	489.87	488.14				
12/31/2004	502.21	492.06				
3/31/2005	508.78	496.01	521.78			
6/30/2005	517.12	499.99	522.02			
9/30/2005	528.94	504.01	522.27			
12/31/2005	538.21	508.06	522.51			
3/31/2006	534.95	512.14	522.75	524.33		
6/30/2006	529.50	516.25	523.00	523.98		
9/30/2006	514.59	520.39	523.24	523.63	511.61	
12/31/2006	512.75	524.57	523.49	523.28	514.99	
3/31/2007	517.22	528.78	523.73	522.94	518.40	516.75
6/30/2007	520.69	533.03	523.98	522.59	521.82	521.15
9/30/2007	525.08	537.31	524.22	522.24	525.27	525.58
12/31/2007	530.54	541.62	524.47	521.90	528.75	530.05

Comprehensive	Premium Trend
16 point	3.3%
12 point	0.2%
8 point	-0.3%
6 point	2.7%
4 point	3.4%
Historical Selected	0.2%
Prospective Selected	2.5%

Year Ending	Premium Trend Factor *
9/30/2003	1.058
9/30/2004	1.056
9/30/2005	1.054
9/30/2006	1.052
9/30/2007	1.050

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Medical Payments

Exhibit 4.4

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	27.64					
3/31/2004	(1.56)					
6/30/2004	6.54					
9/30/2004	8.01					
12/31/2004	8.58					
3/31/2005	8.84					
6/30/2005	8.75					
9/30/2005	7.83					
12/31/2005	6.41					
3/31/2006	3.97					
6/30/2006	0.79					
9/30/2006	(0.64)					
12/31/2006	(0.79)					
3/31/2007	(0.24)					
6/30/2007	0.39					
9/30/2007	(0.21)					
12/31/2007	(1.13)					

Medical Payments	Premium Trend
16 point	
12 point	
8 point	
6 point	
4 point	
Historical Selected	0.0%
Prospective Selected	0.0%

Year Ending	Premium Trend Factor *
9/30/2003	1.000
9/30/2004	1.000
9/30/2005	1.000
9/30/2006	1.000
9/30/2007	1.000

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Property Damage

Exhibit 4.5

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	61.12					
3/31/2004	61.39	64.92				
6/30/2004	61.58	63.40				
9/30/2004	61.42	61.92				
12/31/2004	61.35	60.47				
3/31/2005	61.36	59.05	61.17			
6/30/2005	60.81	57.67	59.43			
9/30/2005	59.55	56.32	57.74			
12/31/2005	57.00	55.01	56.09			
3/31/2006	54.05	53.72	54.50	52.16		
6/30/2006	51.55	52.46	52.95	51.18		
9/30/2006	49.21	51.24	51.44	50.22	48.57	
12/31/2006	47.65	50.04	49.97	49.28	48.16	
3/31/2007	47.01	48.87	48.55	48.35	47.75	47.44
6/30/2007	47.48	47.72	47.17	47.44	47.35	47.23
9/30/2007	47.82	46.61	45.83	46.55	46.96	47.02
12/31/2007	46.20	45.52	44.52	45.67	46.56	46.81

Property Damage	Premium Trend
16 point	-9.0%
12 point	-10.9%
8 point	-7.3%
6 point	-3.3%
4 point	-1.8%
Historical Selected	-7.5%
Prospective Selected	-1.5%

Year Ending	Premium Trend Factor *
9/30/2003	0.684
9/30/2004	0.739
9/30/2005	0.799
9/30/2006	0.864
9/30/2007	0.934

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas

Exhibit 4.6

Coverage: Personal Injury Protection

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	29.62					
3/31/2004	29.04	27.66				
6/30/2004	29.06	28.50				
9/30/2004	29.09	29.36				
12/31/2004	29.39	30.26				
3/31/2005	29.69	31.18	30.66			
6/30/2005	29.94	32.13	31.67			
9/30/2005	31.43	33.10	32.72			
12/31/2005	33.99	34.11	33.81			
3/31/2006	36.50	35.15	34.93	37.93		
6/30/2006	38.79	36.22	36.08	38.44		
9/30/2006	40.09	37.32	37.28	38.96	39.95	
12/31/2006	40.41	38.46	38.51	39.49	40.16	
3/31/2007	40.51	39.63	39.78	40.02	40.38	39.94
6/30/2007	39.83	40.83	41.10	40.56	40.59	40.38
9/30/2007	40.21	42.07	42.46	41.10	40.81	40.82
12/31/2007	41.88	43.35	43.87	41.66	41.03	41.27

Personal Injury Protection	Premium Trend
16 point	12.7%
12 point	13.9%
8 point	5.5%
6 point	2.2%
4 point	4.5%
Historical Selected	7.0%
Prospective Selected	3.0%

Year Ending	Premium Trend Factor *
9/30/2003	1.435
9/30/2004	1.341
9/30/2005	1.253
9/30/2006	1.171
9/30/2007	1.095

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Premium Trend Calculation
Arkansas
Coverage: Uninsured Motorist

Exhibit 4.7

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	18.34					
3/31/2004	18.88	19.58				
6/30/2004	19.45	19.72				
9/30/2004	19.69	19.86				
12/31/2004	19.97	20.00				
3/31/2005	20.19	20.14	20.66			
6/30/2005	20.30	20.28	20.73			
9/30/2005	20.70	20.43	20.80			
12/31/2005	20.88	20.57	20.87			
3/31/2006	20.98	20.72	20.94	21.66		
6/30/2006	21.74	20.87	21.01	21.56		
9/30/2006	21.79	21.02	21.08	21.47	21.91	
12/31/2006	21.70	21.17	21.15	21.37	21.67	
3/31/2007	21.56	21.32	21.23	21.27	21.43	21.56
6/30/2007	21.26	21.47	21.30	21.17	21.19	21.24
9/30/2007	20.89	21.62	21.37	21.07	20.95	20.94
12/31/2007	20.66	21.78	21.44	20.98	20.71	20.63

Uninsured Motorist	Premium Trend
16 point	2.9%
12 point	1.4%
8 point	-1.8%
6 point	-4.4%
4 point	-5.7%
Historical Selected	1.4%
Prospective Selected	-3.0%

Year Ending	Premium Trend Factor *
9/30/2003	1.004
9/30/2004	0.990
9/30/2005	0.977
9/30/2006	0.963
9/30/2007	0.950

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Average Catastrophe Factor
 (Using American Modern Insurance Data)
 For Physical Damage
Arkansas

Accident Year	Non- Catastrophe Losses (1)	Catastrophe Losses (2)	Catastrophe Ratio (2)/(1)
1995	0	0	0.000
1996	0	0	0.000
1997	0	0	0.000
1998	0	0	0.000
1999	0	0	0.000
2000	0	0	0.000
2001	0	1,774	0.000
2002	8,769	0	0.000
2003	27,126	0	0.000
2004	59,056	23,063	0.391
2005	131,482	0	0.000
2006	18,675	616	0.033
2007	302,596	0	0.000

Weighted Average: 0.046
 Selected Catastrophe Factor: 1.046

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.1

Coverage: Bodily Injury

Bodily Injury *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	0.293					9,835					28.81				
9/30/2003	0.179					21,640					38.70				
12/31/2003	0.184					29,798					54.97				
3/31/2004	0.209	0.188				47,841					99.97				
6/30/2004	0.208	0.185				51,524					107.11				
9/30/2004	0.263	0.183				36,497					95.98				
12/31/2004	0.214	0.180				27,633					59.26				
3/31/2005	0.199	0.177	0.133			3,730					7.41				
6/30/2005	0.174	0.175	0.137			-4,576					-7.95				
9/30/2005	0.100	0.172	0.140			3,014					3.00				
12/31/2005	0.130	0.170	0.144			11,034					14.38				
3/31/2006	0.115	0.167	0.148	0.119		16,651			14,872		19.15			17.74	
6/30/2006	0.138	0.165	0.151	0.129		14,622			15,418		20.20			19.92	
9/30/2006	0.142	0.162	0.155	0.140		18,253			15,985		25.98			22.35	
12/31/2006	0.134	0.160	0.159	0.151		12,633			16,572		16.95			25.09	
3/31/2007	0.181	0.157	0.164	0.164	0.174	16,519			17,181	16,657	29.82			28.16	28.98
6/30/2007	0.172	0.155	0.168	0.177	0.183	18,087			17,812	17,862	31.20			31.61	32.73
9/30/2007	0.195	0.153	0.172	0.192	0.193	19,153			18,467	19,154	37.32			35.48	36.96
12/31/2007	0.206	0.151	0.177	0.208	0.203	20,456			19,145	20,540	42.12			39.82	41.73

Bodily Injury	Frequency	Severity	Pure Premium Trend
16 point	-5.8%		
12 point	10.9%		
8 point	37.4%	15.5%	58.7%
4 point	23.0%	32.2%	62.6%
Historical Selected	1.0%	5.0%	6.1%
Prospective Selected	4.2%	3.0%	7.3%

Year Ending	Loss Trend Factor **
9/30/2003	1.492
9/30/2004	1.407
9/30/2005	1.327
9/30/2006	1.251
9/30/2007	1.179

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas
Coverage: Collision

Exhibit 6.2

Collision *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	5.882					4,034					237.30				
9/30/2003	5.647					3,621					204.51				
12/31/2003	5.446					3,308					180.16				
3/31/2004	5.337	4.968				3,589	3,621				191.54	179.89			
6/30/2004	5.354	4.894				3,571	3,702				191.16	181.16			
9/30/2004	5.115	4.821				3,777	3,784				193.18	182.43			
12/31/2004	5.062	4.749				4,048	3,868				204.90	183.71			
3/31/2005	4.833	4.678	4.182			3,980	3,955	3,972			192.38	185.00	166.08		
6/30/2005	4.615	4.608	4.186			4,158	4,043	4,057			191.87	186.30	169.83		
9/30/2005	4.141	4.540	4.190			4,254	4,133	4,144			176.14	187.61	173.67		
12/31/2005	3.796	4.472	4.195			4,318	4,225	4,234			163.89	188.93	177.59		
3/31/2006	3.708	4.405	4.199	3.737		4,065	4,319	4,325	4,143		150.73	190.26	181.60	154.80	
6/30/2006	3.731	4.339	4.204	3.849		3,942	4,415	4,418	4,273		147.08	191.60	185.71	164.49	
9/30/2006	3.974	4.274	4.208	3.966		4,602	4,514	4,513	4,408		182.88	192.95	189.90	174.79	
12/31/2006	4.123	4.211	4.213	4.085		4,641	4,615	4,610	4,546		191.33	194.30	194.19	185.73	
3/31/2007	4.388	4.148	4.217	4.209	4.435	5,227	4,717	4,709	4,689	5,125	229.34	195.67	198.58	197.36	227.27
6/30/2007	4.514	4.086	4.221	4.336	4.432	4,974	4,823	4,810	4,837	5,012	224.56	197.05	203.06	209.71	222.15
9/30/2007	4.409	4.025	4.226	4.467	4.430	4,691	4,930	4,914	4,989	4,902	206.80	198.43	207.65	222.84	217.15
12/31/2007	4.414	3.965	4.230	4.601	4.427	4,950	5,040	5,019	5,146	4,794	218.50	199.83	212.34	236.78	212.26

Collision	Frequency	Severity	Pure Premium Trend
16 point	-5.8%	9.2%	2.8%
12 point	0.4%	8.9%	9.3%
8 point	12.6%	13.2%	27.5%
4 point	-0.2%	-8.5%	-8.7%
Historical Selected	0.0%	8.0%	8.0%
Prospective Selected	1.0%	1.5%	2.5%

Year Ending	Loss Trend Factor **
9/30/2003	1.483
9/30/2004	1.373
9/30/2005	1.271
9/30/2006	1.177
9/30/2007	1.090

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.3

Coverage: Comprehensive

Comprehensive *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	16.556					1,529					253.13				
9/30/2003	15.482					1,184					183.33				
12/31/2003	15.690					1,223					191.87				
3/31/2004	15.292	15.290				1,100	1,295				168.21	198.08			
6/30/2004	15.615	14.892				1,162	1,349				181.42	200.86			
9/30/2004	15.587	14.505				1,421	1,404				221.52	203.68			
12/31/2004	14.612	14.127				1,707	1,462				249.43	206.54			
3/31/2005	13.618	13.759	12.991			2,088	1,522	1,646			284.29	209.44	213.89		
6/30/2005	13.031	13.401	12.756			2,148	1,585	1,694			279.88	212.38	216.04		
9/30/2005	12.735	13.053	12.525			1,896	1,650	1,742			241.45	215.37	218.21		
12/31/2005	12.230	12.713	12.299			1,624	1,718	1,792			198.64	218.39	220.41		
3/31/2006	12.217	12.382	12.077	11.414		1,324	1,789	1,843	1,317		161.71	221.46	222.63	150.27	
6/30/2006	11.300	12.060	11.859	11.358		1,362	1,862	1,896	1,467		153.94	224.56	224.87	166.58	
9/30/2006	10.653	11.746	11.644	11.302		1,584	1,939	1,951	1,634		168.74	227.72	227.13	184.65	
12/31/2006	10.999	11.440	11.434	11.246		1,879	2,018	2,006	1,820		206.66	230.92	229.42	204.68	
3/31/2007	10.822	11.143	11.227	11.191	10.948	2,231	2,101	2,064	2,028	2,278	241.49	234.16	231.73	226.89	249.35
6/30/2007	11.254	10.853	11.024	11.135	11.088	2,461	2,188	2,123	2,259	2,375	276.99	237.45	234.06	251.51	263.30
9/30/2007	11.288	10.570	10.825	11.080	11.231	2,450	2,278	2,184	2,516	2,476	276.55	240.78	236.41	278.79	278.02
12/31/2007	11.280	10.295	10.630	11.026	11.375	2,568	2,372	2,246	2,803	2,581	289.66	244.16	238.79	309.04	293.56

Comprehensive	Frequency	Severity	Pure Premium Trend
16 point	-10.0%	17.5%	5.7%
12 point	-7.0%	12.0%	4.1%
8 point	-2.0%	54.0%	51.0%
4 point	5.2%	18.1%	24.3%
Historical Selected	-4.0%	4.0%	-0.2%
Prospective Selected	1.0%	4.0%	5.0%

Year Ending	Loss Trend Factor **
9/30/2003	1.091
9/30/2004	1.093
9/30/2005	1.095
9/30/2006	1.096
9/30/2007	1.098

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.4

Coverage: Medical Payments

Medical Payments *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	0.184					1,204					2.21				
9/30/2003	0.177					2,044					3.61				
12/31/2003	0.174					1,612					2.81				
3/31/2004	0.148	0.125				2,749	2,100				4.08	2.63			
6/30/2004	0.127	0.123				2,836	2,072				3.60	2.54			
9/30/2004	0.117	0.120				3,903	2,045				4.58	2.45			
12/31/2004	0.127	0.117				3,964	2,018				5.05	2.37			
3/31/2005	0.131	0.115	0.103			3,147	1,991	974			4.11	2.29	1.00		
6/30/2005	0.086	0.112	0.102			770	1,965	1,063			0.66	2.21	1.09		
9/30/2005	0.101	0.110	0.102			774	1,939	1,161			0.78	2.13	1.18		
12/31/2005	0.083	0.107	0.101			708	1,913	1,268			0.59	2.06	1.28		
3/31/2006	0.074	0.105	0.100	0.105		658	1,888	1,384	1,207		0.49	1.98	1.39	1.27	
6/30/2006	0.124	0.103	0.100	0.104		2,629	1,863	1,511	1,377		3.26	1.92	1.51	1.43	
9/30/2006	0.108	0.101	0.099	0.102		1,847	1,839	1,650	1,571		1.99	1.85	1.64	1.61	
12/31/2006	0.113	0.098	0.099	0.101		1,452	1,814	1,802	1,793		1.65	1.78	1.77	1.81	
3/31/2007	0.126	0.096	0.098	0.099	0.119	2,107	1,790	1,967	2,046	2,307	2.65	1.72	1.92	2.03	2.75
6/30/2007	0.097	0.094	0.097	0.098	0.104	2,986	1,767	2,148	2,334	2,433	2.89	1.66	2.09	2.28	2.53
9/30/2007	0.089	0.092	0.097	0.096	0.091	2,239	1,743	2,345	2,663	2,567	1.99	1.60	2.26	2.57	2.33
12/31/2007	0.082	0.090	0.096	0.095	0.079	2,770	1,720	2,560	3,038	2,708	2.27	1.55	2.46	2.89	2.14

Medical Payments	Frequency	Severity	Pure Premium Trend
16 point	-8.5%	-5.2%	-13.2%
12 point	-2.6%	42.1%	38.4%
8 point	-5.6%	69.5%	60.0%
4 point	-42.2%	23.8%	-28.4%
Historical Selected	-2.0%	7.0%	4.9%
Prospective Selected	-3.0%	7.0%	3.8%

Year Ending	Loss Trend Factor **
9/30/2003	1.330
9/30/2004	1.268
9/30/2005	1.209
9/30/2006	1.153
9/30/2007	1.100

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.5

Coverage: Property Damage

Property Damage *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	1.437					2,562					36.82				
9/30/2003	1.556					2,727					42.43				
12/31/2003	1.469					2,640					38.79				
3/31/2004	1.443	1.445				2,545	1,927				36.73	27.85			
6/30/2004	1.566	1.430				1,671	1,917				26.18	27.41			
9/30/2004	1.415	1.414				2,535	1,907				35.87	26.97			
12/31/2004	1.408	1.399				2,465	1,897				34.69	26.54			
3/31/2005	1.486	1.384	1.331			2,412	1,887	1,452			35.85	26.12	19.34		
6/30/2005	1.456	1.369	1.325			3,005	1,877	1,499			43.74	25.71	19.86		
9/30/2005	1.352	1.355	1.318			1,760	1,867	1,548			23.80	25.30	20.40		
12/31/2005	1.346	1.340	1.311			828	1,857	1,598			11.14	24.90	20.96		
3/31/2006	1.195	1.326	1.304	1.096		896	1,848	1,650	915		10.70	24.50	21.52	10.03	
6/30/2006	1.156	1.312	1.298	1.136		677	1,838	1,704	1,092		7.82	24.11	22.11	12.40	
9/30/2006	1.119	1.298	1.291	1.177		1,436	1,828	1,759	1,302		16.07	23.73	22.71	15.32	
12/31/2006	1.101	1.284	1.284	1.219		2,337	1,819	1,816	1,553		25.74	23.35	23.33	18.93	
3/31/2007	1.217	1.270	1.278	1.263	1.232	2,370	1,809	1,875	1,853	2,430	28.85	22.98	23.96	23.40	29.93
6/30/2007	1.344	1.257	1.271	1.308	1.308	2,575	1,800	1,936	2,210	2,417	34.62	22.62	24.61	28.91	31.61
9/30/2007	1.363	1.243	1.265	1.355	1.389	2,280	1,790	1,998	2,636	2,403	31.07	22.26	25.28	35.73	33.38
12/31/2007	1.480	1.230	1.258	1.404	1.475	2,424	1,781	2,063	3,145	2,390	35.87	21.90	25.96	44.16	35.25

Property Damage	Frequency	Severity	Pure Premium Trend
16 point	-4.2%	-2.1%	-6.2%
12 point	-2.0%	13.6%	11.3%
8 point	15.2%	102.5%	133.2%
4 point	27.1%	-2.2%	24.4%
Historical Selected	0.0%	3.0%	3.0%
Prospective Selected	4.0%	0.0%	4.0%

Year Ending	Loss Trend Factor **
9/30/2003	1.232
9/30/2004	1.196
9/30/2005	1.161
9/30/2006	1.127
9/30/2007	1.094

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.6

Coverage: Personal Injury Protection

Personal Injury Protection *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	0.154					4,230					6.49				
9/30/2003	0.176					-4,715					-8.28				
12/31/2003	0.233					6,678					15.55				
3/31/2004	0.210	0.260				5,786					12.16				
6/30/2004	0.252	0.241				2,452					6.18				
9/30/2004	0.215	0.223				8,481					18.22				
12/31/2004	0.207	0.206				-6,909					-14.28				
3/31/2005	0.212	0.191	0.209			-4,996					-10.59				
6/30/2005	0.152	0.177	0.191			-3,808					-5.79				
9/30/2005	0.216	0.164	0.174			262					0.57				
12/31/2005	0.177	0.152	0.159			5,393					9.54				
3/31/2006	0.176	0.140	0.146	0.140		3,113			3,892		5.47			5.47	
6/30/2006	0.138	0.130	0.133	0.129		4,922			4,876		6.77			6.30	
9/30/2006	0.100	0.120	0.122	0.119		4,341			6,110		4.34			7.26	
12/31/2006	0.088	0.111	0.111	0.109		16,863			7,656		14.78			8.37	
3/31/2007	0.088	0.103	0.102	0.101	0.093	10,883			9,593	10,225	9.56			9.64	9.47
6/30/2007	0.100	0.096	0.093	0.092	0.092	10,078			12,020	11,808	10.13			11.11	10.81
9/30/2007	0.088	0.088	0.085	0.085	0.091	15,525			15,061	13,637	13.69			12.81	12.35
12/31/2007	0.088	0.082	0.077	0.078	0.090	15,229			18,871	15,750	13.45			14.76	14.10

Personal Injury Protection	Frequency	Severity	Pure Premium Trend
16 point	-26.5%		
12 point	-30.3%		
8 point	-28.4%	146.5%	76.4%
4 point	-4.4%	77.9%	70.0%
Historical Selected	0.0%	5.0%	5.0%
Prospective Selected	-1.0%	5.0%	4.0%

Year Ending	Loss Trend Factor **
9/30/2003	1.342
9/30/2004	1.278
9/30/2005	1.217
9/30/2006	1.159
9/30/2007	1.104

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Motorhome Loss Trend Calculation
Arkansas

Exhibit 6.7

Coverage: Uninsured Motorist

Uninsured Motorist *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	0.043					20,842					9.04				
9/30/2003	0.026					38,507					10.04				
12/31/2003	0.039					25,417					10.01				
3/31/2004	0.056	0.056				29,782	33,630				16.57	18.81			
6/30/2004	0.058	0.053				38,243	36,188				22.06	19.20			
9/30/2004	0.065	0.050				26,450	38,939				17.28	19.59			
12/31/2004	0.075	0.048				64,783	41,900				48.47	20.00			
3/31/2005	0.049	0.045	0.034			77,558	45,087	46,478			38.26	20.41	15.92		
6/30/2005	0.041	0.043	0.034			71,195	48,515	49,750			28.98	20.83	16.80		
9/30/2005	0.027	0.041	0.033			111,552	52,204	53,252			30.08	21.26	17.73		
12/31/2005	0.031	0.039	0.033			27,601	56,174	57,000			8.55	21.69	18.71		
3/31/2006	0.026	0.037	0.032	0.025		20,656	60,445	61,012	30,550		5.39	22.14	19.74	7.73	
6/30/2006	0.030	0.035	0.032	0.026		29,791	65,042	65,307	38,606		8.95	22.59	20.84	10.23	
9/30/2006	0.030	0.033	0.031	0.028		35,052	69,988	69,904	48,788		10.41	23.06	21.99	13.53	
12/31/2006	0.021	0.031	0.031	0.029		152,243	75,310	74,825	61,654		31.87	23.53	23.20	17.91	
3/31/2007	0.029	0.030	0.031	0.030	0.030	131,625	81,036	80,092	77,914	154,432	38.05	24.02	24.49	23.70	45.85
6/30/2007	0.033	0.028	0.030	0.032	0.032	141,073	87,199	85,729	98,461	125,285	46.07	24.51	25.84	31.36	40.25
9/30/2007	0.036	0.027	0.030	0.033	0.035	129,469	93,829	91,764	124,428	101,639	47.19	25.02	27.27	41.50	35.34
12/31/2007	0.036	0.025	0.029	0.035	0.038	67,448	100,964	98,223	157,242	82,455	24.47	25.53	28.78	54.92	31.03

Uninsured Motorist	Frequency	Severity	Pure Premium Trend
16 point	-19.1%	34.1%	8.5%
12 point	-5.5%	31.3%	24.0%
8 point	20.3%	155.0%	206.7%
4 point	37.2%	-56.7%	-40.6%
Historical Selected	0.0%	6.5%	6.5%
Prospective Selected	3.1%	3.5%	6.7%

Year Ending	Loss Trend Factor **
9/30/2003	1.504
9/30/2004	1.412
9/30/2005	1.326
9/30/2006	1.245
9/30/2007	1.169

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
 Loss + ALAE Development Factors
Motorhome and Travel Trailer
 All Physical Damage Coverages
 Countrywide Consolidated American Modern Insurance Group Data

Indicated Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Wtd Averages																			
All Qtrs	1.106	0.986	0.994	0.999	0.996	0.995	1.002	0.999	0.999	0.999	1.001	0.999	1.000	0.997	1.000	1.000	1.001	1.000	0.976
4 Point	1.103	0.975	0.993	1.003	0.992	0.997	1.007	0.999	0.999	0.999	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.976
8 Point	1.074	0.980	0.989	1.001	0.997	0.994	1.008	0.998	0.999	0.999	1.002	0.999	0.920	0.909	0.884				
12 Point	1.092	0.983	0.990	1.000	0.996	0.994	1.005	0.999	0.948	0.943	0.936								
Avg (4,8)	1.089	0.977	0.991	1.002	0.994	0.996	1.007	0.998	0.999	0.999	1.002	0.999	0.960	0.952	0.942	1.000	1.001	1.000	0.976
Arithmetic Averages																			
All Qtrs	1.100	0.987	0.992	0.998	0.997	0.994	1.003	0.999	0.999	0.999	1.001	0.999	1.000	0.998	1.000	1.000	1.001	1.000	0.976
4 Point	1.106	0.974	0.992	1.003	0.993	0.997	1.012	0.999	0.998	0.998	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.976
8 Point	1.079	0.976	0.991	1.000	0.995	0.994	1.007	0.998	0.999	0.999	1.001	0.999	1.000	0.998	1.000				
12 Point	1.096	0.982	0.990	0.997	0.996	0.994	1.004	0.999	0.999	0.999	1.001								
8 Pt H/L	1.080	0.980	0.992	1.003	0.997	0.995	1.002	0.999	0.999	0.999	1.000	1.000	0.833	0.666	0.500				
12 Pt H/L	1.090	0.983	0.993	0.998	0.997	0.995	1.000	1.000	0.899	0.800	0.700								
Geometric Averages																			
All Qtrs	1.098	0.987	0.992	0.998	0.997	0.994	1.003	0.999	0.999	0.999	1.001	0.999	1.000	0.998	1.000	1.000	1.001	1.000	0.976
4 Point	1.105	0.974	0.991	1.003	0.993	0.997	1.012	0.999	0.998	0.998	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.994
8 Point	1.078	0.976	0.990	1.000	0.995	0.994	1.007	0.998	0.999	0.999	1.001	0.999	1.000	0.998	1.000				
12 Point	1.094	0.982	0.989	0.997	0.996	0.994	1.004	0.999	0.999	0.999	1.001								

Selected Factors

Selection:

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Age-to-Age Factors	1.089	0.985	0.993	1.020	0.980	0.994	1.000	1.003	0.997	1.000	1.003	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Ultimates																			
	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult
Quarterly Age-to-Ult Factors	1.055	0.969	0.984	0.991	0.972	0.992	0.998	0.998	0.996	0.998	0.999	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult				
Wtd Annual Age-to-Ult Factors	0.996	0.977	0.985	0.989	0.990	0.996	0.998	0.998	0.997	0.998	0.999	0.999	1.000	1.000	1.000				

**American Family Home Ins. Co.
Arkansas**

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

Consolidated American Modern Insurance Group Data

Calendar Year	2006	2005	2004
ULAE Incurred	15,194,970	13,597,575	14,164,401
Adjusted Loss+ALAE Incurred	307,266,292	469,391,596	346,919,324
Ratio to Incurred Loss+ALAE	4.9%	2.9%	4.1%
3 Year Average	4.0%		

Selected ULAE Factor: **1.040**

American Family Home Ins. Co.

Exhibit 9.1

State: Arkansas
 Product: Motorhome
 Liability Coverage

Determination of Permissible Loss Ratio

	Calendar Year			Budget 2007	Selected
	2004	2005	2006		
(1) Pre-Paid Commissions	17.6%	18.7%	18.4%		18.5%
(1a) Contingent Commissions	2.4%	3.7%	8.7%	2.3%	2.3%
(2) Other Acquisition Expense (Consolidated AMIG)	5.0%	6.1%	6.1%	6.1%	6.1%
(3) General Expense (Consolidated AMIG)	14.4%	14.9%	14.4%	14.2%	14.3%
(4) Taxes, Licenses and Fees	3.3%	3.2%	4.1%		3.5%
(5) Total Expense					46.5%

Profit Loading Provision

(6a) After Tax Return on Equity Goal			16.5%	
(6b) Target Premium to Surplus Ratio			2.3:1	
(6c) After Tax Return on Premium [(6a)/(6b)]			7.2%	
(6d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)			8.8%	
(6e) After Tax Return Needed from Underwriting Profit [(6c)-(6d)]			-1.6%	
(6f) Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]			-2.5%	
(6) Selected Profit Loading Provision				-2.5%
(7) Total Expenses and Profit Provision [(5) + (6)]				43.9%
(8) Permissible Loss+LAE Ratio [1.000 - (7)]				56.1%

Data applied to calculate commission ratio:

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Motorhome Written Premium	55,084	78,657	99,880
AFHC Arkansas Motorhome Paid Commission	9,708	14,693	18,366

Data applied to calculate taxes, licenses and fees:

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Earned Premium from all Lines of AS	7,694,387	8,924,851	8,792,179
AFHC Arkansas Taxes, licenses, and fees from all Lines of AS	250,923	285,390	360,628

American Family Home Ins. Co.

Exhibit 9.2

State: Arkansas

Product: Motorhome

Physical Damage Coverage

Determination of Permissible Loss Ratio

	Calendar Year			Budget 2007	Selected
	2004	2005	2006		
(1) Pre-Paid Commissions	17.6%	18.7%	18.4%		18.5%
(1a) Contingent Commissions	2.4%	3.7%	8.7%	2.3%	2.3%
(2) Other Acquisition Expense (Consolidated AMIG)	5.0%	6.1%	6.1%	6.1%	6.1%
(3) General Expense (Consolidated AMIG)	14.4%	14.9%	14.4%	14.2%	14.3%
(4) Taxes, Licenses and Fees	3.3%	3.2%	4.1%		3.5%
(6) Total Expense					45.4%

Profit Loading Provision

(7a) After Tax Return on Equity Goal	16.5%
(7b) Target Premium to Surplus Ratio	2.3:1
(7c) After Tax Return on Premium [(7a)/(7b)]	7.2%
(7d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)	2.5%
(7e) After Tax Return Needed from Underwriting Profit [(7c)-(7d)]	4.7%
(7f) Before Tax Return Needed from Underwriting Profit [(7e)/(1.000-0.35)]	7.2%
(7) Selected Profit Loading Provision	7.2%

(8) Total Expenses and Profit Provision [(6) + (7)]	52.6%
(9) Permissible Loss+LAE Ratio [1.000 - (8)]	47.4%

Data applied to calculate commission ratio:

AFHC Arkansas Motorhome Written Premium
AFHC Arkansas Motorhome Paid Commission

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Motorhome Written Premium	55,084	78,657	99,880
AFHC Arkansas Motorhome Paid Commission	9,708	14,693	18,366

Data applied to calculate taxes, licenses and fees:

AFHC Arkansas Earned Premium from all Lines of AS
AFHC Arkansas Taxes, licenses, and fees from all Lines of AS

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Earned Premium from all Lines of AS	7,694,387	8,924,851	8,792,179
AFHC Arkansas Taxes, licenses, and fees from all Lines of AS	250,923	285,390	360,628

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.1

Complement of Credibility Calculation for Bodily Injury.

(1) Permissible Loss & LAE Ratio	0.560
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	0.00%
(6) Annual Loss Trend	7.33%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	7.33%
(8) Selected Trend Factor	1.058
(9) Trended Permissible Loss & LAE Ratio	0.593

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.2

Complement of Credibility Calculation for Collision.

(1) Permissible Loss & LAE Ratio	0.474
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-1.50%
(6) Annual Loss Trend	2.52%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	4.08%
(8) Selected Trend Factor	1.032
(9) Trended Permissible Loss & LAE Ratio	0.490

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.3

Complement of Credibility Calculation for Comprehensive.

(1) Permissible Loss & LAE Ratio	0.474
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	2.50%
(6) Annual Loss Trend	5.04%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	2.48%
(8) Selected Trend Factor	1.020
(9) Trended Permissible Loss & LAE Ratio	0.484

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.4

Complement of Credibility Calculation for Medical Payments.

(1) Permissible Loss & LAE Ratio	0.560
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	0.00%
(6) Annual Loss Trend	3.79%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	3.79%
(8) Selected Trend Factor	1.030
(9) Trended Permissible Loss & LAE Ratio	0.577

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.5

Complement of Credibility Calculation for Property Damage.

(1) Permissible Loss & LAE Ratio	0.560
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-1.50%
(6) Annual Loss Trend	4.00%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	5.58%
(8) Selected Trend Factor	1.044
(9) Trended Permissible Loss & LAE Ratio	0.585

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.6

Complement of Credibility Calculation for Personal Injury Protection.

(1) Permissible Loss & LAE Ratio	0.560
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	3.00%
(6) Annual Loss Trend	3.95%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	0.92%
(8) Selected Trend Factor	1.007
(9) Trended Permissible Loss & LAE Ratio	0.564

American Family Home Ins. Co.
Motorhome Rate Level Indication Summary
Arkansas

Exhibit 10.7

Complement of Credibility Calculation for Uninsured Motorist.

(1) Permissible Loss & LAE Ratio	0.560
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-3.00%
(6) Annual Loss Trend	6.71%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	10.01%
(8) Selected Trend Factor	1.079
(9) Trended Permissible Loss & LAE Ratio	0.604

Estimated Investment Earnings on Unearned Premium and Loss Reserves

	Liability	Phys Dam
A. Unearned Premium Reserve		
(1) Direct Earned Premium for 2006	\$25,917,149	\$336,188,499
(2) Mean Unearned Premium Reserve Ratio	53.9%	54.4%
(3) Mean Unearned Premium Reserve (1) x (2)	\$13,980,492	\$182,926,967
(4) Deduction for Prepaid Expenses and Federal Taxes Payable		
(a) Commission	20.8%	20.8%
(b) 50% of Other Acquisition	3.0%	3.0%
(c) 50% of General Expenses	7.2%	7.2%
(d) Taxes, Licenses, and Fees	3.5%	3.5%
(e) Reinsurance Expense	0.9%	0.9%
(f) Subtotal	35.5%	35.5%
(g) Federal Taxes Payable	7.0%	7.0%
(4T) Total Deductions	42.5%	42.5%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$8,044,341	\$105,255,727
B. Delayed Remission of Premium (Agent's Balances)		
(1) Agent's Balance or Uncollected Premium to Unearned Premium		
(a) Average Agent's Balance	\$124,288,418	\$124,288,418
(b) Direct Unearned Premium 2006 (All Lines)	\$394,423,161	\$394,423,161
(c) Ratio (a) / (b)	31.5%	31.5%
(d) Direct Unearned Premium 2006 (ASLOB 19.1 & 19.2 & 21.1 Priv. Pass. Auto liability and PD)	\$11,482,585	\$188,363,864
(2) Delayed Remission (1c) x (1d)	\$3,618,328	\$59,356,166
C. Loss and Loss Adjustment Expense Reserve		
(1) Expected Loss and Loss Adjustment Expense Ratio	56.1%	47.4%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$14,532,896	\$159,461,903
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE		
(a) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	502.0%	21.4%
(b) 2004 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	114.0%	11.9%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	308.0%	16.6%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$42,880,924	\$25,410,669
D. Net Subject to Investment	\$47,306,937	\$71,310,231
(A.5) - (B.2) + (C.4)		
E. Before Tax Rate of Return	5.0%	5.0%
[(Appendix A-10, Page 3)]		
F. Average Rate of Return as a % of Direct Earned Premium	9.1%	1.1%
[(D) x (E)] / (A.1)]		
G. Before Tax Investment Income Return (Including Surplus)	11.3%	3.2%
(F) + [(E) x (1.0/Premium to Surplus Ratio)]		
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1) Average Federal Tax Rate on Inv. Inc. (Appendix A-10, Page 2)	22.3%	22.3%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	8.8%	2.5%

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2004-2006 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$53,722,932	48.7%	35.0%	17.0%
- Tax Exempt Municipal	\$35,250,174	31.9%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired after 1987	\$17,021,019	15.4%	14.2%	2.2%
Short-Term Investments	\$4,348,938	3.9%	35.0%	1.4%
Total	\$110,343,063	100.0%		22.3%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2007 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1995	5.5%
1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
Twelve Year Average	4.8%
Latest Six Year Average	4.7%
Latest Year	4.5%
Projected 2007 (12 Year Trend)	4.4%
Projected 2007 (6 Year Trend)	4.1%

Selected 2007 Rate of Return

Before Tax	5.0%
After Tax [(1-0.223) x 5%]	3.9%

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for Personal Auto Liability and Physical Damage written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by the average of the last two years unearned premiums for American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's statewide data as shown in Exhibit 9 (Permissible Loss Ratio).

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average agent's balances as a percentage of Direct Unearned Premium **2006** (All Lines).

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

The Expected Mean Loss Reserves include an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is ($.12 \times .35 = .042$), and the appropriate adjustment is $.958 (1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for **2004-2006** for the American Modern Insurance Group.

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 1

Proposed Effective Date: 9/1/2008

	(1)	(2)	(3)
	Premium in Force	Premium in Force	Credibility
Coverage	As of: 12/31/2007	Distribution	Weighted Indicated Rate Change
All Liability	2,191	1.4%	-8.5%
Collision	47,343	29.4%	-0.1%
Comprehensive	111,595	69.3%	16.2%
Total Premium in Force:	161,129		

Arkansas Indicated Rate Change: 11.1%

General:

The purpose of this report is to evaluate the rate level adequacy of the Motorhome product in this state. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods.

Assumptions & Methodologies:

1. On Exhibits 1 and 2, we show the overall rate indication for the Motorhome product. We describe the data adjustments used in these exhibits in the succeeding paragraphs.

2. Earned premiums are adjusted to the current rate levels by program and then trended, using the factors described below:

(a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned equally throughout experience quarters, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes affecting the experience period and the resulting Rate Level Adjustment Factors.

(b) The Premium Trend Factor projects the current level premium in our experience period to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to 4 years (16 groups of rolling four quarters) current level average premiums by coverage for the state. Historical and a prospective premium trend factors are selected for each coverage. The historical factor is applied using a time period from the midpoint of the experience period to the ending date of the last experience period. The prospective factor is applied from the ending date of the last experience period to the midpoint of the time the rates are anticipated to be in effect.

3. We adjust incurred losses using the factors described below.

(a) Catastrophic Losses (including alae). Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average. Our methodology is based on the relative stability of non-catastrophe losses, and we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.

- (b) The Loss+ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting an exponential curve to 5 years (20 groups of rolling 4 quarters) of frequency and severity trends. These are multiplied together to obtain the pure premium trend. We use countrywide consolidated AMIG data to develop the frequency, severity and pure premiums shown on Exhibit 6.
- (c) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group countrywide Motorhome losses. We calculate quarterly factors and weight them together using the incurred losses to get annual numbers. See Exhibit 7.
- (d) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.

4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 1084 Claim Counts as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.

5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 11, pages 1-3, shows the computation of return on investment income. Exhibit 11, Page 4 provides a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 2.1

Coverage: All Liability

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	1,808	1.000	1,808	1.166	2,108	8
9/30/2006	1,854	1.000	1,854	1.080	2,002	7
9/30/2007	2,188	1.000	2,188	1.000	2,188	7

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	449	0	1.000	449	0.724	0.980
9/30/2006	120	0	1.000	120	0.779	0.984
9/30/2007	0	0	1.000	0	0.838	1.104

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	331	0.157	0.250	2
9/30/2006	1.040	96	0.048	0.350	1
9/30/2007	1.040	0	0.000	0.400	0

Weighted Experience Loss & LAE Ratio	0.056
Permissible Loss & LAE Ratio	0.459
Loss Ratio Trend Factor	0.959
Trended Permissible Loss Ratio used as complement of credibility	0.440
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.053
Credibility-Weighted Loss & LAE Ratio	0.420
Credibility-Weighted Indicated Rate Level Change	-8.5%

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas
Coverage: Collision

Exhibit 2.2

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	35,788	1.508	53,978	0.766	41,333	303
9/30/2006	34,830	1.360	47,361	0.832	39,420	313
9/30/2007	41,993	1.274	53,479	0.905	48,382	388

Accident Year	(7) Non-Catastrophe Incurred Loss+ALAE	(8) Catastrophe Loss+ALAE	(9) Catastrophe Factor	(10) Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor
9/30/2005	31,418	0	1.000	31,418	0.806	0.998
9/30/2006	6,528	0	1.000	6,528	0.857	0.996
9/30/2007	32,444	0	1.000	32,444	0.911	0.977

Accident Year	(13) ULAE Factor	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts
9/30/2005	1.040	26,293	0.636	0.250	4
9/30/2006	1.040	5,793	0.147	0.350	3
9/30/2007	1.040	30,038	0.621	0.400	10

Weighted Experience Loss & LAE Ratio	0.459
Permissible Loss & LAE Ratio	0.459
Loss Ratio Trend Factor	0.999
Trended Permissible Loss Ratio used as complement of credibility	0.458
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.125
Credibility-Weighted Loss & LAE Ratio	0.458
Credibility-Weighted Indicated Rate Level Change	-0.1%

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 2.3

Coverage: Comprehensive

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures
9/30/2005	68,079	1.751	119,220	0.766	91,291	305
9/30/2006	74,339	1.314	97,716	0.832	81,331	313
9/30/2007	99,968	1.071	107,076	0.905	96,871	388

	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year	Non-Catastrophe Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)x(9)}	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor
9/30/2005	123,267	5,199	1.096	135,080	0.749	0.998
9/30/2006	88,985	39,156	1.096	97,513	0.821	0.996
9/30/2007	27,597	0	1.096	30,242	0.901	0.977

	(13)	(14)	(15)	(16)	(17)
Accident Year	ULAE Factor	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
9/30/2005	1.040	104,991	1.150	0.250	18
9/30/2006	1.040	82,895	1.019	0.350	31
9/30/2007	1.040	27,668	0.286	0.400	18

Weighted Experience Loss & LAE Ratio	0.758
Permissible Loss & LAE Ratio	0.459
Loss Ratio Trend Factor	1.000
Trended Permissible Loss Ratio used as complement of credibility	0.459
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.249
Credibility-Weighted Loss & LAE Ratio	0.533
Credibility-Weighted Indicated Rate Level Change	16.2%

**American Family Home Ins. Co.
Rate Level Adjustment Factors
Arkansas**

Exhibit 3

Rate Impacts:			
Date	LIAB	COLL	COMP
11/15/07	0.0%	26.6%	3.4%
08/01/06	0.0%	1.8%	11.5%
10/01/05	0.0%	9.8%	26.3%
04/01/05	0.0%	7.4%	23.5%
12/01/03	0.0%	10.4%	10.4%

Earned Premiums:			
Date	LIAB	COLL	COMP
9/30/2005	1,808	35,788	68,079
9/30/2006	1,854	34,830	74,339
9/30/2007	2,188	41,993	99,968

Rate Level Adjustment Factors:			
Date	LIAB	COLL	COMP
9/30/2005	1.000	1.508	1.751
9/30/2006	1.000	1.360	1.314
9/30/2007	1.000	1.274	1.071

Current Level Earned Premiums:			
Date	LIAB	COLL	COMP
9/30/2005	1,808	53,978	119,220
9/30/2006	1,854	47,361	97,716
9/30/2007	2,188	53,479	107,076

American Family Home Ins. Co.
Travel Trailer Premium Trend Calculation
Arkansas
Coverage: All Liability

Exhibit 4.1

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	717.36					
3/31/2004	495.99	322.15				
6/30/2004	414.54	317.49				
9/30/2004	324.13	312.90				
12/31/2004	279.24	308.38				
3/31/2005	252.52	303.92	228.99			
6/30/2005	229.52	299.53	235.33			
9/30/2005	228.13	295.20	241.84			
12/31/2005	239.22	290.93	248.54			
3/31/2006	243.67	286.73	255.41	254.51		
6/30/2006	251.26	282.58	262.48	262.04		
9/30/2006	270.77	278.50	269.75	269.80	287.41	
12/31/2006	291.77	274.47	277.21	277.78	290.17	
3/31/2007	309.91	270.50	284.88	286.00	292.96	314.85
6/30/2007	310.17	266.59	292.77	294.46	295.77	305.71
9/30/2007	302.40	262.74	300.87	303.17	298.61	296.84
12/31/2007	283.31	258.94	309.20	312.14	301.48	288.22

All Liability	Premium Trend
16 point	-5.7%
12 point	11.5%
8 point	12.4%
6 point	3.9%
4 point	-11.1%
Historical Selected	8.0%
Prospective Selected	-2.0%

Year Ending	Premium Trend Factor *
9/30/2003	1.360
9/30/2004	1.259
9/30/2005	1.166
9/30/2006	1.080
9/30/2007	1.000

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Travel Trailer Premium Trend Calculation
Arkansas
Coverage: Collision

Exhibit 4.2

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	152.84					
3/31/2004	157.62	178.37				
6/30/2004	161.77	175.45				
9/30/2004	166.73	172.59				
12/31/2004	171.01	169.77				
3/31/2005	174.74	166.99	184.41			
6/30/2005	178.26	164.26	178.78			
9/30/2005	178.14	161.58	173.32			
12/31/2005	174.49	158.94	168.03			
3/31/2006	168.20	156.34	162.90	164.13		
6/30/2006	159.53	153.79	157.93	158.73		
9/30/2006	151.30	151.27	153.11	153.52	150.00	
12/31/2006	144.64	148.80	148.44	148.47	146.13	
3/31/2007	141.00	146.37	143.91	143.59	142.36	142.23
6/30/2007	139.16	143.98	139.52	138.86	138.69	138.68
9/30/2007	137.86	141.63	135.26	134.30	135.11	135.23
12/31/2007	130.02	139.31	131.13	129.88	131.62	131.85

Collision	Premium Trend
16 point	-6.4%
12 point	-11.7%
8 point	-12.5%
6 point	-9.9%
4 point	-9.6%
Historical Selected	-8.0%
Prospective Selected	-3.0%

Year Ending	Premium Trend Factor *
9/30/2003	0.648
9/30/2004	0.704
9/30/2005	0.766
9/30/2006	0.832
9/30/2007	0.905

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Travel Trailer Premium Trend Calculation
Arkansas
Coverage: Comprehensive

Exhibit 4.3

Cal Yr End	Average Current Level Earned Premium					
	Actual	16 pt Fitted	12 pt Fitted	8 pt Fitted	6 pt Fitted	4 pt Fitted
12/31/2003	355.05					
3/31/2004	363.54	411.67				
6/30/2004	369.71	401.02				
9/30/2004	378.03	390.64				
12/31/2004	384.12	380.54				
3/31/2005	388.78	370.69	408.95			
6/30/2005	393.91	361.10	392.68			
9/30/2005	390.50	351.75	377.05			
12/31/2005	379.06	342.65	362.05			
3/31/2006	360.07	333.79	347.64	345.02		
6/30/2006	335.22	325.15	333.81	331.61		
9/30/2006	312.03	316.74	320.53	318.73	305.69	
12/31/2006	294.76	308.54	307.77	306.34	297.69	
3/31/2007	284.89	300.56	295.53	294.43	289.91	285.07
6/30/2007	280.25	292.78	283.77	282.99	282.33	280.25
9/30/2007	276.02	285.20	272.48	271.99	274.94	275.51
12/31/2007	270.51	277.82	261.63	261.42	267.75	270.85

Comprehensive	Premium Trend
16 point	-10.0%
12 point	-15.0%
8 point	-14.7%
6 point	-10.1%
4 point	-6.6%
Historical Selected	-8.0%
Prospective Selected	-3.0%

Year Ending	Premium Trend Factor *
9/30/2003	0.648
9/30/2004	0.704
9/30/2005	0.766
9/30/2006	0.832
9/30/2007	0.905

* The Premium Trend Factor uses the Historical Selected Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Travel Trailer Average Catastrophe Factor
 (Using American Modern Insurance Data)
 For Physical Damage
Arkansas

Accident Year	Non- Catastrophe Losses (1)	Catastrophe Losses (2)	Catastrophe Ratio (2)/(1)
1995	0	0	0.000
1996	0	0	0.000
1997	0	0	0.000
1998	0	0	0.000
1999	0	0	0.000
2000	0	0	0.000
2001	100	0	0.000
2002	64,432	0	0.000
2003	125,003	2,978	0.024
2004	121,985	3,228	0.026
2005	131,644	5,199	0.039
2006	87,278	39,156	0.449
2007	116,213	0	0.000

Weighted Average: 0.078
 Selected Catastrophe Factor: 1.078

American Family Home Ins. Co.
Travel Trailer Loss Trend Calculation
Arkansas

Exhibit 6.1

Coverage: All Liability

All Liability *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	1.222					1,601					19.57				
9/30/2003	1.102					3,356					36.99				
12/31/2003	1.317					2,403					31.64				
3/31/2004	1.180	1.513				2,656					31.34				
6/30/2004	1.323	1.545				1,870					24.75				
9/30/2004	1.666	1.578				1,327					22.11				
12/31/2004	1.762	1.611				1,184					20.86				
3/31/2005	1.645	1.645	1.865			302					4.96				
6/30/2005	1.727	1.680	1.869			154					2.65				
9/30/2005	1.551	1.716	1.873			-547					-8.49				
12/31/2005	1.839	1.752	1.877			542					9.97				
3/31/2006	2.445	1.789	1.881	2.457		334			518		8.16			12.71	
6/30/2006	2.456	1.827	1.885	2.315		362			503		8.89			11.65	
9/30/2006	2.413	1.865	1.888	2.181		1,085			489		26.18			10.68	
12/31/2006	2.057	1.905	1.892	2.055		436			476		8.97			9.78	
3/31/2007	1.737	1.945	1.896	1.936	1.556	723			463	701	12.55			8.96	10.91
6/30/2007	1.470	1.986	1.900	1.825	1.652	732			450	522	10.76			8.21	8.63
9/30/2007	1.595	2.028	1.904	1.719	1.755	181			438	389	2.88			7.53	6.83
12/31/2007	2.065	2.071	1.908	1.620	1.864	432			426	290	8.91			6.90	5.40

All Liability	Frequency	Severity	Pure Premium Trend
16 point	8.7%		
12 point	0.8%		
8 point	-21.2%	-10.5%	-29.5%
4 point	27.2%	-69.2%	-60.8%
Historical Selected	0.5%	-7.5%	-7.0%
Prospective Selected	0.5%	-7.5%	-7.0%

Year Ending	Loss Trend Factor **
9/30/2003	0.626
9/30/2004	0.673
9/30/2005	0.724
9/30/2006	0.779
9/30/2007	0.838

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Travel Trailer Loss Trend Calculation
Arkansas
Coverage: Collision

Exhibit 6.2

Collision *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	2.400					3,941					94.57				
9/30/2003	2.269					4,168					94.59				
12/31/2003	2.264					4,136					93.65				
3/31/2004	2.274	2.273				4,318	4,281				98.19	97.32			
6/30/2004	2.249	2.237				4,374	4,273				98.39	95.58			
9/30/2004	2.202	2.201				4,374	4,265				96.34	93.86			
12/31/2004	2.128	2.166				4,217	4,256				89.76	92.18			
3/31/2005	2.078	2.131	2.138			4,376	4,248	4,164			90.93	90.53	89.03		
6/30/2005	2.088	2.097	2.103			4,263	4,240	4,168			88.99	88.91	87.65		
9/30/2005	2.084	2.063	2.068			4,367	4,232	4,172			91.01	87.32	86.30		
12/31/2005	2.044	2.030	2.034			4,321	4,224	4,176			88.30	85.75	84.96		
3/31/2006	1.990	1.998	2.001	2.040		3,859	4,216	4,180	3,799		76.79	84.21	83.64	77.50	
6/30/2006	1.975	1.966	1.968	1.997		3,903	4,207	4,184	3,887		77.10	82.70	82.35	77.63	
9/30/2006	1.960	1.934	1.936	1.955		3,849	4,199	4,188	3,977		75.46	81.22	81.07	77.75	
12/31/2006	1.980	1.903	1.904	1.914		4,042	4,191	4,192	4,069		80.05	79.77	79.82	77.87	
3/31/2007	1.933	1.873	1.872	1.874	1.925	4,176	4,183	4,197	4,163	4,216	80.73	78.34	78.58	78.00	81.16
6/30/2007	1.831	1.843	1.842	1.834	1.850	4,358	4,175	4,201	4,260	4,292	79.77	76.93	77.36	78.12	79.41
9/30/2007	1.794	1.813	1.811	1.795	1.779	4,362	4,167	4,205	4,358	4,368	78.24	75.56	76.16	78.25	77.69
12/31/2007	1.707	1.784	1.782	1.758	1.710	4,427	4,159	4,209	4,459	4,446	75.55	74.20	74.98	78.37	76.02

Collision	Frequency	Severity	Pure Premium Trend
16 point	-6.3%	-0.8%	-7.0%
12 point	-6.4%	0.4%	-6.1%
8 point	-8.2%	9.6%	0.6%
4 point	-14.6%	7.3%	-8.4%
Historical Selected	-5.0%	-1.0%	-6.0%
Prospective Selected	-6.0%	3.0%	-3.2%

Year Ending	Loss Trend Factor **
9/30/2003	0.713
9/30/2004	0.758
9/30/2005	0.806
9/30/2006	0.857
9/30/2007	0.911

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
Travel Trailer Loss Trend Calculation
Arkansas
Coverage: Comprehensive

Exhibit 6.3

Comprehensive *															
4 Quarters Ending	Freq/100 Actual	Freq/100 16 pt Fit	Freq/100 12 pt Fit	Freq/100 8 pt Fit	Freq/100 4 pt Fit	Severity Actual	Severity 16 pt Fit	Severity 12 pt Fit	Severity 8 pt Fit	Severity 4 pt Fit	PP Actual	PP 16 pt Fit	PP 12 pt Fit	PP 8 pt Fit	PP 4 pt Fit
6/30/2003	6.532					2,160					141.11				
9/30/2003	6.226					2,070					128.89				
12/31/2003	6.169					1,945					119.98				
3/31/2004	5.777	5.536				1,947	1,893				112.48	104.82			
6/30/2004	5.440	5.402				1,792	1,920				97.49	103.72			
9/30/2004	5.383	5.272				1,762	1,947				94.85	102.62			
12/31/2004	5.077	5.145				1,872	1,974				95.04	101.54			
3/31/2005	4.960	5.020	4.895			1,900	2,001	2,147			94.22	100.47	105.10		
6/30/2005	4.812	4.899	4.795			2,132	2,029	2,156			102.58	99.41	103.35		
9/30/2005	4.791	4.781	4.696			2,131	2,057	2,164			102.10	98.36	101.64		
12/31/2005	4.599	4.666	4.600			2,414	2,086	2,173			111.03	97.32	99.95		
3/31/2006	4.545	4.553	4.506	4.400		2,417	2,115	2,181	2,306		109.87	96.29	98.29	101.46	
6/30/2006	4.415	4.443	4.414	4.334		2,238	2,144	2,190	2,282		98.79	95.28	96.66	98.90	
9/30/2006	4.132	4.336	4.323	4.268		2,458	2,174	2,199	2,259		101.59	94.27	95.06	96.41	
12/31/2006	4.166	4.231	4.235	4.204		2,092	2,205	2,208	2,235		87.13	93.28	93.48	93.98	
3/31/2007	3.999	4.129	4.148	4.140	3.977	2,010	2,235	2,216	2,212	1,999	80.36	92.29	91.93	91.61	79.48
6/30/2007	3.974	4.029	4.063	4.078	4.017	2,082	2,266	2,225	2,190	2,101	82.72	91.32	90.40	89.30	84.39
9/30/2007	4.078	3.932	3.980	4.016	4.058	2,213	2,298	2,234	2,167	2,208	90.22	90.36	88.90	87.04	89.60
12/31/2007	4.100	3.837	3.898	3.956	4.099	2,325	2,330	2,243	2,145	2,321	95.32	89.40	87.43	84.85	95.13

Comprehensive	Frequency	Severity	Pure Premium Trend
16 point	-9.3%	5.7%	-4.2%
12 point	-7.9%	1.6%	-6.5%
8 point	-5.9%	-4.1%	-9.7%
4 point	4.1%	22.0%	27.1%
Historical Selected	-6.0%	-3.0%	-8.8%
Prospective Selected	0.0%	-3.0%	-3.0%

Year Ending	Loss Trend Factor **
9/30/2003	0.623
9/30/2004	0.683
9/30/2005	0.749
9/30/2006	0.821
9/30/2007	0.901

* Data shown is American Modern Insurance Group - Countrywide

** The Loss Trend Factor uses the Historical Selected Pure Premium Trend from the mid-point of the experience period to the end of the experience period multiplied by the Prospective Selected Pure Premium Trend from the end of the experience period to 12 months after the assumed effective date.

American Family Home Ins. Co.
 Loss + ALAE Development Factors
Motorhome and Travel Trailer
 All Physical Damage Coverages
 Countrywide Consolidated American Modern Insurance Group Data

Indicated Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Wtd Averages																			
All Qtrs	1.106	0.986	0.994	0.999	0.996	0.995	1.002	0.999	0.999	0.999	1.001	0.999	1.000	0.997	1.000	1.000	1.001	1.000	0.976
4 Point	1.103	0.975	0.993	1.003	0.992	0.997	1.007	0.999	0.999	0.999	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.976
8 Point	1.074	0.980	0.989	1.001	0.997	0.994	1.008	0.998	0.999	0.999	1.002	0.999	0.920	0.909	0.884				
12 Point	1.092	0.983	0.990	1.000	0.996	0.994	1.005	0.999	0.948	0.943	0.936								
Avg (4,8)	1.089	0.977	0.991	1.002	0.994	0.996	1.007	0.998	0.999	0.999	1.002	0.999	0.960	0.952	0.942	1.000	1.001	1.000	0.976
Arithmetic Averages																			
All Qtrs	1.100	0.987	0.992	0.998	0.997	0.994	1.003	0.999	0.999	0.999	1.001	0.999	1.000	0.998	1.000	1.000	1.001	1.000	0.976
4 Point	1.106	0.974	0.992	1.003	0.993	0.997	1.012	0.999	0.998	0.998	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.976
8 Point	1.079	0.976	0.991	1.000	0.995	0.994	1.007	0.998	0.999	0.999	1.001	0.999	1.000	0.998	1.000				
12 Point	1.096	0.982	0.990	0.997	0.996	0.994	1.004	0.999	0.999	0.999	1.001								
8 Pt H/L	1.080	0.980	0.992	1.003	0.997	0.995	1.002	0.999	0.999	0.999	1.000	1.000	0.833	0.666	0.500				
12 Pt H/L	1.090	0.983	0.993	0.998	0.997	0.995	1.000	1.000	0.899	0.800	0.700								
Geometric Averages																			
All Qtrs	1.098	0.987	0.992	0.998	0.997	0.994	1.003	0.999	0.999	0.999	1.001	0.999	1.000	0.998	1.000	1.000	1.001	1.000	0.976
4 Point	1.105	0.974	0.991	1.003	0.993	0.997	1.012	0.999	0.998	0.998	1.003	1.000	1.000	0.996	1.000	1.000	1.001	1.000	0.994
8 Point	1.078	0.976	0.990	1.000	0.995	0.994	1.007	0.998	0.999	0.999	1.001	0.999	1.000	0.998	1.000				
12 Point	1.094	0.982	0.989	0.997	0.996	0.994	1.004	0.999	0.999	0.999	1.001								

Selected Factors

Selection:

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Age-to-Age Factors	1.089	0.985	0.993	1.020	0.980	0.994	1.000	1.003	0.997	1.000	1.003	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Ultimates																			
	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult
Quarterly Age-to-Ult Factors	1.055	0.969	0.984	0.991	0.972	0.992	0.998	0.998	0.996	0.998	0.999	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult				
Wtd Annual Age-to-Ult Factors	0.996	0.977	0.985	0.989	0.990	0.996	0.998	0.998	0.997	0.998	0.999	0.999	1.000	1.000	1.000				

**American Family Home Ins. Co.
Arkansas**

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

Consolidated American Modern Insurance Group Data

Calendar Year	2006	2005	2004
ULAE Incurred	15,194,970	13,597,575	14,164,401
Adjusted Loss+ALAE Incurred	307,266,292	469,391,596	346,919,324
Ratio to Incurred Loss+ALAE	4.9%	2.9%	4.1%
3 Year Average	4.0%		

Selected ULAE Factor: **1.040**

American Family Home Ins. Co.

Exhibit 9.1

State: Arkansas
 Product: **Travel Trailer**
 Liability Coverage

Determination of Permissible Loss Ratio

	Calendar Year			Budget 2007	Selected
	2004	2005	2006		
(1) Pre-Paid Commissions	18.4%	19.1%	20.0%		19.6%
(1a) Contingent Commissions	2.4%	3.7%	8.7%	2.3%	2.3%
(2) Other Acquisition Expense (Consolidated AMIG)	5.1%	5.9%	5.9%	6.1%	6.0%
(3) General Expense (Consolidated AMIG)	14.5%	14.9%	14.4%	14.2%	14.3%
(4) Taxes, Licenses and Fees	3.3%	3.2%	4.1%		3.5%
(5) Total Expense					47.4%

Profit Loading Provision

(6a) After Tax Return on Equity Goal		16.5%
(6b) Target Premium to Surplus Ratio		2.3:1
(6c) After Tax Return on Premium [(6a)/(6b)]		7.2%
(6d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)		8.5%
(6e) After Tax Return Needed from Underwriting Profit [(6c)-(6d)]		-1.4%
(6f) Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]		-2.1%
(6) Selected Profit Loading Provision		-2.1%

(7) Total Expenses and Profit Provision [(5) + (6)]	45.3%
(8) Permissible Loss+LAE Ratio [1.000 - (7)]	54.7%

Data applied to calculate commission ratio:

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Travel Trailer Written Premium	105,167	99,394	135,173
AFHC Arkansas Travel Trailer Paid Commission	19,301	19,018	27,042

Data applied to calculate taxes, licenses and fees:

	Calendar Year		
	2004	2005	2006
AFHC Arkansas Earned Premium from all Lines of AS	7,694,387	8,924,851	8,792,179
AFHC Arkansas Taxes, licenses, and fees from all Lines of AS	250,923	285,390	360,628

American Family Home Ins. Co.

Exhibit 9.2

State: Arkansas

Product: **Travel Trailer**

Physical Damage Coverage

Determination of Permissible Loss Ratio

	Calendar Year			Budget 2007	Selected
	2004	2005	2006		
(1) Pre-Paid Commissions	18.4%	19.1%	20.0%		19.6%
(1a) Contingent Commissions	2.4%	3.7%	8.7%	2.3%	2.3%
(2) Other Acquisition Expense (Consolidated AMIG)	5.1%	5.9%	5.9%	6.1%	6.0%
(3) General Expense (Consolidated AMIG)	14.5%	14.9%	14.4%	14.2%	14.3%
(4) Taxes, Licenses and Fees	3.3%	3.2%	4.1%		3.5%
(6) Total Expense					46.7%

Profit Loading Provision

(7a) After Tax Return on Equity Goal	16.5%
(7b) Target Premium to Surplus Ratio	2.3:1
(7c) After Tax Return on Premium [(7a)/(7b)]	7.2%
(7d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)	2.5%
(7e) After Tax Return Needed from Underwriting Profit [(7c)-(7d)]	4.7%
(7f) Before Tax Return Needed from Underwriting Profit [(7e)/(1.000-0.35)]	7.2%
(7) Selected Profit Loading Provision	7.2%

(8) Total Expenses and Profit Provision [(6) + (7)]	53.9%
(9) Permissible Loss+LAE Ratio [1.000 - (8)]	46.1%

Data applied to calculate commission ratio:

AFHIC Arkansas Travel Trailer Written Premium
AFHIC Arkansas Travel Trailer Paid Commission

	Calendar Year		
	2004	2005	2006
AFHIC Arkansas Travel Trailer Written Premium	105,167	99,394	135,173
AFHIC Arkansas Travel Trailer Paid Commission	19,301	19,018	27,042

Data applied to calculate taxes, licenses and fees:

AFHIC Arkansas Earned Premium from all Lines of AS
AFHIC Arkansas Taxes, licenses, and fees from all Lines of AS

	Calendar Year		
	2004	2005	2006
AFHIC Arkansas Earned Premium from all Lines of AS	7,694,387	8,924,851	8,792,179
AFHIC Arkansas Taxes, licenses, and fees from all Lines of AS	250,923	285,390	360,628

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 10.1

Complement of Credibility Calculation for All Liability.

(1) Permissible Loss & LAE Ratio	0.459
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-2.00%
(6) Annual Loss Trend	-7.04%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	-5.14%
(8) Selected Trend Factor	0.959
(9) Trended Permissible Loss & LAE Ratio	0.440

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 10.2

Complement of Credibility Calculation for Collision.

(1) Permissible Loss & LAE Ratio	0.459
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-3.00%
(6) Annual Loss Trend	-3.18%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	-0.19%
(8) Selected Trend Factor	0.999
(9) Trended Permissible Loss & LAE Ratio	0.458

American Family Home Ins. Co.
Travel Trailer Rate Level Indication Summary
Arkansas

Exhibit 10.3

Complement of Credibility Calculation for Comprehensive.

(1) Permissible Loss & LAE Ratio	0.459
(2) Proposed Renewal Effective Date	9/1/2008
(3) Effective Date of Current Rates	11/15/2007
(4) Time Period in years $\{(2)-(3)\}/365$	0.797
(5) Annual Premium Trend	-3.00%
(6) Annual Loss Trend	-3.00%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	0.00%
(8) Selected Trend Factor	1.000
(9) Trended Permissible Loss & LAE Ratio	0.459

Estimated Investment Earnings on Unearned Premium and Loss Reserves

	Liability	Phys Dam
A. Unearned Premium Reserve		
(1) Direct Earned Premium for 2006	\$25,917,149	\$336,188,499
(2) Mean Unearned Premium Reserve Ratio	51.2%	54.4%
(3) Mean Unearned Premium Reserve (1) x (2)	\$13,256,774	\$182,926,967
(4) Deduction for Prepaid Expenses and Federal Taxes Payable		
(a) Commission	21.9%	21.9%
(b) 50% of Other Acquisition	3.0%	3.0%
(c) 50% of General Expenses	7.2%	7.2%
(d) Taxes, Licenses, and Fees	3.5%	3.5%
(e) Reinsurance Expense	1.2%	1.2%
(f) Subtotal	36.7%	36.7%
(g) Federal Taxes Payable	7.0%	7.0%
(4T) Total Deductions	43.7%	43.7%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$7,459,127	\$102,926,654
B. Delayed Remission of Premium (Agent's Balances)		
(1) Agent's Balance or Uncollected Premium to Unearned Premium		
(a) Average Agent's Balance	\$124,288,418	\$124,288,418
(b) Direct Unearned Premium 2006 (All Lines)	\$394,423,161	\$394,423,161
(c) Ratio (a) / (b)	31.5%	31.5%
(d) Direct Unearned Premium 2006 (ASLOB 19.1 & 19.2 & 21.1 Priv. Pass. Auto liability and PD)	\$11,482,585	\$188,363,864
(2) Delayed Remission (1c) x (1d)	\$3,618,328	\$59,356,166
C. Loss and Loss Adjustment Expense Reserve		
(1) Expected Loss and Loss Adjustment Expense Ratio	54.7%	46.1%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$14,177,429	\$155,022,118
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE		
(a) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	502.0%	21.4%
(b) 2004 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	114.0%	11.9%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	308.0%	16.6%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$41,832,078	\$24,703,178
D. Net Subject to Investment	\$45,672,877	\$68,273,666
(A.5) - (B.2) + (C.4)		
E. Before Tax Rate of Return	5.0%	5.0%
[(Appendix A-10, Page 3)]		
F. Average Rate of Return as a % of Direct Earned Premium	8.8%	1.0%
[(D) x (E)] / (A.1)]		
G. Before Tax Investment Income Return (Including Surplus)	11.0%	3.2%
(F) + [(E) x (1.0/Premium to Surplus Ratio)]		
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1) Average Federal Tax Rate on Inv. Inc. (Appendix A-10, Page 2)	22.3%	22.3%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	8.5%	2.5%

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2004-2006 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$53,722,932	48.7%	35.0%	17.0%
- Tax Exempt Municipal	\$35,250,174	31.9%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired after 1987	\$17,021,019	15.4%	14.2%	2.2%
Short-Term Investments	\$4,348,938	3.9%	35.0%	1.4%
Total	\$110,343,063	100.0%		22.3%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2007 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1995	5.5%
1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
Twelve Year Average	4.8%
Latest Six Year Average	4.7%
Latest Year	4.5%
Projected 2007 (12 Year Trend)	4.4%
Projected 2007 (6 Year Trend)	4.1%

Selected 2007 Rate of Return

Before Tax	5.0%
After Tax [(1-0.223) x 5%]	3.9%

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for Personal Auto Liability and Physical Damage written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by the average of the last two years unearned premiums for American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's statewide data as shown in Exhibit 9 (Permissible Loss Ratio).

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average agent's balances as a percentage of Direct Unearned Premium **2006** (All Lines).

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

The Expected Mean Loss Reserves include an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is ($.12 \times .35 = .042$), and the appropriate adjustment is $.958 (1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for **2004-2006** for the American Modern Insurance Group.

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GENERAL RULES

1. Violations and Accidents

a. **Major Violation** means a conviction of any of the following:

1. Driving while intoxicated or under the influence of drugs.
2. Failure to stop and report when involved in an accident.
3. Careless, reckless or negligent driving.
4. Driving to endanger or with disregard of safety.
5. Driving while license is suspended, revoked, cancelled or barred.
6. Driver's license is suspended, revoked, cancelled or barred.
7. Drag racing or participating in speed contests.
8. Driving wrong way, driving wrong side, driving left of center.
9. Fleeing or attempting to elude a police officer.
10. Any speeding violation in excess of 40 mph over the limit.

b. **Minor Violation** means any conviction not listed under Major Violations, At-Fault Accidents or Felony.

b. **At-Fault Accident** means any accident involving any operator for which that operator was at fault and/or any accident where damages in excess of the state of residence's chargeability limits were paid by that operator or the operator's representative, EXCEPT those occurring under the following circumstances:

1. Any accident where the accumulated total damages do not exceed \$1000 including any deductible.
2. Vehicle lawfully parked and stationary at the time of the accident. If the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the vehicle.
3. Any accident where the insured is struck by another vehicle and the applicant or other resident operator is reimbursed by, or on behalf of, the individual(s) who are responsible for an accident or receives judgment against any such person; or the applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person.
4. Any accident where the operator of the other vehicle involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident.
5. Any accident where the unit operated by the applicant or any resident operator is the victim of a "hit-and-run", if the applicant or resident operator reports the accident to the proper authority within 24 hours.
6. Any accident caused by collision with a bird or animal.

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7. Accidents involving Physical Damage, limited to and caused by flying missiles, or falling objects.

c. **Felony Violation means any conviction for a felony in the past 10 years.**

2. POLICY TERM

Policies may be issued for a term of 12 months.

3. MINIMUM PREMIUM REQUIREMENTS

a. Motor Home:

1. The Minimum Written Premium is \$100 per unit.
2. The Minimum Earned Premium is \$100 per unit.

b. Travel Trailer:

1. The Minimum Written Premium is \$100 per unit.
2. The Minimum Earned Premium is \$100 per unit.

4. CANCELLATION

If the company or the insured cancels a policy, the return premium shall be calculated on a pro rata basis, subject to any applicable minimum premiums.

5. DISCOUNTS AND SURCHARGES AND FEES

a. **DISCOUNTS** (Unless noted, discounts are subject to a combined 30% maximum.)

1. Loss Free Discount

- a. This discount will apply at the first renewal and any subsequent renewal.
- b. If no discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the lesser discount will be applied at renewal.
- c. If the lesser discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the greater discount will be applied at renewal.
- d. If the greater discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the greater discount will be applied at renewal.
- e. If no discount is present and the combined paid losses are greater than \$500 during the policy period, and the cause of loss is other than glass or towing no discount will be applied at renewal.
- f. If the lesser discount is present and the combined paid losses are greater than \$500 during the policy period, and the cause of loss is other than glass or towing no discount will be applied at renewal.

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- g. If the greater discount is present and the combined paid losses are greater than \$500 during the policy period, or the cause of loss is other than glass or towing the lesser discount will be applied at renewal.
- h. This discount will apply to Bodily Injury, Property Damage, Other Than Collision, Collision, Personal Injury Protection, and Uninsured Motorist coverages.
- i. Available for motor home and travel trailer units.
- j. This discount does not apply toward the maximum allowable discount of 30%.

2. Association Discount

- a. A discount will be applied if the principal operator is a member of an association/affinity. A membership card is required for documentation.
- b. Available for motor home and travel trailer units.
- c. This discount will apply to all coverages.

3. Anti-Theft Device

a. Alarm Only

- 1. To qualify, the vehicle must be equipped with a hood lock which can be released only from inside the vehicle or is equipped with an alarm only device that sounds an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes.
- 2. Available on motor homes and travel trailers.
- 3. This discount applies to Other Than Collision coverage.

b. Active Disabling Device

- 1. To qualify, the vehicle must be equipped with an active disabling device that disables the vehicle by making the fuel, ignition or starting system inoperative.
- 2. A disabling device is categorized as active if a separate manual step is required to engage the device.
- 3. Available on motor home units.
- 4. This discount applies to Other Than Collision coverage.

c. Passive Disabling Device

- 1. A passive disabling device disables the vehicle by making the fuel, ignition or starting system inoperative.
- 2. A disabling device is categorized as passive if a separate manual step is not required to engage the device.
- 3. Available on motor home units.

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4. This discount applies to Other Than Collision coverage

d. VIN Etching

1. This discount will be applied for a vehicle that has the vehicle identification number etched into the vehicle's windows and/or body parts.
2. Available on motor home and travel trailer units.
3. This discount will apply to Other Than Collision coverage.

4. Motor Vehicle Accident Prevention Course Discount

a. Discount applies, provided:

1. The principal operator of the vehicle has a completion certificate, dated within the most recent three years, certifying that he or she has successfully completed a motor vehicle accident prevention course approved by the Arkansas Department of Motor Vehicles. The course must have been taught by an Arkansas approved instructor and include the state minimum number of course hours.
2. The principal operator must 55 or older.

b. This discount shall apply:

1. To new and renewal policies with inception dates within the three-year period following the course completion date.
2. Only to the vehicle principally operated by the person with a course completion certificate.
3. Only once to each such vehicle regardless of the number of operators with course completion certificates.

c. Available on motor home units.

d. This discount will apply to Bodily Injury, Property Damage, Personal Injury Protection and Collision coverages.

5. Anti-Lock Brakes

a. This discount will be applied for a vehicle that is equipped with a factory installed four wheel Anti-Locking Braking System (ABS). Refer to company for required evidence of factory installation of Anti-Locking Braking System prior to granting discount.

b. Available on motor home units.

c. This discount will apply to Bodily Injury and Property Damage coverages.

b. SURCHARGES

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5. Use Surcharge

a. Personal Rental Use

1. This surcharge will apply if the unit is individually owned, rented, or loaned only to family or close personal friends.
2. Rented or loaned not more than 3 times in a year.
3. Rented or loaned not more than 15 days at a time.
4. Never advertised for rent.
5. Applicable to motor home and travel trailer units.
6. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
7. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

b. Light Business Use

1. This surcharge will apply if the unit is individually owned and used in connection with the owner's trade, profession or occupation.
2. It is never rented or loaned to others.
3. It is not driven more than 12,000 miles annually.
4. There is no exposure from the public being in or on the motor home or travel trailer.
5. Applicable for motor home and travel trailer units.
6. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
7. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

c. Heavy Business Use

1. This surcharge will apply if the unit is individually owned and used in connection with the owner's trade, profession or occupation.
2. It is never rented or loaned to others.
3. It is not driven more than 20,000 miles annually.
4. There is limited exposure from the public being in or on the motor home or travel trailer.
5. Applicable for motor home and travel trailer units.
6. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
7. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

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6. Youthful Operator Surcharge

- a. This surcharge will apply if any operator is under age 26.
- b. Applicable for motor home and travel trailer units.
- c. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
- d. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

7. Ineligible Risk Surcharge

- a. This surcharge will apply if any agent has bound a risk that does not fit within our existing guidelines as an eligible risk.
- b. Applicable for motor home and travel trailer units.
- c. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
- d. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

8. Unverifiable MVR Surcharge

- a. This surcharge will apply to any rated operator whose motor vehicle record is not verifiable.
- b. Applicable for motor home and travel trailer units.
- c. This surcharge will apply to Other Than Collision, Collision, Bodily Injury and Property Damage coverages for motor homes.
- d. This surcharge will apply to Other Than Collision and Collision coverages for travel trailers.

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TERRITORY DEFINITIONS

1. Territories are defined by zip code.
2. Zip codes are listed in numeric order in the Territory that they apply.
3. Territories for new zip codes should be determined as follows:
 - a. New zip codes that were split off from old zip codes shall use the Territory of the former zip code for that area.
 - b. New zip codes that combine all or parts of other zip codes shall be assigned to a Territory that was assigned to one of the previous zip codes.

Territory 1: 1.00 Factor

Following Zip Codes:

Remainder of State

Territory 2: 1.20 Factor

Following Zip Codes:

71601	71602	71603	71611	71612	71613	71638	71640	71653	71659
71721	71728	71743	71772	71901	71902	71903	71909	71910	71913
71914	71920	71921	71922	71923	71932	71935	71937	71940	71943
71944	71945	71949	71950	71951	71952	71953	71956	71957	71958
71959	71960	71961	71962	71964	71965	71966	71968	71969	71970
71972	71973	71998	71999	72004	72053	72073	72076	72078	72079
72087	72099	72113	72114	72115	72116	72117	72118	72119	72120
72124	72132	72133	72135	72142	72152	72164	72168	72175	72180
72182	72183	72190	72198	72199	72201	72202	72203	72204	72205
72206	72207	72209	72210	72211	72212	72214	72215	72216	72217
72219	72221	72222	72223	72225	72227	72231	72260	72295	72312
72328	72333	72342	72353	72355	72366	72367	72369	72374	72383
72389	72390	72701	72702	72703	72704	72711	72712	72714	72715
72716	72717	72718	72719	72722	72727	72728	72729	72730	72732
72733	72734	72735	72736	72737	72739	72741	72744	72745	72747
72749	72751	72753	72756	72757	72758	72761	72762	72764	72765
72766	72768	72769	72770	72774	72901	72902	72903	72904	72905
72906	72908	72913	72914	72916	72917	72918	72919	72923	72936
72937	72938	72940	72941	72945	72959				

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**ARKANSAS
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RATING FACTORS

Age/Marital Status

Motor Home

	B/1PD		OTC		Collision	
	<u>Married</u>	<u>Single</u>	<u>Married</u>	<u>Single</u>	<u>Married</u>	<u>Single</u>
16-19	1.900	2.250	1.790	1.990	2.100	2.500
20-23	1.900	2.250	1.790	1.990	2.100	2.500
24-27	1.500	2.000	1.790	1.990	2.100	2.500
28-30	1.500	1.850	1.790	1.900	2.100	2.500
31-34	1.050	1.850	1.200	1.474	1.250	2.000
35-39	1.050	1.800	1.200	1.474	1.250	1.940
40-44	1.000	1.800	1.100	1.474	1.100	1.700
45-50	1.000	1.500	1.100	1.474	1.000	1.700
51-56	0.950	1.500	0.950	1.330	1.000	1.500
57-62	0.950	1.800	0.950	1.330	1.050	1.500
63-68	1.250	1.800	1.000	1.210	1.000	1.800
69-75	1.250	2.400	1.100	1.210	1.300	1.800
76-98	2.000	2.400	1.100	1.210	1.550	1.800

Travel Trailer

	OTC		Collision	
	<u>Married</u>	<u>Single</u>	<u>Married</u>	<u>Single</u>
16-19	1.500	1.875	1.500	1.875
20-23	1.500	1.875	1.500	1.875
24-27	1.500	1.875	1.500	1.875
28-30	1.500	1.875	1.500	1.875
31-34	1.150	1.650	1.200	1.650
35-39	1.150	1.650	1.200	1.650
40-44	1.000	1.250	1.200	1.500
45-50	0.950	1.188	0.950	1.188
51-56	1.000	1.250	1.000	1.250
57-62	0.950	1.188	1.200	1.500
63-68	0.950	1.188	1.200	1.500
69-75	1.050	1.313	1.200	1.500
75-98	1.050	1.313	1.200	1.500

Class Factors

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Motor Home

	<u>B/PD</u>	<u>OTC</u>	<u>Collision</u>
Class A	1.000	1.000	1.000
Class B	2.010	0.660	1.144
Class C	0.860	0.736	0.856
Heavy Tow	1.000	1.000	1.000

Travel Trailer

	<u>OTC</u>	<u>Collision</u>
Conventional	1.000	1.000
Pop-up	0.510	0.500
5th Wheel	1.040	0.700
Truck Mount	0.700	1.040

Settlement Options

Motor Home

ACV	1.00
Agreed Value	1.05
Replacement Cost	1.12
Purchase Price	1.05

Travel Trailer

ACV	1.00
Agreed Value	1.10
Replacement Cost	1.15
Purchase Price	1.10

Deductibles

Other Than Collision

\$100	1.163
\$250	1.000
\$500	0.813
\$1000	0.633
\$2000	0.443
\$5000	0.350

Collision

\$100	1.056
\$250	1.000
\$500	0.938
\$1000	0.808
\$2000	0.628
\$5000	0.420

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MOTOR HOME RELATIVITY TO BE APPLIED TO ALL BASE RATES

<u>Rating Base</u>	<u>OTC</u>	<u>Collision</u>
0	0.346	0.404
15,000	0.435	0.450
20,000	0.485	0.520
25,000	0.575	0.594
30,000	0.625	0.642
35,000	0.690	0.714
40,000	0.744	0.761
45,000	0.822	0.833
50,000	0.867	0.881
55,000	0.948	0.952
60,000	1.000	1.000
65,000	1.053	1.072
70,000	1.115	1.119
75,000	1.178	1.191
80,000	1.240	1.239
85,000	1.302	1.310
90,000	1.365	1.358
95,000	1.400	1.430
100,000	1.495	1.477
105,000	1.558	1.549
110,000	1.620	1.597
115,000	1.682	1.668
120,000	1.745	1.716
125,000	1.812	1.787
130,000	1.875	1.835
135,000	1.937	1.907
140,000	1.999	1.954
145,000	2.062	2.026
150,000	2.125	2.074
155,000	2.187	2.145
160,000	2.254	2.193
165,000	2.319	2.265
170,000	2.379	2.312
175,000	2.438	2.384
180,000	2.502	2.432
185,000	2.566	2.503
190,000	2.631	2.551
195,000	2.695	2.623
200,000	2.757	2.670
205,000	2.813	2.735
210,000	2.882	2.805
215,000	2.944	2.865
220,000	3.013	2.925

Base Rates
OTC \$ 458
Collision ; 167

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225,000	3.075	2.985
230,000	3.136	3.045
235,000	3.201	3.105
240,000	3.260	3.165
245,000	3.324	3.225
250,000	3.387	3.285
255,000	3.464	3.345
260,000	3.537	3.405
265,000	3.610	3.465
270,000	3.683	3.525
275,000	3.756	3.585
280,000	3.829	3.645
285,000	3.907	3.705
290,000	3.979	3.765
295,000	4.052	3.825
300,000	4.125	3.885
305,000	4.198	3.945
310,000	4.271	4.005
315,000	4.348	4.065
320,000	4.422	4.135
325,000	4.495	4.195
330,000	4.567	4.255
335,000	4.640	4.315
340,000	4.713	4.375
345,000	4.786	4.435
350,000	4.864	4.500
355,000	4.936	4.600
360,000	5.010	4.700
365,000	5.082	4.750
370,000	5.155	4.800
375,000	5.228	4.850
380,000	5.306	4.900
385,000	5.379	4.950
390,000	5.451	5.000
395,000	5.525	5.055
400,000	5.598	5.105
405,000	5.670	5.205
410,000	5.748	5.305
415,000	5.821	5.405
420,000	5.894	5.505
425,000	5.967	5.605
430,000	6.039	5.705
435,000	6.113	5.805
440,000	6.185	5.905
445,000	6.263	5.955
450,000	6.336	6.055
455,000	6.409	6.105
460,000	6.482	6.205
465,000	6.554	6.305

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

	470,000		6.627	6.405
	475,000		6.706	6.500
	480,000		6.778	6.600
	485,000		6.851	6.700
	490,000		6.924	6.750
	495,000		6.997	6.800
	500,000		7.070	6.850
Each Add'l \$5,000		0.072	0.080	

* Curve will interpolate to \$100 increments

MOTOR HOME ADDITIONAL COVERAGES

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

Bodily Injury Base Rate \$29

25/50	1.00
50/100	1.20
100/300	1.39
300/500	1.58
500/500	1.70
\$1M/\$1M	6.50
\$1M CSL	8.25

Property Damage Base Rate \$33

\$ 25,000	1.00
\$ 50,000	1.03
\$ 100,000	1.08
\$ 300,000	1.16
\$ 500,000	1.20
\$1,000,000	2.00

Uninsured Motorists Base Rate \$20

25/50	1.00
50/100	1.25
100/300	1.55
300/500	1.80
500/500	3.80
\$1M/\$1M	6.00
\$1M CSL	6.00

Trailer Coverage

Per \$100 \$1.70

Loss Assessment Coverage

\$5000 \$10

Land Motor Vehicle/Small Watercraft

Per Unit \$200

**Personal Injury Protection Medical Payment
& Work Loss Rate \$23**

**Personal Injury Protection Medical Payment
& \$5,000 Accidental Death Rate \$20**

**Personal Injury Protection Work Loss &
\$5,000 Accidental Death Rate \$15**

UMPD Base Rate \$8

\$ 25,000	1.00
\$ 50,000	1.38
\$ 100,000	1.62
\$ 300,000	3.25
\$ 500,000	4.00
\$1,000,000	8.25

Personal Injury Protection Basic Rate \$29

**Personal Injury Protection Medical
Payments Only Rate \$14**

**Personal Injury Protection \$5,000 Accidental
Death Only Rate \$6**

**Personal Injury Protection Work Loss Only
Rate \$9**

Underinsured Motorists Base Rate \$13

25/50	1.00
50/100	1.23
100/300	1.46
300/500	1.69
500/500	3.61
\$1M/\$1M	6.00
\$1M CSL	6.00

TRAVEL TRAILER RELATIVITY TO BE APPLIED TO ALL BASE RATES

<u>Rating Base</u>	<u>OTC</u>	<u>Collision</u>
0 - 2,000	0.328	0.172
2,001 - 4,000	0.508	0.195

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

4,000 - 6,000	0.582	0.219
6,001 - 8,000	0.648	0.391
8,001 - 10,000	0.721	0.492
10,001 - 12,000	0.787	0.586
12,001 - 14,000	0.861	0.688
14,001 - 16,000	0.918	0.781
16,001 - 18,000	0.959	0.898
18,001 - 20,000	1.000	1.000
20,001 - 22,000	1.033	1.126
22,001 - 24,000	1.074	1.179
24,001 - 26,000	1.115	1.232
26,001 - 28,000	1.156	1.285
28,001 - 30,000	1.189	1.338
30,001 - 32,000	1.230	1.390
32,001 - 34,000	1.254	1.443
34,001 - 36,000	1.303	1.496
36,001 - 38,000	1.361	1.549
38,001 - 40,000	1.402	1.602
40,001 - 42,000	1.451	1.654
42,001 - 44,000	1.500	1.707
44,001 - 46,000	1.549	1.760
46,001 - 48,000	1.607	1.813
48,001 - 50,000	1.648	1.866
50,001 - 52,000	1.697	1.918
52,001 - 54,000	1.746	1.971
54,001 - 56,000	1.795	2.024
56,001 - 58,000	1.844	2.077
58,001 - 60,000	1.893	2.130
60,001 - 62,000	1.918	2.182
62,001 - 64,000	1.943	2.235
64,001 - 66,000	2.016	2.288
66,001 - 68,000	2.078	2.341
68,001 - 70,000	2.139	2.394
70,001 - 72,000	2.180	2.446
72,001 - 74,000	2.221	2.499
74,001 - 76,000	2.262	2.552
76,001 - 78,000	2.324	2.605
78,001 - 80,000	2.385	2.658
80,001 - 82,000	2.426	2.710
82,001 - 84,000	2.467	2.763
84,001 - 86,000	2.508	2.816
86,001 - 88,000	2.570	2.869

Base Rates
OTC \$ 296
Collision \$ 165

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

<u>Rating Base</u>	<u>OTC</u>	<u>Collision</u>
88,001 - 90,000	2.631	2.922
90,001 - 92,000	2.672	2.974
92,001 - 94,000	2.713	3.027
94,001 - 96,000	2.746	3.080
96,001 - 98,000	2.807	3.133
98,001 - 100,000	2.869	3.186
100,001 - 102,000	2.910	3.238
102,001 - 104,000	2.951	3.291
104,001 - 106,000	2.992	3.344
106,001 - 108,000	3.053	3.397
108,001 - 110,000	3.115	3.450
110,001 - 112,000	3.156	3.502
112,001 - 114,000	3.197	3.555
114,001 - 116,000	3.238	3.608
116,001 - 118,000	3.299	3.661
118,001 - 120,000	3.361	3.714
120,001 - 122,000	3.402	3.766
122,001 - 124,000	3.443	3.819
124,001 - 126,000	3.484	3.872
126,001 - 128,000	3.545	3.925
128,001 - 130,000	3.607	3.978
130,001 - 132,000	3.648	4.030
132,001 - 134,000	3.689	4.083
134,001 - 136,000	3.730	4.136
136,001 - 138,000	3.791	4.189
138,001 - 140,000	3.852	4.242
140,001 - 142,000	3.893	4.294
142,001 - 144,000	3.934	4.347
144,001 - 146,000	3.975	4.400
146,001 - 148,000	4.037	4.453
148,001 - 150,000	4.098	4.505
Each Add'l \$2000	.041	.051

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

ADDITIONAL COVERAGES FOR MOTOR HOMES AND TRAVEL TRAILERS

Full Timer Base Rate \$53

\$ 25,000	1.00
\$ 50,000	1.23
\$100,000	1.43
\$300,000	1.70
\$500,000	1.87

Vacation Liability Base Rate \$5

\$ 10,000	1.00
\$ 25,000	2.00
\$ 50,000	3.00
\$ 100,000	4.00
\$ 300,000	5.00
\$ 500,000	6.00

Diminishing Deductible Base Rate \$10

\$ 100	1.00
\$ 250	1.50
\$ 500	2.00
\$1000	2.50
\$2000	3.00
\$5000	5.00

Towing & Labor Base Rate \$10

\$ 50	1.00
\$100	2.00
\$250	3.00
\$500	3.50
Reasonable	4.00

Emergency Expense Base Rate \$5

\$500	1.00
\$750	1.60
\$2500	6.00
\$7500	10.00

Replacement Cost Personal Effects

Per \$100	\$.60
-----------	--------

Fire Department Service Charge

No Charge

ACV Personal Effects

Per \$100	\$.50
-----------	--------

Accidental Death & Dismemberment

Per Unit	\$10
----------	------

Secured Storage Personal Effects

Per \$100	\$2.00
-----------	--------

Outstanding Balance

Per Unit	\$10
----------	------

Identity Fraud Expense Coverage

\$2000/\$5000	\$30
---------------	------

Mexico Coverage

Per Unit	\$15
----------	------

Adjacent Structure Coverage

\$2000	\$35
--------	------

Full Timer Medical Payments

\$20,000	\$30
----------	------

Full Safety Glass

Motor Home \$40
Travel Trailer \$25

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

DISCOUNTS

Loss Free (Motor Home)

1 st Renewal	1%
2 nd & Subsequent	5%

Loss Free (Travel Trailer)

1 st Renewal	1%
2 nd & Subsequent	7%

Association (Motor Home& Travel Trailer) 5%

Anti-Theft Devices

Alarm (Motor Home)	5%
Active Disabling Device (Motor Home)	5%
Passive Disabling Device (Motor Home)	15%
VIN (Motor Home & Travel Trailer)	5%

Accident Prevention (Motor Home) 10%

Maximum Discount (Excluding Loss Free) 30%

SURCHARGES

Joint Ownership 50%

Use

Light Business	50%
Heavy Business	100%
Personal Rental	100%

Youthful Operator 65%

Inexperienced Operator 10%

Ineligible Risk Surcharge 225%

Unverifiable MVR Surcharge 25%

Primary Residence/Full Timer 10%

Driving Record Points

Each minor violation is charged one point. Each at-fault accident is charged four points. Each major violation is charged five points. Each felony violation is charged fifteen points.

Driving Record Surcharge (0 points)	0%
Driving Record Surcharge (1 point)	0%
Driving Record Surcharge (2 points)	0%
Driving Record Surcharge (3 points)	20%
Driving Record Surcharge (4 points)	50%
Driving Record Surcharge (5 points)	75%

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

Driving Record Surcharge (6 points)	100%
Driving Record Surcharge (7 points)	125%
Each Additional Point	25%

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MOTOR HOME NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20080108-22
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Family Home Insurance Company	B.	23450

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.	Recreational Vehicle	B.	Recreational Vehicle-Auto

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
BI	5.8	8.4					
Collision	33.7	12.7					
Comprehensive	89.1	12.7					
PIP	.7	5.4					
UM	7.9	4.3					
PD	3.6	8.2					
TOTAL OVERALL EFFECT	61.7	10.9					

6.		5 Year History						Rate Change History	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio		
2003	120	3.6	11/03	48	53	109.3%	62.1%		
2004	100	7.1	04/05	65	72	108.6%	74.5%		
2005	117	10.6	10/05	72	152	210.3%	52.9%		
2006	134	2.2	08/06	88	8	9.4%	59.3%		
2007	135	3.3	11/07	107	309	290.0%	72.2%		

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	20.8
B. General Expense	14.3
C. Taxes, License & Fees	3.5
D. Underwriting Profit & Contingencies	-2.5%
E. Other (explain)	6.1
F. TOTAL	43.9

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 33.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** -12.7% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

TRAVEL TRAILER NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20080108-22
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
----	---	-----

Company Name		Company NAIC Number	
3.	A. American Family Home Insurance Company	B.	23450

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. Recreational Vehicle	B.	Recreational Vehicle-Auto

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Liability	-8.5%	0					
Collision	-.1%	11.4%					
Comprehensive	16.2%	10.8%					
TOTAL OVERALL EFFECT	11.1%	10.4%					

6.		5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	
2003	362	10.4%	11/03	93	125	134.3%	71.8%	
2004	300	16.0%	04/05	108	132	121.9%	60.5%	
2005	285	17.4%	10/05	105	105	99.6%	74.3%	
2006	365	7.3%	08/06	118	170	144.1%	56.5%	
2007	427	9.9%	11/07	151	105	69.2%	51.8%	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	21.9%
B. General Expense	14.3%
C. Taxes, License & Fees	3.5%
D. Underwriting Profit & Contingencies	-2.1%
E. Other (explain)	6.0%
F. TOTAL	45.3%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 31.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -13.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

GENERAL RULES

1. Violations and Accidents

a. Major Violation means a conviction of any of the following:

1. Driving while intoxicated or under the influence of drugs.
2. Failure to stop and report when involved in an accident.
3. Careless, reckless or negligent driving.
4. Driving to endanger or with disregard of safety.
5. Driving while license is suspended, revoked, cancelled or barred.
6. Driver's license is suspended, revoked, cancelled or barred.
7. Drag racing or participating in speed contests.
8. Driving wrong way, driving wrong side, driving left of center.
9. Fleeing or attempting to elude a police officer.
10. Any speeding violation in excess of 40 mph over the limit.

b. Minor Violation means any conviction not listed under Major Violations, At-Fault Accidents or Felony.

c. At-Fault Accident means any accident involving any operator for which that operator was at fault and/or any accident where damages in excess of the state of residence's chargeability limits were paid by that operator or the operator's representative, EXCEPT those occurring under the following circumstances:

1. Any accident where the accumulated total damages do not exceed \$1000 including any deductible.
2. Vehicle lawfully parked and stationary at the time of the accident. If the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the vehicle.
3. Any accident where the insured is struck by another vehicle and the applicant or other resident operator is reimbursed by, or on behalf of, the individual(s) who are responsible for an accident or receives judgment against any such person; or the applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person.
4. Any accident where the operator of the other vehicle involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident.
5. Any accident where the unit operated by the applicant or any resident operator is the victim of a "hit-and-run", if the applicant or resident operator reports the accident to the proper authority within 24 hours.
6. Any accident caused by collision with a bird or animal.
7. Accidents involving Physical Damage, limited to and caused by flying missiles, or falling objects.

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

8. Any accident where the applicant is innocent or any negligent or intentional act that was the cause of an accident or injury.

d. Felony Violation means any conviction for a felony in the past 10 years.

2. POLICY TERM

Policies may be issued for a term of 12 months.

3. MINIMUM PREMIUM REQUIREMENTS

a. Motor Home:

1. The Minimum Written Premium is \$100 per unit.
2. The Minimum Earned Premium is \$100 per unit.

b. Travel Trailer:

1. The Minimum Written Premium is \$100 per unit.
2. The Minimum Earned Premium is \$100 per unit.

4. CANCELLATION

If the company or the insured cancels a policy, the return premium shall be calculated on a pro rata basis, subject to any applicable minimum premiums.

5. DISCOUNTS AND SURCHARGES AND FEES

a. DISCOUNTS (Unless noted, discounts are subject to a combined 30% maximum.)

1. Loss Free Discount

- a.** This discount will apply at the first renewal and any subsequent renewal.
- b.** If no discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the lesser discount will be applied at renewal.
- c.** If the lesser discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the greater discount will be applied at renewal.
- d.** If the greater discount is present and the combined paid losses are \$500 or less during the policy period, or the cause of loss is glass or towing the greater discount will be applied at renewal.
- e.** If no discount is present and the combined paid losses are greater than \$500 during the policy period, and the cause of loss is other than glass or towing no discount will be applied at renewal.
- f.** If the lesser discount is present and the combined paid losses are greater than \$500 during the policy period, and the cause of loss is other than glass or towing no discount will be applied at renewal.

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**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
RECREATIONAL VEHICLE PROGRAM**

DISCOUNTS

Loss Free (Motor Home)

1 st Renewal	1%
2 nd & Subsequent	5%

Loss Free (Travel Trailer)

1 st Renewal	1%
2 nd & Subsequent	7%

Association (Motor Home& Travel Trailer) 5%

Anti-Theft Devices

Alarm (Motor Home)	5%
Active Disabling Device (Motor Home)	5%
Passive Disabling Device (Motor Home)	15%
VIN (Motor Home & Travel Trailer)	5%

Anti-Lock Brakes (Motor Home) 5%

Accident Prevention (Motor Home) 10%

Maximum Discount (Excluding Loss Free) 30%

SURCHARGES

Joint Ownership 50%

Use

Light Business	50%
Heavy Business	100%
Personal Rental	100%

Youthful Operator 65%

Inexperienced Operator 10%

Ineligible Risk Surcharge 225%

Unverifiable MVR Surcharge 25%

Primary Residence/Full Timer 10%

Driving Record Points

Each minor violation is charged one point. Each at-fault accident is charged four points. Each major violation is charged five points. Each felony violation is charged fifteen points.

Driving Record Surcharge (0 points)	0%
Driving Record Surcharge (1 point)	0%
Driving Record Surcharge (2 points)	0%
Driving Record Surcharge (3 points)	20%

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SERFF Tracking Number: AMMH-125605679 State: Arkansas
 Filing Company: American Family Home Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20080108-22
 TOI: 19.0 Personal Auto Sub-TOI: 19.0003 Recreational Vehicle
 Product Name: RV 2008 - Rate-Rule
 Project Name/Number: RV 2008 - Rate-Rule/20080108-22

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	Supporting Document	Financial inf needed for RV and MH04/11/2008		Appendix A RV.pdf CW RV Memo 7-1-03.pdf Memo RV70 7-1-03.pdf RV_70_AR_1Q03.pdf Serff RV_1Q03.pdf Appendix A TT.pdf CW TT Memo 7-1-03.pdf Memo TT70 7-1-03.pdf Serff TT_1Q03.pdf TT_70_AR_1Q03.pdf

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for [Private Passenger Auto Liability and Physical Damage](#) written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by multiplying 2001 Direct Earned Premium by the mean unearned premium ratio. The mean unearned premium ratio is determined by adding the unearned premiums for Dec. 31, 2000 and Dec. 31, 2001 and then dividing that total by twice the 2001 earned premiums for American Modern Insurance Group.

Line A-4

Deduction for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on [American Family Home Insurance Company](#)'s statewide data as shown on the permissible loss ratio exhibit.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average Agent's balances as a percentage of direct unearned premium.

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

This ratio includes an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is $(.12 \times .35 = .042)$, and the appropriate adjustment is $.958 (1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 1999-2001 for American Modern Insurance Group.

Appendix B
American Modern Insurance Group
Motorhome Rate Level Indication Summary
State: Countrywide

General:

The purpose of this report is to evaluate the countrywide rate level adequacy of the motorhome product for consolidated American Modern Insurance Group. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods. The exhibits are all part of Exhibit B.

Assumptions & Methodologies:

1. On Exhibit 1 we show the overall rate indication for the motorhome product. We describe each of the Exhibit 1 data adjustments in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by state and then trended using a countrywide adjustment as described below.
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned evenly over the term of the policy, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3.1 we show the rate changes taken since 1996 and on Exhibit 3.2 we show the resulting Rate Level Adjustment Factors and current level earned premium by state.
 - (b) The Current Amount Factor adjusts for any increase/decrease in premium that is due to inflationary changes of the property values in our exposure base. Our model uses a countrywide average unit value relativity curve (UVRC) weighted with earned exposures to estimate the average premium relativity for the most recent five years. The Current Amount Factor for each year is then calculated as the most recent year relativity divided by the particular year's average relativity. Ideally, we would calculate this effect using a cohort of policyholders that renew with us through the whole period and exclude new policies. As an alternative method, we temper our resulting factors by 60% (default assumption) to adjust them to a renewal business level. We footnote occasions where differing assumptions are used.
 - (c) The Premium Projection Factor estimates the premium level change over a future period of time due to the inflation of property values in our exposure base. We use this estimate to project premium levels from the middle of the most recent experience year to the average date for which our proposed rates will be in effect. To calculate this we fit an exponential trend to the historical average premium relativities used in developing the Current Amount Factors. As with the Current Amount Factor, we temper the result by 60% or footnote exceptions to the practice. On Exhibit 4 we show the computation of the Premium Projection Factor and the Current Amount Factors. On Exhibit 1 we show only the Premium Trend Factor which is the product of the Current Amount Factor and the Premium Projection Factor as footnoted on Exhibit 4.

AMIG Rate Level Indication Summary
Countrywide Motorhome
Page 2

3. We adjust incurred losses using the factors described below.
 - (a) **Catastrophic Losses (including alae).** Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average factor. Our methodology is based on the relative stability of non-catastrophe losses, so we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.
 - (b) The Current Cost Factor estimates the relationship between inflation and losses. The factor is calculated using the United States' Department of Labor-BLS Producer Price Index for Motorhomes. Using an average of the most recent quarter's information, a ratio is generated by dividing this average by the respective yearly averages.
 - (c) The Trended Cost Factor estimates the amount of losses to be incurred over a future period of time. We estimate the average annualized change by fitting an exponential trend to the most recent twelve quarters of the Producer Price Index. The time period of this trend is from the middle of the 'latest quarter' (Exhibit 6) to the average accident date for which our proposed rates will be in effect. Exhibit 6 shows the calculations for both the Current Cost Factor and the Trended Cost Factor. As noted on Exhibit 6, the Loss+ALAE Trend Factor equals the Current Cost Factor times the Trended Cost Factor.
 - (d) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing the quarterly historical patterns of the American Modern Insurance Group countrywide motorhome losses. Exhibit 7 shows this calculation which uses twenty-four accident quarters of data. On Exhibit 7.2 we calculate "Quarterly Age-to-Ultimate Factors" which are then weighted together using the most recent incurred losses to get "Weighted Annual Age-to-Ultimate Factors".
 - (e) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.
4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 1,084 claim counts (with indemnity) as the full credibility standard. Using these assumptions, the data is fully credible. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibits 10.x, shows the computation of return on investment income. Appendix A is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Family Home Insurance Company

Motorhome Rate Level Indication Summary

State: Arkansas

General:

The purpose of this report is to evaluate the rate level adequacy of the motorhome programs in the state of Arkansas. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods

Assumptions & Methodologies:

1. On Exhibit 1, Page 1 we show the rate level indication for all programs combined. On Exhibits 2.x we calculate the Weighted Experience Loss+LAE Ratios by individual program, and on Exhibit 1.2 we use these ratios to develop indicated changes by program. We describe each of the Exhibit 1 & 2 data adjustments in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by program and then trended, using three factors described below.
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned evenly over the term of the policy, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes taken since 1996 and the resulting Rate Level Adjustment Factors.
 - (b) The Current Amount Factor adjusts for any increase/decrease in premium that is due to inflationary changes of the property values in our exposure base. Our model uses a unit value relativity curve (UVRC) weighted with earned exposures to estimate the average premium relativity for the most recent five years. The Current Amount Factor for each year is then calculated as the most recent year relativity divided by the particular year's average relativity. Ideally, we would calculate this effect using a cohort of policyholders that renew with us through the whole period and exclude new policies. As an alternative method, we temper our resulting factors by 60% (default assumption) to adjust them to a renewal business level. We footnote occasions where differing assumptions are used.
 - (c) The Premium Projection Factor estimates the premium level change over a future period of time due to the inflation of property values in our exposure base. We use this estimate to project premium levels from the middle of the most recent experience year to the average date for which our proposed rates will be in effect. To calculate this we fit an exponential trend to the historical average premium relativities used in developing the Current Amount Factors. As with the Current Amount Factor, we temper the result by 60% or footnote exceptions to the practice. On Exhibits 4.x we show the computation of the Premium Projection Factor and the Current Amount Factors by program. On Exhibit 2 we show only the Premium Trend Factor which is the product of the Current Amount Factor and the Premium Projection Factor as footnoted on Exhibit 4.

AFHIC Rate Level Indications Summary

Arkansas Motorhome

Page 2

3. We adjust incurred losses using the factors described below.
 - (a) **Catastrophic Losses (including alae).** Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average factor. Our methodology is based on the relative stability of non-catastrophe losses, so we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.
 - (b) The Current Cost Factor estimates the relationship between inflation and losses. The factor is calculated using the United States' Department of Labor-BLS Producer Price Index for Motorhomes. Using an average of the most recent quarter's information, a ratio is generated by dividing this average by the respective yearly averages.
 - (c) The Trended Cost Factor estimates the amount of losses to be incurred over a future period of time. We estimate the average annualized change by fitting an exponential trend to the most recent twelve quarters of the Producer Price Index. The time period of this trend is from the middle of the 'latest quarter' (Exhibit 6) to the average accident date for which our proposed rates will be in effect. Exhibit 6 shows the calculations for both the Current Cost Factor and the Trended Cost Factor. As noted on Exhibit 6, the Loss+ALAE Trend Factor equals the Current Cost Factor times the Trended Cost Factor.
 - (d) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing the quarterly historical patterns of the American Modern Insurance Group countrywide motorhome losses. Exhibit 7 shows this calculation which uses twenty-four accident quarters of data. On Exhibit 7.2 we calculate "Quarterly Age-to-Ultimate Factors" which are then weighted together using the most recent incurred losses to get "Weighted Annual Age-to-Ultimate Factors".
 - (e) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.
4. We weight together the adjusted accident year loss+lae ratios and then divide by the permissible loss+lae ratio to get the Experience-Only Indicated Rate Level Change. We credibility-weight this indication with the countrywide motorhome indication to get the Credibility-Weighted Indicated Rate Level Change. Credibility is based on the square root rule with 1,084 claim counts (with indemnity) as the full credibility standard. The Countrywide Motorhome indicated rate level change is developed in Appendix B.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 10, pages 1-3, shows the computation of return on investment income. Appendix A is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Family Home Ins. Co.
MOTORHOME Rate Level Indication
All Programs Combined

Exhibit 1

State: Arkansas
SOB: All Channels
Terr: Statewide

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
3/31/99	0	1.000	0	1.000	0	0		
3/31/00	0	1.000	0	1.000	0	0		
3/31/01	0	1.000	0	1.000	0	0		
3/31/02	4,039	1.000	4,039	1.000	4,039	10		
3/31/03	36,626	1.000	36,626	1.000	36,626	83		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	0	0	1.028	0	1.103	1.000	1.039
3/31/00	0	0	1.028	0	1.088	1.000	1.039
3/31/01	0	0	1.028	0	1.073	1.000	1.039
3/31/02	4,071	1,774	1.028	2,361	1.056	1.004	1.039
3/31/03	32,883	0	1.028	33,803	1.034	1.067	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	2,601	0.644	0.30	3
3/31/03	38,721	1.057	0.70	5

Weighted Experience Loss+LAE Ratio	0.933
Permissible Loss+LAE Ratio	0.470
Experience-Only Indicated Rate Level Change	98.6%
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.086
Countrywide MOTORHOME Indicated Rate Level Change	52.1%
Credibility-Weighted Indicated Rate Level Change	56.1%

American Family Home Ins. Co.
MOTORHOME Rate Level Indication Summary
State: Arkansas
Indicated Change By Program

Program	(1) Premium In Force @ 3/31/03	(2) Adjusted Weighted Loss+LAE Ratio	(3) Credibility #	(4) Credibility Weighted * Loss+LAE Ratio	(5) Balanced Indicated Change **
RV PREFERRED	11,716	0.409	0.030	0.917	52.6%
RV STANDARD	11,536	2.898	0.053	1.037	78.1%
RV PREMIERE	21,188	0.173	0.061	0.887	46.1%
Total	44,440	0.933			56.1%

Based on square root rule with 1084 Claim Counts as the full credibility standard.

* Program Loss+LAE Ratio credibility-weighted with the Overall statewide Loss+LAE Ratio.

** PLR = 0.470

Off Balance (OB) = -0.427

Formula: (5) = {(4) / (PLR)} + OB

American Family Home Ins. Co.
MOTORHOME Rate Level Indication

Exhibit 2.1

Program: RV PREFERRED

State: Arkansas

SOB: All Channels

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
3/31/99	0	1.000	0	1.000	0	0		
3/31/00	0	1.000	0	1.000	0	0		
3/31/01	0	1.000	0	1.000	0	0		
3/31/02	1,328	1.000	1,328	1.000	1,328	3		
3/31/03	9,181	1.000	9,181	1.000	9,181	19		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	0	0	1.028	0	1.103	1.000	1.039
3/31/00	0	0	1.028	0	1.088	1.000	1.039
3/31/01	0	0	1.028	0	1.073	1.000	1.039
3/31/02	0	0	1.028	0	1.056	1.004	1.039
3/31/03	4,553	0	1.028	4,681	1.034	1.067	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	0	0.000	0.30	0
3/31/03	5,362	0.584	0.70	1

Weighted Experience Loss+LAE Ratio: **0.409**

American Family Home Ins. Co.
MOTORHOME Rate Level Indication

Exhibit 2.2

Program: RV STANDARD

State: Arkansas

SOB: All Channels

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
3/31/99	0	1.000	0	1.000	0	0		
3/31/00	0	1.000	0	1.000	0	0		
3/31/01	0	1.000	0	1.000	0	0		
3/31/02	1,090	1.000	1,090	1.000	1,090	4		
3/31/03	9,322	1.000	9,322	1.000	9,322	37		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	0	0	1.028	0	1.103	1.000	1.039
3/31/00	0	0	1.028	0	1.088	1.000	1.039
3/31/01	0	0	1.028	0	1.073	1.000	1.039
3/31/02	3,923	1,774	1.028	2,209	1.056	1.004	1.039
3/31/03	25,200	0	1.028	25,906	1.034	1.067	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	2,433	2.232	0.30	2
3/31/03	29,675	3.183	0.70	1

Weighted Experience Loss+LAE Ratio: **2.898**

American Family Home Ins. Co.
MOTORHOME Rate Level Indication

Exhibit 2.3

Program: RV PREMIERE

State: Arkansas

SOB: All Channels

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
3/31/99	0	1.000	0	1.000	0	0		
3/31/00	0	1.000	0	1.000	0	0		
3/31/01	0	1.000	0	1.000	0	0		
3/31/02	1,621	1.000	1,621	1.000	1,621	3		
3/31/03	18,122	1.000	18,122	1.000	18,122	27		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	0	0	1.028	0	1.103	1.000	1.039
3/31/00	0	0	1.028	0	1.088	1.000	1.039
3/31/01	0	0	1.028	0	1.073	1.000	1.039
3/31/02	148	0	1.028	152	1.056	1.004	1.039
3/31/03	3,129	0	1.028	3,217	1.034	1.067	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	168	0.104	0.30	1
3/31/03	3,685	0.203	0.70	3

Weighted Experience Loss+LAE Ratio: **0.173**

American Family Home Ins. Co.
MOTORHOME
Arkansas

Rate Change History and Rate Level Adjustment Factors

	Rate Changes by Program		
Renewal Effective Date	RV PREFERRED	RV STANDARD	RV PREMIERE
NONE			

	Rate Level Adjustment Factors		
Acc Yr Ending	RV PREFERRED	RV STANDARD	RV PREMIERE
3/31/99	1.000	1.000	1.000
3/31/00	1.000	1.000	1.000
3/31/01	1.000	1.000	1.000
3/31/02	1.000	1.000	1.000
3/31/03	1.000	1.000	1.000

American Family Home Ins. Co.

Exhibit 4.1

State: Arkansas

Product: MOTORHOME

SOB: All Channels

Calculation of Premium Trend Factors

Program: RV PREFERRED

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	0.00	0.00	0.00	0.00	1.18	0.703	0.00	0.00	0.00	0.00	0.04
8,000	0.00	0.00	0.00	0.15	2.83	0.704	0.00	0.00	0.00	0.04	0.11
12,000	0.00	0.00	0.00	0.46	3.14	0.803	0.00	0.00	0.00	0.14	0.13
16,000	0.00	0.00	0.00	0.21	1.75	0.873	0.00	0.00	0.00	0.07	0.08
20,000	0.00	0.00	0.00	1.21	2.92	1.000	0.00	0.00	0.00	0.45	0.15
24,000	0.00	0.00	0.00	0.00	1.96	1.127	0.00	0.00	0.00	0.00	0.12
28,000	0.00	0.00	0.00	0.00	1.91	1.268	0.00	0.00	0.00	0.00	0.13
32,000	0.00	0.00	0.00	0.21	1.05	1.387	0.00	0.00	0.00	0.11	0.08
36,000	0.00	0.00	0.00	0.00	0.67	1.479	0.00	0.00	0.00	0.00	0.05
40,000	0.00	0.00	0.00	0.00	0.00	1.570	0.00	0.00	0.00	0.00	0.00
44,000	0.00	0.00	0.00	0.00	0.00	1.655	0.00	0.00	0.00	0.00	0.00
48,000	0.00	0.00	0.00	0.46	0.75	1.761	0.00	0.00	0.00	0.30	0.07
52,000	0.00	0.00	0.00	0.00	0.00	1.845	0.00	0.00	0.00	0.00	0.00
56,000	0.00	0.00	0.00	0.00	0.00	1.937	0.00	0.00	0.00	0.00	0.00
60,000	0.00	0.00	0.00	0.00	-0.83	2.028	0.00	0.00	0.00	0.00	-0.09
64,000	0.00	0.00	0.00	0.00	0.71	2.197	0.00	0.00	0.00	0.00	0.08
68,000	0.00	0.00	0.00	0.00	0.88	2.289	0.00	0.00	0.00	0.00	0.11
72,000	0.00	0.00	0.00	0.00	0.00	2.366	0.00	0.00	0.00	0.00	0.00
76,000	0.00	0.00	0.00	0.00	0.00	2.479	0.00	0.00	0.00	0.00	0.00
80,000	0.00	0.00	0.00	0.00	0.00	2.556	0.00	0.00	0.00	0.00	0.00
84,000	0.00	0.00	0.00	0.00	0.00	2.648	0.00	0.00	0.00	0.00	0.00
88,000	0.00	0.00	0.00	0.00	0.00	2.739	0.00	0.00	0.00	0.00	0.00
92,000	0.00	0.00	0.00	0.00	0.00	2.817	0.00	0.00	0.00	0.00	0.00
96,000	0.00	0.00	0.00	0.00	0.00	2.930	0.00	0.00	0.00	0.00	0.00
100,000	0.00	0.00	0.00	0.00	0.05	3.007	0.00	0.00	0.00	0.00	0.01
Total	0	0	0	3	19		0.000	0.000	0.000	1.100	1.066

Acc Year	Average Earned Relativity	Current Amount Factor	Premium Trend Factor *
3/31/99	0.000	1.000	1.000
3/31/00	0.000	1.000	1.000
3/31/01	0.000	1.000	1.000
3/31/02	1.100	1.000	1.000
3/31/03	1.066	1.000	1.000

Annual Rate of Change: # 0.0%
Trend Period Begins: 9/29/2002
Trend Period Ends: 9/30/2004
Projection Period (Years): 2.00
Premium Projection Factor: 1.000
* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
Selected 0%

American Family Home Ins. Co.

Exhibit 4.2

State: Arkansas
 Product: MOTORHOME
 SOB: All Channels
 Calculation of Premium Trend Factors
 Program: RV STANDARD

Amount Value	Earned Exposures					Relativity	Average Relativities				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	0.00	0.00	0.00	2.79	18.17	0.703	0.00	0.00	0.00	0.44	0.34
8,000	0.00	0.00	0.00	0.64	11.78	0.704	0.00	0.00	0.00	0.10	0.22
12,000	0.00	0.00	0.00	0.34	0.81	0.803	0.00	0.00	0.00	0.06	0.02
16,000	0.00	0.00	0.00	0.71	5.33	0.873	0.00	0.00	0.00	0.14	0.13
20,000	0.00	0.00	0.00	0.00	-0.50	1.000	0.00	0.00	0.00	0.00	-0.01
24,000	0.00	0.00	0.00	0.00	2.54	1.127	0.00	0.00	0.00	0.00	0.08
28,000	0.00	0.00	0.00	0.00	0.05	1.268	0.00	0.00	0.00	0.00	0.00
32,000	0.00	0.00	0.00	0.00	0.00	1.387	0.00	0.00	0.00	0.00	0.00
36,000	0.00	0.00	0.00	0.00	0.00	1.479	0.00	0.00	0.00	0.00	0.00
40,000	0.00	0.00	0.00	0.00	0.00	1.570	0.00	0.00	0.00	0.00	0.00
44,000	0.00	0.00	0.00	0.00	0.00	1.655	0.00	0.00	0.00	0.00	0.00
48,000	0.00	0.00	0.00	0.00	0.00	1.761	0.00	0.00	0.00	0.00	0.00
52,000	0.00	0.00	0.00	0.00	0.00	1.845	0.00	0.00	0.00	0.00	0.00
56,000	0.00	0.00	0.00	0.00	0.00	1.937	0.00	0.00	0.00	0.00	0.00
60,000	0.00	0.00	0.00	0.00	0.00	2.028	0.00	0.00	0.00	0.00	0.00
64,000	0.00	0.00	0.00	0.00	0.00	2.197	0.00	0.00	0.00	0.00	0.00
68,000	0.00	0.00	0.00	0.00	0.00	2.289	0.00	0.00	0.00	0.00	0.00
72,000	0.00	0.00	0.00	0.00	0.00	2.366	0.00	0.00	0.00	0.00	0.00
76,000	0.00	0.00	0.00	0.00	0.00	2.479	0.00	0.00	0.00	0.00	0.00
80,000	0.00	0.00	0.00	0.00	0.00	2.556	0.00	0.00	0.00	0.00	0.00
84,000	0.00	0.00	0.00	0.00	0.00	2.648	0.00	0.00	0.00	0.00	0.00
88,000	0.00	0.00	0.00	0.00	0.00	2.739	0.00	0.00	0.00	0.00	0.00
92,000	0.00	0.00	0.00	0.00	0.00	2.817	0.00	0.00	0.00	0.00	0.00
96,000	0.00	0.00	0.00	0.00	0.00	2.930	0.00	0.00	0.00	0.00	0.00
100,000	0.00	0.00	0.00	0.00	-0.96	3.007	0.00	0.00	0.00	0.00	-0.08
Total	0	0	0	4	37		0.000	0.000	0.000	0.738	0.696

Acc Year	Average Earned Relativity	Current Amount Factor	Premium Trend Factor *
3/31/99	0.000	1.000	1.000
3/31/00	0.000	1.000	1.000
3/31/01	0.000	1.000	1.000
3/31/02	0.738	1.000	1.000
3/31/03	0.696	1.000	1.000

Annual Rate of Change: # 0.0%
 Trend Period Begins: 9/29/2002
 Trend Period Ends: 9/30/2004
 Projection Period (Years): 2.00
 Premium Projection Factor: 1.000
 * Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
 # Selected 0%

American Family Home Ins. Co.

Exhibit 4.3

State: **Arkansas**
 Product: **MOTORHOME**
 SOB: **All Channels**
 Calculation of Premium Trend Factors
 Program: **RV PREMIERE**

Amount Value	Earned Exposures					Relativity	Average Relativities				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	0.00	0.00	0.00	0.00	0.00	0.703	0.00	0.00	0.00	0.00	0.00
8,000	0.00	0.00	0.00	0.00	-0.96	0.704	0.00	0.00	0.00	0.00	-0.02
12,000	0.00	0.00	0.00	0.00	-0.79	0.803	0.00	0.00	0.00	0.00	-0.02
16,000	0.00	0.00	0.00	0.00	-2.00	0.873	0.00	0.00	0.00	0.00	-0.06
20,000	0.00	0.00	0.00	0.79	3.05	1.000	0.00	0.00	0.00	0.25	0.11
24,000	0.00	0.00	0.00	0.50	2.88	1.127	0.00	0.00	0.00	0.18	0.12
28,000	0.00	0.00	0.00	0.00	0.88	1.268	0.00	0.00	0.00	0.00	0.04
32,000	0.00	0.00	0.00	0.00	1.58	1.387	0.00	0.00	0.00	0.00	0.08
36,000	0.00	0.00	0.00	0.10	3.33	1.479	0.00	0.00	0.00	0.05	0.18
40,000	0.00	0.00	0.00	0.66	3.00	1.570	0.00	0.00	0.00	0.33	0.17
44,000	0.00	0.00	0.00	0.38	1.13	1.655	0.00	0.00	0.00	0.20	0.07
48,000	0.00	0.00	0.00	0.17	4.40	1.761	0.00	0.00	0.00	0.09	0.29
52,000	0.00	0.00	0.00	0.00	0.00	1.845	0.00	0.00	0.00	0.00	0.00
56,000	0.00	0.00	0.00	0.00	0.00	1.937	0.00	0.00	0.00	0.00	0.00
60,000	0.00	0.00	0.00	0.00	-2.00	2.028	0.00	0.00	0.00	0.00	-0.15
64,000	0.00	0.00	0.00	0.00	0.71	2.197	0.00	0.00	0.00	0.00	0.06
68,000	0.00	0.00	0.00	0.00	0.00	2.289	0.00	0.00	0.00	0.00	0.00
72,000	0.00	0.00	0.00	0.07	0.00	2.366	0.00	0.00	0.00	0.05	0.00
76,000	0.00	0.00	0.00	0.21	2.88	2.479	0.00	0.00	0.00	0.16	0.26
80,000	0.00	0.00	0.00	0.00	1.67	2.556	0.00	0.00	0.00	0.00	0.16
84,000	0.00	0.00	0.00	0.00	0.29	2.648	0.00	0.00	0.00	0.00	0.03
88,000	0.00	0.00	0.00	0.00	0.00	2.739	0.00	0.00	0.00	0.00	0.00
92,000	0.00	0.00	0.00	0.00	0.00	2.817	0.00	0.00	0.00	0.00	0.00
96,000	0.00	0.00	0.00	0.21	2.00	2.930	0.00	0.00	0.00	0.19	0.22
100,000	0.00	0.00	0.00	0.08	5.12	3.007	0.00	0.00	0.00	0.08	0.57
Total	0	0	0	3	27		0.000	0.000	0.000	1.580	2.088

Acc Year	Average Earned Relativity	Current Amount Factor	Premium Trend Factor *
3/31/99	0.000	1.000	1.000
3/31/00	0.000	1.000	1.000
3/31/01	0.000	1.000	1.000
3/31/02	1.580	1.000	1.000
3/31/03	2.088	1.000	1.000

Annual Rate of Change: # 0.0%
 Trend Period Begins: 9/29/2002
 Trend Period Ends: 9/30/2004
 Projection Period (Years): 2.00
 Premium Projection Factor: 1.000
 * Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
 # Selected 0%

American Family Home Ins. Co.
 (Using American Modern Insurance Group Data)
Motorhome Average Catastrophe Factor
 All Motorhome Programs

Midwestern Region #

(1)	(2)	(3)	(4)
Accident Year	Catastrophe Losses	All Losses	All Less Catastrophe (2)-(1)
			Catastrophe Ratio (1)/(3)
1998	0	3,249	3,249
1999	0	7,620	7,620
2000	0	643	643
2001	1,774	35,462	33,687
2002	4,406	183,799	179,393
	6,180	230,773	224,593

Selected Catastrophe Factor: 1.028

Includes AR, IA, KS, MN, MO, NE, ND, OK, and SD.

American Family Home Ins. Co.

Exhibit 6

State: Arkansas

Product: MOTORHOME

U.S. Dept. of Labor - Bureau of Labor Statistics

Producer Price Index -- Industry Data for Motorhomes

Current Cost Factors

12 Months Ending	Average CPI	Current Cost factor	Loss+ALAE Trend Factors *
3/31/1999	145.9	156.2 / 145.9 = 1.071	1.103
3/31/2000	147.9	156.2 / 147.9 = 1.057	1.088
3/31/2001	150.0	156.2 / 150 = 1.041	1.073
3/31/2002	152.4	156.2 / 152.4 = 1.025	1.056
3/31/2003	155.6	156.2 / 155.6 = 1.004	1.034

Average Value of the Latest Quarter = 156.2

The Latest Quarter = 1st quarter of 2003

Trended Cost Factors

Year	Quarter Ending	Average CPI	Exponential Fit
2000	June	148.8	148.9
2000	September	150.0	149.6
2000	December	150.6	150.3
2001	March	150.7	150.9
2001	June	151.4	151.6
2001	September	152.3	152.3
2001	December	152.7	153.0
2002	March	153.1	153.7
2002	June	154.4	154.4
2002	September	155.8	155.1
2002	December	156.1	155.8
2003	March	156.2	156.5

Quartely Trend = 0.5%

Annual Trend = 1.8%

Trend Period Begins: 2/14/2003

Trend Period Ends: 9/30/2004

Trended Period (Years) = 1.63

Trended Cost Factor = 1.030

* Loss Trend Factor = Current Cost Factor X Trended Cost Factor

American Family Home Ins. Co.
MOTORHOME
Arkansas

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2002	2001	2000
ULAE Incurred	7,993,149	8,792,714	10,440,487
Loss+ALAE Incurred	268,516,507	246,284,294	207,031,778
Ratio to Incurred Loss+AL	3.0%	3.6%	5.0%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Family Home Ins. Co.

Exhibit 9

State: Arkansas
 Product: Motorhome

Determination of Permissible Loss Ratio

		Calendar Year Ending			
		3/31/2001	3/31/2002	3/31/2003	Selected
(1)	Pre-Paid Commissions	N/A	25.8%	27.6%	26.7%
		Calendar Year			Budget
		2000	2001	2002	2003
(1a)	Contingent Commissions (Consolidated AMIG)	1.6%	1.3%	2.1%	1.7%
(2)	Other Acquisition Expense (Consolidated AMIG)	N/A	0.6%	0.8%	1.4%
(3)	General Expense (Consolidated AMIG)	N/A	18.1%	14.8%	13.8%
(4)	Taxes, Licenses and Fees	1.5%	3.9%	3.3%	2.9%
(5)	Total Expense				46.7%

Profit Loading Provision

(6a)	After Tax Return on Equity Goal	16.5%
(6b)	Premium to Surplus Ratio	2.3:1
(6c)	After Tax Return on Premium [(6a)/(6b)]	7.2%
(6d)	After Tax Return Generated by Investment Income (Exhibit 10, Page 1)	3.1%
(6e)	After Tax Return Needed from Underwriting Profit [(6c)-(6d)]	4.1%
(6f)	Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]	6.3%
(6)	Selected Profit Loading Provision	6.3%
(7)	Total Expenses and Profit Provision [(5) + (6)]	53.0%
(8)	Permissible Loss+LAE Ratio [1.000 - (7)]	47.0%

Data applied to calculate commission ratio:

	Calendar Year Ending		
	3/31/2001	3/31/2002	3/31/2003
AFHIC Arkansas Motorhome Written Premium	0	28,815	33,671
AFHIC Arkansas Motorhome Paid Commission	0	7,424	9,281

Data applied to calculate taxes, licenses and fees:

	Calendar Year		
	2000	2001	2002
AFHIC Arkansas Written Premium from all Lines of AS	9,380,151	9,004,263	7,442,058
AFHIC Arkansas Taxes, licenses, and fees from all Lines of AS	140,084	354,864	242,440

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2002	\$298,973,275
(2) Mean Unearned Premium Reserve Ratio	59.7%
(3) Mean Unearned Premium Reserve (1) x (2)	\$178,556,850
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	28.4%
(b) 50% of Other Acquisition	0.6%
(c) 50% of General Expenses	7.2%
(d) Taxes, Licenses, and Fees	2.9%
(e) Subtotal	39.0%
(f) Federal Taxes Payable	7.0%
(4T) Total Deductions	46.0%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$96,454,483

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$79,876,990
(b) Direct Unearned Premium 2002 (All Lines)	\$298,152,490
(c) Ratio (a) / (b)	26.8%
(d) Direct Unearned Premium 2002 (ASLOB 19.2 & 21.1 Priv. Pass. Auto liability and PD)	\$184,135,676
(2) Delayed Remission (1c) x (1d)	\$49,331,145

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	47.0%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$140,454,277
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2002 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	16.7%
(b) 2001 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	17.2%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	16.9%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$22,793,651

D. Net Subject to Investment

(A.5) - (B.2) + (C.4) \$69,916,990

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)] 5.2%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1) 1.2%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)] 3.5%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	12.2%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	3.1%

Average Federal Tax Rate on Investment Income

	Investment Income 2000-2002 (A) (1)	Allocation (2)	Current Tax Rate (B) (3)	Total Tax (2)x(3) (4)
Bonds				
- Taxable	\$16,851,048	17.5%	35.0%	6.1%
Bonds				
- Tax Exempt Municipal	\$29,696,754	30.9%	2.6%	0.8%
Bonds				
- Taxable Municipal	\$31,855,243	33.1%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
Stocks				
- Acquired after 1987	\$13,299,875	13.8%	14.2%	2.0%
Short-Term Investments	\$4,515,868	4.7%	35.0%	1.6%
Total	\$96,218,788	100.0%		12.2%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2003 will be:

Ordinary Income =	35.0%
Taxable Municipals - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1991	6.5%
1992	5.7%
1993	4.8%
1994	4.5%
1995	5.5%
1996	5.5%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
Twelve Year Average	5.2%
Latest Six Year Average	5.0%
Latest Year	5.2%
Projected 2003 (12 Year Trend)	4.7%
Projected 2003 (6 Year Trend)	5.2%

Selected 2003 Rate of Return

Before Tax	5.2%
After Tax [(1-0.122) x 5.2%]	4.6%

American Modern Insurance Group
MOTORHOME Rate Level Indication
All Programs Combined

Appendix B
 Exhibit 1

State: Countrywide
SOB: All Channels

Prop Eff. Date: 10/01/03

	(1)	(2)	(3)	(4)	(5)	(6)	
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures	
3/31/99	1,873,373	1.147	2,149,224	1.044	2,244,827	2,665	
3/31/00	3,615,677	1.138	4,114,102	1.007	4,142,728	4,893	
3/31/01	5,010,382	1.113	5,578,752	0.997	5,559,830	6,616	
3/31/02	6,822,290	1.088	7,424,185	0.994	7,376,172	8,846	
3/31/03	9,610,888	1.055	10,141,660	1.003	10,172,018	12,513	
Accident Year	Incurring Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurring Loss+ALAE Development Factor	ULAE Factor
3/31/99	1,516,637	16,068	1.008	1,512,574	1.103	1.000	1.039
3/31/00	3,239,268	47,768	1.008	3,217,031	1.088	1.000	1.039
3/31/01	4,039,743	38,401	1.008	4,033,353	1.073	1.000	1.039
3/31/02	5,890,804	13,328	1.008	5,924,495	1.056	1.004	1.039
3/31/03	6,877,948	144,601	1.008	6,787,214	1.034	1.067	1.039
Accident Year	Trended Adjusted Incurring Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts			
3/31/99	1,732,473	0.772	0.00	553			
3/31/00	3,635,558	0.878	0.10	1,091			
3/31/01	4,494,239	0.808	0.20	1,326			
3/31/02	6,524,046	0.884	0.30	1,843			
3/31/03	7,773,591	0.764	0.40	2,212			
Weighted Experience Loss+LAE Ratio						0.820	
Permissible Loss+LAE Ratio						0.540	
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)						1.000	
Credibility-Weighted Loss+LAE Ratio						0.820	
Credibility-Weighted Indicated Rate Level Change						52.1%	

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE MOTORHOME
RATE LEVEL ADJUSTMENTS

Company State	CCM TX	AFHIC AR	AFHIC GA	AFHIC IN	AFHIC KY	AFHIC MI	AFHIC MO	AFHIC OK	AFHIC OR	AFHIC TN	AFHIC AK	AMHIC AL	AMHIC AZ	AMHIC CA	AMHIC CO
ACC YR															
END	EARNED PREMIUM														
3/31/1999	86,947	0	15,126	18,356	2,959	0	2,245	0	0	5,024	1,505	11,986	52,325	470,969	5,910
3/31/2000	383,104	0	74,059	29,496	8,376	1,003	13,129	0	0	10,234	18,193	26,682	138,401	759,738	45,477
3/31/2001	565,782	0	146,630	35,546	12,832	34,472	17,800	747	147	19,648	43,695	41,931	238,007	962,640	101,961
3/31/2002	817,458	4,039	224,836	46,742	15,068	110,015	23,198	33,018	10,480	37,562	74,341	55,559	436,005	1,203,828	160,701
3/31/2003	1,186,955	36,626	305,068	88,568	20,774	196,131	22,984	156,784	17,580	69,662	102,080	82,397	640,305	1,570,598	226,359
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.184	1.000	1.020	0.850	1.000	1.000	1.046	1.000	1.000	1.164	1.000	1.007	1.115	1.170	1.076
3/31/2000	1.196	1.000	1.020	0.858	1.000	1.000	1.046	1.000	1.000	1.164	1.000	1.007	1.115	1.172	1.076
3/31/2001	1.187	1.000	1.020	0.965	1.000	1.000	1.040	1.000	1.000	1.164	1.000	1.007	1.098	1.139	1.076
3/31/2002	1.167	1.000	1.009	1.000	1.000	1.000	1.005	1.000	1.000	1.115	1.000	1.002	1.077	1.098	1.076
3/31/2003	1.108	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.007	1.000	1.000	1.059	1.086	1.049
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	102,915	0	15,434	15,603	2,959	0	2,348	0	0	5,848	1,505	12,069	58,327	551,207	6,359
3/31/2000	458,313	0	75,562	25,305	8,376	1,003	13,733	0	0	11,913	18,193	26,869	154,274	890,083	48,934
3/31/2001	671,822	0	149,603	34,308	12,832	34,472	18,517	747	147	22,870	43,695	42,220	261,422	1,096,419	109,710
3/31/2002	953,766	4,039	226,763	46,742	15,068	110,015	23,310	33,018	10,480	41,879	74,341	55,686	469,673	1,322,072	172,914
3/31/2003	1,315,548	36,626	305,068	88,568	20,774	196,131	22,984	156,784	17,580	70,127	102,080	82,397	677,817	1,706,419	237,559

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE MOTORHOME
RATE LEVEL ADJUSTMENTS

Company State	AMHIC CT	AMHIC DE	AMHIC ID	AMHIC IL	AMHIC IN	AMHIC IA	AMHIC ME	AMHIC MD	AMHIC MN	AMHIC MI	AMHIC MT	AMHIC NV	AMHIC NH	AMHIC NJ	AMHIC NM
ACC YR															
END	EARNED PREMIUM														
3/31/1999	28,715	2,084	0	27,513	0	1,705	1,548	1,145	0	14,784	0	17,446	20,527	20,698	37,801
3/31/2000	42,681	2,120	0	73,253	10,812	2,277	2,882	4,052	0	21,633	0	67,265	40,395	119,743	65,431
3/31/2001	58,149	3,044	0	106,368	86,082	4,443	5,420	10,752	0	33,563	0	90,010	62,128	187,715	90,219
3/31/2002	76,017	3,467	0	135,906	96,565	10,681	10,634	19,602	31	48,051	2,693	108,972	77,113	393,911	114,088
3/31/2003	103,321	8,923	5,292	163,618	81,499	20,737	21,472	39,630	10,466	69,605	28,636	130,971	97,367	1,157,479	126,656
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.109	1.000	1.000	1.183	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.072	1.000	0.842	1.302
3/31/2000	1.109	1.000	1.000	1.183	1.157	1.000	1.000	1.000	1.000	1.000	1.000	1.072	1.000	0.847	1.302
3/31/2001	1.109	1.000	1.000	1.168	1.157	1.000	1.000	1.000	1.000	1.000	1.000	1.071	1.000	0.950	1.282
3/31/2002	1.106	1.000	1.000	1.146	1.157	1.000	1.000	1.000	1.000	1.000	1.000	1.052	1.000	0.991	1.212
3/31/2003	1.032	1.000	1.000	1.118	1.138	1.000	1.000	1.000	1.000	1.000	1.000	1.045	1.000	0.992	1.196
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	31,845	2,084	0	32,538	0	1,705	1,548	1,145	0	14,784	0	18,705	20,527	17,435	49,198
3/31/2000	47,334	2,120	0	86,634	12,510	2,277	2,882	4,052	0	21,633	0	72,118	40,395	101,450	85,160
3/31/2001	64,488	3,044	0	124,190	99,597	4,443	5,420	10,752	0	33,563	0	96,391	62,128	178,259	115,668
3/31/2002	84,086	3,467	0	155,781	111,726	10,681	10,634	19,602	31	48,051	2,693	114,643	77,113	390,366	138,288
3/31/2003	106,649	8,923	5,292	182,976	92,751	20,737	21,472	39,630	10,466	69,605	28,636	136,810	97,367	1,148,285	151,542

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE MOTORHOME
RATE LEVEL ADJUSTMENTS

Company State	AMHIC NY	AMHIC NC	AMHIC OH	AMHIC OR	AMHIC PA	AMHIC RI	AMHIC SC	AMHIC UT	AMHIC VT	AMHIC WA	AMHIC WI	AMHIC WY	ASHIC FL	ASHIC LA	AMIG CW
ACC YR															
END	EARNED PREMIUM														
3/31/1999	150,052	0	23,470	450,843	38,500	45,946	0	0	655	127,642	3,296	0	184,309	1,343	1,873,373
3/31/2000	177,992	0	43,811	627,984	46,694	50,013	0	0	1,456	167,302	6,910	0	526,469	6,608	3,615,677
3/31/2001	218,069	0	51,311	693,881	60,809	53,531	0	0	6,079	225,283	8,732	0	722,427	10,524	5,010,382
3/31/2002	267,469	8,366	76,290	664,073	83,231	60,598	958	296	11,008	267,987	15,484	0	997,255	18,691	6,822,290
3/31/2003	350,277	71,022	95,813	576,554	100,433	63,079	11,718	12,441	16,462	273,573	24,994	220	1,196,095	29,664	9,610,888
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.000	1.000	1.221	1.268	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.117	1.000	1.147
3/31/2000	1.000	1.000	1.221	1.261	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.117	1.000	1.138
3/31/2001	1.000	1.000	1.221	1.185	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.103	1.000	1.113
3/31/2002	1.000	1.000	1.213	1.163	1.000	1.000	1.000	1.000	1.000	1.082	1.000	1.000	1.079	1.000	1.088
3/31/2003	1.000	1.000	1.116	1.106	1.000	1.000	1.000	1.000	1.000	1.129	1.000	1.000	1.045	1.000	1.055
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	150,052	0	28,657	571,520	38,500	45,946	0	0	655	137,338	3,296	0	205,830	1,343	2,149,224
3/31/2000	177,992	0	53,492	791,857	46,694	50,013	0	0	1,456	180,011	6,910	0	587,942	6,608	4,114,102
3/31/2001	218,069	0	62,650	822,533	60,809	53,531	0	0	6,079	242,396	8,732	0	796,699	10,524	5,578,752
3/31/2002	267,469	8,366	92,510	772,317	83,231	60,598	958	296	11,008	289,845	15,484	0	1,076,482	18,691	7,424,185
3/31/2003	350,277	71,022	106,886	637,943	100,433	63,079	11,718	12,441	16,462	308,875	24,994	220	1,250,044	29,664	10,141,660

American Modern Insurance Group

Appendix B

State: **Countrywide**

Exhibit 4

Product: **Motorhome**

Calculation of Premium Trend Factors

Program: **All Programs**

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
10,000	337	396	505	666	1,041	0.317	0.04	0.03	0.02	0.02	0.03
20,000	299	495	610	732	1,046	0.431	0.05	0.04	0.04	0.04	0.04
30,000	258	462	581	783	1,181	0.584	0.06	0.06	0.05	0.05	0.06
40,000	289	519	688	885	1,267	0.706	0.08	0.07	0.07	0.07	0.07
50,000	288	551	740	1,019	1,383	0.850	0.09	0.10	0.10	0.10	0.09
60,000	230	433	620	845	1,201	1.000	0.09	0.09	0.09	0.10	0.10
70,000	179	379	540	709	968	1.099	0.07	0.09	0.09	0.09	0.09
80,000	155	349	477	676	866	1.201	0.07	0.09	0.09	0.09	0.08
90,000	104	225	324	468	692	1.307	0.05	0.06	0.06	0.07	0.07
100,000	57	164	242	349	522	1.420	0.03	0.05	0.05	0.06	0.06
110,000	49	109	166	224	340	1.567	0.03	0.04	0.04	0.04	0.04
120,000	55	109	146	210	313	1.672	0.03	0.04	0.04	0.04	0.04
130,000	34	69	117	187	267	1.778	0.02	0.03	0.03	0.04	0.04
140,000	45	94	144	202	260	1.884	0.03	0.04	0.04	0.04	0.04
150,000	37	77	113	172	260	1.988	0.03	0.03	0.03	0.04	0.04
160,000	44	76	104	131	175	2.008	0.03	0.03	0.03	0.03	0.03
170,000	27	47	78	113	147	2.027	0.02	0.02	0.02	0.03	0.02
180,000	28	54	67	89	137	2.047	0.02	0.02	0.02	0.02	0.02
190,000	22	45	58	73	100	2.066	0.02	0.02	0.02	0.02	0.02
200,000	28	38	47	60	79	2.085	0.02	0.02	0.01	0.01	0.01
210,000	14	30	42	46	52	2.105	0.01	0.01	0.01	0.01	0.01
220,000	8	30	40	37	42	2.124	0.01	0.01	0.01	0.01	0.01
230,000	16	27	39	41	37	2.144	0.01	0.01	0.01	0.01	0.01
240,000	15	22	23	27	33	2.163	0.01	0.01	0.01	0.01	0.01
250,000	46	94	105	102	104	2.182	0.04	0.04	0.03	0.03	0.02
Total	2,665	4,893	6,616	8,846	12,513		0.965	1.025	1.042	1.048	1.031

Acc Year	Average Earned Relativity	Current Amount Factor	Fitted Exponential Curve #	Premium Trend Factor *
3/31/99	0.965	1.041	N/A	1.044
3/31/00	1.025	1.004	1.033	1.007
3/31/01	1.042	0.994	1.035	0.997
3/31/02	1.048	0.991	1.038	0.994
3/31/03	1.031	1.000	1.040	1.003

Annual Rate of Change: 0.1%

Trend Period Begins: 9/30/2002

Trend Period Ends: 9/30/2004

Projection Period (Years): 2.00

Premium Projection Factor: 1.003

* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor

4 Point Fit

American Modern Insurance Group
Motorhome Average Catastrophe Factor
All Motorhome Programs

Countrywide

Accident Year	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)
1994	0	48,015	48,015	0.000
1995	0	111,752	111,752	0.000
1996	4,215	89,844	85,630	0.049
1997	950	233,290	232,340	0.004
1998	16,186	1,095,058	1,078,871	0.015
1999	43,008	2,931,966	2,888,958	0.015
2000	44,916	4,167,329	4,122,413	0.011
2001	12,767	5,254,992	5,242,225	0.002
2002	37,482	6,555,487	6,518,005	0.006
Total	159,524	20,487,733	20,328,209	0.008

Selected Catastrophe Factor: 1.008

American Modern Insurance Group
State: Countrywide
Product: MOTORHOME
U.S. Dept. of Labor - Bureau of Labor Statistics
Producer Price Index -- Industry Data for Motorhomes

Appendix B
 Exhibit 6

Current Cost Factors

12 Months Ending	Average CPI	Current Cost factor	Loss+ALAE Trend Factors *
3/31/1999	145.9	156.2 / 145.9 = 1.071	1.103
3/31/2000	147.9	156.2 / 147.9 = 1.057	1.088
3/31/2001	150.0	156.2 / 150 = 1.041	1.073
3/31/2002	152.4	156.2 / 152.4 = 1.025	1.056
3/31/2003	155.6	156.2 / 155.6 = 1.004	1.034

Average Value of the Latest Quarter = 156.2
 The Latest Quarter = 1st quarter of 2003

Trended Cost Factors

Year	Quarter Ending	Average CPI	Exponential Fit
2000	June	148.8	148.9
2000	September	150.0	149.6
2000	December	150.6	150.3
2001	March	150.7	150.9
2001	June	151.4	151.6
2001	September	152.3	152.3
2001	December	152.7	153.0
2002	March	153.1	153.7
2002	June	154.4	154.4
2002	September	155.8	155.1
2002	December	156.1	155.8
2003	March	156.2	156.5

Quartely Trend = 0.5%
 Annual Trend = 1.8%
 Trend Period Begins: 2/14/2003
 Trend Period Ends: 9/30/2004
 Trended Period (Years) = 1.63
 Trended Cost Factor = 1.030

* Loss Trend Factor = Current Cost Factor X Trended Cost Factor

American Modern Insurance Group
Incurred Loss & ALAE Development Factors
Motorhome

Appendix B
 Exhibit 7.2

Countrywide Consolidated AMIG MOTORHOME Data

Indicated Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Wtd Averages																			
All Qtrs	1.217	1.033	0.996	0.995	1.006	0.995	0.990	0.998	0.998	1.004	1.001	0.988	1.001	1.000	1.000	1.000	1.001	0.999	0.999
4 Pt	1.250	1.012	0.972	1.010	1.049	1.022	0.996	1.006	0.998	0.987	1.002	0.983	1.000	1.000	1.000	1.000	1.001	0.999	0.999
8 Pt	1.253	1.021	0.974	1.008	1.025	1.013	0.998	0.999	0.999	1.004	1.001	0.988	1.001	1.000	1.000	1.000	1.000	1.000	1.000
12 Pt	1.212	1.021	0.984	0.990	1.007	1.010	0.991	0.997	0.998	1.004	1.001	0.988							
Time Wtd	1.233	1.044	0.997	1.000	1.004	0.998	0.991	0.998	0.998	1.008	1.001	0.988	1.001	1.000	1.000	1.000	1.002	0.998	1.000
Arithmetic Averages																			
All Qtrs	1.258	1.050	1.012	0.998	0.996	0.988	0.985	0.999	0.998	1.008	1.001	0.990	1.002	1.000	1.000	1.000	1.002	0.998	1.000
4 Pt	1.277	1.005	0.973	1.015	1.035	1.016	0.995	1.004	0.998	0.991	1.002	0.977	1.000	1.000	1.000	1.000	1.004	0.997	1.000
8 Pt	1.257	1.033	0.976	1.011	1.015	1.010	0.997	0.997	0.998	1.014	1.001	0.988	1.002	1.000	1.000	1.000			
12 Pt	1.206	1.039	0.989	0.992	0.993	1.007	0.987	0.995	0.997	1.009	1.001	0.990							
8 Pt H/L	1.246	1.016	0.985	1.003	1.001	1.006	0.997	0.997	0.998	1.000	1.000	0.998	1.000	1.000	1.000	1.000			
12 Pt H/L	1.194	1.023	0.997	0.993	1.001	1.005	0.992	0.995	0.998	1.000	1.000	0.997							
Geometric Averages																			
All Qtrs	1.230	1.043	1.010	0.997	0.994	0.986	0.985	0.999	0.998	1.007	1.000	0.990	1.002	1.000	1.000	1.000	1.002	0.998	1.000
4 Pt	1.270	1.005	0.971	1.015	1.034	1.016	0.995	1.003	0.998	0.991	1.002	0.976	1.000	1.000	1.000	1.000	1.004	0.997	1.000
8 Pt	1.250	1.030	0.974	1.010	1.014	1.010	0.997	0.997	0.998	1.013	1.001	0.988	1.002	1.000	1.000	1.000			
12 Pt	1.199	1.030	0.987	0.990	0.990	1.007	0.987	0.995	0.997	1.009	1.001	0.990							

Selected Factors

Selection:	4 Pt Wtd	8 Pt Wtd	8 Pt H/L Arith	8 Pt Wtd	8 Pt Arith	8 Pt H/L Arith	4 Pt Wtd	8 Pt Wtd	12 Pt H/L Arith	8 Pt Wtd	4 Pt Wtd	All Qtrs Arith	All Qtrs Wtd									
	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60-Ult		
Age-to-Age Factors	1.250	1.021	0.985	1.008	1.015	1.006	0.996	0.999	0.999	1.004	1.001	0.997	1.001	1.000	1.000	1.000	1.001	0.999	1.000	1.000		
Quarterly Age-to-Ult Factors	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult		
	1.291	1.033	1.011	1.026	1.019	1.004	0.997	1.001	1.002	1.003	0.999	0.997	1.001	1.000	1.000	1.000	1.000	0.999	1.000	1.000		
Wtd Annual Age-to-Ult Factors	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult					
	1.067	1.020	1.014	1.010	1.004	1.000	1.000	1.001	1.000	1.000	0.999	0.999	1.000	1.000	1.000	1.000	1.000					

AMERICAN MODERN INSURANCE GROUP
MOTORHOME

Calculation of ULAE Factor

Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2002	2001	2000
ULAE Incurred	7,993,149	8,792,714	10,440,487
Loss+ALAE Incurred	268,516,507	246,284,294	207,031,778
Ratio to Incurred Loss+ALAE	3.0%	3.6%	5.0%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Modern Insurance Group

State: Countrywide

Product: **Motorhome**

Appendix B

Exhibit 9

Determination of Permissible Loss Ratio

	Calendar Year Ending			Selected
	3/31/2001	3/31/2002	3/31/2003	
(1) Pre-Paid Commissions	17.9%	19.7%	19.2%	19.5%
	Calendar Year			Budget
	2000	2001	2002	2003
(1a) Contingent Commissions (Consolidated AMIG)	2.5%	1.9%	1.9%	2.1%
(2) Other Acquisition Expense (Consolidated AMIG)	N/A	0.9%	0.8%	1.4%
(3) General Expense (Consolidated AMIG)	N/A	18.1%	14.8%	13.8%
(4) Taxes, Licenses and Fees	2.9%	3.2%	3.1%	3.1%
(5) Total Expense				40.0%

Profit Loading Provision				
(6a) After Tax Return on Equity Goal			16.5%	
(6b) Premium to Surplus Ratio			2.3:1	
(6c) After Tax Return on Premium [(6a)/(6b)]			7.2%	
(6d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)			3.3%	
(6e) After Tax Return Needed from Underwriting Profit [(6c)-(6d)]			3.9%	
(6f) Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]			6.0%	
(6) Selected Profit Loading Provision				6.0%
(7) Total Expenses and Profit Provision [(5) + (6)]				46.0%
(8) Permissible Loss+LAE Ratio [1.000 - (7)]				54.0%

	Calendar Year Ending		
	3/31/2001	3/31/2002	3/31/2003
Data applied to calculate commission ratio:			
AMIG Countrywide Motorhome Written Premium	5,563,588	8,786,813	10,178,552
AMIG Countrywide Motorhome Paid Commission	995,346	1,732,432	1,953,843

	Calendar Year		
	2000	2001	2002
Data applied to calculate taxes, licenses and fees:			
AMIG Countrywide Written Premium from all Lines of AS	455,951,714	472,847,377	525,798,487
AMIG Countrywide Taxes, licenses, and fees from all Lines of AS	13,361,826	14,896,045	16,272,242

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2002	\$298,973,275
(2)	Mean Unearned Premium Reserve Ratio	59.7%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$178,556,850
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	21.5%
(b)	50% of Other Acquisition	0.6%
(c)	50% of General Expenses	7.2%
(d)	Taxes, Licenses, and Fees	3.1%
(e)	Subtotal	32.3%
(f)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	39.3%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$108,335,925
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$79,876,990
(b)	Direct Unearned Premium 2002 (All Lines)	\$298,152,490
(c)	Ratio (a) / (b)	26.8%
(d)	Direct Unearned Premium 2002 (ASLOB 19.2 & 21.1 Priv. Pass. Auto liability and PD)	\$184,135,676
(2)	Delayed Remission (1c) x (1d)	\$49,331,145
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	54.0%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$161,302,063
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2002 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	16.7%
(b)	2001 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	17.2%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	16.9%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$26,176,939
D. Net Subject to Investment		\$85,181,719
(A.5) - (B.2) + (C.4)		
E. Before Tax Rate of Return		5.2%
[(Exhibit 10, Page 3)]		
F. Average Rate of Return as a % of Direct Earned Premium		1.5%
[(D) x (E)] / (A.1)		
G. Before Tax Investment Income Return (Including Surplus)		3.8%
(F) + [(E) x (1.0/Premium to Surplus Ratio)]		
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	12.2%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	3.3%

Average Federal Tax Rate on Investment Income

	Investment Income 2000-2002 (A)	Allocation (2)	Current Tax Rate (B)	Total Tax (2)x(3) (4)
	(1)	(2)	(3)	(4)
Bonds				
- Taxable	\$16,851,048	17.5%	35.0%	6.1%
Bonds				
- Tax Exempt Municipal	\$29,696,754	30.9%	2.6%	0.8%
Bonds				
- Taxable Municipal	\$31,855,243	33.1%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
Stocks				
- Acquired after 1987	\$13,299,875	13.8%	14.2%	2.0%
Short-Term Investments	\$4,515,868	4.7%	35.0%	1.6%
Total	\$96,218,788	100.0%		12.2%

Notes: (A) From AMIG Annual Statement, Part 1.
(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2003 will be:

Ordinary Income =	35.0%
Taxable Municipals - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1991	6.5%
1992	5.7%
1993	4.8%
1994	4.5%
1995	5.5%
1996	5.5%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
Twelve Year Average	5.2%
Latest Six Year Average	5.0%
Latest Year	5.2%
Projected 2003 (12 Year Trend)	4.7%
Projected 2003 (6 Year Trend)	5.2%

Selected 2003 Rate of Return

Before Tax	5.2%
After Tax [(1-0.122) x 5.2%]	4.6%

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for [Private Passenger Auto Physical Damage](#) written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by multiplying 2001 Direct Earned Premium by the mean unearned premium ratio. The mean unearned premium ratio is determined by adding the unearned premiums for Dec. 31, 2000 and Dec. 31, 2001 and then dividing that total by twice the 2001 earned premiums for American Modern Insurance Group.

Line A-4

Deduction for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on [American Family Home Insurance Company](#)'s statewide data as shown on the permissible loss ratio exhibit.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average Agent's balances as a percentage of direct unearned premium.

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

This ratio includes an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is $(.12 \times .35 = .042)$, and the appropriate adjustment is $.958 (1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 1999-2001 for American Modern Insurance Group.

Appendix B
American Modern Insurance Group
Travel Trailer Rate Level Indication Summary
State: Countrywide

General:

The purpose of this report is to evaluate the countrywide rate level adequacy of the travel trailer product for consolidated American Modern Insurance Group. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods. The exhibits are all part of Exhibit B.

Assumptions & Methodologies:

1. On Exhibit 1 we show the overall rate indication for the travel trailer product. We describe each of the Exhibit 1 data adjustments in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by state and then trended using a countrywide adjustment as described below.
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned evenly over the term of the policy, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3.1 we show the rate changes taken since 1996 and on Exhibit 3.2 we show the resulting Rate Level Adjustment Factors and current level earned premium by state.
 - (b) The Current Amount Factor adjusts for any increase/decrease in premium that is due to inflationary changes of the property values in our exposure base. Our model uses a countrywide average unit value relativity curve (UVRC) weighted with earned exposures to estimate the average premium relativity for the most recent five years. The Current Amount Factor for each year is then calculated as the most recent year relativity divided by the particular year's average relativity. Ideally, we would calculate this effect using a cohort of policyholders that renew with us through the whole period and exclude new policies. As an alternative method, we temper our resulting factors by 75% (default assumption) to adjust them to a renewal business level. We footnote occasions where differing assumptions are used.
 - (c) The Premium Projection Factor estimates the premium level change over a future period of time due to the inflation of property values in our exposure base. We use this estimate to project premium levels from the middle of the most recent experience year to the average date for which our proposed rates will be in effect. To calculate this we fit an exponential trend to the historical average premium relativities used in developing the Current Amount Factors. As with the Current Amount Factor, we temper the result by 75% or footnote exceptions to the practice. On Exhibit 4 we show the computation of the Premium Projection Factor and the Current Amount Factors. On Exhibit 1 we show only the Premium Trend Factor which is the product of the Current Amount Factor and the Premium Projection Factor as footnoted on Exhibit 4.

Appendix B
AMIG Rate Level Indication Summary
Countrywide Travel Trailer
Page 2

3. We adjust incurred losses using the factors described below.
 - (a) **Catastrophic Losses (including alae).** Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average factor. Our methodology is based on the relative stability of non-catastrophe losses, so we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.
 - (b) The Current Cost Factor estimates the relationship between inflation and losses. The factor is calculated using the United States' Department of Labor-BLS Producer Price Index for Motorhomes. Using an average of the most recent quarter's information, a ratio is generated by dividing this average by the respective yearly averages.
 - (c) The Trended Cost Factor estimates the amount of losses to be incurred over a future period of time. We estimate the average annualized change by fitting an exponential trend to the most recent twelve quarters of the Producer Price Index. The time period of this trend is from the middle of the 'latest quarter' (Exhibit 6) to the average accident date for which our proposed rates will be in effect. Exhibit 6 shows the calculations for both the Current Cost Factor and the Trended Cost Factor. As noted on Exhibit 6, the Loss+ALAE Trend Factor equals the Current Cost Factor times the Trended Cost Factor.
 - (d) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing the quarterly historical patterns of the American Modern Insurance Group countrywide travel trailer losses. Exhibit 7 shows this calculation which uses twenty-four accident quarters of data. On Exhibit 7.2 we calculate "Quarterly Age-to-Ultimate Factors" which are then weighted together using the most recent incurred losses to get "Weighted Annual Age-to-Ultimate Factors".
 - (e) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.
4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 1,084 claim counts (with indemnity) as the full credibility standard. Using these assumptions, the data is fully credible. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibits 10.x, shows the computation of return on investment income. Appendix A is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Family Home Insurance Company

Travel Trailer Rate Level Indication Summary

State: Arkansas

General:

The purpose of this report is to evaluate the rate level adequacy of the travel trailer programs in the state of Arkansas. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods

Assumptions & Methodologies:

1. On Exhibit 1, Page 1 we show the rate level indication for all programs combined. On Exhibits 2.x we calculate the Weighted Experience Loss+LAE Ratios by individual program, and on Exhibit 1.2 we use these ratios to develop indicated changes by program. We describe each of the Exhibit 1 & 2 data adjustments in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by program and then trended, using three factors described below.
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned evenly over the term of the policy, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes taken since 1996 and the resulting Rate Level Adjustment Factors.
 - (b) The Current Amount Factor adjusts for any increase/decrease in premium that is due to inflationary changes of the property values in our exposure base. Our model uses a unit value relativity curve (UVRC) weighted with earned exposures to estimate the average premium relativity for the most recent five years. The Current Amount Factor for each year is then calculated as the most recent year relativity divided by the particular year's average relativity. Ideally, we would calculate this effect using a cohort of policyholders that renew with us through the whole period and exclude new policies. As an alternative method, we temper our resulting factors by 75% (default assumption) to adjust them to a renewal business level. We footnote occasions where differing assumptions are used.
 - (c) The Premium Projection Factor estimates the premium level change over a future period of time due to the inflation of property values in our exposure base. We use this estimate to project premium levels from the middle of the most recent experience year to the average date for which our proposed rates will be in effect. To calculate this we fit an exponential trend to the historical average premium relativities used in developing the Current Amount Factors. As with the Current Amount Factor, we temper the result by 75% or footnote exceptions to the practice. On Exhibits 4.x we show the computation of the Premium Projection Factor and the Current Amount Factors by program. On Exhibit 2 we show only the Premium Trend Factor which is the product of the Current Amount Factor and the Premium Projection Factor as footnoted on Exhibit 4.

AFHIC Rate Level Indications Summary
Arkansas Travel Trailer
Page 2

3. We adjust incurred losses using the factors described below.
 - (a) **Catastrophic Losses (including alae).** Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average factor. Our methodology is based on the relative stability of non-catastrophe losses, so we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.
 - (b) The Current Cost Factor estimates the relationship between inflation and losses. The factor is calculated using the United States' Department of Labor-BLS Producer Price Index for Motorhomes. Using an average of the most recent quarter's information, a ratio is generated by dividing this average by the respective yearly averages.
 - (c) The Trended Cost Factor estimates the amount of losses to be incurred over a future period of time. We estimate the average annualized change by fitting an exponential trend to the most recent twelve quarters of the Producer Price Index. The time period of this trend is from the middle of the 'latest quarter' (Exhibit 6) to the average accident date for which our proposed rates will be in effect. Exhibit 6 shows the calculations for both the Current Cost Factor and the Trended Cost Factor. As noted on Exhibit 6, the Loss+ALAE Trend Factor equals the Current Cost Factor times the Trended Cost Factor.
 - (d) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing the quarterly historical patterns of the American Modern Insurance Group countrywide travel trailer losses. Exhibit 7 shows this calculation which uses twenty-four accident quarters of data. On Exhibit 7.2 we calculate "Quarterly Age-to-Ultimate Factors" which are then weighted together using the most recent incurred losses to get "Weighted Annual Age-to-Ultimate Factors".
 - (e) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.
4. We weight together the adjusted accident year loss+lae ratios and then divide by the permissible loss+lae ratio to get the Experience-Only Indicated Rate Level Change. We credibility-weight this indication with the countrywide travel trailer indication to get the Credibility-Weighted Indicated Rate Level Change. Credibility is based on the square root rule with 1,084 claim counts (with indemnity) as the full credibility standard. The Countrywide travel trailer indicated rate level change is developed in Appendix B.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 10, pages 1-3, shows the computation of return on investment income. Appendix A is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

American Modern Insurance Group
TRAVEL TRAILER Rate Level Indication
All Programs Combined

Appendix B
 Exhibit 1

State: Countrywide
SOB: All Channels

Prop Eff. Date: 10/01/03

	(1)	(2)	(3)	(4)	(5)	(6)	
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures	
3/31/99	332,849	1.068	355,566	0.962	341,945	972	
3/31/00	1,220,387	1.075	1,312,355	0.994	1,304,884	3,698	
3/31/01	2,223,120	1.075	2,390,656	1.001	2,392,059	6,921	
3/31/02	3,399,703	1.072	3,643,251	0.991	3,608,924	10,510	
3/31/03	5,644,287	1.044	5,892,691	0.999	5,887,480	17,391	
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE ((7)-(8))x(9)	Incurred Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	244,682	15,443	1.052	241,239	1.103	1.000	1.039
3/31/00	703,085	34,120	1.052	703,984	1.088	1.001	1.039
3/31/01	1,387,941	51,259	1.052	1,406,654	1.073	1.002	1.039
3/31/02	2,669,839	78,569	1.052	2,726,917	1.056	1.006	1.039
3/31/03	3,709,914	265,168	1.052	3,625,072	1.034	1.078	1.039
	(14)		(15)	(16)	(17)		
Accident Year	Trended Adjusted Incurred Loss+LAE Prod((10):(13))		Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts		
3/31/99	276,366		0.808	0.00	96		
3/31/00	796,621		0.610	0.10	297		
3/31/01	1,570,125		0.656	0.20	494		
3/31/02	3,007,590		0.833	0.30	819		
3/31/03	4,198,002		0.713	0.40	1,161		

Weighted Experience Loss+LAE Ratio	0.728
Permissible Loss+LAE Ratio	0.530
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	1.000
Credibility-Weighted Loss+LAE Ratio	0.728
Credibility-Weighted Indicated Rate Level Change	37.2%

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE TRAVEL TRAILER
RATE CHANGE HISTORY

Company State	CCM TX	AFHIC GA	AMHIC AZ	AMHIC CO	AMHIC CT	AMHIC IL	AMHIC IN	AMHIC MN	AMHIC NV	AMHIC NM	AMHIC OH	AMHIC OR	AMHIC WA	ASHIC FL
Ren Eff Date 1	4/1/1997	6/1/1999	8/1/2002	11/1/2002	10/1/2002	9/1/2002	11/1/2002	3/1/2002	1/1/2003	1/1/2003	7/1/2001	8/1/2002	8/15/2001	9/15/2002
Rate Change 1	-29.2%	4.1%	20.7%	6.4%	13.1%	8.1%	26.0%	14.3%	5.6%	16.9%	12.5%	4.6%	7.6%	20.9%
Ren Eff Date 2	6/15/2002										11/1/2002			
Rate Change 2	8.9%										6.4%			

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE TRAVEL TRAILER
RATE LEVEL ADJUSTMENTS

Company State	CCM TX	AFHIC AR	AFHIC GA	AFHIC IN	AFHIC KS	AFHIC KY	AFHIC MI	AFHIC MO	AFHIC OK	AFHIC RI	AFHIC TN	AFHIC AK	AMHIC AL	AMHIC AZ	AMHIC CA
ACC YR															
END	EARNED PREMIUM														
3/31/1999	86,315	0	0	6,281	0	1,704	0	1,287	0	0	0	1,118	0	14,698	89,859
3/31/2000	319,526	0	11,787	27,359	154	20,643	0	10,346	0	0	0	4,184	0	51,394	242,613
3/31/2001	565,959	0	30,695	37,563	620	29,264	1,006	15,758	0	993	0	7,028	0	106,212	481,865
3/31/2002	882,491	8,937	45,076	48,660	1,463	32,306	29,337	28,030	20,901	4,512	7,297	8,347	0	175,200	752,074
3/31/2003	1,388,622	76,059	71,292	73,357	8,207	42,252	119,986	43,833	184,250	8,963	63,556	17,532	8,762	272,748	1,184,940
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.089	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.207	1.000
3/31/2000	1.089	1.000	1.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.207	1.000
3/31/2001	1.089	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.207	1.000
3/31/2002	1.089	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.207	1.000
3/31/2003	1.058	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.152	1.000
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	93,997	0	0	6,281	0	1,704	0	1,287	0	0	0	1,118	0	17,741	89,859
3/31/2000	347,963	0	12,012	27,359	154	20,643	0	10,346	0	0	0	4,184	0	62,032	242,613
3/31/2001	616,329	0	30,709	37,563	620	29,264	1,006	15,758	0	993	0	7,028	0	128,198	481,865
3/31/2002	961,033	8,937	45,076	48,660	1,463	32,306	29,337	28,030	20,901	4,512	7,297	8,347	0	211,467	752,074
3/31/2003	1,469,555	76,059	71,292	73,357	8,207	42,252	119,986	43,833	184,250	8,963	63,556	17,532	8,762	314,213	1,184,940

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE TRAVEL TRAILER
RATE LEVEL ADJUSTMENTS

Company State	AMHIC CO	AMHIC CT	AMHIC DE	AMHIC ID	AMHIC IL	AMHIC IN	AMHIC IA	AMHIC KS	AMHIC ME	AMHIC MN	AMHIC MI	AMHIC MT	AMHIC NV	AMHIC NH	AMHIC NJ
ACC YR															
END	EARNED PREMIUM														
3/31/1999	3,876	0	566	0	4,991	0	183	0	559	0	0	0	2,522	0	14,944
3/31/2000	11,530	911	2,763	0	28,750	6,388	2,228	174	2,739	2,298	0	0	10,550	931	101,724
3/31/2001	27,009	11,107	5,343	0	41,283	55,796	4,970	6,191	5,262	4,876	0	0	23,559	9,091	151,659
3/31/2002	55,684	21,692	6,939	0	48,800	62,317	18,311	8,609	6,413	9,862	0	5,328	45,203	16,217	198,865
3/31/2003	97,939	33,920	11,979	8,776	70,583	57,760	36,616	10,581	8,516	31,521	5,823	31,590	67,132	25,567	268,779
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.064	1.000	1.000	1.000	1.081	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.056	1.000	1.000
3/31/2000	1.064	1.131	1.000	1.000	1.081	1.260	1.000	1.000	1.000	1.143	1.000	1.000	1.056	1.000	1.000
3/31/2001	1.064	1.131	1.000	1.000	1.081	1.260	1.000	1.000	1.000	1.143	1.000	1.000	1.056	1.000	1.000
3/31/2002	1.064	1.131	1.000	1.000	1.081	1.260	1.000	1.000	1.000	1.142	1.000	1.000	1.056	1.000	1.000
3/31/2003	1.057	1.112	1.000	1.000	1.065	1.239	1.000	1.000	1.000	1.048	1.000	1.000	1.054	1.000	1.000
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	4,124	0	566	0	5,395	0	183	0	559	0	0	0	2,664	0	14,944
3/31/2000	12,268	1,030	2,763	0	31,078	8,049	2,228	174	2,739	2,627	0	0	11,141	931	101,724
3/31/2001	28,737	12,562	5,343	0	44,627	70,303	4,970	6,191	5,262	5,574	0	0	24,878	9,091	151,659
3/31/2002	59,247	24,534	6,939	0	52,752	78,519	18,311	8,609	6,413	11,266	0	5,328	47,735	16,217	198,865
3/31/2003	103,568	37,704	11,979	8,776	75,202	71,552	36,616	10,581	8,516	33,024	5,823	31,590	70,759	25,567	268,779

AMERICAN MODERN INSURANCE GROUP
COUNTRYWIDE TRAVEL TRAILER
RATE LEVEL ADJUSTMENTS

Company State	AMHIC NM	AMHIC NY	AMHIC NC	AMHIC OH	AMHIC OR	AMHIC PA	AMHIC SC	AMHIC UT	AMHIC VT	AMHIC VA	AMHIC WA	AMHIC WI	AMHIC WY	ASHIC FL	AMIG CW
ACC YR END	EARNED PREMIUM														
3/31/1999	3,563	0	0	6,362	59,854	0	0	0	222	0	3,541	0	0	30,402	332,849
3/31/2000	26,219	26,146	0	17,061	108,921	0	0	0	2,466	0	24,198	0	0	156,386	1,220,387
3/31/2001	40,896	95,939	0	22,308	135,918	0	0	0	3,696	0	50,664	3,906	0	246,685	2,223,120
3/31/2002	61,902	159,442	5,673	30,315	140,007	9,054	2,094	19	5,732	0	69,514	13,478	0	353,602	3,399,703
3/31/2003	82,874	266,869	97,844	48,786	150,077	44,558	30,497	23,186	7,217	6,413	107,095	29,056	104	418,269	5,644,287
	RATE LEVEL ADJUSTMENT FACTORS														
3/31/1999	1.160	1.000	1.000	1.197	1.046	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.209	1.068
3/31/2000	1.153	1.000	1.000	1.197	1.046	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.209	1.075
3/31/2001	1.148	1.000	1.000	1.197	1.046	1.000	1.000	1.000	1.000	1.000	1.076	1.000	1.000	1.209	1.075
3/31/2002	1.146	1.000	1.000	1.158	1.046	1.000	1.000	1.000	1.000	1.000	1.059	1.000	1.000	1.209	1.072
3/31/2003	1.139	1.000	1.000	1.062	1.035	1.000	1.000	1.000	1.000	1.000	1.004	1.000	1.000	1.174	1.044
	CURRENT LEVEL EARNED PREMIUM														
3/31/1999	4,132	0	0	7,616	62,607	0	0	0	222	0	3,810	0	0	36,756	355,566
3/31/2000	30,224	26,146	0	20,422	113,932	0	0	0	2,466	0	26,037	0	0	189,071	1,312,355
3/31/2001	46,955	95,939	0	26,703	142,170	0	0	0	3,696	0	54,514	3,906	0	298,242	2,390,656
3/31/2002	70,920	159,442	5,673	35,109	146,447	9,054	2,094	19	5,732	0	73,603	13,478	0	427,505	3,643,251
3/31/2003	94,376	266,869	97,844	51,826	155,398	44,558	30,497	23,186	7,217	6,413	107,562	29,056	104	490,990	5,892,691

American Modern Insurance Group

Appendix B

State: **Countrywide**

Exhibit 4

Product: **Travel Trailer**

Calculation of Premium Trend Factors

Program: **All Programs**

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	98	391	643	743	1,293	0.317	0.03	0.03	0.03	0.02	0.02
8,000	121	479	861	1,236	2,091	0.507	0.06	0.07	0.06	0.06	0.06
12,000	137	605	1,167	1,712	2,679	0.719	0.10	0.12	0.12	0.12	0.11
16,000	151	619	1,229	1,993	3,186	0.844	0.13	0.14	0.15	0.16	0.15
20,000	110	403	831	1,319	2,323	1.000	0.11	0.11	0.12	0.13	0.13
24,000	72	242	500	923	1,637	1.157	0.09	0.08	0.08	0.10	0.11
28,000	48	169	339	561	991	1.321	0.06	0.06	0.06	0.07	0.08
32,000	29	115	195	338	576	1.453	0.04	0.05	0.04	0.05	0.05
36,000	32	103	202	324	553	1.557	0.05	0.04	0.05	0.05	0.05
40,000	36	106	186	301	505	1.675	0.06	0.05	0.05	0.05	0.05
44,000	27	88	140	209	361	1.804	0.05	0.04	0.04	0.04	0.04
48,000	23	88	142	197	293	1.925	0.04	0.05	0.04	0.04	0.03
52,000	21	64	111	149	226	2.042	0.04	0.04	0.03	0.03	0.03
56,000	18	55	86	119	160	2.155	0.04	0.03	0.03	0.02	0.02
60,000	15	45	79	104	145	2.262	0.03	0.03	0.03	0.02	0.02
64,000	8	35	57	82	107	2.362	0.02	0.02	0.02	0.02	0.01
68,000	8	34	53	71	91	2.466	0.02	0.02	0.02	0.02	0.01
72,000	10	23	37	45	53	2.577	0.03	0.02	0.01	0.01	0.01
76,000	3	12	21	28	41	2.687	0.01	0.01	0.01	0.01	0.01
80,000	1	4	12	19	21	2.796	0.00	0.00	0.00	0.01	0.00
84,000	1	8	12	18	22	2.906	0.00	0.01	0.01	0.01	0.00
88,000	1	2	5	5	10	3.014	0.00	0.00	0.00	0.00	0.00
92,000	0	2	2	1	3	3.126	0.00	0.00	0.00	0.00	0.00
96,000	0	1	4	5	4	3.237	0.00	0.00	0.00	0.00	0.00
100,000	4	4	5	7	19	3.350	0.01	0.00	0.00	0.00	0.00
Total	972	3,698	6,921	10,510	17,391		1.057	1.011	1.003	1.016	1.004

Acc Year	Average Earned Relativity	Current Amount Factor	Fitted Exponential Curve #	Premium Trend Factor *
3/31/99	1.057	0.963	N/A	0.962
3/31/00	1.011	0.995	1.009	0.994
3/31/01	1.003	1.001	1.009	1.001
3/31/02	1.016	0.991	1.008	0.991
3/31/03	1.004	1.000	1.008	0.999

Annual Rate of Change: 0.0%
Trend Period Begins: 9/30/2002
Trend Period Ends: 9/30/2004
Projection Period (Years): 2.00
Premium Projection Factor: 0.999
* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
4 Point Fit

American Modern Insurance Group
Travel Trailer Average Catastrophe Factor
All Travel Trailer Programs

Countrywide

	(1)	(2)	(3)	(4)
Accident Year	Catastrophe Losses	All Losses	All Less Catastrophe (2)-(1)	Catastrophe Ratio (1)/(3)
1997	0	22,934	22,934	0.000
1998	16,969	162,048	145,079	0.117
1999	12,651	575,180	562,529	0.022
2000	71,247	1,339,793	1,268,546	0.056
2001	72,044	2,193,518	2,121,474	0.034
2002	222,373	3,652,919	3,430,546	0.065
Total	395,284	7,946,392	7,551,108	0.052
Selected Catastrophe Factor:				1.052

American Modern Insurance Group
State: Countrywide
Product: TRAVEL TRAILER
U.S. Dept. of Labor - Bureau of Labor Statistics
Producer Price Index -- Industry Data for Motorhomes

Appendix B
 Exhibit 6

Current Cost Factors

12 Months Ending	Average CPI	Current Cost factor	Loss+ALAE Trend Factors *
3/31/1999	145.9	156.2 / 145.9 = 1.071	1.103
3/31/2000	147.9	156.2 / 147.9 = 1.057	1.088
3/31/2001	150.0	156.2 / 150 = 1.041	1.073
3/31/2002	152.4	156.2 / 152.4 = 1.025	1.056
3/31/2003	155.6	156.2 / 155.6 = 1.004	1.034

Average Value of the Latest Quarter = 156.2
 The Latest Quarter = 1st quarter of 2003

Trended Cost Factors

Year	Quarter Ending	Average CPI	Exponential Fit
2000	June	148.8	148.9
2000	September	150.0	149.6
2000	December	150.6	150.3
2001	March	150.7	150.9
2001	June	151.4	151.6
2001	September	152.3	152.3
2001	December	152.7	153.0
2002	March	153.1	153.7
2002	June	154.4	154.4
2002	September	155.8	155.1
2002	December	156.1	155.8
2003	March	156.2	156.5

Quartely Trend = 0.5%
 Annual Trend = 1.8%
 Trend Period Begins: 2/14/2003
 Trend Period Ends: 9/30/2004
 Trended Period (Years) = 1.63
 Trended Cost Factor = 1.030

* Loss Trend Factor = Current Cost Factor X Trended Cost Factor

American Modern Insurance Group
Incurred Loss & ALAE Development factors
Travel Trailer
Countrywide Consolidated AMIG TRAVEL TRAILER Data

Appendix B
Exhibit 7.2

Indicated Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60
Wtd Averages																			
All Qtrs	1.251	0.995	1.020	1.020	1.001	1.001	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4 Pt	1.200	1.000	1.024	1.033	1.000	1.000	1.003	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.273	0.999	1.024	1.025	1.001	1.000	1.001	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12 Pt	1.243	0.994	1.018	1.021	1.001	1.001	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
Time Wtd	1.322	1.014	1.018	1.014	1.001	1.002	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
Arithmetic Averages																			
All Qtrs	1.329	1.024	1.028	1.009	1.001	1.002	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
4 Pt	1.216	1.008	1.026	1.032	1.000	1.000	1.002	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.350	1.003	1.022	1.020	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
12 Pt	1.287	1.013	1.006	1.013	1.001	1.003	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt H/L	1.315	1.001	1.020	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12 Pt H/L	1.260	0.994	1.013	1.007	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Geometric Averages																			
All Qtrs	1.259	1.022	1.025	1.008	1.001	1.002	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
4 Pt	1.214	1.008	1.026	1.031	1.000	1.000	1.002	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.335	1.003	1.022	1.020	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000
12 Pt	1.274	1.010	1.005	1.013	1.001	1.003	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Selected Factors

Age-to-Age Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60-Ult	
	1.243	1.003	1.020	1.013	1.000	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	
Quarterly Age-to-Ult Factors	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult	
	1.297	1.044	1.040	1.020	1.006	1.006	1.006	1.004	1.003	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	
Wtd Annual Age-to-Ult Factors	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult				
	1.078	1.030	1.022	1.010	1.006	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000				

AMERICAN MODERN INSURANCE GROUP
TRAVEL TRAILER

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2002	2001	2000
ULAE Incurred	7,993,149	8,792,714	10,440,487
Loss+ALAE Incurred	268,516,507	246,284,294	207,031,778
Ratio to Incurred Loss+AL	3.0%	3.6%	5.0%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Modern Insurance Group

State: Countrywide

Product: **Travel Trailer**

Appendix B

Exhibit 9

Determination of Permissible Loss Ratio

	Calendar Year Ending			Selected
	3/31/2001	3/31/2002	3/31/2003	
(1) Pre-Paid Commissions	19.1%	20.2%	20.0%	20.1%
	Calendar Year			Budget
	2000	2001	2002	2003
(1a) Contingent Commissions (Consolidated AMIG)	2.5%	1.9%	1.9%	2.1%
(2) Other Acquisition Expense (Consolidated AMIG)	N/A	0.7%	0.5%	1.4%
(3) General Expense (Consolidated AMIG)	N/A	13.8%	14.5%	15.1%
(4) Taxes, Licenses and Fees	2.9%	3.2%	3.1%	3.1%
(5) Total Expense				41.0%

Profit Loading Provision				
(6a) After Tax Return on Equity Goal			16.5%	
(6b) Premium to Surplus Ratio			2.3:1	
(6c) After Tax Return on Premium [(6a)/(6b)]			7.2%	
(6d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)			3.3%	
(6e) After Tax Return Needed from Underwriting Profit [(6c)-(6d)]			3.9%	
(6f) Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]			6.0%	
(6) Selected Profit Loading Provision				6.0%
(7) Total Expenses and Profit Provision [(5) + (6)]				47.0%
(8) Permissible Loss+LAE Ratio [1.000 - (7)]				53.0%

Data applied to calculate commission ratio:

AMIG Countrywide Travel Trailer Written Premium
 AMIG Countrywide Travel Trailer Paid Commission

	Calendar Year Ending		
	3/31/2001	3/31/2002	3/31/2003
AMIG Countrywide Travel Trailer Written Premium	2,659,604	4,461,142	6,562,562
AMIG Countrywide Travel Trailer Paid Commission	508,988	901,238	1,310,725

Data applied to calculate taxes, licenses and fees:

AMIG Countrywide Written Premium from all Lines of AS
 AMIG Countrywide Taxes, licenses, and fees from all Lines of AS

	Calendar Year		
	2000	2001	2002
AMIG Countrywide Written Premium from all Lines of AS	455,951,714	472,847,377	525,798,487
AMIG Countrywide Taxes, licenses, and fees from all Lines of AS	13,361,826	14,896,045	16,272,242

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve

(1)	Direct Earned Premium for 2002	\$287,815,654
(2)	Mean Unearned Premium Reserve Ratio	61.0%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$175,529,261
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
	(a) Commission	22.2%
	(b) 50% of Other Acquisition	0.5%
	(c) 50% of General Expenses	7.4%
	(d) Taxes, Licenses, and Fees	3.1%
	(e) Subtotal	33.1%
	(f) Federal Taxes Payable	7.0%
(4T)	Total Deductions	40.1%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$105,120,541

B. Delayed Remission of Premium (Agent's Balances)

(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
	(a) Average Agent's Balance	\$79,876,990
	(b) Direct Unearned Premium 2002 (All Lines)	\$298,152,490
	(c) Ratio (a) / (b)	26.8%
	(d) Direct Unearned Premium 2002 (ASLOB 21.1 Private passenger auto physical damage)	\$170,582,999
(2)	Delayed Remission (1c) x (1d)	\$45,700,294

C. Loss and Loss Adjustment Expense Reserve

(1)	Expected Loss and Loss Adjustment Expense Ratio	53.0%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$152,579,012
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
	(a) 2002 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	15.3%
	(b) 2001 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	15.3%
	(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	15.3%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$22,345,633

D. Net Subject to Investment

(A.5) - (B.2) + (C.4)

\$81,765,880

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)]

5.2%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1)

1.5%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)]

3.8%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	12.2%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	3.3%

American Modern Insurance Group
Investment Income and Other Income
ASLOB 21.1 Private passenger auto physical damage
Countrywide Consolidated AMIG Data

Appendix B
Exhibit 10.2

Average Federal Tax Rate on Investment Income

	Investment Income 2000-2002 (A)	Allocation (2)	Current Tax Rate (B)	Total Tax (2)x(3) (4)
	(1)	(2)	(3)	(4)
Bonds				
- Taxable	\$16,851,048	17.5%	35.0%	6.1%
Bonds				
- Tax Exempt Municipal	\$29,696,754	30.9%	2.6%	0.8%
Bonds				
- Taxable Municipal	\$31,855,243	33.1%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
Stocks				
- Acquired after 1987	\$13,299,875	13.8%	14.2%	2.0%
Short-Term Investments	\$4,515,868	4.7%	35.0%	1.6%
Total	\$96,218,788	100.0%		12.2%

Notes: (A) From AMIG Annual Statement, Part 1.
(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2003 will be:

Ordinary Income =	35.0%
Taxable Municipals - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1991	6.5%
1992	5.7%
1993	4.8%
1994	4.5%
1995	5.5%
1996	5.5%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
Twelve Year Average	5.2%
Latest Six Year Average	5.0%
Latest Year	5.2%
Projected 2003 (12 Year Trend)	4.7%
Projected 2003 (6 Year Trend)	5.2%

Selected 2003 Rate of Return

Before Tax	5.2%
After Tax [(1-0.122) x 5.2%]	4.6%

American Family Home Ins. Co.
TRAVEL TRAILER Rate Level Indication

Exhibit 1

All Programs Combined

State: Arkansas
SOB: All Channels
Terr: Statewide

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
			Curr Level		Trended			
Accident	Earned	Rate	Earned	Premium	Current Level	Earned		
Year	Premium	Level Adj	Premium	Trend	Premium	Premium	Earned	
		Factor	(1)x(2)	Factor	(3)x(4)		Exposures	
3/31/99	0	1.000	0	1.000	0	0	0	
3/31/00	0	1.000	0	1.000	0	0	0	
3/31/01	0	1.000	0	1.000	0	0	0	
3/31/02	8,937	1.000	8,937	1.000	8,937	35		
3/31/03	76,059	1.000	76,059	1.000	76,059	287		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident	Incurred	Catastrophe	Catastrophe	Cat Adjusted	Loss+ALAE	Incurred	
Year	Loss+ALAE	Loss+ALAE	Factor	Loss+ALAE	Trend	Loss+ALAE	ULAE
				{{(7)-(8)}x(9)}	Factor	Development	Factor
3/31/99	0	0	1.033	0	1.103	1.000	1.039
3/31/00	0	0	1.033	0	1.088	1.001	1.039
3/31/01	0	0	1.033	0	1.073	1.002	1.039
3/31/02	7,083	0	1.033	7,317	1.056	1.006	1.039
3/31/03	61,411	0	1.033	63,438	1.034	1.078	1.039

	(14)	(15)	(16)	(17)
Accident	Trended	Adjusted	Accident	Reported
Year	Adjusted	Loss+LAE	Year	Claim
	Loss+LAE	Ratio	Weight	Counts
	Prod{(10):(13)}	(14)/(5)		
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	8,070	0.903	0.30	3
3/31/03	73,464	0.966	0.70	15

Weighted Experience Loss+LAE Ratio	0.947
Permissible Loss+LAE Ratio	0.488
Experience-Only Indicated Rate Level Change	93.9%
Credibility (Square Root Rule, Full Credibility = 1084 Claim Counts)	0.129
Countrywide TRAVEL TRAILER Indicated Rate Level Change	37.2%
Credibility-Weighted Indicated Rate Level Change	44.5%

American Family Home Ins. Co.
TRAVEL TRAILER Rate Level Indication Summary
State: Arkansas
Indicated Change By Program

Program	(1) Premium In Force @ 3/31/03	(2) Adjusted Weighted Loss+LAE Ratio	(3) Credibility #	(4) Credibility Weighted * Loss+LAE Ratio	(5) Balanced Indicated Change **
TT SUMMIT	47,203	1.315	0.110	0.987	51.0%
TT SENTRY	36,869	0.482	0.068	0.915	36.2%
Total	84,072	0.947			44.5%

Based on square root rule with 1084 Claim Counts as the full credibility standard.

* Program Loss+LAE Ratio credibility-weighted with the Overall statewide Loss+LAE Ratio.

** PLR = 0.488

Off Balance (OB) = -0.512

Formula: (5) = {(4) / (PLR)} + OB

American Family Home Ins. Co.
TRAVEL TRAILER Rate Level Indication

Exhibit 2.1

Program: TT SUMMIT

State: Arkansas

SOB: All Channels

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
		Rate	Curr Level	Premium	Trended	Current Level		
Accident	Earned	Level Adj	Earned	Trend	Current Level	Earned		
Year	Premium	Factor	Premium	Factor	Premium	Premium	Earned	
			(1)x(2)		(3)x(4)		Exposures	
3/31/99	0	1.000	0	1.000	0	0	0	
3/31/00	0	1.000	0	1.000	0	0	0	
3/31/01	0	1.000	0	1.000	0	0	0	
3/31/02	4,852	1.000	4,852	1.000	4,852	18		
3/31/03	42,220	1.000	42,220	1.000	42,220	139		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Incurring	Catastrophe	Catastrophe	Cat Adjusted	Loss+ALAE	Incurred	
Accident	Loss+ALAE	Loss+ALAE	Factor	Loss+ALAE	Trend	Loss+ALAE	ULAE
Year				{{(7)-(8)}x(9)}	Factor	Development	Factor
3/31/99	0	0	1.033	0	1.103	1.000	1.039
3/31/00	0	0	1.033	0	1.088	1.001	1.039
3/31/01	0	0	1.033	0	1.073	1.002	1.039
3/31/02	2,413	0	1.033	2,492	1.056	1.006	1.039
3/31/03	57,712	0	1.033	59,616	1.034	1.078	1.039

	(14)	(15)	(16)	(17)
	Trended	Adjusted	Accident	Reported
Accident	Adjusted	Loss+LAE	Year	Claim
Year	Loss+LAE	Ratio	Weight	Counts
	Prod{(10):(13)}	(14)/(5)		
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	2,749	0.566	0.30	2
3/31/03	69,039	1.635	0.70	11

Weighted Experience Loss+LAE Ratio: **1.315**

American Family Home Ins. Co.
TRAVEL TRAILER Rate Level Indication

Exhibit 2.2

Program: TT SENTRY

State: Arkansas

SOB: All Channels

Prop Eff. Date: 09/01/03

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
3/31/99	0	1.000	0	1.000	0	0		
3/31/00	0	1.000	0	1.000	0	0		
3/31/01	0	1.000	0	1.000	0	0		
3/31/02	4,084	1.000	4,084	1.000	4,084	17		
3/31/03	33,839	1.000	33,839	1.000	33,839	147		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
3/31/99	0	0	1.033	0	1.103	1.000	1.039
3/31/00	0	0	1.033	0	1.088	1.001	1.039
3/31/01	0	0	1.033	0	1.073	1.002	1.039
3/31/02	4,671	0	1.033	4,825	1.056	1.006	1.039
3/31/03	3,700	0	1.033	3,822	1.034	1.078	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
3/31/99	0	0.000	0.00	0
3/31/00	0	0.000	0.00	0
3/31/01	0	0.000	0.00	0
3/31/02	5,321	1.303	0.30	1
3/31/03	4,426	0.131	0.70	4

Weighted Experience Loss+LAE Ratio: **0.482**

American Family Home Ins. Co.
TRAVEL TRAILER
Arkansas

Rate Change History and Rate Level Adjustment Factors

Rate Changes by Program		
Renewal Effective Date	TT SUMMIT	TT SENTRY
NONE		

Rate Level Adjustment Factors		
Acc Yr Ending	TT SUMMIT	TT SENTRY
3/31/99	1.000	1.000
3/31/00	1.000	1.000
3/31/01	1.000	1.000
3/31/02	1.000	1.000
3/31/03	1.000	1.000

American Family Home Ins. Co.

Exhibit 4.1

State: Arkansas

Product: TRAVEL TRAILER

SOB: All Channels

Calculation of Premium Trend Factors

Program: TT SUMMIT

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	0.00	0.00	0.00	1.28	2.83	0.250	0.00	0.00	0.00	0.02	0.01
8,000	0.00	0.00	0.00	5.08	35.63	0.480	0.00	0.00	0.00	0.14	0.12
12,000	0.00	0.00	0.00	3.35	33.95	0.760	0.00	0.00	0.00	0.14	0.19
16,000	0.00	0.00	0.00	4.43	31.46	0.880	0.00	0.00	0.00	0.22	0.20
20,000	0.00	0.00	0.00	1.33	14.98	1.000	0.00	0.00	0.00	0.07	0.11
24,000	0.00	0.00	0.00	1.54	7.54	1.130	0.00	0.00	0.00	0.10	0.06
28,000	0.00	0.00	0.00	0.84	5.01	1.260	0.00	0.00	0.00	0.06	0.05
32,000	0.00	0.00	0.00	0.00	1.29	1.380	0.00	0.00	0.00	0.00	0.01
36,000	0.00	0.00	0.00	0.00	1.25	1.470	0.00	0.00	0.00	0.00	0.01
40,000	0.00	0.00	0.00	0.00	0.00	1.570	0.00	0.00	0.00	0.00	0.00
44,000	0.00	0.00	0.00	0.04	1.71	1.660	0.00	0.00	0.00	0.00	0.02
48,000	0.00	0.00	0.00	0.00	1.42	1.750	0.00	0.00	0.00	0.00	0.02
52,000	0.00	0.00	0.00	0.00	1.04	1.860	0.00	0.00	0.00	0.00	0.01
56,000	0.00	0.00	0.00	0.00	0.00	1.970	0.00	0.00	0.00	0.00	0.00
60,000	0.00	0.00	0.00	0.00	0.00	2.080	0.00	0.00	0.00	0.00	0.00
64,000	0.00	0.00	0.00	0.00	0.00	2.170	0.00	0.00	0.00	0.00	0.00
68,000	0.00	0.00	0.00	0.04	1.00	2.260	0.00	0.00	0.00	0.01	0.02
72,000	0.00	0.00	0.00	0.00	0.00	2.360	0.00	0.00	0.00	0.00	0.00
76,000	0.00	0.00	0.00	0.00	0.00	2.450	0.00	0.00	0.00	0.00	0.00
80,000	0.00	0.00	0.00	0.00	0.00	2.540	0.00	0.00	0.00	0.00	0.00
84,000	0.00	0.00	0.00	0.00	0.00	2.630	0.00	0.00	0.00	0.00	0.00
88,000	0.00	0.00	0.00	0.00	0.00	2.720	0.00	0.00	0.00	0.00	0.00
92,000	0.00	0.00	0.00	0.00	0.00	2.820	0.00	0.00	0.00	0.00	0.00
96,000	0.00	0.00	0.00	0.00	0.00	2.920	0.00	0.00	0.00	0.00	0.00
100,000	0.00	0.00	0.00	0.00	0.00	3.020	0.00	0.00	0.00	0.00	0.00
Total	0	0	0	18	139		0.000	0.000	0.000	0.753	0.821

Acc Year	Average Earned Relativity	Current Amount Factor	Premium Trend Factor *
3/31/99	0.000	1.000	1.000
3/31/00	0.000	1.000	1.000
3/31/01	0.000	1.000	1.000
3/31/02	0.753	1.000	1.000
3/31/03	0.821	1.000	1.000

Annual Rate of Change: # 0.0%
Trend Period Begins: 9/29/2002
Trend Period Ends: 9/30/2004
Projection Period (Years): 2.00
Premium Projection Factor: 1.000
* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
Selected 0%

American Family Home Ins. Co.

Exhibit 4.2

State: Arkansas

Product: TRAVEL TRAILER

SOB: All Channels

Calculation of Premium Trend Factors

Program: TT SENTRY

Amount Value	Earned Exposures					Relativity	Average Relativities				
	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03		3/31/99	3/31/00	3/31/01	3/31/02	3/31/03
4,000	0.00	0.00	0.00	8.32	82.33	0.250	0.00	0.00	0.00	0.13	0.14
8,000	0.00	0.00	0.00	3.59	35.70	0.480	0.00	0.00	0.00	0.10	0.12
12,000	0.00	0.00	0.00	2.05	10.12	0.760	0.00	0.00	0.00	0.09	0.05
16,000	0.00	0.00	0.00	0.80	8.78	0.880	0.00	0.00	0.00	0.04	0.05
20,000	0.00	0.00	0.00	1.08	2.57	1.000	0.00	0.00	0.00	0.07	0.02
24,000	0.00	0.00	0.00	0.00	2.33	1.130	0.00	0.00	0.00	0.00	0.02
28,000	0.00	0.00	0.00	0.33	2.50	1.260	0.00	0.00	0.00	0.03	0.02
32,000	0.00	0.00	0.00	0.00	1.67	1.380	0.00	0.00	0.00	0.00	0.02
36,000	0.00	0.00	0.00	0.00	0.00	1.470	0.00	0.00	0.00	0.00	0.00
40,000	0.00	0.00	0.00	0.00	0.00	1.570	0.00	0.00	0.00	0.00	0.00
44,000	0.00	0.00	0.00	0.00	0.50	1.660	0.00	0.00	0.00	0.00	0.01
48,000	0.00	0.00	0.00	0.00	0.00	1.750	0.00	0.00	0.00	0.00	0.00
52,000	0.00	0.00	0.00	0.00	0.00	1.860	0.00	0.00	0.00	0.00	0.00
56,000	0.00	0.00	0.00	0.00	0.00	1.970	0.00	0.00	0.00	0.00	0.00
60,000	0.00	0.00	0.00	0.00	0.00	2.080	0.00	0.00	0.00	0.00	0.00
64,000	0.00	0.00	0.00	0.00	0.00	2.170	0.00	0.00	0.00	0.00	0.00
68,000	0.00	0.00	0.00	0.00	0.00	2.260	0.00	0.00	0.00	0.00	0.00
72,000	0.00	0.00	0.00	0.00	0.00	2.360	0.00	0.00	0.00	0.00	0.00
76,000	0.00	0.00	0.00	0.00	0.00	2.450	0.00	0.00	0.00	0.00	0.00
80,000	0.00	0.00	0.00	0.00	0.00	2.540	0.00	0.00	0.00	0.00	0.00
84,000	0.00	0.00	0.00	0.00	0.00	2.630	0.00	0.00	0.00	0.00	0.00
88,000	0.00	0.00	0.00	0.00	0.00	2.720	0.00	0.00	0.00	0.00	0.00
92,000	0.00	0.00	0.00	0.00	0.00	2.820	0.00	0.00	0.00	0.00	0.00
96,000	0.00	0.00	0.00	0.00	0.00	2.920	0.00	0.00	0.00	0.00	0.00
100,000	0.00	0.00	0.00	0.46	1.00	3.020	0.00	0.00	0.00	0.08	0.02
Total	0	0	0	17	147		0.000	0.000	0.000	0.538	0.459

Acc Year	Average Earned Relativity	Current Amount Factor	Premium Trend Factor *
3/31/99	0.000	1.000	1.000
3/31/00	0.000	1.000	1.000
3/31/01	0.000	1.000	1.000
3/31/02	0.538	1.000	1.000
3/31/03	0.459	1.000	1.000

Annual Rate of Change: 0.0%
 Trend Period Begins: 9/29/2002
 Trend Period Ends: 9/30/2004
 Projection Period (Years): 2.00
 Premium Projection Factor: 1.000
 * Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor
 # Selected 0%

American Modern Home Ins. Co.
 (Using American Modern Insurance Group Data)
Travel Trailer Average Catastrophe Factor
 All Travel Trailer Programs

Midwestern Region #

Accident Year	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)
1997	0	100	100	0.000
1998	0	100	100	0.000
1999	1,690	10,701	9,011	0.188
2000	3,805	18,641	14,836	0.256
2001	2,736	109,518	106,782	0.026
2002	3,480	230,636	227,156	0.015
	11,711	369,696	357,985	0.033

Selected Catastrophe Factor: 1.033

Includes AR, IA, KS, MN, MO, NE, ND, OK, and SD.

American Family Home Ins. Co.

Exhibit 6

State: Arkansas

Product: TRAVEL TRAILER

U.S. Dept. of Labor - Bureau of Labor Statistics

Producer Price Index -- Industry Data for Motorhomes

Current Cost Factors

12 Months Ending	Average CPI	Current Cost factor	Loss+ALAE Trend Factors *
3/31/1999	145.9	156.2 / 145.9 = 1.071	1.103
3/31/2000	147.9	156.2 / 147.9 = 1.057	1.088
3/31/2001	150.0	156.2 / 150 = 1.041	1.073
3/31/2002	152.4	156.2 / 152.4 = 1.025	1.056
3/31/2003	155.6	156.2 / 155.6 = 1.004	1.034

Average Value of the Latest Quarter = 156.2

The Latest Quarter = 1st quarter of 2003

Trended Cost Factors

Year	Quarter Ending	Average CPI	Exponential Fit
2000	June	148.8	148.9
2000	September	150.0	149.6
2000	December	150.6	150.3
2001	March	150.7	150.9
2001	June	151.4	151.6
2001	September	152.3	152.3
2001	December	152.7	153.0
2002	March	153.1	153.7
2002	June	154.4	154.4
2002	September	155.8	155.1
2002	December	156.1	155.8
2003	March	156.2	156.5

Quartely Trend = 0.5%

Annual Trend = 1.8%

Trend Period Begins: 2/14/2003

Trend Period Ends: 9/30/2004

Trended Period (Years) = 1.63

Trended Cost Factor = 1.030

* Loss Trend Factor = Current Cost Factor X Trended Cost Factor

American Modern Insurance Group
Incurred Loss and ALAE Development Factors
Arkansas Travel Trailer
Countrywide Consolidated AMIG TRAVEL TRAILER Data

Indicated Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63
Wtd Averages																				
All Qtrs	1.251	0.995	1.020	1.020	1.001	1.001	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4 Pt	1.200	1.000	1.024	1.033	1.000	1.000	1.003	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.273	0.999	1.024	1.025	1.001	1.000	1.001	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12 Pt	1.243	0.994	1.018	1.021	1.001	1.001	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Time Wtd	1.322	1.014	1.018	1.014	1.001	1.002	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
Arithmetic Averages																				
All Qtrs	1.329	1.024	1.028	1.009	1.001	1.002	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
4 Pt	1.216	1.008	1.026	1.032	1.000	1.000	1.002	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.350	1.003	1.022	1.020	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
12 Pt	1.287	1.013	1.006	1.013	1.001	1.003	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt H/L	1.315	1.001	1.020	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12 Pt H/L	1.260	0.994	1.013	1.007	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Geometric Averages																				
All Qtrs	1.259	1.022	1.025	1.008	1.001	1.002	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
4 Pt	1.214	1.008	1.026	1.031	1.000	1.000	1.002	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8 Pt	1.335	1.003	1.022	1.020	1.001	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
12 Pt	1.274	1.010	1.005	1.013	1.001	1.003	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Selected Factors

Selection:	12 Pt Wtd	8 Pt Arith	8 Pt H/L Arith	12 Pt Arith	4 Pt Wtd	4 Pt Wtd	8 Pt Wtd	8 Pt Arith	All Qtrs Wtd	All Qtrs Wtd	All Qtrs Wtd	All Qtrs Wtd								
Age-to-Age Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63
	1.243	1.003	1.020	1.013	1.000	1.000	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000
Quarterly Age-to-Ult Factors	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult
	1.297	1.044	1.040	1.020	1.006	1.006	1.006	1.004	1.003	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
Wtd Annual Age-to-Ult Factors	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult	63-Ult	66-Ult	69-Ult
	1.078	1.030	1.022	1.010	1.006	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000

American Family Home Ins. Co.
TRAVEL TRAILER
Arkansas

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2002	2001	2000
ULAE Incurred	7,993,149	8,792,714	10,440,487
Loss+ALAE Incurred	268,516,507	246,284,294	207,031,778
Ratio to Incurred Loss+AL	3.0%	3.6%	5.0%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Family Home Ins. Co.

Exhibit 9

State: Arkansas
 Product: Travel Trailer

Determination of Permissible Loss Ratio

		Calendar Year Ending			
		3/31/2001	3/31/2002	3/31/2003	Selected
(1)	Pre-Paid Commissions	N/A	24.9%	24.5%	24.7%
		Calendar Year			Budget
		2000	2001	2002	2003
(1a)	Contingent Commissions (Consolidated AMIG)	1.6%	1.3%	2.1%	1.7%
(2)	Other Acquisition Expense (Consolidated AMIG)	N/A	0.4%	0.4%	1.4%
(3)	General Expense (Consolidated AMIG)	N/A	13.8%	14.5%	15.1%
(4)	Taxes, Licenses and Fees	1.5%	3.9%	3.3%	2.9%
(5)	Total Expense				45.0%

		Profit Loading Provision	
(6a)	After Tax Return on Equity Goal		16.5%
(6b)	Premium to Surplus Ratio		2.3:1
(6c)	After Tax Return on Premium [(6a)/(6b)]		7.2%
(6d)	After Tax Return Generated by Investment Income (Exhibit 10, Page 1)		3.2%
(6e)	After Tax Return Needed from Underwriting Profit [(6c)-(6d)]		4.0%
(6f)	Before Tax Return Needed from Underwriting Profit [(6e)/(1.000-0.35)]		6.2%
(6)	Selected Profit Loading Provision		6.2%

(7)	Total Expenses and Profit Provision [(5) + (6)]	51.2%
(8)	Permissible Loss+LAE Ratio [1.000 - (7)]	48.8%

		Calendar Year Ending		
		3/31/2001	3/31/2002	3/31/2003
Data applied to calculate commission ratio:				
AFHIC Arkansas Travel Trailer Written Premium		0	51,154	73,433
AFHIC Arkansas Travel Trailer Paid Commission		0	12,759	17,959

		Calendar Year		
		2000	2001	2002
Data applied to calculate taxes, licenses and fees:				
AFHIC Arkansas Written Premium from all Lines of AS		9,380,151	9,004,263	7,442,058
AFHIC Arkansas Taxes, licenses, and fees from all Lines of AS		140,084	354,864	242,440

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve	
(1) Direct Earned Premium for 2002	\$287,815,654
(2) Mean Unearned Premium Reserve Ratio	61.0%
(3) Mean Unearned Premium Reserve (1) x (2)	\$175,529,261
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	26.4%
(b) 50% of Other Acquisition	0.5%
(c) 50% of General Expenses	7.4%
(d) Taxes, Licenses, and Fees	2.9%
(e) Subtotal	37.1%
(f) Federal Taxes Payable	7.0%
(4T) Total Deductions	44.1%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$98,052,488
B. Delayed Remission of Premium (Agent's Balances)	
(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$79,876,990
(b) Direct Unearned Premium 2002 (All Lines)	\$298,152,490
(c) Ratio (a) / (b)	26.8%
(d) Direct Unearned Premium 2002 (ASLOB 21.1 Private passenger auto physical damage)	\$170,582,999
(2) Delayed Remission (1c) x (1d)	\$45,700,294
C. Loss and Loss Adjustment Expense Reserve	
(1) Expected Loss and Loss Adjustment Expense Ratio	48.8%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$140,556,543
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2002 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	15.3%
(b) 2001 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	15.3%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	15.3%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$20,584,908
D. Net Subject to Investment	\$72,937,102
(A.5) - (B.2) + (C.4)	
E. Before Tax Rate of Return	5.2%
[(Exhibit 10, Page 3)]	
F. Average Rate of Return as a % of Direct Earned Premium	1.3%
[(D) x (E)] / (A.1)	
G. Before Tax Investment Income Return (Including Surplus)	3.6%
(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium	
(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	12.2%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	3.2%

Average Federal Tax Rate on Investment Income

	Investment Income 2000-2002 (A) (1)	Allocation (2)	Current Tax Rate (B) (3)	Total Tax (2)x(3) (4)
Bonds				
- Taxable	\$16,851,048	17.5%	35.0%	6.1%
Bonds				
- Tax Exempt Municipal	\$29,696,754	30.9%	2.6%	0.8%
Bonds				
- Taxable Municipal	\$31,855,243	33.1%	5.3%	1.7%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
Stocks				
- Acquired after 1987	\$13,299,875	13.8%	14.2%	2.0%
Short-Term Investments	\$4,515,868	4.7%	35.0%	1.6%
Total	\$96,218,788	100.0%		12.2%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2003 will be:

Ordinary Income =	35.0%
Taxable Municipals - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1991	6.5%
1992	5.7%
1993	4.8%
1994	4.5%
1995	5.5%
1996	5.5%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
Twelve Year Average	5.2%
Latest Six Year Average	5.0%
Latest Year	5.2%
Projected 2003 (12 Year Trend)	4.7%
Projected 2003 (6 Year Trend)	5.2%

Selected 2003 Rate of Return

Before Tax	5.2%
After Tax [(1-0.122) x 5.2%]	4.6%