

SERFF Tracking Number: AMMH-125661441 State: Arkansas
Filing Company: American Modern Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080207-10
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1007 Other CMP
Portion Only
Product Name: CPD-IRPM/Base Rate/Rules
Project Name/Number: CPD-IRPM/Base Rate/Rules/20080207-10

Filing at a Glance

Company: American Modern Home Insurance Company

Product Name: CPD-IRPM/Base Rate/Rules SERFF Tr Num: AMMH-125661441 State: Arkansas

TOI: 05.1 Commercial Multi-Peril - Non-Liability SERFF Status: Closed State Tr Num: EFT \$100

Portion Only

Sub-TOI: 05.1007 Other CMP

Co Tr Num: 20080207-10

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Author: Mellisa Holder

Disposition Date: 06/02/2008

Date Submitted: 05/21/2008

Disposition Status: Exempt from Review

Effective Date Requested (New): 06/01/2008

Effective Date (New): 06/01/2008

Effective Date Requested (Renewal): 06/01/2008

Effective Date (Renewal):

06/01/2008

State Filing Description:

General Information

Project Name: CPD-IRPM/Base Rate/Rules

Status of Filing in Domicile:

Project Number: 20080207-10

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 06/02/2008

State Status Changed: 06/02/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We have added a company developed Individual Risk Premium Modification Plan in order to create more flexibility, which we need on the larger accounts due to competition in the market. The impact of this change will result in credits to our book of business.

SERFF Tracking Number: AMMH-125661441 State: Arkansas
 Filing Company: American Modern Home Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20080207-10
 TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1007 Other CMP
 Portion Only
 Product Name: CPD-IRPM/Base Rate/Rules
 Project Name/Number: CPD-IRPM/Base Rate/Rules/20080207-10

We have revised our base rates for the state of Arkansas. The overall impact is 2.4%
 We have revised Rule 34; Application of Rating Plans as well as Rule 31.C.4; Premium Determination

Company and Contact

Filing Contact Information

Mellisa Holder, Filing Analyst mholder@amig.com
 7000 Midland Blvd (800) 759-9008 [Phone]
 Amelia, OH 45102 (513) 947-4929[FAX]

Filing Company Information

American Modern Home Insurance Company CoCode: 23469 State of Domicile: Ohio
 7000 Midland Blvd. Group Code: 127 Company Type:
 Amelia, OH 45102 Group Name: State ID Number:
 (800) 759-9008 ext. [Phone] FEIN Number: 31-0715697

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Rate/Rule Filing
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Modern Home Insurance Company	\$100.00	05/21/2008	20436712

SERFF Tracking Number: AMMH-125661441 State: Arkansas
Filing Company: American Modern Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080207-10
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1007 Other CMP
Portion Only
Product Name: CPD-IRPM/Base Rate/Rules
Project Name/Number: CPD-IRPM/Base Rate/Rules/20080207-10

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	06/02/2008	06/02/2008

SERFF Tracking Number: AMMH-125661441 State: Arkansas
Filing Company: American Modern Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080207-10
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1007 Other CMP
Portion Only
Product Name: CPD-IRPM/Base Rate/Rules
Project Name/Number: CPD-IRPM/Base Rate/Rules/20080207-10

Disposition

Disposition Date: 06/02/2008

Effective Date (New): 06/01/2008

Effective Date (Renewal): 06/01/2008

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rates/rules filing and review requirements.

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125661441 State: Arkansas
Filing Company: American Modern Home Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20080207-10
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1007 Other CMP
Portion Only
Product Name: CPD-IRPM/Base Rate/Rules
Project Name/Number: CPD-IRPM/Base Rate/Rules/20080207-10

Supporting Document Schedules

Satisfied -Name: Cover Letter/Memo **Review Status:** Accepted for Informational Purposes 06/02/2008

Comments:

Attachments:

Filing letter.pdf
CPD Rule 31.C.4_memo.pdf

Satisfied -Name: Proposed Pages of Manual **Review Status:** Accepted for Informational Purposes 06/02/2008

Comments:

Attachments:

AR_CPD_RatesFiled 6-2008.pdf
AR RULE 34.pdf
AR RULE 31. C. 4.pdf

Satisfied -Name: Supporting info for your review **Review Status:** Accepted for Informational Purposes 06/02/2008

Comments:

Attachment:

CPD SW Indication Filing no coastal.pdf



AMERICAN MODERN HOME
INSURANCE COMPANY

May 21, 2008

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: American Modern Home Insurance Company: NAIC# 127-23469
Commercial Physical Damage Program
Rate and Rule Filing
Company File Number: 20080207-10

In accordance with the filing requirements of your state, we are submitting a revision to the captioned program.

We have added a company developed Individual Risk Premium Modification Plan in order to create more flexibility, which we need on the larger accounts due to competition in the market. The impact of this change will result in credits to our book of business.

We have revised our base rates for the state of Arkansas. The overall impact is 2.4%
We have revised Rule 34; Application of Rating Plans as well as Rule 31.C.4; Premium Determination

Included are the following items:

1. Base Rate Page
2. Revised Rule 34 Application of rating Plans
3. Revised Rule 31.C.4 Premium Determination

We are submitting this filing to become effective on or after June 1, 2008 for new business and renewals.

To the best of our knowledge and belief, this filing is in compliance with the statutes and regulations of your state.

If you have any questions, please contact the undersigned at the telephone number or e-mail address shown.

Mellisa M. Holder
Compliance Analyst
American Modern Insurance Group, Inc.
Phone: 1-800-759-9008, ext. 5835
E-mail: mholder@amig.com

EXECUTIVE OFFICES / 7000 MIDLAND BOULEVARD / AMELIA, OHIO 45201-2607
MAILING ADDRESS / P.O. BOX 5323 / CINCINNATI, OHIO 45201-5323 / TEL. (513) 943-7200

ARKANSAS

AMERICAN MODERN HOME INSURANCE COMPANY

FILING MEMORANDUM

COMMERCIAL PHYSICAL DAMAGE POLICY

American Modern Home wishes to file a decrease in the rating rule applicable to its Dealer Inventory (Open Lot) program for recreational units other than motorized camper, travel trailers, motor homes or watercraft (not including PWC's).

Recreational units such as motorcycles, snowmobiles, scooters, PWC's, etc. are generally kept inside enclosed structures, which prevents weather-related losses from occurring, and they also are not used in any test-driving activity, which prevents collision and theft losses. As such, the loss exposure for these dealer units is substantially less than inventory units kept outdoors.

The revised manual page with the amended rule (31.C.4), from .65 to .50, is attached for your review and approval.

AMERICAN MODERN HOME INSURANCE COMPANY
MOBILE HOME AND RECREATIONAL VEHICLE
COMMERCIAL PHYSICAL DAMAGE MANUAL

ARKANSAS	ENTIRE STATE			
	Protected		Unprotected	
RENTAL PROGRAM - SCHEDULED ONLY	Newer	Older	Newer	Older
Table I Comprehensive	1.12	1.34	1.37	1.65
COMPREHENSIVE Ex Flood	0.91	1.09	1.17	1.40
Table II NAMED PERIL	0.99	1.19	1.22	1.46
NAMED PERIL Ex Flood	0.79	0.95	1.01	1.22

OFFICE PROGRAM - SCHEDULED ONLY	PC 1-8		PC 9-10	
	Newer	Older	Newer	Older
Table I Comprehensive	1.65	1.98	2.29	2.75
COMPREHENSIVE Ex Flood	1.44	1.73	2.09	2.51
Table II NAMED PERIL	1.46	1.75	2.02	2.42
NAMED PERIL Ex Flood	1.25	1.50	1.81	2.17

DEALER BLANKET	MH/TT	
	PC 1-8	PC 9/10
Table I Comprehensive	1.28	1.46
COMPREHENSIVE Ex Flood	1.13	1.31
Table II NAMED PERIL	1.14	1.29
NAMED PERIL Ex Flood	0.98	1.14

Recreational Unit	
Protected	Unprotected
1.01	1.43
0.96	1.38
0.88	1.25
0.83	1.20

MISCELLANEOUS TYPES - SCHEDULED ONLY	PC 1-8		PC 9-10	
	Newer	Older	Newer	Older
Table I Comprehensive	3.05	3.66	4.70	5.64
COMPREHENSIVE Ex Flood	2.85	3.42	4.50	5.39
Table II NAMED PERIL	2.68	3.21	4.12	4.94
NAMED PERIL Ex Flood	2.47	2.97	3.91	4.69

* Rates contemplate a base deductible of \$250.

AMERICAN MODERN HOME INSURANCE COMPANY
MOBILE HOME AND RECREATIONAL VEHICLE
COMMERCIAL PHYSICAL DAMAGE MANUAL

RULE 34. APPLICATION OF RATING PLANS

- A. The premiums developed under this manual, except for the flat premiums for Lenders interest and Lenders Flood, are subject to modification by the application of these rating plans:
1. Company developed Individual Risk Premium Modification Plan.
 2. The Commercial Property Tier Rating plan approved for our use in this state.
 3. Any other applicable ISO rating plan approved for our use in this state.

RULE 35. SERVICE CHARGE

If the policy is written to include the premium being paid in installments (Direct Bill), the billing plans and service charges are as follows:

PAYMENT PLAN	SERVICE CHARGE/ INSTALLMENT FEE
2 Pay	\$5.00 per installment
4 Pay	\$5.00 per installment
8 Pay	\$3.50 per installment
10 Pay	\$3.50 per installment
12 Pay	\$3.50 per installment

AMERICAN MODERN HOME INSURANCE COMPANY
MOBILE HOME AND RECREATIONAL VEHICLE
COMMERCIAL PHYSICAL DAMAGE MANUAL

RULE 30. COMPOSITE RATE COVERAGE

A. Description of Coverage

This option is available for large schedules of units where it is not practical for the insured to request additions, deletions and changes in individual units. A limit of insurance applies to each and every unit on the initial schedule, but additions, deletions and changes are automatically covered for a period of three months. The insured then submits a listing of all changes to be effective for the next period of coverage.

B. Form

Use form 72880 - Composite Rate Coverage

C. Premium Determination

1. Calculate a premium for each unit and its respective coverage by applying the rates shown in the State Rates.
2. Develop the sum of all premiums for all items as determined in (1).
3. Develop the sum of all of the limits of all units and respective coverages.
4. Divide the result of (2) by the result of (3) in hundreds. The result is the composite rate.

The composite rate expires at the end of the policy term. The composite rate is used to calculate all changes in amounts of insurance during the policy term.

5. The changes reported every 3 months will be pro rated from the date of the report.
6. The composite rate may be recalculated if the conditions upon which the composite rate is based have materially changed.

RULE 31. DEALER BLANKET COVERAGE

A. Description of Coverage

This option provides coverage for units that are held for sale. It may be written on a non-reporting or reporting basis. The form covers property at premises of the insured, in transit, and elsewhere.

B. Form

Use form 71743 - Dealers Blanket Coverage.

AMERICAN MODERN HOME INSURANCE COMPANY
MOBILE HOME AND RECREATIONAL VEHICLE
COMMERCIAL PHYSICAL DAMAGE MANUAL

RULE 31. DEALER BLANKET COVERAGE (CONT'D)

C. Premium Determination

1. Non-reporting - apply the rates at each location for all covered causes of loss.
2. Reporting Form - The value reporting form is intended for insureds with fluctuating values or changing locations. The form requires periodic submissions of reports of value. Full recovery of loss is dependent upon timely and accurate reports of values and adequate limits of insurance. The form may also be used to provide coverage for reported, acquired and incidental locations. The insured is required to report full values at each location and pay premium on the average values even though the values may be greater than the Limit of Insurance. There are two types of reporting Forms - Monthly with annual adjustment and monthly with monthly premium.

a. Monthly Reporting with Annual Adjustment

A provisional premium is charged at the beginning of the policy year, subject to adjustment at the end of the year based on the values reported. (The 12 months reported values are totaled and divided by 12 to determine the average value for premium adjustment).

Multiply the average values in hundreds by the average rate to determine the final premium.

If the final premium is greater than the provisional premium, charge the insured for the excess premium.

If the final premium is less than the provisional premium, refund any excess premium to the insured.

b. Monthly Reporting with Monthly Premium

A deposit premium is charged at the beginning of the policy year. Values are reported each month and premium is calculated using an average monthly rate times the monthly values in hundreds. 12 full months are reported and billed. At the end of the year, if all reports are submitted and paid, the deposit premium is refunded.

Calculate the average monthly rate by dividing the sum of all premiums as determined above by the sum of all limits of insurance (in hundreds). Then divide the result by 12 and round to three decimal places.

3. If the Dealer inventory is over 50% used units or the specific insurance coverage is limited to new units, apply a factor of 1.20 to the applicable rates.

AMERICAN MODERN HOME INSURANCE COMPANY
MOBILE HOME AND RECREATIONAL VEHICLE
COMMERCIAL PHYSICAL DAMAGE MANUAL

4. If Dealer inventory consists of recreational units other than motorized campers, travel trailers, motor homes or watercraft (not including Personal Watercraft such as jet skis), and they are kept within an enclosed structure, apply a factor of .50 to the applicable rates.

RULE 32. FALSE PRETENSE COVERAGE

A. Description of Coverage

This optional endorsement provides coverage for false pretense

B. Form

Use form 72881 - False Pretense Coverage

C. Premium Determination

Apply the False Pretense rate per \$100. to the total Limit of Liability at each location. Select the rate from the Countrywide Rates using the False Pretense Limit selected and the policy deductible. For rating purposes, maximum inventory value is \$1,000,000.

RULE 33. REPOSSESSED UNIT COVERAGE

A. Description of Coverage

This option provides coverage for repossessed units and is purchased by Institutional Lenders who have a security interest in the unit.

B. Form

Use form 72882 - Repossessed Unit Coverage

C. Premium Determination

1. Charge a deposit premium of \$100.
2. Apply the monthly rate per \$100. of the values stated on the monthly report to determine the actual earned premium. Use the rates shown in the Countrywide Rates depending on the deductible selected.

RULE 34. APPLICATION OF RATING PLANS

- A. The premiums developed under this manual, except for the flat premiums for Lenders interest and Lenders Flood, are subject to modification by the application of these rating plans:

American Modern Insurance Group CPD Rate Level Indication Description

General:

The purpose of this report is to evaluate the rate level adequacy of the CPD product. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods

Assumptions & Methodologies:

1. On Exhibit 1, Page 1 we show the overall rate indication for the CPD product. We describe Exhibit 1 data adjustments in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by program. The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned equally throughout experience quarters, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. Since we have had no rate changes in the last 5 years, these factors are all 1.
3. We adjust incurred losses using the factors described below.
 - (a) **Non-Hurricane Catastrophic Losses.** Because of the unpredictability of catastrophic storms, we use a Catastrophe Factor to control our reaction to these types of losses by removing catastrophe losses and applying a 20-year average non-hurricane factor. Our studies indicate that non-catastrophe losses are relatively stable from year-to-year, so we use these losses as a base for our catastrophe factor. For the 20-year period we use the sum of non-hurricane catastrophe losses divided by the sum of non-catastrophe losses. The resulting factor is applied to each year's non-catastrophe losses to estimate the non-hurricane catastrophe loss of a normal year.
 - (b) **Hurricane Losses.** To account for hurricane losses in each experience year we run our exposure base through a 100 year hurricane catastrophe model designed by Risk Management Solutions, Inc. We divide the resulting estimated hurricane pure premium by the inforce premium to get the hurricane load.
 - (c) Accident year incurred losses (including *alae*) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+*alae* development factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group countrywide CPD losses. We calculate quarterly factors and weight them together using the incurred losses to get annual numbers.
 - (d) We apply a "*ulae* factor" to the incurred loss+*alae* data to get incurred loss+*lae*.
4. We weight together the adjusted accident year loss+*lae* ratios and then credibility-weight the resulting ratio with the trended permissible loss+*lae* ratio. Credibility is based on the square root rule with 3000 Claim Counts as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+*lae* ratio to get the Credibility-Weighted Indicated Rate Level Change.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+*lae* ratio. Our profit provision is based upon a 16.5% target rate of return on equity.

American Modern Insurance Group
CPD Rate Level Indication
All Programs Combined

State: Countrywide
SOB: All Channels
Terr: Statewide

Prop Eff. Date: 04/01/08

	(1)	(2)	(3)	(4)	(5)	(6)	
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures	
9/30/03	6,671,883	1.000	6,671,883	1.000	6,671,883	8,403	
9/30/04	6,637,958	1.000	6,637,958	1.000	6,637,958	8,414	
9/30/05	7,055,291	1.000	7,055,291	1.000	7,055,291	8,217	
9/30/06	7,555,946	1.000	7,555,946	1.000	7,555,946	8,266	
9/30/07	7,958,399	1.000	7,958,399	1.000	7,958,399	8,404	
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Non-Hurricane Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
9/30/03	3,051,137	645,381	1.012	2,434,626	1.000	1.000	1.040
9/30/04	2,437,496	781,881	1.012	1,675,483	1.000	1.000	1.040
9/30/05	3,876,218	1,354,212	1.012	2,552,270	1.000	1.002	1.040
9/30/06	3,196,318	1,014,733	1.012	2,207,763	1.000	1.004	1.040
9/30/07	1,822,187	173,520	1.012	1,668,451	1.000	0.934	1.040
	(14)		(15)	(16)	(17)		
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}		Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts		
9/30/03	2,531,402		0.379	0.10	261		
9/30/04	1,742,083		0.262	0.15	261		
9/30/05	2,658,442		0.377	0.20	262		
9/30/06	2,305,558		0.305	0.25	227		
9/30/07	1,619,597		0.204	0.30	146		

Weighted Experience Loss+LAE Ratio	0.290
Hurricane Load	0.210
Permissible Loss+LAE Ratio	0.481
Loss Ratio Trend Factor	1.000
Trended Permissible Loss+LAE Ratio used as Complement of Credibility	0.271
Credibility (Square Root Rule, Full Credibility = 3000 Claim Counts)	0.621
Credibility-Weighted Loss+LAE Ratio	0.493
Credibility-Weighted Indicated Rate Level Change	2.4%

American Modern Insurance Group
CPD Rate Level Indication
State: Countrywide

Exhibit 1
Page 2

Complement of Credibility Calculation

(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.481
(2) Hurricane Load (capped at 0.240735204541332)	0.210
(3) Non-Hurricane Permissible	0.271
(4) Proposed Renewal Effective Date	4/1/2008
(5) Effective Date of Current Rates	6/1/1999
(6) Time Period in Years $\{(2) - (3)\}/365$ (Capped at 2 years)	2.00
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	0.0%
(8) Ann Loss Trend (Exhibit 6)	0.0%
(9) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)]\} - 1$	0.0%
(10) Selected Trend Factor (minimum = 1.000)	1.000
(11) Trended Permissible Loss+LAE Ratio (1) x (8)	0.271

American Modern Insurance Group
CPD Rate Level Indication

Exhibit 2.1

Program: MH Dealers
State: Countrywide
SOB: All Channels

Prop Eff. Date: 04/01/08

	(1)	(2)	(3)	(4)	(5)	(6)	
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures	
9/30/03	5,098,214	1.000	5,098,214	1.000	5,098,214	2,594	
9/30/04	5,021,328	1.000	5,021,328	1.000	5,021,328	2,702	
9/30/05	5,211,725	1.000	5,211,725	1.000	5,211,725	2,718	
9/30/06	5,365,847	1.000	5,365,847	1.000	5,365,847	2,495	
9/30/07	5,159,401	1.000	5,159,401	1.000	5,159,401	2,344	

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Non-Hurricane Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
9/30/03	2,681,488	480,991	1.012	2,226,903	1.000	1.000	1.040
9/30/04	1,709,265	390,922	1.012	1,334,164	1.000	1.000	1.040
9/30/05	2,559,862	884,555	1.012	1,695,411	1.000	1.002	1.040
9/30/06	2,085,583	445,556	1.012	1,659,707	1.000	1.004	1.040
9/30/07	1,167,015	124,949	1.012	1,054,571	1.000	0.934	1.040

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
9/30/03	2,315,422	0.454	0.10	198
9/30/04	1,387,196	0.276	0.00	190
9/30/05	1,765,938	0.339	0.00	192
9/30/06	1,733,225	0.323	0.00	145
9/30/07	1,023,692	0.198	0.00	86

Weighted Experience Loss+LAE Ratio: **N/A**

American Modern Insurance Group
CPD Rate Level Indication

Exhibit 2.2

Program: MH Parks
State: Countrywide
SOB: All Channels

Prop Eff. Date: 04/01/08

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
9/30/03	1,573,669	1.000	1,573,669	1.000	1,573,669	5,809		
9/30/04	1,616,630	1.000	1,616,630	1.000	1,616,630	5,713		
9/30/05	1,843,565	1.000	1,843,565	1.000	1,843,565	5,499		
9/30/06	2,190,099	1.000	2,190,099	1.000	2,190,099	5,770		
9/30/07	2,798,998	1.000	2,798,998	1.000	2,798,998	6,060		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Incurred Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
9/30/03	369,650	164,390	1.012	207,723	1.000	1.000	1.040
9/30/04	728,231	390,959	1.012	341,319	1.000	1.000	1.040
9/30/05	1,316,356	469,657	1.012	856,859	1.000	1.002	1.040
9/30/06	1,110,735	569,177	1.012	548,056	1.000	1.004	1.040
9/30/07	655,172	48,571	1.012	613,880	1.000	0.934	1.040

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
9/30/03	215,980	0.137	0.10	63
9/30/04	354,887	0.220	0.15	71
9/30/05	892,503	0.484	0.20	70
9/30/06	572,333	0.261	0.25	82
9/30/07	595,905	0.213	0.30	60

Weighted Experience Loss+LAE Ratio: **0.273**

American Modern Insurance Group
 (Using American Modern Insurance Group Data)
Commercial PD Average Non-Hurricane Catastrophe Factor
 ALL Commercial PD Programs

Countrywide

Accident Year Ending	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)
9/30/1994	0	28,859	28,859	0.000
9/30/1995	9,276	82,242	72,965	0.127
9/30/1996	0	282,956	282,956	0.000
9/30/1997	9,835	536,208	526,373	0.019
9/30/1998	4,662	480,075	475,413	0.010
9/30/1999	0	647,642	647,642	0.000
9/30/2000	0	479,532	479,532	0.000
9/30/2001	2,517	754,855	752,338	0.003
9/30/2002	2,295	755,658	753,363	0.003
9/30/2003	6,608	955,344	948,736	0.007
9/30/2004	0	548,079	548,079	0.000
9/30/2005	0	1,080,047	1,080,047	0.000
9/30/2006	8,202	1,647,602	1,639,400	0.005
9/30/2007	76,591	1,680,492	1,603,901	0.048
			Wtd. Average:	0.012
			Selected Catastrophe Factor:	1.012

**American Modern Insurance Group
CPD**

Hurricane Load Per Earned Exposure

Terr: Countrywide

Based on Hurricane Model by RMS, Inc.

Calculation of Hurricane Load

(1)	Estimated Pure Premium @ 11/30/07	15.5%
(2)	Load for LAE	1.136
(3)	Trend Factor $\{1 + (4)\}^{(3)}$:	1.074
(4)	Flood Following Hurricane Factor:	1.087
(5)	Charge Per Exposure $\{(2) \times (3) \times (4)\}$:	21.0%

Calculation of Trend Factor

(a)	Proposed Average Effective Date:	11/26/2008
(b)	Trend Period (Years):	0.99
(c)	Annual Loss trend:	7.4%
(d)	Trend Factor $\{1 + (c)\}^{(b)}$:	1.074

American Modern Insurance Group
CPD
Countrywide

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2006	2005	2004
ULAE Incurred	15,194,970	13,597,575	14,164,401
Adjusted Loss+ALAE Incu	307,266,292	469,391,596	346,919,324
Ratio to Incurred Loss+AL	4.9%	2.9%	4.1%
3 Year Average	4.0%		

Selected ULAE Factor: **1.040**

American Modern Insurance Group

Exhibit 9

State: Countrywide

Product: CPD

Determination of Permissible Loss Ratio

	Calendar Year			Budget		Inland	Coastal
	2004	2005	2006	2007	Combined		
(1) Pre-Paid Commissions	17.2%	17.6%	18.2%		17.7%	17.5%	18.8%
(1a) Contingent Commissions	3.9%	5.0%	5.9%	0.0%	0.0%	0.0%	0.0%
(2) Other Acquisition Expense (Consolidated AMIG)	4.1%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%
(3) General Expense (Consolidated AMIG)	12.0%	10.9%	10.2%	9.4%	9.8%	9.8%	9.8%
(4) Taxes, Licenses and Fees	2.8%	3.0%	2.8%		2.9%	2.9%	2.9%
(5) Reinsurance Expense (Consolidated AMIG)			8.5%	10.9%	10.9%	8.3%	25.0%
(6) Total Expense					45.2%	42.5%	60.5%

Profit Loading Provision

(7a) After Tax Return on Equity Goal	16.5%						
(7b) Target Premium to Surplus Ratio	2.3:1						
(7c) After Tax Return on Premium [(7a)/(7b)]	7.2%						
(7d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)	2.9%						
(7e) After Tax Return Needed from Underwriting Profit [(7c)-(7d)]	4.3%						
(7f) Before Tax Return Needed from Underwriting Profit [(7e)/(1.000-0.35)]	6.6%						
(7) Selected Profit Loading Provision					6.6%	6.4%	7.5%
(8) Total Expenses and Profit Provision [(6) + (7)]					51.9%	48.9%	68.0%
(9) Permissible Loss+LAE Ratio [1.000 - (8)]					48.1%	51.1%	32.0%

Data applied to calculate commission ratio:

AMIG Countrywide CPD Written Premium

AMIG Countrywide CPD Paid Commission

Calendar Year		
2004	2005	2006
12,416,301	15,648,582	16,319,490
2,078,532	2,712,720	2,829,459

Calendar Year

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2006	\$157,362,467
(2) Mean Unearned Premium Reserve Ratio	46.9%
(3) Mean Unearned Premium Reserve (1) x (2)	\$73,825,981
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	17.7%
(b) 50% of Other Acquisition	2.0%
(c) 50% of General Expenses	4.9%
(d) Taxes, Licenses, and Fees	2.9%
(e) Reinsurance Expense	10.9%
(f) Subtotal	38.3%
(g) Federal Taxes Payable	7.0%
(4T) Total Deductions	45.3%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$40,354,696

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$124,288,418
(b) Direct Unearned Premium 2006 (All Lines)	\$394,423,161
(c) Ratio (a) / (b)	31.5%
(d) Direct Unearned Premium 2006 (ASLOB 1 & 2.1 Fire and Allied Lines)	\$81,353,142
(2) Delayed Remission (1c) x (1d)	\$25,635,546

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	48.1%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$75,765,372
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2006 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	54.9%
(b) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	36.6%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	45.8%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$33,223,735

D. Net Subject to Investment

(A.5) - (B.2) + (C.4) \$47,942,885

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)] 5.0%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1) 1.5%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)] 3.7%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	22.3%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	2.9%
3 H.2 Adjusted for Assumed Data	0.029695397

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2004-2006 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	53,722,932	0.487	0.350	0.170
- Tax Exempt Municipal	35,250,174	0.319	0.053	0.017
Stocks				
- Acquired prior to 1987	0	0.000	0.105	0.000
- Acquired after 1987	\$17,021,019	15.4%	14.2%	2.2%
Short-Term Investments	4,348,938	0.039	0.350	0.014
Total	110,343,063	1.000		0.223

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2007 will be:

Ordinary Income =	0.35
Tax Exempt Municipal - 35.0% x 15.0% =	0.0525
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	0.14175
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	0.105

Investment Income as a Percentage of Invested Assets

1995	5.5%
1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
Twelve Year Average	4.8%
Latest Six Year Average	4.7%
Latest Year	4.5%
Projected 2007 (12 Year Trend)	4.4%
Projected 2007 (6 Year Trend)	4.1%

Selected 2007 Rate of Return

Before Tax	5.0%
After Tax [(1-0.223) x 5%]	3.9%