

SERFF Tracking Number: SHEL-125876836 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1382347 \$100
Company Tracking Number: 03M27308
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MHO
Project Name/Number: Lammers/

Filing at a Glance

Company: Shelter Mutual Insurance Company

Product Name: MHO

TOI: 04.0 Homeowners

Sub-TOI: 04.0002 Mobile Homeowners

Filing Type: Rate/Rule

Effective Date Requested (New): 01/14/2009

Effective Date Requested (Renewal): 01/14/2009

State Filing Description:

SERFF Tr Num: SHEL-125876836 State: Arkansas

SERFF Status: Closed

Co Tr Num: 03M27308

Co Status: Approved

Authors: Brian Marcks, Sue
Burlingame

Date Submitted: 10/29/2008

State Tr Num: #1382347 \$100

State Status: Fees verified and
received

Reviewer(s): Becky Harrington,
Brittany Yielding

Disposition Date: 10/31/2008

Disposition Status: Filed

Effective Date (New): 12/20/2008

Effective Date (Renewal):
12/20/2008

General Information

Project Name: Lammers

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 10/31/2008

State Status Changed: 10/31/2008

Corresponding Filing Tracking Number:

Filing Description:

Base rates have been revised. Claims surcharge factors were also revised. This filing will result in an overall increase in revenue of 6.0% or \$132,298.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

SERFF Tracking Number: SHEL-125876836 State: Arkansas
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Filing Contact Information

Brian Marcks, Coordinator of Insurance BCMarcks@shelterinsurance.com
 Department Affairs
 1817 West Broadway (573) 214-4165 [Phone]
 Columbia, MO 65218 (573) 446-7317[FAX]

Filing Company Information

Shelter Mutual Insurance Company CoCode: 23388 State of Domicile: Missouri
 1817 West Broadway Group Code: Company Type:
 Columbia, MO 65218 Group Name: State ID Number:
 (573) 445-8441 ext. [Phone] FEIN Number: 43-0613000

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Shelter Mutual Insurance Company	\$0.00	10/29/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
1382347	\$100.00	10/23/2008

SERFF Tracking Number: SHEL-125876836 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/31/2008	10/31/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/29/2008	10/29/2008	Brian Marcks	10/29/2008	10/29/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Change of effective date	Note To Reviewer	Brian Marcks	10/31/2008	10/31/2008

SERFF Tracking Number: SHEL-125876836 State: Arkansas
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 Product Name: MHO
 Project Name/Number: Lammers/

Disposition

Disposition Date: 10/31/2008

Effective Date (New): 12/20/2008

Effective Date (Renewal): 12/20/2008

- Effective Date (New) changed from 01/14/2009 to 12/20/2008 and Effective Date (Renewal) changed from 01/14/2009 to 12/20/2008 by Harrington, Becky on 10/31/2008.

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Shelter Mutual Insurance Company	6.000%	\$132,298	4,615	\$2,324,845	7.400%	-14.200%	9.400%

SERFF Tracking Number: SHEL-125876836 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1382347 \$100
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 Product Name: MHO
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Supporting Document	Loss Experience	Filed	Yes
Supporting Document	Form RF-1	Filed	Yes
Supporting Document	Claims Surcharge Comparison	Filed	Yes
Rate	Manual Pages	Filed	Yes

SERFF Tracking Number: SHEL-125876836 State: Arkansas
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Company Tracking Number: 03M27308
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MHO
Project Name/Number: Lammers/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/29/2008
Submitted Date 10/29/2008

Respond By Date
Dear Brian Marcks,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Provide an RF-1 for this filing.

Objection 2

No Objections

Comment: Provide supporting documentation for the changes in claims surcharges.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/29/2008
Submitted Date 10/29/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Becky,

SERFF Tracking Number: SHEL-125876836 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1382347 \$100
Company Tracking Number: 03M27308
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MHO
Project Name/Number: Lammers/

Reference is made to your note of today regarding the captioned filing. Following are responses to your questions in the same order as they appeared in your note.

1. We have attached Form RF-1.
2. With this filing, claims surcharge factors were either reduced or stayed the same. No factors were increased. The factors were revised to be more in line with competition. Attached is a comparison of our current and proposed factors.

Please let me know if you have questions.

Related Objection 1

Comment:

Provide an RF-1 for this filing.

Related Objection 2

Comment:

Provide supporting documentation for the changes in claims surcharges.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form RF-1

Comment: Please see attachment.

Satisfied -Name: Claims Surcharge Comparison

Comment: Please see attachment.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Brian Marcks, Sue Burlingame

SERFF Tracking Number: SHEL-125876836
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 TOI: 04.0 Homeowners
 Product Name: MHO
 Project Name/Number: Lammers/

State: Arkansas
 State Tracking Number: #1382347 \$100
 Sub-TOI: 04.0002 Mobile Homeowners

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -9.800%
Effective Date of Last Rate Revision: 08/25/2004
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Shelter Mutual Insurance Company	9.400%	6.000%	\$132,298	4,615	\$2,324,845	7.400%	-14.200%

SERFF Tracking Number: SHEL-125876836 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1382347 \$100
Company Tracking Number: 03M27308
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MHO
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Pages	GR-9 and R-1	Replacement	MHO GR & R Pages.pdf

4. PREMIUM ADJUSTMENTS (Cont.)

f. Claim Surcharge (Primary and Secondary Mobile Home)

A surcharge may apply to a policy based on the policyholder's claims experience. For new business, the surcharge will be determined by the type and number of paid claims **of more than \$250** occurring in the 3-year period immediately preceding the date of the application. For renewal business, the surcharge will be determined, at each renewal, by the type and number of paid claims **of more than \$250** occurring in the 3-year period ending 35 days prior to the renewal effective date.

In determining the surcharge, Earthquake, Flood, Medical Payment and Identity Fraud claims will be disregarded. Claims involving a land motor vehicle (not insured, owned or driven by the insured) colliding into the insured's dwelling will also be disregarded. Wind, Hail, Lightning, and Weight of Ice, Sleet, or Snow claims will be considered Weather claims. Per the table below, Weather claims are recorded but not surcharged. All other claims will be considered Non-Weather claims.

Note: For those policies in force prior to 08-25-2004, only eligible claims that occur on or after 08-25-2004 will be considered when calculating the Claims Surcharge.

Number of Claims	Non-Weather				
	0	1	2	3	4+
Weather					
0	0%	15%	50%	85%	85%
1	0%	15%	50%	85%	85%
2	0%	15%	50%	85%	85%
3	0%	15%	50%	85%	85%
4+	0%	15%	50%	85%	85%

5. POLICY TERM

All premiums contained in this manual are for a 12 month term. However, 3 and 6 month policy terms are also available. The policy may then be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term.

<u>Term</u>	<u>Factor</u>	<u>Term Premium</u>
6 mo.	.50	\$10
3 mo.	.25	\$10

Arkansas Mobile Homeowners Base Rates

**\$15,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-7,1Y-7Y,1N-5N		8,8Y,6N,7N		8N, 9-11	
	curve		curve		curve	
4	356	1	418	1	690	1
12	356	1	418	1	690	1
13	356	1	418	1	690	1
15	356	1	418	1	690	1
16	356	1	418	1	690	1
18	356	1	418	1	690	1
20	356	1	418	1	690	1
21	356	1	418	1	690	1
23	356	1	418	1	690	1
24	356	1	418	1	690	1
26	356	1	418	1	690	1
28	356	1	418	1	690	1
29	356	1	418	1	690	1
31	356	1	418	1	690	1
32	356	1	418	1	690	1
34	356	1	418	1	690	1
35	356	1	418	1	690	1
36	356	1	418	1	690	1
38	356	1	418	1	690	1
40	356	1	418	1	690	1
41	356	1	418	1	690	1
44	356	1	418	1	690	1
45	356	1	418	1	690	1
48	356	1	418	1	690	1
49	356	1	418	1	690	1
50	356	1	418	1	690	1
51	356	1	418	1	690	1
53	356	1	418	1	690	1
55	356	1	418	1	690	1
57	356	1	418	1	690	1
58	356	1	418	1	690	1
62	356	1	418	1	690	1
68	356	1	418	1	690	1
75	356	1	418	1	690	1
77	356	1	418	1	690	1
78	356	1	418	1	690	1
79	356	1	418	1	690	1
87	356	1	418	1	690	1
88	356	1	418	1	690	1
91	356	1	418	1	690	1
95	356	1	418	1	690	1

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty	Review Status: Filed	10/31/2008
Comments: Please see attachments.		
Attachments: AR MHO Transmittal.pdf AR MHO Rate-Rule Filing.pdf		
Satisfied -Name: Explanatory Memorandum	Review Status: Filed	10/31/2008
Comments: Please see attachment.		
Attachment: AR MHO Explanatory Memo.pdf		
Satisfied -Name: Loss Experience	Review Status: Filed	10/31/2008
Comments: Please see attachments.		
Attachments: MHO Explanation of Exhibits.pdf Exhibits 1 thru 12 .pdf		
Satisfied -Name: Form RF-1	Review Status: Filed	10/31/2008
Comments: Please see attachment.		
Attachment: AR MHO RF1.pdf		
Satisfied -Name: Claims Surcharge Comparison	Review Status: Filed	10/31/2008

SERFF Tracking Number: *SHEL-125876836* *State:* *Arkansas*
Filing Company: *Shelter Mutual Insurance Company* *State Tracking Number:* *#1382347 \$100*
Company Tracking Number: *03M27308*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0002 Mobile Homeowners*
Product Name: *MHO*
Project Name/Number: *Lammers/*

Comments:

Please see attachment.

Attachment:

Claim Surcharge Comparison.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%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Shelter Insurance Companies	123

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Shelter Mutual Insurance Company	MO	23388	43-0613000	

5. Company Tracking Number	03M27308
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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
	Brian Marcks 1817 West Broadway Columbia, MO. 65218	Coordinator of Insurance Dept. Affairs	573-214-4165	573-446-7317	bcmarcks @shelterinsurance.com

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

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

9.	Type of Insurance (TOI)	04.0
10.	Sub-Type of Insurance (Sub-TOI)	04.0002
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12.	Company Program Title (Marketing title)	Mobile Homeowners
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 01/14/2009 Renewal: 01/14/2009

Property & Casualty Transmittal Document---

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	October 29, 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

20.	This filing transmittal is part of Company Tracking #	03M27308
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Base rates have been revised. Claim Surcharge factors were revised for one and two Non-Weather claims. The overall change in revenue with this filing is +6.0% for \$132,298.

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]
<p>Check #: 1382347 Amount: \$100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

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

These pages are informational only and do not need to be submitted with your filings!

Notes for Uniform Property & Casualty Transmittal Document

DESCRIPTION OF ITEMS IN THE PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT

- 1. Reserved for Insurance Dept. Use Only**—this section is for anything the Dept. wishes to capture—such as date stamps, approval stamps, check routing numbers, accounting codes, etc.
- 2. Insurance Department Use Only Box:** Includes the following information: (It is up to the state to determine which, if any, of this info they wish to record—or it may be recorded in #1 box with stamps (for example))
 - a. Date the filing is received by the Insurance Dept.**
 - b. Analyst**—lead analyst who reviewed the filing and assigns final disposition
 - c. Disposition**—this is the disposition that the Dept. assigns—authorized, approved, filed, withdrawn, disapproved, informational only, etc.
 - d. Date of Disposition of the filing**—date filing is finished
 - e. Effective Date of the Filing**—date the filing goes into effect. This date may vary by state—it might be the “approval” date in some states. It might be the implementation date in some states. It might be the received date in some states. The Dept. should use the date that is applicable in their state.
 - f. State Filing #:** The number the state assigns to the filing (if applicable).
 - g. SERFF Filing #:** Some states may use SERFF to track paper filings and will use that SERFF assigned number.
 - h. Subject Codes** – This field is intended to capture one or more Subject Codes for states to track particular attributes of a filing, such as mold exclusions. The codes or terms used would be variable by state.
- 3. Group Name and Group NAIC #** as assigned by NAIC.
- 4. Company Name(s), State of Domicile, NAIC #, FEIN#, State #:** Every company to which this filing applies must be listed and the company information must be supplied, with the exception of the State # (the company specific code) if not available or not required by the filing jurisdiction. A filing that lists a group without supplying company info will not be accepted in most states.
- 5. Company Tracking Number:** The filing number assigned by the insurance company, if any.
- 6. Contact Info of Filer or Corporate Officer:** The company should supply the information on the person the state should contact if there is a question/problem with the filing. If there is more than one person (perhaps, one for rates, one for forms) then both should be listed.
- 7. Signature of authorized filer:** Some states require a signature of the authorized filer. If the filer is third party, a letter of authorization from the insurer must be submitted according to state requirements.
- 8. Please print name of authorized filer:** So we can decipher #7 above!
- 9. Type of Insurance (TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Type of Insurance” and roughly corresponds to the annual statement line of business.
- 10. Sub-type of Insurance (Sub-TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Sub-Type of Insurance”.
- 11. State Specific Product code(s):** See State Specific Requirements for these codes
- 12. Company Program Title:** Marketing title, if applicable.
- 13. Filing Type:** Choices are Rate/Loss Cost; Rules; Rates/Rules; Forms; Withdrawal; Other.

14. Effective Date Requested: This is the effective date the company requested when they made the filing. It is not necessarily the date the filing officially becomes effective. This is also where the company can indicate the different effective dates for new or renewal business.

15. Reference Filing: Yes/No

16. Reference Organization (if applicable): The name of the advisory organization—i.e. ISO, NCCI, AAIS, etc. or an Insurance Company name if “me too filing” is permitted. Some states allow companies to reference another company’s filing. A “me too” filing is when one company adopts another company’s filing. Usually they are not part of the same group. You should check with each state to determine their rules on these filings. If permitted, use this area to indicate either an advisory organization name or “me too” company name.

17. Reference Organization Number & Title (if applicable): This is the unique number that the reference organization gives to the filing. It is generally not the same number as the circular number.

18. Company’s Date of filing: The date the company sends the filing.

19. Status of filing in domicile: Place for the company to show if filing has been filed in domicile and its status.

20. This filing transmittal is part of Company Tracking #: This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

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

22. Filing Fees: Please refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

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 #	03M27308
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase Rate Decrease Rate Neutral (0%)

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

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)
Shelter Mutual Ins.	+9.4	+6.0	132,298	4,615	2,324,845	+7.4	-14.2

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	Minimum % Change

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

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

6.	Overall percentage of last rate revision	-9.8%
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7.	Effective Date of last rate revision	08/25/2004
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	GR-9	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	R-1	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS MOBILE HOMEOWNERS
Explanatory Memorandum**

SUMMARY

Base rates have been revised. Claim Surcharge factors were revised for one and two Non-Weather claims. **The overall change in revenue with this filing is +6.0% for \$132,298.**

GENERAL RULE (GR) PAGES

GR-9 **4.f. Premium Adjustments – Claim Surcharge** – Factors were revised for one and two Non-Weather claims.

BASE RATES

Base rates were revised.

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS MOBILE HOMEOWNERS
EXPLANATION OF STATISTICAL EXHIBITS**

In accordance with Arkansas Regulation 23, Section 6.B., the following exhibits supplement this filing:

RF-1	Rate Filing Abstract
H-1	Homeowners Abstract
Exhibit 1	Investment Income Calculation - Homeowners Multiple Peril
Exhibit 2	Underwriting Expenses and Expected Loss Ratio
Exhibit 3	Revenue Summation
Exhibit 4	Credibility
Exhibit 5	Loss Trending
Exhibit 6	Current Rate Levels
Exhibit 7	Policy Size Trending
Exhibit 8	Excess Wind and Hail Losses
Exhibit 9	Accident Year Losses and Claims Count
Exhibit 10	Unallocated Loss Adjustment Expense
Exhibit 11	Arkansas Indicated Statewide Change
Exhibit 12	Revenue Change by Zone

Exhibit RF-1 displays the Arkansas Rate Filing Abstract (Form RF-1).

Exhibit H-1 displays the Arkansas Homeowners Abstract (Form H-1).

Exhibit MHPCS gives a comparison of Mobile Homeowners Insurance Cost (Form MHPCS)

Exhibit 1 displays the calculation of the estimate of investment income on net unearned premiums and loss reserves.

Exhibit 2 displays underwriting expenses for Homeowners Multiple Peril and contains the development of Expected Loss Ratio.

Exhibit 3 summarizes the expected revenue effect of Mobile Homeowners coverages.

Exhibit 4 displays a credibility table based on a total number of exposure units.

Exhibit 5 displays the calculation of loss trend factors separately for frequency and severity.

For the purpose of this calculation, a revision effective date of January 1, 2009 was used.

Exhibit 6 shows the factors necessary to adjust earned premium for rate changes to current.

Exhibit 7 displays the calculation of policy size trend factors.

For the purpose of this calculation, a revision effective date of January 1, 2009 was used. From our estimate of annual growth in amount of insurance, we project an average size curve factor to one year past the assumed effective date. The premium trend factor is then the change in average size curve factor from the midpoint of each experience year to the projected date.

Exhibit 8 displays the calculation of excess wind and hail loss loading and smoothing.

Exhibit 9 displays the development of ultimate accident year incurred loss and allocated loss adjustment expense and ultimate accident year claim count.

Exhibit 10 displays the development of unallocated loss adjustment expense factor.

Exhibit 11 contains the calculation of the Arkansas Statewide Indicated Change based on the following information:

Line 1 contains the recorded earned premiums without adjustment.

Line 2 contains factors necessary to adjust premiums for all rate changes during the experience period as noted in Exhibit 6.

Line 3 contains factors necessary to adjust premiums to reflect anticipated increases in the amounts of insurance purchased as developed in Exhibit 7.

Line 4 is the adjusted earned premium.

Line 5 displays developed accident year incurred losses and allocated loss adjustment expenses as developed in Exhibit 9.

Line 6 displays excess wind and hail losses as developed in Exhibit 8.

Line 7 shows incurred losses adjusted for excess Wind/Hail losses.

Line 8 displays the factors necessary to adjust losses to reflect anticipated changes in loss costs as developed in Exhibit 5.

Line 9 displays the Unallocated Loss Adjustment Factor as developed in Exhibit 10.

Line 10 represents the adjusted incurred losses and loss adjustment expenses. It is the product of lines 7, 8 and 9.

Line 11 shows the formula loss ratios for each year. It is line 10 divided by line 4

Line 12 displays the weights assigned to each year of the experience period.

Line 13 is the five-year weighted loss ratio. It is calculated by multiplying line 11 by line 12 for each year and then summing the results.

Line 14 is the credibility for the experience period based on the table in Exhibit 4.

Line 15 shows the expected loss ratio, labeled "Available for Losses and Loss Adjustment Expense" in Exhibit 2, page 2.

Line 16 shows the trended expected loss ratio.

Line 17 shows the credibility weighted loss ratio with the complement of credibility given to trended expected loss ratio.

Line 18 displays the provision for variable expenses. It is the sum of commission and brokerage expenses, taxes, licenses, and fees, and profit and contingencies from Exhibit 2, page 2.

Line 19 displays the provision for fixed expenses. It is the sum of other acquisition expense and general expense from Exhibit 2, page 2.

Line 20 displays the factor selected to trend fixed expenses. It is based on the trend in the All Items component of the Consumer Price Index.

Line 21 displays the trended provision for fixed expenses. It is line 19 times line 20 raised to the Y power, where Y is the number of years from one year past the last significant rate change to one year past the expected effective date.

Line 22 shows the statewide indicated change with provisions for both variable and fixed expenses.

Exhibit 12 displays revenue change by zone.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2007		\$ 41,234,337
(2) Mean Unearned Premium Reserve: (1.) x 0.467		\$ 19,256,435
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	14.3%	
b. 50% of Other Acquisition Expense	2.2%	
c. 50% of General Expense	3.6%	
d. Taxes, Licenses and Fees	3.0%	
e. Total		23.1%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))		\$ 14,808,199
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2007		\$ 41,234,337
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.713		\$ 29,400,082
3. Expected Mean Loss Reserve: (2.) x 0.445		\$ 13,083,036
C. Net Subject to Investment: A.4 + B.3		\$ 27,891,235
D. Average Rate of Return		0.0558
E. Investment Earnings on Net Subject to Investment: C x D		\$ 1,556,331
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		3.8%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.729		2.8%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Homeowners Multiple Peril

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Homeowners Multiple Peril, for Calendar Year 2007.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2007	\$ 41,234,337
2. Unearned Premium Reserve as of 12/31/2006	\$ 18,780,117
3. Unearned Premium Reserve as of 12/31/2007	\$ 19,730,116
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$ 19,255,116
5. Mean Unearned Premium Ratio: (4.) / (1.)	0.467

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2006	\$ 24,814,367
2. Incurred Losses for Calendar Year 2007	\$ 13,510,759
3. Loss Reserves as of 12/31/2005	\$ 8,357,888
4. Loss Reserves as of 12/31/2006	\$ 7,966,252
5. Loss Reserves as of 12/31/2007	\$ 7,160,424
6. Mean Loss Reserve 2006	\$ 8,162,070
7. Mean Loss Reserve 2007	\$ 7,563,338
8. 2006 Ratio: (6.) / (1.)	0.329
9. 2007 Ratio: (7.) / (2.)	0.560
10. Mean Ratio: ((8.) + (9.)) / 2	0.445

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2005	\$	1,907,698,593
2. Cash and Invested Assets 2006	\$	2,065,958,870
3. Cash and Invested Assets 2007	\$	2,323,262,763
4. Net Investment Income Earned 2006	\$	75,177,951
5. Net Investment Income Earned 2007	\$	89,685,586
6. Mean Cash and Invested Assets 2006: (2. + 3.) / 2	\$	1,986,828,732
7. Mean Cash and Invested Assets 2007: (2. + 3.) / 2	\$	2,194,610,817
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)		0.0394
9. Mean Cash and Invested Assets 1998 - 2007	\$	16,308,604,600
10. Net Realized Capital Gains/Losses 1998 - 2007	\$	267,517,475
11. Mean Rate of Return: 10. / 9.		0.0164
12. Total Rate of Return: 8. + 11.		0.0558

Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
Net Investment Income Earned	0.0394	0.238 (A)
Net Realized Capital Gains/Losses	0.0164	0.350
Total	0.0558	0.271

(A) The expected average rate of Federal Income Tax on Net Investment Income was determined by applying the expected 2008 tax rates to the distribution of investment income earned for the years 2006 and 2007. The calculations are shown below:

Type of Investment	Net Income Earned (1)			Tax Rate	Federal Tax
	2006	2007	Total		
Bonds (Taxable)	\$ 27,357,731	\$ 30,437,464	\$ 57,795,195	0.350	\$ 20,228,318
Bonds (Tax Exempt)	\$ 26,700,858	\$ 26,516,804	\$ 53,217,662	0.053	\$ 2,820,536
Stocks	\$ 8,430,770	\$ 10,852,003	\$ 19,282,773	0.210	\$ 4,049,382
Short Term	\$ 3,788,433	\$ 3,453,930	\$ 7,242,363	0.350	\$ 2,534,827
Real Estate	\$ 2,855,757	\$ 2,122,960	\$ 4,978,717	0.350	\$ 1,742,551
Other Investments	\$ 6,044,402	\$ 16,302,425	\$ 22,346,827	0.350	\$ 7,821,389
Total	\$ 75,177,951	\$ 89,685,586	\$ 164,863,537	0.238	\$ 39,197,003

(1) Investment deductions have been allocated to the appropriate type in the following manner:
Real Estate - Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).
All Other - Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter Mutual Insurance Company

Companywide

Homeowners Multiple Peril

Development of Expense Ratios

Note: 000 s omitted.	2005	2006	2007	Total
1.) Direct Commission and Brokerage	\$ 35,508	\$ 35,354	\$ 36,560	\$ 107,422
2.) Direct Written Premium	243,103	246,988	262,761	752,852
Ratio: 1 / 2	14.6%	14.3%	13.9%	14.3%
3.) Other Acquisition Expense	\$ 9,464	\$ 10,105	\$ 11,988	\$ 31,557
4.) Direct Earned Premium	238,932	244,634	255,155	738,721
Ratio: 3 / 4	4.0%	4.1%	4.7%	4.3%
5.) General Expense	\$ 15,621	\$ 16,951	\$ 20,163	\$ 52,736
6.) Direct Earned Premium	238,932	244,634	255,155	738,721
Ratio: 5 / 6	6.5%	6.9%	7.9%	7.1%
7.) Taxes, Licenses and Fees	\$ 5,330	\$ 5,508	\$ 5,878	\$ 16,716
8.) Direct Written Premium	243,103	246,988	262,761	752,852
Ratio: 7 / 8	2.2%	2.2%	2.2%	2.2%
9.) Direct Loss Adjustment Expense	\$ 21,058	\$ 20,324	\$ 18,918	\$ 60,300
10.) Direct Losses Incurred	237,724	182,910	124,006	544,640
Ratio: 9 / 10	8.9%	11.1%	15.3%	11.1%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Expected Loss Ratio

Commission and Brokerage (a)	14.3%
Other Acquisition Expense (a)	4.3%
General Expense (a)	7.1%
Arkansas Taxes, Licenses and Fees (b)	3.0%
Profit and Contingencies (c)	7.2%
	<hr/>
Sub-total	35.9%
Available for Losses and Loss Adjustment Expense	64.1%

(a) From attached Companywide Expense Ratios

(b) 2007 Premium Tax ratio in Arkansas

(c) From attached Determination of Underwriting Profit & Contingencies Provision

**Shelter Mutual Insurance Company
Arkansas
Homeowners Multiple Peril
Determination of Underwriting Profit & Contingencies Provision**

Target Total Return on Surplus (after federal income tax):	12.0%	(I)
Expected Investment Income on Surplus (% of surplus, after federal income tax, including realized capital gains):	3.9%	(II)
Expected Net Income (% of surplus, after federal income tax):	8.1%	(III)=(I)-(II)
Target Premium to Surplus Ratio:	1.00	(IV)
Expected Net Income (% of earned premium, after federal income tax):	8.1%	(V)=(III)/(IV)
Expected Investment Income on Unearned Premium Reserves and Loss & LAE Reserves (% of earned premium, after federal income tax, including realized capital gains):	2.8%	(VI)
Underwriting Profit Provision (% of earned premium, after federal income tax):	5.3%	(VII)=(V)-(VI)
Expected Federal Income Tax Rate:	27.1%	(VIII)
Underwriting Profit Provision (% of earned premium, before federal income tax):	7.2%	(IX)=(VII)/[1-(VIII)]

**Shelter Mutual Insurance Company
Arkansas Mobile Homeowners
Revenue Summation**

	Current Premium	Proposed Change	
		%	\$
MHO	2,192,502	6.0	132,298
Supplemental		0.0	0
Total Revenue Change	2,192,502	6.0	132,298

SHELTER MUTUAL INSURANCE COMPANY
MOBILE HOMEOWNERS
Credibility Table
Based on 20,000 Exposure Units

<u>Lower Limit</u>	<u>Upper Limit</u>	<u>Credibility Factor</u>
0	12	0.00
13	112	0.05
113	312	0.10
313	612	0.15
613	1,012	0.20
1,013	1,512	0.25
1,513	2,112	0.30
2,113	2,812	0.35
2,813	3,612	0.40
3,613	4,512	0.45
4,513	5,512	0.50
5,513	6,612	0.55
6,613	7,812	0.60
7,813	9,112	0.65
9,113	10,512	0.70
10,513	12,012	0.75
12,013	13,612	0.80
13,613	15,312	0.85
15,313	17,112	0.90
17,113	19,012	0.95
19,013	20,000 +	1.00

Assumptions:

1. 10% claim frequency distribution with claims following a Poisson distribution.
2. Using the normal approximation with a 90% probability that the sample mean is within 3.5% of the true mean.
3. Partial credibility is based on the square root rule rounded to the nearest 5%.

**Shelter Mutual Insurance Company
Arkansas
Mobilehomeowners
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
9/2005	3,104,686	1,156	2,686	3,105		
12/2005	3,186,846	1,129	2,823	3,106		
3/2006	3,347,094	1,094	3,060	3,106		
6/2006	3,703,696	1,068	3,468	3,107		
9/2006	3,439,732	1,032	3,333	3,107		
12/2006	3,498,635	985	3,552	3,108		
3/2007	3,517,481	1,023	3,438	3,108	3,381	
6/2007	3,046,009	997	3,055	3,108	3,257	
9/2007	3,346,678	1,004	3,333	3,109	3,137	
12/2007	3,199,266	1,049	3,050	3,109		
3/2008	2,928,201	1,035	2,829	3,110	2,911	
6/2008	3,010,014	1,067	2,821	3,110	2,804	
Annual Percentage Change				0.06%	-13.91%	
r^2				0.000	0.732	

Frequency Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
9/2005	1,156	21,322	5.42	5.17		
12/2005	1,129	21,244	5.31	5.14		
3/2006	1,094	21,184	5.16	5.11		
6/2006	1,068	21,115	5.06	5.09		
9/2006	1,032	21,024	4.91	5.06		
12/2006	985	20,945	4.70	5.03		
3/2007	1,023	20,863	4.90	5.01	5.17	
6/2007	997	20,777	4.80	4.98	5.14	
9/2007	1,004	20,743	4.84	4.96	5.11	
12/2007	1,049	20,730	5.06	4.93	5.09	
3/2008	1,035	20,719	5.00	4.91	5.06	
6/2008	1,067	20,729	5.15	4.88	5.03	
Annual Percentage Change				-2.01%	-2.14%	
r^2				0.200	0.668	

Severity Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
9/2005	665,653	314	2,120	2,571		
12/2005	806,283	311	2,593	2,604		
3/2006	800,779	275	2,912	2,637		
6/2006	836,616	297	2,817	2,671		
9/2006	696,647	252	2,764	2,705		
12/2006	542,710	233	2,329	2,740		
3/2007	788,483	270	2,920	2,774	3,400	
6/2007	843,758	264	3,196	2,810	3,214	
9/2007	949,267	268	3,542	2,846	3,038	
12/2007	953,212	272	3,504	2,882	2,872	
3/2008	670,650	266	2,521	2,919	2,715	
6/2008	602,785	265	2,275	2,956	2,566	
Annual Percentage Change				5.20%	-20.16%	
r^2				0.078	0.343	

Frequency Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
9/2005	314	4,806	6.53	6.09		
12/2005	311	4,777	6.51	6.05		
3/2006	275	4,755	5.78	6.01		
6/2006	297	4,722	6.29	5.97		
9/2006	252	4,686	5.38	5.93		
12/2006	233	4,656	5.00	5.89		
3/2007	270	4,627	5.84	5.85	5.81	
6/2007	264	4,601	5.74	5.81	5.83	
9/2007	268	4,585	5.85	5.77	5.84	
12/2007	272	4,568	5.95	5.73	5.85	
3/2008	266	4,547	5.85	5.69	5.87	
6/2008	265	4,529	5.85	5.65	5.88	
Annual Percentage Change				-2.75%	0.86%	
r^2				0.112	0.150	

Severity Trends - Fast Track Arkansas - Homeowners						
Fiscal Acc Year	Non-Catastrophe Incurred Loss and LAE	Non-Catastrophe Paid Claims	Severity	Curve of Best Fit		
				12 Point	6 Point	
12/2004	88,925,611	18,954	4,692	5,271		
3/2005	95,143,955	18,862	5,044	5,234		
6/2005	97,352,657	16,922	5,753	5,198		
9/2005	101,670,536	16,024	6,345	5,162		
12/2005	108,608,710	17,120	6,344	5,126		
3/2006	120,338,843	20,832	5,777	5,091		
6/2006	118,571,033	30,134	3,935	5,055	3,534	
9/2006	127,135,776	31,893	3,986	5,021	3,918	
12/2006	124,074,913	31,921	3,887	4,986	4,345	
3/2007	117,443,953	29,364	4,000	4,951	4,818	
6/2007	122,118,042	20,672	5,907	4,917	5,343	
9/2007	119,803,281	18,803	6,371	4,883	5,925	
Annual Percentage Change				-2.75%	51.23%	
r^2				0.015	0.716	

Frequency Trends - Fast Track Arkansas - Homeowners						
Fiscal Acc Year	Non-Catastrophe Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
12/2004	18,954	295,281	6.42	6.10		
3/2005	18,862	297,015	6.35	6.26		
6/2005	16,922	299,775	5.64	6.42		
9/2005	16,024	303,028	5.29	6.59		
12/2005	17,120	306,629	5.58	6.76		
3/2006	20,832	310,342	6.71	6.93		
6/2006	30,134	313,915	9.60	7.11	11.03	
9/2006	31,893	317,489	10.05	7.29	9.82	
12/2006	31,921	320,935	9.95	7.48	8.74	
3/2007	29,364	323,959	9.06	7.67	7.78	
6/2007	20,672	326,680	6.33	7.87	6.92	
9/2007	18,803	329,447	5.71	8.07	6.16	
Annual Percentage Change				10.70%	-37.27%	
r^2				0.139	0.763	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 6/30/2008	Selected Severity 5.00%	Selected Frequency 0.00%	Combined Trend Factor
6/30/2004	1/01/2004	4.5000	1.2455	1.0000	1.2455
6/30/2005	1/01/2005	3.5000	1.1862	1.0000	1.1862
6/30/2006	1/01/2006	2.5000	1.1297	1.0000	1.1297
6/30/2007	1/01/2007	1.5000	1.0759	1.0000	1.0759
6/30/2008	1/01/2008	0.5000	1.0247	1.0000	1.0247

Projection Factor				
Years from 6/30/2008 to 1/01/2010	Selected Severity 5.00%	Selected Frequency 0.00%	Combined Projection Factor	Combined Trend and Projection Factor
1.5068	1.0763	1.0000	1.0763	1.3405
1.5068	1.0763	1.0000	1.0763	1.2767
1.5068	1.0763	1.0000	1.0763	1.2159
1.5068	1.0763	1.0000	1.0763	1.1580
1.5068	1.0763	1.0000	1.0763	1.1029

**Shelter Mutual Insurance Company
Mobile Homeowners
Arkansas**

Current Rate Level Factors as of June 30, 2008

The parallelogram method adjusted for exposure changes was used to develop the current rate level factors shown below.

<u>Fiscal Year Ending</u>	<u>Factors</u>
June 30, 2004	0.9121
June 30, 2005	0.9320
June 30, 2006	0.9984
June 30, 2007	1.0000
June 30, 2008	1.0000

Rate Change History (Percent Changes)

<u>Effective Date</u>	<u>% Changes</u>
September 24, 2004	-9.8 %
December 28, 2002	14.0 %

Shelter Mutual Insurance Company
Mobile Homeowners
Arkansas

Premium Adjustment for Increases in Amount of Insurance Purchased

Experience Year	Mobile Homeowners										
	All Policies Present Mid-Year		Policies Persisting to Subsequent Year								Cumulative Premium Trend Factor (9) = (1 + (8)) * Prior (9)
	Policy Count (1)	Average Amount of Insurance (2)	Policy Count (3)	Average Amount of Insurance in Current Year (4)	Average Amount of Insurance in Subsequent Year (5)	Average Size Curve Factor in Current Year (6)	Average Size Curve Factor in Subsequent Year (7)	Percentage Change in Premium In Year Due to Inflation in Coverage Amounts (8) = (7)/(6) - 1			
2004	5,372	30,510	4,594	30,773	30,959	1.772	1.781	0.5%	1.029		
2005	5,079	31,072	4,428	31,344	31,499	1.799	1.806	0.4%	1.023		
2006	4,975	31,701	4,350	31,855	32,087	1.822	1.833	0.6%	1.019		
2007	4,826	32,681	4,284	32,946	33,111	1.873	1.881	0.4%	1.013		
2008*	4,755	33,647	4,474	33,818	33,906	1.914	1.918	0.2%	1.009		
Projected**								0.9%			

* 2007 Data compare December exposures to corresponding June exposures for semi-annual growth rate as 2007 data not yet realized.

** Projection period is from midpoint of latest experience year (fiscal year ending 6/30/2008) to one year past effective date (1/1/2009), which is 2.007 years. Projection is based on simple average of annual growth rates in amount of insurance during prior years of experience period.

Notes:

The calculation of Trend in Amount of Insurance is restricted to observed changes in specific policies for which amount of insurance data is available for the following experience field. The adjustment for a trend in amount of insurance seeks to restate past premium levels at the expected amount of insurance at current valuations for those past exposures. The changing composition of this book of business due to steady growth prevents the use of simple averages in each experience field, which would be skewed significantly by differences between existing book and new policies being added to book.

(1) Total number of policies present in June of experience period.

(2) Average Coverage A amount as of June of experience period.

(3) Number of policies present in June of experience period for which renewal data found during June of following experience period.

(4) Average principle coverage amount for policies for which renewal data is available; number of policies and average amount indicate this should be a fully representative sample.

(5) Average principle coverage amount for renewed policies.

(6) Average of approximate size curve factor attached to each policy according to experience period amount of insurance. Current rather than historical size curves used, but should approximate past rating well.

(7) Average of approximate size curve factor attached to each policy according to amount of insurance observed in subsequent experience period.

(8) Overall average percentage change in size curve factors used in premium determination.

(9) Cumulative factor to project amount of insurance premium increases from past level to mid-point of experience projection period. See notes above regarding use of most recent trend data to extrapolate into the near future.

Shelter Mutual Insurance Company
 Mobilehomeowners
 Arkansas
 Development of Excess Wind and Hail Loss Loading

06/1993

Fiscal Accident Year Ending	Earned Premium (1)	Wind Incurred Loss (2)	Wind Loss Ratio (3)	*Normal Wind Loss Ratio (4)	Excess Wind Incurred Loss (5)	**Adjusted Wind Incurred Loss (6)	Re-Distributed Excess Wind Incurred Loss Adjustment (7)	Net Wind Incurred Loss Adjustment (8)
06/30/1990	1,078,846	71,365	7%	7%	(666)	72,032	63,174	
06/30/1991	1,081,841	95,991	9%	9%	0	95,991	63,349	
06/30/1992	1,077,977	72,639	7%	7%	0	72,639	63,123	
06/30/1993	1,121,653	57,640	5%	7%	(17,250)	74,890	65,681	
06/30/1994	1,253,170	73,947	6%	7%	(9,724)	83,671	73,382	
06/30/1995	1,329,288	76,017	6%	7%	(12,736)	88,753	77,839	
06/30/1996	1,461,180	448,266	31%	31%	0	448,266	85,562	
06/30/1997	1,652,507	962,975	58%	31%	455,981	506,994	96,766	
06/30/1998	1,879,569	217,598	12%	12%	0	217,598	110,062	
06/30/1999	2,147,828	659,001	31%	31%	41	658,959	125,771	
06/30/2000	2,405,919	549,945	23%	23%	0	549,945	140,884	
06/30/2001	2,542,385	1,193,137	47%	31%	413,126	780,011	148,875	
06/30/2002	2,770,885	414,626	15%	15%	0	414,626	162,255	
06/30/2003	3,067,704	335,628	11%	11%	0	335,628	179,636	
06/30/2004	3,057,250	201,003	7%	7%	(3,121)	204,124	179,024	182,145
06/30/2005	2,755,751	265,106	10%	10%	0	265,106	161,369	161,369
06/30/2006	2,502,700	899,937	36%	31%	132,101	767,835	146,551	14,449
06/30/2007	2,396,783	234,686	10%	10%	0	234,686	140,349	140,349
06/30/2008	2,343,084	1,981,966	85%	31%	1,263,101	718,865	137,204	(1,125,897)
Total	37,926,321				2,220,854		2,220,854	(627,585)

*Normal Range:

25th Percentile of (3) 7%
 75th Percentile of (3) 31%

**Wind Load: Total (5) / Total (1) = 5.9%

(3) = (2) / (1).

(4) = (3) capped at max and min specified by "Normal Range".

(5) = [(3) - (4)] x (1); the amount of wind loss outside the "Normal Range" to be removed (added) across all years.

(6) = (2) - (5); the smoothed ratio of wind losses to earned premium.

(7) = Wind Load x (1); the amount of excess wind losses to be loaded back into Total Losses.

(8) = (7) - (5); Net Wind Losses to be added (removed) by Fiscal Accident Year.

**Shelter Mutual Insurance Company
MobileHomeowners
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	5,185,188	6,040,823	6,179,882	6,225,986	6,228,033	6,227,833	6,227,833	6,227,833	6,227,833	6,227,833
6/30/2000	4,245,860	5,077,260	5,112,211	5,166,899	5,194,813	5,199,513	5,668,546	5,682,248	5,683,450	
6/30/2001	5,263,452	6,221,858	6,256,619	6,273,698	6,281,263	6,281,306	6,279,791	6,289,423		
6/30/2002	5,970,285	6,782,283	6,887,626	6,923,205	6,942,764	6,978,484	6,979,579			
6/30/2003	6,501,766	7,523,850	7,560,573	7,583,528	7,604,532	7,663,475				
6/30/2004	4,587,641	5,247,955	5,285,227	5,333,556	5,338,213					
6/30/2005	3,455,289	3,982,184	4,052,951	4,058,698						
6/30/2006	9,789,831	10,679,974	11,060,832							
6/30/2007	4,195,767	4,705,072								
6/30/2008	7,244,667									

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	2,106,445	2,342,009	2,361,196	2,361,046	2,360,150	2,360,150	2,360,150	2,360,150	2,360,150	2,360,150
6/30/2000	1,788,838	1,907,865	1,911,217	1,912,215	1,912,740	1,913,130	2,013,562	2,014,285	2,014,285	
6/30/2001	2,159,027	2,518,014	2,509,048	2,514,369	2,514,369	2,514,369	2,514,369	2,524,061		
6/30/2002	1,718,730	1,869,289	1,867,890	1,884,511	1,897,831	1,897,831	1,897,831			
6/30/2003	913,163	1,031,371	1,031,883	1,032,831	1,051,993	1,057,895				
6/30/2004	791,505	848,706	853,393	860,066	834,347					
6/30/2005	750,372	907,426	952,497	951,357						
6/30/2006	1,654,739	1,720,868	1,727,891							
6/30/2007	895,812	1,071,468								
6/30/2008	2,193,981									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	5,881,220	6,116,894	6,319,932	6,315,086	6,304,033	6,227,833	6,227,833	6,227,833	6,227,833	6,227,833
6/30/2000	5,313,048	5,521,128	5,556,079	5,604,967	5,632,881	5,637,581	5,675,046	5,688,748	5,689,950	
6/30/2001	6,018,995	6,332,433	6,262,419	6,279,498	6,287,063	6,281,306	6,279,791	6,289,423		
6/30/2002	6,784,042	6,964,337	6,992,326	6,975,705	6,992,764	6,978,484	6,979,579			
6/30/2003	7,659,745	7,739,600	7,642,245	7,669,200	7,665,204	7,663,475				
6/30/2004	5,703,296	5,429,765	5,414,227	5,368,556	5,338,213					
6/30/2005	4,277,673	4,120,922	4,096,951	4,113,698						
6/30/2006	11,588,944	11,206,006	11,121,832							
6/30/2007	5,157,185	4,746,493								
6/30/2008	8,899,691									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	2,308,570	2,353,631	2,364,896	2,361,046	2,360,150	2,360,150	2,360,150	2,360,150	2,360,150	2,360,150
6/30/2000	2,066,528	2,008,865	2,012,217	2,013,215	2,013,740	2,014,130	2,013,562	2,014,285	2,014,285	
6/30/2001	2,404,366	2,518,014	2,509,048	2,514,369	2,514,369	2,514,369	2,514,369	2,524,061		
6/30/2002	1,862,375	1,890,289	1,893,090	1,884,511	1,897,831	1,897,831	1,897,831			
6/30/2003	1,075,519	1,044,871	1,045,383	1,057,831	1,051,993	1,057,895				
6/30/2004	975,848	865,816	860,893	875,066	834,347					
6/30/2005	916,752	985,290	952,497	966,357						
6/30/2006	1,833,602	1,721,868	1,728,891							
6/30/2007	1,147,037	1,071,468								
6/30/2008	2,641,368									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	3,204	3,389	3,400	3,405	3,406	3,407	3,407	3,407	3,407	3,407
6/30/2000	2,524	2,672	2,680	2,682	2,685	2,685	2,686	2,686	2,686	
6/30/2001	4,164	4,391	4,404	4,409	4,409	4,409	4,409	4,410		
6/30/2002	3,100	3,280	3,283	3,283	3,286	3,286	3,286			
6/30/2003	3,284	3,489	3,494	3,496	3,496	3,497				
6/30/2004	2,240	2,350	2,358	2,359	2,360					
6/30/2005	1,872	1,969	1,970	1,972						
6/30/2006	4,046	4,177	4,187							
6/30/2007	2,101	2,193								
6/30/2008	3,467									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
6/30/1999	1,063	1,119	1,124	1,125	1,126	1,126	1,126	1,126	1,126	1,126
6/30/2000	904	942	944	945	946	946	946	946	946	
6/30/2001	1,913	1,970	1,973	1,975	1,975	1,975	1,975	1,975		
6/30/2002	805	846	847	847	848	848	848	848		
6/30/2003	727	765	766	767	767	767				
6/30/2004	533	558	561	562	562					
6/30/2005	428	447	447	448						
6/30/2006	675	691	692							
6/30/2007	361	370								
6/30/2008	897									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss/ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Selected Incurred Loss/ALAE (9)	Estimated Claim Count (10)	Selected Incurred Loss/ALAE (11) = (8) + (9)
6/30/1999	4,404,766	1.0000	4,404,766	4,404,766	1.0000	4,404,766	4,404,766	1,823,067	3,407	6,227,833
6/30/2000	4,456,085	1.0000	4,456,085	4,449,585	1.0000	4,449,585	4,456,085	1,233,864	2,686	5,689,949
6/30/2001	3,664,726	1.0000	3,664,726	3,664,726	1.0000	3,664,726	3,664,726	2,624,697	4,410	6,289,423
6/30/2002	4,990,285	1.0000	4,990,285	4,990,285	1.0000	4,990,285	4,990,285	1,989,295	3,286	6,979,580
6/30/2003	3,626,535	1.0000	3,626,535	3,626,535	1.0050	3,644,667	3,626,535	4,036,940	3,497	7,663,475
6/30/2004	3,947,213	0.9950	3,927,477	3,947,213	1.0080	3,978,850	3,927,477	1,391,000	2,360	5,318,477
6/30/2005	2,882,967	0.9960	2,871,420	2,827,967	1.0115	2,860,610	2,871,420	1,231,100	1,973	4,102,520
6/30/2006	3,716,731	0.9965	3,703,696	3,655,731	1.0166	3,716,419	3,703,696	7,410,286	4,190	11,113,982
6/30/2007	3,079,828	0.9890	3,046,009	3,038,407	1.0369	3,150,624	3,046,009	1,659,492	2,199	4,705,501
6/30/2008	3,203,614	0.9396	3,010,014	2,501,656	1.2080	3,022,068	3,010,014	5,665,893	3,647	8,675,907
5-yr Total			16,558,617			16,728,571	16,558,616	17,357,771	14,368	33,916,387
10-yr Total			37,701,014			37,882,600	37,701,013	29,065,634		66,766,647

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss/ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Selected Incurred Loss/ALAE (9)	Estimated Claim Count (10)	Selected Incurred Loss/ALAE (11) = (8) + (9)
6/30/1999	1,701,149	1.0000	1,701,149	1,701,149	1.0000	1,701,149	1,701,149	859,001	1,126	2,360,150
6/30/2000	1,464,340	1.0000	1,464,340	1,464,340	1.0000	1,464,340	1,464,340	549,945	946	2,014,285
6/30/2001	1,330,924	1.0000	1,330,924	1,330,924	1.0000	1,330,924	1,330,924	1,193,137	1,976	2,524,061
6/30/2002	1,483,205	1.0000	1,483,205	1,483,205	1.0000	1,483,205	1,483,205	414,626	848	1,897,831
6/30/2003	722,267	1.0000	722,267	722,267	1.0000	722,267	722,267	335,628	767	1,057,895
6/30/2004	633,343	1.0001	633,407	633,343	1.0005	633,660	633,407	201,003	562	834,410
6/30/2005	701,278	0.9986	700,296	686,278	1.0035	688,681	700,296	265,106	448	965,402
6/30/2006	829,494	1.0086	836,616	828,494	1.0085	835,552	836,616	899,937	693	1,736,553
6/30/2007	836,994	1.0081	843,758	836,994	1.0161	850,455	843,758	234,686	371	1,078,444
6/30/2008	636,120	0.9476	602,785	465,310	1.1888	553,169	602,785	1,981,966	931	2,584,751
5-yr Total			3,616,861			3,561,517	3,616,862	3,582,698	3,005	7,199,560
10-yr Total			10,318,747			10,263,403	10,318,747	6,735,035		17,053,782

Shelter Mutual Insurance Company Homeowners Companywide

Development of Unallocated Loss Adjustment Expense Factor

	2005	2006	2007	Total
Note: Amounts in 000's				
1. Direct Loss and Defense/Cost Containment Expense Incurred	\$239,545	\$185,890	\$126,642	\$552,077
2. Direct Adjusting and Other Expense Incurred (ULAE)	\$19,237	\$17,344	\$16,282	\$52,863
3. Ratio of Direct ULAE Incurred to Direct Loss and Defense Incurred	8.0%	9.3%	12.9%	9.6%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Mobile Homeowners Indicated Rate Level Change

	Fiscal Year Ending 6/30/2004	Fiscal Year Ending 6/30/2005	Fiscal Year Ending 6/30/2006	Fiscal Year Ending 6/30/2007	Fiscal Year Ending 6/30/2008
1. Earned Premium	\$3,057,250	\$2,755,751	\$2,502,700	\$2,396,783	\$2,343,084
2. Current Rate Level Factor	0.9121	0.9320	0.9984	1.0000	1.0000
3. Effect of Trend in Amount of Insurance	1.0286	1.0235	1.0194	1.0134	1.0093
4. Trended Premium at Current Rates [(1) x (2) x (3)]	\$2,868,001	\$2,628,554	\$2,547,253	\$2,428,975	\$2,364,943
5. Incurred Loss and Allocated Loss Adjustment Expense	\$834,410	\$965,402	\$1,736,553	\$1,078,444	\$2,584,751
6. Wind/Hail Loss Adjustment	182,145	161,369	14,449	140,349	-1,125,897
7. Losses Adjusted for Wind/Hail Losses [(5) + (6)]	\$1,016,555	\$1,126,771	\$1,751,002	\$1,218,793	\$1,458,854
8. Factor to Trend and Project Losses to 1/1/2010	1.3405	1.2767	1.2159	1.1580	1.1029
9. Unallocated Loss Adjustment Expense Factor	1.0958	1.0958	1.0958	1.0958	1.0958
10. Trended Loss and Loss Adjustment Expense [(7) x (8) x (9)]	\$1,493,173	\$1,576,293	\$2,332,906	\$1,546,504	\$1,763,034
11. Formula Loss Ratio [(10) / (4)]	52.1%	60.0%	91.6%	63.7%	74.5%
12. Experience Year Weight	10%	15%	20%	25%	30%
13. Weighted Formula Loss Ratio [sum of products of (11) & (12)]			70.8%		
14. Credibility - Based on 20,000 Earned House Years			100.0%		
15. Expected Loss Ratio			64.1%		
16. Trended Expected Loss Ratio [(15) x (20) ^ 1]			66.3%		
17. Credibility Weighted Formula Loss Ratio [(13) x (14) + (16) x (1 - (14))]			70.8%		
18. Current Provision for Variable Expenses of Commissions, Taxes and Profit			24.5%		
19. Current Provision for Fixed Expenses of General and Other Acquisition Expense			11.4%		
20. Factor to Trend Fixed Costs			1.035		
21. Trended Fixed Costs [(19) x (20) ^ 1]			11.8%		
22. Indicated Rate Level Change with Provision for Fixed and Variable Expenses [(17) + (21)] / [1.000 - (18)] - 1.000			9.4%		

Line 14 -- Partial Credibility is based on the square root rule rounded to the nearest five percent.

Lines 16 & 21 -- Projecting of fixed expenses is done from one year past the effective date of the last rate change (09/24/2004) to one year past the expected effective date (01/01/2009), limited to one year.

**Shelter Mutual Insurance Company
Revenue Change By Zone
Arkansas Mobile Homeowners**

Zone	Data		
	Annual Policy Premium	Total % Change	Total \$ Change
4	68,266	6.6%	4,528
12	27,394	6.3%	1,739
13	11,360	6.6%	745
15	21,411	6.2%	1,331
16	51,792	6.6%	3,434
18	56,989	5.9%	3,362
20	10,628	5.9%	625
21	39,969	5.8%	2,305
23	65,438	6.4%	4,199
24	453,297	6.1%	27,488
26	58,023	6.1%	3,526
28	27,838	5.7%	1,580
29	140,752	5.6%	7,850
31	24,517	6.0%	1,461
32	27,269	6.3%	1,727
34	10,615	6.6%	704
35	50,011	6.3%	3,170
36	57,961	6.1%	3,547
38	132,453	5.9%	7,775
40	12,728	6.3%	808
41	25,983	6.3%	1,626
44	97,502	5.6%	5,463
45	33,610	5.8%	1,958
49	46,599	6.3%	2,952
50	36,098	6.6%	2,375
51	48,848	5.9%	2,892
53	57,306	6.1%	3,467
55	30,336	6.5%	1,977
57	28,345	0.1%	18
58	74,252	6.6%	4,912
62	70,597	6.2%	4,352
68	2,777	6.6%	183
75	24,783	6.1%	1,521
77	10,987	6.6%	728
78	13,484	6.8%	920
79	9,391	6.4%	606
87	30,816	6.6%	2,033
88	55,708	6.1%	3,382
91	136,429	6.2%	8,397
95	9,937	6.4%	633
Grand Total	2,192,502	6.0%	132,298

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

1.	This filing transmittal is part of Company Tracking #	03M27308
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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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3.		A.	Company Name	B.	Company NAIC Number
			Shelter Mutual Insurance Company		23388

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

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Mobile Homeowners	+9.4	+6.0	64.1	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT							

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	5,086	+20.0	4/18/2002	33,759	19,690	58.3	83.6
2004	4,812	+14.0	11/28/2002	36,290	18,129	50.0	52.4
2005	4,711	-9.8	8/25/2004	38,234	15,552	40.7	99.5
2006	4,593			39,653	24,814	62.6	74.8
2007	4,514			41,234	13,511	32.8	48.6

Expense Constants	Selected Provisions
A. Total Production Expense	18.6
B. General Expense	7.1
C. Taxes, Licenses & Fees	3.0
D. Underwriting Profit & Contingencies	7.2
E. Other (explain)	
F. TOTAL	35.9

- 8.** N/A Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +7.4 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): 91
- 10.** -14.2 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 91

**SHELTER MUTUAL INSURANCE COMPANY
 ARKANSAS
 HOMEOWNERS, FARMOWNERS, PLATINUM SHIELD & MOBILE HOMEOWNERS
 CLAIMS SURCHARGE COMPARISON**

CURRENT

Number of Claims	Non-Weather				
Weather	0	1	2	3	4+
0	0	30%	85%	85%	85%
1	0	30%	85%	85%	85%
2	0	30%	85%	85%	85%
3	0	30%	85%	85%	85%
4+	0	30%	85%	85%	85%

PROPOSED

Number of Claims	Non-Weather				
Weather	0	1	2	3	4+
0	0	15%	50%	85%	85%
1	0	15%	50%	85%	85%
2	0	15%	50%	85%	85%
3	0	15%	50%	85%	85%
4+	0	15%	50%	85%	85%