

SERFF Tracking Number: FARM-125610465 State: Arkansas
Filing Company: Farmers Insurance Exchange State Tracking Number: #? \$100
Company Tracking Number: HAR0803-102120
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: H-AR-2008-HO-F
Project Name/Number: AR NextGen HO Reduced Coverage Options/F-07-018

Filing at a Glance

Company: Farmers Insurance Exchange
Product Name: H-AR-2008-HO-F
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI
Combinations
Filing Type: Rate/Rule

SERFF Tr Num: FARM-125610465 State: Arkansas
SERFF Status: Closed State Tr Num: #? \$100
Co Tr Num: HAR0803-102120 State Status: Fees verified

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

Authors: Anahit Bekarian, Jeanette Disposition Date: 04/18/2008

Campion, Gayane Rupchian, Mina
Villegas, Chris SalvaCruz, Edmond
Balaian, Karen Lacy

Date Submitted: 04/17/2008

Disposition Status: Filed

Effective Date Requested (New): 09/01/2008

Effective Date (New): 09/01/2008

Effective Date Requested (Renewal): 09/01/2008

Effective Date (Renewal):
09/01/2008

State Filing Description:

General Information

Project Name: AR NextGen HO Reduced Coverage Options

Status of Filing in Domicile: Not Filed

Project Number: F-07-018

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 04/18/2008

State Status Changed: 04/18/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Cover memo is attached as separate item in Supporting Document header

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Company and Contact

Filing Contact Information

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

Filing Company Information

Farmers Insurance Exchange CoCode: 21652 State of Domicile: California
 4680 Wilshire Blvd. Group Code: 212 Company Type:
 Los Angeles, CA 90010 Group Name: State ID Number:
 (323) 932-3056 ext. [Phone] FEIN Number: 95-2575893

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Filing fee check for \$100.00 will be mailed to DOI on 04-17-2008 via DHL.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Farmers Insurance Exchange	\$0.00	04/17/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
3010691629	\$100.00	02/18/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	04/18/2008	04/18/2008

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Disposition

Disposition Date: 04/18/2008

Effective Date (New): 09/01/2008

Effective Date (Renewal): 09/01/2008

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: FARM-125610465 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	HPCS-Homeowners Premium Comparison Survey		No
Supporting Document	NAIC loss cost data entry document		No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover memo	Filed	Yes
Supporting Document	Supporting Exhibits	Filed	Yes
Rate	Temporary manual pages	Filed	Yes

SERFF Tracking Number: FARM-125610465 *State:* Arkansas
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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Temporary manual pages	Pages 501, 2011, 2021, 2026,	New	Page 501.pdf Page 2011.pdf Page 2021.pdf Page 2026.pdf

FARMERS INSURANCE EXCHANGE

OPTIONAL COVERAGES

SECTION I – PROPERTY

The following descriptions serve as summaries only. Please see the endorsement for complete information.

ADDITIONAL INSURED – COVERAGE A AND B – COVERAGE E AND F – J6230

This endorsement provides an additional insured with Coverage A and B, or Coverage E and F, or both. There is no charge for this endorsement.

BASIC PACKAGE ENDORSEMENT – J6467

By adding this endorsement, the insured agrees that certain coverages and limits will be reduced or deleted in exchange for a reduction in premium. Those coverage limits reduced are: Coverage B (Separate Structures); Coverage C (Personal Property); the overall Coverage D (Loss of Use) limit; the maximum number of months that we will pay Additional living expenses and Identity Fraud. Loss of rents under Coverage D Loss of Use and Extended replacement cost on Coverage A are deleted.

This endorsement results in a reduction of premium.

SPECIFIED BUSINESS PURSUITS COVERAGE ON RESIDENCE PREMISES – J6243

This endorsement provides limited property and liability coverage for the business named and described in the endorsement that is conducted on the residence premises.

Coverage B – Separate Structures: If a limit of insurance is indicated in the endorsement, then loss or damage to the described separate structure is subject to that special limit.

Coverage C – Personal Property: The furnishings, office supplies and equipment used in the specified business are covered subject to the Coverage C stated limit. Samples and inventories are not covered, whether raw materials, goods in progress or finished goods. Purchase of this endorsement will result in an automatic increase of the Coverage C – Personal Property stated limit. The percentage used to determine the stated limit of Coverage C – Personal Property as a function of Coverage A – Dwelling will be increased by 10%.

Section I: Property	Fire Insurance Exchange	Current Coverage Limits	With Business Property (J6243)	Total Amount of Increase in Coverage C	New Coverage C Limits
Next Gen Homeowners	Coverage C-75% of Coverage A	Cov A = \$100,000 Cov C = \$75,000	Increase of Coverage C to 85% of coverage A (i.e., 75% + 10%)	\$10,000	\$85,000

Liability Exclusions: The liability exclusions described in the policy apply except Business and, if the specified business is teaching or instructional, the Business or professional services exclusion does not apply. Personal injury coverage does not apply to the specified business. This endorsement does not apply to bodily injury to an employee of the specified business.

This endorsement is available for an additional charge.

FARMERS INSURANCE EXCHANGE

OPTIONAL COVERAGES — SECTION I — PROPERTY

COURSE OF CONSTRUCTION – RECONSTRUCTION ENDORSEMENT – J6253

The following factors apply to Premium Components A, C, D, E and F:

Coverage C (Personal Property) and D (Additional Living Expense) excluded:	0.75
Coverage C (Personal Property) and D (Additional Living Expense) included:	1.00

The following discounts and rating factors do not apply during the course of new construction or reconstruction:

Discounts not applicable when this endorsement is attached to the policy:

- Interior Inspection Discount
- Central Fire Alarm Discount
- Central or Local Burglar Alarm Discount
- Full or Partial Sprinkler System Discount
- New Home Discount
- Heating and Electrical System Renovation Discount
- Plumbing System Renovation Discount
- Roof Surfacing Discount
- Non-Smoker Discount
- New Roof Discount

Rating Factors not applicable when this endorsement is attached to the policy:

- Modified Replacement Cost Factor
- Occupancy Type Factor
- Roof Type Factor
- Reduced Coverage Options Factor

FARMERS INSURANCE EXCHANGE

OPTIONAL COVERAGES — SECTION I — PROPERTY

EARTHQUAKE ENDORSEMENT – NEXT GENERATION HOMEOWNERS POLICY – AR007

1. Determine the amount of coverage necessary (usually Coverage A Amount, Replacement Cost if J6234 endorsement is used).
2. Determine base rate using territory and base rate tables.
3. Divide the amount of coverage from Step 1 by 1,000. Multiply by base rate from Step 2.
4. Apply Modified Replacement Cost Factor (if applicable).
5. Apply Reduction Factor (if applicable).
6. Multiply the result from Step 5 by the factor for the selected construction type/construction year.
7. Multiply the result from Step 6 by the factor for the selected Deductible.

Earthquake Territory	Base Rate (per \$1,000)	Earthquake Territory	Base Rate (per \$1,000)
1	\$ 0.20	11	\$ 1.60
2	\$ 0.30	12	\$ 1.70
3	\$ 0.40	13	\$ 1.80
4	\$ 0.50	14	\$ 1.90
5	\$ 0.60	15	\$ 2.00
6	\$ 0.70	16	\$ 2.30
7	\$ 0.90	17	\$ 2.60
8	\$ 1.00	18	\$ 2.80
9	\$ 1.20	19	\$ 2.90
10	\$ 1.30		

Construction Type*	Construction Year		
	1939 and Prior	1940-1991	1992-Present
All others	1.12	1.00	0.86
Frame with 0-33% Masonry	1.12	1.00	0.86
Frame w/ 33%-66% Masonry Veneer	1.21	1.13	0.86
Frame w/ more than 66% Masonry Veneer	1.30	1.25	0.86

*Construction Type of Brick is not allowed under this Earthquake endorsement

Earthquake Deductible	Factor
10%	1.00
15%	0.92
20%	0.85
25%	0.78

AOI	Reduced ITV Factor	AOI	Reduced ITV Factor
99%	0.980	89%	0.959
98%	0.978	88%	0.957
97%	0.976	87%	0.955
96%	0.974	86%	0.953
95%	0.972	85%	0.951
94%	0.970	84%	0.949
93%	0.967	83%	0.946
92%	0.965	82%	0.944
91%	0.963	81%	0.942
90%	0.961	80%	0.940

FARMERS INSURANCE EXCHANGE

OPTIONAL COVERAGES — SECTION I — PROPERTY

REDUCED COVERAGE OPTIONS

**Basic Package endorsement – J6467
Reduced Insurance to Value 80-99%**

The factors below apply to Premium Components A, C, D, and E for those policyholders who elect the Basic Package endorsement with or without Contents Replacement Cost.

Basic Package endorsement (without Reduced ITV)	Factor
With Contents Replacement Cost	0.950
Without Contents Replacement Cost	0.900

The factors below apply to Premium Components A, C, D, and E for those policyholders who elect the Reduced Insurance to Value 80-99% option, or a combination of the Reduced Insurance to Value 80-99% option and the Basic Package endorsement either with or without Contents Replacement Cost.

AOI	Reduced ITV* Factor
99%	0.980
98%	0.978
97%	0.976
96%	0.974
95%	0.972
94%	0.970
93%	0.967
92%	0.965
91%	0.963
90%	0.961
89%	0.959
88%	0.957
87%	0.955
86%	0.953
85%	0.951
84%	0.949
83%	0.946
82%	0.944
81%	0.942
80%	0.940

	Reduced ITV* + Basic Package endorsement Factor	
AOI	with Contents Replacement Cost	without Contents Replacement Cost
99%	0.950	0.900
98%	0.948	0.899
97%	0.946	0.898
96%	0.944	0.897
95%	0.942	0.896
94%	0.940	0.895
93%	0.937	0.894
92%	0.935	0.893
91%	0.933	0.892
90%	0.931	0.891
89%	0.929	0.890
88%	0.927	0.888
87%	0.925	0.887
86%	0.923	0.886
85%	0.921	0.885
84%	0.919	0.884
83%	0.916	0.883
82%	0.914	0.882
81%	0.912	0.881
80%	0.910	0.880

*When Reduced ITV is chosen, **Extended Replacement Cost is deleted**. The Reduced ITV factors account for the deletion of Extended Replacement Cost.

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Product Name: H-AR-2008-HO-F
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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Filed 04/18/2008

Comments:

Attachment:

P&C transmittal.pdf

Satisfied -Name: Cover memo **Review Status:** Filed 04/18/2008

Comments:

Attachment:

Cover memo.pdf

Satisfied -Name: Supporting Exhibits **Review Status:** Filed 04/18/2008

Comments:

Attachment:

Filing Exhibits.pdf

Property & Casualty Transmittal Document

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

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

5. Company Tracking Number	HAR0803-102120
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Brian Sniegowski 4700 Wilshire Blvd. Los Angeles, CA 90010	Product Manager	(323) 964-8036	(323) 932-3161	

7. Signature of authorized filer	
8. Please print name of authorized filer	Mina Villegas

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

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	Homeowners Sub-TOI Combinations
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	04.0 / 04.0000
12. Company Program Title (Marketing title)	NextGen Reduced Coverage Options
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: 9/1/2008 Renewal: 9/1/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	April 15, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	HAR0803-102120
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Farmers Insurance Exchange, we respectfully submit for your review and approval of a Homeowners rating rule revision for our Farmers Next Generation[®] Homeowners product.

With this submission, we propose to introduce coverage alternatives that offer those customers with both limited coverage needs and limited budgets the option to customize their policy to reduce certain specified coverages for a corresponding reduction in premium.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check: 3010691629
Amount: \$100.00

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

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



FARMERS

4680 Wilshire Blvd.
Los Angeles, CA 90010
Bus. (323) 964-8036
Fax (323) 932-3101

April 15, 2008

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

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

Subject: **HOMEOWNERS RATING RULE REVISION**

COMPANY	Reference Number	NAIC No.	GROUP No.
Farmers Insurance Exchange	HAR0803-102120	21652	0212

Dear Ms. Harrington:

On behalf of Farmers Insurance Exchange, we respectfully submit for your review and approval of a Homeowners rating rule revision for our Farmers Next Generation[®] Homeowners product.

With this submission, we propose to introduce coverage alternatives that offer those customers with both limited coverage needs and limited budgets the option to customize their policy to reduce certain specified coverages for a corresponding reduction in premium. Specifically, we propose the following new Reduced Coverage Options:

1. Introduction of rates for a new optional endorsement – “Farmers Next Generation[®] Homeowners Basic Package Endorsement” – J6467, 1st Edition, previously filed with your Department with SERFF # FARM-125599864 approved on April 9, 2008.

Exhibit 1 provides a comparison of the coverages available under the base policy and the new Basic Package endorsement.

2. Introduction of Reduced Insurance to Value (ITV) options. Under these options, the customer can elect to insure their home anywhere from 80% to 99% of its replacement cost. When Reduced ITV is chosen, Extended Replacement Cost (ERC) is deleted.

The customer will be able to select one or both of the above coverage reduction options

The selected rates for these new coverage options are based on an analysis of 10 years of countrywide loss experience from our existing Protector Plus book. Each individual claim was re-evaluated as if the reduced

coverage existed at the time of the loss, and the percentage reduction in losses over all claims was aggregated. Exhibit 2 provides the results of the analysis and the selected factors, which were based on both the analysis and competitive considerations. These factors apply to all premium components except F. Additionally, the factors for Reduced ITV apply to the Earthquake Endorsement AR007, if selected by the customer.

Rate manual pages are included in this filing. Final printed manual pages will be sent upon receipt of your approval.

Our targeted effective date for this proposal is September 1, 2008.

If you have any questions, please contact me at (323) 964-8036.

Very truly yours,
FARMERS INSURANCE GROUP OF COMPANIES

A handwritten signature in black ink that reads "Jeff Reinig". The signature is written in a cursive style. To the right of the signature is a vertical red line.

Jeff Reinig, CPCU
Vice-President, Fire Product Management

By: Brian Sniegowski
Product Manager

Farmers Insurance Exchange
State of Arkansas

Homeowners Multiple Peril

Coverage Comparison - Farmers Next Generation[®] Base Policy vs. Basic Package Endorsement

		Next Generation		Basic Package (J6467)	
		Coverage	Increased Coverage Available?	Coverage	Increased Coverage Available?
Extended Replacement Cost		25% Included	Y	Not Available	N
Coverage B - Separate Structures		10% of Cov A	Y	5% of Cov A	N
Coverage C - Personal Property & Contents	Limit	75% of Cov A	Y	55% of Cov A	N
	CRC	Included	---	Optional	---
Coverage D - Loss of Use	Limit	40% of Cov A	Y	30% of Cov A	N
	Max Time	24 months	N	12 months (non-catastrophe)	N
	Loss of Rents	Included	---	Not Available	---
Identity Fraud Coverage		\$30,000 -\$28,500 expense -\$1,500 indemnity	N	\$16,000 -\$15,000 expense -\$1,000 indemnity	N

**Farmers Insurance Exchange
State of Arkansas
Homeowners Multiple Peril**

Basic Package - Selected Factors

Option 1 - Without Contents Replacement Cost

Basic Package Only

Coverage	Next Generation	Basic Package	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	100%	66.8%	-3.8%	
C	75%/CRC	55%/no CRC	22.1%	-27.5%	
D	40%	30%	3.4%	-5.4%	
Total (excluding Coverage E)				-9.6%	

Option 2 - With Contents Replacement Cost

Basic Package Only

Coverage	Next Generation	Basic Package	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	100%	66.8%	-3.8%	
C	75%/CRC	55%/CRC	22.1%	-6.5%	
D	40%	30%	3.4%	-5.4%	
Total (excluding Coverage E)				-4.5%	

Notes:

Analysis based on 10 years of historical countrywide Protector Plus losses, including catastrophes
 Coverage B losses combined with Coverage A
 Factors apply to all premium components except F

**Farmers Insurance Exchange
State of Arkansas
Homeowners Multiple Peril**

Reduced ITV - Selected Factors

99% Reduced ITV Only

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	99%	66.8%	-3.9%	
C	75%/CRC	75%/CRC	22.1%	-1.4%	
D	40%	40%	3.4%	-2.8%	
Total (excluding Coverage E)				-3.3%	

95% Reduced ITV Only

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	95%	66.8%	-4.4%	
C	75%/CRC	75%/CRC	22.1%	-2.1%	
D	40%	40%	3.4%	-3.1%	
Total (excluding Coverage E)				-3.8%	

90% Reduced ITV Only

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	90%	66.8%	-4.9%	
C	75%/CRC	75%/CRC	22.1%	-3.0%	
D	40%	40%	3.4%	-3.6%	
Total (excluding Coverage E)				-4.4%	

85% Reduced ITV Only

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	85%	66.8%	-5.5%	
C	75%/CRC	75%/CRC	22.1%	-3.9%	
D	40%	40%	3.4%	-4.1%	
Total (excluding Coverage E)				-5.1%	

80% Reduced ITV Only

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	80%	66.8%	-6.2%	
C	75%/CRC	75%/CRC	22.1%	-4.9%	
D	40%	40%	3.4%	-4.7%	
Total (excluding Coverage E)				-5.8%	

Notes:

Analysis based on 10 years of historical countrywide Protector Plus losses, including catastrophes

Coverage B losses combined with Coverage A

Factors for interim ITV percentages were selected judgmentally

Factors apply to all premium components except F

When Earthquake Endorsement is chosen, this schedule of factors applies to Earthquake premium

Basic Package and Reduced ITV Combined - Selected Factors

Option 1 - Without Contents Replacement Cost

Option 2 - With Contents Replacement Cost

Basic Package with 99% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	99%	66.8%	-3.9%	
C	75%/CRC	55%/no CRC	22.1%	-27.6%	
D	40%	30%	3.4%	-5.6%	
Total (excluding Coverage E)				-9.6%	

Basic Package with 99% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	99%	66.8%	-3.9%	
C	75%/CRC	55%/CRC	22.1%	-6.7%	
D	40%	30%	3.4%	-5.6%	
Total (excluding Coverage E)				-4.7%	

Basic Package with 95% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	95%	66.8%	-4.4%	
C	75%/CRC	55%/no CRC	22.1%	-27.8%	
D	40%	30%	3.4%	-6.0%	
Total (excluding Coverage E)				-10.0%	

Basic Package with 95% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	95%	66.8%	-4.4%	
C	75%/CRC	55%/CRC	22.1%	-7.4%	
D	40%	30%	3.4%	-6.0%	
Total (excluding Coverage E)				-5.2%	

Basic Package with 90% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	90%	66.8%	-4.9%	
C	75%/CRC	55%/no CRC	22.1%	-28.1%	
D	40%	30%	3.4%	-6.7%	
Total (excluding Coverage E)				-10.5%	

Basic Package with 90% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	90%	66.8%	-4.9%	
C	75%/CRC	55%/CRC	22.1%	-8.4%	
D	40%	30%	3.4%	-6.7%	
Total (excluding Coverage E)				-5.8%	

Basic Package with 85% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	85%	66.8%	-5.5%	
C	75%/CRC	55%/no CRC	22.1%	-28.4%	
D	40%	30%	3.4%	-7.5%	
Total (excluding Coverage E)				-11.1%	

Basic Package with 85% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	85%	66.8%	-5.5%	
C	75%/CRC	55%/CRC	22.1%	-9.5%	
D	40%	30%	3.4%	-7.5%	
Total (excluding Coverage E)				-6.5%	

Basic Package with 80% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	80%	66.8%	-6.2%	
C	75%/CRC	55%/no CRC	22.1%	-28.8%	
D	40%	30%	3.4%	-8.4%	
Total (excluding Coverage E)				-11.7%	

Basic Package with 80% Reduced ITV

Coverage	Next Generation	Reduced Options	Portion of Premium	Coverage Reduction	Selected Factor
A	125%	80%	66.8%	-6.2%	
C	75%/CRC	55%/CRC	22.1%	-10.6%	
D	40%	30%	3.4%	-8.4%	
Total (excluding Coverage E)				-7.3%	

Notes:
 Analysis based on 10 years of historical countrywide Protector Plus losses, including catastrophes
 Coverage B losses combined with Coverage A
 Factors for interim ITV percentages were selected judgmentally
 Factors apply to all premium components except F