

SERFF Tracking Number:	SHEL-125525011	State:	Arkansas
Filing Company:	Shelter Mutual Insurance Company	State Tracking Number:	#1363355 \$100
Company Tracking Number:	03M15108		
TOI:	03.0 Personal Farmowners	Sub-TOI:	03.0000 Personal Farmowners
Product Name:	FO		
Project Name/Number:	Lammers/		

## Filing at a Glance

Company: Shelter Mutual Insurance Company

Product Name: FO

TOI: 03.0 Personal Farmowners

Sub-TOI: 03.0000 Personal Farmowners

Filing Type: Rate/Rule

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

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

State Filing Description:

SERFF Tr Num: SHEL-125525011 State: Arkansas

SERFF Status: Closed

Co Tr Num: 03M15108

Co Status:

Authors: Brian Marcks, Sue  
Burlingame

Date Submitted: 03/06/2008

State Tr Num: #1363355 \$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 (New): 07/27/2008

Effective Date (Renewal):  
07/27/2008

## 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:

Various changes were made to the supplemental coverages. An Actual Cash Value – Roof Coverage Credit has 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.

There is no revenue change with this filing.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

SERFF Tracking Number: SHEL-125525011 State: Arkansas  
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: #1363355 \$100  
 Company Tracking Number: 03M15108  
 TOI: 03.0 Personal Farmowners Sub-TOI: 03.0000 Personal Farmowners  
 Product Name: FO  
 Project Name/Number: Lammers/

## 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
1363355	\$100.00	03/04/2008

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## 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

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Manual pages	Reviewer Note	Becky Harrington	03/21/2008	

SERFF Tracking Number: SHEL-125525011 State: Arkansas  
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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:

Rate data does NOT apply to filing.

SERFF Tracking Number: SHEL-125525011 State: Arkansas  
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Rate (revised)	Manual Pages	Filed	Yes
Rate	Manual Pages	Filed	Yes
Rate	Tier Calculator	Filed	No

SERFF Tracking Number: SHEL-125525011 State: Arkansas  
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Company Tracking Number: 03M15108  
TOI: 03.0 Personal Farmowners Sub-TOI: 03.0000 Personal Farmowners  
Product Name: FO  
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-14 and GR-15 to be substituted for the manual pages of like

SERFF Tracking Number: SHEL-125525011 State: Arkansas  
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 Product Name: FO  
 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-14 and GR-15	Replacement	
<b>Previous Version</b>			
Manual Pages	GR-13 thru GR-15 and GR-36	Replacement	

Sincerely,  
 Brian Marcks, Sue Burlingame

*SERFF Tracking Number:*      *SHEL-125525011*                      *State:*                      *Arkansas*  
*Filing Company:*              *Shelter Mutual Insurance Company*              *State Tracking Number:*      *#1363355 \$100*  
*Company Tracking Number:*      *03M15108*  
*TOI:*                      *03.0 Personal Farmowners*                      *Sub-TOI:*                      *03.0000 Personal Farmowners*  
*Product Name:*                      *FO*  
*Project Name/Number:*              *Lammers/*

**Reviewer Note**

**Created By:**

Becky Harrington on 03/21/2008 09:08 AM

**Subject:**

Manual pages

**Comments:**

Pages 13 and 36 are not replaced and are still being filed as originally submitted.

*SERFF Tracking Number:*      *SHEL-125525011*                      *State:*                      *Arkansas*  
*Filing Company:*              *Shelter Mutual Insurance Company*              *State Tracking Number:*      *#1363355 \$100*  
*Company Tracking Number:*      *03M15108*  
*TOI:*                      *03.0 Personal Farmowners*                      *Sub-TOI:*                      *03.0000 Personal Farmowners*  
*Product Name:*              *FO*  
*Project Name/Number:*      *Lammers/*

## **Rate Information**

Rate data does NOT apply to filing.

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 Product Name: FO  
 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-14 and GR-15	Replacement	Revised AR FO GR's.pdf

## 5. PREMIUM ADJUSTMENTS (Cont.)

### j. Claim Surcharge (Primary and Secondary, All Forms)

A surcharge may apply to a primary or secondary dwelling on 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** on the primary or secondary dwelling 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** on the primary or secondary dwelling 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. All Liability claims will be assigned to the primary or secondary dwelling.

**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%

## 6. 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

## 7. 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 Modified Replacement Cost factor if applicable.
  - 5) Apply the appropriate Tier factor.
  - 6) Apply the Claim Free Discount if applicable.
  - 7) Apply the Claim Surcharge if applicable.
  - 8) Apply the appropriate deductible factor.
  - 9) Apply the Companion Policy Discount if applicable.
  - 10) Apply the New Home Discount or Improved Home Discount if applicable.
  - 11) Apply the New Home Under Construction Discount if applicable.
  - 12) Apply the New Mobile Home Discount if applicable.
  - 13) Apply the Protective Devices Credit if applicable.
  - 14) Apply the Coverage C Elimination factor 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.
  - 1) Apply the Tier factor when applicable.
  - 2) Apply the deductible factor when applicable.
  - 3) Apply the Companion Policy Discount when applicable.

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.

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Product Name: FO  
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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty

**Review Status:**  
Filed 03/21/2008

**Comments:**

Please see attachments.

**Attachments:**

AR FO Transmittal.pdf  
AR FO Explanatory Memo.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> 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					

<b>3. Group Name</b>	<b>Group NAIC #</b>
Shelter Insurance Companies	123

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

<b>5. Company Tracking Number</b>	<b>03M15108</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

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

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

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

9.	Type of Insurance (TOI)	03.0
10.	Sub-Type of Insurance (Sub-TOI)	03.0002
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	N/A
12.	Company Program Title (Marketing title)	Farmowners
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---

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

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	03M15108
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Various changes were made to the supplemental coverages. An Actual Cash Value – Roof Coverage Credit has 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.

<b>22.</b>	<b>Filing Fees</b> (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><b>Check #:</b> 1363355  <b>Amount:</b> \$100.00</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></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 FARMOWNERS  
EXPLANATORY MEMORANDUM**

**Synopsis**

Various changes were made to the supplemental coverages and are detailed below. An Actual Cash Value – Roof Coverage Credit has 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-13, Rule 5.h. 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-14, Rule 5.j. 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 5.k. Actual Cash Value- Roof Coverage Credit:** - added this option.

**GR-15, Rule 6. Policy Term:** - moved from GR-14.

**Rule 7.a. Premium Determination:** - added ACV Roof Credit as item 14.

**GR-36, Rule 2. Construction Theft Coverage:** - a 12 month policy term is now mandatory when this coverage is added. Rates were adjusted.

**Rule 3. Earthquake Coverage:** - clarified how the deductible is determined and applied.

**TIER CALCULATOR**

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

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*TOI:*                      *03.0 Personal Farmowners*                      *Sub-TOI:*                      *03.0000 Personal Farmowners*  
*Product Name:*                      *FO*  
*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.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Rate and Rule	Manual Pages	03/06/2008	AR FO GR's.pdf

## 5. PREMIUM ADJUSTMENTS (Cont.)

### d. **New Mobile Home Discount (Form 9 Only, Primary & Secondary Mobile Homes)**

Mobile homes in Age Groups 1 and 2 are eligible for a discount. Age groups are based on calendar year. After the introduction of a new year model, "current model year" will include two model years until the following January 1.

<u>Age Group</u>	<u>Description</u>	<u>Apply Discount of</u>
1	Current Model Year	10%
2	1st Preceding Model Year	5%

### e. **Heating System Discount (All Dwellings, All Forms)**

Eligible property in Protection Classes 8Y, 6N-8N, 8, 9, 10 and 11 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.

### f. **Companion Policy Discount (Primary & Secondary, All Forms)**

A **20%** discount applies to the following premiums 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.

- 1) the Dwelling (see the Premium Determination Rule);
- 2) All Additional Dwellings;
- 3) All Farm Barns, Buildings and Structures;
- 4) All Farm Personal Property.

The discount is applied separately to each premium. The individual discounts are then added together to get the total Companion Policy Discount.

### g. **Coverage C Eliminated**

On all forms except Form-4, when coverage is written under Rule 3.a.(3), Coverage C, Personal Property, may be eliminated. When Coverage C is eliminated, a minimum of \$10,000 coverages must be written under either Farm Structures or Farm Personal Property.

Premium Credit - 25%

### h. **Claim Free Discount (Primary and Secondary, All Forms)**

A primary or secondary dwelling on 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 primary or secondary dwelling 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. All Liability claims will be assigned to the primary or secondary dwelling in assessing qualification for the discount.

## 5. PREMIUM ADJUSTMENTS (Cont.)

### j. Claim Surcharge (Primary and Secondary, All Forms)

A surcharge may apply to a primary or secondary dwelling on 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** on the primary or secondary dwelling 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** on the primary or secondary dwelling 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. All Liability claims will be assigned to the primary or secondary dwelling.

**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				
	Weather	0	1	2	3
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%

### k. Actual Cash Value - Roof Coverage Credit (Form 3)

**(Not Available when Modified Replacement Cost endorsement B-641-B is present.)**

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

Premium Credit 3%

## 6. 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

## 7. 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 Modified Replacement Cost factor if applicable.
  - 5) Apply the appropriate Tier factor.
  - 6) Apply the Claim Free Discount if applicable.
  - 7) Apply the Claim Surcharge if applicable.
  - 8) Apply the appropriate deductible factor.
  - 9) Apply the Companion Policy Discount if applicable.
  - 10) Apply the New Home Discount or Improved Home Discount if applicable.
  - 11) Apply the New Home Under Construction Discount if applicable.
  - 12) Apply the New Mobile Home Discount if applicable.
  - 13) Apply the Protective Devices Credit if applicable.
  - 14) Apply the ACV Roof Credit if applicable.
  - 15) Apply the Coverage C Elimination factor 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.
- 1) Apply the Tier factor when applicable.
  - 2) Apply the deductible factor when applicable.
  - 3) Apply the Companion Policy Discount when applicable.

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.

## OPTIONAL COVERAGES - GENERAL

The following coverages may be added to the Farmowners policy.

**The specific endorsement should be consulted for exact contract conditions.**

### 1. **BACK-UP OF SEWER AND 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

### 2. **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

\$500

\$68

### 3. **EARTHQUAKE COVERAGE (B-422-B)**

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. This coverage may be written for coverages A, B, C and D, Farm Personal Property and/or Farm Structures coverage.

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.