

SERFF Tracking Number: FARM-125817255 State: Arkansas
Filing Company: Farmers Insurance Exchange State Tracking Number: EFT \$100
Company Tracking Number: HAR0803-107120
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR Interior Inspection Modification - NGHO/F-08-062

Filing at a Glance

Company: Farmers Insurance Exchange

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

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI
Combinations

Filing Type: Rate/Rule

SERFF Tr Num: FARM-125817255 State: Arkansas

SERFF Status: Closed

Co Tr Num: HAR0803-107120

Co Status:

Authors: Anahit Bekarian, Jeanette
Campion, Gayane Rupchian, Mina
Villegas, Chris SalvaCruz, Edmond
Balaian, Karen Lacy

Date Submitted: 09/19/2008

State Tr Num: EFT \$100

State Status: Fees verified and
received

Reviewer(s): Becky Harrington,
Betty Montesi

Disposition Date: 11/10/2008

Disposition Status: Filed

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

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

Effective Date (New): 01/01/2009

Effective Date (Renewal):
01/01/2009

State Filing Description:

General Information

Project Name: AR Interior Inspection Modification - NGHO

Project Number: F-08-062

Reference Organization:

Reference Title:

Filing Status Changed: 11/10/2008

State Status Changed: 09/24/2008

Corresponding Filing Tracking Number:

Filing Description:

On behalf of Farmers Insurance Company, we respectfully submit for your review and approval a rating rule revision to our Farmers Next Generation® Homeowners products. The New Household Credit filed with the Arkansas Insurance Department in our new program filing HAR0703-100010 effective 7/1/2008, provides a credit to Farmers Customers that purchase a new Fire policy on the same day that they purchase a new Auto policy.

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

SERFF Tracking Number: FARM-125817255 State: Arkansas
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With this filing we propose to discontinue offering the Interior Inspection Discount on Homeowners policies in which the age of home is less than 10 years. Under this proposal, policies that have qualified for the discount prior to the proposed effective date will continue to receive the discount for the remaining duration of their eligibility; therefore, there is no premium impact to our existing policyholders.

The proposal to modify the qualifications for the Interior Inspection discount is based on vendor service levels of interior inspections not meeting our expectations. By restricting the offer of the Interior Inspection Discount to policyholders that are insuring a home older than 10 years of age, we are able to provide a more manageable volume of inspections to our vendor and focus inspections to homes that are more likely to have had renovations and improvements that significantly change the characteristics of the home from its original construction.

This submission also includes final printed manual pages reflecting the above revisions.

Our targeted effective date for this proposal is 01/01/2009.

Company and Contact

Filing Contact Information

Feliksa Barran, Manager - Business

Feliksa_Barran@farmersinsurance.com

Implementation

4700 Wilshire Blvd.

(323) 932-3056 [Phone]

Los Angeles, CA 90010

Filing Company Information

Farmers Insurance Exchange

CoCode: 21652

State of Domicile: California

4680 Wilshire Blvd.

Group Code: 212

Company Type:

Los Angeles, CA 90010

Group Name:

State ID Number:

(323) 932-3056 ext. [Phone]

FEIN Number: 95-2575893

Filing Fees

Fee Required? Yes

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Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: \$100.00 is the filing fee amount for this filing. Check will be mailed via EFT.
Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Farmers Insurance Exchange	\$100.00	09/19/2008	22620152

SERFF Tracking Number: FARM-125817255 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	11/10/2008	11/10/2008

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	09/24/2008	09/24/2008	Mina Villegas	11/10/2008	11/10/2008

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Disposition

Disposition Date: 11/10/2008
 Effective Date (New): 01/01/2009
 Effective Date (Renewal): 01/01/2009
 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:
Farmers Insurance Exchange	0.000%	\$0	876	\$604,536	0.000%	0.000%	0.000%

SERFF Tracking Number: FARM-125817255 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Uniform Transmittal Document-Property &Filed Casualty		Yes
Supporting Document	Response cover memo to Objection #2	Filed	Yes
Rate	Manual pages	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/24/2008
Submitted Date 09/24/2008

Respond By Date

Dear Feliksa Barran,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The manual page was not included in the filing. Please attach it under the rate/rule schedule tab.

Objection 2

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment: Please elaborate on the statement that the vendor services have not met your expectations.

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 11/10/2008
Submitted Date 11/10/2008

Dear Becky Harrington,

Comments:

We have attached the manual pages as response to Objection 1 as well as the cover memo for Objection 2.

Response 1

SERFF Tracking Number: FARM-125817255 State: Arkansas
Filing Company: Farmers Insurance Exchange State Tracking Number: EFT \$100
Company Tracking Number: HAR0803-107120
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR Interior Inspection Modification - NGHO/F-08-062

Comments: Manual pages are attached below.

Related Objection 1

Comment:

The manual page was not included in the filing. Please attach it under the rate/rule schedule tab.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual pages	Pages 303, 1023	Replacement	

Response 2

Comments: We have attached the cover memo as response to Objection 2:

Related Objection 1

Applies To:

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment:

Please elaborate on the statement that the vendor services have not met your expectations.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response cover memo to Objection #2

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response to Objection Letter dated 09/24/2008

Sincerely,

SERFF Tracking Number: FARM-125817255 *State:* Arkansas
Filing Company: Farmers Insurance Exchange *State Tracking Number:* EFT \$100
Company Tracking Number: HAR0803-107120
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR Interior Inspection Modification - NGHO/F-08-062
Anahit Bekarian, Chris SalvaCruz, Edmond Balaian, Gayane Rupchian, Jeanette Campion, Karen Lacy, Mina Villegas

SERFF Tracking Number: FARM-125817255 State: Arkansas
 Filing Company: Farmers Insurance Exchange State Tracking Number: EFT \$100
 Company Tracking Number: HAR0803-107120
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: H-AR-2008-HO-F
 Project Name/Number: AR Interior Inspection Modification - NGHO/F-08-062

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 13.900%
Effective Date of Last Rate Revision: 04/16/2008
Filing Method of Last Filing: file & 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):
Farmers Insurance Exchange	0.000%	0.000%	\$0	876	\$604,536	0.000%	0.000%

SERFF Tracking Number: FARM-125817255 State: Arkansas
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual pages	Pages 303, 1023	Replacement	Page 303.pdf Page 1023.pdf

FARMERS INSURANCE EXCHANGE

DISCOUNT VERIFICATION

INTERIOR INSPECTION DISCOUNT

- ★ The Interior Inspection discount is available on policies that are not receiving the New Household Credit, the age of home is older than 10 years, and who meet the following criteria;

New Business

The applicant agrees to an interior inspection at the time of application.

The interior inspection is completed by the Farmers vendor and returned to Underwriting.

If the interior inspection cannot be completed, the vendor will complete an exterior inspection and the discount will be removed.

In Force Policies

The customer may provide a completed interior inspection from either the Farmers vendor or an independent inspector who is a member of one of the following associations:

- American Institute of Inspectors (AII)
- American Home Inspectors Training Institute (AHIT)
- American Society of Home Inspectors (ASHI)
- National Associations of Home Inspectors, Inc. (NAHI)

The customer must submit to the agent an original Property Inspection Report (SRN 51-1039) or the submitted inspection report must provide the same information as requested in the Property Inspection Report.

The interior inspection is no more than 90 days old at the time of submission.

The interior inspection results must be approved by Underwriting.

The discount is applied on renewal only. (It cannot be added midterm.)

NEW HOME DISCOUNT

Homes constructed during the current calendar year and the last 14 calendar years are acceptable for this discount.

NEW ROOF DISCOUNT

Roofs built or completely replaced during the current calendar year and the last 5 calendar years are acceptable for the discount.

NON-SMOKER DISCOUNT

This discount is available if all resident members of the household have not smoked tobacco products in the past 2 years.

FARMERS INSURANCE EXCHANGE

RATING RULES

INTERIOR INSPECTION DISCOUNT

- ★ A discount is applied for dwellings that are older than ten years in age and have had an interior inspection completed in the past three years. If the customer qualifies for both the New Household Credit and the Interior Inspection Discount then the customer will receive the New Household Credit.

Rates are available on E-home and
Farmers Fire Policy Processing System (FPPS).

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Filed 11/10/2008

Comments:

Attachment:

P&C transmittal.pdf

Satisfied -Name: Response cover memo to Objection
#2 **Review Status:** Filed 11/10/2008

Comments:

Attachment:

Response cover memo.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 style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

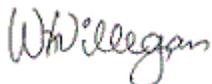
3. Group Name	Group NAIC #
Farmers Insurance Group of Companies	0212

4. Company Name(s)	Domicile	NAIC #	FEIN #		Group NAIC #
Farmers Insurance Exchange	CA	21652	95-2575893		0212

5. Company Tracking Number	HAR0803-107120
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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 Sniegowski 4700 Wilshire Blvd. Los Angeles, CA 90010	Product Manager	(323) 964-8036	(323) 932-3161	

7. Signature of authorized filer	
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8. Please print name of authorized filer	Mina Villegas
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Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	Homeowners Sub TOI combinations
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	4.0 / 4.0000
12. Company Program Title (Marketing title)	Interior Inspection Discount Modification - NextGen
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: 1/1/2009 Renewal: 1/1/2009
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	September 16, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	HAR0803-107120
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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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On behalf of Farmers Insurance Company, we respectfully submit for your review and approval a rating rule revision to our Farmers Next Generation[®] Homeowners products. The New Household Credit filed with the Arkansas Insurance Department in our new program filing HAR0703-100010 effective 7/1/2008, provides a credit to Farmers Customers that purchase a new Fire policy on the same day that they purchase a new Auto policy.

With this filing we propose to discontinue offering the Interior Inspection Discount on Homeowners policies in which the age of home is less than 10 years. Under this proposal, policies that have qualified for the discount prior to the proposed effective date will continue to receive the discount for the remaining duration of their eligibility; therefore, there is no premium impact to our existing policyholders.

The proposal to modify the qualifications for the Interior Inspection discount is based on vendor service levels of interior inspections not meeting our expectations. By restricting the offer of the Interior Inspection Discount to policyholders that are insuring a home older than 10 years of age, we are able to provide a more manageable volume of inspections to our vendor and focus inspections to homes that are more likely to have had renovations and improvements that significantly change the characteristics of the home from its original construction.

This submission also includes final printed manual pages reflecting the above revisions.

Our targeted effective date for this proposal is 01/01/2009.

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]
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Check: Via EFT
Amount: \$100.00

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

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



FARMERS

4700 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(323) 932-3509
(323) 932-3950

www.farmersinsurance.com

November 10, 2008

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

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

SUBJECT: Response to Objection Letter dated 9/24/2008
HOMEOWNERS RATING RULE REVISION

COMPANY	Reference Number	NAIC No.	GROUP No.
Farmers Insurance Exchange	HAR0803-107120	21652	0212

Dear Ms. Harrington:

Attached are our responses to your questions. The manual pages are included.

Objection:

Please elaborate on the statement that the vendor services have not met our expectations.

Response:

The intent of the Interior Inspection Program was to improve underwriting quality by validating the accuracy of the documented interior features of the property. The program requires the inspector (contracted by Farmers Insurance) to access the insured property. The success of the program is dependent on the capacity of the vendor to fulfill the volume of interior inspection requests during the discovery period.

The resources of the selected inspection vendor have proven inadequate. This has led to some negative customer experiences. By restricting the offer of the interior inspection discount to policyholders that do not receive the New Household Credit and are insuring a home older than 10 years of age, we are able to provide a more manageable volume of inspections to our vendor and focus inspections to

homes with renovations and improvements that significantly change the home's characteristics from its original construction.

Very truly yours,
FARMERS INSURANCE EXCHANGE

By: Brian Sniegowski
Fire Product Management