

SERFF Tracking Number: FARM-125475218 State: Arkansas
Filing Company: Farmers Insurance Company, Inc. State Tracking Number: #3040008774 \$100
Company Tracking Number: AAR0801-200890
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Filing at a Glance

Company: Farmers Insurance Company, Inc.

Product Name: A-AR-2008-PA-F

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto
(PPA)

Filing Type: Rate/Rule

SERFF Tr Num: FARM-125475218 State: Arkansas

SERFF Status: Closed

Co Tr Num: AAR0801-200890

Co Status:

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

Date Submitted: 02/06/2008

State Tr Num: #3040008774 \$100

State Status: Fees verified and
received

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

Disposition Date: 12/02/2008

Disposition Status: Filed

Effective Date Requested (New): 06/01/2008

Effective Date Requested (Renewal): 06/01/2008

Effective Date (New): 06/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: AR Farmers Citation Surcharge

Project Number: A-07-057

Reference Organization:

Reference Title:

Filing Status Changed: 12/02/2008

State Status Changed: 02/15/2008

Corresponding Filing Tracking Number:

Filing Description:

Cover memo is attached as separate item in Supporting Documents header.

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

SERFF Tracking Number: FARM-125475218 State: Arkansas
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 Product Name: A-AR-2008-PA-F
 Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Company and Contact

Filing Contact Information

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

Filing Company Information

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

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 is the required filing fee amount for FICL. The check will be mailed via DHL to DOI on Monday, 2/11/2008.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Farmers Insurance Company, Inc.	\$0.00	02/06/2008	

SERFF Tracking Number: FARM-125475218 State: Arkansas
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 Product Name: A-AR-2008-PA-F
 Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	12/02/2008	12/02/2008
Filed	Alexa Grissom	02/15/2008	02/15/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Final printed pages with corrected verbiage on page 508a	Supporting Document	Mina Villegas	11/19/2008	11/20/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request for filing to be reopened	Note To Reviewer	Mina Villegas	11/10/2008	11/10/2008
Filing fee check	Note To Reviewer	Mina Villegas	02/14/2008	02/14/2008

SERFF Tracking Number: FARM-125475218 *State:* Arkansas
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Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Disposition

Disposition Date: 12/02/2008

Effective Date (New): 06/01/2008

Effective Date (Renewal):

Status: Filed

Comment: Reopened the filing at the company's request to add final printed pages.

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125475218 State: Arkansas
 Filing Company: Farmers Insurance Company, Inc. State Tracking Number: #3040008774 \$100
 Company Tracking Number: AAR0801-200890
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: A-AR-2008-PA-F
 Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Item Type	Item Name	Item Status	Public Access
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover memo	Filed	Yes
Supporting Document	Final printed pages with corrected verbiage on page 508a	Filed	Yes
Rate	Temporary marked-up manual pages & table insert	Filed	Yes

SERFF Tracking Number: FARM-125475218 *State:* Arkansas
Filing Company: Farmers Insurance Company, Inc. *State Tracking Number:* #3040008774 \$100
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Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Disposition

Disposition Date: 02/15/2008

Effective Date (New): 06/01/2008

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125475218 State: Arkansas
 Filing Company: Farmers Insurance Company, Inc. State Tracking Number: #3040008774 \$100
 Company Tracking Number: AAR0801-200890
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
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Item Type	Item Name	Item Status	Public Access
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover memo	Filed	Yes
Supporting Document	Final printed pages with corrected verbiage on page 508a	Filed	Yes
Rate	Temporary marked-up manual pages & table insert	Filed	Yes

SERFF Tracking Number: FARM-125475218 State: Arkansas
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Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Amendment Letter

Amendment Date:
Submitted Date: 11/20/2008

Comments:

Dear Ms. Grissom:

Thank you for reopening this filing. We have attached the final pages 805, 811, 812.

We also have included 3 other things with this submission namely: 1) we inadvertently filed initially incorrect text for marked-up page 508a therefore we have attached the corrected page; 2) we are clarifying verbiage on page 508a and have attached cover memo, and 3) we have revised the effective date to 10/1/2008.

Please be assured that these changes do not affect the rates or the rating process in this filing.

Thank you very kindly.

Mina A. Villegas
Regulatory Filings Technician
(323) 932-3116

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Final printed pages with corrected verbiage on page 508a

Comment: Please see attached Incorrectly Filed Page 508a Replacement

Final page 805.pdf

Final page 811.pdf

Final page 812.pdf

Cover memo - clarification of verbiage.pdf

Corrected, clarified & final page 508a.pdf

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Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Note To Reviewer

Created By:

Mina Villegas on 11/10/2008 10:22 AM

Subject:

Request for filing to be reopened

Comments:

Dear Ms. Grissom:

I would like to request that this filing be reopened to enable me to submit final printed pages. Let me know your thoughts. Thank you and hoping to hear from you.

Mina A. Villegas
Regulatory Filings Technician
(323) 932-3116

SERFF Tracking Number: FARM-125475218 *State:* Arkansas
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Company Tracking Number: AAR0801-200890
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Note To Reviewer

Created By:

Mina Villegas on 02/14/2008 10:33 AM

Subject:

Filing fee check

Comments:

Dear Ms. Grissom:

I've sent the filing fee check to the DOI via DHL overnight for AR SERFF filing# FARM-125475218. The airbill # is 63022452544 and the check # is 3040008774. Thank you.

SERFF Tracking Number: FARM-125475218 State: Arkansas
Filing Company: Farmers Insurance Company, Inc. State Tracking Number: #3040008774 \$100
Company Tracking Number: AAR0801-200890
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125475218 State: Arkansas
 Filing Company: Farmers Insurance Company, Inc. State Tracking Number: #3040008774 \$100
 Company Tracking Number: AAR0801-200890
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: A-AR-2008-PA-F
 Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Temporary marked-up manual pages & table insert	Pages 508a, 805	New	Marked-up page 508a & table insert.pdf Marked-up page 805 & table insert.pdf

FARMERS INSURANCE GROUP

(FARMERS AND MID-CENTURY)

* DISCOUNTS AND SURCHARGES (Continued)

* EFT Discount

Insureds who elect to use EasyPay ® Electronic Funds Transfer ("EFT") account as their method of premium payment qualify for the EFT Discount.

- a) This discount applies to Bodily Injury, Property Damage, Uninsured Motorist Bodily Injury, Uninsured Motorist Property Damage, Underinsured Motorist, Personal Injury Protection, Comprehensive, and Collision coverages.
- b) The Discount applies to private passenger automobile, Premium Determination Normal Use, Dune Buggies, Non-Owner Policies and Motorhome policies only.
- c) This discount is available at the auto policy's inception, upon renewal and mid-term.
- d) Refer to the Factor Pages for discount factors by coverage.

* PAID IN FULL DISCOUNT:

Standard Bill customers can receive a discount on Bodily Injury/Property Damage, Uninsured Motorist, Medical/Personal Injury Protection, Comprehensive and Collision coverages if they pay 100% of their full-term policy premium by the due date.

The discount is available to New Business and Renewals. It cannot be added on Mid-term. Qualifying New Business will issue with the discount, however, policies will renew without it. The Paid-in-Full amount will display on the Renewal invoice and will be added if the insured selects the Paid-in-Full option. All payments options will be available at renewal.

Citation Surcharge (Farmes Only)

Insert Attached text.

Table to insert on page 508a

	1st Minor Citation	Each Subsequent Citation	1st Major Citation	Each Subsequent Citation
BIPD	0.05	0.35	1.00	1.50
MED	0.05	0.35	1.00	1.50
CCD	N/A	N/A	N/A	N/A
COLL	0.05	0.35	1.00	1.50
UM	N/A	N/A	N/A	N/A

ARKANSAS

New Business: July 23, 2007
Renewals: July 23, 2007

DISCOUNT and SURCHARGE FACTORS

DISCOUNTS

FARMERS and MID-CENTURY							
COVERAGE	Good Student	Senior Defensive Driver	Anti-Lock Brakes	Passive Rest. (Belt)	Passive Rest. (Airbag)	Passive Rest. (Airbags)	Passive Rest. (Airbags Belts)
BIPD	0.80	0.80	0.95	N/A	N/A	N/A	N/A
PIP	0.80	N/A	N/A	0.95	0.95	0.95	0.90
CCD	0.80	0.80	N/A	N/A	N/A	N/A	N/A
COLL	0.80	0.80	0.95	N/A	N/A	N/A	N/A

FARMERS			
COVERAGE	Antique Auto	Farm Occup.	Motor Home Plus
BIPD	0.10	0.90	0.35
PIP	0.10	N/A	0.35
CCD	1.00	0.90	0.35
COLL	0.25	0.90	0.35
UM	0.10	N/A	1.00

Coverage	ADVANCED PURCHASED CREDIT			NEW HOUSEHOLD CREDIT		
	Semi-Annual	1st & 2nd	Annual	Coverage	Semi-Annual	Annual
BIPD	0.90	0.95	0.92	BIPD	0.85	0.90
MED/PIP	0.90	0.95	0.92	MED/PIP	0.85	0.90
CCD	0.90	0.95	0.92	CCD	0.85	0.90
COLL	0.90	0.95	0.92	COLL	0.85	0.90
UM	0.90	0.95	0.92			

Coverage	PAID IN FULL	
	Factors 6 mo	Factors 12 mo
BI-PD	0.85	0.85
MED/PIP	0.85	0.85
CCD	0.85	0.85
COLL	0.85	0.85
UM	0.85	0.85

MULTI-LINES DISCOUNT

COVERAGE	Farmers and Mid-Century							
	*Auto/Home Farmers	Auto/Home Mid-Century	Auto/Renters	Auto/Mobile Home	Auto/Life	Auto/Home/Life	Auto/Renters/Life	Auto/Mobile Home/Life
BIPD	0.80	0.85	0.90	0.95	0.95	0.75	0.85	0.90
PIP	0.80	0.85	0.90	0.95	0.95	0.75	0.85	0.90
CCD	0.80	0.85	0.90	0.95	0.95	0.75	0.85	0.90
COLL	0.80	0.85	0.90	0.95	0.95	0.75	0.85	0.90

Coverage	Farmers and Mid-Century	
	EFT	Alternative Fuel Vehicle
BIPD	0.90	0.90
PIP	0.90	0.90
CCD	0.90	0.90
COLL	0.90	0.90
UM/UIM/UMPD	0.90	0.90
GB	0.00	0.00

TWO OR MORE AUTOMOBILES DISCOUNT

Rate	FARMERS			
	BIPD	PIP	CCD	COLL
1	0.80	0.85	0.85	0.85
2	0.80	0.85	0.85	0.85
3	0.80	0.85	0.85	0.85
4	0.80	0.85	0.85	0.85
5	0.80	0.85	0.85	0.85
6	0.80	0.85	0.85	0.85
7	0.80	0.85	0.85	0.85
8	0.80	0.85	0.85	0.85
9	0.80	0.85	0.85	0.85
Motor Homes	0.50	0.50	N/A	0.50

Rate	MID-CENTURY			
	BIPD	PIP	CCD	COLL
1	0.85	0.85	0.85	0.85
2	0.85	0.85	0.85	0.85
3	0.85	0.85	0.85	0.85
4	0.85	0.85	0.85	0.85
5	0.85	0.85	0.85	0.85
6	0.85	0.85	0.85	0.85
7	0.85	0.85	0.85	0.85
8	0.85	0.85	0.85	0.85
9	0.85	0.85	0.85	0.85
Motor Homes	0.50	0.50	N/A	0.50

Coverages	ANNUAL POLICY TERM	
	Farmers	Mid-Century
BIPD	2.00	2.00
MED	2.00	2.00
UMBI	2.00	2.00
UMPD	2.00	2.00
CCD	2.00	2.00
COLL	2.00	2.00
TOW	2.00	2.00
OTHER	2.00	2.00

Oldest Child	*New Parent Discount	
	Farmers	Mid-Century
0	0.95	0.95
1	0.95	0.95
2	0.95	0.95
3	0.96	0.96
4	0.97	0.97
5	0.98	0.98
6	0.99	0.99
7+	1.00	1.00

Citation Surcharge (Farmers only)

Insert Rating Table

FARMERS				
Coverage	Accident (1 Year After)	Accident (2 Year After)	Accident (3 Year After)	Multi-Accident (Additive)
BIPD	1.49	1.35	1.21	0.50
PIP	1.33	1.23	1.15	0.30
COLL	1.39	1.29	1.15	0.50

COVERAGE	FARMERS and MID-CENTURY		
	High Perf. Vehicle	Towing (6-10 Years Old)	Towing (11 Years & Older)
BIPD	1.25	1.50	2.00
PIP	1.25		
CCD	1.25		
COLL	1.25		

Mid-Century Unverifiable Driver Record	
Coverages	Factors
BIPD	1.10
UM/UIM/UMPD	1.10
PIP	1.10
CCD	1.10
COLL	1.10

Table to insert on page 805

	1st Minor Citation	Each Subsequent Citation	1st Major Citation	Each Subsequent Citation
BIPD	0.05	0.35	1.00	1.50
MED	0.05	0.35	1.00	1.50
CCD	N/A	N/A	N/A	N/A
COLL	0.05	0.35	1.00	1.50
UM	N/A	N/A	N/A	N/A

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 Product Name: A-AR-2008-PA-F
 Project Name/Number: AR Farmers Citation Surcharge/A-07-057

Supporting Document Schedules

Bypassed -Name:	APCS-Auto Premium Comparison Survey	Review Status:	Filed	02/15/2008
Bypass Reason:	Not applicable			
Comments:				
Bypassed -Name:	NAIC loss cost data entry document	Review Status:	Filed	02/15/2008
Bypass Reason:	Not applicable			
Comments:				
Bypassed -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Filed	02/15/2008
Bypass Reason:	Not applicable			
Comments:				
Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	02/15/2008
Comments:				
Attachment:	P & C transmittal.pdf			
Satisfied -Name:	Cover memo	Review Status:	Filed	02/15/2008
Comments:				
Attachment:	Cover memo.pdf			
Satisfied -Name:	Final printed pages with corrected	Review Status:	Filed	12/02/2008

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Product Name: A-AR-2008-PA-F
Project Name/Number: AR Farmers Citation Surcharge/A-07-057
verbiage on page 508a

Comments:

Please see attached Incorrectly Filed Page 508a Replacement

Attachments:

Final page 805.pdf
Final page 811.pdf
Final page 812.pdf
Cover memo - clarification of verbiage.pdf
Corrected, clarified & final page 508a.pdf

Property & Casualty Transmittal Document

<p>1. Reserved for Insurance Dept. Use Only</p>	<p>2. Insurance Department Use only</p> <p>a. Date the filing is received:</p> <p>b. Analyst:</p> <p>c. Disposition:</p> <p>d. Date of disposition of the filing:</p> <p>e. Effective date of filing:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> <p>f. State Filing #:</p> <p>g. SERFF Filing #:</p> <p>h. Subject Codes</p>	New Business		Renewal Business	
New Business					
Renewal Business					

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

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Farmers Insurance Company, Inc	KS	21628	48-0609012	0212

5. Company Tracking Number	AAR0801-200890
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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
	Yuan Li 4700 Wilshire Blvd. L.A. CA 90010	Manager -- Auto Product Management	(323) 932-7699	(323) 932-3161	
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Mina A. Villegas		

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

9. Type of Insurance (TOI)	19.0 Personal Auto
10. Sub-Type of Insurance (Sub-TOI)	19.0001 Private Passenger Auto
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	19.0 / 19.0001
12. Company Program Title (Marketing title)	Private Passenger Auto Citation Surcharge
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: 06/1/2008 Renewal: 06/1/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	1/11/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

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

We respectfully submit for your approval revisions to our Private Passenger Automobile Program currently written in the Farmers Insurance Company, Inc. We propose the introduction of a surcharge for minor and major citations in Farmers Insurance Company, Inc. Currently policyholders written in Farmers who accumulate a number of minor or major violations do not get surcharged, but possibly underwritten to Mid-Century our standard company. This surcharge schedule allows for the policyholder to remain in Farmers Insurance Company without moving to the higher rated standard company. We anticipate that this will have a negligible impact on the current policyholders, as most policies with point accumulations are rewritten in Mid-Century. The proposed surcharge is on BIPD, MED and Collision coverages only.

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 #: Check not available yet

Amount: \$100.00 for FICI

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

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



FARMERS

Yuan Li
4700 Wilshire Blvd.
Los Angeles, CA 90010
Phone: (323) 932-7699
Fax: (323) 932-3161
Yuan.Li@farmersinsurance.com

February 5, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Attn: Property and Casualty

**Subject: Private Passenger Auto Rate and Rule Filing
Rates and Rules Revision - Proposed Effective 06/01/08
Farmers Insurance Company, Inc. (0212-21628)
Filing Reference Number: AAR0801-200890**

Dear Commissioner Bowman:

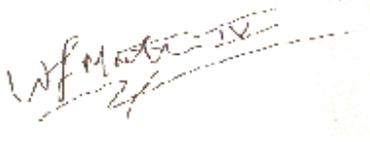
We respectfully submit for your approval revisions to our Private Passenger Automobile Program currently written in the Farmers Insurance Company, Inc. We propose the introduction of a surcharge for minor and major citations in Farmers Insurance Company, Inc. Currently policyholders written in Farmers who accumulate a number of minor or major violations do not get surcharged, but possibly underwritten to Mid-Century our standard company. This surcharge schedule allows for the policyholder to remain in Farmers Insurance Company without moving to the higher rated standard company. We anticipate that this will have a negligible impact on the current policyholders, as most policies with point accumulations are rewritten in Mid-Century. The proposed surcharge is on BIPD, MED and Collision coverages only. The point schedule is included below.

	1st Minor Citation	Each Subsequent Citation	1st Major Citation	Each Subsequent Citation
BIPD	0.05	0.35	1.00	1.50
MED	0.05	0.35	1.00	1.50
CCD	N/A	N/A	N/A	N/A
COLL	0.05	0.35	1.00	1.50
UM	N/A	N/A	N/A	N/A

Attached please find the manual pages for the citation surcharge.

If you have any questions on this material or require further information, please contact Yuan Li, Product Manager, at (323) 930-7699.

Very truly yours,
FARMERS INSURANCE EXCHANGE

A handwritten signature in black ink, appearing to read "Bill Martin", is written over a dashed horizontal line. The signature is slanted and includes a large flourish at the end.

Bill Martin, CPCU
Vice President – Auto Product Management

By: Yuan Li
Auto Product Management

BM:YL:BS

DISCOUNT and SURCHARGE FACTORS

DISCOUNTS

FARMERS and MID-CENTURY							
COVERAGE	Good Student	Senior Defensive Driver	Anti-Lock Brakes	Passive Rest. (Belt)	Passive Rest. (Airbag)	Passive Rest. (Airbags)	Passive Rest. (Airbags Belts)
BIPD	0.80	0.80	0.95	N/A	N/A	N/A	N/A
PIP	0.80	N/A	N/A	0.95	0.95	0.95	0.90
CCD	0.80	0.80	N/A	N/A	N/A	N/A	N/A
COLL	0.80	0.80	0.95	N/A	N/A	N/A	N/A

FARMERS			
COVERAGE	Antique Auto	Farm Occup.	Motor Home Plus
BIPD	0.10	0.90	0.35
PIP	0.10	N/A	0.35
CCD	1.00	0.90	0.35
COLL	0.25	0.90	0.35
UM	0.10	N/A	1.00

ADVANCED PURCHASED CREDIT

Coverage	Policy	
	Semi-Annual	1st & 2nd Annual
BIPD	0.90	0.95
MED/PIP	0.90	0.95
CCD	0.90	0.95
COLL	0.90	0.95
UM	0.90	0.95

NEW HOUSEHOLD CREDIT

Coverage	Semi-Annual	Annual
BIPD	0.85	0.90
MED/PIP	0.85	0.90
CCD	0.85	0.90
COLL	0.85	0.90

PAID IN FULL

Coverage	Factors	
	6 mo	12 mo
BI-PD	0.85	0.85
MED/PIP	0.85	0.85
CCD	0.85	0.85
COLL	0.85	0.85
UM	0.85	0.85

MULTI-LINES DISCOUNT

Farmers and Mid-Century

COVERAGE	Auto/Home (Farmers)	Auto/Home (Mid-Century)	Auto/Renters	Auto/Mobile Home	Auto/Life	*Auto/Home/Life (Farmers)	*Auto/Home/Life (Mid-Century)	Auto/Renters/Life	Auto/Mobile Home/Life
BIPD	0.80	0.85	0.90	0.90	0.95	0.75	0.80	0.85	0.85
PIP	0.80	0.85	0.90	0.90	0.95	0.75	0.80	0.85	0.85
CCD	0.80	0.85	0.90	0.90	0.95	0.75	0.80	0.85	0.85
COLL	0.80	0.85	0.90	0.90	0.95	0.75	0.80	0.85	0.85

Farmers and Mid-Century

Coverage	EFT	Alternative Fuel Vehicle
BIPD	0.90	0.90
PIP	0.90	0.90
CCD	0.90	0.90
COLL	0.90	0.90
UM/UM/UMPD	0.90	0.90
GB	0.00	0.00

TWO OR MORE AUTOMOBILES DISCOUNT

FARMERS				
Rate	BIPD	PIP	CCD	COLL
1	0.80	0.85	0.85	0.85
2	0.80	0.85	0.85	0.85
3	0.80	0.85	0.85	0.85
4	0.80	0.85	0.85	0.85
5	0.80	0.85	0.85	0.85
6	0.80	0.85	0.85	0.85
7	0.80	0.85	0.85	0.85
8	0.80	0.85	0.85	0.85
9	0.80	0.85	0.85	0.85
Motor Homes	0.50	0.50	N/A	0.50

MID-CENTURY				
Rate	BIPD	PIP	CCD	COLL
1	0.85	0.85	0.85	0.85
2	0.85	0.85	0.85	0.85
3	0.85	0.85	0.85	0.85
4	0.85	0.85	0.85	0.85
5	0.85	0.85	0.85	0.85
6	0.85	0.85	0.85	0.85
7	0.85	0.85	0.85	0.85
8	0.85	0.85	0.85	0.85
9	0.85	0.85	0.85	0.85
Motor Homes	0.50	0.50	N/A	0.50

ANNUAL POLICY TERM

Coverages	Farmers	Mid-Century
BIPD	2.00	2.00
MED	2.00	2.00
UMBI	2.00	2.00
UMPD	2.00	2.00
CCD	2.00	2.00
COLL	2.00	2.00
TOW	2.00	2.00
OTHER	2.00	2.00

New Parent Discount

Oldest Child	Farmers	Mid-Century
0	0.95	0.95
1	0.95	0.95
2	0.95	0.95
3	0.96	0.96
4	0.97	0.97
5	0.98	0.98
6	0.99	0.99
7+	1.00	1.00

Electronic Stability Control Discount

Coverage	Farmers & Mid-Century
BIPD	1.00
MED	1.00
CCD	1.00
COLL	0.95
UM	1.00
UIM	1.00

FARMERS

Coverage	Accident (1 Year After)	Accident (2 Year After)	Accident (3 Year After)	Multi-Accident (Additive)
BIPD	1.49	1.35	1.21	0.50
PIP	1.33	1.23	1.15	0.30
COLL	1.39	1.29	1.15	0.50

FARMERS and MID-CENTURY

COVERAGE	High Perf. Vehicle	Towing (6-10 Years Old)	Towing (11 Years & Older)
BIPD	1.25	1.50	2.00
PIP	1.25		
CCD	1.25		
COLL	1.25		

Mid-Century

Unverifiable Driver Record	
Coverages	Factors
BIPD	1.10
UM/UM/UMPD	1.10
PIP	1.10
CCD	1.10
COLL	1.10

FARMERS FLEX

	BIPD	UMBI	UMPD	UIM	COMP	COLL	PIP
Plus	0.06	N/A	N/A	N/A	N/A	0.05	0.05
Premier	0.12	0.05	0.11	0.09	0.02	0.16	0.17
Ultimate	0.19	0.10	0.21	0.17	0.21	0.22	0.30
NCP	N/A	N/A	N/A	N/A	0.14	0.15	N/A

* Farmers

CITATION SURCHARGE				
COVERAGE	1st Minor Citation	Each Subsequent Citation	1st Major Citation	Each Subsequent Citation
BIPD	0.05	0.35	1.00	1.50
MED	0.05	0.35	1.00	1.50
CCD	N/A	N/A	N/A	N/A
COLL	0.05	0.35	1.00	1.50
UM	N/A	N/A	N/A	N/A

ARKANSAS AUTO QUOTE WORKSHEET - FARMERS RATING EXAMPLE

Step	Description	BIPD	UM	UMPD	UIM	PIP	CCD	COLL
1.	Base Rate (by Zip Code from Base Rate Pages)	\$ 405.10	\$ 34.10	\$ 34.10	\$ 11.70	\$ 57.90	\$ 153.20	\$ 371.60
2.	Affinity Discount	0.95	0.95	0.95	0.95	0.95	0.95	0.95
2a.	EFT Discount	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3.	Comprehensive and Collision Deductible Factors						0.8400	0.8500
4.	Farm Discount Factor	1.00					1.00	1.00
5.	Car Symbol Factor						1.98	1.66
5a.	Policy Term Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6.	Rate Class Factor	1.16				1.00	1.02	1.10
A.	(1. x 2. x 2a. x 3. x 4. x 5. x 5a. x 6.)	\$ 446.420200	\$ 32.395000	\$ 32.395000	\$ 11.115000	\$ 55.005000	\$ 246.903370	\$ 547.922342
7a.	BI Limit Upcharge	1.10						
7b.	PD Limit Upcharge	0.02						
7.	Increased BIPD Limit Rate (6a. + 6b.) x A.	\$ 499.990624						
8a.	UM/UMPD Limit Upcharge		1.13	0.79				
8.	Increased UM Limit Rates (7a. x A.)		\$ 36.606350	\$ 25.592050				
B.	Enter (7. for BIPD, 8. for UM, A. for All Others)	\$ 499.990624	\$ 36.606350	\$ 25.592050	\$ 11.115000	\$ 55.005000	\$ 246.903370	\$ 547.922342
9.	Good Student Discount Factor	1.00				1.00	1.00	1.00
10a.	30/60 Discount Factor	0.75	0.85		0.85	0.77	0.70	0.70
10b.	Ultra/Super Preferred Discount Factor	0.90	0.95	0.95	0.95	0.90	0.95	0.90
10c.	Preferred Plus Discount Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
11.	FARA Code Discount Factor	0.75	0.75	0.75	0.75	0.75	0.75	0.75
12a.	Standard Rate Factor (Enter 0 if N/A)	0.00				0.00		0.00
12b.	Multiple Accident Surcharge Factor (Enter 0 if N/A)	0.00				0.00		0.00
C.	(B. x 9. x 10a. x 10b. x 10c. x 11. x (1.00 + 12a. + 12b.))	\$ 253.120253	\$ 22.169720	\$ 18.234335	\$ 6.731521	\$ 27.846281	\$ 135.457361	\$ 258.893306
12c.	Citation Surcharge Factor (Enter 0 if N/A)	0.00				0.00		0.00
C1	(C.x (1.00 + 12c.))	\$ 253.120253	\$ 22.169720	\$ 18.234335	\$ 6.731521	\$ 27.846281	\$ 135.457361	\$ 258.893306
13.	Multi-Car Discount Factor	0.80				0.85	0.85	0.85
14.	Age Group Factor	1.00				1.00	0.92	1.00
15.	Non-Smoker Discount Factor	1.00				1.00		1.00
16.	Model Year Rating Factor	1.00	1.00			1.00	0.90	0.90
16a.	Alternative Fuel Vehicle Discount Factor	1.00	1.00			1.00	1.00	1.00
16b.	Advanced Purchase Credit	1.00	1.00			1.00	1.00	1.00
16c.	New Household Credit	1.00	1.00			1.00	1.00	1.00
16d.	ESC Discount Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
D.	(C1. x 13. x 14. x 15. x 16a. x 16b. x 16c. x 16d.)	\$ 202.496202	\$ 22.169720	\$ 18.234335	\$ 6.731521	\$ 23.669338	\$ 95.334890	\$ 198.053379
17a.	Paid in Full Discount	1.00	1.00	1.00	1.00	1.00	1.00	1.00
E1.	(D. x (17a. - 1.00)) (decrease)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17b.	Multi-Lines Discount Factor	0.85				0.85	0.85	0.85
E.	(D. x (17b. - 1.00)) (decrease)	\$ (30.374430)				\$ (3.550401)	\$ (14.300234)	\$ (29.708007)
18.	High Performance Surcharge Factor	1.00				1.00	1.00	1.00
F.	(D. x (18. - 1.00)) (increase)	\$ -				\$ -	\$ -	\$ -
19.	Anti-Lock Brakes Discount Factor	1.00						1.00
G.	(D. x (19 - 1.00)) (decrease)	\$ -						\$ -
20.	25-29 Principal Unmarried Male Rating Factor	1.00				1.00		1.00
H.	(D. x (20. - 1.00)) (increase)	\$ -				\$ -		\$ -
21.	Passive Restraint Discount Factor					0.90		
I.	(D. x (21. - 1.00)) (decrease)					\$ (2.366933)		
22.	Senior Defensive Driver Discount Factor	1.00					1.00	1.00
J.	(D. x (22. - 1.00)) (decrease)	\$ -				\$ -	\$ -	\$ -
K.	(D. + E1. + E + F. + G. + H. + I. + J.)	\$ 172.121771	\$ 22.169720	\$ 18.234335	\$ 6.731521	\$ 17.752004	\$ 81.034656	\$ 168.345372
L.	K. Rounded to Dime	\$ 172.10	\$ 22.20	\$ 18.20	\$ 6.70	\$ 17.80	\$ 81.00	\$ 168.30
22a.	Renewal Rate Capping	1.00	1.00	1.00	1.00	1.00	1.00	1.00
L1.	(L. x 22a.)	\$ 172.10	\$ 22.20	\$ 18.20	\$ 6.70	\$ 17.80	\$ 81.00	\$ 168.30

(Truncate to 6 decimals at each interim step.)

Zip Code:	71601	Affinity Discount:	Yes	
CCD Deductible:	120	Standard Rate Factor:	No	If applicable, input # of year after
COLL Deductible:	240	Multi. Accident Surcharge:	No	
Farm Discount:	No	Multi-Car Discount:	Yes	
Car Symbol:	V	Age:	43	
Rate Class:	4	Non-Smoker Discount:	No	
BI Limit:	50/100	Model Year:	1998	
PD Limit:	\$50,000	Multi-Lines Discount:	AH	AH, AR, AM, AL, AHL, ARL, or AML
UMBI Limit:	50/100	High Performance Surcharge:	No	
UMPD Limit:	\$50,000	Anti-Lock Brakes Discount:	No	
UIM Limit:	50/100	25-29 Principal Unmarried Male	No	
Good Student Discount:	No	Passive Restraint Discount:	4	1.Belt 2.Airbag 3.Airbags 4.Airbags/Belts
Preferred Discount:	No	Senior Defensive Driver Discount:	No	
30/60 Discount:	Yes	Alternative Fuel Vehicle Discount:	No	
Ultra Preferred Discount:	Yes	Towing:	Yes	
Super Preferred Discount:	No	Towing Surcharge:	No	If applicable, input "6-10" or "11 & older"
Preferred Plus Discount:	No	Misc. Coverages:	\$140	
FARA Code:	H	Policy Term Factor	1	\$5,000
Renewal Rate Capping	No			
New Household Credit:	No	Advanced Purchase Credit:	No	

Step	Description	
M.	Total -- 1 through 7	\$ 486.30
N.	Add Total Towing Premium (Incl. applicable Surcharge)	\$ 4.00
O.	Add Total Miscellaneous Coverages	\$ 3.60
P.	TOTAL PREMIUM	\$ 493.90

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**IF STEP IS NOT APPLICABLE
ENTER A FACTOR OF 1.00
(EXCEPT WHERE INDICATED)**

ARKANSAS AUTO QUOTE WORKSHEET - FARMERS RATING EXAMPLE

Step	Description	BIPD	UM	UMPD	UIM	PIP	CCD	COLL
1.	Base Rate (by Zip Code from Base Rate Pages)							
2.	Affinity Discount							
2a.	EFT Discount							
3.	Comprehensive and Collision Deductible Factors							
4.	Farm Discount Factor							
5.	Car Symbol Factor							
5a.	Policy Term Factor							
6.	Rate Class Factor							
A.	(1. x 2. x 2a. x 3. x 4. x 5. x 5a. x 6.)							
7a.	BI Limit Upcharge							
7b.	PD Limit Upcharge							
7.	Increased BIPD Limit Rate (6a. + 6b.) x A.							
8a.	UM/UMPD Limit Upcharge							
8.	Increased UM Limit Rates (7a. x A.)							
B.	Enter (7. for BIPD, 8. for UM, A. for All Others)							
9.	Good Student Discount Factor							
10a.	30/60 Discount Factor							
10b.	Ultra/Super Preferred Discount Factor							
10c.	Preferred Plus Discount Factor							
11.	FARA Code Discount Factor							
12a.	Standard Rate Factor (Enter 0 if N/A)							
12b.	Multiple Accident Surcharge Factor (Enter 0 if N/A)							
C.	(B. x 9. x 10a. x 10b. x 10c. x 11. x (1.00 + 12a. + 12b.))							
12c.	Citation Surcharge Factor (Enter 0 if N/A)							
C1	(C.x (1.00 + 12c.))							
13.	Multi-Car Discount Factor							
14.	Age Group Factor							
15.	Non-Smoker Discount Factor							
16.	Model Year Rating Factor							
16a.	Alternative Fuel Vehicle Discount Factor							
16b.	Advanced Purchase Credit							
16c.	New Household Credit							
16d.	ESC Discount Factor							
D.	(C1. x 13. x 14. x 15. x 16a. x 16b. x 16c. x 16d.)							
17a.	Paid in Full Discount							
E1.	(D. x (17a. - 1.00)) (decrease)							
17b.	Multi-Lines Discount Factor							
E.	(D. x (17b. - 1.00)) (decrease)							
18.	High Performance Surcharge Factor							
F.	(D. x (18. - 1.00)) (increase)							
19.	Anti-Lock Brakes Discount Factor							
G.	(D. x (19 - 1.00)) (decrease)							
20.	25-29 Principal Unmarried Male Rating Factor							
H.	(D. x (20. - 1.00)) (increase)							
21.	Passive Restraint Discount Factor							
I.	(D. x (21. - 1.00)) (decrease)							
22.	Senior Defensive Driver Discount Factor							
J.	(D. x (22. - 1.00)) (decrease)							
K.	(D. + E1. + E. + F. + G. + H. + I. + J.)							
L.	K. Rounded to Dime							
22a.	Renewal Rate Capping							
L1.	(L. x 22a.)	1	2	3	4	5	6	7

(Truncate to 6 decimals at each interim step.)

Zip Code:	Affinity Discount:	
CCD Deductible:	Standard Rate Factor:	If applicable, input # of year after
COLL Deductible:	Mult. Accident Surcharge:	
Farm Discount:	Multi-Car Discount:	
Car Symbol:	Age:	
Rate Class:	Non-Smoker Discount:	
BI Limit:	Model Year:	
PD Limit:	Multi-Lines Discount:	AH, AR, AM, AL, AHL, ARL, or AML
UMBI Limit:	High Performance Surcharge:	
UMPD Limit:	Anti-Lock Brakes Discount:	
UIM Limit:	25-29 Principal Unmarried Male	
Good Student Discount:	Passive Restraint Discount:	1.Belt 2.Airbag 3.Airbags 4.Airbags/Belts
Preferred Discount:	Senior Defensive Driver Discount	
30/60 Discount	Alternative Fuel Vehicle Discount:	
Ultra Preferred Discount:	Towing:	
Super Preferred Discount:	Towing Surcharge:	If applicable, input "6-10" or "11 & older"
Preferred Plus Discount:	Misc. Coverages:	\$140
FARA Code:	Policy Term Factor	\$5,000
Renewal Rate Capping		
New Household Credit:	Advanced Purchase Credit:	

Step	Description	
M.	Total -- 1 through 7	\$ -
N.	Add Total Towing Premium (Incl. applicable Surcharge)	
O.	Add Total Miscellaneous Coverages	
P.	TOTAL PREMIUM	

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**IF STEP IS NOT APPLICABLE
ENTER A FACTOR OF 1.00
(EXCEPT WHERE INDICATED)**



FARMERS

Tami Reiss
4700 Wilshire Blvd.
Los Angeles, CA 90010
Phone: (323) 932-3372.

www.farmersinsurance.com

November 19, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Attn.: Ms. Alexa Grissom
Property & Casualty

Subject: Private Passenger Automobile Citation Surcharge Clarification

Company	Reference Number	NAIC No.	Group No.
Farmers Insurance Company, Inc	AAR0801-200890	21628	0212

State Tracking # 3040008774

Dear Commissioner:

We respectfully submit an update to our manual of Private Passenger Automobile Rates and Rules effective October 1, 2008. We are updating the verbiage on page 508a for clarification purposes only. These changes do not affect the rates or the rating process of the Farmers Citation Surcharge.

Sincerely,
FARMERS INSURANCE COMPANY, INC.

By: Tami Reiss
Auto Product Development

FARMERS INSURANCE GROUP

(FARMERS AND MID-CENTURY)

DISCOUNTS AND SURCHARGES (Continued)

EFT DISCOUNT

Insureds who elect to use EasyPay ® Electronic Funds Transfer ("EFT") account as their method of premium payment qualify for the EFT Discount.

- a) This discount applies to Bodily Injury, Property Damage, Uninsured Motorist Bodily Injury, Uninsured Motorist Property Damage, Underinsured Motorist, Personal Injury Protection, Comprehensive, and Collision coverages.
- b) The Discount applies to private passenger automobile, Premium Determination Normal Use, Dune Buggies, Non-Owner Policies and Motorhome policies only.
- c) This discount is available at the auto policy's inception, upon renewal and mid-term.
- d) Refer to the Factor Pages for discount factors by coverage.

PAID IN FULL DISCOUNT:

Standard Bill customers can receive a discount on Bodily Injury/Property Damage, Uninsured Motorist, Medical/Personal Injury Protection, Comprehensive and Collision coverages if they pay 100% of their full-term policy premium by the due date.

The discount is available to New Business and Renewals. It cannot be added on Mid-term. Qualifying New Business will issue with the discount, however, policies will renew without it. The Paid-in-Full amount will display on the Renewal invoice and will be added if the insured selects the Paid -in-Full option. All payments options will be available at renewal.

CITATION SURCHARGE

(Farmers Only)

A surcharge will be applied to the rates for BIPD, Medical Payments and Collision coverages based upon the number of major and minor citations received by the policyholder during the experience period. The experience period for new business is the three-year period ending with the application date. The experience period for renewal business is the three-year period ending with the renewal effective date. This surcharge applies to policies written in Farmers only, not those written in Mid-Century.

All major and minor citations for a specific policyholder within the experience period will be included in calculating the surcharge, with the following exceptions:

1. Defective equipment other than brakes;
2. Failure to display or sign registration;
3. Failure to display license plates;
4. Failure to have possession of a driver's license (provided the driver actually had a valid license at the time);
5. Pedestrian or parking citations;
6. Operating an emergency vehicle in response to an emergency;
7. Seat belt citations;
- ★ 8. Minor citations received in connection with an accident that receives an accident surcharge.

Using the factors shown in the Factor Pages of the manual, the surcharge factor will be determined by summing the individual factors for each qualifying citation and adding the sum to a factor of 1.00. For example, a policyholder who has accumulated 2 minor citations and 1 major citation will be assessed a surcharge of $1.00 + 0.05 + 0.35 + 1.00 = 2.40$.

Surcharges will be applied at the vehicle level. The surcharge factor will be calculated for each driver, both principal and occasional, on a particular vehicle and the largest factor will be applied to the rates for that vehicle. Once a particular driver's citation record has been used to calculate the surcharge for a particular vehicle, it should not be used in calculating the surcharge for any other vehicle in the household.

Refer to the Factor Pages for the applicable surcharge factors by coverage.