

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Filing at a Glance

Company: Safeco Insurance Company of America

Product Name: Homeowners	SERFF Tr Num: SAFA-125428253	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed	State Tr Num: #1399849 \$100
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations	Co Tr Num: PL-08-61208	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Author: Sandy Jackson	Disposition Date: 04/30/2008
	Date Submitted: 02/25/2008	Disposition Status: Filed
Effective Date Requested (New): 06/12/2008		Effective Date (New): 06/12/2008
Effective Date Requested (Renewal): 07/22/2008		Effective Date (Renewal): 07/22/2008

State Filing Description:

General Information

Project Name: Rate and Rule
Project Number: PL-08-61208
Reference Organization:
Reference Title:
Filing Status Changed: 04/30/2008
State Status Changed: 02/27/2008
Corresponding Filing Tracking Number:
Filing Description:
Please see cover letter.

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

Jeff Estes, Sr. Product Manager jefest@safeco.com

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Safeco Plaza (636) 825-8240 [Phone]
Seattle, WA 98185 (206) 473-6730[FAX]

Filing Company Information

Safeco Insurance Company of America CoCode: 24740 State of Domicile: Washington
SAFECO PLAZA Group Code: 163 Company Type: P&C
4333 BROOKLYN AVENUE NE
SEATTLE, WA 98185 Group Name: State ID Number:
(800) 544-2614 ext. [Phone] FEIN Number: 91-0742148

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: \$100.00 per rate filing.

Check will be sent overnight mail.

Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
1399849	\$100.00	01/15/2008

SERFF Tracking Number: SAFA-125428253 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Rate and Rule/PL-08-61208

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	04/30/2008	04/30/2008

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	04/09/2008	04/09/2008	Sandy Jackson	04/11/2008	04/11/2008
Pending Industry Response	Becky Harrington	02/27/2008	02/27/2008	Sandy Jackson	04/08/2008	04/08/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Response	Supporting Document	Sandy Jackson	04/29/2008	04/29/2008

SERFF Tracking Number: SAFA-125428253 State: Arkansas
 Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
 Company Tracking Number: PL-08-61208
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Rate and Rule/PL-08-61208

Disposition

Disposition Date: 04/30/2008
 Effective Date (New): 06/12/2008
 Effective Date (Renewal): 07/22/2008
 Status: Filed
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Safeco Insurance Company of America	1.900%	\$117,611	6,125	\$5,970,462	67.000%	-39.000%	3.300%

SERFF Tracking Number: SAFA-125428253 State: Arkansas
 Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
 Company Tracking Number: PL-08-61208
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Rate and Rule/PL-08-61208

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Additional Supporting Documentation	Filed	Yes
Supporting Document	Confidential Model	Filed	No
Supporting Document	Response	Filed	Yes
Supporting Document	Response	Filed	Yes
Supporting Document	Confidential Response	Filed	No
Supporting Document	Response	Filed	No
Supporting Document	Response	Filed	Yes
Rate	Manual		Yes

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/09/2008
Submitted Date 04/09/2008

Respond By Date

Dear Jeff Estes,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: The HPCS must be submitted on our form with no format changes or formulas. We run the spreadsheet through a program that retrieves data from specified cells. Please re-submit the form.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/11/2008
Submitted Date 04/11/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see attached.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

The HPCS must be submitted on our form with no format changes or formulas. We run the spreadsheet through a program that retrieves data from specified cells. Please re-submit the form.

SERFF Tracking Number: SAFA-125428253 *State:* Arkansas
Filing Company: Safeco Insurance Company of America *State Tracking Number:* #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Sandy Jackson

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/27/2008
Submitted Date 02/27/2008

Respond By Date

Dear Jeff Estes,

OBJECTION LETTER 1 OF 2

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: Form HPCS must be submitted in Excel spreadsheet format.

Objection 2

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment: This form states a +1.9% change, the RF-1 shows -1.9%. Please correct the appropriate form.

Objection 3

No Objections

Comment: Please submit final manual pages under the rate/rule schedule tab.

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 04/08/2008
Submitted Date 04/08/2008

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see attached.

Related Objection 1

Comment:

Please submit final manual pages under the rate/rule schedule tab.

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		Replacement	

Response 2

Comments: Please see attached.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS must be submitted in Excel spreadsheet format.

Related Objection 2

Applies To:

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment:

This form states a +1.9% change, the RF-1 shows -1.9%. Please correct the appropriate form.

Changed Items:

SERFF Tracking Number: SAFA-125428253 *State:* Arkansas
Filing Company: Safeco Insurance Company of America *State Tracking Number:* #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Supporting Document Schedule Item Changes

Satisfied -Name: Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Sandy Jackson

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Amendment Letter

Amendment Date:

Submitted Date: 04/29/2008

Comments:

Response to objection 2.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Response

Comment:

AR_Manual.pdf

AR_True Pricing Filing Response3_Public.pdf

<i>SERFF Tracking Number:</i>	<i>SAFA-125428253</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Safeco Insurance Company of America</i>	<i>State Tracking Number:</i>	<i>#1399849 \$100</i>
<i>Company Tracking Number:</i>	<i>PL-08-61208</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Rate and Rule/PL-08-61208</i>		

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	-2.600%
Effective Date of Last Rate Revision:	07/12/2007
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Safeco Insurance Company of America	3.300%	1.900%	\$117,611	6,125	\$5,970,462	67.000%	-39.000%

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	Manual		Replacement	AR_Manual.pdf

<i>SERFF Tracking Number:</i>	<i>SAFA-125428253</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Safeco Insurance Company of America</i>	<i>State Tracking Number:</i>	<i>#1399849 \$100</i>
<i>Company Tracking Number:</i>	<i>PL-08-61208</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Rate and Rule/PL-08-61208</i>		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status:	Filed	04/30/2008
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Comments:

Attachments:

ARADDRFA.pdf
 ARPCTD-1_Transmittal.pdf
 ARRRFS-1.pdf

Satisfied -Name:	HPCS-Homeowners Premium Comparison Survey	Review Status:	Filed	04/30/2008
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Comments:

Attachment:

ARHPCS_Survey.pdf

Satisfied -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Filed	04/30/2008
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Comments:

Attachment:

FORM RF-1 Rate Filing Abstract (Loss Cost).pdf

Satisfied -Name:	Additional Supporting Documentation	Review Status:	Filed	04/30/2008
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Comments:

Attachments:

AR_True Pricing Filing Letter.pdf
 ARCOC_Certificate of Compliance.pdf
 ARFORMH1_Abtract.pdf
 Exhibit 1_CappedOverallChange.pdf
 Exhibit 2_IndicationSummaryPage.pdf

SERFF Tracking Number: SAFA-125428253 *State:* Arkansas
Filing Company: Safeco Insurance Company of America *State Tracking Number:* #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Exhibit 2A_CovAWeatherProvision.pdf

Exhibit 2A_CovAWeatherTrend.pdf

Exhibit 3_ARHomeInvIncJan2008.pdf

Exhibit A_BaseUnities.pdf

Exhibit B_DiscontinuedDeductibles.pdf

Exhibit C_ProposedDeductibles.pdf

Exhibit D_PolicyAmountFactors.pdf

Exhibit E_CovB.pdf

Exhibit F_CovC.pdf

Exhibit G_UmbrellaCredit.pdf

Exhibit H_AlarmCredit.pdf

Exhibit I_RenewalCredit.pdf

Exhibit J_AccountCredit.pdf

Exhibit K_FormRel.pdf

Exhibit L_Markets.pdf

SERFF Tracking Number: SAFA-125428253 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: #1399849 \$100
Company Tracking Number: PL-08-61208
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Rate and Rule/PL-08-61208

Satisfied -Name: Response **Review Status:** Filed 04/30/2008

Comments:

Attachments:

AR_True Pricing Filing Response.pdf
FORM RF-1 Rate Filing Abstract (Loss Cost).pdf
ARHPCS_Survey.xls

Satisfied -Name: Response **Review Status:** Filed 04/30/2008

Comments:

Attachments:

AR_True Pricing Filing Response2.pdf
HO Survey FORM HPCS.xls

Satisfied -Name: Response **Review Status:** Filed 04/30/2008

Comments:

Attachments:

AR_Manual.pdf
AR_True Pricing Filing Response3_Public.pdf

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	3.3%	
5b.	Overall percentage rate impact for this filing	1.9%	
5c.	Effect of Rate Filing – Written premium change for this program	\$177,611	
5d.	Effect of Rate Filing – Number of policyholders affected	6,125	

6.	Overall percentage of last rate revision	-2.6%
7.	Effective Date of last rate revision	07/12/2007
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
06		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
07		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
08		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
09		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
10		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

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					

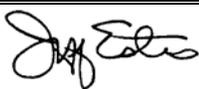
3. Group Name	Group NAIC #
Safeco Insurance Companies	24740

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Safeco Insurance Company of America	WA	163-24740	91-0742148	

5. Company Tracking Number	PL-08-61208
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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
	Jeff Estes	Sr Product Manager	636.825.8240	888.268.8840	jefest@safeco.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Jeff Estes

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

9.	Type of Insurance (TOI)	4.0000 Homeowners
10.	Sub-Type of Insurance (Sub-TOI)	
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	Safeco True Pricing™ for Home
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 06/12/2008 Renewal: 07/22/2008

Property & Casualty Transmittal Document---

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	02/25/2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	PL-08-61208
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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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22.	<p>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> <p>Check #: 1399849 Amount: \$100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>
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*****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.

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	PL-08-61208
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	n/a
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Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File & Use
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4a.	Rate Change by Company (As Proposed)						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Safeco Insurance Company of America	3.3%	1.9%	\$117,611	6,125	\$5,970,462	67%	-39%

4b.	Rate Change by Company (As Accepted) For State Use Only						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	3.3%	
5b.	Overall percentage rate impact for this filing	1.9%	
5c.	Effect of Rate Filing – Written premium change for this program	\$117,611	
5d.	Effect of Rate Filing – Number of policyholders affected	6,125	

6.	Overall percentage of last rate revision	-2.6%
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7.	Effective Date of last rate revision	07/12/2007
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

NAIC Number: 163-24740
 Company Name: Safeco Insurance Company of America
 Contact Person: Jeff Estes
 Telephone No.: 636.825.8240
 Email Address: jefest@safeco.com
 Effective Date: 6/12/2008

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$394.00	\$438.00	\$436.00	\$485.00	\$444.00	\$494.00	\$543.00	\$603.00	\$500.00	\$556.00	\$452.00	\$501.00	\$536.00	\$596.00	\$431.00	\$479.00	\$433.00	\$482.00
	\$120,000	\$504.00	\$560.00	\$558.00	\$620.00	\$569.00	\$632.00	\$695.00	\$772.00	\$641.00	\$712.00	\$578.00	\$642.00	\$686.00	\$763.00	\$553.00	\$614.00	\$555.00	\$616.00
	\$160,000	\$615.00	\$684.00	\$681.00	\$757.00	\$695.00	\$772.00	\$849.00	\$944.00	\$783.00	\$870.00	\$706.00	\$784.00	\$838.00	\$931.00	\$675.00	\$750.00	\$677.00	\$753.00
6	\$80,000	\$398.00	\$438.00	\$441.00	\$485.00	\$450.00	\$494.00	\$550.00	\$603.00	\$507.00	\$556.00	\$456.00	\$501.00	\$542.00	\$596.00	\$437.00	\$479.00	\$438.00	\$482.00
	\$120,000	\$509.00	\$560.00	\$564.00	\$620.00	\$575.00	\$632.00	\$703.00	\$772.00	\$648.00	\$712.00	\$584.00	\$642.00	\$694.00	\$763.00	\$559.00	\$614.00	\$561.00	\$616.00
	\$160,000	\$623.00	\$684.00	\$689.00	\$757.00	\$703.00	\$772.00	\$859.00	\$944.00	\$791.00	\$870.00	\$713.00	\$784.00	\$848.00	\$931.00	\$682.00	\$750.00	\$685.00	\$753.00
9	\$80,000	\$975.00	\$1,079.00	\$1,081.00	\$1,197.00	\$1,101.00	\$1,220.00	\$1,346.00	\$1,491.00	\$1,241.00	\$1,375.00	\$1,119.00	\$1,239.00	\$1,328.00	\$1,472.00	\$1,070.00	\$1,185.00	\$1,074.00	\$1,189.00
	\$120,000	\$1,248.00	\$1,382.00	\$1,383.00	\$1,531.00	\$1,410.00	\$1,562.00	\$1,722.00	\$1,907.00	\$1,589.00	\$1,759.00	\$1,431.00	\$1,585.00	\$1,701.00	\$1,884.00	\$1,369.00	\$1,516.00	\$1,374.00	\$1,522.00
	\$160,000	\$1,525.00	\$1,689.00	\$1,689.00	\$1,871.00	\$1,723.00	\$1,907.00	\$2,104.00	\$2,330.00	\$1,941.00	\$2,149.00	\$1,749.00	\$1,937.00	\$2,077.00	\$2,302.00	\$1,672.00	\$1,852.00	\$1,679.00	\$1,859.00

Safeco does not offer a \$500 deductible. All risks were computed using a \$1000 deductible

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

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

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

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

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

HO3 and HO4 only

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

EARTHQUAKE INSURANCE

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

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

Zone Brick Frame

Umbrella, Account, Newer 2,15,2-30,3-
Maximum Credit Allowed

%
%

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

Highest Risk

\$

\$

Lowest Risk

\$

\$

I

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	PL-08-061208
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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Company Name		Company NAIC Number		
3.	A.	Safeco Insurance Company of America	B.	163-24740
		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	4.0 - Homeowners	B.	4.0003 - Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	3.3%	-1.9%					
TOTAL OVERALL EFFECT							

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	6627	-2.5%	8/18/05	\$5425	\$2590	47.75%	43.67%
2004	6270	11.2%	2/26/04	\$5292	\$1433	27.08%	40.3%
2003	6519	18.4%	2/20/03	\$4857	\$2284	47.04%	50.7%
2002	6232	0.9%	10/31/02	\$4334	\$2141	49.3%	65.1%
2001	6450	19.8%	10/25/01	\$4009	\$1282	32%	87.1%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	16.99
B. General Expense	7.49
C. Taxes, License & Fees	3.20
D. Underwriting Profit & Contingencies	9.53
E. Other (catastrophe reinsurance)	.12
F. TOTAL	37.33

8. n/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 67% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -39% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

Safeco Plaza, Suite 3100
Seattle, WA 98185

Phone: 1-866-825-2796
www.safeco.com

February 25, 2008

Arkansas Insurance Dept.
1200 West Third Street
Little Rock, AR 72201-1904

Safeco Insurance Company of America 163-24740
Independent Homeowners Program
Rate and Rule Revision

Effective Dates: June 12, 2008 – New Business
July 22, 2008 – Renewal Business
Filing Number: PL-08-61208
SERFF Number: SAFA-125428253

With this filing, we are proposing significant changes to our multiplicative rating factors as well as enhancements to our scorecard tier model. Our intention is to expand our market reach, offer more options, and improve pricing for our customers. In an effort to limit the dislocation experienced by existing Safeco customers, we are introducing a renewal rate change cap that includes a minimum Basic Premium rate change cap of -1% and a maximum Basic Premium rate change cap of 20%. **Exhibit 1** shows the capped overall rate change of 1.9%. None of the proposed changes has a forms impact.

Base Unities

We are adjusting base unities for forms (33) and (35). **Exhibit A** details our revised base unities by territory. The impact of these changes is included in **Exhibit 1**.

Deductibles

We are adjusting the way we price for deductibles on forms (33) & (35). The deductible relativity in our base rate calculation will now come from a combination of debit/credit for AOP deductible by policy amount as well as a debit/credit for Wind/Hail deductible by policy amount. **Exhibits B** shows our current structure that is being discontinued, and **Exhibit C** shows the proposed changes to our deductible rating. This change does not create a requirement for a mandatory Wind/Hail deductible.

Policy Amount Relativities

We are adjusting the policy amount relativities for forms (33) and (35). **Exhibit D** shows the detail of these changes.

Increased/Decreased Coverage B (Other Dwellings) & C (Personal Property)

We are enhancing our rating for Increased/Decreased coverages B & C from an additive rating calculation to a multiplicative method for forms (33) and (35). **Exhibits E & F** show the differences between our current rating for each coverage compared to the proposed rates.

Credits

We are adjusting some of our existing credits/discounts and introducing an Umbrella Credit for forms (33) and (35). **Exhibit G** shows the rating we are proposing for a new Umbrella Credit which will be provided to customers who have both a Home and Umbrella policy with Safeco. **Exhibits H through J** show the proposed rates for the following credits (Alarm, Renewal, Account).

EPH (35) Form Relativity

We are adjusting our Enhanced Protection form (35) relativity. **Exhibit K** shows the adjustment for this form.

We are introducing 30 new market tiers (price points) which will replace all other previously used markets. **Exhibit L** shows the new list of markets and respective relativities. A confidential filing under separate cover includes exhibits showing the new cut scores for this model.

Please also reference our indications for Arkansas on **Exhibit 2**, and expenses on **Exhibit 3**.

We are marketing these changes under a new initiative titled Safeco True Pricing™ for Home and have an aggressively planned countrywide launch schedule. We would appreciate a timely review of this filing so that we can expedite the launch of these great enhancements for our customers. Please feel free to contact me with any questions or concerns.

Respectfully submitted,



Jeff Estes
AVP/Senior Product Manager
(314) 909-4867
FAX: 888-268-8840
EMAIL: jefest@safeco.com
JE/sj

ARKANSAS CERTIFICATE OF COMPLIANCE

(You may print or type the information required by this form)

FORM SELF CERT



I, Jeff Estes, Sr. Product Manager of
(Name) *(Title of Authorized Officer)*
Safeco Insurance Company of America
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

the company.

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

3. Pursuant to Ark. Code Ann. §23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

- a. Arkansas Code Annotated;
- b. Arkansas Rules and Regulations;
- c. Arkansas Insurance Bulletins, Directives and Orders;
- d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- e. Rulings and decisions of any court of this state.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against

Does this Certification apply to all the companies in this filing? *(Yes or No)* ► Yes

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number PL-08-61208

Signature of Authorized Officer ►

Name of Authorized Officer ► Jeff Estes

Title of Authorized Officer ► AVP and Sr. Product Manager

Email address of Authorized Officer ► jefest@safeco.com

Telephone # of Authorized Officer ► 636.825.8240 Date ► 02/15/2008

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us AID PC SelfCert (4/30/03)

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is “none” or “not applicable”, so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Safeco Insurance Company of America

NAIC # (including group #) 24740-163

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

We have mapped our inforce book of business to the new MSB cost estimator that we have adopted. We have used all the dwelling information that has been provided about each policy. If there was any missing data, MSB’s database filled in the missing data based on address, original year of construction, construction style, number of stories, total living area, and dwelling type.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

We contract with the Marshall Swift Boeckh Co. (MSB) to estimate dwelling values for the purpose of making sure that they are insured 100% to replacement value. Use of MSB estimates is the prevailing method throughout the industry. We have recently adopted a new MSB estimator RCT (Residential Component Technology) that has been in effect for new business in Arkansas since November of 2007.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

Customers are required to have the dwelling insured 100% to value. Dwelling value is determined using the Marshall Swift Boeckh Co. Cost estimator as described above.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

We will be running every policy through MSB’s cost estimator (RCT) upon renewal. They determine inflationary cost increases on a three digit zip-code basis.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	<u>0</u>	%
b. Burglar Alarm	<u>2</u>	%
c. Smoke Alarm	<u>0</u>	%
d. Insured who has both homeowners and auto with your company	<u>15</u>	%
e. Deadbolt Locks	<u>0</u>	%
f. Window or Door Locks	<u>0</u>	%
g. Other (specify)		
Newer Home Credit	2-30	%
Renewal Credit	3-15	%
Umbrella Credit	2	%
<u>Sprinkler Credit</u>	<u>4,7</u>	%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
Homeowners Form 33 (Quality Plus Home)	\$5,937,412
Homeowners Form 35 (Enhanced Protection Home)	\$202,861
Condominium Form 85 (Enhanced Protection Condo)	\$5,320
Condominium Form 88 (Quality Plus Condo)	\$64,431
Renters Form 4	\$223,493

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes No

9. Is there a surcharge on risks with wood heat? No
 If yes, state the surcharge _____
 Does the surcharge apply to conventional fire places? No
 If yes, state the surcharge _____

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



 Signature
 Jeff Estes

 Printed Name
 AVP/Sr. Product Manager

 Title
 636.825.8240

 Telephone Number
 jefest@safeco.com

 Email Address

Exhibit 1
Capped Evaluation of Overall Change (+20%, -1%)
Safeco Insurance Company of America
Arkansas

Form	Basic Premium	Percent of Change	Dollars of Change
33	\$6,780,236	8.4%	\$567,271
35	\$260,093	5.2%	\$13,632
88	\$50,318	0.0%	\$0
85	\$6,581	0.0%	\$0
4	\$235,528	0.0%	\$0
TOTAL	\$7,332,756	7.9%	\$580,903

Form	Credits	Percent of Change	Dollars of Change
33	-\$1,110,402	23.0%	-\$255,765
35	-\$62,848	11.6%	-\$7,297
88	-\$7,198	0.0%	\$0
85	-\$900	0.0%	\$0
4	-\$19,551	0.0%	\$0
TOTAL	-\$1,200,899	21.9%	-\$263,062

Form	Miscellaneous Premium	Percent of Change	Dollars of Change
33	\$100,068	-196.0%	-\$196,183
35	\$3,315	-122.1%	-\$4,047
88	\$20,670	0.0%	\$0
85	\$130	0.0%	\$0
4	\$8,653	0.0%	\$0
TOTAL	\$132,836	-150.7%	-\$200,230

Form	Total Premium	Percent of Change	Dollars of Change
33	\$5,769,902	2.0%	\$115,323
35	\$200,560	1.1%	\$2,288
88	\$63,790	0.0%	\$0
85	\$5,811	0.0%	\$0
4	\$224,630	0.0%	\$0
TOTAL	\$6,264,693	1.9%	\$117,611

**Exhibit 2
Rate Level Indications**

**SAFECO INSURANCE COMPANIES
Quality Plus Homes & Enhanced Protection Homes
Arkansas
For Prospective Business Written 04/01/2008 to 04/01/2009**

Fiscal Year Ending (1)	Earned Premium (2)	Earned Premium at Current Rate Level (3)	Premium Trend (4)	Earned Premium at Current Rate Level (incl. Premium Trend) (5) = (3) * (4)	Leveled Accident Year Non-Weather Losses (6)	Non-Weather Loss Cost Trend (7)	Projected Non-Weather Losses (8) = (6) * (7)	Projected Non-Weather Loss Ratio (9) = 100 * (8) / (5)	Weights
09/30/2003	4,527,870	5,415,391	0.986	5,339,621	1,529,347	1.164	1,780,240	33.3%	10.0%
09/30/2004	5,041,229	5,179,450	1.046	5,419,143	1,209,203	1.328	1,606,315	29.6%	15.0%
09/30/2005	5,152,253	4,782,110	1.103	5,272,706	1,663,742	1.198	1,993,698	37.8%	20.0%
09/30/2006	5,241,863	4,909,414	1.107	5,432,720	1,340,598	1.278	1,713,344	31.5%	25.0%
09/30/2007	5,430,917	5,223,474	1.077	5,624,737	2,464,838	1.178	2,904,424	51.6%	30.0%

(10.1)	Projected Non-Weather Loss Ratio = Weighted Average of Column (9)	38.7%
(10.2)	Projected Weather Loss Ratio	19.6%
(10)	Projected Loss Ratio = (10.1) + (10.2) + (10.3)	58.3%
(11)	Credibility Weighted Loss Ratio = (10)*(15) + [1 - (15)]*(14)	57.0%
(12)	Projected AE Ratio to Losses	18.4%
(13.1)	Projected Fixed Expense Ratio	5.1%
(13.2)	Projected Variable Expense Ratio (Including Profit Provision)	29.8%
(14)	Permissible Loss Ratio = [1 - (13.1) - (13.2)] / [1 + (12)]	55.0%
(15)	Credibility of Experience Period w/ Full Credibility = 80,000 Earned House Years	59.1%
(16)	Indicated Rate Level Change = [(11)*(1 + (12)) + (13.1)] / [1 - (13.2)] - 1	3.3%

**Exhibit 2-A, Page 1
Weather Loss Ratio**

**SAFECO INSURANCE COMPANIES
Quality Plus and Enhanced Protection Homes
Arkansas
Weather**

	Actual Ex-Hurricane			Frequency Projection Factor*	Severity Projection Factor*	Projected Frequency per 100 EHY	Projected Severity	Projected Pure Premium
	Frequency per 100 EHY	Developed Severity	Loss Cost					
12/80	5.71	1,154	65.89	0.417	4.066	2.38	4,691	111.61
12/81	3.71	654	24.25	0.429	3.873	1.59	2,533	40.33
12/82	5.87	1,399	82.08	0.443	3.688	2.60	5,159	134.02
12/83	12.03	1,680	202.09	0.456	3.513	5.49	5,901	324.00
12/84	5.51	1,180	64.97	0.471	3.345	2.59	3,947	102.28
12/85	3.04	3,376	102.75	0.485	3.186	1.48	10,757	158.80
12/86	3.54	826	29.22	0.500	3.034	1.77	2,508	44.34
12/87	3.03	1,085	32.89	0.516	2.890	1.56	3,135	49.01
12/88	5.59	1,065	59.57	0.532	2.752	2.97	2,931	87.14
12/89	12.01	2,138	256.82	0.548	2.621	6.58	5,605	368.85
12/90	5.93	1,872	110.93	0.565	2.496	3.35	4,672	156.42
12/91	6.86	1,812	124.31	0.582	2.377	4.00	4,307	172.11
12/92	8.73	2,005	175.09	0.600	2.264	5.24	4,540	238.01
12/93	4.10	1,830	74.98	0.619	2.156	2.54	3,947	100.07
12/94	7.62	2,467	187.94	0.638	2.054	4.86	5,066	246.29
12/95	5.05	2,845	143.59	0.658	1.956	3.32	5,564	184.75
12/96	17.09	3,685	629.93	0.678	1.863	11.59	6,865	795.79
12/97	3.72	2,187	81.39	0.699	1.774	2.60	3,879	100.95
12/98	4.10	2,594	106.47	0.721	1.690	2.96	4,383	129.66
12/99	9.71	2,890	280.65	0.743	1.609	7.22	4,651	335.58
12/00	7.06	2,359	166.55	0.766	1.533	5.41	3,615	195.52
12/01	14.00	2,004	280.53	0.790	1.460	11.05	2,926	323.35
12/02	4.90	3,324	162.96	0.814	1.390	3.99	4,621	184.42
12/03	3.91	3,756	147.00	0.839	1.324	3.28	4,973	163.34
12/04	1.99	2,701	53.62	0.865	1.261	1.72	3,405	58.50
12/05	1.62	4,532	73.47	0.892	1.201	1.45	5,442	78.69
12/06	3.23	5,674	183.17	0.920	1.144	2.97	6,489	192.64
Average								188.02
Developed & Projected Weather Pure Premium								188.02
(A) Selected Weather Pure Premium								190.00
(B) 9/2007 Earned House Years								5,800
(C) 9/2007 Projected Current Level Earned Premium								5,624,737
(D) Weather Loss Ratio = (A) x (B) / (C)								19.6%

*Weather Trend Factors are calculated on Page 2 of this Exhibit.

**Exhibit 2-A, Page 2
Weather Loss Ratio**

**SAFECO INSURANCE COMPANIES
Quality Plus and Enhanced Protection Homes
Arkansas
Weather**

<u>4QE</u>	<u>Ex-Hurr Frequency</u>	<u>Ex-Hurricane Capped Severity</u>	<u>Loss Cost</u>
12/80	5.71	1,144	65.36
12/81	3.71	649	24.05
12/82	5.87	1,388	81.42
12/83	12.03	1,666	200.47
12/84	5.51	1,170	64.45
12/85	3.04	1,867	56.82
12/86	3.54	820	28.98
12/87	3.03	1,076	32.63
12/88	5.59	1,056	59.09
12/89	12.01	2,121	254.75
12/90	5.93	1,857	110.03
12/91	6.86	1,783	122.35
12/92	8.73	1,942	169.60
12/93	4.10	1,816	74.38
12/94	7.62	2,447	186.43
12/95	5.05	2,600	131.22
12/96	17.09	3,271	559.04
12/97	3.72	2,103	78.29
12/98	4.10	2,376	97.53
12/99	9.71	2,786	270.53
12/00	7.06	2,096	147.98
12/01	14.00	1,988	278.27
12/02	4.90	3,298	161.65
12/03	3.91	3,369	131.85
12/04	1.99	2,679	53.19
12/05	1.62	3,939	63.85
12/06	3.23	5,548	179.11

Exponential Fits

27 Point Fit	-1.3%	5.3%	4.0%
20 Point Fit	-3.6%	5.6%	1.8%
15 Point Fit	-7.2%	4.9%	-2.7%
Selected	-3.0%	5.0%	1.9%

Exhibit 3

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM

ARKANSAS

Development of Target Pre-Tax Underwriting Gain

Indicated (target) pre-tax underwriting gains by coverage can be calculated based on the Target Operating Ratios by deducting Investment Income from Policyholders' Funds. An estimate of the income potential realized in the insurance transaction can be calculated using a discounted cash flow model. Explanatory notes and supporting detail are provided in this Exhibit. The calculation of the pre-tax target underwriting gain is shown below:

	(1)	(2)	(3)	(4)
	Target	After Tax	Federal Income	Target
	After Tax	Investment	Tax Rate	Underwriting
	Operating	Ratio to	on	Gain
	Ratio	Policyholders'	Underwriting	[(1) - (2)]/
		Funds	Income	[1 - (3)]
Homeowners	6.71%	1.63%	35.00%	7.82%

Details of the estimated after-tax investment ratio to Policyholders' Funds are shown in the Investment Income Exhibit

EXHIBIT 3

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM

ARKANSAS

INVESTMENT INCOME EXHIBIT
Summary Page

Estimated investment income from policyholder funds is derived for the continuous homeowners program.
The after-tax results are as follows:

<u>Coverage</u>	<u>% of Earned Premium</u>
Continuous Homeowners Program	1.63%

The results are for the SAFECO Insurance Group and use the following state expenses:

<u>Expense Category</u>	<u>% of Expected Loss</u>	<u>% of Earned Premium</u>
Expected Loss		54.33
Expected AE	18.43	10.02
Commission		16.99
Tax		3.20
General Expense		7.53
Reinsurance/Assessment		0.12
Underwriting Profit		7.82

The results assume adequate rate levels exist. To the extent that rates are not at adequate levels, the investment income estimate may need to be adjusted. The underwriting profit provision listed above includes a consideration for investment income. Estimated investment income from policyholder funds is derived from a discounted cash model that calculates earnings from the net cash flow on the policy. The investment income estimate is equivalent to income earned from loss reserves and unearned premium reserves.

The following is an index to EXHIBIT 9:

Pages 2, 3, and 4	Explanatory Notes
Page 5	Discounted Cash Flow Analysis Expected Investment Income from Policyholder Funds
Page 6	Premium Inflows from Premium Pay Plan Distribution
Pages 7 and 8	Loss Payment Pattern
Page 9	Timing of Federal Income Taxes
Page 10	Expected Investment Income from Supporting Surplus

Explanatory Notes

Estimated investment income from policyholder funds is calculated using a discounted cash flow model. Cash flows arising from transactions associated with a block of policies with the same effective date are composed of an inflow of premium payments and outflows of loss, expense, and federal income tax payments. The cash flows are discounted to the middle of the period for which the proposed rates are to be effective (generally, 180 days past inception date). The resulting discounted value of the net cash flow when compared with the undiscounted value yields the net investment income associated with the insurance transaction.

Page 5

Page 5 displays the timing of payments associated with the continuous homeowners program.

- Column (1) Premiums are received generally at the time due. The bulk are received within five days of the effective date, with advance payments judged to offset late payments. Additionally, there are a number of premium payment plans which allow for premium payments to be spread over the policy term. Premium flows associated with these plans are described on page 6.
- Column (2) Commission is generally paid on or near the policy effective date, at the end of the month in which the policy becomes effective. Therefore, 50% of the commission is assumed paid at day 0 and 50% at day 30.
- Column (3) Premium taxes are assumed to be paid quarterly, approximately 90 days after policies are effective.
- Column (4) Some general expenses, such as expenses associated with the processing of endorsements or expenses associated with statistical reporting to Bureaus, are paid during the policy term. A significant portion of general expenses are paid prior to a policy becoming effective. Examples are policy rating, marketing expenses and and some underwriting expenses. It is assumed that, on the average, general expenses are paid at policy inception.
- Column (5) Reinsurance and projected Assessment expenses are assumed to be paid quarterly, beginning 90 days after policies are effective.
- Column (6) The expected timing of loss payments is based on an analysis of historical paid loss. The derivation of the loss payment pattern is shown on pages 7 and 8.
- Column (7) The expected timing of AE payments is consistent with the allocation assumption of a fixed ratio of AE expense to pure loss uniformly spread over all subsequent months and years.
- Column (8) Federal income taxes attributable to underwriting income are shown. Income taxes attributable to investment income are reflected in the discount factors in column (10) and discussed later. The provisions of the Tax Reform Act of 1986, including the Revenue Offset provision which taxes the change in the unearned premium reserve and the Reserve Discounting provision, are reflected in determining the expected timing of income tax payments. The calculations of the expected income tax payments are shown on page 9.

EXHIBIT 3

Page 5 - CONTINUED

Column (9) Col. (9) = Col. (1) - Col.(2) - Col. (3) - Col. (4) - Col. (5)
- Col.(6) - Col.(7) - Col.(8)

Column (10) The discount factors reflect the after-tax investment income earned between the time the payments are made and the time premiums are earned (which is on the average the midpoint of the policy term or day 180). The investment rate of return used is determined by examining the latest new money rates available and the current investment strategy for cash inflows. Page 10 provides details on the after-tax rate chosen net of investment expenses.

Column (11) Col. (9) x Col. (10).

Column (12) Cumulative total of Column (11). Premium collected on the policy remains available for investment as long as the cumulative net cash flow is positive.

Column (13) Col. (9) x Col. (10) when Col. (12) > zero, Col. (9) otherwise.

Page 6

Page 6 displays the underlying statistics and derivation of the premium inflows used in Page 5. The top portion of the exhibit shows premium collection patterns for the four payment plans: checkless, monthly, budget, and full pay. The bottom portion of the exhibit shows the distribution by plan and derives the overall distribution by month.

The following assumptions are made in general regarding premium collection:

1. Premiums are billed upon due date.
2. Percentage of premiums booked under various billing programs follow distribution by policies in force. Average earned premium does not differ substantially between programs.
3. Book of business composed of 80% renewals, 20% new business. This affects only the monthly payment plan. In the first year, the policyholder is billed two months worth of premium in the first installment and in the fifth month (one month's worth of advance premium upon renewal). This is reflected in the 20% additional premium at 0 days, and 80% of one month's premium at -30 days.
4. The costs of the billing systems for the different payment plans are captured by appropriate finance charges.

Columns 1 through 4 assume a policy written for \$120.

Column 9 is the sum of Columns 5 through 8 and shows the distribution of overall premium over the entire policy term.

Explanatory Notes

Page 6 - CONTINUED

Column 10 shows the same distribution for a policy written for \$100. This is the distribution used in page 5.

Pages 7 and 8

Pages 7 and 8 display the underlying statistics and the derivation of the loss pay-out used in the exhibit. Paid loss development (including adjustment expense for liability sublines) for all coverages countrywide are displayed. Page 7 shows accident quarter development evaluated at quarterly intervals from 3 months through 24 months over the last four years, the age-to-age factors over the same period, and the selected loss development factors and cumulations. Page 8 shows accident quarter development evaluated at yearly intervals from 24 months to 120 months, the corresponding age-to-age factors, and the selected and cumulated loss development factors. The bottom of page 8 shows the derivation of the loss payout based on the above.

Column (2) shows the cumulative LDFs.

Column (3) shows the reciprocals of Column (2), and represents the cumulative payout of the accident quarter.

Column (4) shows the incremental change in Column (3).

Columns (5), (6), (7), and (8) represent one policy period of twelve months equal to 4 successive accident quarters.

Column (9) is the average of Columns (5) - (8) and is the final result. The quarterly pay-out for the first two years is spread uniformly to the days from policy inception date. For example, the first quarter pay-out is weighted one-sixth to 0 days, one-third to 30 days, one-third to 60 days, and one-sixth to 90 days, with similar distributions for the second through the fourth quarter pay-outs. The quarterly pay-outs for the second year are distributed one-half to the beginning of the interval and one-half to the end.

Page 9

Notes for this exhibit showing the timing of federal income tax on underwriting appear on the page itself.

Page 10

Notes for the above explaining the investment rate of return on policyholder funds appear on the page itself.

**SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS**

Discounted Cash Flow: Expected Investment Income from Policyholder Funds

Discounted cash flow analysis per \$100 of premium

Days from Inception	PAYMENTS DURING THE FIRST YEAR												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>Date</u>	Premium Received	Comm.	Premium Tax	General Expense	Reins./ Assess. Expense	Paid Loss	AE	Federal Income Tax	Total Cash Flow	Discount Factor	Discounted Cash Flow	Cumulative Discounted Cash Flow	Discounted Cash Flow- PH Funds
-30	\$ 0.33								0.33	1.0178	0.33	0.33	0.33
0	71.01	8.49		7.53		0.83	0.15		54.01	1.0152	54.83	55.16	54.83
30	2.09	8.50				1.66	0.31		(8.37)	1.0127	(8.47)	46.69	(8.47)
60	2.09					1.66	0.31		0.13	1.0101	0.13	46.82	0.13
90	5.11		3.20		0.03	2.38	0.44	(1.24)	0.30	1.0076	0.30	47.12	0.30
120	2.09					3.10	0.57		(1.58)	1.0051	(1.59)	45.53	(1.59)
150	2.09					3.10	0.57		(1.58)	1.0025	(1.59)	43.95	(1.59)
180	2.09				0.03	3.37	0.62	1.42	(3.35)	1.0000	(3.35)	40.60	(3.35)
210	5.11					3.64	0.67		0.80	0.9975	0.80	41.40	0.80
240	2.09					3.64	0.67		(2.22)	0.9950	(2.20)	39.19	(2.20)
270	2.09				0.03	3.78	0.70	1.40	(3.81)	0.9925	(3.79)	35.41	(3.79)
300	2.09					3.92	0.72		(2.55)	0.9900	(2.52)	32.89	(2.52)
330	1.68					3.92	0.72		(2.96)	0.9875	(2.92)	29.97	(2.92)
<u>360</u>					<u>0.03</u>	<u>5.61</u>	<u>1.03</u>	<u>1.37</u>	<u>(8.04)</u>	<u>0.9850</u>	<u>(7.92)</u>	<u>22.05</u>	<u>(7.92)</u>
Year 1	\$100.00	16.99	3.20	7.53	0.12	40.61	7.49	2.96	21.11		22.05	22.05	22.05

PAYMENTS DURING THE SECOND YEAR

<u>Day</u>	(6)	(7)	(8)	(9)	(11)	(12)	(13)
90	5.29	0.98	(0.07)	(6.20)	0.9776	(6.06)	(6.06)
180	2.59	0.48	(0.03)	(3.03)	0.9702	(2.94)	(2.94)
210	2.01	0.37	(0.03)	(2.35)	0.9678	(2.27)	(2.27)
<u>360</u>	<u>1.06</u>	<u>0.20</u>	<u>(0.01)</u>	<u>(1.24)</u>	<u>0.9557</u>	<u>(1.19)</u>	<u>(1.19)</u>
Year 2	10.95	2.02	(0.15)	(12.83)		(12.47)	(12.47)

PAYMENTS DURING SUBSEQUENT YEARS

<u>Year</u>	(6)	(7)	(8)	(9)	(11)	(12)	(13)
3	1.15	0.21	(0.02)	(1.35)	0.9272	(1.25)	(1.25)
4	0.99	0.18	(0.01)	(1.16)	0.8996	(1.04)	(1.04)
5	0.32	0.06	(0.00)	(0.38)	0.8728	(0.33)	(0.33)
6	0.10	0.02	(0.00)	(0.11)	0.8468	(0.10)	(0.10)
7	0.07	0.01	(0.00)	(0.08)	0.8216	(0.07)	(0.07)
8	0.08	0.01	(0.00)	(0.10)	0.7971	(0.08)	(0.08)
9	0.04	0.01	(0.00)	(0.05)	0.7733	(0.04)	(0.04)
<u>10</u>	<u>0.02</u>	<u>0.00</u>	<u>(0.00)</u>	<u>(0.03)</u>	<u>0.7503</u>	<u>(0.02)</u>	<u>(0.02)</u>
Total	100.00	16.99	3.20	7.53	0.12	54.33	10.02
						2.78	5.04
							6.66
							6.66
							6.66

(14) Undiscounted cash flow (After-tax U/W profit) - Total col. (9)

(15) Discounted cash flow (After-tax operating return)- Total col. (13)

(16) Investment income from policyholder funds as a percent of premium ((15) - (14))/ 100

5.04
6.66
1.63%

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS
Premium Inflows From Premium Pay Plan Distribution

Days from Inception	(1) Checkless Pay Plan	(2) Monthly Pay Plan	(3) Budget Pay Plan	(4) Full Payment
-30	-	8.00	-	-
0	10.00	12.00	40.00	120.00
30	10.00	10.00	-	-
60	10.00	10.00	-	-
90	10.00	10.00	40.00	-
120	10.00	10.00	-	-
150	10.00	10.00	-	-
180	10.00	10.00	-	-
210	10.00	10.00	40.00	-
240	10.00	10.00	-	-
270	10.00	10.00	-	-
300	10.00	10.00	-	-
330	10.00	-	-	-
Premium from policy:	\$120.00	\$120.00	\$120.00	\$120.00

Weighted for pay plan distribution:

Days from Inception	(5) Checkless Pay Plan (1) x 0.202	(6) Monthly Pay Plan (2) x 0.0493	(7) Budget Pay Plan (3) x 0.0906	(8) Full Payment (4) x 0.6581	(9) All Plans	(10) (9) x \$100/120
-30	-	0.39	-	-	0.39	0.33
0	2.02	0.59	3.62	78.97	85.21	71.01
30	2.02	0.49	-	-	2.51	2.09
60	2.02	0.49	-	-	2.51	2.09
90	2.02	0.49	3.62	-	6.14	5.11
120	2.02	0.49	-	-	2.51	2.09
150	2.02	0.49	-	-	2.51	2.09
180	2.02	0.49	-	-	2.51	2.09
210	2.02	0.49	3.62	-	6.14	5.11
240	2.02	0.49	-	-	2.51	2.09
270	2.02	0.49	-	-	2.51	2.09
300	2.02	0.49	-	-	2.51	2.09
330	2.02	-	-	-	2.02	1.68
	\$ 24.24	\$ 5.92	\$ 10.87	\$ 78.97	\$120.00	\$ 100.00

See page 3 of explanatory notes for assumptions used in the above analysis.

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS
Loss Payment Pattern

ACC. QT.	PAID LOSS							
	MONTHS OF DEVELOPMENT							
<u>ENDING</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>
Mar-2003	31,291	57,947	66,493	71,714	75,013	76,597	77,426	78,406
Jun-2003	61,019	100,080	115,729	123,314	127,611	130,493	132,100	133,629
Sep-2003	33,602	58,439	67,460	73,512	76,356	78,463	79,806	80,776
Dec-2003	28,619	51,034	59,741	64,321	66,698	68,156	68,960	69,839
Mar-2004	32,359	51,392	57,904	62,155	64,263	65,429	66,939	67,087
Jun-2004	28,517	51,619	60,584	65,377	68,130	69,981	70,771	71,775
Sep-2004	40,491	91,439	108,646	120,836	128,109	133,445	136,175	138,501
Dec-2004	20,622	43,448	52,241	55,879	58,464	60,643	62,151	62,463
Mar-2005	22,739	43,037	50,031	53,728	56,346	57,560	58,269	58,654
Jun-2005	21,338	38,714	45,006	47,094	48,730	49,913	50,781	
Sep-2005	35,338	63,339	73,798	79,790	85,115	88,198		
Dec-2005	31,058	59,216	71,209	76,021	78,311			
Mar-2006	29,976	61,408	71,057	76,546				
Jun-2006	35,185	61,183	73,442					
Sep-2006	31,123	52,808						
Dec-2006	31,698							

ACC. QT.	AGE-TO-AGE FACTORS						
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>
Mar-03	1.852	1.147	1.079	1.046	1.021	1.011	1.013
Jun-03	1.640	1.156	1.066	1.035	1.023	1.012	1.012
Sep-03	1.739	1.154	1.090	1.039	1.028	1.017	1.012
Dec-03	1.783	1.171	1.077	1.037	1.022	1.012	1.013
Mar-04	1.588	1.127	1.073	1.034	1.018	1.023	1.002
Jun-04	1.810	1.174	1.079	1.042	1.027	1.011	1.014
Sep-04	2.258	1.188	1.112	1.060	1.042	1.020	1.017
Dec-04	2.107	1.202	1.070	1.046	1.037	1.025	1.005
Mar-05	1.893	1.163	1.074	1.049	1.022	1.012	1.007
Jun-05	1.814	1.163	1.046	1.035	1.024	1.017	
Sep-05	1.792	1.165	1.081	1.067	1.036		
Dec-05	1.907	1.203	1.068	1.030			
Mar-06	2.049	1.157	1.077				
Jun-06	1.739	1.200					
Sep-06	1.697						

	DEVELOPMENT PERIOD							
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-36
SIMPLE AVERAGE	1.8445	1.1693	1.0762	1.0433	1.0272	1.0161	1.0105	
5 QT VOLUME-WTD.AVG	1.8315	1.1784	1.0710	1.0462	1.0345	1.0178	1.0106	
10-PT EXCLUDING HI-LO	1.8888	1.1765	1.0748	1.0427	1.0273	1.0157	1.0107	
SELECTED	1.8700	1.1725	1.0770	1.0438	1.0270	1.0161	1.0105	1.0293
CUMULATIVE PAID	2.7285	1.4591	1.2444	1.1554	1.1069	1.0778	1.0607	1.0497
CUMULATIVE % PAID	36.65%	68.54%	80.36%	86.55%	90.34%	92.78%	94.28%	95.27%
INCREMENTAL % PAID	36.65%	31.89%	11.82%	6.19%	3.79%	2.44%	1.50%	0.99%

**SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS
Loss Payment Pattern**

ACC. QT. <u>ENDING</u>	MONTHS OF DEVELOPMENT							
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Mar-1997	75,235	77,408	78,859	79,903	79,863	80,107	80,566	80,573
Mar-1998	74,989	76,930	77,851	78,449	79,087	79,157	79,167	79,178
Mar-1999	96,112	98,331	99,806	100,099	100,334	100,519	100,562	
Mar-2000	116,819	119,941	120,968	121,304	121,441	121,468		
Mar-2001	143,285	146,879	149,884	150,466	150,583			
Mar-2002	114,441	116,796	117,715	117,330				
Mar-2003	78,406	82,317	82,994					
Mar-2004	67,087	68,528						
Mar-2005	58,654							

ACC. QT. <u>ENDING</u>	AGE-TO-AGE FACTORS							
	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
Mar-1997	1.029	1.019	1.013	1.000	1.003	1.006	1.000	
Mar-1998	1.026	1.012	1.008	1.008	1.001	1.000	1.000	
Mar-1999	1.023	1.015	1.003	1.002	1.002	1.000		
Mar-2000	1.027	1.009	1.003	1.001	1.000			
Mar-2001	1.025	1.020	1.004	1.001				
Mar-2002	1.021	1.008	0.997					
Mar-2003	1.050	1.008						
Mar-2004	1.021							

	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-ULT
SIMPLE AVERAGE	1.0277	1.0130	1.0045	1.0024	1.0015	1.0021	1.0001	
5-QTR WEIGHTED AVG	1.0277	1.0126	1.0025	1.0020	1.0014			
3-QTR SIMPLE AVERAGE	1.0306	1.0122	1.0011	1.0014	1.0010	1.0021		
SELECTED	1.0293	1.0127	1.0020	1.0017	1.0010	1.0018	1.0001	1.0004
CUMULATIVE PAID	1.0497	1.0198	1.0070	1.0050	1.0033	1.0023	1.0005	1.0004
CUMULATIVE % PAID	95.27%	98.06%	99.30%	99.50%	99.67%	99.77%	99.95%	99.96%
INCREMENTAL % PAID	0.99%	2.79%	1.25%	0.20%	0.17%	0.10%	0.18%	0.01%

PAID LOSS PAYMENT PATTERN

(1) MOS. OF <u>DEV.</u>	(2) Cum'l Paid <u>LDL</u>	(3) Cum'l % Paid Loss <u>1 / (2)</u>	(4) Increment % of Paid Loss	(5) 1ST ACC. <u>QTR.</u>	(6) 2ND ACC. <u>QTR.</u>	(7) 3RD ACC. <u>QTR.</u>	(8) 4TH ACC. <u>QTR.</u>	(9) POL. <u>TERM</u>
3	2.7285	36.65%	36.65%	36.65%	0.00%	0.00%	0.00%	9.16%
6	1.4591	68.54%	31.89%	31.89%	36.65%	0.00%	0.00%	17.13%
9	1.2444	80.36%	11.82%	11.82%	31.89%	36.65%	0.00%	20.09%
12	1.1554	86.55%	6.19%	6.19%	11.82%	31.89%	36.65%	21.64%
15	1.1069	90.34%	3.79%	3.79%	6.19%	11.82%	31.89%	13.42%
18	1.0778	92.78%	2.44%	2.44%	3.79%	6.19%	11.82%	6.06%
21	1.0607	94.28%	1.50%	1.50%	2.44%	3.79%	6.19%	3.48%
24	1.0497	95.27%	0.99%	0.99%	2.24%	4.43%	7.97%	3.91%
36	1.0198	98.06%	2.79%	2.79%	2.34%	1.89%	1.44%	2.12%
48	1.0070	99.30%	1.25%	1.25%	1.63%	2.02%	2.40%	1.83%
60	1.0050	99.50%	0.20%	0.20%	0.46%	0.72%	0.98%	0.59%
72	1.0033	99.67%	0.17%	0.17%	0.18%	0.18%	0.19%	0.18%
84	1.0023	99.77%	0.10%	0.10%	0.12%	0.13%	0.15%	0.13%
96	1.0005	99.95%	0.18%	0.18%	0.16%	0.14%	0.12%	0.15%
108	1.0004	99.96%	0.01%	0.01%	0.05%	0.09%	0.14%	0.07%
120	1.0000	100.00%	0.04%	0.04%	0.03%	0.02%	0.02%	0.03%
				0.00%	0.01%	0.02%	0.03%	0.01%
				100.00%	100.00%	100.00%	100.00%	100.00%

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS

Timing of Federal Income Tax on Underwriting Income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Cum'l Written Premium	Cum'l Earned Premium	Ending UEP Reserve	Cum'l Incurred Expense	Cum'l Incurred Loss + AE	Incremntl Paid Loss + AE	Cum'l Paid Loss + AE	Cum'l Loss + AE Reserve	IRS Reserve Discount Factor	Discounted Loss + AE Reserve	Cum'l U/W Income (IRS)	Incremntl U/W Income (IRS)	20% of Change in UEP Reserve	Total Fed'l Income Tax on U/W Income
0	100.00													
1	100.00	25.00	75.00	27.71	16.09	7.73	7.73	8.35	0.97	8.08	(18.53)	(18.53)	15.00	(1.24)
2	100.00	50.00	50.00	27.71	32.18	11.34	19.08	13.10	0.97	12.67	(9.46)	9.07	(5.00)	1.42
3	100.00	75.00	25.00	27.71	48.26	13.09	32.17	16.09	0.97	15.57	(0.45)	9.01	(5.00)	1.40
4	100.00	100.00	0.00	27.71	64.35	15.92	48.09	16.26	0.97	15.73	8.47	8.92	(5.00)	1.37
5	100.00	100.00	0.00	27.71	64.35	6.27	54.36	9.99	0.97	9.66	8.26	(0.20)	0.00	(0.07)
6	100.00	100.00	0.00	27.71	64.35	3.07	57.43	6.92	0.97	6.69	8.16	(0.10)	0.00	(0.03)
7	100.00	100.00	0.00	27.71	64.35	2.38	59.81	4.54	0.97	4.39	8.08	(0.08)	0.00	(0.03)
8	100.00	100.00	0.00	27.71	64.35	1.26	61.07	3.28	0.97	3.18	8.04	(0.04)	0.00	(0.01)
<u>Year</u>														
3	100.00	100.00	0.00	27.71	64.35	1.36	62.43	1.92	0.97	1.86	8.00	(0.04)	0.00	(0.02)
4	100.00	100.00	0.00	27.71	64.35	1.17	63.60	0.75	0.97	0.72	7.96	(0.04)	0.00	(0.01)
5	100.00	100.00	0.00	27.71	64.35	0.38	63.98	0.37	0.97	0.36	7.95	(0.01)	0.00	(0.00)
6	100.00	100.00	0.00	27.71	64.35	0.12	64.10	0.25	0.97	0.24	7.95	(0.00)	0.00	(0.00)
7	100.00	100.00	0.00	27.71	64.35	0.08	64.18	0.17	0.97	0.17	7.94	(0.00)	0.00	(0.00)
8	100.00	100.00	0.00	27.71	64.35	0.10	64.27	0.08	0.97	0.07	7.94	(0.00)	0.00	(0.00)
9	100.00	100.00	0.00	27.71	64.35	0.05	64.32	0.03	0.97	0.03	7.94	(0.00)	0.00	(0.00)
10	100.00	100.00	0.00	27.71	64.35	<u>0.03</u>	<u>64.35</u>	0.00	0.97	0.00	7.94	<u>(0.00)</u>	<u>0.00</u>	<u>(0.00)</u>
TOTAL						64.35	64.35					7.94	0.00	2.78

Col. Notes :

- (1) Premium is booked at policy inception. (8) Col. (5) - Col. (7)
- (2) Premium is earned pro rata over policy term. (9) IRS loss reserve discount factor.
- (3) Col. (1) - Col.(2) (10) Col. (8) X Col. (9)
- (4) Commission and premium tax are incurred when premi booked. General expense is incurred as paid. (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
- (5) Loss and AE are incurred pro rata over policy term. (12) Change in Col. (11).
- (6) Based on loss payment pattern, see pages 5, 7, and 8. (13) 20% of change in Col. (3)
- (7) Col. (6) accumulated. (14) 35% X (Col. (12) + Col. (13))

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS

Expected Investment Income from Policyholders' Funds

The investment rate of return used in this analysis reflects the risk-free investment income earned from the investment of premiums written during the period that the proposed rates will be in effect. Displayed below are the auction average yields on 3-month and 1-year U.S. T-bills and average yields using constant maturities on U.S. Treasury Notes and Bonds:

Quarter	U.S. T-bills		U.S. Treasury Bonds		(and Treasury Notes)	
	<u>3 Month</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Dec-06	5.03%	4.99%	4.74%	4.65%	4.60%	4.63%
Mar-07	5.12%	5.01%	4.77%	4.68%	4.65%	4.68%
Jun-07	4.87%	4.93%	4.81%	4.76%	4.76%	4.85%
<u>Sep-07</u>	<u>4.42%</u>	<u>4.52%</u>	<u>4.38%</u>	<u>4.41%</u>	<u>4.50%</u>	<u>4.73%</u>
Average	4.86%	4.86%	4.67%	4.63%	4.63%	4.72%

SOURCE: Federal Reserve Statistical Release H.15, released weekly, Selected Interest Rates.

Note: If data for 1-Year T-Bills is unavailable, the discount rate for 1-Year T-Bonds is used

The average yield of the most recent two quarters on a 1-year T-Bill is used in the discounted cash flow analysis.

After-tax rate of return on investment income equals:

$$4.73\% \times (1 - 0.35) \% = 3.07\%$$

where 35% = tax rate on 1-year T-bills

Exhibit A
Proposed Base Unity Changes
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Base Unity		
Territory	Current	Proposed
32	\$748	\$507
100	\$706	\$486
110	\$704	\$501
111	\$663	\$516
112	\$688	\$469
113	\$692	\$467
116	\$676	\$504
118	\$654	\$455
119	\$707	\$499
120	\$960	\$620

Arkansas

Forms 33 (QPH) and 35 (EPH)

Current
Priced as one factor for a combination of AOP & Wind/Hail deductibles.

Current Rate Factor Table
Being discontinued (see Exhibit C for new rates)

AOP Ded Amount	Wind/Hail Ded Amount	Current Factor
1,000	0	0.930
1,500	0	0.870
2,000	0	0.835
2,500	0	0.800
5,000	0	0.680
7,500	0	0.600
1,000	1%	0.898
1,500	1%	0.856
2,000	1%	0.826
2,500	1%	0.796
5,000	1%	0.679
7,500	1%	0.600
1,000	2%	0.813
1,500	2%	0.793
2,000	2%	0.782
2,500	2%	0.770
5,000	2%	0.676
7,500	2%	0.599
1,000	5%	0.661
1,500	5%	0.658
2,000	5%	0.656
2,500	5%	0.654
5,000	5%	0.640
7,500	5%	0.587

Exhibit C
Proposed Rates for AP (All Peril) Deductibles
Deductibles
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) and 35 (EPH)

Proposed
Separate debit/credit amounts for All Other Perils (AOP) deductible and Wind/Hail (W/H) deductible, added together and converted to final deductible rating factor for base rate calculation. Credits differ based on policy amount (Dwelling Cov A) selected for the policy.

Proposed Deductible Debits/Credits Table

All Other Peril (AOP) Deductible (sample)

Policy Amount	AOP Ded 1,000	AOP Ded 2,500	AOP Ded 5,000	AOP Ded 7,500
5,000	-0.047	-0.138	-0.220	-0.271
50,000	-0.047	-0.138	-0.220	-0.271
75,000	-0.045	-0.133	-0.213	-0.263
100,000	-0.044	-0.130	-0.208	-0.258
125,000	-0.043	-0.127	-0.205	-0.254
150,000	-0.042	-0.125	-0.202	-0.250
175,000	-0.041	-0.124	-0.199	-0.248
200,000	-0.041	-0.122	-0.197	-0.245
250,000	-0.040	-0.119	-0.194	-0.241
300,000	-0.039	-0.117	-0.191	-0.238
400,000	-0.037	-0.114	-0.186	-0.233
500,000	-0.036	-0.111	-0.183	-0.229
760,000	-0.035	-0.107	-0.177	-0.222
1,000,000	-0.033	-0.104	-0.172	-0.217

Wind/Hail Deductible (sample)

Policy Amount	W/H Ded 1,000	W/H Ded 2,500	W/H Ded 5,000
5,000	-0.080	-0.256	-0.319
50,000	-0.080	-0.256	-0.319
75,000	-0.056	-0.205	-0.301
100,000	-0.038	-0.159	-0.282
125,000	-0.033	-0.129	-0.263
150,000	-0.028	-0.120	-0.237
175,000	-0.024	-0.111	-0.213
200,000	-0.021	-0.103	-0.194
250,000	-0.020	-0.089	-0.165
300,000	-0.019	-0.078	-0.157
400,000	-0.018	-0.061	-0.141
500,000	-0.017	-0.048	-0.127
760,000	-0.015	-0.044	-0.095
1,000,000	-0.013	-0.041	-0.069

Exhibit D
Proposed Rates for Policy Amounts (Dwelling Cov A)
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Rate Factors		
Policy Amount	Current	Proposed
30,000	0.658	0.538
50,000	0.753	0.679
75,000	0.876	0.844
100,000	1.000	1.000
125,000	1.092	1.176
150,000	1.188	1.343
175,000	1.335	1.502
200,000	1.445	1.655
250,000	1.744	1.947
300,000	2.011	2.223
400,000	2.606	2.987
500,000	3.287	3.653
750,000	5.361	4.971
1,000,000	7.965	6.163
Additional 5,000 Increments	0.065	0.041

Exhibit E
Proposed Rates for Increased or Decreased Limits of
Coverage B - Other Structures
Safeco Insurance Company of America
Arkansas

Form 33 (QPH) and form 35 (EPH)

Current
Rate per \$100 Increase or Decrease = \$.17

Proposed
Switching to multi-variate rating. The percent increase or decrease from standard coverage (10% of Cov A Form 33) will have a rating factor applied (see new rate factor table below)

Proposed Rate Factor Table

Increase/Decrease Amount	Form 33 Selected Factor	Form 35 Selected Factor
-20.0%	n/a	-0.219
-15.0%	n/a	-0.161
-10.0%	-0.125	-0.107
-5.0%	-0.060	-0.054
0.0%	0.000	0.000
5.0%	0.060	0.045
10.0%	0.120	0.089
15.0%	0.170	0.134
20.0%	0.220	0.179
25.0%	0.270	0.223
30.0%	0.320	0.268
35.0%	0.370	0.304
40.0%	0.420	0.339
45.0%	0.460	0.384
50.0%	0.500	0.420
55.0%	0.550	0.455
60.0%	0.590	0.491
65.0%	0.630	0.518
70.0%	0.670	0.554
75.0%	0.700	n/a
80.0%	0.740	n/a

Exhibit F
Proposed Rates for Increased or Decreased Limits of
Coverage C - Personal Property
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) and 35 (EPH)

Current
Rate per \$100 Increase or Decrease = \$.11

Proposed
Switching to multi-variate rating. The percent increase or decrease from standard coverage (75% of Cov A) will have a rating factor applied (see new rate factor table below)

Proposed Rate Factor Table

Increase/Decrease Amount	Form 33/35 Selected Factor
-45.0%	-0.180
-40.0%	-0.165
-35.0%	-0.142
-30.0%	-0.120
-25.0%	-0.105
-20.0%	-0.082
-15.0%	-0.060
-10.0%	-0.045
-5.0%	-0.022
0.0%	0.000
5.0%	0.030
10.0%	0.045
15.0%	0.068
20.0%	0.098
25.0%	0.120
30.0%	0.150

Exhibit G
Proposed Rate for Umbrella Credit
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Credit Amount	
	Proposed
Yes	2%
No	0%

Exhibit H
Proposed Rates for Alarm Credits
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Credit Amount		
Alarm Type	Current	Proposed
Local	5%	2%
Police	6%	2%
Central	10%	2%
None	0%	0%

Exhibit I
Proposed Rates for Renewal Credit
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Credit Amount		
Number of Years	Current	Proposed
0	0%	0%
1	0%	0%
2	0%	0%
3	5%	3%
4	5%	4%
5	5%	5%
6	10%	9%
7	10%	12%
8+	10%	15%

Exhibit J
Proposed Rate for Account Credit
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Credit Amount		
	Current	Proposed
Yes	10%	15%
No	0%	0%

Exhibit K
Proposed Rate for EPH (Form 35)
Safeco Insurance Company of America
Arkansas

Form 35

EPH (Form 35) Relativity Factor	
Current	Proposed
1.190	1.247

Exhibit L
Proposed Market Tiers
Safeco Insurance Company of America
Arkansas

Forms 33 (QPH) & 35 (EPH)

Markets (Tiers)	
Tier	Factor
H01	0.540
H02	0.580
H03	0.630
H04	0.670
H05	0.720
H06	0.770
H07	0.830
H08	0.880
H09	0.920
H12	0.960
H13	1.000
H14	1.040
H18	1.070
H19	1.120
H23	1.160
H24	1.210
H28	1.280
H29	1.350
H32	1.390
H33	1.440
H37	1.500
H42	1.570
H44	1.630
H53	1.690
H63	1.740
H69	1.820
H74	2.000
H79	2.300
H83	3.000
H90	4.500



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

Safeco Plaza, Suite 3100
Seattle, WA 98185

Phone: 1-866-825-2796
www.safeco.com

April 8, 2008

Arkansas Insurance Dept.
1200 West Third Street
Little Rock, AR 72201-1904

Safeco Insurance Company of America 163-24740
Independent Homeowners Program
Rate and Rule Revision

Effective Dates: June 12, 2008 – New Business
July 22, 2008 – Renewal Business
Filing Number: PL-08-61208
SERFF Number: SAFA-125428253

We have received your correspondence of February 27, 2008 and have responded to your objections below.

Objection 1

Form HPCS must be submitted in Excel spreadsheet format.

Response

Please see attached.

Objection 2

The Uniform Transmittal Document-Property & Casualty (Supporting Document) form states a +1.9% change, the RF-1 shows -1.9%. Please correct the appropriate form.

Response

Please see the see the corrected RF-1 form attached. The overall rate for this change is +1.9%.

The final manual pages have also been attached under the rate/rule schedule tab.

Respectfully submitted,

Jeff Estes
AVP/Senior Product Manager
(314) 909-4867
FAX: 888-268-8840
EMAIL: jefest@safeco.com
JE/sj

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	PL-08-061208
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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		Company Name			Company NAIC Number
3.	A.	Safeco Insurance Company of America	B.	163-24740	
		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
4.	A.	4.0 - Homeowners	B.	4.0003 - Owner Occupied Homeowners	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	3.3%	1.9%					
TOTAL OVERALL EFFECT							

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	6627	-2.5%	8/18/05	\$5425	\$2590	47.75%	43.67%
2004	6270	11.2%	2/26/04	\$5292	\$1433	27.08%	40.3%
2003	6519	18.4%	2/20/03	\$4857	\$2284	47.04%	50.7%
2002	6232	0.9%	10/31/02	\$4334	\$2141	49.3%	65.1%
2001	6450	19.8%	10/25/01	\$4009	\$1282	32%	87.1%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.99
B. General Expense	7.49
C. Taxes, License & Fees	3.20
D. Underwriting Profit & Contingencies	9.53
E. Other (catastrophe reinsurance)	.12
F. TOTAL	37.33

8. n/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 67% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -39% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

Safeco Plaza, Suite 3100
Seattle, WA 98185

Phone: 1-866-825-2796
www.safeco.com

April 11, 2008

Arkansas Insurance Dept.
1200 West Third Street
Little Rock, AR 72201-1904

Safeco Insurance Company of America 163-24740
Independent Homeowners Program
Rate and Rule Revision

Effective Dates: June 12, 2008 – New Business
July 22, 2008 – Renewal Business

Filing Number: PL-08-61208

SERFF Number: SAFA-125428253

We have received your correspondence of April 9, 2008 and we are resubmitting the HPCS form without any format changes or formulas.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeff Estes". The signature is fluid and cursive.

Jeff Estes
AVP/Senior Product Manager
(314) 909-4867
FAX: 888-268-8840
EMAIL: jefest@safeco.com
JE/sj

Arkansas

Homeowners Product Guide



What's New

Effective Date of New and Revised Material Updates

Companies and Copyrights

Eligibility and Rules

Eligibility

Basic Coverage Limits

Basic Premium Definition

Description of Coverage

Policy Period

Changes on Policies

Cancellation of Insurance

Agent File Documentation

Premium Revisions

Secondary Dwellings

Temporary Binder

Fire Protection Rating Plan

Deductibles

Coverage A (Dwelling) Deductibles

Increased Limits

Section I – Property Coverages Coverage B and Coverage C – Forms 33 and EPH

Increased Building Ordinance or Law Coverage – Forms 33 and EPH

Section II – Liability Coverages

Decreased Limits

Section I – Property Coverages Coverage B and Coverage C – Forms 33 and EPH

Optional Coverages

Extended Dwelling Coverage – Form 33

Full Value on Personal Property (Coverage C) – Forms 33, 4 and 88

Optimum Protection Package – Forms 33 and 88

Option E – Scheduled Personal Property

Option F – Fine Arts Breakage Coverage – All Forms

Option G – Unscheduled Jewelry, Furs and Fine Arts – All Forms

Option H – Unscheduled Silverware Coverage – All Forms

Option I – Unscheduled Business Property Coverage – All Forms

Option J – Business Merchandise Coverage – All Forms

Option K – Rental to Others – Forms 88 and EPC

Option L – Increased Limit – Condominium Building Items – Form 88

Option Q – Valued Jewelry – Forms 33, 4 and 88

Option V – Volunteer America Coverage – Forms 33, 4 and 88

Option BC – Landlord's Furnishings – Forms 33, EPH, 88 and EPC

Option BD – Home Freezer Contents Coverage – Forms 33, 4 and 88

Option BX – Business Use on Other Structures – Form 33

Option BZ – In-home Business Coverage – All Forms

Option EE – Earthquake Coverage – All Forms

Option FF – Incidental Farm Coverage – Forms 33 and EPH

Option ID – Identity Recovery Coverage – All Forms

Option KK – Special Personal Property Coverage – Forms 33, 4 and 88

Option VV – Theft of Building Materials – Forms 33 and 88

Option YY – Water Back-Up and Sump Overflow Coverage – All Forms

Option BBB – Outboard Motor Liability – 50 hp and Over – All Forms

Option CCC – Business Liability – All Forms

Option FFF – Loss Assessment Coverage – All Forms

Option GGG – Home Day Care Coverage – All Forms

Discounts

Umbrella Credit – Forms 33 and EPH

Account Credit – Forms 33 and EPH

Account Credit – Forms 4, 88 and EPC

Burglar Alarm Credit – All Forms

Condominium Security Credit – Forms 88 and EPC

Newer Home Credit – Forms 33 and EPH

Renewal Credit – Forms 4, 88 and EPC

Renewal Credit – Forms 33 and EPH

Sprinkler Credit – Forms 33, EPH, 88 and EPC

Safeco Employee Discount Plan

Safeco Insurance Company of America



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What's New

Effective Date of New and Revised Material

06/12/08 New business • 07/22/08 Renewal business

Updates

Eligibility and Rules, Basic Coverage Limits; Coverage C limits have been updated for forms 33 and EPH	5
Eligibility and Rules, added the Agent File Documentation paragraph	10
The entire Deductibles section has been revised.	12
Increased Limits for Coverage B and C has been revised.	14
Decreased limits section has been revised.	17
Umbrella Credit has been added.	35
The Account Credit section has been revised.	35
Burglar Alarm Credits have been updated.	35
Entire Renewal Credit section has been revised.	37

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Eligibility and Rules

Eligibility

(Effective NB: 02/22/07 RB: 04/03/07)

A policy shall not be issued on property situated on premises used for farming purposes unless farming conducted thereon is only incidental to the occupancy of the premises as a dwelling and farming is not the occupation of your customer.

Only those additional interests or coverages provided for in these rules may be endorsed onto a policy.

Quality-Plus® Homeowners Form 33 – Non-manufactured Homes

A Homeowners policy may be issued:

- For dwellings and premises that are well maintained
- To an owner/occupant of a dwelling which is used exclusively for private residential purposes and contains not more than two units and with not more than two roomers or boarders per family

Safeco Enhanced Protection™ Homeowners Form EPH

Enhanced Protection Homeowners Form EPH is not available for new business.

Renters Form 4

A renters policy may be issued only:

- To the tenant (non-owner) of a dwelling or an apartment situated in any building
- To the owner/occupant of a dwelling, cooperative unit or of a building containing an apartment which is not eligible for another homeowners policy form

Quality-Plus Condominium Form 88

A Quality-Plus Condominium Form 88 policy may be issued:

- To the owner/occupant of a condominium or cooperative unit which is used exclusively for private residential purposes

- If the condominium is insured for \$25,000 (Coverage C) or more

Safeco Enhanced Protection Condominium Form EPC

Enhanced Protection Condominium Form EPC is not available for new business.

Basic Coverage Limits

(Effective NB: 06/12/08 RB: 07/22/08)

Section I – Property Coverages

Coverage A – Dwelling

The Coverage A amount is displayed on the Declarations page. Selected Coverage A limits should reflect an amount that will allow the customer to rebuild their existing dwelling.

Coverage B – Other Structures

Form	Coverage B
Form 33	10% of Cov. A
Form EPH	20% of Cov. A
Form 4	–
Form 88	–
Form EPC	–

If additional or lower amounts of Coverage B are required, refer to the Increased Limits or Decreased Limits section.

Coverage C – Personal Property

Form	Coverage C – Percent of Coverage A Primary Dwelling			
	1- and 2-Unit Dwelling with FV on PP*	1- and 2-Unit Dwelling without FV on PP*	3- and 4-Unit Dwelling with FV on PP*	3- and 4-Unit Dwelling without FV on PP*
Form 33	75%	50%	35%	20%
Form EPH	75%	NA	NA	NA
Form 4	–	–	–	–
Form 88	–	–	–	–
Form EPC	†	–	–	–

* Full Value on Personal Property (Coverage C).

† Under Enhanced Protection Condominium Form EPC, Coverage C includes Condominium Building Items. To determine the Coverage C limit, sum your customer's respective Contents and Condominium Building Items coverage requirements.

If additional or lower amounts of Coverage C are required, refer to the Increased Limits or Decreased Limits section.

Coverage D – Loss of Use

For all forms, Loss of Use coverage is included for the shortest time to repair or replace the damage. This time period may not exceed 12 months.

Section II – Liability Coverages

Coverage E – Personal Liability

Form	Coverage E (each occurrence)
Form 33	\$100,000
Form EPH	300,000
Form 4	100,000
Form 88	100,000
Form EPC	300,000

Coverage F – Medical Payments to Others

Form	Coverage F (each person)
Form 33	\$ 1,000
Form EPH	10,000
Form 4	1,000
Form 88	1,000
Form EPC	10,000

Basic Premium Definition

“Basic Premium” is defined as the premium charged for the coverages outlined in the Description of Coverage and Basic Coverage Limits sections for each form, after applying the appropriate deductible credit or debit. It does not include credits or debits for **Increased Limits** or **Decreased Limits, Optional Coverages** or **Discounts**.

However, the definition of Basic Premium for *Quality-Plus Homeowners Form 33* changes when **Extended Dwelling Coverage** and/or **Full Value on Personal Property** (Coverage C) are eliminated. Similarly, it changes when Full Value on Personal Property (Coverage C) is deleted for *Quality-Plus Condominium Form 88* and *Renters Form 4*. In

these cases only, Basic Premium will reflect the premium reduction associated with eliminating these coverages.

Base Unities

Territory	Base Unity
32	\$507
100	\$486
110	\$501
111	\$516
112	\$469
113	\$467
116	\$504
118	\$455
119	\$499
120	\$620
121	\$529
122	\$522
123	\$506
124	\$508
125	\$538
126	\$514
127	\$628
128	\$579

Description of Coverage

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners policy.

The following is a general description of the coverage provided by the individual Homeowners forms. The policy, forms, endorsement options and appropriate product guide rules should be consulted for details.

Section I – Property Coverages

Quality-Plus Homeowners Form 33

Covers the Dwelling (Coverage A) and Other Structures (Coverage B) against risk of physical loss (with certain exceptions) and covers Loss of Use (Coverage D). Loss of Use is provided when loss from a covered peril is sustained. Personal Property (Coverage C) is covered on a named perils basis.

Extended Dwelling Coverage provides up to an additional 25 percent of Coverage A should repair or replacement exceed the Coverage A amount displayed on the Declarations page.

Full Value on Personal Property (Coverage C) and Extended Dwelling Coverage are automatically included but may be eliminated. **Building Ordinance or Law Coverage** is automatically included at 10 percent of Coverage A and may not be eliminated.

Enhanced Protection Homeowners Form EPH

Covers the Dwelling (Coverage A), Other Structures (Coverage B) and Personal Property (Coverage C) against risk of physical loss (with certain exceptions) and covers Loss of Use (Coverage D). Loss of Use is provided when loss from a covered peril is sustained. Compared to Form 33, some internal limits are higher and some **Optional Coverages** are automatically included.

Extended Dwelling Coverage provides up to an additional 50 percent of Coverage A should repair or replacement exceed the Coverage A amount displayed on the Declarations page.

Full Value on Personal Property (Coverage C) and **Extended Dwelling Coverage** are automatically

included and may not be eliminated.

Building Ordinance or Law Coverage is automatically included at 20 percent of Coverage A and may not be eliminated.

Renters Form 4

Covers Personal Property (Coverage C) and your customer's interest in Additions and Alterations on a named perils basis, and covers Loss of Use (Coverage D). Loss of Use is provided when loss from a covered peril is sustained.

Full Value on Personal Property (Coverage C) is automatically included but may be eliminated.

Quality-Plus Condominium Form 88

Covers Personal Property (Coverage C) on a named perils basis, and covers Loss of Use (Coverage D). Loss of Use is provided when loss from a covered peril is sustained.

Full Value on Personal Property (Coverage C) is automatically included but may be eliminated.

Condominium Building Items are covered against risk of physical loss (with certain exceptions). **Building Ordinance or Law Coverage** is automatically included at 10 percent of Coverage C and may not be eliminated.

Enhanced Protection Condominium Form EPC

Covers Personal Property (Coverage C) and Condominium Building Items against risk of physical loss (with certain exceptions) and covers Loss of Use (Coverage D). Loss of Use is provided when loss from a covered peril is sustained. (For Coverage C explanation, see **Basic Coverage Limits** section). Compared to Form 88, some internal limits are higher and some **Optional Coverages** are automatically included.

Full Value on Personal Property (Coverage C) and **Building Ordinance or Law Coverage** are automatically included and may not be eliminated.

Section II – Liability Coverages

All Forms

Personal Liability (Coverage E) and Medical Payments to Others (Coverage F)

Policy Period

The policy period shall be one year.

Changes on Policies

(Effective NB: 08/18/05 RB: 09/27/05)

Coverages and limits (above the minimum) may be increased or decreased, added or deleted, during the term of the policy by selecting Policy Change on Safeco Now™ and submitting a change request to us. Additional or return premium shall be computed on a pro rata basis. Amounts of \$3 or less shall be waived.

Cancellation of Insurance

It is not permissible to cancel any of the mandatory coverages unless the entire policy is canceled. In the Quality-Plus Homeowners Form 33 and Enhanced Protection Homeowners Form EPH policies, Coverages A, B, C, D, E and F are mandatory. In the Renters Form 4, Quality-Plus Condominium Form 88 or Enhanced Protection Condominium Form EPC policies, Coverages C, D, E and F are mandatory.

If the policy is canceled at the request of either the company or your customer, the return premium will be

100 percent of the pro rata unearned premium. Return premium of amounts less than \$3 will be waived.

Agent File Documentation

(Effective NB: 06/12/08 RB: 07/22/08)

- Agents should maintain relevant file documentation for ten (10) years after policy expiration.
- This includes, but is not limited to signed applications and statutorily required forms, such as waivers, coverage declinations, or exclusions.
- The records can be scanned or imaged and stored electronically.
- There is no requirement to retain a paper original with a wet signature.

Premium Revisions

Premium revisions shall be made in accordance with the following procedures:

- The effective date of such revisions shall be as announced by the company.

- Changes made under the following provisions may be made effective only on the inception or renewal date of the policy:

New Business – If the premium is decreased, a policy issued prior to the effective date of the premium change with an inception date on or after the effective date of the change may be endorsed to the new premium.

Renewals – If the premium is decreased, a policy on which an Extension Certificate has been issued prior to the effective date of the premium change with a renewal date on or after the effective date of the change may be endorsed to the new premium.

Secondary Dwellings

If your customer owns and occupies or rents and occupies a one- or two-unit dwelling in addition to your customer's primary residence, it is eligible for Homeowners coverage but must be insured on a separate policy. Coverage may be written on all forms.

Temporary Binder

Temporary binder forms may not be used for binding Homeowners insurance. New customers may be bound only by using an application form.

Fire Protection Rating Plan

A primary dwelling that is:

- Located within five miles travel distance of a recognized Fire Department that will respond
- Located within 1,000 feet of a public fire hydrant or the responding Fire Department will transport water to use in fighting the fire at the site
- Not located in a severe brush or forest area, may be rated Protection Class 9

Please submit a completed Homeowners Credits Statement with the application or endorsement.

For statistical gathering purposes the letter “A” should be included after the protection class on all policies rated under this plan (Example: 9A).

Deductibles

Coverage A (Dwelling) Deductibles

(Effective NB: 06/12/08 RB: 07/22/08)

The following deductibles are available in Arkansas:

All Other Perils (AOP) Deductibles:

\$500*, \$750*, \$1,000, \$1,500, \$2,000, \$2,500, \$5,000,
\$7,500

*Only available when windstorm or hail deductible is selected.

Optional Windstorm or Hail Deductibles:

\$1,000, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500

1%, 2%, 5%

All Other Perils (AOP) Dedutibles

Policy Amount	AOP Deductibles			
	\$1,000	\$2,500	\$5,000	\$7,500
\$ 5,000	-0.047	-0.138	-0.22	-0.271
50,000	-0.047	-0.138	-0.22	-0.271
75,000	-0.045	-0.133	-0.213	-0.263
100,000	-0.044	-0.13	-0.208	-0.258
125,000	-0.043	-0.127	-0.205	-0.254
150,000	-0.042	-0.125	-0.202	-0.25
175,000	-0.041	-0.124	-0.199	-0.248
200,000	-0.041	-0.122	-0.197	-0.245
250,000	-0.04	-0.119	-0.194	-0.241
300,000	-0.039	-0.117	-0.191	-0.238
400,000	-0.037	-0.114	-0.186	-0.233
500,000	-0.036	-0.111	-0.183	-0.229
760,000	-0.035	-0.107	-0.177	-0.222
1,000,000	-0.033	-0.104	-0.172	-0.217

Windstorm or Hail Deductible

Policy Amount	W/H Deductibles		
	\$1,000	\$2,500	\$5,000
\$ 5,000	-0.08	-0.256	-0.319
50,000	-0.08	-0.256	-0.319
75,000	-0.056	-0.205	-0.301
100,000	-0.038	-0.159	-0.282
125,000	-0.033	-0.129	-0.263
150,000	-0.028	-0.12	-0.237
175,000	-0.024	-0.111	-0.213
200,000	-0.021	-0.103	-0.194
250,000	-0.02	-0.089	-0.165
300,000	-0.019	-0.078	-0.157
400,000	-0.018	-0.061	-0.141
500,000	-0.017	-0.048	-0.127
760,000	-0.015	-0.044	-0.095
1,000,000	-0.013	-0.041	-0.069

Increased Limits

Section I – Property Coverages Coverage B and Coverage C – Forms 33 and EPH

(Effective NB: 06/12/08 RB: 07/22/08)

Increased limits for Coverage B and Coverage C may be provided and a debit adjustment will be made to the base premium.

Increased Coverage B

Increase Amount	Form 33	Form EPH
	Selected Factor	Selected Factor
5.00%	0.06	0.045
10.00%	0.12	0.089
15.00%	0.17	0.134
20.00%	0.22	0.179
25.00%	0.27	0.223
30.00%	0.32	0.268
35.00%	0.37	0.304
40.00%	0.42	0.339
45.00%	0.46	0.384
50.00%	0.50	0.420
55.00%	0.55	0.455
60.00%	0.59	0.491

Increase Amount	Form 33	Form EPH
	Selected Factor	Selected Factor
65.00%	0.63	0.518
70.00%	0.67	0.554
75.00%	0.70	NA
80.00%	0.74	NA

Increased Coverage C

Increase Amount	Selected Factor Forms 33 & EPH
5.00%	0.030
10.00%	0.045
15.00%	0.068
20.00%	0.098
25.00%	0.120
30.00%	0.150

Increased Building Ordinance or Law Coverage – Forms 33 and EPH

Quality-Plus Form 33

For an additional premium, the basic limit of 10 percent for Building Ordinance or Law coverage can be increased to an aggregate of 20 percent or 50 percent.

Calculate the premium by multiplying the **Basic Premium** by the following factor.

Aggregate Limit	Factor	Minimum
20% of Coverage A	.03	\$ 5
50% of Coverage A	.08	15

Enhanced Protection Homeowners Form EPH

For an additional premium, the basic limit of 20 percent for Building Ordinance or Law coverage can be increased to an aggregate of 50 percent.

Calculate the premium by multiplying the **Basic Premium** by the following factor.

Aggregate Limit	Factor	Minimum
50% of Coverage A	.08	\$15

Section II – Liability Coverages

(Amended: 08/12/04)

Coverage E – Personal Liability – All Forms

For all forms except Forms EPH and EPC, increased limits of \$300,000 or \$500,000 may be selected for Personal Liability (Coverage E). For Forms EPH and EPC, an increased limit of \$500,000 may be selected.

Liability coverage may be provided for secondary dwellings owned and occupied by the Named Insured, but not insured with us.

Limit	Primary Dwelling				Secondary Dwelling	
	Forms 33, 4 and 88	Forms EPH and EPC	Form 33		Forms 33, 4 and 88	Forms EPH and EPC
			3-Unit Dwelling	4-Unit Dwelling		
\$ 100,000	Base	Base	\$26	\$ 39	\$13	Base
300,000	\$10	Base	36	54	18	\$18
500,000	15	\$15	50	75	25	25
1,000,000	24	24	70	105	35	35
1,500,000	28	28	80	120	40	40

Coverage F – Medical Payments to Others – All Forms

For all forms except Forms EPH and EPC, increased limits of liability may be provided for Medical Payments to Others (Coverage F). Limits of \$2,000, \$3,000, \$4,000, \$5,000 or \$10,000 may be selected. For Forms EPH and EPC, the Medical Payments to Others limit is \$10,000, which is included in the policy.

Limits	Premiums
\$ 1,000	Base
2,000	\$ 7
3,000	12
4,000	15
5,000	18
10,000	20

Decreased Limits

Section I – Property Coverages Coverage B and Coverage C – Forms 33 and EPH

(Effective NB: 06/12/08 RB: 07/22/08)

Decreased limits for Coverage B and Coverage C may be provided and a credit adjustment will be made to the base premium.

Coverage B – Other Structures

Coverage B may be reduced below the Basic Coverage Limit (as displayed in the Eligibility and Rules section), or eliminated entirely for Form 33. For Form EPH, this applies to secondary policies only.

Decreased Coverage B

Increase/Decrease Amount	Form 33	Form EPH
	Selected Factor	Selected Factor
-20.00%	NA	-0.219
-15.00%	NA	-0.161
-10.00%	-0.125	-0.107
-5.00%	-0.060	-0.054
0.00%	0	0

Coverage C – Personal Property

Primary Dwellings

Customers with Full Value on Personal Property (Coverage C) may reduce their Coverage C limits to a level lower than the Basic Coverage Limit (as displayed in the Eligibility and Rules section), subject to a minimum of 50 percent for one- and two-unit dwellings and 20 percent for three- and four-unit dwellings. Form EPH customers may not reduce Coverage C limit for primary dwellings.

Customers without Full Value on Personal Property (Coverage C) have a lower **Basic Coverage Limit** (as displayed in the Eligibility and Rules section) for Coverage C, which may not be reduced further.

Secondary Dwellings

Form 33 customers with or without Full Value on Personal Property (Coverage C) may reduce their Coverage C limit for one- and two-unit secondary residences to a minimum of 30 percent by applying the following credit. Form EPH Coverage C limits may be reduced to a minimum of 50 percent.

Decreased Coverage C

Decrease Amount	Forms 33 & EPH
	Selected Factor
-45.00%	-0.180
-40.00%	-0.165
-35.00%	-0.142
-30.00%	-0.120
-25.00%	-0.105
-20.00%	-0.082
-15.00%	-0.060
-10.00%	-0.045
-5.00%	-0.022

Optional Coverages

Extended Dwelling Coverage – Form 33

(Effective NB: 02/22/07 RB: 04/03/07)

Extended dwelling coverage provides up to an additional 25 percent or 50 percent of Coverage A should repair or replacement exceed the Coverage A amount displayed on the declarations page.

A full inspection may be required based on the replacement value of the home.

25% of Cov. A	Factor	Underwriting Expense
	1.030	0

50% of Cov. A	Factor	Underwriting Expense
Full Inspection: – Cov. A of \$800,000+	1.032	\$86
Other	1.040	0

EDC premium will be calculated and displayed as a single item on the declarations page.

Form EPH

50 percent EDC is a required coverage and may not be reduced or eliminated. The EPH premium for this option is 3 percent of the basic premium calculation.

Full Value on Personal Property (Coverage C) – Forms 33, 4 and 88

Forms 33, 4 and 88

Coverage C is extended on a replacement cost basis to most items of personal property. This coverage is automatically included but may be eliminated by electing not to apply the following factor in the Basic Premium calculation.

Forms	Factor
33	15%
4 and 88	25%

Forms EPH and EPC

Automatically included and may not be eliminated.

Optimum Protection Package – Forms 33 and 88

(Effective NB: 02/22/07 RB: 04/03/07)

This coverage option broadens our Quality-Plus contract. It is designed to emulate many of the features of Enhanced Protection and Quality Crest without the need to rewrite the policy. This endorsement will include all-risk contents coverage and higher internal policy limits with no minimum qualifying Coverage A amount. Please refer to the endorsement for detailed coverage language.

Calculate the premium by multiplying the Basic Premium by the following factor.

Forms	Factor
33	1.08
88	1.27

Option E – Scheduled Personal Property

(Amended: 07/12/07)

The following classes of personal property, owned by your customer, may be scheduled. Give complete descriptions on a Scheduled Personal Property Endorsement.

Category A – Fine Arts – All Forms

Rate per \$100
\$.15

Category B – Cellular Phones and Other Mobile Communication Equipment – All Forms

Rate per \$100
\$3.50

Category C – Cameras, Guns, Stamp and Coin Collections, Comics and Trading Cards – All Forms

Forms	Rate per \$100
33, EPH, 88, EPC	\$1.00
4	\$1.30

Category F – Furs, Musical Instruments and Property Not Otherwise Classified (Including Electronic Systems) – All Forms

Forms	Rate per \$100
33, EPH, 88, EPC	\$.40
4	\$.70

Category I – In-vault Jewelry – Forms EPH and EPC

Jewelry items that are described in the policy as “in-vault” must be kept in a bank vault. There is no coverage for these items while they are out of the vault, unless we agree in advance to cover them. Use the rates displayed below to determine the applicable premium.

Rates per \$100	
In-vault	Out-of-vault
\$.20 annual	\$.30 per day

Category J – Jewelry – Forms 33, 4 and 88

Losses will be settled based on the value at the time of loss subject to the maximum value shown on the Declarations.

Forms	Rate per \$100
33, 88	\$.70
4	\$1.25

Only one category is allowed per policy for Scheduled Jewelry – either “J” or “V”.

Category L – Computer and Media Equipment – All Forms

Rate per \$100
\$.75

Category S – Silverware – All Forms

Rate per \$100
\$.40

Category T – Farm Personal Property – Forms 33 and EPH

Rate per \$100
\$.67

Available only with **Option FF**. A \$250 deductible applies.

Category V – Valued Jewelry – All Forms

Losses will be settled on the basis of amount shown on the schedule.

Forms	Rate per \$100
33, EPH, 88, EPC	\$.90
4	\$1.40

Only one category is allowed per policy for scheduled Jewelry – either “J” or “V”.

For Forms 33, 4 and 88 refer to [Option Q](#).

Option F – Fine Arts Breakage Coverage – All Forms

For an additional premium, loss caused by breakage of fine arts is covered.

Rate per \$100
\$.15

Option G – Unscheduled Jewelry, Furs and Fine Arts – All Forms

(Effective NB: 02/22/07 RB: 04/03/07)

For Forms 33, 4 and 88, the basic Coverage C special per-item limit of \$1,500 for theft of jewelry, watches, furs, etc., is increased to \$5,000. The aggregate special limit of \$3,000 is increased to an aggregate limit ranging from \$5,000 to \$50,000 based upon the coverage amount selected.

For Forms EPH and EPC, the basic Coverage C special aggregate limit of \$5,000 for the theft of jewelry, watches, furs, etc., may be increased to an aggregate limit ranging from \$10,000 to \$50,000 based upon the coverage amount selected.

When increased special limits are purchased, both the basic and increased limits insure against accidental direct physical loss (with certain exceptions). The declarations will show the aggregate amount of

coverage, and this new limit will represent an additional amount of insurance over Coverage C limits.

A \$500 deductible applies.

Forms 33, 4 & 88		
Per Item	Aggregate	Premiums
\$1,500	\$ 3,000	Base
5,000	5,000	\$28
5,000	10,000	62
5,000	15,000	88
5,000	20,000	112
5,000	25,000	134
5,000	30,000	156
5,000	35,000	177
5,000	40,000	196
5,000	45,000	212
5,000	50,000	228

Forms EPH & EPC		
Per Item	Aggregate	Premiums
\$5,000	\$ 5,000	Base
5,000	10,000	\$34
5,000	15,000	60
5,000	20,000	84
5,000	25,000	106
5,000	30,000	128
5,000	35,000	149
5,000	40,000	168
5,000	45,000	184
5,000	50,000	200

Option H – Unscheduled Silverware Coverage – All Forms

(Effective NB: 02/22/07 RB: 04/03/07)

For Forms 33, 4 and 88, the basic Coverage C aggregate limit of \$3,000 for theft of silverware, etc., may be increased in increments of \$100 to a total of \$20,000.

For Forms EPH and EPC, the basic Coverage C aggregate limit of \$5,000 for the theft of silverware, etc., may be increased in increments of \$100 to a total of \$20,000.

Rate per \$100
\$.60

When increased special limits are purchased, both the basic and increased limits insure against accidental direct physical loss (with certain exceptions). The declarations will show the aggregate amount of coverage (basic and increased limits), and this new limit will represent an additional amount of insurance over Coverage C limits.

A \$500 deductible applies.

Option I – Unscheduled Business Property Coverage – All Forms

The basic Coverage C special limit for loss of business property may be increased at the following rate.

Rate per \$100
\$.28

The Declarations will show the aggregate amount of coverage (basic and increased limits) and this new limit will represent an additional amount of insurance over the Coverage C limit.

Option J – Business Merchandise Coverage – All Forms

The policy may be extended to cover \$2,500 of business property or merchandise held in storage, as a sample, for sale, or delivery after sale.

Rate per Policy
\$25

Option K – Rental to Others – Forms 88 and EPC

(Effective NB: 08/18/05 RB: 09/27/05)

The policy may be extended to cover personal property of the insured when the residence premises is rented or held for rental to others. Liability coverage is also provided.

Increase **Basic Premium** 25 percent.

Option L – Increased Limit – Condominium Building Items – Form 88

Form 88

The basic limit of 10 percent of Coverage C may be increased to the amount desired.

Rate per \$100
\$6

Form EPC

Not applicable. For additional Condominium Building Items for Enhanced Protection Condominium Form EPC, increase Coverage C.

Option Q – Valued Jewelry – Forms 33, 4 and 88

Automatically included with the purchase of Option E, Category V.

Option Q amends Option E for Jewelry coverage as follows:

Losses under Option E (Category V) “Valued Jewelry” will be settled on the basis of amount shown on the Schedule.

Option V – Volunteer America Coverage – Forms 33, 4 and 88

Coverage may be extended to provide additional Coverage C and Section II coverages for insureds employed in volunteer activities.

Forms 33, 4 and 88

Rate per \$100
\$8

Forms EPH and EPC

Automatically included and may not be eliminated.

Option BC – Landlord’s Furnishings – Forms 33, EPH, 88 and EPC

(Effective NB: 08/18/05 RB: 09/27/05)

Coverage may be extended to provide \$5,000 personal property coverage for certain landlord’s furnishings, on a named peril basis, in an apartment located on the residence premises and rented to others.

Rate per Policy
\$20

Option BD – Home Freezer Contents Coverage – Forms 33, 4 and 88

Coverage may be provided for loss to covered property stored in freezers/refrigerators up to \$500, subject to a \$100 deductible.

Forms 33, 4 and 88

Rate per Policy
\$8

Forms EPH and EPC

Automatically included and may not be eliminated.

Option BX – Business Use on Other Structures – Form 33

Coverage may be extended to provide building property coverage for other structures located on the residence premises which are used for business purposes.

Form 33

Rate per Policy
\$15

Form EPH

Automatically included and may not be eliminated.

Option BZ – In-home Business Coverage – All Forms

This option provides liability coverage for business activities conducted on the described location and on-premises business property coverage up to the Coverage C limit, with an additional \$10,000 available if the total damage exceeds the Coverage C limit of liability. Limited off-premises business property coverage and business merchandise coverage are also provided.

The limit of liability must be the same as the Personal Liability (Coverage E) limit.

Limit of Liability	Premium
\$ 100,000*	\$ 75
300,000	84
500,000	96
1,000,000	110
1,500,000	120

* This limit does not apply to Forms EPH and EPC.

Option EE – Earthquake Coverage – All Forms

(Effective NB: 08/18/05 RB: 09/27/05)

Option EE is not available for any new business policy or as a new endorsement for in-force dwelling or condominium customers who previously did not have this coverage. The following coverage details only pertain to in-force customers who have dwellings or condominiums that meet age and construction requirements listed below.

Note: The Declination of Residential Earthquake Coverage must be completed. Each application contains this declination as required by the Arkansas Earthquake Authority Act.

Earthquake damage coverage may be extended to frame and masonry veneer dwellings. A deductible of 15 percent, 20 percent or 25 percent of the policy limit may be selected in any earthquake zone. A deductible of 10 percent of the policy limit may be selected only in earthquake zone 5. The deductible shall apply separately to the amount of insurance for Coverages A, B, C, and Condominium Building Items.

Age and Construction Requirements

Dwellings and Condominiums must have an original construction date of 1960 or newer.

Dwellings and Condominiums with solid masonry construction are not eligible for coverage.

Zones by County

Zone 2: Crittendon, Cross, Lee, Mississippi, Monroe, Poinsett, St. Francis,

Zone 3: Arkansas, Clay, Craighead, Greene, Jackson, Lawrence, Phillips, Prairie, Woodruff

Zone 4: Chicot, Desha, Independence, Lincoln, Lonoke, Randolph, Sharp, White,

Zone 5: Ashley, Baxter, Benton, Boone, Bradley, Calhoun, Carroll, Clark, Cleburne, Cleveland, Columbia, Conway, Crawford, Dallas, Drew, Faulkner, Franklin, Fulton, Garland, Grant, Hempstead, Hot Spring, Howard, IZard, Jefferson, Johnson, Lafayette, Little River, Logan, Madison, Marion, Miller, Montgomery, Nevada, Newton, Ouachita, Perry, Pike, Polk, Pope, Pulaski, Saline, Scott, Searcy, Sebastian, Sevier, Stone, Union, Van Buren, Washington, Yell.

Zone	Form 33		
	Coverage A		
	Frame*	Masonry Veneer†	Masonry‡
10% Deductible – Rates per \$1,000			
5	.57	1.00	2.00
15% Deductible – Rates per \$1,000			
2	1.43	2.48	4.95
3	.60	1.00	2.00
4 & 5	.40	.70	1.40
20% Deductible – Rates per \$1,000			
2	.93	1.63	3.25
3	.39	.65	1.30
4 & 5	.28	.48	.93
25% Deductible – Rates per \$1,000			
2	.55	.95	1.93
3	.23	.39	.78
4 & 5	.15	.28	.55

* Rate aluminum and plastic siding as frame construction.

† Rate log as masonry veneer.

‡ Rate superior and concrete block construction as masonry.

Zone	Forms 4, 88, EPC or Increased Coverage C Limits for Forms 33	
	Coverage C	
10% Deductible – Rates per \$1,000		
5		.40
15% Deductible – Rates per \$1,000		
2		.95
3		.40
4 and 5		.28
20% Deductible – Rates per \$1,000		
2		.63
3		.26
4 and 5		.18
25% Deductible – Rates per \$1,000		
2		.38
3		.16
4 and 5		.10

If increased limits of Coverage B have been purchased, no additional charge for this coverage will be made.

Earthquake Rates for Condominiums

Option EE is not available for new business at this time. The following coverage details only pertain to in-force customers. When increased limits of Condominium Building Items are purchased under Option L, charge the Coverage A frame rates shown. No charge is made for the coverage for Condominium Building Items included in the basic policy (10 percent of Coverage C).

The Declination of Residential Earthquake Coverage must be completed. Each application contains the necessary declination as required by the Arkansas Earthquake Authority Act.

The applicant's signature is required should they choose not to purchase earthquake coverage in any form.

No Earthquake coverage may be bound for 10 days following an earthquake in excess of 5.0 on the Richter scale.

Option FF – Incidental Farm Coverage – Forms 33 and EPH

Under this coverage, formerly known as *Country Lane*®, the policy may be extended to provide coverage for certain exposures presented by incidental or “hobby” farming. Business has been redefined to allow incidental farming. Additional coverage offered by this option includes:

Section I

- Coverage B is redefined to include farm structures
- \$1,000 coverage is provided for farm equipment
- \$1,000 animal collision coverage is provided (\$3,000 aggregate)

Section II

- Medical Payments Coverage is extended to farm employees injured in the course of their employment.
- Coverage for pollution with a limit of \$25,000 is provided.

Additional farm personal property may be scheduled. See Option E, [Category T](#).

Eligibility

A risk that is otherwise eligible for a homeowners policy and that has farming operations incidental to a typical residential situation is eligible for this option. Photographs of all structures on the premises are required.

Submit on a non-bound basis:

- risks with more than 10 acres;
- risks with more than three horses;
- risks with employees or seasonal help.

The following exposures are ineligible:

- breeding, boarding, or training of non-owned horses;
- providing grazing land for non-owned horses;
- horse shows on premises;
- horses (owned or non-owned) used for racing or rental.

Calculate Option FF premium by multiplying the Coverage A **Basic Premium** by 15 percent. The maximum premium is \$500.

Option ID – Identity Recovery Coverage - All Forms

(Effective NB: 02/22/07 RB: 04/03/07)

Coverage may be provided for expenses related to identity recovery, subject to an annual aggregate limit of \$25,000 per insured. Lost wages and expenses for child or elder care are covered, subject to a sub limit of \$250 per day, \$5,000 total. Help-line assistance and case management services are provided at no additional charge for customers with this endorsement.

Rate per Policy
\$12

Option KK – Special Personal Property Coverage – Forms 33, 4 and 88

Coverage C may be extended to include additional risks of physical loss (with certain exceptions).

Form 33

Calculate the Option KK premium by applying 8 percent to the Coverage A **Basic Premium** along with the Increased or Decreased Coverage C debit or credit. The minimum premium is \$25.

Forms 4 and 88

Increase the **Basic Premium** 8 percent, or a minimum of \$25.

Forms EPH and EPC

Automatically included and may not be eliminated.

Option VV – Theft of Building Materials – Forms 33 and 88

Coverage may be provided for theft of building materials or supplies for a home under construction by issuing the appropriate form and charging a premium.

Forms 33 and 88

Rate per Policy
\$120

Forms EPH and EPC

Automatically included and may not be eliminated.

Option YY – Water Back-Up and Sump Overflow Coverage – All Forms

(Effective NB: 08/18/05 RB: 09/27/05)

Coverage may be provided for loss caused by water which backs up through, or overflows from, a sewer, drain, sump, sump pump, or any system on the residence premises designated to remove subsurface water from the foundation area. This coverage does not apply if the loss is flood induced.

The maximum amount of coverage available is \$10,000.

Rate per \$1,000
\$12

Option BBB – Outboard Motor Liability – 50 hp and Over – All Forms

Coverage may be provided for an outboard motor or combination of outboard motors of 50 or more total horsepower by indicating, on the application or

endorsement, the number and power of such motors, the length of hull they are mounted on and the ages of all operators of these hulls.

Limit of Liability	Premium
\$ 100,000*	\$33
300,000	49
500,000	66
1,000,000	85
1,500,000	96

* This limit does not apply to Forms EPH and EPC.

Availability of this option is subject to our Watercraft underwriting guidelines. This option is not available to motors mounted to hulls insured for physical damage on a separate Watercraft insurance policy.

Option CCC – Business Liability – All Forms

Liability coverage may be provided for business occupancies in the described premises or in a separate structure on the premises.

The limit of liability must be the same as the Personal Liability limit.

Limit of Liability	Premium
\$ 100,000*	\$13
300,000	18
500,000	25
1,000,000	35
1,500,000	40

* This limit does not apply to Forms EPH and EPC.

Option FFF – Loss Assessment Coverage – All Forms

Forms 33 and 4

Coverage may be provided for loss assessment at the following aggregate limits:

Aggregate Limit per Unit	Premium
\$ 1,000	\$ 5
10,000	10
15,000	15
50,000	20

Form EPH

Automatically included for \$5,000 and may not be eliminated. The following aggregate limits may be purchased.

Aggregate Limit per Unit	Premium
\$ 5,000	Base
15,000	\$10
20,000	15
55,000	20

Form 88

Automatically included for \$1,000 and may not be eliminated. The following aggregate limits may be purchased.

Aggregate Limit per Unit	Premium
\$ 1,000	Base
2,000	\$ 5
11,000	10
16,000	15
51,000	20

Form EPC

Automatically included for \$10,000 and may not be eliminated. The following aggregate limits may be purchased.

Aggregate Limit per Unit	Premium
\$10,000	Base
20,000	\$10
25,000	15
60,000	20

Limit of Liability	Premium
\$ 100,000*	\$100
300,000	133
500,000	149
1,000,000	171
1,500,000	186

* This limit does not apply to Forms EPH and EPC.

Option GGG – Home Day Care Coverage – All Forms

Liability coverage may be provided for a day care operation at the residence premises for up to three children.

The limit of liability must be the same as the Personal Liability (Coverage E) limit.

Discounts

We offer several discounts in the homeowners program which are either calculated on the basic premium or on the total premium. Please reference each discount for details on how each is applied. For further reference please refer to the definition of **Basic Premium** in the Eligibility and Rules section.

Umbrella Credit – Forms 33 and EPH

(Effective NB: 06/12/08 RB: 07/22/08)

If the insured has a personal lines umbrella policy with us, a 2 percent premium credit will apply. Named Non-Owner policies do not qualify.

This credit will apply to total premium for the policy and is available for homeowners Forms 33 and EPH only. The credit will be discontinued if the umbrella policy lapses.

Account Credit – Forms 33 and EPH

(Effective NB: 06/12/08 RB: 07/22/08)

If the customer has a personal lines auto policy with us, a 15 percent premium credit will apply. Named non-owner policies do not qualify.

This credit will apply to the total premium for the policy and is available for all policy forms. The credit will be discontinued if the auto policy lapses.

Account Credit – Forms 4, 88 and EPC

(Effective NB: 06/12/08 RB: 07/22/08)

If your customer has a personal lines auto policy with us, a 10 percent premium credit will be allowed. This credit will apply to the total premium for the policy and rounded to the nearest dollar.

This credit will be discontinued if the auto policy lapses.

Burglar Alarm Credit – All Forms

(Effective NB: 06/12/08 RB: 07/22/08)

Insureds are eligible for a premium credit for the installation of an approved and properly maintained burglar alarm system as follows:

Type of System	Credits	
	Forms 88, EPC and 4	Forms 33 and EPH
Local alarm system	5%	2%
Police station alarm system	6%	2%
Central station alarm system	10%	2%

Definitions

- Local Burglar Alarm System is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud-sounding device attached to an outside wall of the residence premises. Disturbance of the protective devices or unauthorized entry automatically causes the sounding device to operate until it is stopped by key control, exhaustion of the power supply or by a timing element set for a definite period of operation.
- Police Station Burglar Alarm System is one in which a local alarm system with supplementary direct circuit or transmitting equipment is connected to constantly attended receiving equipment at a police station.
- Central Station Burglar Alarm System is one in which the operation of circuits and devices are signaled

automatically to, recorded in, maintained and supervised from a central station having trained operators and guards who shall, upon receipt of a signal, take required action.

Apply the credit to the **Basic Premium** and round to the nearest dollar.

Condominium Security Credit – Forms 88 and EPC

Condominiums are eligible for a premium credit if they are located in a secured building. A secured building is defined as one in which you must pass through a locked common entry door into the building before gaining access to the locked condominium unit.

Type of Security	Credit
Secured Building	2%
Secured Building with guard on duty 24 hours a day	10%

Apply the credit to the **Basic Premium**. Round to the nearest dollar.

This credit may not be used if the Burglar Alarm Credit is used.

Newer Home Credit – Forms 33 and EPH

(Effective NB: 11/10/05 RB: 12/20/05)

Dwellings are eligible for a premium credit if they are less than seven years old. The appropriate credit shown below should be applied to the **Basic Premium**.

Age of Dwelling	0	1	2	3	4	5	6	7+
Credit Percentage	30%	26%	22%	14%	8%	5%	2%	0%

Renewal Credit – Forms 4, 88 and EPC

(Effective NB: 06/12/08 RB: 07/22/08)

A credit will be applied to the Basic Premium for homeowners renewals, if your customer's (or spouse's) primary residence or contents has been continuously insured in one of our Personal Lines homeowners markets for a minimum of three years. The amount of the credit applied will be based upon the following schedule:

Number of Years	Amount of Credit
0–2	NA
3–5	5%
6+	10%

The Renewal Credit will also apply to any secondary location policy also insured with us. Eligibility and amount of credit are determined by the primary residence policy.

Apply the credit to the **Basic Premium** and round to the nearest dollar.

Renewal Credit – Forms 33 and EPH

(Effective NB: 06/12/08 RB: 07/22/08)

A credit will be applied to the **Basic Premium** for homeowners renewals, if your customer's primary residence or contents has been continuously insured in one of our personal lines homeowners markets for a minimum of three years.

The amount of the credit applied will be based on the following schedule:

Number of Years	0	1	2	3	4	5	6	7	8+
Credits	0%	0%	0%	3%	4%	5%	9%	12%	15%

The renewal credit will also apply to any secondary location policy also insured with us. Eligibility and amount of credit are determined by the primary residence policy.

Sprinkler Credit – Forms 33, EPH, 88 and EPC

Insureds are eligible for a premium credit for fire sprinkler systems that have been both installed and maintained in accordance with nationally accepted fire sprinkler standards as follows:

Type of Sprinkler System	Credit Percentage
Automatic Sprinkler in all areas except attic, bathrooms, closets and attached structure area that are protected by a fire detector.	4%
Automatic Sprinkler in all areas including attics, bathrooms, closets and attached structure.	7%

Apply the credit to the **Basic Premium**. Round to the nearest dollar.

Safeco Employee Discount Plan

Eligible persons are employees of Safeco Corporation and its subsidiaries, their spouses, domestic partners, and family members in the household.

Retired and former Safeco employees are eligible to continue receiving this discount as are surviving spouses or domestic partners.

All other underwriting standards and provisions apply.



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

Safeco Plaza, Suite 3100
Seattle, WA 98185

Phone: 1-866-825-2796
www.safeco.com

April 28, 2008

Arkansas Insurance Dept.
1200 West Third Street
Little Rock, AR 72201-1904

Safeco Insurance Company of America 163-24740
Independent Homeowners Program
Rate and Rule Revision

Effective Dates: June 12, 2008 – New Business
July 22, 2008 – Renewal Business

Filing Number: PL-08-61208

SERFF Number: SAFA-125428253

We have received your correspondence of April 14, 2008 and have responded to your objection below.

Objection 2

- Manual, [No rule/page number] (Rate)

Comment: The base unity and deductible factor pages were omitted from the manual pages. Please attach them and any others that were omitted.

Response

Base unity, deductible, increased coverage B/C, and decreased coverage B/C factor tables have been included in the manual. Please see attached AR_manual.pdf exhibit.

Respectfully submitted,

Michele Lee DiGello
Product Manager
(206) 473-5698
FAX: (206) 473-6729
micdig@safeco.com