

| | | | |
|---------------------------------|-----------------------------------------|-------------------------------|------------------------------------------------|
| <i>SERFF Tracking Number:</i> | <i>SHEL-125525010</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>Shelter Mutual Insurance Company</i> | <i>State Tracking Number:</i> | <i>#1363356 \$100</i> |
| <i>Company Tracking Number:</i> | <i>03M20A108</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>HOPS</i> | | |
| <i>Project Name/Number:</i> | <i>Lammers/</i> | | |

Filing at a Glance

Company: Shelter Mutual Insurance Company

Product Name: HOPS

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: SHEL-125525010 State: Arkansas

SERFF Status: Closed

Co Tr Num: 03M20A108

Co Status:

Authors: Brian Marcks, Sue Burlingame

Date Submitted: 03/06/2008

State Tr Num: #1363356 \$100

State Status: Fees verified and received

Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding

Disposition Date: 03/21/2008

Disposition Status: Filed

Effective Date Requested (New): 07/27/2008

Effective Date Requested (Renewal): 07/27/2008

Effective Date (New): 07/27/2008

Effective Date (Renewal): 07/27/2008

State Filing Description:

Miscellaneous rule changes only, not an overall rate change filing.

General Information

Project Name: Lammers

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 03/21/2008

State Status Changed: 03/10/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Various changes were made to the supplemental coverages. An Actual Cash Value – Roof Coverage Credit and Million Dollar Personal Liability Limits & rates have been added. Rates and rules for Construction Theft were adjusted. Changes to the Tier Calculator were also made. For a more detailed description of the changes included in this filing, please see Explanatory Memorandum.

SERFF Tracking Number: SHEL-125525010 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
 Company Tracking Number: 03M20A108
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HOPS
 Project Name/Number: Lammers/

There is no revenue change with this filing.

Company and Contact

Filing Contact Information

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

Filing Company Information

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

Filing Fees

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

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|----------------------------------|--------|----------------|---------------|
| Shelter Mutual Insurance Company | \$0.00 | 03/06/2008 | |

| CHECK NUMBER | CHECK AMOUNT | CHECK DATE |
|--------------|--------------|------------|
| 1363356 | \$100.00 | 03/04/2008 |

SERFF Tracking Number: SHEL-125525010 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
 Company Tracking Number: 03M20A108
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HOPS
 Project Name/Number: Lammers/

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------|------------------|------------|----------------|
| Filed | Becky Harrington | 03/21/2008 | 03/21/2008 |

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 | 03/07/2008 | 03/07/2008 | Brian Marcks | 03/19/2008 | 03/19/2008 |

SERFF Tracking Number: *SHEL-125525010* *State:* *Arkansas*
Filing Company: *Shelter Mutual Insurance Company* *State Tracking Number:* *#1363356 \$100*
Company Tracking Number: *03M20A108*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HOPS*
Project Name/Number: *Lammers/*

Disposition

Disposition Date: 03/21/2008

Effective Date (New): 07/27/2008

Effective Date (Renewal): 07/27/2008

Status: Filed

Comment: Only GR-10 and GR-11 revised; remaining pages apply as filed.

Rate data does NOT apply to filing.

SERFF Tracking Number: SHEL-125525010 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
 Company Tracking Number: 03M20A108
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HOPS
 Project Name/Number: Lammers/

| Item Type | Item Name | Item Status | Public Access |
|---------------------|-------------------------------------------------------------|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty | Filed | Yes |
| Supporting Document | HPCS-Homeowners Premium Comparison Survey | | No |
| Supporting Document | NAIC Loss Cost Filing Document for OTHER than Workers' Comp | | No |
| Rate (revised) | Manual Pages | Filed | Yes |
| Rate | Manual Pages | Filed | Yes |
| Rate | Tier Calculator | Filed | No |

SERFF Tracking Number: SHEL-125525010 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
Company Tracking Number: 03M20A108
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HOPS
Project Name/Number: Lammers/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/07/2008

Submitted Date 03/07/2008

Respond By Date

Dear Brian Marcks,

This will acknowledge receipt of the captioned filing.

Objection 1

- Manual Pages (Rate)

Comment: Arkansas does not allow ACV on the roof when the dwelling is covered under a replacement cost loss settlement. It is the opinion of this Department that if a dwelling is eligible for replacement cost coverage then the roof, being a part of the dwelling, should be also. Please withdraw this rule.

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 03/19/2008

Submitted Date 03/19/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Becky,

Reference is made to your letter of March 7. As requested, we are withdrawing reference to Actual Cash Value - Roof Coverage Credit. Attached are revised manual pages GR-10 and GR-11 to be substituted for the manual pages of like

SERFF Tracking Number: SHEL-125525010 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
 Company Tracking Number: 03M20A108
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HOPS
 Project Name/Number: Lammers/
 number submitted in our original filing.

Please let me know if you have questions or need additional information.

Brian

Related Objection 1

Applies To:

- Manual Pages (Rate)

Comment:

Arkansas does not allow ACV on the roof when the dwelling is covered under a replacement cost loss settlement. It is the opinion of this Department that if a dwelling is eligible for replacement cost coverage then the roof, being a part of the dwelling, should be also. Please withdraw this rule.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

| Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing # |
|-------------------------|----------------------------------------------------------------------------------------|-------------|-------------------------|
| Manual Pages | GR-10 and GR-11 | Replacement | |
| Previous Version | | | |
| Manual Pages | GR-9 thru GR-11, GR-14 thru Replacement GR-18, GR-20 thru GR-24, GR-27 and GR-29 | | |

Sincerely,
 Brian Marcks, Sue Burlingame

SERFF Tracking Number: *SHEL-125525010* *State:* *Arkansas*
Filing Company: *Shelter Mutual Insurance Company* *State Tracking Number:* *#1363356 \$100*
Company Tracking Number: *03M20A108*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HOPS*
Project Name/Number: *Lammers/*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: SHEL-125525010 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363356 \$100
 Company Tracking Number: 03M20A108
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HOPS
 Project Name/Number: Lammers/

Rate/Rule Schedule

| Review Status: | Exhibit Name: | Rule # or Page #: | Rate Action | Previous State Filing Attachments Number: |
|----------------|---------------|-------------------|-------------|-------------------------------------------|
| Filed | Manual Pages | GR-10 and GR-11 | Replacement | Revised AR PS GR's.pdf |

4. PREMIUM ADJUSTMENTS (Cont.)

h. Claim Surcharge

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

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

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

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

5. POLICY TERM

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

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

6. PREMIUM DETERMINATION

NOTE: Round ALL calculations to the nearest dollar.

- a. Determine the BASIC PREMIUM.
 - 1) Select the appropriate premium from the Base Rate pages based on the proper Zone, Protection Class and Construction.
 - 2) Note the size curve number on the Base Rate pages. Multiply the above premium by the factor shown for the corresponding size curve and amount on the Amount of Insurance pages. (See the Interpolation Rule for limits not shown.)
 - 3) Apply the Heating System Discount if applicable.
 - 4) Apply the appropriate Tier factor.
 - 5) Apply the Claim Free Discount if applicable.
 - 6) Apply the Claim Surcharge if applicable.
 - 7) Apply the appropriate deductible factor.
 - 8) Apply the Companion Policy Discount if applicable.
 - 9) Apply the New Home Discount or Improved Home Discount if applicable.
 - 10) Apply the New Home Under Construction Discount if applicable.
 - 11) Apply the Protective Devices Credit if applicable.
- b. Apply remaining PERCENTAGE credits or charges to the BASIC PREMIUM including percentage charges for optional coverages.
- c. Apply any FLAT DOLLAR credits or charges including premiums for optional coverages.

The result is the annual policy premium.

If writing other than a 12 month policy, the appropriate Policy Term factor shall be applied to the BASIC PREMIUM, and separately to **EACH** credit or charge applicable to the policy. The Term premium is then added to the result to arrive at the correct chargeable premium for the desired 3 or 6 month policy term.

7. PREMIUM ROUNDING

The twelve month term premiums determined in accordance with any rule in this manual shall be rounded to the nearest dollar, separately for each item and each coverage. For this purpose, an amount of fifty cents or more shall be considered a dollar.

The premium for a policy written for a term of three or six months shall be based on the rounded twelve month term premium and dollar rounded after application of the term rule.

The minimum premium of \$1 shall be charged per item or per endorsement for each coverage written regardless of policy term.

| | | | |
|---------------------------------|-----------------------------------------|-------------------------------|------------------------------------------------|
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| <i>Company Tracking Number:</i> | <i>03M20A108</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>HOPS</i> | | |
| <i>Project Name/Number:</i> | <i>Lammers/</i> | | |

Supporting Document Schedules

| | | | | |
|-------------------------|------------------------------------------------------|-----------------------|-------|------------|
| Satisfied -Name: | Uniform Transmittal Document- Property & Casualty | Review Status: | Filed | 03/21/2008 |
|-------------------------|------------------------------------------------------|-----------------------|-------|------------|

Comments:

Please see attachments.

Attachments:

AR PS Transmittal.pdf
AR PS Explanatory Memo.pdf

| | | | | |
|------------------------|----------------------------------------------|-----------------------|--|------------|
| Bypassed -Name: | HPCS-Homeowners Premium Comparison Survey | Review Status: | | 03/06/2008 |
|------------------------|----------------------------------------------|-----------------------|--|------------|

Bypass Reason: No rates have changed that would impact this survey.

Comments:

| | | | | |
|------------------------|----------------------------------------------------------------|-----------------------|--|------------|
| Bypassed -Name: | NAIC Loss Cost Filing Document for OTHER than Workers' Comp | Review Status: | | 03/06/2008 |
|------------------------|----------------------------------------------------------------|-----------------------|--|------------|

Bypass Reason: N/A

Comments:

Property & Casualty Transmittal Document

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

| | |
|-----------------------------|---------------------|
| 3. Group Name | Group NAIC # |
| Shelter Insurance Companies | 123 |

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

| | |
|-----------------------------------|------------------|
| 5. Company Tracking Number | 03M20A108 |
|-----------------------------------|------------------|

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

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|----|-----------------------------------------------------------|----------------------------------------------|--------------|--------------|-----------------------------------|
| | Brian Marcks 1817 West Broadway Columbia, MO. 65218 | Coordinator of Insurance Dept. Affairs | 573-214-4165 | 573-446-7317 | bcmarcks @shelterinsurance.com |
| | | | | | |

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

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

| | | |
|-----|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. | Type of Insurance (TOI) | 04.0 |
| 10. | Sub-Type of Insurance (Sub-TOI) | 04.0000 |
| 11. | State Specific Product code(s)(if applicable)[See State Specific Requirements] | N/A |
| 12. | Company Program Title (Marketing title) | Homeowners Platinum Shield |
| 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: 07/27/2008 Renewal: 07/27/2008 |

Property & Casualty Transmittal Document---

| | | |
|-----|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15. | Reference Filing? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16. | Reference Organization (if applicable) | N/A |
| 17. | Reference Organization # & Title | N/A |
| 18. | Company's Date of Filing | March 6, 2008 |
| 19. | Status of filing in domicile | <input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved |

| | | |
|-----|--------------------------------------------------------------|-----------|
| 20. | This filing transmittal is part of Company Tracking # | 03M20A108 |
|-----|--------------------------------------------------------------|-----------|

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

Various changes were made to the supplemental coverages. An Actual Cash Value – Roof Coverage Credit and Million Dollar Personal Liability Limits & rates have been added. Rates and rules for Construction Theft were adjusted. Changes to the Tier Calculator were also made. There is no revenue change with 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] |
| <p>Check #: 1363356 Amount: \$100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p> | |

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

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

Notes for Uniform Property & Casualty Transmittal Document

DESCRIPTION OF ITEMS IN THE PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT

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

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

15. Reference Filing: Yes/No

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

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

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

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

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

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

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

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS PLATINUM SHIELD
EXPLANATORY MEMORANDUM**

Synopsis

Various changes were made to the supplemental coverages and are detailed below. An Actual Cash Value – Roof Coverage Credit and Million Dollar Personal Liability Limits & rates have been added. Rates and rules for Construction Theft were adjusted. Changes to the Tier Calculator were also made. There is no revenue change with this filing.

GENERAL RULE (GR) PAGES

- GR-9, Rule 4.f. Claim Free Discount:** - claims involving a land motor vehicle (not insured, owned or driven by the insured) colliding into the insured's dwelling will be disregarded when determining this discount.
- GR-10, Rule 4.h. Claim Surcharge:** - claims involving a land motor vehicle (not insured, owned or driven by the insured) colliding into the insured's dwelling will be disregarded when determining this surcharge.
- Rule 4.i. Actual Cash Value- Roof Coverage Credit:** - added this option.
- GR-11, Rule 5. Policy Term:** - moved from GR-10.
- Rule 6.a. Premium Determination:** - added ACV Roof Credit as item 12.
- GR-22, Rule 8. Construction Theft Coverage:** - a 12 month policy term is now mandatory when this coverage is added. Rates were adjusted.
- GR-23, Rule 9. Earthquake Coverage:** - clarified how the deductible is determined and applied.
- GR-24, Rule 11. Piers, Bulkheads, Wharves and Docks** - Metal construction was added and will be rated the same as Frame.
- GR-14, 15, 16, 17, 18, 20, 21, 27, 29:** - Adding the Million Dollar Personal Liability Limit to applicable coverages.

TIER CALCULATOR

Revisions were made to the Tier Calculator. Question 1 which referenced the Policy Term was removed. The remaining questions were renumbered.

SERFF Tracking Number: *SHEL-125525010* *State:* *Arkansas*
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TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HOPS*
Project Name/Number: *Lammers/*

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 | Manual Pages | 03/06/2008 | AR PS GR.pdf |

4. PREMIUM ADJUSTMENTS (Cont.)

c. New Home Discount

Primary dwellings completed and first occupied during the current calendar year or eligible preceding calendar years are eligible for a "New Home" discount. If the year first occupied is different from the year completed, use the later year.

(Do not apply while the policy is receiving the "Under Construction" discount.)

| <u>Year Completed or First Occupied</u> | <u>New Home</u> |
|---------------------------------------------|---------------------|
| Current Calendar Year | 40% |
| 1 Year Preceding | 40% |
| 2 Years Preceding | 35% |
| 3 Years Preceding | 30% |
| 4 Years Preceding | 24% |
| 5 Years Preceding | 18% |
| 6 Years Preceding | 12% |
| 7 Years Preceding | 6% |
| 8 Years Preceding | 3% |

d. Heating System Discount

Eligible property in Protection Classes 8Y, 8, and 6N-7N shall receive a discount of **15%**, if **NO** type of solid fuel heating device (wood, coal, etc.) is present. A conventional fireplace will qualify if no other type of solid fuel heating is used. A freestanding fireplace or a fireplace with an insert will not qualify.

e. Companion Policy Discount

A **20%** discount applies when the named insured is also the named insured on a Shelter Mutual or General Automobile policy written on a Private Passenger Automobile or Business Use Vehicle (T2, J2 or L) rating classification.

f. Claim Free Discount

A policy will qualify for a 10% Claim Free Discount when the following conditions have been met:

- (1) the policy has been in force for at least 6 consecutive years; **and**
- (2) the policy has had no paid claims having an occurrence date in the 6-year period ending 35 days prior to the renewal effective date.

Once a policy qualifies for the discount, the policy will retain the discount on all subsequent renewals.

Earthquake, Medical Payment and Identity Fraud claims will be disregarded in assessing qualification for the discount. Claims involving a land motor vehicle (not insured, owned or driven by the insured) colliding into the insured's dwelling will also be disregarded.

4. PREMIUM ADJUSTMENTS (Cont.)

h. Claim Surcharge

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

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

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

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

i. Actual Cash Value - Roof Coverage Credit

For a reduction in premium, losses on roofs and roof surfacing will be settled based on Actual Cash Value.

Premium Credit 3%

5. POLICY TERM

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

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

6. PREMIUM DETERMINATION

NOTE: Round ALL calculations to the nearest dollar.

- a. Determine the BASIC PREMIUM.
 - 1) Select the appropriate premium from the Base Rate pages based on the proper Zone, Protection Class and Construction.
 - 2) Note the size curve number on the Base Rate pages. Multiply the above premium by the factor shown for the corresponding size curve and amount on the Amount of Insurance pages. (See the Interpolation Rule for limits not shown.)
 - 3) Apply the Heating System Discount if applicable.
 - 4) Apply the appropriate Tier factor.
 - 5) Apply the Claim Free Discount if applicable.
 - 6) Apply the Claim Surcharge if applicable.
 - 7) Apply the appropriate deductible factor.
 - 8) Apply the Companion Policy Discount if applicable.
 - 9) Apply the New Home Discount or Improved Home Discount if applicable.
 - 10) Apply the New Home Under Construction Discount if applicable.
 - 11) Apply the Protective Devices Credit if applicable.
 - 12) Apply the ACV Roof Credit if applicable.
- b. Apply remaining PERCENTAGE credits or charges to the BASIC PREMIUM including percentage charges for optional coverages.
- c. Apply any FLAT DOLLAR credits or charges including premiums for optional coverages.

The result is the annual policy premium.

If writing other than a 12 month policy, the appropriate Policy Term factor shall be applied to the BASIC PREMIUM, and separately to **EACH** credit or charge applicable to the policy. The Term premium is then added to the result to arrive at the correct chargeable premium for the desired 3 or 6 month policy term.

7. PREMIUM ROUNDING

The twelve month term premiums determined in accordance with any rule in this manual shall be rounded to the nearest dollar, separately for each item and each coverage. For this purpose, an amount of fifty cents or more shall be considered a dollar.

The premium for a policy written for a term of three or six months shall be based on the rounded twelve month term premium and dollar rounded after application of the term rule.

The minimum premium of \$1 shall be charged per item or per endorsement for each coverage written regardless of policy term.

A. Section I (Cont.)**6. Outdoor Antennas (B-463-B)**

| | |
|-------------------|--------------|
| Policy Deductible | <u>\$500</u> |
| Rate per \$1,000 | \$3.56 |

7. Personal Computer Coverage (B-466-B)

| | |
|--------------------------|---------------------------------------|
| Coverage <u>Limit</u> | Policy Deductible <u>\$500</u> |
| \$ 5,000 | ...Basic Limits Included In Policy... |
| 10,000 | \$18 |
| 15,000 | 36 |
| 20,000 | 53 |

8. Personal Property - Rates per \$1,000

| | |
|-------------------|--------------|
| Policy Deductible | <u>\$500</u> |
| Rate per \$1,000 | \$1.42 |

B. Section II**1. Personal Liability Coverage**

The manual premiums include limits of \$300,000 Liability and \$2,000 Medical Payments. Higher limits are available. **Note:** The limits for Optional Coverages **MUST** be the same as the basic Liability and Medical Payments written.

| <u>Liability Limits</u> | <u>Medical Payments Limits</u> | | | |
|-----------------------------|--------------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$-13 | \$-9 | \$-2 | \$ 7 |
| 300,000 | N/A | --- | 8 | 16 |
| 400,000 | N/A | 5 | 13 | 21 |
| 500,000 | N/A | 9 | 16 | 25 |
| 1,000,000 | N/A | 18 | 32 | 50 |

MANDATORY / OPTIONAL COVERAGES

The following coverages may be added to the Platinum Shield policy. See the list below for the mandatory coverages which must be added if the risk is present. The limits for these coverages must be the same as the basic Liability and Medical Payments limits written.

The endorsement should be consulted for exact contract conditions.

Mandatory Coverages

It is required that Section II of the policy include coverage on:

- a. all additional residence premises where the named insured or spouse maintain a residence other than business or farm properties;
- b. incidental farming on the premises;
- c. all permitted business activities of the insured on residential premises of the insured;
- d. other structures located on the premises being rented to others.

Refer to each individual section below regarding the rating of these risks.

1. ADDITIONAL RESIDENCE PREMISES OCCUPIED BY INSURED (1 or 2 Families) (MANDATORY) (B-389-B)

| Liability Limits | Medical Payments Limits | | | |
|---------------------|-------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$ 8 | \$10 | \$16 | \$28 |
| 300,000 | N/A | 14 | 20 | 32 |
| 400,000 | N/A | 15 | 21 | 33 |
| 500,000 | N/A | 16 | 22 | 34 |
| 1,000,000 | N/A | 32 | 44 | 68 |

2. PERMITTED BUSINESS ACTIVITIES (MANDATORY)

NOTE: Under both a. and b. below, when the permitted occupancy is located in an other structure on the described premises, Coverage B does **not** apply to that structure. Coverage may be purchased on that structure as noted below.

a. Office, Professional, Private School, Studio or Incidental Business Occupancy

Certain incidental occupancies may be operated by the insured on the residence premises or at an additional residence premises. To qualify, the premises must be occupied principally for dwelling purposes, there must be no increase in the applicable fire rate for the occupancy, and no more than \$5,000 of merchandise held for sale may be stored on the residence premises.

When such a permitted occupancy exists, the policy **MUST** be endorsed with the appropriate form, depending on whether the occupancy is on the described residence premises or at an additional residence premises.

If the occupancy is on the residence premises, Coverage C is extended to include equipment, supplies and furnishings usual to the occupancy while such property is on the premises. Optional coverage for a stock of merchandise (up to \$5,000) is available. Personal Liability and Medical Payments coverages are also extended to include the approved incidental occupancy.(B-348-B)

When the occupancy is conducted on an Additional Residence Premises, only the Personal Liability and Medical Payments coverages are extended.(B-349-B)

Office, Professional, Private School, Studio or Incidental Business

| Liability Limits | Medical Payments Limits | | | |
|---------------------|-------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$14 | \$17 | \$20 | \$27 |
| 300,000 | N/A | 19 | 22 | 29 |
| 400,000 | N/A | 22 | 25 | 33 |
| 500,000 | N/A | 23 | 27 | 35 |
| 1,000,000 | N/A | 46 | 54 | 70 |

Optional stock of merchandise

| | |
|-------------------------------------|---------------|
| Policy Deductible | <u>\$500</u> |
| Rate per \$1,000 (up to \$5,000) | <u>\$3.83</u> |

2. PERMITTED BUSINESS ACTIVITIES (MANDATORY) (Cont)

b. Home Day Care (B-522-B)

A limited Home Day Care business occupancy may be conducted by the insured on the described residence premises. The policy **MUST** be endorsed and additional premium charged.

| Liability Limits | Medical Payments Limits | | | |
|---------------------|-------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$50 | \$54 | \$59 | \$69 |
| 300,000 | N/A | 69 | 74 | 84 |
| 400,000 | N/A | 72 | 77 | 87 |
| 500,000 | N/A | 74 | 79 | 89 |
| 1,000,000 | N/A | 148 | 158 | 178 |

There is **no** automatic coverage provided for other structures with Permitted Business Activities on the described premises. The **total** amount of coverage desired must be specified. A description of the structure(s) must be given along with the amount of coverage desired. Charges from both Section I and Section II must be made.

**Other Structures Coverage (B-348-B) (B-522-B)
(with Permitted Business Activities)**

Rates per \$1,000

| Prot. | Policy Deductible |
|--------------|-------------------|
| <u>Class</u> | <u>\$500</u> |
| All | \$3.29 |

3. ADDITIONAL RESIDENCE PREMISES RENTED TO OTHERS (B-358-B)

Liability and Medical Payments coverage may be extended by endorsement to 1 or 2 family dwelling(s) owned by the insured but rented to others. The location of the rental dwelling(s) and the number of families occupying the dwelling(s) must be shown. See the Liability rate charge under the Other Structures Rented to Others below.

4. OTHER STRUCTURES RENTED TO OTHERS (MANDATORY)

The policy **must** be endorsed for liability and medical payments coverage by one of the following endorsements if other structures located on the premises are rented or being held for rental.

Liability**Additional Residence Premises Rented to Others (B-358-B)**

(1 or 2 family - per dwelling charge)

| <u>Liability Limits</u> | <u>Medical Payments Limits</u> | | | |
|-----------------------------|--------------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$ 17 | \$ 19 | \$ 26 | \$ 36 |
| 300,000 | N/A | 24 | 31 | 41 |
| 400,000 | N/A | 26 | 34 | 43 |
| 500,000 | N/A | 29 | 36 | 45 |
| 1,000,000 | N/A | 58 | 72 | 90 |

Structures on the residence premises rented or held for rental to others may be covered if the structure is used for residential purposes and is not occupied by more than two families or more than two roomers or boarders per family.

Other Structures Rented to Others (1 or 2 Families) (B-346-B)

Rates per \$1,000

| <u>Prot.</u> | <u>Policy Deductible</u> |
|--------------|--------------------------|
| <u>Class</u> | <u>\$500</u> |
| All | \$3.29 |

Note: When this endorsement is added, Liability and Medical Payments coverage is included.

6. FARMING EXPOSURES

a. Incidental Farming (MANDATORY) (On the Premises) (B-388-B)

A Platinum Shield policy may be issued when the insured has a limited farm exposure on the premises. The policy **MUST** be endorsed to cover this exposure and the appropriate charge made.

| Liability Limits | Medical Payments Limits | | | |
|---------------------|-------------------------|----------------|----------------|-----------------|
| | <u>\$1,000</u> | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$28 | \$32 | \$40 | \$46 |
| 300,000 | N/A | 34 | 46 | 53 |
| 400,000 | N/A | 46 | 50 | 55 |
| 500,000 | N/A | 49 | 53 | 59 |
| 1,000,000 | N/A | 98 | 106 | 118 |

b. Farmers Comprehensive Personal Liability (Off the Premises) (B-360-B)

Farm Liability coverage for an insured who has farming operations elsewhere than on the described premises may be provided by endorsement.

The following may **not** be covered:

1. Farms where the principal purpose of the farm is to supply commodities for manufacturing or processing by the insured for sale to others, such as creameries and dairies (but not dairy farms), farms operating freezing or dehydrating plants, and poultry factories. The word "processing" does not apply to the slaughtering and dressing of livestock or to such operations as bunching of vegetables or crating of berries.
2. Farms where the principal purpose of the farm is raising or using horses for racing purposes.
3. Incorporated farms.

The Farmer's Comprehensive Personal Liability coverage may be extended to include employer's liability including medical payments for farm employees of an insured for an additional premium.

Animal collision coverage, subject to a maximum per head limit of \$2,000, may also be added. The policy deductible is NOT applicable to this coverage

6. FARMING EXPOSURES (Cont.)**Farmers Comprehensive Personal Liability (Off the Premises) (B-360-B)**

| <u>Liability Limits</u> | <u>\$1,000</u> | <u>0-500 Acres Medical Payments Limits</u> | | | <u>For Each Add'l. 500 Acres, Add:</u> |
|-----------------------------|----------------|------------------------------------------------|----------------|-----------------|------------------------------------------------|
| | | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> | |
| \$100,000 | \$55 | \$66 | \$ 80 | \$ 91 | \$13 |
| 300,000 | N/A | 68 | 93 | 104 | 15 |
| 400,000 | N/A | 91 | 99 | 110 | 15 |
| 500,000 | N/A | 98 | 105 | 116 | 15 |
| 1,000,000 | N/A | 196 | 210 | 232 | 30 |

When the above coverage is written, coverage may also be extended to 1, 2 and/or 3 below.

1) Farm Employees**(a) Charge for 1-2 Employees**

| <u>Liability Limits</u> | <u>\$1,000</u> | <u>Medical Payments Limits</u> | | |
|-----------------------------|----------------|--------------------------------|----------------|-----------------|
| | | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$42 | \$48 | \$54 | \$66 |
| 300,000 | N/A | 58 | 64 | 76 |
| 400,000 | N/A | 60 | 66 | 78 |
| 500,000 | N/A | 64 | 70 | 82 |
| 1,000,000 | N/A | 128 | 140 | 164 |

(b) Charge Each Additional Employee (Up to 5)

| <u>Liability Limits</u> | <u>\$1,000</u> | <u>Medical Payments Limits</u> | | |
|-----------------------------|----------------|--------------------------------|----------------|-----------------|
| | | <u>\$2,000</u> | <u>\$5,000</u> | <u>\$10,000</u> |
| \$100,000 | \$21 | \$24 | \$27 | \$33 |
| 300,000 | N/A | 29 | 32 | 38 |
| 400,000 | N/A | 30 | 33 | 39 |
| 500,000 | N/A | 32 | 35 | 41 |
| 1,000,000 | N/A | 64 | 70 | 82 |

(c) Over 5 Employees - Refer to Home Office**2) Animal Collision**

\$2,000 limit - \$25 per policy

6. FARMING EXPOSURES (Cont.)

3) Limited Pollution Liability - Increased Limits

The \$10,000 agricultural pollution coverage provided may be increased to \$100,000. This amount is a part of, and not in addition to, the Coverage E policy Liability Limit, and is the **aggregate** limit for losses under Limited Pollution Liability for any annual period.

| <u>Total Number of Acres</u> | <u>Premium</u> |
|------------------------------|----------------|
| 0-500 | \$130 |
| Over 500 | \$182 |

7. BACK-UP SEWER OR DRAIN (B-494-B)

Coverage may be added for loss caused by water which backs up through sewers or drains including sump pumps, sump pump wells, or any type system designed to remove subsurface water. Loss caused by an insured's negligence is not covered.

A deductible of \$250 applies per occurrence. No other deductible applies to the coverage under this endorsement.

Charge per Endorsement - \$56

8. CONSTRUCTION THEFT COVERAGE (B-391-B)

Coverage for theft losses from a dwelling under construction may be added by endorsement.

The premium for this endorsement is fully earned when added to the policy.

A 12 month policy term is mandatory when this coverage is added.

| | |
|-------------------|--------------|
| Policy Deductible | <u>\$500</u> |
| Premium Charge | \$68 |

9. EARTHQUAKE COVERAGE

Coverage for the peril of earthquake may be provided by endorsement. This coverage will apply to all Section I coverages for the same limits as provided under the policy. The deductible for the Earthquake Damage Assumption Endorsement is based on a percent of the amount of insurance for each coverage and is applied separately to each coverage.

Earthquake Coverage - Rates per \$1,000

| Zone | Frame | | | | All Other | | | |
|------|-------|---|---|---|-----------|---|---|---|
| | 3 | 4 | 5 | 6 | 3 | 4 | 5 | 6 |

5% Deductible

Basic Limits (Apply to Amount Written)

| | | | | | | | | |
|--------|------|-----|-----|-----|------|------|------|-----|
| Cov. A | 1.72 | .82 | .66 | .58 | 2.44 | 1.32 | 1.04 | .94 |
|--------|------|-----|-----|-----|------|------|------|-----|

Increased Limits (Apply to Amount of Increase or Coverage Added)

| | | | | | | | | |
|-------------------|------|-----|-----|-----|------|------|------|-----|
| Other Structures | 1.72 | .82 | .66 | .58 | 2.44 | 1.32 | 1.04 | .94 |
| ALE/Loss of Rents | 1.72 | .82 | .66 | .58 | 2.44 | 1.32 | 1.04 | .94 |
| Loss Assessment | 1.72 | .82 | .66 | .58 | 2.44 | 1.32 | 1.04 | .94 |

10% Deductible

Basic Limits (Apply to Amount Written)

| | | | | | | | | |
|--------|------|-----|-----|-----|------|-----|-----|-----|
| Cov. A | 1.28 | .62 | .46 | .40 | 1.80 | .98 | .78 | .72 |
|--------|------|-----|-----|-----|------|-----|-----|-----|

Increased Limits (Apply to Amount of Increase or Coverage Added)

| | | | | | | | | |
|-------------------|------|-----|-----|-----|------|-----|-----|-----|
| Other Structures | 1.28 | .62 | .46 | .40 | 1.80 | .98 | .78 | .72 |
| ALE/Loss of Rents | 1.28 | .62 | .46 | .40 | 1.80 | .98 | .78 | .72 |
| Loss Assessment | 1.28 | .62 | .46 | .40 | 1.80 | .98 | .78 | .72 |

Deductible Options - Apply to the 10% deductible rates above.

| Deductible | Factor |
|------------|--------|
| 15% | .95 |
| 20% | .90 |
| 25% | .85 |

ZONE 3 -- *Clay, *Craighead, *Crittenden, *Cross, *Greene, *Jackson, *Lee, *Mississippi, *Poinsett and *St. Francis Counties.

ZONE 4 -- *Arkansas, *Independence, *Lawrence, *Monroe, *Phillips, *Prairie, *Randolph, *Sharp, *White and *Woodruff Counties.

ZONE 5 -- Baxter, Cleburne, Conway, Desha, Faulkner, Fulton, IZard, Jefferson, Little River, Lonoke, Marion, Pulaski, Searcy, Sebastian and Stone Counties.

ZONE 6 -- Remainder of State.

***Property located in these counties MUST be written with a minimum Earthquake deductible of 15%.**

10. GUNS AND RELATED EQUIPMENT (B-390-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

| <u>OPTIONS</u> | <u>Theft</u> | <u>CAUSE OF LOSS</u> | |
|--------------------------------------------------------------------------------------------|--------------|-------------------------------|------------------------|
| | | <u>Insured Against</u> | <u>Covered Peril</u> |
| 1. Basic Policy: Each Article Limit/ Aggregate Limit | \$2,000 | Cov. C Limit | No Coverage |
| 2. Policy endorsed to amend Guns & Related Equipment Coverage: Each Article Limit | \$2,000 | Cov. C Limit + \$2,000 | \$2,000 |
| Aggregate Limit | A or B | Cov. C Limit + Theft Limit | Same as Theft Limit |

Explanation of Limits Codes: A = \$2,500 B = \$5,000

| <u>Aggregate Limit</u> | <u>Policy Deductible \$500</u> |
|------------------------|--------------------------------|
| \$2,500 | \$ 3 |
| 5,000 | 7 |

11. PIERS, BULKHEADS, WHARVES AND DOCKS (B-487-B)

Coverage for piers, bulkheads, wharves and docks may be provided for all perils covered in the policy, including collapse due to weight of ice, sleet or snow. This coverage will include equipment usual to the use or maintenance of these items, such as boat lifts, whether attached or not. A description of the structure and a specified amount of insurance must be shown for each item.

Rates Per \$1,000

| | <u>Policy Deductible</u> |
|--------------------------|--------------------------|
| <u>Const.</u> | <u>\$500</u> |
| Frame / Metal | \$6.41 |
| Masonry / Masonry Veneer | 5.25 |

14. BUSINESS PURSUITS (Cont.)

Business Pursuits (Charge per insured)

| | | | | |
|---------------|----------|----------------------------------------|----------|----------|
| Liability | | <u>\$1,000 Medical Payments Limits</u> | | |
| <u>Limits</u> | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
| \$100,000 | \$ 3 | \$ 4 | \$ 7 | \$ 7 |

| | | | | |
|---------------|----------|----------------------------------------|----------|----------|
| Liability | | <u>\$2,000 Medical Payments Limits</u> | | |
| <u>Limits</u> | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
| 100,000 | \$ 4 | \$ 5 | \$ 8 | \$ 8 |
| 300,000 | 4 | 6 | 10 | 10 |
| 400,000 | 5 | 7 | 10 | 11 |
| 500,000 | 5 | 7 | 11 | 11 |
| 1,000,000 | 10 | 14 | 22 | 22 |

| | | | | |
|---------------|----------|----------------------------------------|----------|----------|
| Liability | | <u>\$5,000 Medical Payments Limits</u> | | |
| <u>Limits</u> | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
| 100,000 | \$ 7 | \$ 8 | \$11 | \$11 |
| 300,000 | 7 | 9 | 13 | 13 |
| 400,000 | 8 | 10 | 13 | 14 |
| 500,000 | 8 | 10 | 14 | 14 |
| 1,000,000 | 16 | 20 | 28 | 28 |

| | | | | |
|---------------|----------|-----------------------------------------|----------|----------|
| Liability | | <u>\$10,000 Medical Payments Limits</u> | | |
| <u>Limits</u> | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
| 100,000 | \$11 | \$12 | \$15 | \$15 |
| 300,000 | 11 | 13 | 17 | 17 |
| 400,000 | 12 | 14 | 17 | 18 |
| 500,000 | 12 | 14 | 18 | 18 |
| 1,000,000 | 24 | 28 | 36 | 36 |

15. LOSS ASSESSMENT COVERAGE (B-525-B)

Coverage may be added by endorsement to indemnify the insured for payment of the share of special assessments levied against the insured by an association or corporation of property owners. This will apply to loss caused by perils we insure against under both Sections I and II of the policy.

Loss Assessment Coverage

| | |
|-----------------------------------------|-------------------------|
| <u>Limits</u> | <u>Rate per \$1,000</u> |
| 1st \$5,000 | \$.50 |
| Each Add'l. \$1,000 (Up to \$50,000) | .25 |

16. WATERCRAFT (Cont.)

- a. Boat insured without a motor - assume less than 15 horsepower.
- b. Motor insured without a boat - use length of boat principally used. If length of boat principally used is not known, assume a length of 13 feet.
- c. When two or more motors are used at the same time on one boat, compute the horsepower by taking 100% of the horsepower of the largest motor and 50% of the horsepower of the other motor(s).
- d. When two or more motors are used interchangeably with one boat, determine the horsepower by using the motor with the highest horsepower rating.
- e. Personal watercraft - use Class F, Inboard.

| | | | | |
|--------------------|------------------|-----------------|------------------------------|------------------|
| Limits | | | | |
| Liability | | | | |
| <u>Med Pay</u> | <u>Outboards</u> | <u>Inboards</u> | Inboard/ <u>Outboards</u> | <u>Sailboats</u> |
| \$100,000 | | | | |
| 1,000 | \$ 24 | \$ 45 | \$ 31 | \$ 30 |
| 2,000 | 27 | 50 | 35 | 35 |
| 5,000 | 36 | 65 | 47 | 50 |
| 10,000 | 45 | 80 | 59 | 65 |
| \$300,000 | | | | |
| 2,000 | 36 | 68 | 47 | 46 |
| 5,000 | 45 | 83 | 59 | 61 |
| 10,000 | 54 | 98 | 71 | 76 |
| \$400,000 | | | | |
| 2,000 | 39 | 73 | 51 | 50 |
| 5,000 | 48 | 88 | 63 | 65 |
| 10,000 | 57 | 103 | 75 | 80 |
| \$500,000 | | | | |
| 2,000 | 43 | 80 | 55 | 54 |
| 5,000 | 52 | 95 | 67 | 69 |
| 10,000 | 61 | 110 | 79 | 84 |
| \$1,000,000 | | | | |
| 2,000 | 86 | 160 | 110 | 108 |
| 5,000 | 104 | 190 | 134 | 138 |
| 10,000 | 122 | 220 | 158 | 168 |

Multiply the above rates times the appropriate rate class factor from the following table:

| <u>Rate Class</u> | <u>In-Board</u> | <u>Out-Board</u> | <u>In/Out-Board</u> | <u>Sail-Boat</u> | | <u>Rate Class</u> | <u>In-Board</u> | <u>Out-Board</u> | <u>In/Out-Board</u> | <u>Sail-Boat</u> |
|-------------------|-----------------|------------------|---------------------|------------------|--|-------------------|-----------------|------------------|---------------------|------------------|
| A | 1.00 | 1.00 | 1.00 | 1.00 | | J | 1.31 | 1.79 | 1.31 | 1.00 |
| B | 1.00 | 1.19 | 1.00 | 1.00 | | K | 1.31 | 1.79 | 1.31 | 1.00 |
| C | 1.00 | 1.70 | 1.00 | 1.00 | | L | 1.58 | 2.63 | 1.58 | 1.00 |
| D | 1.25 | 1.70 | 1.25 | 1.00 | | M | 1.10 | 1.10 | 1.10 | 1.00 |
| E | 1.50 | 2.13 | 1.50 | 1.00 | | N | 1.10 | 1.31 | 1.10 | 1.00 |
| F | 1.50 | 2.50 | 1.50 | 1.00 | | O | 1.10 | 1.87 | 1.10 | 1.00 |
| G | 1.05 | 1.05 | 1.05 | 1.00 | | P | 1.38 | 1.87 | 1.38 | 1.00 |
| H | 1.05 | 1.25 | 1.05 | 1.00 | | Q | 1.65 | 2.75 | 1.65 | 1.00 |
| I | 1.05 | 1.79 | 1.05 | 1.00 | | | | | | |