

SERFF Tracking Number: HNVR-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Filing at a Glance

Companies: Hanover American Insurance Company, Massachusetts Bay Insurance Company, The Hanover Insurance Company

Product Name: Homeowners SERFF Tr Num: HNVR-125475485 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: #10132642 \$300
Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: HO-AR-08070-01R State Status: Fees verified and received
Combinations
Filing Type: Rate Co Status: Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Disposition Date: 03/19/2008
Authors: Eleanor Doherty, Kathryn Husson, Cheryl Richards, Susan Whitworth, Sandy Nunez, Mark LoVuolo
Date Submitted: 03/03/2008 Disposition Status: Filed
Effective Date Requested (New): 05/05/2008 Effective Date (New): 05/05/2008
Effective Date Requested (Renewal): 05/05/2008 Effective Date (Renewal): 05/05/2008

State Filing Description:

General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: HO-AR-08070-01R Domicile Status Comments:
Reference Organization: N/A Reference Number: N/A
Reference Title: N/A Advisory Org. Circular: N/A
Filing Status Changed: 03/19/2008
State Status Changed: 03/10/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
Summary of Proposed Changes
1) +3.0% overall rate change for all forms combined.
2) Change in Deductibles

<i>SERFF Tracking Number:</i>	<i>HNVR-125475485</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Company Tracking Number:</i>	<i>HO-AR-08070-01R</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>/HO-AR-08070-01R</i>		

- 3) Introduce Loss Free Credit/Surcharge
- 4) Modify Credit Cap
- 5) Territory redefinition
- 6) Modify Territory relativities
- 7) Remove Renewal Credit
- 8) Increase Account Credit
- 9) Adjust base rates to achieve overall target rate change

We are also filing a transition rule.

Company and Contact

Filing Contact Information

Sandy Nunez, Product Analyst	snunez@hanover.com
440 Lincoln Street	(508) 855-4369 [Phone]
Worcester, MA 01653	(508) 855-4311[FAX]

Filing Company Information

Hanover American Insurance Company	CoCode: 36064	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 04-3063898	

Massachusetts Bay Insurance Company	CoCode: 22306	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 04-2217600	

The Hanover Insurance Company	CoCode: 22292	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins	State ID Number:

SERFF Tracking Number: *HNVR-125475485* *State:* *Arkansas*
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Company Tracking Number: *HO-AR-08070-01R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: */HO-AR-08070-01R*

Group

(508) 855-1000 ext. [Phone]

FEIN Number: 13-5129825

SERFF Tracking Number: HNVR-125475485 State: Arkansas
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Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Filing Fees

Fee Required? Yes
Fee Amount: \$300.00
Retaliatory? No
Fee Explanation: 3 companies @ \$100.00 each = \$300.00
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Hanover American Insurance Company	\$0.00	03/03/2008	
Massachusetts Bay Insurance Company	\$0.00	03/03/2008	
The Hanover Insurance Company	\$0.00	03/03/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0010132642	\$300.00	02/07/2008

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 Product Name: Homeowners
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/19/2008	03/19/2008

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	03/17/2008	03/17/2008	Susan Whitworth	03/18/2008	03/18/2008
Pending Industry Response	Becky Harrington	03/05/2008	03/05/2008	Sandy Nunez	03/13/2008	03/17/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Form RF-1 NAIC Loss Cost Data Entry Document-- All P&C Lines	Supporting Document	Sandy Nunez	03/10/2008	03/17/2008

SERFF Tracking Number: HNVN-125475485 State: Arkansas
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 Product Name: Homeowners
 Project Name/Number: /HO-AR-08070-01R

Disposition

Disposition Date: 03/19/2008
 Effective Date (New): 05/05/2008
 Effective Date (Renewal): 05/05/2008
 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:
Hanover American Insurance Company	2.000%	\$42,454	2,725	\$2,073,731	78.000%	-35.000%	11.800%
Massachusetts Bay Insurance Company	3.800%	\$98,950	3,374	\$2,631,049	37.000%	-49.000%	11.800%
The Hanover Insurance Company	2.900%	\$24,724	1,079	\$857,440	30.000%	-35.000%	11.800%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing 11.800%
 Overall Percentage Rate Impact For This Filing 3.000%
 Effect of Rate Filing-Written Premium Change For This Program \$166,128

SERFF Tracking Number: *HNVR-125475485* State: *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *#10132642 \$300*
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TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
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Project Name/Number: */HO-AR-08070-01R*

Effect of Rate Filing - Number of Policyholders Affected

7,178

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 Product Name: Homeowners
 Project Name/Number: /HO-AR-08070-01R

Item Type	Item Name	Item Status	Public Access
Supporting Document (revised)	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines		Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Actuarial Support Package	Filed	Yes
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	Exhibit L	Filed	Yes
Supporting Document	Exhibit E	Filed	Yes
Supporting Document (revised)	Exhibit T	Filed	Yes
Supporting Document	Exhibit T		Yes
Rate	Water Back Up and Sump Pump Overflow	Filed	Yes
Rate	Rate Structure Pages HO-3	Filed	Yes
Rate	Discount Pages	Filed	Yes
Rate	Deductible	Filed	Yes
Rate	Rate Structure Pages - Premium Groups	Filed	Yes
Rate	Rate Structure Pages HO 4/6	Filed	Yes
Rate	AR Territory Pages	Filed	Yes
Rate	New Home Discount	Filed	Yes
Rate (revised)	Loss Free Credit/Surcharge	Filed	Yes
Rate	Loss Free Credit/Surcharge		Yes
Rate (revised)	Transition Rule	Filed	Yes
Rate	Transition Rule		Yes

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Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/17/2008
Submitted Date 03/17/2008

Respond By Date

Dear Sandy Nunez,

This will acknowledge receipt of the captioned filing.

Objection 1

- Exhibit T (Supporting Document)

Comment: "Refer to company" for a particular rate is not permissible. Ark. Code Ann. §23-67-211(a)(1) requires all rates to be filed with the Commissioner. Therefore, your manual must include these rates or be amended to indicate that an individual risk filing must be made to the Commissioner for each risk whose classification is not displayed.

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 03/18/2008
Submitted Date 03/18/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: In response to your objection, we have updated Exhibit T to reflect 2.00 in place of 'Refer to Company'.

Related Objection 1

Applies To:

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

- Exhibit T (Supporting Document)

Comment:

“Refer to company” for a particular rate is not permissible. Ark. Code Ann. §23-67-211(a)(1) requires all rates to be filed with the Commissioner. Therefore, your manual must include these rates or be amended to indicate that an individual risk filing must be made to the Commissioner for each risk whose classification is not displayed.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit T

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Cheryl Richards, Eleanor Doherty, Kathryn Husson, Mark LoVuolo, Sandy Nunez, Susan Whitworth

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First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/05/2008

Submitted Date 03/05/2008

Respond By Date

Dear Sandy Nunez,

This will acknowledge receipt of the captioned filing.

Objection 1

- Actuarial Support Package (Supporting Document)

Comment: The loss surcharge chart shows 0% for all. Please confirm this is correct.

All weather related losses must be excluded from surcharge consideration, not just the catastrophe losses.

Objection 2

- Actuarial Support Package (Supporting Document)

Comment: Provide loss ratios by territory.

Objection 3

- Transition Rule (Rate)

Comment: The transition rule is too broad. Each acquisition should be filed separately with specific details of which company the acquired business is being placed within, premium caps if any, and specific time frame for renewals to reach filed rating programs.

Objection 4

- Actuarial Support Package (Supporting Document)

Comment:

Provide a detailed expense provision exhibit pursuant to 23-67-209.

Objection 5

No Objections

Comment: Provide details on the number of insureds received an increase of greater than 25%.

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.

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Sincerely,
Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/13/2008
Submitted Date 03/17/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: We have provided this detail on Exhibit L.

Related Objection 1

Applies To:

- Actuarial Support Package (Supporting Document)

Comment:

Provide loss ratios by territory.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit L

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please refer to Exhibit E.

Related Objection 1

Applies To:

- Actuarial Support Package (Supporting Document)

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Comment:

Provide a detailed expense provision exhibit pursuant to 23-67-209.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit E

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: The following exhibit shows the number of insureds who will receive an increase greater than 25%, segmented into the following bands.

Proposed Increase PIF	
[25%,30%)	65
[30%,45%)	20
45% and above	1
Grand Total	86

The primary risk characteristics for those policyholders seeing the highest % increases are:

- Not loss free
- Not qualifying for the Account Credit
- Purchasing a \$250 Deductible
- No longer receiving a renewal credit
- In a territory receiving a higher base rate increase

Related Objection 1

Comment:

Provide details on the number of insureds received an increase of greater than 25%.

Changed Items:

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: Please see the attached revised rule and Exhibit T for additional detail regarding the use of this transition rule.

Related Objection 1

Applies To:

- Transition Rule (Rate)

Comment:

The transition rule is too broad. Each acquisition should be filed separately with specific details of which company the acquired business is being placed within, premium caps if any, and specific time frame for renewals to reach filed rating programs.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit T

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Transition Rule	37 - 38	Replacement	
Previous Version			
Transition Rule	37	Replacement	

Response 5

Comments: Comment: The loss surcharge chart shows 0% for all. Please confirm this is correct.

Answer:

This is correct.

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
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Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

All weather related losses must be excluded from surcharge consideration, not just the catastrophe losses.

Answer:

We have modified the surcharge rule accordingly. Please see the attached revised rule.

Related Objection 1

Applies To:

- Actuarial Support Package (Supporting Document)

Comment:

The loss surcharge chart shows 0% for all. Please confirm this is correct.

All weather related losses must be excluded from surcharge consideration, not just the catastrophe losses.

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 #
Loss Free Credit/Surcharge	36 - 37	Replacement	
Previous Version			
Loss Free Credit/Surcharge	36 - 37	Replacement	

Sincerely,

Cheryl Richards, Eleanor Doherty, Kathryn Husson, Mark LoVuolo, Sandy Nunez, Susan Whitworth

SERFF Tracking Number: *HNVR-125475485* State: *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *#10132642 \$300*
Company Tracking Number: *HO-AR-08070-01R*
TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: */HO-AR-08070-01R*

Amendment Letter

Amendment Date:

Submitted Date: 03/17/2008

Comments:

Upon review of this filing we have discovered a typographical error in the Rate Filing Abstracts for all three companies. We have corrected the Underwriting Profit and Contingencies provision to 2% which changed the total to 35.8%. A revised Rate Filing Abstract is attached for each of the three companies.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines

Comment:

AR rate filing abstract han.pdf

AR rate filing abstract HanAmer.pdf

AR rate filing abstract mb.pdf

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 Product Name: Homeowners
 Project Name/Number: /HO-AR-08070-01R

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 12/01/2007
Filing Method of Last Filing: Prior Approval

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):
Hanover American Insurance Company	11.800%	2.000%	\$42,454	2,725	\$2,073,731	78.000%	-35.000%
Massachusetts Bay Insurance Company	11.800%	3.800%	\$98,950	3,374	\$2,631,049	37.000%	-49.000%
The Hanover Insurance Company	11.800%	2.900%	\$24,724	1,079	\$857,440	30.000%	-35.000%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 11.800%

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<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>/HO-AR-08070-01R</i>		

Overall Percentage Rate Impact For This Filing:	3.000%
Effect of Rate Filing - Written Premium Change For This Program:	\$166,128
Effect of Rate Filing - Number of Policyholders Affected:	7178

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 Product Name: Homeowners
 Project Name/Number: /HO-AR-08070-01R

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Water Back Up and Sump Pump Overflow	26	Replacement	HWBU - Pg 26.pdf
Filed	Rate Structure Pages HO-3	AR-RS-1 to AR-RS-3	Replacement	AR-RS-1 to 3.pdf
Filed	Discount Pages	13	Replacement	Discount Changes Pg 13.pdf
Filed	Deductible	18	Replacement	Deductible Pg 18.pdf
Filed	Rate Structure Pages - Premium Groups	AR-RS-6	Replacement	Premium Groups AR-RS-6 .pdf
Filed	Rate Structure Pages HO 4/6	AR-RS-5	Replacement	HO 4 6 Rates - AR-RS-5.pdf
Filed	AR Territory Pages	AR-T-2 to AR-T-5	Replacement	AR HO -Territory.pdf
Filed	New Home Discount	14	Replacement	New Home - correction Page 14.pdf
Filed	Loss Free Credit/Surcharge	36 - 37	Replacement	HLSC Page 36 - 37.pdf
Filed	Transition Rule	37 - 38	Replacement	Transition Page 37 - 38.pdf

8. STATE PAGES – RATING RULES

8.28 WATER BACK UP AND SUMP OVERFLOW – 231-2340

Rule:

The policy may be endorsed to provide coverage for water damage caused by sump pump and sewer back-up. When added or increased mid-term, coverage does not take effect until five days after the company receives written notification of the addition of or increase in coverage.

Additional Limits

When a base limit is provided in a Coverage Package selected by the insured, additional coverage may be purchased for the following limits and premiums.

Base Coverage Limit: \$5,000, HO-4, HO-6, HO-3 SELECT PLUS.

Base Coverage Limit: \$10,000, HO-3 SELECT PREMIUM.

Water Back Up and Sump Overflow Coverage - Additional Limits

Add'l Limits of Liability	SELECT	SELECT PLUS
	ALL FORMS	
\$5,000	\$34.00	\$10.00

Water Back Up and Sump Overflow Coverage - Optional (Stand Alone) Coverage Limits

When a base limit is not provided in a selected Coverage level, or, a Coverage level is not selected by the insured, coverage may be purchased for the following limits and premiums.

Limit of Liability	ALL FORMS
\$5,000	\$34

Coverage is:

- A. Available as an optional “additional” coverage to HO-00-03, 4 and 6 Basic policies
- B. Available as an optional “additional” coverage to HO-00-03 SELECT, HO-00-04 SELECT and HO-00-06 SELECT.
- C. Available as optional “additional limits” to HO00-03 SELECT PLUS AND SELECT PREMIUM, HO-00-04 SELECT PLUS and HO-00-06 SELECT PLUS.

8.29 RESERVED FOR FUTURE USE

5. RATE STRUCTURE

HO-00-03
 \$100,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Hanover Standard* HO-00-03	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03	Terr	Prem. Group	Hanover Standard* HO-00-03	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
31	5	720	554	499	49	1	569	438	394
	36	1001	770	693		2	633	487	438
	71	1330	1023	921		4	697	536	482
	126	2882	2217	1995		9	759	584	526
	135	3283	2525	2273		11	792	609	548
	46	1080	831	748		43	1050	808	727
	13	801	616	554		115	2276	1751	1576
	21	881	678	610		121	2594	1995	1796
	88	1565	1204	1084		18	853	656	590
	30	961	739	665		65	1236	951	856
37	106	2002	1540	1386	54	91	1582	1217	1095
	7	745	573	516		69	1275	981	883
	34	993	764	688		119	2492	1917	1725
	40	1036	797	717		133	3190	2454	2209
	75	1375	1058	952		150	4590	3531	3178
	129	2981	2293	2064		152	5230	4023	3621
	138	3396	2612	2351		93	1595	1227	1104
	25	911	701	631		56	1147	882	794
	108	2071	1593	1434		97	1721	1324	1192
	53	1117	859	773		87	1530	1177	1059
42	16	828	637	573	62	109	2118	1629	1466
	94	1619	1245	1121		79	1404	1080	972
	114	2228	1714	1543		1	569	438	394
	134	3206	2466	2219		2	633	487	438
	141	3652	2809	2528		4	697	536	482
	23	891	685	617		9	759	584	526
	99	1741	1339	1205		11	792	609	548
	13	801	616	554		43	1050	808	727
	84	1479	1138	1024		116	2279	1753	1578
	61	1201	924	832		122	2596	1997	1797
	45	1069	822	740	92	1583	1218	1096	
	52	1114	857	771	19	854	657	591	
	33	980	754	679	66	1238	952	857	

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply by .95.

5. RATE STRUCTURE

HO-00-03
\$100,000 BASE RATES
\$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Hanover Standard* HO-00-03	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03	Terr	Prem. Group	Hanover Standard* HO-00-03	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
63	3	675	519	467	66	35	997	767	690
	8	750	577	519		71	1330	1023	921
	38	1013	779	701		76	1387	1067	960
	67	1245	958	862		124	2773	2133	1920
	123	2700	2077	1869		144	3991	3070	2763
	130	3076	2366	2129		148	4546	3497	3147
	15	826	635	572		50	1109	853	768
	27	939	722	650		85	1496	1151	1036
	24	900	692	623		63	1221	939	845
	103	1877	1444	1300		100	1841	1416	1274
64	82	1466	1128	1015	110	2167	1667	1500	
	43	1050	808	727	67	10	781	601	541
	70	1286	989	890		42	1041	801	721
	117	2283	1756	1580		111	2171	1670	1503
	128	2922	2248	2023		131	3125	2404	2164
	147	4204	3234	2911		139	3559	2738	2464
	151	4789	3684	3316		80	1442	1109	998
	57	1169	899	809		96	1697	1305	1175
	104	1940	1492	1343		20	868	668	601
	81	1461	1124	1012		29	956	735	662
90	1576	1212	1091	48		1086	835	752	
65	78	1401	1078	970	58	1171	901	811	
	44	1061	816	734	68	41	1037	798	718
	113	2211	1701	1531		68	1271	978	880
	132	3182	2448	2203		118	2358	1814	1633
	140	3624	2788	2509		137	3393	2610	2349
	32	974	749	674		143	3865	2973	2676
	49	1106	851	766		17	848	652	587
	60	1192	917	825		88	1565	1204	1084
	98	1728	1329	1196		101	1842	1417	1275
	83	1468	1129	1016		59	1179	907	816
12	796	612	551	55		1131	870	783	
22	884	680	612	28	943	725	653		

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply by .95.

5. RATE STRUCTURE

HO-00-03
 \$100,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Hanover Standard* HO-00-03	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
69	36	1001	770	693
	73	1335	1027	924
	77	1392	1071	964
	112	2175	1673	1506
	125	2783	2141	1927
	145	4005	3081	2773
	149	4562	3509	3158
	102	1847	1421	1279
	86	1502	1155	1040
	64	1225	942	848
	51	1113	856	770
70	6	723	556	500
	37	1005	773	696
	72	1334	1026	923
	127	2891	2224	2002
	136	3294	2534	2281
	89	1570	1208	1087
	47	1084	834	751
	14	803	618	556
	22	884	680	612
	31	963	741	667
	107	2010	1546	1391
71	39	1017	782	704
	68	1271	978	880
	74	1370	1054	949
	120	2542	1955	1760
	142	3657	2813	2532
	146	4165	3204	2884
	26	914	703	633
	95	1686	1297	1167
	54	1118	860	774
	105	1985	1527	1374
	62	1219	938	844

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply by 95.

8. STATE PAGES – RATING RULES

8.2 PERSONAL UMBRELLA LIABILITY RULE – 231-2322

ALL FORMS - The Personal Umbrella Liability Supplement provides excess liability coverage which applies after the Primary Insurance Limits of Liability are exhausted.

Minimum Limit of Liability is \$1,000,000. Increased limits are available.

For eligibility, forms, rules and rates see the Umbrella section of this manual.

8.3 CAPS ON CREDITS/DISCOUNTS

There is a cap on total credits/discounts of 40% in our Hanover and Massachusetts Bay companies and 45% in our Hanover American company, which is applicable to both new and renewal business. The individual credits/discounts will be shown on the declarations page and when the cap is reached a message will read "maximum credit applies to policy."

Credits for optional higher deductibles or the Homeowner Loss Free Credit/Surcharge are not subject to this cap.

8.4 ACCOUNT CREDIT PROGRAM

ALL FORMS - The 15% Account Credit will be applicable to those insureds who have their private passenger automobiles and primary homeowners (dwellings, tenants, condos) insured with one of the Hanover Insurance Companies. Both policies do not have to be with the same company.

Compute the credit to be deducted by applying the percentage of credit to the basic premium from the Premium Chart.

The applicable credit will apply to policies covering seasonal locations, as long as the primary homeowners and private passenger automobiles are insured by one of the Hanover Companies.

For a risk with a dwelling and private passenger auto in multiple states, the program must be approved in all states involved for the credits to apply.

The credit will apply to new business on inception as long as the companion policy is to be written by Hanover within the following six months. The companion policy will receive the credit on its effective date.

If one of the policies is canceled for non-payment or cause, the credit will be deleted at renewal from the companion policy. If one of the policies is non-renewed, the credit will be deleted at renewal from the companion policy.

8.5 RESERVED FOR FUTURE USE

8. STATE PAGES – RATING RULES

8.14 DEDUCTIBLES-ALL PERILS

(HO-00-02 is only available for policies written prior to 04/30/2007.)

a. All Homeowners Forms are subject to a \$250 flat deductible applicable to any loss under Section I of the policy. This loss deductible applies to each occurrence. The rates shown in this manual include that deductible.

b. Optional Lower Deductible:

FORM HO-00-03 - May be endorsed to provide a \$100 deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

FORMS HO-00-04 or HO-00-06 - May be endorsed to provide a \$100 deductible with a \$250 Special Theft Deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

c. Optional Higher Deductibles:

ALL FORMS

<u>Deductibles</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,500</u>	<u>\$5,000</u>
Percentage	13%	22%	31%	42%
Max. Credit	\$160	\$290	\$410	\$610

The reduced premium shall be computed by applying the deductible percentage of credit to the premium developed from the Basic Premium Chart.

8.15 WINDSTORM OR HAIL DEDUCTIBLE – HO-03-12

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007.)

There are two optional deductibles applicable to the perils of Windstorm or Hail. They are:

1. Percentage deductibles in the amounts of 1%, 2% or 5% of the Coverage A limit of liability. The deductible amount is determined by applying the percentage amount to the Coverage A limit of liability. Attach Endorsement HO-03-12.

Note: The percentage deductible must exceed the amount of the deductible applicable to All Other Section I perils. For example, if the Coverage A value is \$100,000 and a \$2,500 Section deductible is selected, a 1% or 2% Windstorm or Hail Deductible option cannot be chosen.

2. Fixed dollar deductibles for Windstorm or Hail in the amounts of \$1,000, \$2,000 or \$5,000.

The premium for these deductible options shall be developed by applying the factors listed on the next page to the base premium.

Note: The fixed dollar deductible must equal or exceed the normal policy deductible.

5. RATE STRUCTURE

HO-00-02 and HO-00-03

PREMIUM GROUP DETERMINATION

Terr.	<u>Masonry</u>							Terr.	<u>Frame</u>						
	1-3	4-5	6	7	8	9	10		1-3	4-5	6	7	8	9	10
31	5	13	21	30	71	106	126	31	13	21	36	46	88	126	135
37	7	16	25	34	75	108	129	37	16	25	40	53	94	129	138
42	13	23	33	45	84	114	134	42	23	33	52	61	99	134	141
49	1	2	4	9	43	91	115	49	2	4	11	18	65	115	121
54	56	69	79	87	109	133	150	54	69	79	93	97	119	150	152
62	1	2	4	9	43	92	116	62	2	4	11	19	66	116	122
63	3	8	15	24	67	103	123	63	8	15	27	38	82	123	130
64	43	57	70	78	104	128	147	64	57	70	81	90	117	147	151
65	12	22	32	44	83	113	132	65	22	32	49	60	98	132	140
66	35	50	63	71	100	124	144	66	50	63	76	85	110	144	148
67	10	20	29	42	80	111	131	67	20	29	48	58	96	131	139
68	17	28	41	55	88	118	137	68	28	41	59	68	101	137	143
69	36	51	64	73	102	125	145	69	51	64	77	86	112	145	149
70	6	14	22	31	72	107	127	70	14	22	37	47	89	127	136
71	26	39	54	62	95	120	142	71	39	54	68	74	105	142	146

HO-00-04 AND HO-00-06

PREMIUM GROUP DETERMINATION

Territory	Protection Code	Premium Group
All	1 – 2	1
	3	1
	4	1
	5	2
	6	2
	7	3
	8	4
	9	5
	10	5

5. RATE STRUCTURE

HO-00-04 AND HO-00-06

**\$25,000 BASE RATES
\$250 DEDUCTIBLE COVERAGE**

Premium Group	Hanover		Mass Bay	Hanover American
	<u>HO-00-04</u>	<u>HO-00-06</u>	<u>HO-00-06</u>	<u>HO-00-06</u>
1	205	189	151	136
2	227	209	167	150
3	248	228	182	164
4	351	323	258	232
5	493	454	363	327

RELATIVITY CURVE (COVERAGE C)

<u>Policy Amount</u>	<u>Relativity</u>
20,000	.870
21,000	.896
22,000	.922
23,000	.948
24,000	.974
25,000	1.000
30,000	1.130
35,000	1.261
40,000	1.391
45,000	1.522
50,000	1.652
Each additional 5,000	0.131

6. TERRITORY PAGES

<u>ZIP Code</u>	<u>Territory</u>						
71601	64	71744	66	71857	66	71998	66
71602	64	71745	66	71858	66	71999	66
71603	64	71747	66	71859	66	72001	66
71612	64	71748	66	71860	69	72002	42
71630	64	71749	66	71861	69	72003	64
71631	66	71750	66	71862	66	72004	64
71635	64	71751	66	71864	66	72005	54
71638	64	71752	69	71865	69	72006	64
71639	64	71753	69	71866	69	72007	71
71640	64	71758	66	71901	66	72010	68
71642	64	71759	66	71909	49	72011	42
71643	64	71762	66	71913	66	72012	68
71644	64	71763	66	71920	66	72013	65
71646	64	71764	66	71921	66	72014	54
71647	66	71765	66	71922	66	72015	42
71651	66	71766	66	71923	66	72016	66
71652	66	71768	66	71929	66	72017	64
71653	64	71770	69	71932	66	72020	68
71654	64	71801	66	71933	66	72021	42
71655	64	71820	69	71935	66	72022	42
71656	64	71822	69	71937	66	72023	42
71658	64	71823	66	71940	66	72024	71
71659	64	71825	66	71941	66	72025	71
71660	66	71826	69	71942	66	72026	66
71661	64	71827	69	71943	66	72027	64
71662	64	71828	66	71944	66	72028	67
71663	64	71831	66	71945	66	72029	65
71665	66	71832	66	71949	66	72030	64
71667	64	71833	66	71950	66	72031	67
71670	64	71834	69	71951	66	72032	65
71671	66	71835	66	71952	66	72034	67
71674	64	71836	69	71953	66	72035	67
71675	64	71837	69	71956	66	72036	67
71676	64	71838	66	71957	66	72037	64
71677	64	71839	69	71958	66	72038	71
71678	64	71840	69	71959	66	72039	67
71701	66	71841	66	71960	66	72040	64
71720	66	71842	66	71961	66	72041	64
71721	66	71844	66	71962	66	72042	64
71722	66	71845	69	71964	66	72043	54
71724	66	71846	66	71965	66	72044	68
71725	66	71847	66	71968	66	72045	68
71726	66	71851	66	71969	66	72046	71
71728	66	71852	66	71970	66	72047	67
71730	66	71853	69	71971	66	72048	64
71740	69	71854	69	71972	66	72051	68
71742	66	71855	66	71973	66		

Please refer to our ZIP Code Assignment rule on Page AR-T-1 for ZIP Codes not listed.

6. TERRITORY PAGES

<u>ZIP Code</u>	<u>Territory</u>						
72052	68	72118	31	72202	37	72359	64
72053	37	72120	37	72204	37	72360	64
72055	64	72121	42	72205	37	72364	64
72057	66	72122	42	72206	37	72365	54
72058	67	72123	64	72207	37	72366	64
72059	64	72125	66	72209	37	72367	64
72060	68	72126	66	72210	37	72368	64
72061	67	72127	67	72211	37	72369	64
72063	67	72128	66	72212	37	72370	54
72064	42	72129	66	72223	37	72372	64
72065	31	72130	68	72227	37	72373	64
72066	64	72131	68	72301	64	72374	64
72067	68	72132	64	72310	54	72376	64
72068	68	72133	64	72311	64	72377	54
72069	64	72134	64	72312	64	72379	64
72070	66	72135	31	72313	54	72383	64
72072	71	72136	68	72315	54	72384	64
72073	64	72137	68	72319	54	72386	54
72074	64	72139	68	72320	64	72387	64
72075	54	72140	64	72321	54	72389	64
72076	31	72141	65	72322	64	72390	64
72079	64	72142	31	72324	64	72391	54
72080	67	72143	68	72325	64	72392	64
72081	68	72150	66	72326	64	72394	64
72082	68	72152	64	72327	64	72395	54
72083	71	72153	65	72328	64	72396	64
72084	66	72156	67	72329	54	72401	54
72085	68	72157	67	72330	54	72404	54
72086	42	72160	64	72331	64	72410	68
72087	42	72164	37	72332	64	72411	54
72088	65	72165	68	72333	64	72412	54
72099	31	72166	42	72335	64	72413	54
72101	64	72167	66	72338	54	72414	54
72102	42	72168	64	72339	64	72415	68
72103	42	72169	54	72340	64	72416	54
72104	66	72170	64	72341	64	72417	54
72105	66	72173	67	72342	64	72419	54
72106	67	72175	64	72346	64	72421	54
72107	67	72176	71	72347	64	72422	54
72108	64	72178	68	72348	64	72424	54
72110	67	72179	68	72350	54	72425	54
72111	67	72180	31	72351	54	72426	54
72112	54	72181	67	72352	64	72427	54
72113	31	72182	64	72353	64	72428	54
72114	37	72183	37	72354	54	72429	54
72116	37	72199	31	72355	64	72430	54
72117	37	72201	37	72358	54	72431	54

Please refer to our ZIP Code Assignment rule on Page AR-T-1 for ZIP Codes not listed.

6. TERRITORY PAGES

<u>ZIP Code</u>	<u>Territory</u>						
72432	54	72519	68	72583	68	72675	65
72433	68	72520	68	72584	68	72677	65
72434	68	72521	68	72585	68	72679	67
72435	54	72522	68	72587	68	72680	68
72436	54	72523	68	72601	65	72682	65
72437	54	72524	68	72611	65	72683	65
72438	54	72526	68	72613	63	72685	65
72439	54	72527	68	72615	65	72686	65
72440	68	72528	68	72616	63	72687	65
72441	54	72529	68	72617	65	72701	63
72442	54	72530	68	72619	65	72703	63
72443	54	72531	68	72623	65	72704	63
72444	54	72532	68	72624	65	72711	63
72445	68	72533	68	72626	65	72712	63
72447	54	72534	68	72628	65	72714	62
72449	54	72536	68	72629	65	72715	62
72450	54	72537	65	72630	65	72717	63
72453	54	72538	68	72631	63	72718	63
72454	54	72539	68	72632	63	72719	63
72455	54	72540	68	72633	65	72721	63
72456	54	72542	68	72634	65	72722	63
72457	68	72543	68	72635	65	72727	63
72458	68	72544	65	72636	65	72728	63
72459	68	72546	68	72638	63	72729	63
72460	54	72550	68	72639	65	72730	63
72461	54	72553	68	72640	65	72732	63
72462	54	72554	68	72641	65	72733	63
72464	54	72555	68	72642	65	72734	63
72465	68	72556	68	72644	65	72735	63
72466	68	72560	68	72645	65	72736	63
72467	54	72561	68	72648	65	72737	63
72469	68	72562	68	72650	65	72738	63
72470	54	72564	68	72651	65	72739	63
72471	54	72565	68	72653	65	72740	63
72472	54	72566	68	72655	65	72741	63
72473	54	72567	68	72657	68	72742	63
72474	54	72568	68	72658	65	72744	63
72475	54	72569	68	72659	65	72745	63
72476	68	72571	68	72660	63	72747	63
72478	54	72572	68	72661	65	72749	63
72479	54	72573	68	72662	65	72751	63
72482	68	72575	68	72663	68	72752	63
72501	68	72576	68	72666	65	72753	63
72512	68	72577	68	72668	65	72756	63
72513	68	72578	68	72669	65	72758	63
72515	68	72579	68	72670	65	72760	63
72517	68	72581	68	72672	65	72761	63

Please refer to our ZIP Code Assignment rule on Page AR-T-1 for ZIP Codes not listed.

6. TERRITORY PAGES

<u>ZIP Code</u>	<u>Territory</u>
72762	63
72764	63
72768	63
72769	63
72826	66
72827	66
72828	66
72829	66
72830	65
72832	65
72833	66
72834	66
72835	66
72837	67
72770	63
72773	63
72774	63
72776	63
72801	67
72802	67
72820	65
72821	65
72823	67
72824	66
72838	66
72839	65
72840	65
72841	66
72842	66
72843	67
72845	65
72846	65
72847	67
72851	66
72852	65
72853	66
72854	65
72855	66
72856	67
72857	66
72858	67
72860	66
72863	66
72865	66
72901	70
72903	70
72904	70

<u>ZIP Code</u>	<u>Territory</u>
72905	70
72908	70
72916	70
72921	70
72923	70
72926	66
72927	66
72928	65
72930	65
72932	70
72933	65
72934	70
72935	70
72936	70
72937	70
72938	70
72940	70
72941	70
72943	66
72944	66
72945	70
72946	70
72947	70
72948	70
72949	65
72950	66
72951	66
72952	70
72955	70
72956	70
72958	66
72959	63

Please refer to our ZIP Code Assignment rule on Page AR-T-1 for ZIP Codes not listed.

8. STATE PAGES – RATING RULES

8.6 NEW HOME DISCOUNT

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007.) Insured dwellings that are less than ten years old are eligible for a premium credit.

Credit Determination

- A. Determine the percentage of credit by subtracting the year in which construction is completed from the year the policy becomes effective or is renewed. If the dwelling is not yet complete, enter the current year on the application.
- B. Compute the premium credit by applying the appropriate credit percentage to the Basic Premium developed from the Basic Premium Chart.

<u>Age of Dwelling</u>	<u>Credit Percentage</u>
0	25%
1	25
2	23
3	21
4	18
5	15
6	12
7	9
8	6
9	3

8.7 NON-SMOKER DISCOUNT

(HO-00-02 is only available for policies written prior to 04/30/2007)

ALL FORMS - An insured who signs the Non-Smoker Form, stating that neither he nor any other resident of the household now smokes or has smoked for at least the past twelve (12) months shall be eligible for the 1% Non-Smoker Credit. This discount is not available to those insureds residing in Dwellings with three or more families.

Compute the premium credit by applying the percentage of credit to the premium developed from the Basic Premium Chart.

8. STATE PAGES

8.45 GOLF CART ENDORSEMENT - 231-1050

ALL FORMS - Coverage may be provided against all risks of physical loss with certain exceptions. The additional premium shall be \$1.50 per each \$100 of insurance, subject to a \$100 deductible.

8.46 – 8.49 RESERVED FOR FUTURE USE

8.50 HOMEOWNER LOSS FREE CREDIT/SURCHARGE

A. HOMEOWNER LOSS FREE CREDIT

ALL FORMS – Effective 5/5/08, new and renewal, a loss free credit will apply as outlined in the table below. All claims will be reviewed, whether they occurred while insured with Hanover or prior carriers. The credit will be calculated off the base premium and listed separately on the declarations page. The loss free credit will not be subject to the credit cap on file for this program.

The following types of claims will be excluded from consideration when calculating the credit:

- Claims in reserve status with no payment.
- Claims closed with no payment made.
- CAT related claims.

The following table is to be used when the insured is Claim free:

Consecutive Years Claim Free	Basic Premium Adjustment
0	0
1	0
2	0
3	-5%
4	-5%
5+	-10%

B. HOMEOWNER LOSS SURCHARGE

ALL FORMS – Effective 5/5/08 for new business policies with Hanover as their prior carrier, and all renewal policies, a loss surcharge will apply as outlined below. All claims that occurred while insured with Hanover will be reviewed. The surcharge will be calculated off the base premium and listed separately on the declarations page.

The following types of claims will be excluded from consideration when calculating the surcharge:

- Claims in reserve status with no payment.
- Claims closed with no payment made.
- CAT related claims.
- Weather related claims.

8. STATE PAGES**8.50 HOMEOWNER LOSS FREE CREDIT/SURCHARGE (continued)**

The following table is to be used when the insured has Claims, during their tenure with Hanover:

Consecutive Years with Hanover	Basic Premium Adjustment			
	Number of Qualified Claims in the Last 39 Months			
	1	2	3	4+
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	0%	0%	0%	0%
3	0%	0%	0%	0%
4	0%	0%	0%	0%
5+	0%	0%	0%	0%

8.53 MINIMUM PREMIUM RULE

A minimum premium of \$100 will apply to all HO-4 and HO-6 policies.

8.54 RESERVED FOR FUTURE USE**8.55 RESERVED FOR FUTURE USE****8.56 WOOD ROOF SURCHARGE**

HO 00 03 - (HO-00-02 is only available for policies written prior to 04/30/2007.) - All dwellings with wood roofs are subject to a 5% surcharge. Compute the surcharge by applying this percentage to the premium developed from the Basic Premium Chart.

8.57 – 8.72 RESERVED FOR FUTURE USE**8.73 TRANSITION RULE – MODIFICATION FACTORS**

From time to time, the Hanover Insurance Group (“Hanover”) will buy another insurance company or work with independent agencies who wish to move books of business to the Hanover based on Hanover’s product offerings. The intent of this rule is to minimize rate disruption in placing the affected customers.

1. General

The Transition Rule Modification Factors are used when writing business from a non-Hanover company into a Hanover rating program in support of a significant transaction. Its purpose is to reduce the individual policyholder disruption that may result from the transition into the Hanover rating program as part of a merger, acquisition, renewal rights or large agent book transfer transaction. The factor will remain in effect for these policies for up to ten years.

8. STATE PAGES**8.50 HOMEOWNER LOSS FREE CREDIT/SURCHARGE (continued)**

The following table is to be used when the insured has Claims, during their tenure with Hanover:

Consecutive Years with Hanover	Basic Premium Adjustment			
	Number of Qualified Claims in the Last 39 Months			
	1	2	3	4+
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	0%	0%	0%	0%
3	0%	0%	0%	0%
4	0%	0%	0%	0%
5+	0%	0%	0%	0%

8.53 MINIMUM PREMIUM RULE

A minimum premium of \$100 will apply to all HO-4 and HO-6 policies.

8.54 RESERVED FOR FUTURE USE**8.55 RESERVED FOR FUTURE USE****8.56 WOOD ROOF SURCHARGE**

HO 00 03 - (HO-00-02 is only available for policies written prior to 04/30/2007.) - All dwellings with wood roofs are subject to a 5% surcharge. Compute the surcharge by applying this percentage to the premium developed from the Basic Premium Chart.

8.57 – 8.72 RESERVED FOR FUTURE USE**8.73 TRANSITION RULE – MODIFICATION FACTORS**

From time to time, the Hanover Insurance Group (“Hanover”) will buy another insurance company or work with independent agencies who wish to move books of business to the Hanover based on Hanover’s product offerings. The intent of this rule is to minimize rate disruption in placing the affected customers.

1. General

The Transition Rule Modification Factors are used when writing business from a non-Hanover company into a Hanover rating program in support of a significant transaction. Its purpose is to reduce the individual policyholder disruption that may result from the transition into the Hanover rating program as part of a merger, acquisition, renewal rights or large agent book transfer transaction. The factor will remain in effect for these policies for up to ten years.

8. STATE PAGES

8.73 TRANSITION RULE – MODIFICATION FACTORS (continued)

2. Eligibility
 1. All coverages
 2. Policies being converted into a Hanover rating plan from non-Hanover rating plan resulting from:
 - b. Merger, acquisition or the obtaining of renewal rights; or
 - c. Transfer to Hanover of an agent's book of business.
3. Premium Determination – See Exhibit T for rating procedures.

SERFF Tracking Number: HNVR-125475485 State: Arkansas
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
 Company Tracking Number: HO-AR-08070-01R
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: /HO-AR-08070-01R

Supporting Document Schedules

Satisfied -Name: Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
Review Status: Filed 03/19/2008

Comments:

Attachments:

AR rate filing abstract han.pdf
 AR rate filing abstract HanAmer.pdf
 AR rate filing abstract mb.pdf

Satisfied -Name: Uniform Transmittal Document-Property & Casualty
Review Status: Filed 03/19/2008

Comments:

Attachment:

PC Transmittal.pdf

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey
Review Status: Filed 03/19/2008

Comments:

Attachment:

HPSC05052008.xls

Satisfied -Name: Actuarial Support Package
Review Status: Filed 03/19/2008

Comments:

Attachment:

Actuarial Support Package.pdf

Satisfied -Name: Cover Letter
Review Status: Filed 03/19/2008

Comments:

Attachment:

SERFF Tracking Number: *HNVR-125475485* *State:* *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* *State Tracking Number:* *#10132642 \$300*
Company Tracking Number: *HO-AR-08070-01R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: */HO-AR-08070-01R*

AR Cover letter 20080505.pdf

SERFF Tracking Number: HNVN-125475485 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: #10132642 \$300
Company Tracking Number: HO-AR-08070-01R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: /HO-AR-08070-01R

Review Status:
Satisfied -Name: Exhibit L Filed 03/19/2008
Comments:
Attachment:
Objection Response Exhibit L.pdf

Review Status:
Satisfied -Name: Exhibit E Filed 03/19/2008
Comments:
Attachment:
Objection Response Exhibit E.pdf

Review Status:
Satisfied -Name: Exhibit T Filed 03/19/2008
Comments:
Attachment:
Exhibit T - Transition Rule Premium Determination v2 - 031808.pdf

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover Insurance Company	B.	0088-22292

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	12.0%	2.8%				
HO 4	1.3%	4.0%				
HO 6	-1.3%	4.7%				
TOTAL OVERALL EFFECT	11.8%	2.9%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	1,630	12.5%	11/1/2002	\$618	\$302	48.8%	45.6%
2003	1,665	5.8%	11/1/2003	\$944	\$930	98.5%	49.1%
2004	1,645	7.0%	11/1/2004	\$1,041	\$570	54.7%	64.5%
2005	1,500	7.4%	11/1/2005	\$1,070	\$276	25.8%	95.9%
2006	1,243	1.7%	7/1/2006	\$994	\$854	85.9%	54.4%
2007	1,078	7.6%	7/15/2007	\$896	\$486	54.3%	36.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	2.0%
E. Other (explain)	0.0%
F. TOTAL	35.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 30% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 49
10. -35% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 64

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A.	Hanover American Insurance Company	B. 0088-36064

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	4.0000	B. 4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	12.0%	2.0%				
HO 4	N/A	N/A				
HO 6	-1.3%	3.8%				
TOTAL OVERALL EFFECT	11.8%	2.0%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	1,054	7.0%	11/1/2002	\$492	\$156	31.7%	55.6%
2003	1,174	5.25%	11/1/2003	\$685	\$359	52.4%	46.3%
2004	1,292	4.0%	11/1/2004	\$811	\$235	29.0%	74.9%
2005	1,466	5.2%	11/1/2005	\$943	\$220	23.4%	217.1%
2006	2,024	2.2%	7/1/2006	\$1,273	\$894	70.2%	95.0%
2007	2,830	4.0%	7/15/2007	\$1,895	\$859	45.3%	33.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	2.0%
E. Other (explain)	0.0%
F. TOTAL	35.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 78% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 62
10. -35% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 37

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Massachusetts Bay Insurance Company	B.	0088-22306

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	12.0%	3.8%				
HO 4	N/A	N/A				
HO 6	-1.3%	3.6%				
TOTAL OVERALL EFFECT	11.8%	3.8%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	5,134	7.2%	11/1/2002	\$2,654	\$1,607	60.5%	50.0%
2003	5,131	4.7%	11/1/2003	\$3,082	\$1,536	49.8%	57.6%
2004	5,005	4.9%	11/1/2004	\$3,212	\$1,132	35.2%	56.6%
2005	4,630	5.7%	11/1/2005	\$3,249	\$926	28.5%	106.1%
2006	3,817	2.0%	7/1/2006	\$3,105	\$4,997	160.9%	69.2%
2007	3,373	4.8%	7/15/2007	\$2,751	\$883	32.1%	34.5%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	2.0%
E. Other (explain)	0.0%
F. TOTAL	35.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 37% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 49
10. -49% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 49

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="border: none; padding: 2px;">New Business</td> <td style="border: none; width: 100px;"></td> </tr> <tr> <td style="border: none; padding: 2px;">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 #
The Hanover Insurance Company	88

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
The Hanover Insurance Company	NH	22292	13-5129825	
Massachusetts Bay Insurance Company	NH	22306	04-2217600	
Hanover American Insurance Company	NH	36064	38-0421730	

5. Company Tracking Number	HO-AR-08070-01R
-----------------------------------	-----------------

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Sandy Nunez 440 Lincoln St.	Filing Analyst	508 855 4369	508 855 4311	snunez@hanover.com
	Worcester, MA 01653				

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

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

9. Type of Insurance (TOI)	04.0 Homeowners
10. Sub-Type of Insurance (Sub-TOI)	04.00000 Homeowners
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input 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: 05/05/2008 Renewal: 05/05/2008
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	03/03/2008
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

-F This filing transmittal is part of Company Tracking # HO-AR-08070-01R

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

Please see actuarial support package for the changes included in this filing.

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 #: 10132642
Amount: \$300.00

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.)

NAIC Number: 36064
 Company Name: Hanover American Insurance Company
 Contact Person: Sandy Nunez
 Telephone No.: 508-855-4369
 Email Address: snunez@hanover.com
 Effective Date: May 5, 2008

**Homeowners Premium Comparison Survey Form
 FORM HPCS - last modified August, 2005**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE
 BLANK**

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$437.00	\$485.00	\$515.00	\$572.00	\$743.00	\$826.00	\$680.00	\$757.00	\$680.00	\$757.00	\$645.00	\$718.00	\$648.00	\$720.00	\$468.00	\$520.00	\$483.00	\$536.00
	\$120,000	\$492.00	\$547.00	\$581.00	\$645.00	\$837.00	\$930.00	\$766.00	\$852.00	\$766.00	\$852.00	\$727.00	\$809.00	\$730.00	\$811.00	\$527.00	\$586.00	\$544.00	\$604.00
	\$160,000	\$615.00	\$684.00	\$726.00	\$806.00	\$1,046.00	\$1,177.00	\$958.00	\$1,066.00	\$958.00	\$1,066.00	\$909.00	\$1,012.00	\$913.00	\$1,014.00	\$659.00	\$733.00	\$680.00	\$755.00
6	\$80,000	\$535.00	\$608.00	\$630.00	\$717.00	\$909.00	\$1,033.00	\$833.00	\$947.00	\$833.00	\$947.00	\$790.00	\$898.00	\$793.00	\$902.00	\$572.00	\$651.00	\$590.00	\$671.00
	\$120,000	\$603.00	\$685.00	\$710.00	\$807.00	\$1,024.00	\$1,177.00	\$938.00	\$1,066.00	\$938.00	\$1,066.00	\$890.00	\$1,012.00	\$894.00	\$1,016.00	\$645.00	\$733.00	\$665.00	\$756.00
	\$160,000	\$754.00	\$856.00	\$888.00	\$1,009.00	\$1,312.00	\$1,512.00	\$1,188.00	\$1,373.00	\$1,188.00	\$1,373.00	\$1,120.00	\$1,294.00	\$1,124.00	\$1,300.00	\$806.00	\$917.00	\$831.00	\$945.00
9	\$80,000	\$1,238.00	\$1,850.00	\$1,486.00	\$2,209.00	\$2,215.00	\$3,257.00	\$2,015.00	\$2,970.00	\$2,015.00	\$2,970.00	\$1,904.00	\$2,811.00	\$1,912.00	\$2,822.00	\$1,336.00	\$1,993.00	\$1,382.00	\$2,059.00
	\$120,000	\$1,415.00	\$2,104.00	\$1,694.00	\$2,508.00	\$2,516.00	\$3,689.00	\$2,290.00	\$3,366.00	\$2,290.00	\$3,366.00	\$2,166.00	\$3,187.00	\$2,174.00	\$3,199.00	\$1,525.00	\$2,265.00	\$1,577.00	\$2,340.00
	\$160,000	\$1,809.00	\$2,670.00	\$2,159.00	\$3,176.00	\$3,185.00	\$4,653.00	\$2,904.00	\$4,248.00	\$2,904.00	\$4,248.00	\$2,748.00	\$4,024.00	\$2,758.00	\$4,039.00	\$1,947.00	\$2,872.00	\$2,012.00	\$2,966.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	10 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	22 %
		Other (specify)	

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10 %

Zone Brick Frame

NAIC Number: 22306
 Company Name: Massachusetts Bay Insurance Company
 Contact Person: Sandy Nunez
 Telephone No.: 508-855-4369
 Email Address: snunez@hanover.com
 Effective Date: May 5, 2008

**Homeowners Premium Comparison Survey Form
 FORM HPCS - last modified August, 2005**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE
 BLANK**

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$485.00	\$540.00	\$572.00	\$636.00	\$825.00	\$918.00	\$756.00	\$841.00	\$756.00	\$841.00	\$717.00	\$798.00	\$720.00	\$801.00	\$520.00	\$578.00	\$536.00	\$596.00
	\$120,000	\$547.00	\$608.00	\$645.00	\$717.00	\$929.00	\$1,034.00	\$851.00	\$947.00	\$851.00	\$947.00	\$808.00	\$899.00	\$811.00	\$902.00	\$586.00	\$651.00	\$604.00	\$671.00
	\$160,000	\$684.00	\$760.00	\$806.00	\$896.00	\$1,176.00	\$1,326.00	\$1,065.00	\$1,201.00	\$1,065.00	\$1,201.00	\$1,011.00	\$1,132.00	\$1,014.00	\$1,136.00	\$733.00	\$814.00	\$755.00	\$839.00
6	\$80,000	\$594.00	\$675.00	\$701.00	\$796.00	\$1,010.00	\$1,159.00	\$925.00	\$1,051.00	\$925.00	\$1,051.00	\$878.00	\$998.00	\$881.00	\$1,002.00	\$636.00	\$723.00	\$656.00	\$746.00
	\$120,000	\$669.00	\$761.00	\$789.00	\$897.00	\$1,148.00	\$1,326.00	\$1,042.00	\$1,201.00	\$1,042.00	\$1,201.00	\$989.00	\$1,132.00	\$993.00	\$1,137.00	\$717.00	\$815.00	\$739.00	\$840.00
	\$160,000	\$837.00	\$951.00	\$987.00	\$1,129.00	\$1,476.00	\$1,698.00	\$1,338.00	\$1,542.00	\$1,338.00	\$1,542.00	\$1,262.00	\$1,456.00	\$1,267.00	\$1,462.00	\$896.00	\$1,018.00	\$924.00	\$1,050.00
9	\$80,000	\$1,393.00	\$2,073.00	\$1,669.00	\$2,472.00	\$2,479.00	\$3,637.00	\$2,257.00	\$3,317.00	\$2,257.00	\$3,317.00	\$2,133.00	\$3,141.00	\$2,142.00	\$3,153.00	\$1,502.00	\$2,231.00	\$1,553.00	\$2,305.00
	\$120,000	\$1,589.00	\$2,356.00	\$1,900.00	\$2,805.00	\$2,812.00	\$4,117.00	\$2,563.00	\$3,757.00	\$2,563.00	\$3,757.00	\$2,423.00	\$3,558.00	\$2,433.00	\$3,572.00	\$1,713.00	\$2,534.00	\$1,769.00	\$2,617.00
	\$160,000	\$2,027.00	\$2,985.00	\$2,416.00	\$3,547.00	\$3,556.00	\$5,187.00	\$3,244.00	\$4,738.00	\$3,244.00	\$4,738.00	\$3,070.00	\$4,489.00	\$3,082.00	\$4,506.00	\$2,181.00	\$3,208.00	\$2,252.00	\$3,313.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	10 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	22 %
		Other (specify)	

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10 %

Zone Brick Frame

NAIC Number: 22292
 Company Name: Hanover Insurance Company
 Contact Person: Sandy Nunez
 Telephone No.: 508-855-4369
 Email Address: snunez@hanover.com
 Effective Date: May 5, 2008

**Homeowners Premium Comparison Survey Form
 FORM HPCS - last modified August, 2005**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE
 BLANK**

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$631.00	\$702.00	\$745.00	\$827.00	\$1,073.00	\$1,211.00	\$982.00	\$1,097.00	\$982.00	\$1,097.00	\$933.00	\$1,037.00	\$936.00	\$1,041.00	\$676.00	\$751.00	\$697.00	\$775.00
	\$120,000	\$711.00	\$790.00	\$839.00	\$932.00	\$1,229.00	\$1,384.00	\$1,112.00	\$1,256.00	\$1,112.00	\$1,256.00	\$1,051.00	\$1,183.00	\$1,055.00	\$1,188.00	\$762.00	\$846.00	\$785.00	\$873.00
	\$160,000	\$889.00	\$988.00	\$1,049.00	\$1,179.00	\$1,577.00	\$1,771.00	\$1,430.00	\$1,610.00	\$1,430.00	\$1,610.00	\$1,350.00	\$1,519.00	\$1,356.00	\$1,526.00	\$953.00	\$1,058.00	\$982.00	\$1,094.00
6	\$80,000	\$773.00	\$878.00	\$911.00	\$1,035.00	\$1,350.00	\$1,555.00	\$1,223.00	\$1,411.00	\$1,223.00	\$1,411.00	\$1,153.00	\$1,331.00	\$1,157.00	\$1,337.00	\$827.00	\$940.00	\$852.00	\$969.00
	\$120,000	\$870.00	\$989.00	\$1,026.00	\$1,180.00	\$1,541.00	\$1,772.00	\$1,398.00	\$1,610.00	\$1,398.00	\$1,610.00	\$1,319.00	\$1,520.00	\$1,324.00	\$1,526.00	\$932.00	\$1,059.00	\$960.00	\$1,095.00
	\$160,000	\$1,091.00	\$1,262.00	\$1,315.00	\$1,515.00	\$1,966.00	\$2,255.00	\$1,788.00	\$2,053.00	\$1,788.00	\$2,053.00	\$1,689.00	\$1,940.00	\$1,695.00	\$1,948.00	\$1,179.00	\$1,362.00	\$1,220.00	\$1,409.00
9	\$80,000	\$1,858.00	\$2,743.00	\$2,217.00	\$3,261.00	\$3,270.00	\$4,775.00	\$2,982.00	\$4,360.00	\$2,982.00	\$4,360.00	\$2,822.00	\$4,131.00	\$2,832.00	\$4,146.00	\$2,001.00	\$2,948.00	\$2,067.00	\$3,045.00
	\$120,000	\$2,113.00	\$3,110.00	\$2,518.00	\$3,694.00	\$3,704.00	\$5,399.00	\$3,379.00	\$4,932.00	\$3,379.00	\$4,932.00	\$3,199.00	\$4,674.00	\$3,211.00	\$4,691.00	\$2,275.00	\$3,342.00	\$2,348.00	\$3,451.00
	\$160,000	\$2,683.00	\$3,929.00	\$3,188.00	\$4,659.00	\$4,671.00	\$6,791.00	\$4,265.00	\$6,207.00	\$4,265.00	\$6,207.00	\$4,039.00	\$5,884.00	\$4,055.00	\$5,905.00	\$2,884.00	\$4,218.00	\$2,976.00	\$4,354.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00	\$178.00
6	\$5,000																		
	\$15,000																		
	\$25,000	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00
9	\$5,000																		
	\$15,000																		
	\$25,000	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00	\$429.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	10 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	22 %
		Other (specify)	

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10 %

Zone Brick Frame

<i>Non-Smoke</i>	1	%
<i>Maximum Credit Allowed</i>	40	%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Highest Risk	\$	1.4	\$	0.61
Lowest Risk	\$	1.02	\$	0.37

I

<i>Non-Smoke</i>	1	%
<i>Maximum Credit Allowed</i>	40	%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Highest Risk	\$	1.4	\$	0.61
Lowest Risk	\$	1.02	\$	0.37

I

EXPLANATORY MEMORANDUM
ARKANSAS HOMEOWNERS
 Hanover Insurance Company
 Hanover American Insurance Company
 Mass Bay Insurance Company
Effective 05/05/2008 New and Renewal Business

Summary of Proposed Changes

- 1) +3.0% overall rate change for all forms combined.
- 2) Change in Deductibles
- 3) Introduce Loss Free Credit/Surcharge
- 4) Modify Credit Cap
- 5) Territory redefinition
- 6) Modify Territory relativities
- 7) Remove Renewal Credit
- 8) Increase Account Credit
- 9) Adjust base rates to achieve overall target rate change

Overall Rate Change

Based on the data through the 2nd quarter of 2007, the overall indicated change is +11.8% (*Exhibit 1*). We propose an overall increase of 3.0%.

The change by form is included in the chart below:

Form	Proposed Rate Effect
Owners (HO-2/HO-3)	+3.0%
Condo (HO-6)	+4.0%
Tenant (HO-4)	+4.0%
All Forms Combined	+3.0%

For more details refer to *Exhibit 2*.

Deductibles

After examining the loss performance of our book of business by deductibles we are proposing the following changes.

Deductible	Current		Proposed	
	Discount	Maximum Discount	Discount	Maximum Discount
250	0%	\$0	0%	N/A
500	11%	\$150	13%	\$160
1,000	20%	\$275	22%	\$290
2,500	30%	\$400	31%	\$410
5,000	41%	\$600	42%	\$610

Overall impact of this change is -2.0% (*Exhibit 2*).

Loss Free Credit/Surcharge

In order to reflect the influence of loss frequency more effectively in our pricing in Arkansas we are introducing the Loss Free Credit/Surcharge.

Credit Table

Consecutive Years Loss Free	Basic Premium Adjustment
0	0%
1	0%
2	0%
3	-5%
4	-5%
5+	-10%

Excluding Cat losses only

Surcharge Table

Consecutive Years with Hanover	Basic Premium Adjustment Number of Qualified Claims in the Last 39 Months (claims that occurred while insured with Hanover)			
	1	2	3	4+
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	0%	0%	0%	0%
3	0%	0%	0%	0%
4	0%	0%	0%	0%
5+	0%	0%	0%	0%

Excluding Cat losses only

Overall impact of this change is -11.2% (*Exhibit 2*).

Credit Cap

In response to our underlying changes to the credit amounts and policy holder disruption we are proposing the following Credit Caps.

Company	Proposed Credit Cap
Hanover	40%
Mass Bay	40%
Hanover American	45%

The overall rate effect for this change is -0.1% (*Exhibit 2*).

Territory Redefinition

We propose to change the territory definitions for the following Zip Codes.

Zip Code	Current Territory	Proposed Territory
72021	64	42
72064	64	42
72086	71	42
72102	68	42
72121	68	42
72166	64	42

The overall rate effect for this change is 0%.

Territory Relativities

In order to improve our competitive position and decrease the disruption caused by Loss Free Credit/Surcharge we propose to change the territory relativities.

Terr	Current Relativity	Proposed Relativity
31	0.904	0.899
37	0.922	0.930
42	0.900	1.000
49	0.594	0.710
54	1.226	1.432
62	0.591	0.711
63	0.740	0.843
64	1.133	1.312
65	0.901	0.993
66	1.087	1.245
67	0.856	0.975
68	0.901	1.059
69	1.087	1.250
70	0.856	0.902
71	1.087	1.141

The overall rate effect for this change is +16.2% (*Exhibit 2*).

Renewal Credit

With the introduction of the Loss Free Credit/Surcharge we have decided to remove a Renewal Credit. Overall impact of this change is +2.9% (*Exhibit 2*).

Account Credit

We propose an increase of the Account Credit from 10% to 15%. Overall impact of this proposal is -3.1%. For details please refer to *Exhibit 2*.

Base Rate Change

Base rates are modified by form in order to achieve a +3.0% overall rate change. The adjustments are as follows:

Form	Base Rate Change
Owners (HO-2/HO-3)	+1.7%
Condo (HO-6)	+13.4%
Tenant (HO-4)	+15.8%

Overall Indication Description

General Philosophy: Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or Hanover countrywide/regional data may be used in its place.

Overall Indication: The following is a detailed explanation of the indication calculation shown in *Exhibit 1*. The overall indicated rate increase is +11.8%.

Description of Actuarial Calculations:

Data

The underlying experience is that of the Hanover Insurance Companies. Experience for the most recently available five year review period is on a calendar/accident year basis, as reported under ISO's Personal Lines Statistical Plan (PLSP).

On-Level Premiums

Reported premiums are adjusted to current rate level by using the parallelogram method. During the five-year experience period, the following rate changes took place:

Rate Change History	
11/01/02	+8.0%
11/01/03	+8.0%
11/01/04	+5.2%
11/01/05	+6.0%
7/01/06	+2.0%

Premium Trend

In *Exhibit 6* factors that project coverage Earned Premium to 7/1/2007 are in *col. (3)*. Annualized trend rates for each accident year are shown in *col. (6)*. Note that we used Premium Trend of 2.0% as it was calculated for accident year 2007 in *col. (6)*.

Losses

Actual incurred losses for accident years ending 6/30/03 to 6/30/07 as of 6/30/07 are shown in row 7 of *Exhibit 1, Page 2 to 4*. Non-hurricane catastrophe losses are displayed and removed in rows 8 and 9 of *Exhibit 1, Page 2 to 4*. A non-hurricane catastrophe load is added in later.

Loss Development

Hanover Southern States' data was used to select loss development factors and countrywide date is used to select condo and tenant loss development factors (*Exhibit 7*). Loss development factors are applied to generate the Estimated Ultimate Incurred Loss (*row 12, Exhibit 1, Page 2 to 4*).

Loss Trend Selections

Loss trend selections (*Exhibit 5*) were made using Arkansas, ISO industry and Hanover loss data.

Non-Hurricane Catastrophe Losses

Based on most up to date catastrophe model information, a non-hurricane catastrophe load of 24.5% is established for Arkansas (*row 21b, Exhibit 1, Page 2 to 4*).

Loss Adjustment Expense

The loss adjustment expense load of 10.8% is based on our 2007 budget and historical expenses.

Five-Year Projected Loss and LAE ratio

The 5-Year Projected Loss and LAE ratio results from using the standard 10%, 15%, 20%, 25%, and 30% weights by accident year (*row 19, Exhibit 1, Page 2 to 4*).

Credibility

The full Credibility standard is 40,000 exposures during the five-year experience period based on Longley-Cooke method.

Arkansas
Homeowners - All Companies Combined
Rate Indication for Rates Effective 5/5/08 - Summary Exhibit

	Selected Retrospective Annual Loss <u>Trend</u>	Selected Prospective Annual Loss <u>Trend</u>	Selected Retrospective Annual Premium <u>Trend</u>	Selected Prospective Annual Premium <u>Trend</u>	Underwriting Profit <u>Provision</u>	Target Loss & LAE <u>Ratio</u>	Hurricane Modeled Loss & LAE <u>Ratio</u>	Other Cats Loss & LAE <u>Ratio</u>	Catastrophe Rate Change <u>Indication</u>	Proposed Overall Rate <u>Change</u>	6/2007 E. Premium At Current Rates (000)
Homeowners	5.0%	9.0%	2.0%	2.0%	2.0%	39.8%	0.0%	24.5%	12.0%	3.0%	5,436
Condo	3.0%	4.0%	2.0%	2.0%	2.0%	32.2%	0.0%	24.5%	-1.3%	4.0%	21
Tenant	<u>2.3%</u>	<u>9.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>32.2%</u>	<u>0.0%</u>	<u>24.5%</u>	<u>1.3%</u>	<u>4.0%</u>	<u>59</u>
Condo and Tenant	2.5%	7.7%	2.0%	2.0%	2.0%		0.0%	24.5%	4.0%	4.0%	80
Total	5.0%	9.0%	2.0%		2.0%	39.3%	0.0%	24.5%	11.8%	3.0%	5,516

Arkansas Homeowners - All Companies Combined
Owners Forms Rate Indication for Rates Effective 5/5/08 - Ex Cat Methodology
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/03</u>	<u>06/30/04</u>	<u>06/30/05</u>	<u>06/30/06</u>	<u>06/30/07</u>
1	Earned Premium	4,064	4,581	4,899	5,046	5,131
2	Current Rate Level Factor	1.329	1.240	1.179	1.119	1.059
3 = 1·2	Premium at CRL	5,403	5,682	5,777	5,648	5,436
4a	Annual Premium Trend - Retrospective	2.0%	2.0%	2.0%	2.0%	2.0%
5a	Premium Trend Factor - Retrospective	1.082	1.061	1.040	1.020	1.000
4b	Annual Premium Trend - Prospective	2.0%	2.0%	2.0%	2.0%	2.0%
5b	Premium Trend Factor - Prospective	1.048	1.048	1.048	1.048	1.048
6 = 3·5a·5b	Trended Premium	6,127	6,317	6,297	6,035	5,695
7	Incurred Loss Evaluated @ excl Hurricane 6	1,939	2,369	1,631	4,559	2,246
7a	Losses in Excess of 100k @ 6/30/07	208	414	390	389	894
7b	Incurred Fire Loss Evaluated @ 6/30/07	758	1,233	790	856	1,487
8	Catastrophe Losses Ex Hurricanes	128	179	68	2,628	94
9 = 7 - 8	Basic Incurred Loss	1,812	2,189	1,564	1,931	2,152
11	Loss Development Factor:	1.000	1.000	0.999	1.005	1.088
12 = 9·11	Estimated Ultimate Incurred Loss	1,812	2,189	1,562	1,940	2,342
13a	Est. Annual Loss Trend - Retrospective	5.0%	5.0%	5.0%	5.0%	5.0%
14a	Loss Trend Factor - Retrospective	1.216	1.158	1.103	1.050	1.000
13b	Est. Annual Loss Trend - Prospective	9.0%	9.0%	9.0%	9.0%	9.0%
14b	Loss Trend Factor - Prospective	1.224	1.224	1.224	1.224	1.224
15 = 14a·14b·12	Trended Incurred Losses	2,696	3,104	2,109	2,494	2,867
16	LAE (% of Loss)	10.8%	10.8%	10.8%	10.8%	10.8%
17 = (1.00 +16)·15	Trended Loss & LAE	2,988	3,439	2,337	2,763	3,177
18	Projected Loss & LAE Ratio	48.8%	54.4%	37.1%	45.8%	55.8%
19	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
20 = Sum(19·18)	Projected (Formula Weighted) Loss & LAE Ratio					48.6%
21a	Hurricane Loss & LAE Ratio					0.0%
21b	Other Catastrophes Loss & LAE Ratio					24.5%
22	Permissible Loss & LAE Ratio Excluding All Catastrophes (to yield a Combined Ratio of 98.0%)					39.8%
23	Permissible Loss & Ratio Excluding All Catastrophes Loss Ratio Trend Factor					35.9% 4.6%
24 = (1+(23))·(22)	Trended Permissible Loss & LAE Ratio Excluding All Catastrophes					41.7%
24a	Fixed Expense					6.7%
24b	Variable Expense(incl Profit)					29.0%
25a	Earned House Years	7,181	7,586	7,557	7,237	6,829
25b	Credibility					95.4%
25c	Credibility-Adjusted Loss & LAE Ratio Excluding All Catastrophes					48.3%
26 =	Indicated Rate Change					12.0%
	(25c + 21a + 21b+24a) / (1-24b)-1					

Arkansas Homeowners - All Companies Combined
Condominium Form Rate Indication for Rates Effective 5/5/08
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/03</u>	<u>06/30/04</u>	<u>06/30/05</u>	<u>06/30/06</u>	<u>06/30/07</u>
1	Earned Premium	18	17	21	25	22
2	Current Rate Level Factor	1.184	1.057	1.006	0.970	0.928
3 = 1·2	Premium at CRL	22	18	21	24	21
4a	Annual Premium Trend - Retrospective	2.0%	2.0%	2.0%	2.0%	2.0%
5a	Premium Trend Factor - Retrospective	108.2%	106.1%	104.0%	102.0%	100.0%
4b	Annual Premium Trend - Prospective	2.0%	2.0%	2.0%	2.0%	2.0%
5b	Premium Trend Factor - Prospective	1.048	1.048	1.048	1.048	1.048
6 = 3·5a·5b	Trended Premium	23	19	22	25	22
7	Incurred Loss Evaluated @ 6/30/07	6	0	8	4	2
8	Catastrophe Losses Ex Hurricanes	0	0	0	0	0
9 = 7 - 8	Basic Incurred Loss	6	0	8	4	2
11	Loss Development Factor:	1.000	1.000	0.990	1.006	1.097
12 = (9+10)·11	Estimated Ultimate Incurred Loss	6	0	8	4	2
13a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
14a	Loss Trend Factor - Retrospective	1.124	1.091	1.060	1.030	1.000
13b	Est. Annual Loss Trend - Prospective	4.0%	4.0%	4.0%	4.0%	4.0%
14b	Loss Trend Factor - Prospective	1.097	1.097	1.097	1.097	1.097
15 = 14a·14b·12	Trended Incurred Losses	7	0	9	5	2
16	LAE (% of Loss)	10.8%	10.8%	10.8%	10.8%	10.8%
17 = (1.00 +16)·15	Trended Loss & LAE	8	0	10	5	2
18	Projected Loss & LAE Ratio	34.8%	0.0%	46.4%	20.3%	9.5%
19	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
20 = Sum(19·18)	Projected (Formula Weighted) Loss Ratio					20.7%
21a	Hurricane Loss & LAE Ratio					0.0%
21b	Other Catastrophes Loss & LAE Ratio					24.5%
22	Permissible Loss & LAE Ratio Excluding All Catastrophes (to yield a Combined Ratio of 98.0%)					32.2%
23	Loss Ratio Trend Factor					1.3%
24 = (1+(23))·(22)	Trended Permissible Loss & LAE Ratio Excluding All Catastrophes					32.6%
24a	Fixed Expense					10.5%
24b	Variable Expense(incl Profit)					32.8%
25a	Earned House Years	58	53	60	61	54
25b	Credibility					10.7%
25c	Credibility-Adjusted Loss & LAE Ratio Excluding All Catastrophes					31.3%
26 = (25c + 21a + 21b+24a) / (1-24b)-1	Indicated Rate Change					-1.3%

Arkansas Homeowners - All Companies Combined
Tenant Form Rate Indication for Rates Effective 5/5/08
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/03</u>	<u>06/30/04</u>	<u>06/30/05</u>	<u>06/30/06</u>	<u>06/30/07</u>
1	Earned Premium	75	67	63	63	60
2	Current Rate Level Factor	1.234	1.102	1.044	1.004	0.996
3 = 1·2	Premium at CRL	92	74	66	63	59
4a	Annual Premium Trend - Retrospective	2.0%	2.0%	2.0%	2.0%	2.0%
5a	Premium Trend Factor - Retrospective	1.082	1.061	1.040	1.020	1.000
4b	Annual Premium Trend - Prospective	2.0%	2.0%	2.0%	2.0%	2.0%
5b	Premium Trend Factor - Prospective	1.048	1.048	1.048	1.048	1.048
6 = 3·5a·5b	Trended Premium	104	83	72	68	62
7	Incurred Loss Evaluated @ 6/30/07	77	49	1	19	2
8	Catastrophe Losses Ex Hurricanes	0	0	0	0	0
9 = 7 - 8	Basic Incurred Loss	77	49	1	19	2
11	Loss Development Factor:	1.000	1.000	1.010	1.007	1.045
12 = (9+10)·11	Estimated Ultimate Incurred Loss	77	49	1	20	2
13a	Est. Annual Loss Trend - Retrospective	2.3%	2.3%	2.3%	2.3%	2.3%
14a	Loss Trend Factor - Retrospective	1.097	1.072	1.048	1.024	1.000
13b	Est. Annual Loss Trend - Prospective	9.0%	9.0%	9.0%	9.0%	9.0%
14b	Loss Trend Factor - Prospective	1.224	1.224	1.224	1.224	1.224
15 = 14a·14b·12	Trended Incurred Losses	104	64	2	25	3
16	LAE (% of Loss)	10.8%	10.8%	10.8%	10.8%	10.8%
17 = (1.00 +16)·15	Trended Loss & LAE	115	71	2	27	3
18	Projected Loss & LAE Ratio	110.2%	85.9%	2.4%	40.2%	5.2%
19	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
20 = Sum(19·18)	Projected (Formula Weighted) Loss Ratio					36.0%
21a	Hurricane Loss & LAE Ratio					0.0%
21b	Other Catastrophes Loss & LAE Ratio					24.5%
22	Permissible Loss & LAE Ratio Excluding All Catastrophes (to yield a Combined Ratio of 98.0%)					32.2%
23	Loss Ratio Trend Factor					0.2%
24 = (1+(23))*(22)	Trended Permissible Loss & LAE Ratio Excluding All Catastrophes					32.3%
24a	Fixed Expense					10.5%
24b	Variable Expense(incl Profit)					32.8%
25a	Earned House Years	316	256	223	210	196
25b	Credibility					21.9%
25c	Credibility-Adjusted Loss & LAE Ratio Excluding All Catastrophes					33.1%
26 = (25c + 21a + 21b+24a) / (1-24b)-1	Indicated Rate Change					1.3%

ARKANSAS HOMEOWNERS
Hanover Insurance Company
Hanover American Insurance Company
Mass Bay Insurance Company

Rate Impact by Form

Proposed Written Premium by Form

Form	Current Written Premium	Loss Free Credit/Surcharge	Renewal Credit	Account Credit	Credit Cap	Territory	Deductibles	Base Rate	Proposed Written Premium
Condo	\$27,208	\$25,277	\$27,616	\$26,903	\$27,208	\$27,208	\$26,818	\$30,846	\$28,303
Owners	\$5,477,842	\$4,863,517	\$5,637,430	\$5,306,568	\$5,473,295	\$6,380,584	\$5,369,659	\$5,569,787	\$5,640,613
Tenants	\$57,170	\$52,696	\$58,114	\$55,754	\$57,170	\$57,170	\$56,270	\$66,200	\$59,432
Grand Total	\$5,562,220	\$4,941,490	\$5,723,160	\$5,389,225	\$5,557,673	\$6,464,962	\$5,452,747	\$5,666,833	\$5,728,348

Rate Percentage Change in Written Premium by Form

Form	Current Written Premium	Loss Free Credit/Surcharge	Renewal Credit	Account Credit	Credit Cap	Territory	Deductibles	Base Rate	Proposed Written Premium
Condo	\$27,208	-7.1%	1.5%	-1.1%	0.0%	0.0%	-1.4%	13.4%	4.0%
Owners	\$5,477,842	-11.2%	2.9%	-3.1%	-0.1%	16.5%	-2.0%	1.7%	3.0%
Tenants	\$57,170	-7.8%	1.7%	-2.5%	0.0%	0.0%	-1.6%	15.8%	4.0%
Grand Total	\$5,562,220	-11.2%	2.9%	-3.1%	-0.1%	16.2%	-2.0%	1.9%	3.0%

**ARKANSAS
HOMEOWNERS - OWNERS FORMS**

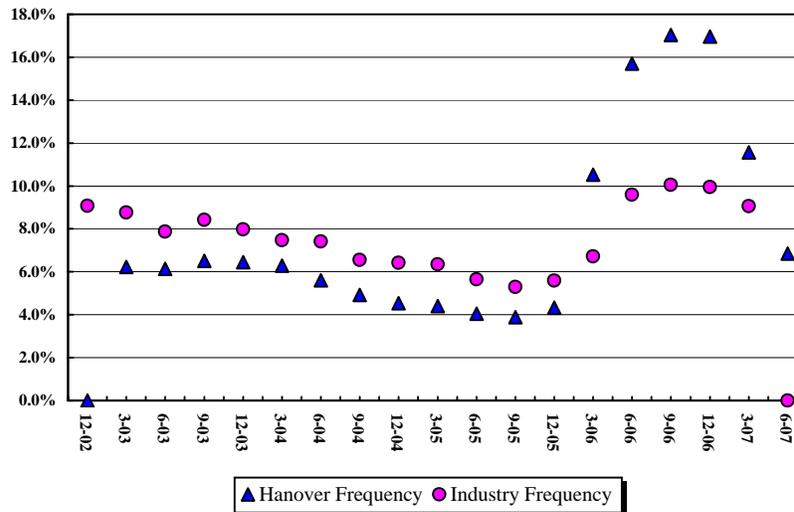
Exhibit 5
Effective 05/05/2008

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
12-02		9.07%	N/A
3-03	6.22%	8.77%	-29.1%
6-03	6.14%	7.87%	-22.0%
9-03	6.51%	8.42%	-22.7%
12-03	6.45%	7.98%	-19.2%
3-04	6.28%	7.47%	-15.9%
6-04	5.61%	7.41%	-24.3%
9-04	4.93%	6.55%	-24.7%
12-04	4.54%	6.42%	-29.2%
3-05	4.41%	6.35%	-30.6%
6-05	4.05%	5.64%	-28.3%
9-05	3.89%	5.29%	-26.5%
12-05	4.33%	5.58%	-22.4%
3-06	10.53%	6.71%	56.9%
6-06	15.70%	9.60%	63.5%
9-06	17.03%	10.05%	69.5%
12-06	16.97%	9.95%	70.6%
3-07	11.57%	9.06%	27.7%
6-07	6.85%		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	23.9%	2.0%
3 Years	50.2%	13.2%
2 Years	77.3%	39.1%
Latest Year	-55.9%	29.0%

Selected Retrospective Frequency Trend: -5%
Selected Prospective Frequency Trend: 0%



**ARKANSAS
HOMEOWNERS - OWNERS FORMS**

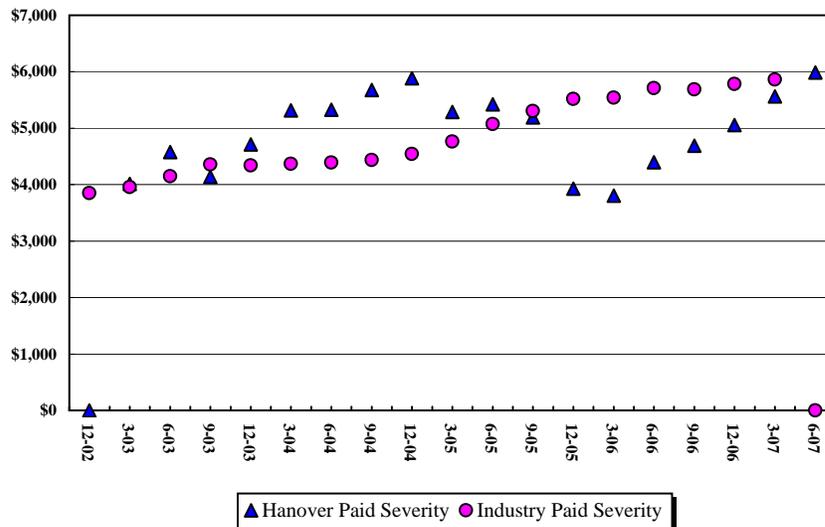
Exhibit 5
Effective 05/05/2008

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
12-02		3,851	N/A
3-03	4,011	3,955	1.4%
6-03	4,574	4,149	10.3%
9-03	4,138	4,356	-5.0%
12-03	4,709	4,339	8.5%
3-04	5,317	4,367	21.8%
6-04	5,324	4,392	21.2%
9-04	5,673	4,436	27.9%
12-04	5,884	4,543	29.5%
3-05	5,287	4,763	11.0%
6-05	5,424	5,074	6.9%
9-05	5,189	5,306	-2.2%
12-05	3,930	5,516	-28.8%
3-06	3,803	5,541	-31.4%
6-06	4,395	5,711	-23.0%
9-06	4,688	5,689	-17.6%
12-06	5,057	5,782	-12.5%
3-07	5,562	5,861	-5.1%
6-07	5,985		N/A

EXPONENTIAL FIT		
ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	1.2%	10.9%
3 Years	-2.4%	12.1%
2 Years	9.2%	9.7%
Latest Year	37.1%	5.1%

Selected Retrospective Severity Trend: 10%
Selected Prospective Severity Trend: 5%



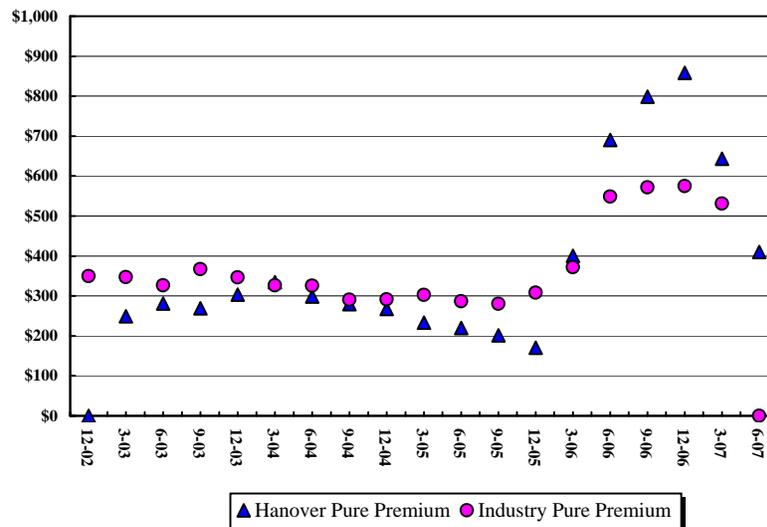
**ARKANSAS
HOMEOWNERS - OWNERS FORMS**

PURE PREMIUM

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
12-02		349	N/A
3-03	250	347	-28.0%
6-03	281	326	-14.0%
9-03	269	367	-26.5%
12-03	304	346	-12.3%
3-04	334	326	2.4%
6-04	299	326	-8.2%
9-04	280	291	-3.8%
12-04	267	292	-8.3%
3-05	233	303	-22.9%
6-05	220	286	-23.4%
9-05	202	281	-28.1%
12-05	170	308	-44.7%
3-06	400	372	7.7%
6-06	690	548	25.9%
9-06	798	571	39.7%
12-06	858	575	49.2%
3-07	644	531	21.1%
6-07	410		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	25.4%	13.2%
3 Years	46.6%	27.0%
2 Years	93.5%	52.6%
Latest Year	-39.5%	35.6%

Selected Retrospective Pure Premium Trend: 5%
Selected Prospective Pure Premium Trend: 9%



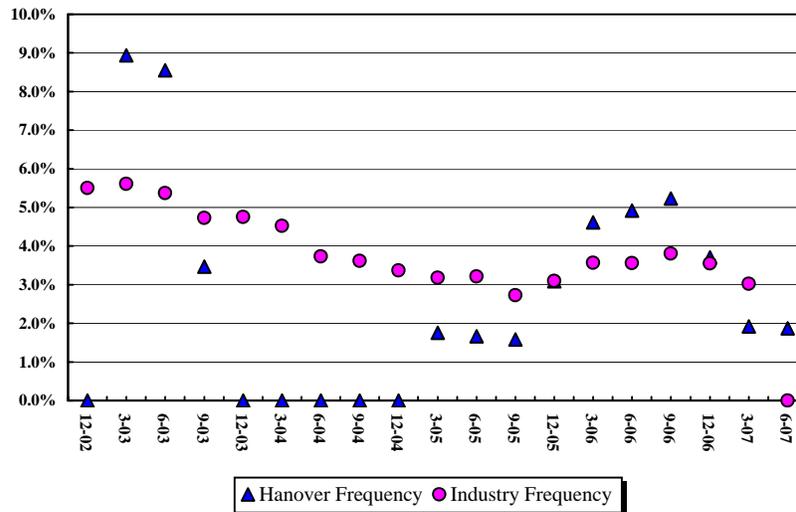
**ARKANSAS
HOMEOWNERS - CONDO FORM**

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
12-02		5.50%	N/A
3-03	8.94%	5.61%	59.4%
6-03	8.55%	5.37%	59.2%
9-03	3.47%	4.73%	-26.6%
12-03	0.00%	4.75%	-100.0%
3-04	0.00%	4.52%	-100.0%
6-04	0.00%	3.73%	-100.0%
9-04	0.00%	3.62%	-100.0%
12-04	0.00%	3.37%	-100.0%
3-05	1.75%	3.18%	-44.9%
6-05	1.66%	3.22%	-48.3%
9-05	1.58%	2.72%	-41.8%
12-05	3.09%	3.10%	-0.4%
3-06	4.61%	3.56%	29.4%
6-06	4.92%	3.56%	38.0%
9-06	5.23%	3.81%	37.3%
12-06	3.70%	3.55%	4.3%
3-07	1.92%	3.02%	-36.4%
6-07	1.87%		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-54.0%	-11.7%
3 Years	-66.9%	-4.5%
2 Years	10.8%	6.2%
Latest Year	-69.1%	-12.5%

Selected Retrospective Frequency Trend: -1%
Selected Prospective Frequency Trend: 0%



**ARKANSAS
HOMEOWNERS - CONDO FORM**

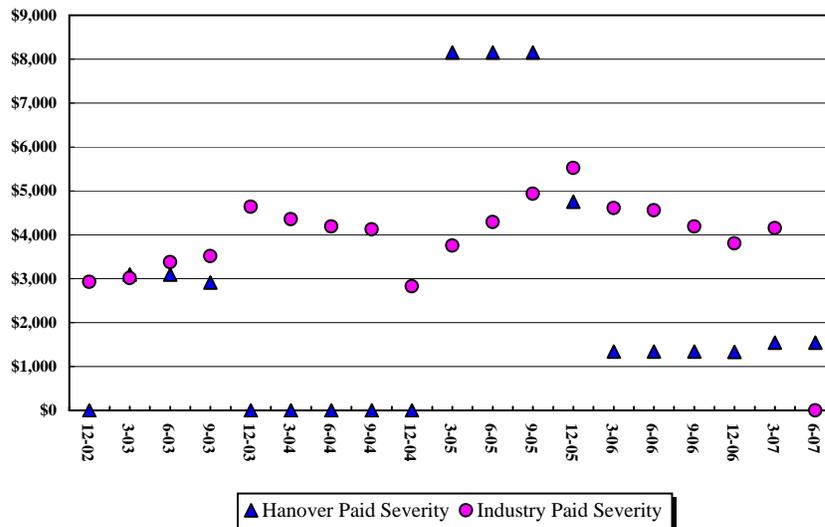
Exhibit 5
Effective 05/05/2008

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
12-02		2,928	N/A
3-03	3,095	3,018	2.5%
6-03	3,095	3,373	-8.3%
9-03	2,915	3,516	-17.1%
12-03	N/A	4,641	N/A
3-04	N/A	4,356	N/A
6-04	N/A	4,190	N/A
9-04	N/A	4,126	N/A
12-04	N/A	2,823	N/A
3-05	8,155	3,755	117.2%
6-05	8,155	4,288	90.2%
9-05	8,155	4,936	65.2%
12-05	4,755	5,520	-13.9%
3-06	1,340	4,608	-70.9%
6-06	1,340	4,561	-70.6%
9-06	1,340	4,192	-68.0%
12-06	1,333	3,805	-65.0%
3-07	1,543	4,149	-62.8%
6-07	1,543		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-26.4%	6.3%
3 Years	-61.6%	3.1%
2 Years	-61.2%	-3.1%
Latest Year	18.5%	-14.5%

Selected Retrospective Severity Trend: 4%
Selected Prospective Severity Trend: 4%



**ARKANSAS
HOMEOWNERS - CONDO FORM**

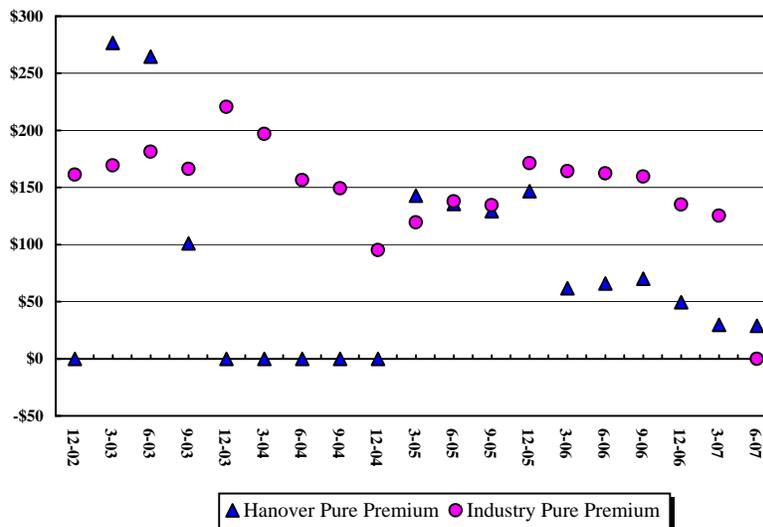
Exhibit 5
Effective 05/05/2008

PURE PREMIUM

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
12-02		161	N/A
3-03	277	169	63.5%
6-03	265	181	46.0%
9-03	101	166	-39.2%
12-03	0	220	-100.0%
3-04	0	197	-100.0%
6-04	0	156	-100.0%
9-04	0	149	-100.0%
12-04	0	95	-100.0%
3-05	143	119	19.7%
6-05	136	138	-1.7%
9-05	129	134	-3.9%
12-05	147	171	-14.2%
3-06	62	164	-62.4%
6-06	66	162	-59.5%
9-06	70	160	-56.1%
12-06	49	135	-63.5%
3-07	30	125	-76.4%
6-07	29		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	N/A	-6.2%
3 Years	N/A	-1.6%
2 Years	-57.0%	2.9%
Latest Year	-63.4%	-25.1%

Selected Retrospective Pure Premium Trend: 3%
Selected Prospective Pure Premium Trend: 4%



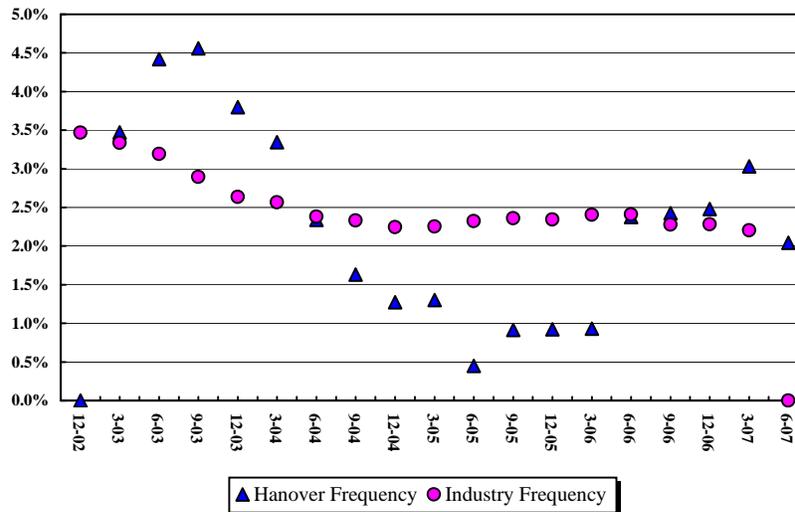
**ARKANSAS
HOMEOWNERS - TENANTS FORM**

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
12-02		3.47%	N/A
3-03	3.47%	3.34%	4.0%
6-03	4.42%	3.19%	38.5%
9-03	4.56%	2.89%	57.6%
12-03	3.80%	2.64%	44.1%
3-04	3.34%	2.56%	30.4%
6-04	2.34%	2.38%	-1.7%
9-04	1.63%	2.33%	-30.0%
12-04	1.27%	2.24%	-43.3%
3-05	1.30%	2.25%	-42.2%
6-05	0.45%	2.32%	-80.7%
9-05	0.91%	2.36%	-61.3%
12-05	0.92%	2.34%	-60.6%
3-06	0.93%	2.41%	-61.3%
6-06	2.38%	2.41%	-1.2%
9-06	2.42%	2.28%	6.4%
12-06	2.48%	2.28%	8.6%
3-07	3.03%	2.20%	37.7%
6-07	2.04%		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-14.3%	-7.4%
3 Years	25.1%	-1.9%
2 Years	131.6%	-1.2%
Latest Year	-3.1%	-8.8%

Selected Retrospective Frequency Trend: -11%
Selected Prospective Frequency Trend: -11%



**ARKANSAS
HOMEOWNERS - TENANTS FORM**

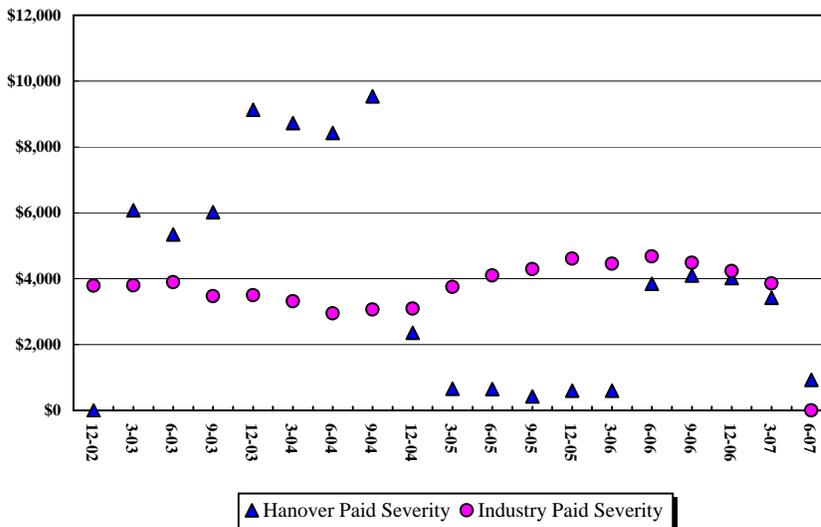
Exhibit 5
Effective 05/05/2008

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
12-02		3,785	N/A
3-03	6,081	3,797	60.2%
6-03	5,346	3,892	37.4%
9-03	6,022	3,465	73.8%
12-03	9,134	3,493	161.5%
3-04	8,723	3,318	162.9%
6-04	8,421	2,950	185.4%
9-04	9,541	3,061	211.7%
12-04	2,359	3,089	-23.6%
3-05	652	3,752	-82.6%
6-05	644	4,097	-84.3%
9-05	422	4,292	-90.2%
12-05	600	4,612	-87.0%
3-06	600	4,458	-86.5%
6-06	3,848	4,681	-17.8%
9-06	4,097	4,479	-8.5%
12-06	4,021	4,232	-5.0%
3-07	3,416	3,860	-11.5%
6-07	932		N/A

EXPONENTIAL FIT		
ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-33.3%	7.3%
3 Years	-13.8%	14.0%
2 Years	145.5%	2.1%
Latest Year	-70.1%	-14.4%

Selected Retrospective Severity Trend: 15%
Selected Prospective Severity Trend: 15%



**ARKANSAS
HOMEOWNERS - TENANTS FORM**

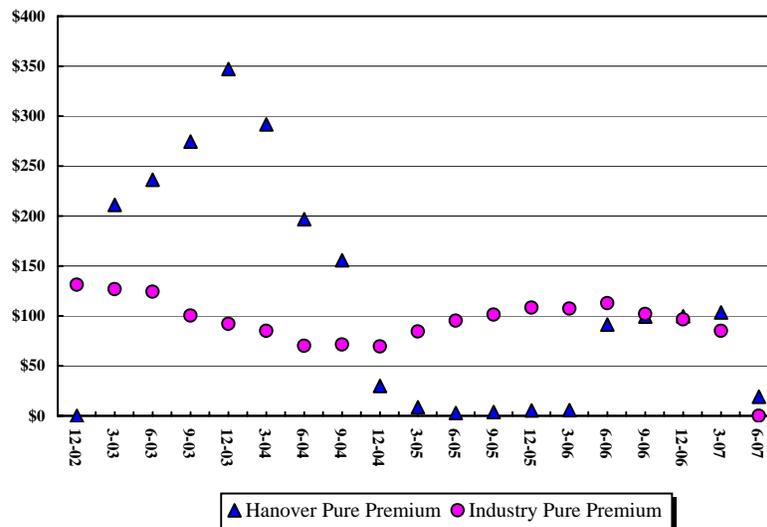
Exhibit 5
Effective 05/05/2008

PURE PREMIUM

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
12-02		131	N/A
3-03	211	127	66.6%
6-03	236	124	90.2%
9-03	275	100	173.9%
12-03	347	92	276.9%
3-04	292	85	242.8%
6-04	197	70	180.5%
9-04	156	71	118.3%
12-04	30	69	-56.7%
3-05	8	84	-89.9%
6-05	3	95	-97.0%
9-05	4	101	-96.2%
12-05	6	108	-94.9%
3-06	6	107	-94.8%
6-06	91	113	-18.8%
9-06	99	102	-2.7%
12-06	100	97	3.2%
3-07	104	85	21.8%
6-07	19		N/A

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-42.8%	-0.6%
3 Years	7.8%	11.8%
2 Years	468.8%	0.8%
Latest Year	-71.0%	-21.9%

Selected Retrospective Pure Premium Trend: 2.3%
Selected Prospective Pure Premium Trend: 2.3%



Hanover PROPERTY & CASUALTY COMPANIES
Arkansas Homeowners
Premium Trend Analysis
Building Forms

Exhibit 6
Effective 05/05/2008

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)	(6)
Accident	Total		Current	Current	Average	Year to
<u>Year</u>	<u>House</u>	<u>Earned</u>	<u>Rate</u>	<u>Rate</u>	<u>Adjusted</u>	<u>Year</u>
	<u>Years</u>	<u>Premiums</u>	<u>Level</u>	<u>Level</u>	<u>Premium</u>	<u>Change</u>
			<u>Factors</u>	<u>EP</u>		
2002	5,253	2,731,850	1.435	3,920,973	746	-
2003	7,181	4,064,484	1.329	5,402,931	752	0.8%
2004	7,586	4,580,964	1.240	5,682,207	749	-0.4%
2005	7,557	4,898,986	1.179	5,776,941	764	2.1%
2006	7,237	5,046,459	1.119	5,647,508	780	2.1%
2007	6,829	5,130,889	1.059	5,436,173	796	2.0%

The current inflation guard factor is 7.7%

Hanover PROPERTY & CASUALTY COMPANIES

Exhibit 6

Arkansas Homeowners

Effective 05/05/2008

Premium Trend Analysis

Condo and Tenant

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)	(6)
Accident	Total		Current	Current	Average	Year to
<u>Year</u>	<u>House</u>	<u>Earned</u>	<u>Rate</u>	<u>Rate</u>	<u>Adjusted</u>	<u>Year</u>
	<u>Years</u>	<u>Premiums</u>	<u>Level</u>	<u>Level</u>	<u>Premium</u>	<u>Change</u>
			<u>Factors</u>	<u>EP</u>		
2002	41	13,655	1.264	17,254	417	-
2003	58	18,429	1.012	18,649	320	-23.3%
2004	53	16,809	1.011	16,987	319	-0.3%
2005	60	21,263	1.001	21,294	354	11.2%
2006	61	24,536	0.995	24,411	400	12.8%
2007	54	22,306	0.994	22,172	414	3.6%

The current inflation guard factor is 7.7%

Allmerica Property and Casualty Insurance Companies

South (AL, AR, GA, LA, MO, MS, NC, OK, SC, TN, TX, VA)

Homeowners - Owners Form + Sewer/Sump Endorsement, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr.	Actual Data as of:									
	<u>12 mos.</u>	<u>24 mos.</u>	<u>36 mos.</u>	<u>48 mos.</u>	<u>60 mos.</u>	<u>72 mos.</u>	<u>84 mos.</u>	<u>96 mos.</u>	<u>108 mos.</u>	<u>120 mos.</u>
<u>Ending</u>										
199806	14,421	16,322	16,472	16,368	16,394	16,375	16,378	16,378	16,375	16,375
199906	14,944	17,068	17,178	17,104	17,150	17,128	17,127	17,127	17,127	
200006	11,918	13,520	13,445	13,423	13,421	13,444	13,444	13,444		
200106	13,097	14,971	15,099	15,307	15,220	15,218	15,188			
200206	15,438	16,657	16,685	16,654	16,729	16,729				
200306	14,392	16,859	16,815	16,744	16,857					
200406	14,083	15,309	15,412	15,365						
200506	13,057	14,144	14,346							
200606	16,607	17,300								
200706	18,106									

Acc. Yr.	Link Ratios									
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-Ult.</u>
199806	1.132	1.009	0.994	1.002	0.999	1.000	1.000	1.000	1.000	1.000
199906	1.142	1.006	0.996	1.003	0.999	1.000	1.000	1.000		
200006	1.134	0.994	0.998	1.000	1.002	1.000	1.000			
200106	1.143	1.008	1.014	0.994	1.000	0.998				
200206	1.079	1.002	0.998	1.005	1.000					
200306	1.171	0.997	0.996	1.007						
200406	1.087	1.007	0.997							
200506	1.083	1.014								
200606	1.042									
200706										

Method	Average Link Ratios									
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-Ult.</u>
3-yr	1.071	1.006	0.997	1.002	1.001	0.999	1.000	1.000	1.000	1.000
5-yr	1.092	1.006	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000
all-yr	1.113	1.005	0.999	1.002	1.000	1.000	1.000	1.000	1.000	1.000
all-yr wtd.	1.111	1.005	0.999	1.002	1.000	1.000	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.083	1.006	0.998	1.002	1.000	1.000	1.000	1.000	1.000	1.000
SELECTED	1.083	1.006	0.998	1.002	1.000	0.999	1.000	1.000	1.000	1.000
ULTIMATE	1.088	1.005	0.999	1.001	0.999	0.999	1.000	1.000	1.000	1.000



March 3, 2008

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

RE: Homeowners Program
Rate Filing – Prior Approval
Hanover Insurance Company - NAIC #088-22292
Massachusetts Bay Insurance Company – NAIC #088-22306
Hanover American Insurance Company – NAIC#088-33064
Filing Number: PA-AR-08070-01R
Effective Date: 05-05-2008 New and Renewal Business

Dear Commissioner Bowman;

We are filing a rate increase as well as a rule revision with this filing. The complete rate change package is included with this filing.

We are submitting Rules 8.28 Water Back Up and Sump Overflow and 8.6 New Home Discount to make some minor editorial updates.

A Transition Rule, 8.73, is also included in this filing.

Thank you for your assistance with this SERFF filing and please do not hesitate to contact me if you have any questions or need any further information.

Sincerely,

Sandy Nunez
State Filing Analyst
(508) 855-4369 phone
(508) 855-4311 fax
snunez@hanover.com

ARKANSAS HOMEOWNERS

Hanover Insurance Company
Hanover American Insurance Company
Mass Bay Insurance Company

Direct Case Incurred Loss Ratios, By Territory Calendar Years 2003 - 2007

Excludes Catastrophes

Terr	Earned Exposure	Earned Premium	Incurred Losses	Loss Ratio
31	127,000	\$246,286	\$25,053	10.2%
37	577,950	\$1,191,001	\$395,769	33.2%
42	773,764	\$1,578,733	\$279,788	17.7%
49	2,896,574	\$5,239,973	\$1,408,264	26.9%
54	396,715	\$858,078	\$639,602	74.5%
62	3,853,002	\$5,874,585	\$2,159,468	36.8%
63	2,461,919	\$4,725,869	\$2,329,924	49.3%
64	191,533	\$411,451	\$143,201	34.8%
65	152,775	\$319,124	\$44,381	13.9%
66	295,346	\$695,974	\$440,750	63.3%
67	654,131	\$1,152,600	\$372,740	32.3%
68	250,001	\$481,068	\$775,473	161.2%
69	42,418	\$97,803	\$9,786	10.0%
70	870,499	\$1,761,208	\$432,092	24.5%
71	55,107	\$120,628	\$276,888	229.5%
Grand Total	13,598,734	\$24,754,380	\$9,733,179	39.3%

Includes Catastrophes

Terr	Earned Exposure	Earned Premium	Incurred Losses	Loss Ratio
31	127,000	\$246,286	\$25,053	10.2%
37	577,950	\$1,191,001	\$409,681	34.4%
42	773,764	\$1,578,733	\$315,534	20.0%
49	2,896,574	\$5,239,973	\$4,182,575	79.8%
54	396,715	\$858,078	\$661,559	77.1%
62	3,853,002	\$5,874,585	\$2,758,171	47.0%
63	2,461,919	\$4,725,869	\$3,893,637	82.4%
64	191,533	\$411,451	\$165,121	40.1%
65	152,775	\$319,124	\$67,744	21.2%
66	295,346	\$695,974	\$505,508	72.6%
67	654,131	\$1,152,600	\$426,379	37.0%
68	250,001	\$481,068	\$800,756	166.5%
69	42,418	\$97,803	\$49,134	50.2%
70	870,499	\$1,761,208	\$547,678	31.1%
71	55,107	\$120,628	\$278,036	230.5%
Grand Total	13,598,734	\$24,754,380	\$15,086,565	60.9%

**Arkansas Homeowners
Development of Target Loss & ALAE Ratio**

Owners Form							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commission	17.1%	17.1%	17.1%	17.1%	17.7%	0%	100%
General & Other Acq.	16.0%	13.7%	16.1%	15.3%	12.0%	50%	50%
Taxes, Licenses, and Fees	3.1%	3.2%	3.2%	3.2%	3.3%	0%	100%
Profit and Contingency					2.0%	0%	100%
Other Fixed Expense Load					0.8%	100%	0%
Total Fixed Expense						6.8%	
Total Variable Expense							29.0%
Total Expenses					35.8%		
Target Loss & LAE Ratio					64.2%		
ALAE/Loss	1.8%	0.5%	0.9%	1.1%	1.1%		

**Arkansas Homeowners
Development of Target Loss & ALAE Ratio**

Condo & Tenants Form							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commission	17.1%	17.1%	17.1%	17.1%	17.7%	0%	100%
General & Other Acq.	16.0%	13.7%	16.1%	15.3%	12.0%	50%	50%
Taxes, Licenses, and Fees	3.1%	3.2%	3.2%	3.2%	3.3%	0%	100%
Profit and Contingency					2.0%	0%	100%
Other Fixed Expense Load					0.8%	100%	0%
Total Fixed Expense						6.8%	
Total Variable Expense							29.0%
Total Expenses					35.8%		
Target Loss & LAE Ratio					64.2%		
ALAE/Loss	1.8%	0.5%	0.9%	1.1%	1.1%		

Premium Determination

1. Classify and rate each form of coverage per unit of exposure for the selected policy term in accordance with the rates and rules for this homeowner program. The coverage rated shall be comparable to the former company's coverage.
2. Modification Factor Selection:
 - a. Determine the factor by dividing policyholder's former company's premium by the premium determined in Item 1 and refer to the factors below for the appropriate Modification Factor based on the established Transition Factor.
 - b. Utilize this Transition Factor in the Rating Methodology for this homeowner program.
 - c. Policies will be placed in a Hanover writing company in a fashion consistent with our New Business Underwriting guidelines.
3. This Modification Factor will be maintained in subsequent renewals up to a specified time period as outlined in the rate and rule manual.

Modification Factor	Transition Factor
< 0.601	1.000
0.601 – 0.620	0.600
0.621 – 0.640	0.610
0.641 – 0.660	0.630
0.661 – 0.680	0.650
0.681 – 0.700	0.670
0.701 – 0.720	0.690
0.721 – 0.740	0.710
0.741 – 0.760	0.730
0.761 – 0.780	0.750
0.781 – 0.800	0.770
0.801 – 0.820	0.790
0.821 – 0.840	0.810
0.831 – 0.840	0.830
0.841 – 0.860	0.850
0.861 – 0.880	0.870
0.881 – 0.900	0.890
0.901 – 0.920	0.910
0.921 – 0.940	0.930
0.941 – 0.960	0.950
0.961 – 0.980	0.970
0.981 – 1.000	0.990
1.001 – 1.020	1.010
1.021 – 1.040	1.030
1.041 – 1.060	1.050
1.061 – 1.080	1.070
1.081 – 1.010	1.090
1.101 – 1.120	1.110
1.121 – 1.140	1.130
1.141 – 1.160	1.150
1.161 – 1.180	1.170
1.181 – 1.200	1.190
1.201 – 1.220	1.210
1.221 – 1.240	1.230
1.241 – 1.260	1.250
1.261 – 1.280	1.270
1.281 – 1.300	1.290
1.301 – 1.320	1.310

Exhibit T

1.321 – 1.340	1.330
1.341 – 1.360	1.350
1.361 – 1.380	1.370
1.381 – 1.400	1.390
1.401 – 1.420	1.400
1.421 – 1.440	1.420
1.441 – 1.460	1.440
1.461 – 1.480	1.460
1.481 – 1.500	1.480
> 1.50	2.000

SERFF Tracking Number: *HNVR-125475485* *State:* *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* *State Tracking Number:* *#10132642 \$300*
Company Tracking Number: *HO-AR-08070-01R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: */HO-AR-08070-01R*

Superseded Attachments

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

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Rate and Rule	Loss Free Credit/Surcharge	03/03/2008	AR Connections Property Manual Eff 05.05.2008 Pg 36 - 37.pdf
No original date	Rate and Rule	Transition Rule	03/03/2008	
No original date	Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	02/06/2008	AR rate filing abstract mb.pdf AR rate filing abstract HanAmer_1.pdf AR rate filing abstract han.pdf
No original date	Supporting Document	Exhibit T	03/14/2008	Exhibit T - Transition Rule Premium Determination.pdf

8. STATE PAGES

8.45 GOLF CART ENDORSEMENT - 231-1050

ALL FORMS - Coverage may be provided against all risks of physical loss with certain exceptions. The additional premium shall be \$1.50 per each \$100 of insurance, subject to a \$100 deductible.

8.46 – 8.49 RESERVED FOR FUTURE USE

8.50 HOMEOWNER LOSS FREE CREDIT/SURCHARGE

A. HOMEOWNER LOSS FREE CREDIT

ALL FORMS – Effective 5/5/08, new and renewal, a loss free credit will apply as outlined in the table below. All claims will be reviewed, whether they occurred while insured with Hanover or prior carriers. The credit will be calculated off the base premium and listed separately on the declarations page. The loss free credit will not be subject to the credit cap on file for this program.

The following types of claims will be excluded from consideration when calculating the credit:

- Claims in reserve status with no payment.
- Claims closed with no payment made.
- CAT related claims.

The following table is to be used when the insured is Claim free:

Consecutive Years Claim Free	Basic Premium Adjustment
0	0
1	0
2	0
3	-5%
4	-5%
5+	-10%

B. HOMEOWNER LOSS SURCHARGE

ALL FORMS – Effective 5/5/08 for new business policies with Hanover as their prior carrier, and all renewal policies, a loss surcharge will apply as outlined below. All claims that occurred while insured with Hanover will be reviewed. The surcharge will be calculated off the base premium and listed separately on the declarations page.

The following types of claims will be excluded from consideration when calculating the surcharge:

- Claims in reserve status with no payment.
- Claims closed with no payment made.
- CAT related claims.

8. STATE PAGES**8.50 HOMEOWNER LOSS FREE CREDIT/SURCHARGE (continued)**

The following table is to be used when the insured has Claims, during their tenure with Hanover:

Consecutive Years with Hanover	Basic Premium Adjustment			
	Number of Qualified Claims in the Last 39 Months			
	1	2	3	4+
0	0%	0%	0%	0%
1	0%	0%	0%	0%
2	0%	0%	0%	0%
3	0%	0%	0%	0%
4	0%	0%	0%	0%
5+	0%	0%	0%	0%

8.53 MINIMUM PREMIUM RULE

A minimum premium of \$100 will apply to all HO-4 and HO-6 policies.

8.54 RESERVED FOR FUTURE USE**8.55 RESERVED FOR FUTURE USE****8.56 WOOD ROOF SURCHARGE**

HO 00 03 - (HO-00-02 is only available for policies written prior to 04/30/2007.) - All dwellings with wood roofs are subject to a 5% surcharge. Compute the surcharge by applying this percentage to the premium developed from the Basic Premium Chart.

8.57 – 8.72 RESERVED FOR FUTURE USE**8.73 TRANSITION RULE – MODIFICATION FACTORS**

From time to time, The Hanover Insurance group of companies (“Hanover”) may acquire another insurance company or agree to accept books of business from other insurers or insurance agencies. To minimize any possible rate disruption in placing the affected customers, the insuring Hanover company intends to use a transition modification factor determined by dividing the policyholder’s former premium by the premium outlined in this manual (“original premium”). The resulting transition modification factor would be multiplied by Hanover’s original premium to arrive at a transition premium for affected customers. At renewals, a transition modification factor would be applied, if necessary, to minimize continuing rate disruption and with the objective of bringing the transitioned customers in line with the rating program applicable to the rest of Hanover’s book of business over time.

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Massachusetts Bay Insurance Company	B.	0088-22306

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	12.0%	3.8%				
HO 4	N/A	N/A				
HO 6	-1.3%	3.6%				
TOTAL OVERALL EFFECT	11.8%	3.8%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	5,134	7.2%	11/1/2002	\$2,654	\$1,607	60.5%	50.0%
2003	5,131	4.7%	11/1/2003	\$3,082	\$1,536	49.8%	57.6%
2004	5,005	4.9%	11/1/2004	\$3,212	\$1,132	35.2%	56.6%
2005	4,630	5.7%	11/1/2005	\$3,249	\$926	28.5%	106.1%
2006	3,817	2.0%	7/1/2006	\$3,105	\$4,997	160.9%	69.2%
2007	3,373	4.8%	7/15/2007	\$2,751	\$883	32.1%	34.5%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	8.0%
E. Other (explain)	0.0%
F. TOTAL	41.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 37% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 49
10. -49% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 49

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover American Insurance Company	B.	0088-36064

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
HO 2,3	12.0%	2.0%					
HO 4	N/A	N/A					
HO 6	-1.3%	3.8%					
TOTAL OVERALL EFFECT	11.8%	2.0%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	1,054	7.0%	11/1/2002	\$492	\$156	31.7%	55.6%
2003	1,174	5.25%	11/1/2003	\$685	\$359	52.4%	46.3%
2004	1,292	4.0%	11/1/2004	\$811	\$235	29.0%	74.9%
2005	1,466	5.2%	11/1/2005	\$943	\$220	23.4%	217.1%
2006	2,024	2.2%	7/1/2006	\$1,273	\$894	70.2%	95.0%
2007	2,830	4.0%	7/15/2007	\$1,895	\$859	45.3%	33.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	8.0%
E. Other (explain)	0.0%
F. TOTAL	41.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 78% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 62
10. -35% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 37

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

1.	This filing transmittal is part of Company Tracking #	HO-AR-08070-01R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover Insurance Company	B.	0088-22292

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	12.0%	2.8%				
HO 4	1.3%	4.0%				
HO 6	-1.3%	4.7%				
TOTAL OVERALL EFFECT	11.8%	2.9%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2002	1,630	12.5%	11/1/2002	\$618	\$302	48.8%	45.6%
2003	1,665	5.8%	11/1/2003	\$944	\$930	98.5%	49.1%
2004	1,645	7.0%	11/1/2004	\$1,041	\$570	54.7%	64.5%
2005	1,500	7.4%	11/1/2005	\$1,070	\$276	25.8%	95.9%
2006	1,243	1.7%	7/1/2006	\$994	\$854	85.9%	54.4%
2007	1,078	7.6%	7/15/2007	\$896	\$486	54.3%	36.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	18.5%
B. General Expense	12.0%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	8.0%
E. Other (explain)	0.0%
F. TOTAL	41.8%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 30% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 49
10. -35% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 64

Premium Determination

1. Classify and rate each form of coverage per unit of exposure for the selected policy term in accordance with the rates and rules for this homeowner program. The coverage rated shall be comparable to the former company's coverage.
2. Modification Factor Selection:
 - a. Determine the factor by dividing policyholder's former company's premium by the premium determined in Item 1 and refer to the factors below for the appropriate Modification Factor based on the established Transition Factor.
 - b. Utilize this Transition Factor in the Rating Methodology for this homeowner program.
 - c. Policies will be placed in a Hanover writing company in a fashion consistent with our New Business Underwriting guidelines.
3. This Modification Factor will be maintained in subsequent renewals up to a specified time period as outlined in the rate and rule manual.

Modification Factor	Transition Factor
< 0.601	1.000
0.601 – 0.620	0.600
0.621 – 0.640	0.610
0.641 – 0.660	0.630
0.661 – 0.680	0.650
0.681 – 0.700	0.670
0.701 – 0.720	0.690
0.721 – 0.740	0.710
0.741 – 0.760	0.730
0.761 – 0.780	0.750
0.781 – 0.800	0.770
0.801 – 0.820	0.790
0.821 – 0.840	0.810
0.831 – 0.840	0.830
0.841 – 0.860	0.850
0.861 – 0.880	0.870
0.881 – 0.900	0.890
0.901 – 0.920	0.910
0.921 – 0.940	0.930
0.941 – 0.960	0.950
0.961 – 0.980	0.970
0.981 – 1.000	0.990
1.001 – 1.020	1.010
1.021 – 1.040	1.030
1.041 – 1.060	1.050
1.061 – 1.080	1.070
1.081 – 1.010	1.090
1.101 – 1.120	1.110
1.121 – 1.140	1.130
1.141 – 1.160	1.150
1.161 – 1.180	1.170
1.181 – 1.200	1.190
1.201 – 1.220	1.210
1.221 – 1.240	1.230
1.241 – 1.260	1.250
1.261 – 1.280	1.270
1.281 – 1.300	1.290
1.301 – 1.320	1.310

Exhibit T

1.321 – 1.340	1.330
1.341 – 1.360	1.350
1.361 – 1.380	1.370
1.381 – 1.400	1.390
1.401 – 1.420	1.400
1.421 – 1.440	1.420
1.441 – 1.460	1.440
1.461 – 1.480	1.460
1.481 – 1.500	1.480
> 1.50	Refer to Company