

SERFF Tracking Number: NWPC-125662121 State: Arkansas
 Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
 Company Tracking Number: 08H-5461AR-BZ
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Filing at a Glance

Company: Nationwide Mutual Fire Insurance Company.

Product Name: Homeowners	SERFF Tr Num: NWPC-125662121	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations	Co Tr Num: 08H-5461AR-BZ	State Status: Fees verified and received
Filing Type: Rate	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Author: Filings D	Disposition Date: 06/20/2008
	Date Submitted: 05/22/2008	Disposition Status: Filed
Effective Date Requested (New): 08/23/2008		Effective Date (New): 08/23/2008
Effective Date Requested (Renewal): 08/23/2008		Effective Date (Renewal): 08/23/2008

State Filing Description:

General Information

Project Name: Nationwide Homeowners Rate Revision for Arkansas	Status of Filing in Domicile: Not Filed
Project Number: 08H-5461AR-BZ	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 06/20/2008	
State Status Changed: 05/28/2008	Deemer Date:
Corresponding Filing Tracking Number: 08H-5461AR-BZ	

Filing Description:

We are making a 7.0 percent rate increase in the homeowners form, and 10.0 percent rate increase in tenants and condominiums form.

The effect of all the changes for all policy forms is a statewide premium level increase of 7.0 percent.

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 Product Name: Homeowners
 Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Company and Contact

Filing Contact Information

Brian Zhi, Pricing Senior Analyst zhib@nationwide.com
 One Nationwide Plaza (614) 677-6047 [Phone]
 Columbus, OH 43215 (614) 249-3885[FAX]

Filing Company Information

Nationwide Mutual Fire Insurance Company. CoCode: 23779 State of Domicile: Ohio
 One Nationwide Plaza Group Code: 140 Company Type: Property and
 Casualty
 Columbus, OH 43215 Group Name: Nationwide Insurance State ID Number:
 (614) 249-7022 ext. [Phone] FEIN Number: 31-4177110

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Nationwide Mutual Fire Insurance Company.	\$100.00	05/22/2008	20466124

SERFF Tracking Number: NWPC-125662121 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	06/20/2008	06/20/2008

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	06/04/2008	06/04/2008	Filings D	06/18/2008	06/18/2008
Pending Industry Response	Becky Harrington	05/30/2008	05/30/2008	Filings D	06/02/2008	06/02/2008

SERFF Tracking Number: NWPC-125662121 *State:* Arkansas
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Disposition

Disposition Date: 06/20/2008

Effective Date (New): 08/23/2008

Effective Date (Renewal): 08/23/2008

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NWPC-125662121 State: Arkansas
 Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
 Company Tracking Number: 08H-5461AR-BZ
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Item Type	Item Name	Item Status	Public Access
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	No
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Brian Zhi	Filed	Yes
Supporting Document	Brian Zhi	Filed	Yes

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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/04/2008
Submitted Date 06/04/2008

Respond By Date

Dear Brian Zhi,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: I have discussed the proposed rate increase with Director Lacy. We are concerned that this will make three rate increases that have been filed including the one effective in July of 2007 in less than 12 months. We are not convinced that this increase will not result in excessive rates.

Please withdraw this filing and re-file at a later date or provide additional justification for the requested increase.

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 06/18/2008
Submitted Date 06/18/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see the attached PDF document for our response.

SERFF Tracking Number: NWPC-125662121 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
Company Tracking Number: 08H-5461AR-BZ
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Related Objection 1

Comment:

I have discussed the proposed rate increase with Director Lacy. We are concerned that this will make three rate increases that have been filed including the one effective in July of 2007 in less than 12 months. We are not convinced that this increase will not result in excessive rates.

Please withdraw this filing and re-file at a later date or provide additional justification for the requested increase.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Brian Zhi

Comment: Please see the attached PDF document for our response.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Filings D

SERFF Tracking Number: NWPC-125662121 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
Company Tracking Number: 08H-5461AR-BZ
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/30/2008

Submitted Date 05/30/2008

Respond By Date

Dear Brian Zhi,

This will acknowledge receipt of the captioned filing.

Objection 1

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

Comment: Provide the 5 year premium/loss experience for Arkansas justifying the use of credit information in the development of the Financial Responsibility Class factors pursuant to ACA 23-67-409.

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 06/02/2008

Submitted Date 06/02/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see the attachment for details.

Related Objection 1

Applies To:

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

SERFF Tracking Number: NWPC-125662121 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
Company Tracking Number: 08H-5461AR-BZ
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Comment:

Provide the 5 year premium/loss experience for Arkansas justifying the use of credit information in the development of the Financial Responsibility Class factors pursuant to ACA 23-67-409.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Brian Zhi

Comment: Please see the attachment for details.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Filings D

SERFF Tracking Number: *NWPC-125662121* *State:* *Arkansas*
Filing Company: *Nationwide Mutual Fire Insurance Company.* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *08H-5461AR-BZ*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: NWPC-125662121 State: Arkansas
Filing Company: Nationwide Mutual Fire Insurance Company. State Tracking Number: EFT \$100
Company Tracking Number: 08H-5461AR-BZ
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ

Supporting Document Schedules

Satisfied -Name: HPCS-Homeowners Premium
Comparison Survey **Review Status:** Filed 06/20/2008

Comments:

Attachment:

HPCS 3-06i.xls

Satisfied -Name: Form RF-1 NAIC Loss Cost Data
Entry Document--All P&C Lines **Review Status:** Filed 06/20/2008

Comments:

Attachment:

RF-1 Rate Filing Abstract.pdf

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Filed 06/20/2008

Comments:

Attachment:

AR SERFF Combined.pdf

Satisfied -Name: Brian Zhi **Review Status:** Filed 06/20/2008

Comments:

Please see the attachment for details.

Attachment:

Response_20080602.pdf

Satisfied -Name: Brian Zhi **Review Status:** Filed 06/20/2008

Comments:

Please see the attached PDF document for our response.

Attachment:

SERFF Tracking Number: *NWPC-125662121* *State:* *Arkansas*
Filing Company: *Nationwide Mutual Fire Insurance Company.* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *08H-5461AR-BZ*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Nationwide Homeowners Rate Revision for Arkansas/08H-5461AR-BZ*

Nationwide_Response_20080618.pdf

NAIC Number:	23779
Company Name:	Nationwide Mutual Fire Insurance Company
Contact Person:	Brian Zhi
Telephone No.:	(614)677-6047
Email Address:	zhib@nationwide.com
Effective Date:	8/23/2008

**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	\$949.57	\$1,043.57	\$931.96	\$1,024.22	\$1,140.89	\$1,253.84	\$1,366.25	\$1,501.51	\$1,359.21	\$1,493.77	\$1,106.85	\$1,216.43	\$1,102.15	\$1,211.27	\$1,112.72	\$1,222.88	\$1,173.75	\$1,289.95
	\$120,000	\$1,228.33	\$1,349.93	\$1,205.55	\$1,324.90	\$1,475.81	\$1,621.92	\$1,767.33	\$1,942.30	\$1,758.22	\$1,932.29	\$1,431.78	\$1,573.53	\$1,425.71	\$1,566.86	\$1,439.37	\$1,581.87	\$1,518.33	\$1,668.64
	\$160,000	\$1,577.06	\$1,733.19	\$1,547.82	\$1,701.05	\$1,894.81	\$2,082.39	\$2,269.09	\$2,493.73	\$2,257.39	\$2,480.88	\$1,838.27	\$2,020.26	\$1,830.48	\$2,011.69	\$1,848.02	\$2,030.98	\$1,949.39	\$2,142.38
6	\$80,000	\$1,117.64	\$1,244.88	\$1,096.92	\$1,221.80	\$1,342.82	\$1,495.70	\$1,608.07	\$1,791.15	\$1,599.78	\$1,781.92	\$1,302.76	\$1,451.08	\$1,297.23	\$1,444.92	\$1,309.67	\$1,458.77	\$1,381.51	\$1,538.79
	\$120,000	\$1,445.74	\$1,610.34	\$1,418.94	\$1,580.48	\$1,737.03	\$1,934.79	\$2,080.15	\$2,316.97	\$2,069.43	\$2,305.03	\$1,685.21	\$1,877.07	\$1,678.06	\$1,869.11	\$1,694.14	\$1,887.02	\$1,787.07	\$1,990.53
	\$160,000	\$1,856.20	\$2,067.52	\$1,821.78	\$2,029.19	\$2,230.19	\$2,484.09	\$2,670.72	\$2,974.78	\$2,656.95	\$2,959.44	\$2,163.65	\$2,409.98	\$2,154.47	\$2,399.76	\$2,175.12	\$2,422.76	\$2,294.43	\$2,555.65
9	\$80,000	\$2,150.77	\$2,541.99	\$2,110.89	\$2,494.86	\$2,584.11	\$3,054.16	\$3,094.55	\$3,657.45	\$3,078.60	\$3,638.59	\$2,507.01	\$2,963.03	\$2,496.38	\$2,950.47	\$2,520.30	\$2,978.74	\$2,658.55	\$3,142.14
	\$120,000	\$2,782.16	\$3,288.23	\$2,730.58	\$3,227.26	\$3,342.72	\$3,950.76	\$4,003.01	\$4,731.15	\$3,982.38	\$4,706.76	\$3,242.99	\$3,832.88	\$3,229.23	\$3,816.63	\$3,260.18	\$3,853.21	\$3,439.01	\$4,064.56
	\$160,000	\$3,572.03	\$4,221.78	\$3,505.80	\$4,143.50	\$4,291.74	\$5,072.40	\$5,139.49	\$6,074.35	\$5,113.00	\$6,043.04	\$4,163.69	\$4,921.06	\$4,146.03	\$4,900.19	\$4,185.77	\$4,947.15	\$4,415.37	\$5,218.52

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	\$111.30	\$111.30	\$111.30	\$111.30	\$115.70	\$115.70	\$117.20	\$117.20	\$117.20	\$117.20	\$117.20	\$117.20	\$117.20	\$117.20	\$115.70	\$115.70	\$133.17	\$133.17
	\$15,000	\$179.52	\$179.52	\$179.52	\$179.52	\$186.61	\$186.61	\$189.04	\$189.04	\$189.04	\$189.04	\$189.04	\$189.04	\$189.04	\$189.04	\$186.61	\$186.61	\$214.79	\$214.79
	\$25,000	\$239.66	\$239.66	\$239.66	\$239.66	\$249.12	\$249.12	\$252.36	\$252.36	\$252.36	\$252.36	\$252.36	\$252.36	\$252.36	\$252.36	\$249.12	\$249.12	\$286.74	\$286.74
6	\$5,000	\$131.00	\$131.00	\$131.00	\$131.00	\$136.18	\$136.18	\$137.95	\$137.95	\$137.95	\$137.95	\$137.95	\$137.95	\$137.95	\$137.95	\$136.18	\$136.18	\$156.74	\$156.74
	\$15,000	\$211.29	\$211.29	\$211.29	\$211.29	\$219.64	\$219.64	\$222.50	\$222.50	\$222.50	\$222.50	\$222.50	\$222.50	\$222.50	\$222.50	\$219.64	\$219.64	\$252.81	\$252.81
	\$25,000	\$282.08	\$282.08	\$282.08	\$282.08	\$293.22	\$293.22	\$297.03	\$297.03	\$297.03	\$297.03	\$297.03	\$297.03	\$297.03	\$297.03	\$293.22	\$293.22	\$337.50	\$337.50
9	\$5,000	\$252.10	\$252.10	\$252.10	\$252.10	\$262.06	\$262.06	\$265.46	\$265.46	\$265.46	\$265.46	\$265.46	\$265.46	\$265.46	\$265.46	\$262.06	\$262.06	\$301.63	\$301.63
	\$15,000	\$406.61	\$406.61	\$406.61	\$406.61	\$422.67	\$422.67	\$428.17	\$428.17	\$428.17	\$428.17	\$428.17	\$428.17	\$428.17	\$428.17	\$422.67	\$422.67	\$486.50	\$486.50
	\$25,000	\$542.82	\$542.82	\$542.82	\$542.82	\$564.27	\$564.27	\$571.60	\$571.60	\$571.60	\$571.60	\$571.60	\$571.60	\$571.60	\$571.60	\$564.27	\$564.27	\$649.47	\$649.47

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	5%	Deadbolt Lock	5%
Burglar Alarm	5%	Window Locks	%
Smoke Alarm	5%	\$1,000 Deductible	17%
		Other (specify)	%
		Maximum Credit Allowed	29.5%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	yes	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10	%	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$ 0.92	\$ 0.75
	Lowest Risk	\$ 0.28	\$ 0.22

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	08H-5461AR-BZ
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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	N/A
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Company Name		Company NAIC Number		
3.	A.	Nationwide Mutual Fire Insurance Company	B.	23779

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.	Homeowners	B.	

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	13.7%	7.0%					
Tenants	14.2%	10.0%					
Condominium	14.5%	10.0%					
Mobile Homeowners	-0.5%	0.0%					
TOTAL OVERALL EFFECT	13.5%	7.0%					

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
2007	28,937	4.8%	02/16/2008	23,566	18,448	78.3%	46.1%
2007	28,937	6.7%	07/15/2007	23,566	18,448	78.3%	46.1%
2005	28,079	0.1%	10/01/2005	22,853	12,388	54.2%	58.7%
2004	26,887	0.4%	10/01/2004	20,127	10,333	51.3%	70.1%
2003	25,493	11.1%	10/01/2003	18,665	12,607	67.5%	66.6%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	15.6%
B. General Expense	9.3%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain)	
F. TOTAL	37.9%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 17.3 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
HO-3, All Mono-line Policies
- 10.** 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

HO-8, All Multi-line Policies

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	08H-5461AR-BZ
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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	N/A
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Company Name		Company NAIC Number		
3.	A.	Nationwide Mutual Fire Insurance Company	B.	23779

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.	Homeowners	B.	

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	13.7%	7.0%					
Tenants	14.2%	10.0%					
Condominium	14.5%	10.0%					
Mobile Homeowners	-0.5%	0.0%					
TOTAL OVERALL EFFECT	13.5%	7.0%					

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
2007	28,937	4.8%	02/16/2008	23,566	18,448	78.3%	46.1%
2007	28,937	6.7%	07/15/2007	23,566	18,448	78.3%	46.1%
2005	28,079	0.1%	10/01/2005	22,853	12,388	54.2%	58.7%
2004	26,887	0.4%	10/01/2004	20,127	10,333	51.3%	70.1%
2003	25,493	11.1%	10/01/2003	18,665	12,607	67.5%	66.6%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	15.6%
B. General Expense	9.3%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain)	
F. TOTAL	37.9%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 17.3 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
HO-3, All Mono-line Policies
- 10.** 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

HO-8, All Multi-line Policies

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:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

3. Group Name	Group NAIC #
Nationwide Insurance Companies	140

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Nationwide Mutual Fire Insurance Company	OH	23779	31-4177110	03

5. Company Tracking Number	08H-5461AR-BZ
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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
Matt McKenney One Nationwide Plaza 01-19-18 Columbus, OH 43215	Pricing Supervisor	(800)882-2822 Ext. 93219	(614)249-5113	mckennm2@nationwide.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Matt McKenney		

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

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	NA
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	NA
12. Company Program Title (Marketing title)	NA

13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input 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: 8/23/2008 Renewal: 8/23/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	08H-5461AR-BZ
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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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FILING MEMORANDUM

Outlined herein are the details and supporting data relating to the changes in Homeowners rates.

STATEWIDE CHANGE

The indication developed in this filing for all policy forms combined is based on an assumed effective date of August 23, 2008. Exhibit II shows five years of homeowners experience ending December 31, 2007, evaluated as of March 31, 2008, by form for the Nationwide Mutual Fire Insurance Company. Exhibit I shows the indicated rate changes as well as our proposed rate changes by policy forms. The effect of all the changes for all policy forms is a statewide premium level increase of 7.0 percent.

We increased rates for the homeowners form by 5.0 percent with the revision effective February 16, 2008. The indicated rate need for the homeowners form at that time was 17.4 percent. We didn't raise the rate for the tenants and condominiums form with last rate review. This change includes a 7.0 percent increase in the homeowners form, and 10.0 percent increase in tenants and condominiums form.

Earned Premium

We have adjusted the earned premiums on Exhibit II, row (1), to current rate level. They are further modified by the premium projection factors shown in row (2). These factors reflect past and anticipated future increases in the average amount of insurance, deductible, and territory relativities.

Accident Year Losses

The following adjustments to losses are summarized in rows (4) through (15) of Exhibit II:

1. The actual losses have been adjusted to ultimate accident year costs. We removed losses greater than \$200,000 for the Homeowners policy form. The losses were developed; then, the large losses were added back into the estimated ultimate losses.

The ultimate losses represent the ultimate cost expected when all claims are finally closed. Row (4) of Exhibit II shows the estimated ultimate accident year loss costs for all non-weather causes combined.
2. The loss cost projection factors, shown in row (5) of Exhibit II, reflect changes that have occurred in average loss costs levels from the midpoint of each year to the present. They also reflect the change anticipated from the present to the future average claim date, assuming an effective date of February 16, 2008. Exhibit III reflects the determination of the non-weather loss projection factors. Row (9) shows the projected estimated ultimate loss costs. Exhibit IV shows the Arkansas and Companywide paid loss trend data for all four policy forms.
3. The calendar year weather losses are decomposed into their frequency and severity components. The average long-term frequency is calculated after adjusting for outlying annual frequencies. This average

frequency is used as the estimate of the expected weather frequency in the prospective period. The projected weather severity is calculated as the average of the projected weather severities for each year after adjusting for outlying yearly severities. The severity for each calendar year is projected to the prospective period using the selected severity trend. The loss trend summary is reflected on Exhibit V.

The expected frequency and severity are used to calculate the expected weather pure premium for the prospective period, as shown on Exhibit VI. The expected weather pure premium is multiplied by a provision for allocated loss adjustment expenses. This adjusted weather pure premium determines the expected future weather losses and allocated loss adjustment expenses for each experience year in the calculation of the indicated rate level. The projected weather losses are shown in row (7) of Exhibit II and are obtained by multiplying the expected pure premium by the earned exposures.

4. The estimated loss ratios in row (10) of Exhibit II are calculated as the ratio of the projected estimated ultimate loss costs in row (9) of Exhibit II to the projected current level earned premium in row (3) of Exhibit II, and then are averaged, with greater weight given to the more recent years to be responsive to changes in the portfolio or loss climate.

Projected Expense Adjustments

Fixed Expenses, which include General Expense, Other Acquisition, and Unallocated Loss Adjustment, are calculated as a percentage of projected current-levelled earned premium.

Fixed Expenses

Homeowners	15.8%
Tenants	39.2%
Condominium	28.9%
Mobile Homeowners	17.0%

The average projected fixed expense is exposure-weighted across all five years as shown on Exhibit II, row (16).

Permissible Loss, Loss Adjustment, and Fixed Expense Ratio

The 62.1 percent permissible loss, loss adjustment, and fixed expense ratio is derived using the components of the variable expense ratio of 27.9 percent, which includes the average commission and brokerage ratio for all agency states, the state premium tax rate, plus an allowance for miscellaneous taxes, licenses, and fees based on Companywide data.

$$\text{Permissible Loss, Loss Adjustment, and Fixed Expense Ratio} \\ (100\% - \text{Variable Expenses} - 10\% \text{ Profit Provision}) = 62.1 \text{ percent}$$

Exhibit VII is the Companies' Financial Needs Model, which demonstrates the need for a 10.0 percent loading for underwriting gain and contingencies, considering total investment income from all sources.

CHANGES BY POLICY FORM

The table below shows a summary of the proposed rate level changes by policy form:

<u>Policy Form</u>	<u>Percent Change</u>
Homeowners	7.0%
Tenant	10.0%
Condo	10.0%
Mobile Homeowners	0.0%
Total	7.0%

Base Rates

We are revising base rates for Homeowners, Tenants, and Condominiums forms as reflected on draft manual pages H-13, H-17, and H-18.

Financial Responsibility Rating Factor

We are revising Financial Responsibility Class (FRC) factors for homeowners, tenants, and condominiums forms. Draft manual page H-407 reflects this change.

Water Back-Up Rates

We are revising the limited and broad water backup rates to keep them consistent with the corresponding policy form base rates. See draft manual page H-421.

22.

Filing Fees (Filer must provide check # and fee amount if applicable)

[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: NA (Will pay by EFT)

Amount: \$100

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

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

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 #	08H-5461AR-BZ
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	NA
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File and Use
-----------	--	--------------

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)
Nationwide Mutual Fire Insurance Company	13.5	7.0	1,949,000	28,937	27,843,212		

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 (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)
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		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	4.8%
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7.	Effective Date of last rate revision	February 16, 2008
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	H-13, H-17, and H-18	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	H-407	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03	H-421	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

NAIC Number: 23779
 Company Name: Nationwide Mutual Fire Insurance Company
 Contact Person: Brian Zhi
 Telephone No.: (614)677-6047
 Email Address: zhib@nationwide.com
 Effective Date: August 23, 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	949.57	1,043.57	931.96	1,024.22	1,140.89	1,253.84	1,366.25	1,501.51	1,359.21	1,493.77	1,106.85	1,216.43	1,102.15	1,211.27	1,112.72	1,222.88	1,173.75	1,289.95
	\$120,000	1,228.33	1,349.93	1,205.55	1,324.90	1,475.81	1,621.92	1,767.33	1,942.30	1,758.22	1,932.29	1,431.78	1,573.53	1,425.71	1,566.86	1,439.37	1,581.87	1,518.33	1,668.64
	\$160,000	1,577.06	1,733.19	1,547.82	1,701.05	1,894.81	2,082.39	2,269.09	2,493.73	2,257.39	2,480.88	1,838.27	2,020.26	1,830.48	2,011.69	1,848.02	2,030.98	1,949.39	2,142.38
6	\$80,000	1,117.64	1,244.88	1,096.92	1,221.80	1,342.82	1,495.70	1,608.07	1,791.15	1,599.78	1,781.92	1,302.76	1,451.08	1,297.23	1,444.92	1,309.67	1,458.77	1,381.51	1,538.79
	\$120,000	1,445.74	1,610.34	1,418.94	1,580.48	1,737.03	1,934.79	2,080.15	2,316.97	2,069.43	2,305.03	1,685.21	1,877.07	1,678.06	1,869.11	1,694.14	1,887.02	1,787.07	1,990.53
	\$160,000	1,856.20	2,067.52	1,821.78	2,029.19	2,230.19	2,484.09	2,670.72	2,974.78	2,656.95	2,959.44	2,163.65	2,409.98	2,154.47	2,399.76	2,175.12	2,422.76	2,294.43	2,555.65
9	\$80,000	2,150.77	2,541.99	2,110.89	2,494.86	2,584.11	3,054.16	3,094.55	3,657.45	3,078.60	3,638.59	2,507.01	2,963.03	2,496.38	2,950.47	2,520.30	2,978.74	2,658.55	3,142.14
	\$120,000	2,782.16	3,288.23	2,730.58	3,227.26	3,342.72	3,950.76	4,003.01	4,731.15	3,982.38	4,706.76	3,242.99	3,832.88	3,229.23	3,816.63	3,260.18	3,853.21	3,439.01	4,064.56
	\$160,000	3,572.03	4,221.78	3,505.80	4,143.50	4,291.74	5,072.40	5,139.49	6,074.35	5,113.00	6,043.04	4,163.69	4,921.06	4,146.03	4,900.19	4,185.77	4,947.15	4,415.37	5,218.52

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	111.30	111.30	111.30	111.30	115.70	115.70	117.20	117.20	117.20	117.20	117.20	117.20	117.20	117.20	115.70	115.70	133.17	133.17
	\$15,000	179.52	179.52	179.52	179.52	186.61	186.61	189.04	189.04	189.04	189.04	189.04	189.04	189.04	189.04	186.61	186.61	214.79	214.79
	\$25,000	239.66	239.66	239.66	239.66	249.12	249.12	252.36	252.36	252.36	252.36	252.36	252.36	252.36	252.36	249.12	249.12	286.74	286.74
6	\$5,000	131.00	131.00	131.00	131.00	136.18	136.18	137.95	137.95	137.95	137.95	137.95	137.95	137.95	137.95	136.18	136.18	156.74	156.74
	\$15,000	211.29	211.29	211.29	211.29	219.64	219.64	222.50	222.50	222.50	222.50	222.50	222.50	222.50	222.50	219.64	219.64	252.81	252.81
	\$25,000	282.08	282.08	282.08	282.08	293.22	293.22	297.03	297.03	297.03	297.03	297.03	297.03	297.03	297.03	293.22	293.22	337.50	337.50
9	\$5,000	252.10	252.10	252.10	252.10	262.06	262.06	265.46	265.46	265.46	265.46	265.46	265.46	265.46	265.46	262.06	262.06	301.63	301.63
	\$15,000	406.61	406.61	406.61	406.61	422.67	422.67	428.17	428.17	428.17	428.17	428.17	428.17	428.17	428.17	422.67	422.67	486.50	486.50
	\$25,000	542.82	542.82	542.82	542.82	564.27	564.27	571.60	571.60	571.60	571.60	571.60	571.60	571.60	571.60	564.27	564.27	649.47	649.47

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 5, 7, 10, 15 % Deadbolt Lock 5, 7, 10, 15 %
 Burglar Alarm 2, 4, 5, 7, 10, 15 % Window Locks 0 %
 Smoke Alarm 2, 4, 5, 7, 10, 15 % \$1,000 Deductible 17 %
 Other (specify) _____ %
 Maximum Credit Allowed 29.5 %

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? Yes _____ (yes or no)
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 5, 10 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Highest Risk \$ 0.92 Brick \$ 0.75
 Lowest Risk \$ 0.28 Frame \$ 0.22

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 Nationwide Mutual Fire Insurance Company

NAIC No. 23779

GROUP No. 140

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

The company has continued with its Home Care initiative, where employees review insured properties for review of adequate insurance to value and the identification of hazards. Customers are encouraged to remediate hazardous conditions that are identified. During 2007, 2602 properties were inspected before renewal and 1834 of them have seen their ITV percentage increased. The average increase in the ITV was 20 percent.

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 have used a cost estimator for dwelling for approximately 25 years. We moved to a component based tool provided by Marshall-Swift/Boeckh in 2002, which we believe improves the accuracy of the insurance to value calculation, which protects our customers in the event of a loss. As noted in the answer to question #1, some homes experienced an increase.

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.

For dwellings, we require a minimum 40 percent amount of insurance to reconstruction amount. The customer has the option of insuring the dwelling at 40 percent to 100 percent of the reconstruction cost. This decision is made by the customer after a reconstruction amount is determined by a representative of our company. Insuring at less than 100 percent of the reconstruction cost does not provide for the customer to choose our replacement cost plus coverage option, which provides for an additional 25 percent of the dwelling coverage amount to be available in the event of a loss.

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

We do use inflation guard protection, which adjusts the dwelling coverage in accordance with indexes provided by Marshall-Swift/Boeckh. The current average annual adjustment is in the one to two percent range.

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

a. Fire Extinguisher	<u>5, 7, 10, 15 %</u>
b. Burglar Alarm	<u>2, 4, 5, 7, 10, 15 %</u>
c. Smoke Alarm	<u>2, 4, 5, 7, 10, 15 %</u>

- d. Insured who has both homeowners and auto with your company 20 %
- e. Deadbolt Locks 5, 7, 10, 15 %
- f. Window or Door Locks 0 %
- g. Other (Specify) _____ %

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

We do not write insurance for those homes defined to be in ISO Protection Class 10.

If so, state areas and explain reason for not writing These areas are unprotected.

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

<u>FORM</u>	<u>PREMIUM VOLUME</u>
Homeowners (HO-3)	\$23,882,906
Tenants (HO-4)	\$401,190
Condominium (HO-6)	\$92,170
Mobile Homeowners (HO-7)	\$362,543

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

9. Is there a surcharge on risks with wood heat? Yes

If yes, state surcharge 5%

Does the surcharge apply to conventional fire places? No

If yes, state surcharge _____

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



Signature

Matt McKenney

Printed Name

Pricing Supervisor

Title

614-249-3219

Telephone Number

mckenm2@nationwide.com

Email Address

Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Statewide Proposed Changes
Effective Date: August 23, 2008

Form	Projected Current Level Earned Premium	Indicated Rate Level Change	Indicated Premium Effect	Selected Rate Level Change	Selected Premium Effect
Base Policy					
Homeowners	28,299,329	13.7%	3,877,000	7.0%	1,981,000
Tenant	451,238	14.2%	64,100	10.0%	45,100
Condominium	102,334	14.5%	14,800	10.0%	10,200
Mobile Home	374,595	-0.5%	(1,900)	0.0%	-
Water Back-Up					
Homeowners	440,034	13.7%	60,300	7.0%	30,800
Tenant	2,570	14.2%	400	10.0%	300
Condominium	1,769	14.5%	300	10.0%	200
Total	29,671,869	13.5%	4,015,000	7.0%	2,067,600

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective August 23, 2008
Elite / HO3, Golden Blanket / HO5, Market Value, Market Value Plus**

Fiscal Accident Year Ending	2003/4	2004/4	2005/4	2006/4	2007/4	5-Year
Premium						
1. Earned Exposures	23,301	24,386	25,484	26,526	26,814	
2. Historical Earned Premium	16,331,727	19,281,444	21,262,328	22,665,027	23,882,906	
3. Current Level Earned Premium	20,319,117	22,119,146	23,758,945	25,334,412	26,512,327	
4. Selected Retrospective Premium Trend	3.0%	3.0%	3.0%	3.0%	3.0%	
5. Selected Prospective Premium Trend	3.7%	3.7%	3.7%	3.7%	3.7%	
6. Premium Projection Factor	1.220	1.182	1.148	1.115	1.084	
7. Projected Current Level Earned Premium = (3) x (6)	24,789,323	26,144,831	27,275,269	28,247,869	28,739,362	135,196,654
Losses and DCC Expense						
13. Non-Weather Estimated Ultimate Losses and DCC Expense	6,430,571	5,588,657	8,167,788	8,341,376	7,799,646	
14. Selected Retrospective Loss Cost Trend	2.1%	2.1%	5.0%	5.0%	5.0%	
15. Selected Prospective Loss Cost Trend	5.0%	5.0%	5.0%	5.0%	5.0%	
16. Non-Weather Loss Projection Factor	1.213	1.187	1.231	1.172	1.116	
17. Projected Non-Weather Losses and DCC Expense = (13) x (16)	7,800,283	6,633,736	10,054,547	9,776,093	8,704,405	42,969,063
18. Projected Non-Weather Losses and DCC Expense Ratio = (17) ÷ (7)	31.5%	25.4%	36.9%	34.6%	30.3%	31.8%
19. Projected Weather Losses and DCC Expense	5,910,970	6,186,202	6,464,321	6,728,850	6,801,702	32,092,045
20. Projected Weather Losses and DCC Expense Ratio = (19) ÷ (7)	23.8%	23.7%	23.7%	23.8%	23.7%	23.7%
21. Current Coverage Adjustment	0.988	0.994	0.999	1.000	1.000	
22. Projected Estimated Ultimate Losses and DCC Expense = [(17) + (19)] x (21)	13,546,718	12,743,018	16,502,349	16,504,943	15,506,107	75,310,657
23. Projected Loss and DCC Expense Ratio = (22) ÷ (7)	54.6%	48.7%	60.5%	58.4%	54.0%	55.7%
24. Experience Year Weights Used Above	15%	15%	20%	25%	25%	
25. Credibility Assigned to Experience						76.0%
26. Trended Permissible Loss and DCC Expense Ratio						52.0%
27. Credibility-Weighted Loss and DCC Expense Ratio = (25) x (23) + [1-(25)] x (26)						54.8%
28. Credibility-Weighted Losses and DCC Expense = (7) x (27)						74,107,518
Non-Hurricane Fixed Expenses						
47. Estimated General and Other Acquisition Expenses = (7) x 8.8%	2,181,460	2,300,745	2,400,224	2,485,813	2,529,064	
48. Adjusting and Other Loss Adjustment Expenses = (7) x 7.0%	1,735,253	1,830,138	1,909,269	1,977,351	2,011,755	
49. Total Fixed Expenses = (47) + (48)	3,916,713	4,130,883	4,309,492	4,463,163	4,540,819	21,361,071
Indication						
71. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (28) + (49)						95,468,589
72. Permissible Loss and Fixed Expense Ratio						62.1%
74. Credibility-Weighted Required Premium = (71) ÷ (72)						153,733,638
76. Credibility-Weighted Indicated Rate Level Change = (74) ÷ (7) - 1						13.7%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective August 23, 2008
Tenants / HO-4 (NC)**

Fiscal Accident Year Ending	2003/4	2004/4	2005/4	2006/4	2007/4	5-Year
Premium						
1. Earned Exposures	1,627	1,652	1,712	1,768	1,834	
2. Historical Earned Premium	308,622	347,382	351,801	375,179	401,190	
3. Current Level Earned Premium	413,432	418,469	424,374	438,880	453,808	
4. Selected Retrospective Premium Trend	-1.0%	-1.0%	0.0%	0.0%	0.0%	
5. Selected Prospective Premium Trend	0.0%	0.0%	0.0%	0.0%	0.0%	
6. Premium Projection Factor	0.961	0.970	1.000	1.000	1.000	
7. Projected Current Level Earned Premium = (3) x (6)	397,308	405,915	424,374	438,880	453,808	2,120,285
Losses and DCC Expense						
8. Non-Weather Estimated Ultimate Losses and DCC Expense	210,322	196,407	236,714	198,617	170,531	
9. Selected Retrospective Loss Cost Trend	3.0%	3.0%	3.0%	3.0%	3.0%	
10. Selected Prospective Loss Cost Trend	3.0%	3.0%	3.0%	3.0%	3.0%	
11. Non-Weather Loss Projection Factor	1.204	1.168	1.134	1.101	1.069	
12. Projected Non-Weather Losses and DCC Expense = (8) x (11)	253,228	229,403	268,434	218,677	182,298	1,152,040
13. Projected Non-Weather Losses and DCC Expense Ratio = (12) ÷ (7)	63.7%	56.5%	63.3%	49.8%	40.2%	54.3%
14. Projected Weather Losses and DCC Expense	17,376	17,643	18,284	18,882	19,587	91,772
15. Projected Weather Losses and DCC Expense Ratio = (14) ÷ (7)	4.4%	4.3%	4.3%	4.3%	4.3%	4.3%
16. Current Coverage Adjustment	0.986	0.994	0.999	1.000	1.000	
17. Projected Estimated Ultimate Losses and DCC Expense = [(12) + (14)] x (16)	266,816	245,564	286,431	237,559	201,885	1,149,194
18. Projected Loss and DCC Expense Ratio = (17) ÷ (7)	67.2%	60.5%	67.5%	54.1%	44.5%	54.2%
19. Experience Year Weights Used Above	10%	10%	15%	25%	40%	
20. Credibility Assigned to Experience						25.6%
21. Trended Permissible Loss and DCC Expense Ratio						24.0%
22. Credibility-Weighted Loss and DCC Expense Ratio = (20) x (18) + [1-(20)] x (21)						31.7%
23. Credibility-Weighted Losses and DCC Expense = (7) x (22)						672,130
Non-Hurricane Fixed Expenses						
24. Estimated General and Other Acquisition Expenses = (7) x 35.8%	142,236	145,318	151,926	157,119	162,463	
25. Adjusting and Other Loss Adjustment Expenses = (7) x 3.4%	13,508	13,801	14,429	14,922	15,429	
26. Total Fixed Expenses = (24) + (25)	155,744	159,119	166,355	172,041	177,892	831,151
Indication						
27. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (23) + (26)						1,503,281
28. Permissible Loss and Fixed Expense Ratio						62.1%
29. Credibility-Weighted Required Premium = (27) ÷ (28)						2,420,742
30. Credibility-Weighted Indicated Rate Level Change = (29) ÷ (7) - 1						14.2%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective August 23, 2008
Condominiums / HO-6 (NC), Comprehensive Condominiums**

Fiscal Accident Year Ending	2003/4	2004/4	2005/4	2006/4	2007/4	5-Year
Premium						
1. Earned Exposures	207	244	257	266	278	
2. Historical Earned Premium	57,382	72,461	78,730	85,709	92,170	
3. Current Level Earned Premium	76,415	87,944	94,479	99,776	104,103	
4. Selected Retrospective Premium Trend	0.0%	0.0%	0.0%	0.0%	0.0%	
5. Selected Prospective Premium Trend	0.0%	0.0%	0.0%	0.0%	0.0%	
6. Premium Projection Factor	1.000	1.000	1.000	1.000	1.000	
7. Projected Current Level Earned Premium = (3) x (6)	76,415	87,944	94,479	99,776	104,103	462,717
Losses and DCC Expense						
13. Non-Weather Estimated Ultimate Losses and DCC Expense	104,277	9,658	267,367	6,919	80,086	
14. Selected Retrospective Loss Cost Trend	5.0%	5.0%	5.0%	5.0%	5.0%	
15. Selected Prospective Loss Cost Trend	5.0%	5.0%	5.0%	5.0%	5.0%	
16. Non-Weather Loss Projection Factor	1.357	1.292	1.231	1.172	1.116	
17. Projected Non-Weather Losses and DCC Expense = (13) x (16)	141,504	12,478	329,129	8,109	89,376	580,596
18. Projected Non-Weather Losses and DCC Expense Ratio = (17) ÷ (7)	185.2%	14.2%	348.4%	8.1%	85.9%	125.5%
19. Projected Weather Losses and DCC Expense	8,489	10,006	10,540	10,909	11,401	51,345
20. Projected Weather Losses and DCC Expense Ratio = (19) ÷ (7)	11.1%	11.4%	11.2%	10.9%	11.0%	11.1%
21. Current Coverage Adjustment	0.980	0.988	0.997	1.000	1.000	
22. Projected Estimated Ultimate Losses and DCC Expense = [(17) + (19)] x (21)	146,993	22,214	338,650	19,018	100,777	594,591
23. Projected Loss and DCC Expense Ratio = (22) ÷ (7)	192.4%	25.3%	358.4%	19.1%	96.8%	128.5%
24. Experience Year Weights Used Above	10%	15%	20%	25%	30%	
25. Credibility Assigned to Experience						4.8%
26. Trended Permissible Loss and DCC Expense Ratio						37.8%
27. Credibility-Weighted Loss and DCC Expense Ratio = (25) x (23) + [1-(25)] x (26)						42.2%
28. Credibility-Weighted Losses and DCC Expense = (7) x (27)						195,267
Non-Hurricane Fixed Expenses						
47. Estimated General and Other Acquisition Expenses = (7) x 23.9%	18,263	21,019	22,580	23,846	24,881	
48. Adjusting and Other Loss Adjustment Expenses = (7) x 5.0%	3,821	4,397	4,724	4,989	5,205	
49. Total Fixed Expenses = (47) + (48)	22,084	25,416	27,304	28,835	30,086	133,725
Indication						
71. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (28) + (49)						328,992
72. Permissible Loss and Fixed Expense Ratio						62.1%
74. Credibility-Weighted Required Premium = (71) ÷ (72)						529,778
76. Credibility-Weighted Indicated Rate Level Change = (74) ÷ (7) - 1						14.5%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Indicated Rate-Level Change Assumed Effective October 1, 2008
Mobile Home - Broad, Mobile Home - Comprehensive**

Fiscal Accident Year Ending	2003/4	2004/4	2005/4	2006/4	2007/4	5-Year
Premium						
1. Earned Exposures	783	713	628	541	475	
2. Historical Earned Premium	467,355	452,137	454,140	411,873	362,543	
3. Current Level Earned Premium	589,802	551,607	487,746	422,170	370,519	
4. Selected Retrospective Premium Trend	1.0%	0.5%	0.5%	0.5%	0.0%	
5. Selected Prospective Premium Trend	0.5%	0.5%	0.5%	0.5%	0.5%	
6. Premium Projection Factor	1.052	1.026	1.021	1.016	1.011	
7. Projected Current Level Earned Premium = (3) x (6)	620,472	565,949	497,989	428,925	374,595	2,487,929
Losses and DCC Expense						
13. Non-Weather Estimated Ultimate Losses and DCC Expense	217,509	63,776	74,486	94,816	35,566	
14. Selected Retrospective Loss Cost Trend	0.4%	0.4%	0.4%	0.4%	0.4%	
15. Selected Prospective Loss Cost Trend	2.0%	2.0%	2.0%	2.0%	2.0%	
16. Non-Weather Loss Projection Factor	1.063	1.059	1.054	1.050	1.046	
17. Projected Non-Weather Losses and DCC Expense = (13) x (16)	231,212	67,539	78,508	99,557	37,202	514,018
18. Projected Non-Weather Losses and DCC Expense Ratio = (17) ÷ (7)	37.3%	11.9%	15.8%	23.2%	9.9%	20.7%
19. Projected Weather Losses and DCC Expense	112,752	102,672	90,432	77,904	68,400	452,160
20. Projected Weather Losses and DCC Expense Ratio = (19) ÷ (7)	18.2%	18.1%	18.2%	18.2%	18.3%	18.2%
21. Current Coverage Adjustment	0.975	0.985	0.997	1.000	1.000	
22. Projected Estimated Ultimate Losses and DCC Expense = [(17) + (19)] x (21)	335,365	167,658	168,433	177,461	105,602	898,623
23. Projected Loss and DCC Expense Ratio = (22) ÷ (7)	54.1%	29.6%	33.8%	41.4%	28.2%	36.1%
24. Experience Year Weights Used Above	15%	20%	20%	20%	25%	
25. Credibility Assigned to Experience						7.3%
26. Trended Permissible Loss and DCC Expense Ratio						45.5%
27. Credibility-Weighted Loss and DCC Expense Ratio = (25) x (23) + [1-(25)] x (26)						44.8%
28. Credibility-Weighted Losses and DCC Expense = (7) x (27)						1,115,020
Non-Hurricane Fixed Expenses						
47. Estimated General and Other Acquisition Expenses = (7) x 10.2%	63,288	57,727	50,795	43,750	38,209	
48. Adjusting and Other Loss Adjustment Expenses = (7) x 6.8%	42,192	38,485	33,863	29,167	25,472	
49. Total Fixed Expenses = (47) + (48)	105,480	96,211	84,658	72,917	63,681	422,948
Indication						
71. Projected Credibility-Weighted Losses, DCC and Fixed Expenses = (28) + (49)						1,537,968
72. Permissible Loss and Fixed Expense Ratio						62.1%
74. Credibility-Weighted Required Premium = (71) ÷ (72)						2,476,599
76. Credibility-Weighted Indicated Rate Level Change = (74) ÷ (7) - 1						-0.5%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Homeowner**

	Fiscal Calendar Year Ending				
	2003/4	2004/4	2005/4	2006/4	2007/4
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007
2. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
3. Years of Trend = (2) - (1)	4.003	3.000	2.000	1.000	0.000
4. Selected Severity Trend	11.0%	11.0%	5.0%	5.0%	5.0%
5. Selected Frequency Trend	-8.0%	-8.0%	0.0%	0.0%	0.0%
6. Selected Pure Premium Trend = $[1+(4)] \times [1+(5)] - 1$	2.1%	2.1%	5.0%	5.0%	5.0%
7. Past-to-Present Factor = $[1+(6)]^{(3)}$	1.088	1.065	1.103	1.050	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
9. Average Loss Date for Assumed Effective Period	10/1/2009	10/1/2009	10/1/2009	10/1/2009	10/1/2009
10. Years of Trend = (9) - (8)	2.258	2.258	2.258	2.258	2.258
11. Selected Severity Trend	5.0%	5.0%	5.0%	5.0%	5.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = $[1+(11)] \times [1+(12)] - 1$	5.0%	5.0%	5.0%	5.0%	5.0%
14. Present-to-Future Factor = $[1+(13)]^{(10)}$	1.116	1.116	1.116	1.116	1.116
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) x (14)	1.214	1.189	1.231	1.172	1.116

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Tenants**

	Fiscal Calendar Year Ending				
	2003/4	2004/4	2005/4	2006/4	2007/4
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007
2. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
3. Years of Trend = (2) - (1)	4.003	3.000	2.000	1.000	0.000
4. Selected Severity Trend	3.0%	3.0%	3.0%	3.0%	3.0%
5. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
6. Selected Pure Premium Trend = [1+(4)] × [1+(5)] - 1	3.0%	3.0%	3.0%	3.0%	3.0%
7. Past-to-Present Factor = [1+(6)](3)	1.126	1.093	1.061	1.030	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
9. Average Loss Date for Assumed Effective Period	10/1/2009	10/1/2009	10/1/2009	10/1/2009	10/1/2009
10. Years of Trend = (9) - (8)	2.258	2.258	2.258	2.258	2.258
11. Selected Severity Trend	3.0%	3.0%	3.0%	3.0%	3.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = [1+(11)] × [1+(12)] - 1	3.0%	3.0%	3.0%	3.0%	3.0%
14. Present-to-Future Factor = [1+(13)](10)	1.069	1.069	1.069	1.069	1.069
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) × (14)	1.204	1.168	1.134	1.101	1.069

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Condominiums, Comprehensive Condominiums**

	Fiscal Calendar Year Ending				
	2003/4	2004/4	2005/4	2006/4	2007/4
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007
2. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
3. Years of Trend = (2) - (1)	4.003	3.000	2.000	1.000	0.000
4. Selected Severity Trend	5.0%	5.0%	5.0%	5.0%	5.0%
5. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
6. Selected Pure Premium Trend = $[1+(4)] \times [1+(5)] - 1$	5.0%	5.0%	5.0%	5.0%	5.0%
7. Past-to-Present Factor = $[1+(6)]^{(3)}$	1.216	1.158	1.103	1.050	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
9. Average Loss Date for Assumed Effective Period	10/1/2009	10/1/2009	10/1/2009	10/1/2009	10/1/2009
10. Years of Trend = (9) - (8)	2.258	2.258	2.258	2.258	2.258
11. Selected Severity Trend	5.0%	5.0%	5.0%	5.0%	5.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = $[1+(11)] \times [1+(12)] - 1$	5.0%	5.0%	5.0%	5.0%	5.0%
14. Present-to-Future Factor = $[1+(13)]^{(10)}$	1.116	1.116	1.116	1.116	1.116
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) x (14)	1.357	1.292	1.231	1.172	1.116

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Loss Projection Factors
Non-Weather
Mobile Home - Broad, Mobile Home - Comprehensive**

	Fiscal Calendar Year Ending				
	2003/4	2004/4	2005/4	2006/4	2007/4
Past-to-Present Adjustments					
1. Average Loss Date for Fiscal Calendar Year	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007
2. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
3. Years of Trend = (2) - (1)	4.003	3.000	2.000	1.000	0.000
4. Selected Severity Trend	8.0%	8.0%	8.0%	8.0%	8.0%
5. Selected Frequency Trend	-7.0%	-7.0%	-7.0%	-7.0%	-7.0%
6. Selected Pure Premium Trend = [1+(4)] × [1+(5)] - 1	0.4%	0.4%	0.4%	0.4%	0.4%
7. Past-to-Present Factor = [1+(6)](3)	1.016	1.012	1.008	1.004	1.000
Present-to-Future Adjustments					
8. Average Loss Date for Latest Fiscal Calendar Year	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2007
9. Average Loss Date for Assumed Effective Period	10/1/2009	10/1/2009	10/1/2009	10/1/2009	10/1/2009
10. Years of Trend = (9) - (8)	2.258	2.258	2.258	2.258	2.258
11. Selected Severity Trend	2.0%	2.0%	2.0%	2.0%	2.0%
12. Selected Frequency Trend	0.0%	0.0%	0.0%	0.0%	0.0%
13. Selected Pure Premium Trend = [1+(11)] × [1+(12)] - 1	2.0%	2.0%	2.0%	2.0%	2.0%
14. Present-to-Future Factor = [1+(13)](10)	1.046	1.046	1.046	1.046	1.046
Past-to-Future Adjustments					
15. Loss Projection Factor = (7) × (14)	1.063	1.059	1.054	1.050	1.046

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , With Losses Capped at \$140,000
Homeowner**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2003/2	5,910	3.816	5,750	3.616
2003/3	7,102	3.560	5,984	3.430
2003/4	6,932	3.433	6,106	3.250
2004/1	6,877	3.428	6,315	3.087
2004/2	6,097	3.461	6,619	2.947
2004/3	5,630	3.290	6,960	2.765
2004/4	5,673	3.256	7,249	2.630
2005/1	6,136	2.843	7,613	2.500
2005/2	6,080	2.637	7,938	2.435
2005/3	7,049	2.510	8,054	2.427
2005/4	8,100	2.300	8,240	2.420
2006/1	8,509	2.556	8,288	2.465
2006/2	9,236	2.742	8,220	2.474
2006/3	8,595	2.900	8,546	2.461
2006/4	8,051	2.986	8,849	2.453
2007/1	7,394	3.019	9,158	2.433
2007/2	6,924	2.912	9,503	2.437
2007/3	7,500	2.998	9,910	2.460
2007/4	8,232	3.028	10,086	2.507
2008/1	7,564	3.230	10,188	2.554

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , With Losses Capped at \$60,000
Tenants**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2003/2	5,441	2.113	3,575	1.834
2003/3	4,444	1.867	3,470	1.718
2003/4	4,533	1.722	3,581	1.654
2004/1	2,610	1.801	3,407	1.560
2004/2	1,976	1.732	3,337	1.515
2004/3	3,228	1.898	3,496	1.446
2004/4	5,659	1.634	3,523	1.398
2005/1	7,372	1.627	3,555	1.370
2005/2	8,293	1.675	3,571	1.362
2005/3	8,372	1.654	3,583	1.395
2005/4	8,014	1.693	3,802	1.400
2006/1	8,227	1.435	4,100	1.431
2006/2	9,671	1.361	4,152	1.475
2006/3	11,006	1.190	4,092	1.511
2006/4	7,952	1.415	4,011	1.542
2007/1	7,583	1.744	3,910	1.542
2007/2	6,679	1.844	4,113	1.538
2007/3	4,856	2.318	4,446	1.573
2007/4	4,542	2.510	4,484	1.618
2008/1	3,711	2.486	4,545	1.665

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , With Losses Capped at \$30,000
Condominiums, Comprehensive Condominiums**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2003/2	3,518	2.632	3,311	3.132
2003/3	4,235	1.515	3,284	2.957
2003/4	17,810	1.449	3,279	2.828
2004/1	15,847	1.843	3,359	2.788
2004/2	11,609	2.632	3,520	2.752
2004/3	10,451	2.966	3,526	2.675
2004/4	4,684	2.881	3,687	2.614
2005/1	3,157	2.419	3,773	2.484
2005/2	5,344	2.789	3,723	2.442
2005/3	5,227	3.137	3,917	2.453
2005/4	7,060	5.058	4,081	2.484
2006/1	8,850	5.019	4,298	2.544
2006/2	9,032	3.831	4,540	2.533
2006/3	10,155	3.053	4,553	2.517
2006/4	8,217	1.880	4,506	2.540
2007/1	4,343	2.206	4,592	2.565
2007/2	7,306	3.636	4,751	2.605
2007/3	8,376	3.226	4,855	2.617
2007/4	9,231	2.867	5,036	2.665
2008/1	9,016	2.888	5,195	2.711

**Arkansas Homeowners
Nationwide Mutual Fire
Calendar Year Loss Trends
Non-Weather Losses , With Losses Capped at \$75,000
Mobile Home - Broad, Mobile Home - Comprehensive**

Four Quarters Ending	Arkansas		Countrywide	
	Average Paid Cost	Paid Frequency (per 100)	Average Paid Claim Cost	Paid Claim Frequency (per 100)
2003/2	8,615	2.099	4,010	3.438
2003/3	12,754	1.635	4,070	3.346
2003/4	11,227	1.916	3,784	3.238
2004/1	10,862	1.684	3,949	3.097
2004/2	10,459	1.852	4,205	2.953
2004/3	7,088	1.766	4,299	2.766
2004/4	6,270	2.104	4,566	2.715
2005/1	4,124	2.171	4,754	2.664
2005/2	3,099	2.844	4,884	2.676
2005/3	1,795	2.932	4,915	2.742
2005/4	1,312	2.229	4,930	2.674
2006/1	1,127	2.645	4,836	2.685
2006/2	1,557	1.880	4,632	2.622
2006/3	1,052	1.423	4,915	2.511
2006/4	2,380	1.479	4,991	2.547
2007/1	9,217	1.908	5,002	2.588
2007/2	8,221	2.372	5,460	2.591
2007/3	6,842	3.462	5,418	2.609
2007/4	6,964	3.158	6,045	2.519
2008/1	2,294	2.832	5,946	2.525

**Arkansas Homeowners
Nationwide Mutual Fire
Exponential Regression on Four Quarter Ending Trend Data as of March 31, 2008
Non-Weather, With Losses Capped at \$140,000
Homeowner**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	9.9%	0.621	0.26						
23	9.3%	0.571	0.26						
22	8.0%	0.513	0.28						
21	7.1%	0.443	0.27						
20	6.2%	0.363	0.24						
19	5.9%	0.308	0.23						
18	6.8%	0.353	0.24						
17	7.8%	0.389	0.23						
16	9.0%	0.423	0.20						
15	8.9%	0.373	0.16						
14	7.3%	0.264	0.15						
13	4.8%	0.131	0.17						
12	2.1%	0.028	0.19						
11	-2.5%	0.054	0.24						
10	-6.2%	0.321	0.30						
9	-7.9%	0.396	0.21						
8	-8.6%	0.356	0.13						
7	-4.5%	0.116	0.16						
6	1.0%	0.006	0.21						
5	9.1%	0.312	0.28						
4	15.4%	0.428	0.22						
3	1.7%	0.007	0.02						
				12.6%		13.7%	0.983		12.7%
						13.5%	0.981		12.4%
						13.3%	0.979		11.8%
						13.0%	0.978		11.4%
				9.3%	10.5%	12.7%	0.978	9.7%	11.1%
						12.5%	0.976	9.7%	11.0%
						12.2%	0.972	9.6%	10.9%
						11.9%	0.971	9.4%	11.0%
				8.8%	10.9%	11.4%	0.972	8.8%	10.9%
						10.9%	0.972	7.9%	10.6%
						10.6%	0.969	6.8%	10.1%
						10.3%	0.962	5.3%	9.4%
				-8.7%	9.7%	10.4%	0.953	3.7%	8.8%
						11.0%	0.956	2.9%	7.8%
						11.7%	0.959	2.2%	6.3%
						12.8%	0.974	1.9%	8.5%
						13.8%	0.981	1.9%	10.9%
						13.2%	0.975	1.9%	10.4%
						12.6%	0.962	2.9%	10.2%
						11.5%	0.939	4.2%	10.8%
						9.5%	0.905	8.1%	10.8%
						5.7%	0.976	15.1%	5.6%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	-6.7%	0.509	0.79						
23	-6.1%	0.447	0.77						
22	-5.6%	0.382	0.75						
21	-4.9%	0.304	0.73						
20	-4.0%	0.217	0.70						
19	-3.1%	0.133	0.67						
18	-2.3%	0.070	0.61						
17	-1.4%	0.025	0.53						
16	-0.1%	0.000	0.44						
15	1.9%	0.041	0.33						
14	4.2%	0.188	0.22						
13	7.5%	0.558	0.17						
12	9.9%	0.745	0.18						
11	11.5%	0.798	0.22						
10	12.1%	0.769	0.23						
9	8.9%	0.763	0.39						
8	6.6%	0.705	0.50						
7	5.0%	0.558	0.47						
6	5.0%	0.442	0.34						
5	7.2%	0.526	0.15						
4	13.7%	0.898	0.13						
3	16.1%	0.848	0.00						
				-7.2%		-9.8%	0.766		-7.4%
						-9.2%	0.738		-6.8%
						-8.4%	0.707		-6.3%
						-7.6%	0.670		-5.6%
				-4.6%	-1.8%	-6.6%	0.628	-7.3%	-4.8%
						-5.7%	0.573	-7.2%	-4.0%
						-4.7%	0.505	-7.0%	-3.2%
						-3.6%	0.417	-6.7%	-2.4%
				-1.5%	3.4%	-2.5%	0.303	-6.2%	-1.4%
						-1.3%	0.154	-5.3%	-0.2%
						7.8%	0.008	-4.5%	0.8%
						0.7%	0.193	-4.9%	1.9%
				4.3%	11.4%	1.2%	0.458	-5.7%	2.8%
						1.3%	0.449	-5.7%	3.5%
						1.3%	0.393	-5.2%	3.8%
						1.2%	0.277	-4.8%	4.2%
						1.6%	0.346	-5.6%	4.1%
						2.4%	0.539	-8.8%	3.6%
						3.5%	0.719	-13.8%	4.0%
						5.1%	0.917	-15.5%	5.4%
						6.6%	0.980	-11.1%	7.5%
						7.8%	1.000	-12.4%	7.8%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	2.6%	0.107	0.67						
23	2.6%	0.098	0.64						
22	1.9%	0.050	0.61						
21	1.9%	0.042	0.57						
20	1.9%	0.038	0.52						
19	2.6%	0.060	0.46						
18	4.4%	0.157	0.42						
17	6.3%	0.279	0.40						
16	8.8%	0.463	0.41						
15	10.9%	0.573	0.36						
14	11.8%	0.566	0.28						
13	12.7%	0.549	0.22						
12	12.2%	0.473	0.18						
11	8.8%	0.320	0.16						
10	5.2%	0.142	0.16						
9	0.2%	0.000	0.16						
8	-2.6%	0.043	0.04						
7	0.3%	0.000	0.04						
6	6.1%	0.126	0.04						
5	17.0%	0.542	0.06						
4	31.2%	0.826	0.14						
3	18.1%	0.577	0.02						
				4.4%		2.5%	0.246		2.6%
						3.1%	0.343		2.8%
						3.8%	0.444		2.6%
						4.5%	0.528		3.0%
				4.3%	8.5%	5.2%	0.614	1.7%	3.5%
						6.0%	0.703	1.8%	4.4%
						7.0%	0.790	1.9%	5.9%
						7.8%	0.842	2.1%	7.2%
				7.2%	14.7%	8.6%	0.878	2.1%	8.7%
						9.5%	0.917	2.2%	10.0%
						10.4%	0.942	2.0%	10.8%
						11.1%	0.954	0.1%	11.5%
				-4.7%	22.2%	11.7%	0.959	-2.2%	11.8%
						12.5%	0.965	-2.9%	11.9%
						13.2%	0.968	-3.1%	11.9%
						14.1%	0.975	-3.0%	11.9%
						15.5%	0.994	-3.8%	14.8%
						15.9%	0.993	-7.1%	15.3%
						16.5%	0.992	-11.2%	16.1%
						17.3%	0.991	-12.0%	17.3%
						16.7%	0.983	-3.8%	18.7%
						13.9%	0.995	0.8%	14.0%

**Arkansas Homeowners
Nationwide Mutual Fire
Exponential Regression on Four Quarter Ending Trend Data as of March 31, 2008
Non-Weather, With Losses Capped at \$60,000
Tenants**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	12.8%	0.226	0.01				7.0%	0.879	7.1%
23	11.8%	0.181	0.01	7.6%			6.6%	0.873	6.7%
22	11.3%	0.153	0.01				6.3%	0.858	6.4%
21	10.6%	0.121	0.01				6.1%	0.837	6.1%
20	11.2%	0.117	0.01	-10.7%	3.8%		6.2%	0.820	6.2%
19	12.8%	0.130	0.01		4.5%		6.7%	0.855	6.3%
18	13.0%	0.116	0.01		5.3%		7.1%	0.863	6.4%
17	13.2%	0.102	0.00		6.5%		7.8%	0.899	6.7%
16	7.0%	0.031	0.00	-13.5%	7.0%		8.1%	0.891	6.6%
15	-4.6%	0.022	0.01		7.7%		7.9%	0.868	6.3%
14	-14.2%	0.277	0.01		8.0%		8.1%	0.850	5.7%
13	-20.1%	0.493	0.02		6.3%		8.2%	0.823	4.4%
12	-24.4%	0.599	0.02	-32.7%	3.6%		8.1%	0.783	3.0%
11	-28.0%	0.654	0.03		-1.5%		7.7%	0.719	1.8%
10	-32.3%	0.713	0.03		-5.2%		6.4%	0.628	0.4%
9	-38.4%	0.821	0.04		-8.7%		5.7%	0.508	-1.3%
8	-45.5%	0.940	0.10		-12.2%		7.1%	0.565	-2.9%
7	-49.8%	0.971	0.15		-13.4%		10.0%	0.724	-3.5%
6	-47.7%	0.959	0.14		-15.8%		13.6%	0.853	-3.8%
5	-51.6%	0.968	0.16		-13.4%		16.8%	0.886	-3.3%
4	-51.9%	0.939	0.14		-8.5%		13.1%	0.784	0.8%
3	-41.6%	0.922	0.00		9.5%		4.5%	0.983	4.2%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	-5.3%	0.145	0.26				-5.0%	0.365	-5.1%
23	-3.4%	0.068	0.27	-2.2%			-4.0%	0.280	-3.8%
22	-1.6%	0.015	0.25				-2.9%	0.183	-2.6%
21	0.4%	0.001	0.24				-1.8%	0.086	-1.3%
20	2.1%	0.025	0.19	4.3%	-7.6%		-0.6%	0.012	-5.0%
19	3.7%	0.073	0.15		-6.8%		0.6%	0.016	-4.6%
18	5.0%	0.111	0.11		-5.8%		1.8%	0.136	-4.4%
17	5.9%	0.129	0.07		-4.4%		3.0%	0.386	-4.3%
16	7.6%	0.174	0.05	5.2%	-3.4%		4.1%	0.619	-4.0%
15	9.3%	0.213	0.02		-2.9%		5.3%	0.834	-3.5%
14	13.0%	0.330	0.01		-2.1%		6.2%	0.935	-3.0%
13	15.6%	0.374	0.00		-2.1%		6.8%	0.968	-2.7%
12	19.0%	0.427	0.00	21.9%	-2.0%		7.1%	0.968	-2.8%
11	24.6%	0.522	0.01		-2.7%		7.0%	0.958	-3.1%
10	32.3%	0.640	0.01		-3.8%		7.0%	0.946	-3.7%
9	45.6%	0.837	0.02		-4.8%		6.6%	0.929	-4.8%
8	57.1%	0.911	0.03		-5.9%		6.1%	0.904	-6.3%
7	68.2%	0.945	0.05		-7.9%		6.0%	0.859	-7.3%
6	60.5%	0.921	0.05		-8.7%		6.5%	0.827	-7.4%
5	50.2%	0.877	0.03		-7.4%		8.5%	0.913	-4.7%
4	47.7%	0.768	0.00		-7.9%		11.2%	0.997	0.2%
3	15.0%	0.649	#DIV/0!		-3.7%		12.0%	1.000	1.5%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	6.8%	0.112	0.13				1.6%	0.046	2.3%
23	7.9%	0.133	0.13	5.2%			2.3%	0.082	3.0%
22	9.6%	0.166	0.12				3.2%	0.148	4.0%
21	11.0%	0.187	0.11				4.2%	0.220	4.9%
20	13.5%	0.239	0.10	-6.9%	-4.1%		5.5%	0.340	0.9%
19	17.0%	0.321	0.08		-2.6%		7.4%	0.533	1.3%
18	18.7%	0.327	0.06		-0.7%		9.0%	0.665	1.7%
17	19.9%	0.317	0.03		1.8%		11.1%	0.828	2.1%
16	15.1%	0.209	0.02	-9.0%	3.3%		12.5%	0.888	2.3%
15	4.3%	0.046	0.03		4.6%		13.6%	0.911	2.6%
14	-3.1%	0.061	0.04		5.7%		14.8%	0.933	2.5%
13	-7.6%	0.452	0.09		4.1%		15.5%	0.933	1.6%
12	-9.9%	0.620	0.12	-18.0%	1.5%		15.7%	0.919	0.2%
11	-10.3%	0.577	0.13		-4.2%		15.1%	0.894	-1.4%
10	-10.4%	0.510	0.12		-8.8%		13.9%	0.865	-3.3%
9	-10.3%	0.426	0.12		-13.1%		12.7%	0.816	-6.0%
8	-14.3%	0.606	0.16		-17.4%		13.7%	0.791	-9.0%
7	-15.6%	0.558	0.12		-20.2%		16.6%	0.834	-10.5%
6	-16.0%	0.456	0.07		-23.1%		20.9%	0.903	-10.9%
5	-27.3%	0.872	0.08		-19.8%		26.7%	0.969	-7.8%
4	-28.9%	0.801	0.09		-15.8%		25.8%	0.938	1.0%
3	-32.8%	0.702	0.00		5.5%		17.1%	0.998	5.7%

**Arkansas Homeowners
Nationwide Mutual Fire
Exponential Regression on Four Quarter Ending Trend Data as of March 31, 2008
Non-Weather, With Losses Capped at \$30,000
Condominiums, Comprehensive Condominiums**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	8.3%	0.086	0.00	0.3%		10.5%	0.983		10.5%
23	8.7%	0.084	0.00			10.5%	0.981		10.5%
22	9.1%	0.080	0.00			10.4%	0.978		10.4%
21	7.0%	0.045	0.00			10.6%	0.978		10.6%
20	2.8%	0.008	0.00	-10.9%	5.5%	10.8%	0.978	5.7%	10.8%
19	-1.9%	0.004	0.00		4.3%	11.2%	0.982	5.4%	11.2%
18	-6.7%	0.044	0.00		2.8%	11.4%	0.981	4.8%	11.4%
17	-1.1%	0.001	0.00		1.7%	11.3%	0.977	4.1%	11.3%
16	6.3%	0.039	0.00	24.9%	0.5%	11.3%	0.972	3.2%	11.3%
15	13.8%	0.162	0.00		1.8%	11.4%	0.968	1.9%	11.4%
14	23.7%	0.395	0.00		2.6%	11.2%	0.961	0.3%	11.2%
13	23.2%	0.335	0.00		2.5%	11.3%	0.952	-1.9%	11.3%
12	12.9%	0.166	0.00	-25.1%	1.9%	11.3%	0.940	-4.3%	11.3%
11	9.0%	0.075	0.00		-6.1%	10.4%	0.938	-5.0%	10.4%
10	1.2%	0.001	0.00		-11.1%	9.6%	0.929	-4.8%	9.6%
9	-2.4%	0.004	0.00		-14.4%	8.7%	0.915	-3.7%	8.7%
8	0.4%	0.000	0.00		-15.6%	8.5%	0.880	-0.3%	8.5%
7	7.9%	0.021	0.00		-10.5%	10.1%	0.932	3.0%	10.1%
6	38.7%	0.295	0.00		-9.7%	12.2%	0.993	8.2%	12.2%
5	97.0%	0.741	0.00		-5.8%	13.0%	0.995	14.0%	13.0%
4	33.8%	0.797	0.00		-1.9%	13.0%	0.991	22.4%	13.0%
3	15.9%	0.527	0.00		-14.9%	14.5%	0.998	34.4%	14.5%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	-6.1%	0.062	0.01	-14.0%		-5.0%	0.588		-5.0%
23	-3.2%	0.018	0.01			-4.5%	0.532		-4.5%
22	0.7%	0.001	0.01			-3.8%	0.466		-3.8%
21	4.5%	0.034	0.01			-3.1%	0.387		-3.0%
20	10.2%	0.185	0.01	-3.8%	-8.2%	-2.3%	0.290	6.4%	-2.2%
19	11.7%	0.205	0.01		-7.1%	-1.5%	0.175	6.9%	-1.4%
18	8.7%	0.119	0.00		-5.4%	-0.9%	0.068	7.3%	-0.9%
17	4.0%	0.031	0.00		-3.3%	-0.3%	0.008	7.3%	-0.3%
16	-0.1%	0.000	0.00	0.5%	-1.5%	0.4%	0.020	6.9%	0.4%
15	-1.8%	0.006	0.00		0.8%	1.3%	0.199	5.5%	1.3%
14	-2.7%	0.010	0.00		3.5%	2.2%	0.527	3.1%	2.2%
13	-4.4%	0.023	0.00		5.0%	3.1%	0.887	-1.1%	3.1%
12	-9.7%	0.101	0.00	-29.8%	6.6%	3.5%	0.926	-7.1%	3.5%
11	-14.9%	0.198	0.00		8.1%	3.5%	0.908	-10.7%	3.5%
10	-19.9%	0.279	0.00		9.6%	3.4%	0.878	-14.3%	3.4%
9	-14.3%	0.131	0.00		11.2%	3.5%	0.843	-18.3%	3.5%
8	-0.8%	0.000	0.00		6.0%	4.2%	0.928	-24.5%	4.2%
7	16.3%	0.128	0.00		1.9%	5.0%	0.981	-33.8%	5.0%
6	37.9%	0.377	0.00		0.9%	5.2%	0.979	-40.9%	5.2%
5	12.8%	0.066	0.00		-2.9%	5.5%	0.972	-45.5%	5.5%
4	-27.6%	0.872	0.00		5.4%	5.7%	0.950	-42.2%	5.7%
3	-19.9%	0.701	#DIV/0!		42.0%	7.3%	1.000	-30.6%	#DIV/0!

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted	
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track Ending 2007/3	NW Calendar Year Ending 2008/1
24	1.8%	0.003	0.00	-13.8%		5.0%	0.491		5.0%
23	5.2%	0.025	0.00			5.5%	0.525		5.5%
22	9.9%	0.081	0.00			6.2%	0.582		6.2%
21	11.8%	0.099	0.00			7.2%	0.665		7.2%
20	13.3%	0.107	0.00	-14.3%	-3.2%	8.3%	0.758	12.5%	8.3%
19	9.5%	0.055	0.00		-3.1%	9.5%	0.848	12.7%	9.5%
18	1.4%	0.001	0.00		-2.8%	10.4%	0.887	12.5%	10.4%
17	2.9%	0.005	0.00		-1.6%	11.0%	0.895	11.7%	11.0%
16	6.3%	0.021	0.00	25.4%	-1.0%	11.7%	0.904	10.2%	11.7%
15	11.8%	0.059	0.00		2.5%	12.8%	0.933	7.6%	12.8%
14	20.4%	0.137	0.00		6.2%	13.6%	0.942	3.3%	13.6%
13	17.8%	0.091	0.00		7.6%	14.7%	0.959	-3.0%	14.7%
12	1.9%	0.002	0.00	-47.4%	8.6%	15.2%	0.954	-11.0%	15.2%
11	-7.3%	0.020	0.00		1.5%	14.2%	0.948	-15.1%	14.2%
10	-18.9%	0.128	0.00		-2.5%	13.3%	0.939	-18.4%	13.3%
9	-16.3%	0.072	0.00		-4.9%	12.5%	0.920	-21.3%	12.5%
8	-0.4%	0.000	0.00		-10.6%	13.0%	0.902	-24.7%	13.0%
7	25.5%	0.084	0.00		-8.7%	15.6%	0.956	-31.7%	15.6%
6	91.3%	0.498	0.00		-8.8%	18.1%	0.990	-36.0%	18.1%
5	122.2%	0.480	0.00		-8.5%	19.2%	0.991	-37.8%	19.2%
4	-3.2%	0.472	0.03		3.5%	19.4%	0.982	-29.2%	18.7%
3	-7.1%	0.995	0.10		20.8%	22.9%	0.999	-6.8%	19.9%

**Arkansas Homeowners
Nationwide Mutual Fire
Exponential Regression on Four Quarter Ending Trend Data as of March 31, 2008
Non-Weather, With Losses Capped at \$75,000
Mobile Home - Broad, Mobile Home - Comprehensive**

Average Paid Cost

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4 Non-NW Fast Track	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track	NW Calendar Year Ending 2008/1
24	-16.4%	0.161	0.00		8.5%	0.926		8.5%
23	-18.5%	0.183	0.00	-19.0%	8.5%	0.917		8.5%
22	-20.1%	0.193	0.00		8.5%	0.906		8.5%
21	-20.6%	0.181	0.00		8.6%	0.895		8.6%
20	-21.0%	0.166	0.00	-26.4%	8.6%	0.882		8.6%
19	-20.4%	0.138	0.00		8.8%	0.873		8.8%
18	-16.6%	0.082	0.00		9.1%	0.863		9.1%
17	-11.6%	0.035	0.00		8.5%	0.843		8.5%
16	-4.1%	0.004	0.00	-10.1%	7.9%	0.815		7.9%
15	7.7%	0.011	0.00		7.6%	0.776		7.6%
14	21.4%	0.068	0.00		7.3%	0.726		7.3%
13	42.2%	0.193	0.00		7.4%	0.687		7.4%
12	66.7%	0.325	0.00	-35.4%	8.1%	0.684		8.1%
11	98.2%	0.448	0.00		9.3%	0.727		9.3%
10	120.9%	0.466	0.00		11.1%	0.790		11.1%
9	127.4%	0.406	0.00		13.6%	0.875		13.6%
8	106.4%	0.276	0.00		16.0%	0.924		16.0%
7	81.9%	0.150	0.00		15.9%	0.889		15.9%
6	-12.9%	0.011	0.00		17.8%	0.881		17.8%
5	-69.2%	0.697	0.01		19.6%	0.846		18.7%
4	-78.2%	0.706	0.01		15.7%	0.691		14.8%
3	-88.8%	0.738	0.01		20.4%	0.620		19.3%

Paid Claim Frequency

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4 Non-NW Fast Track	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track	NW Calendar Year Ending 2008/1
24	-1.2%	0.006	0.03	1.7%	-7.1%	0.852		-6.9%
23	1.0%	0.004	0.03		-6.8%	0.833		-6.6%
22	3.4%	0.046	0.04		-6.5%	0.812		-6.1%
21	5.3%	0.098	0.03		-6.1%	0.792		-5.8%
20	7.8%	0.191	0.03	11.8%	-5.6%	0.767		-5.2%
19	9.0%	0.214	0.02		-5.0%	0.740		-4.7%
18	8.3%	0.166	0.02		-4.4%	0.718		-4.1%
17	8.6%	0.154	0.01		-3.6%	0.709		-3.5%
16	7.5%	0.105	0.01	9.7%	-2.9%	0.714		-2.8%
15	6.8%	0.075	0.00		-2.3%	0.717		-2.3%
14	4.9%	0.035	0.00		-2.2%	0.656		-2.2%
13	4.7%	0.025	0.00		-2.2%	0.604		-2.2%
12	4.6%	0.020	0.00	22.9%	-2.5%	0.613		-2.5%
11	10.7%	0.079	0.00		-2.6%	0.588		-2.6%
10	22.1%	0.248	0.00		-2.1%	0.452		-2.1%
9	31.3%	0.335	0.00		-1.8%	0.314		-1.8%
8	58.1%	0.691	0.00		-0.8%	0.090		-0.8%
7	81.6%	0.810	0.01		0.0%	0.000		0.8%
6	79.9%	0.721	0.00		-1.3%	0.181		-1.3%
5	53.8%	0.513	0.00		-3.1%	0.575		-3.1%
4	19.2%	0.122	0.00		-4.4%	0.663		-4.4%
3	-33.1%	0.998	0.64		-6.3%	0.696		-23.5%

Paid Pure Premium

Quarters of Trend	Arkansas				Countrywide			Credibility Weighted
	NW Calendar Year Ending 2008/1	R ²	Z*	NW Accident Year Ending 2007/4 Non-NW Fast Track	NW Calendar Year Ending 2008/1	R ²	Non-NW Fast Track	NW Calendar Year Ending 2008/1
24	-17.4%	0.164	0.01	-17.6%	0.8%	0.043		0.6%
23	-17.7%	0.152	0.01		1.1%	0.071		0.9%
22	-17.3%	0.131	0.01		1.4%	0.111		1.2%
21	-16.4%	0.104	0.01		2.0%	0.194		1.8%
20	-14.8%	0.075	0.01	-17.7%	2.5%	0.278		2.3%
19	-13.2%	0.052	0.00		3.3%	0.421		3.3%
18	-9.7%	0.024	0.00		4.3%	0.594		4.3%
17	-4.0%	0.003	0.00		4.5%	0.585		4.5%
16	3.1%	0.002	0.00	-1.4%	4.7%	0.567		4.7%
15	15.1%	0.032	0.00		5.1%	0.564		5.1%
14	27.4%	0.080	0.00		4.9%	0.493		4.9%
13	48.8%	0.180	0.00		5.0%	0.451		5.0%
12	74.4%	0.279	0.00	-20.5%	5.4%	0.431		5.4%
11	119.3%	0.432	0.01		6.5%	0.477		7.6%
10	169.8%	0.520	0.00		8.8%	0.645		8.8%
9	198.4%	0.496	0.00		11.5%	0.795		11.5%
8	226.4%	0.451	0.00		15.0%	0.943		15.0%
7	230.4%	0.358	0.00		16.0%	0.932		16.0%
6	56.7%	0.072	0.00		16.3%	0.900		16.3%
5	-52.7%	0.315	0.00		16.0%	0.832		16.0%
4	-74.0%	0.514	0.00		10.6%	0.698		10.6%
3	-92.5%	0.793	0.00		12.8%	0.582		12.8%

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Non-Hurricane Wind and Hail Only Pure Premium
*Based on Wind and Hail Losses less Hurricane Losses
Homeowner**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1989/1	7,337	2,708	2.787	7,546	1	1.990	1.000	1.990	1	53.89	150.17
1990/1	7,423	1,530	2.654	4,061	1	7.423	1.000	7.423	1	113.57	301.42
1991/1	7,789	2,106	2.528	5,323	1	2.940	1.000	2.940	1	61.92	156.50
1992/1	8,216	1,504	2.407	3,621	1	3.092	1.000	3.092	1	46.50	111.95
1993/1	9,019	1,448	2.293	3,320	1	3.215	1.000	3.215	1	46.55	106.73
1994/1	10,261	1,661	2.183	3,627	1	1.452	1.000	1.452	1	24.12	52.66
1995/1	11,911	2,605	2.079	5,417	1	4.492	1.000	4.492	1	117.02	243.33
1996/1	13,532	3,083	1.980	6,106	1	5.321	1.000	5.321	1	164.05	324.89
1997/1	15,131	5,806	1.886	10,951	0.5	10.475	1.000	10.475	0.5	608.18	1,147.12
1998/1	16,670	2,210	1.796	3,970	1	2.645	1.000	2.645	1	58.45	105.00
1999/1	18,399	2,991	1.711	5,117	1	7.381	1.000	7.381	1	220.77	377.69
2000/1	19,883	2,883	1.629	4,697	1	3.757	1.000	3.757	1	108.31	176.48
2001/1	20,983	1,850	1.552	2,871	1	5.524	1.000	5.524	1	102.19	158.58
2002/1	21,787	1,946	1.478	2,876	1	2.887	1.000	2.887	1	56.18	83.03
2003/1	22,124	3,813	1.407	5,367	1	4.402	1.000	4.402	1	167.85	236.24
2004/1	23,746	3,583	1.340	4,803	1	4.148	1.000	4.148	1	148.62	199.22
2005/1	24,553	2,806	1.277	3,582	1	3.625	1.000	3.625	1	101.72	129.85
2006/1	25,822	5,322	1.216	6,471	1	3.191	1.000	3.191	1	169.83	206.48
2007/1	26,698	5,274	1.158	6,107	1	4.802	1.000	4.802	1	253.26	293.26
2008/1	26,656	4,432	1.103	4,888	1	4.547	1.000	4.547	1	201.52	222.24
Wtd Avg		2,906		4,884		4.209		4.209		122.29	205.57

m=	5,036	m=	4.365	141.22	239.14
s=	1,873	s=	2.113	127.29	230.41
m-2s=	1,290	m-2s=	0.139	-113.35	-221.68
m-1s=	3,163	m-1s=	2.252	13.94	8.73
m+1s=	6,909	m+1s=	6.479	268.51	469.55
m+2s=	8,782	m+2s=	8.592	395.80	699.97

Severity Trend	Retro	Pro		Selected
Frequency Trend	5.0%	5.0%	A. Selected Weather Severity:	4,884
Pure Premium Trend	0.0%	0.0%	B. Selected Weather Frequency (per 100):	4.209
	5.0%	5.0%	C. Wind/Hail Pure Premium = (A) x (B) ÷ 100:	205.57

	Projected
(12) Linearly Projected Severity	4,302
(13) Linearly Projected Frequency	4.58
(14) Linearly Projected Pure Premium	196.16

- Wind and Hail Earned Exposures
- Wind and Hail severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})^{(\text{Years of Retrospective Trend})} \cdot (1 + \text{Selected Prospective Severity Trend})^{(\text{Years of Prospective Trend})}$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind and Hail frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})^{(\text{Years of Retrospective Trend})} \cdot (1 + \text{Selected Prospective Frequency Trend})^{(\text{Years of Prospective Trend})}$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the wind & hail severity graph.
- Frequency projected to the effective date based on the trend line on the wind & hail frequency graph.
- Pure premium projected to the effective date based on the trend line on the wind & hail pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire
*Determination of Non-Hurricane, Non-Wind, and Non-Hail Pure Premium
Based on Total Weather Losses less Wind and Hail and Hurricane Losses
Homeowner**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/1			5.874				0.441				
1988/1			5.439				0.457				
1989/1	7,337	788	5.036	3,968	1	2.031	0.473	0.961	1	16.00	38.13
1990/1	7,423	2,432	4.663	11,340	0.5	2.492	0.490	1.221	1	60.61	138.46
1991/1	7,789	825	4.317	3,562	1	2.157	0.508	1.096	1	17.80	39.04
1992/1	8,216	947	3.998	3,786	1	2.093	0.527	1.103	1	19.82	41.76
1993/1	9,019	1,104	3.701	4,086	1	1.807	0.546	0.987	1	19.95	40.33
1994/1	10,261	904	3.427	3,098	1	2.086	0.565	1.179	1	18.86	36.53
1995/1	11,911	1,061	3.173	3,367	1	2.099	0.586	1.230	1	22.27	41.41
1996/1	13,532	1,335	2.938	3,922	1	1.988	0.607	1.207	1	26.54	47.34
1997/1	15,131	1,397	2.721	3,801	1	2.141	0.629	1.347	1	29.91	51.20
1998/1	16,670	1,541	2.519	3,882	1	1.590	0.652	1.037	1	24.50	40.26
1999/1	18,399	1,624	2.333	3,789	1	1.832	0.676	1.238	1	29.75	46.91
2000/1	19,883	1,490	2.160	3,218	1	1.916	0.700	1.341	1	28.55	43.15
2001/1	20,983	1,717	2.000	3,434	1	4.894	0.726	3.553	0.5	84.03	122.01
2002/1	21,787	2,145	1.852	3,973	1	1.974	0.752	1.484	1	42.34	58.96
2003/1	22,124	1,937	1.714	3,320	1	1.677	0.779	1.306	1	32.48	43.36
2004/1	23,746	2,297	1.587	3,645	1	1.040	0.807	0.839	1	23.89	30.58
2005/1	24,553	3,204	1.470	4,710	1	1.254	0.837	1.050	1	40.18	49.46
2006/1	25,822	2,746	1.361	3,737	1	0.902	0.867	0.782	1	24.77	29.22
2007/1	26,698	6,696	1.260	8,437	0.5	1.038	0.898	0.932	1	69.50	78.63
2008/1	26,656	3,876	1.167	4,523	1	0.867	0.931	0.807	1	33.60	36.50
Wtd Avg		1,869		4,090		1.817		1.176		33.96	48.10

m=	4,380	m=	1,235	33.27	52.66
s=	1,982	s=	0.578	18.24	28.69
m-2s=	416	m-2s=	0.079	-3.21	-4.72
m-1s=	2,398	m-1s=	0.657	15.03	23.97
m+1s=	6,362	m+1s=	1.813	51.51	81.35
m+2s=	8,344	m+2s=	2.391	69.75	110.04

Severity Trend	Retro	Pro		Selected
Frequency Trend	8.0%	8.0%	A. Selected Weather Severity:	4,090
Pure Premium Trend	-3.5%	-3.5%	B. Selected Weather Frequency (per 100):	1.176
	4.2%	4.2%	C. Other Weather Pure Premium = (A) x (B) ÷ 100:	48.10

	Projected
(12) Linearly Projected Severity	3,583
(13) Linearly Projected Frequency	1.42
(14) Linearly Projected Pure Premium	45.01

- Earned Exposures
- Non-Wind and Hail severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})(\text{Years of Retrospective Trend}) \cdot (1 + \text{Selected Prospective Severity Trend})(\text{Years of Prospective Trend})$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Non-Wind and Hail frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})(\text{Years of Retrospective Trend}) \cdot (1 + \text{Selected Prospective Frequency Trend})(\text{Years of Prospective Trend})$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the other weather severity graph.
- Frequency projected to the effective date based on the trend line on the other weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the other weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses
Tenants**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/1	1,171	310	5.658	1,754	1	1.110	0.527	0.585	1	3.44	10.26
1988/1	957	188	5.239	985	1	0.940	0.544	0.511	1	1.77	5.03
1989/1	938	715	4.851	3,468	1	1.279	0.561	0.718	1	9.14	24.90
1990/1	915	301	4.491	1,352	1	1.639	0.578	0.947	1	4.93	12.80
1991/1	963	360	4.159	1,497	1	1.661	0.596	0.990	1	5.98	14.82
1992/1	931	452	3.851	1,741	1	0.859	0.614	0.527	1	3.88	9.18
1993/1	890	397	3.565	1,415	1	0.674	0.633	0.427	1	2.68	6.04
1994/1	955	212	3.301	700	1	0.524	0.653	0.342	1	1.11	2.39
1995/1	1,036	591	3.057	1,807	1	0.483	0.673	0.325	1	2.85	5.87
1996/1	1,081	649	2.830	1,837	1	0.833	0.694	0.578	1	5.41	10.62
1997/1	1,153	3,998	2.621	10,479	0.5	1.561	0.715	1.116	0.5	62.41	116.95
1998/1	1,192	1,162	2.426	2,819	1	0.419	0.737	0.309	1	4.87	8.71
1999/1	1,361	366	2.247	822	1	0.735	0.760	0.559	1	2.69	4.59
2000/1	1,924	582	2.080	1,211	1	0.520	0.784	0.408	1	3.03	4.94
2001/1	2,094	809	1.926	1,558	1	0.764	0.808	0.617	1	6.18	9.61
2002/1	2,048	1,564	1.784	2,790	1	0.928	0.833	0.773	1	14.51	21.57
2003/1	1,744	1,384	1.651	2,285	1	0.516	0.859	0.443	1	7.14	10.12
2004/1	1,610	2,175	1.529	3,326	1	0.497	0.885	0.440	1	10.81	14.63
2005/1	1,660	1,368	1.416	1,937	1	0.301	0.913	0.275	1	4.12	5.33
2006/1	1,742	511	1.311	670	1	0.574	0.941	0.540	1	2.93	3.62
2007/1	1,778	1,417	1.214	1,720	1	0.394	0.970	0.382	1	5.58	6.57
2008/1	1,850	1,351	1.124	1,519	1	0.378	1.000	0.378	1	5.11	5.74
Wtd Avg		877		1,975		0.782		0.541		6.86	10.68

m=	2,168	m=	0.554	7.75	14.29
s=	2,009	s=	0.229	12.60	23.61
m-2s=	-1,850	m-2s=	0.096	-17.45	-32.93
m-1s=	159	m-1s=	0.325	-4.85	-9.32
m+1s=	4,177	m+1s=	0.783	20.35	37.90
m+2s=	6,186	m+2s=	1.012	32.95	61.51

	Retro	Pro		Selected
Severity Trend	8.0%	6.0%	A. Selected Weather Severity:	1,975
Frequency Trend	-3.0%	0.0%	B. Selected Weather Frequency (per 100):	0.541
Pure Premium Trend	4.8%	6.0%	C. Projected Weather Pure Premium= (A)x(B)÷100:	10.68

	Projected
(12) Linearly Projected Severity	1,574
(13) Linearly Projected Frequency	0.33
(14) Linearly Projected Pure Premium	8.65

- Earned Exposures
- Wind and water severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Severity Trend})(\text{Years of Prospective Trend})$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind and water frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Frequency Trend})(\text{Years of Prospective Trend})$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses
Condominiums, Comprehensive Condominiums**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/1	41	0	3.821			0.000	1.000			0.00	
1988/1	48	0	3.605			0.000	1.000			0.00	
1989/1	45	0	3.401			0.000	1.000			0.00	
1990/1	38	687	3.208	2,204	1	10.526	1.000	10.526	0.5	72.31	231.99
1991/1	35	0	3.026			0.000	1.000			0.00	
1992/1	41	0	2.855			0.000	1.000			0.00	
1993/1	53	0	2.694			0.000	1.000			0.00	
1994/1	66	0	2.541			0.000	1.000			0.00	
1995/1	91	0	2.397			0.000	1.000			0.00	
1996/1	110	0	2.262			0.000	1.000			0.00	
1997/1	136	295	2.134	630	1	2.206	1.000	2.206	1	6.51	13.90
1998/1	148	2,429	2.013	4,890	1	0.676	1.000	0.676	1	16.42	33.06
1999/1	161	2,044	1.899	3,882	1	0.621	1.000	0.621	1	12.69	24.11
2000/1	183	0	1.791			0.000	1.000			0.00	
2001/1	192	2,343	1.690	3,960	1	1.563	1.000	1.563	1	36.62	61.89
2002/1	186	1,849	1.594	2,947	1	1.613	1.000	1.613	1	29.82	47.54
2003/1	184	608	1.504	914	1	1.630	1.000	1.630	1	9.91	14.90
2004/1	217	514	1.419	729	1	0.922	1.000	0.922	1	4.74	6.72
2005/1	248	4,075	1.339	5,456	1	0.806	1.000	0.806	1	32.84	43.98
2006/1	259	2,794	1.263	3,529	1	0.386	1.000	0.386	1	10.78	13.62
2007/1	272	0	1.191			0.000	1.000			0.00	
2008/1	277	344	1.124	387	1	0.361	1.000	0.361	1	1.24	1.40
Wtd Avg		1,635		2,684		1.528		1.528		24.98	41.01

m=	2,684	m=	1.937	10.63	44.83
s=	1,819	s=	2.910	17.95	64.85
m-2s=	-954	m-2s=	-3.883	-25.27	-84.87
m-1s=	865	m-1s=	-0.973	-7.32	-20.02
m+1s=	4,503	m+1s=	4.847	28.58	109.68
m+2s=	6,322	m+2s=	7.757	46.53	174.53

Severity Trend	Retro	Pro		Selected
Frequency Trend	6.0%	6.0%	A. Selected Weather Severity:	2,684
Pure Premium Trend	0.0%	0.0%	B. Selected Weather Frequency (per 100):	1.528
	6.0%	6.0%	C. Projected Weather Pure Premium= (A)x(B)÷100:	41.01

	Projected
(12) Linearly Projected Severity	1,870
(13) Linearly Projected Frequency	0.50
(14) Linearly Projected Pure Premium	13.47

- Earned Exposures
- Wind and water severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Severity Trend})(\text{Years of Prospective Trend})$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind and water frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Frequency Trend})(\text{Years of Prospective Trend})$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

**Arkansas Homeowners
Nationwide Mutual Fire
Determination of Non-Hurricane Weather Pure Premium
Based on Total Weather Losses less Hurricane Losses
Mobile Home - Broad, Mobile Home - Comprehensive**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Four Calendar Quarters Ending	Earned Exposures	Incurred Cost & DCC Severity	Severity Projection Factor	Projected Severity	Severity Weight	Incurred Claim Frequency (per 100)	Frequency Projection Factor	Projected Frequency	Frequency Weight	Historical Pure Premium	Projected Pure Premium
1987/1	1,138	1,049	4.742	4,974	1	3.515	1.000	3.515	1	36.87	174.84
1988/1	933	654	4.432	2,899	1	2.144	1.000	2.144	1	14.02	62.15
1989/1	807	651	4.142	2,696	1	2.107	1.000	2.107	1	13.72	56.80
1990/1	755	1,365	3.871	5,284	1	5.695	1.000	5.695	1	77.74	300.92
1991/1	734	1,622	3.618	5,868	1	3.406	1.000	3.406	1	55.25	199.86
1992/1	647	846	3.381	2,860	1	2.937	1.000	2.937	1	24.85	84.00
1993/1	583	496	3.160	1,567	1	1.887	1.000	1.887	1	9.36	29.57
1994/1	566	905	2.953	2,672	1	3.180	1.000	3.180	1	28.78	84.97
1995/1	559	1,126	2.760	3,108	1	2.862	1.000	2.862	1	32.23	88.95
1996/1	555	926	2.579	2,388	1	3.784	1.000	3.784	1	35.04	90.36
1997/1	573	8,517	2.411	20,534	0.5	5.410	1.000	5.410	1	460.77	1,110.89
1998/1	597	2,073	2.253	4,670	1	3.853	1.000	3.853	1	79.87	179.94
1999/1	653	1,992	2.106	4,195	1	5.054	1.000	5.054	1	100.68	212.02
2000/1	742	1,007	1.968	1,982	1	3.100	1.000	3.100	1	31.22	61.44
2001/1	803	1,801	1.839	3,312	1	9.963	1.000	9.963	0.5	179.43	329.97
2002/1	851	1,128	1.719	1,939	1	2.703	1.000	2.703	1	30.49	52.41
2003/1	823	1,822	1.606	2,926	1	2.309	1.000	2.309	1	42.07	67.56
2004/1	772	1,457	1.501	2,187	1	4.016	1.000	4.016	1	58.51	87.83
2005/1	691	1,132	1.403	1,588	1	2.605	1.000	2.605	1	29.49	41.37
2006/1	605	3,296	1.311	4,321	1	4.132	1.000	4.132	1	136.19	178.54
2007/1	524	4,285	1.225	5,249	1	4.008	1.000	4.008	1	171.74	210.38
2008/1	459	7,490	1.145	8,576	1	4.139	1.000	4.139	1	310.01	354.96
Wtd Avg		1,925		3,978		3.620		3.620		69.69	144.00

m=	4,354	m=	3,764	89.02	184.53
s=	3,989	s=	1,730	109.86	228.16
m-2s=	-3,624	m-2s=	0.304	-130.70	-271.79
m-1s=	365	m-1s=	2.034	-20.84	-43.63
m+1s=	8,343	m+1s=	5.494	198.88	412.69
m+2s=	12,332	m+2s=	7.224	308.74	640.85

Severity Trend	Retro	Pro		Selected
Frequency Trend	7.0%	7.0%	A. Selected Weather Severity:	3,978
Pure Premium Trend	0.0%	0.0%	B. Selected Weather Frequency (per 100):	3.620
	7.0%	7.0%	C. Projected Weather Pure Premium= (A)x(B)÷100:	144.00

	Projected
(12) Linearly Projected Severity	3,110
(13) Linearly Projected Frequency	4.18
(14) Linearly Projected Pure Premium	130.28

- Earned Exposures
- Wind and water severity, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Severity Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Severity Trend})(\text{Years of Prospective Trend})$
- $= (2) \times (3)$
- Judgmentally selected weight assigned to calendar year severity.
- Wind and water frequency per 100 exposures, excluding hurricane losses
- $= (1 + \text{Selected Retrospective Frequency Trend})(\text{Years of Retrospective Trend}) * (1 + \text{Selected Prospective Frequency Trend})(\text{Years of Prospective Trend})$
- $= (6) \times (7)$
- Judgmentally selected weight assigned to calendar year frequency.
- $= (2) \times (6) \div 100$
- $= (4) \times (8) \div 100$
- Severity projected to the effective date based on the trend line on the weather severity graph.
- Frequency projected to the effective date based on the trend line on the weather frequency graph.
- Pure premium projected to the effective date based on the trend line on the weather pure premium graph.

Nationwide Mutual and Affiliated Insurance Companies

Financial Needs Model

Underwriting Profit Provision Support

Homeowners

The required underwriting profit provision used in this filing's rate level analysis was developed using an internal rate of return model that incorporates the estimated timing of premium receipts, loss payments, expense payments and other underwriting components. This model simulates a single insurance transaction (Premium = \$100.00) and its related assets flow and determines the required underwriting profit provision that would result in the desired rate of return on the surplus that supports the transaction.

The underlying surplus supporting the transaction at any given point in time is a function of the insurance reserves being held. Also, if the cash balance is insufficient to offset the insurance liabilities less receivables, additional surplus is committed to fund these reserves.

In addition to the historical payout patterns and expense provisions, the model reflects the following assumptions:

Desired Rate of Return:	15.0 %
Equity Allocated to Line of Business Using Premium to Surplus Ratio:	1.07 to 1.00
Reserve to Premium Ratio:	0.85 to 1.00
Investment Yield – Single Rate Equivalent:	6.00 %
Portion of Assets Available for Investments:	93.0 %
Federal Tax Rate:	35.0 %

Page 2 of this exhibit displays the cash flow resulting from these assumptions. The model derives an underwriting profit of \$13.99 (sum the net underwriting flow across all time periods) in order to achieve the desired rate of return. Page 3 provides the model's required assets (sum of reserve and surplus requirements) as well as the available assets (sum of receivables and cash balance from insurance operations). If the available assets are not sufficient to offset the required assets, additional assets (from surplus) must be infused to support the transaction. Page 4 displays the assets flow (negative values indicate flow to insurance operations while positive values indicate flow back to surplus). The total asset flow is then discounted at the desired rate of return, and the resulting sum of the discounted asset flow is \$0.00. Thus, an underwriting profit provision of 13.99 percent (\$13.99/\$100.00) is expected to achieve a 15.0 percent rate of return.

For this filing, we have selected to use a 10.0 underwriting profit provision which results in a 12.2 percent return on surplus.

Nationwide Mutual and Affiliated Insurance Companies

Homeowners

Cash Flow Related to Insurance Operations

Months from Policy Inception	Cash Flow				Actual Cash Balance	Excess Cash Flow	Adjusted Cash Balance
	Net Underwriting	Investment Income	Federal Income Tax	Total			
-1	(0.11)	0.00	0.00	(0.11)	0.00	0.00	0.00
0	61.65	0.00	4.28	65.93	65.93	0.00	65.93
3	(7.59)	2.42	(3.45)	(8.63)	57.31	0.00	57.31
6	(0.63)	1.99	(3.11)	(1.75)	55.56	0.00	55.56
9	(14.18)	1.58	(2.91)	(15.51)	40.04	0.00	40.04
12	(11.68)	0.96	(2.67)	(13.38)	26.66	0.00	26.66
15	(5.74)	0.46	(0.03)	(5.31)	21.35	4.62	16.73
18	(2.18)	0.27	0.02	(1.90)	14.83	2.76	12.07
21	(1.19)	0.19	(0.01)	(1.00)	11.07	1.56	9.51
24	(0.81)	0.15	(0.01)	(0.67)	8.84	1.08	7.76
27	(0.49)	0.14	(0.02)	(0.37)	7.40	0.70	6.69
30	(0.36)	0.12	(0.03)	(0.26)	6.43	0.52	5.91
33	(0.33)	0.11	(0.02)	(0.24)	5.66	0.50	5.16
36	(0.26)	0.10	(0.02)	(0.18)	4.98	0.39	4.59
39	(0.21)	0.09	(0.05)	(0.17)	4.42	0.29	4.12
42	(0.21)	0.08	(0.01)	(0.15)	3.98	0.31	3.66
45	(0.18)	0.07	(0.01)	(0.12)	3.54	0.27	3.27
48	(0.16)	0.06	(0.01)	(0.11)	3.16	0.25	2.91
51	(0.13)	0.06	0.00	(0.07)	2.85	0.22	2.63
54	(0.14)	0.05	(0.01)	(0.10)	2.53	0.21	2.32
57	(0.12)	0.05	(0.01)	(0.08)	2.23	0.18	2.05
60	(0.11)	0.04	(0.01)	(0.07)	1.98	0.17	1.81
72	(0.34)	0.16	(0.04)	(0.22)	1.59	0.51	1.08
84	(0.24)	0.10	(0.02)	(0.16)	0.92	0.35	0.56
96	(0.08)	0.05	(0.01)	(0.04)	0.53	0.13	0.39
108	(0.07)	0.04	(0.01)	(0.04)	0.35	0.11	0.24
120	(0.04)	0.02	(0.01)	(0.02)	0.22	0.06	0.16
132	(0.03)	0.01	(0.00)	(0.02)	0.14	0.05	0.09
144	(0.02)	0.01	(0.00)	(0.02)	0.07	0.03	0.04
156	(0.01)	0.00	(0.00)	(0.01)	0.03	0.02	0.01
168	(0.00)	0.00	(0.00)	(0.00)	0.01	0.00	0.01
180	(0.00)	0.00	(0.00)	(0.00)	0.01	0.00	0.00
192	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
204	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
216	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
228	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
240	(0.00)	0.00	(0.00)	0.00	0.00	0.00	0.00
252	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
264	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
276	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
288	(0.00)	0.00	(0.00)	(0.00)	0.00	0.00	0.00
300	0.00	0.00	0.00	0.00	0.00	0.00	0.00
312	0.00	0.00	0.00	0.00	0.00	0.00	0.00
324	0.00	0.00	0.00	0.00	0.00	0.00	0.00
336	0.00	0.00	0.00	0.00	0.00	0.00	0.00
348	0.00	0.00	0.00	0.00	0.00	0.00	0.00
360	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.99	9.38	(8.18)	15.19			

Nationwide Mutual and Affiliated Insurance Companies

Homeowners

Infused and Excess Asset Flows Resulting from Insurance Operations

Months from Policy Inception	Required Assets	Assets Prior to Infusion	Required Infused Assets	Infused Asset Flow	Excess Asset Flow	Total Asset Flow	Discount Factor at 15.0% ROR	Discounted Asset Flow
-1	0.00	0.00	0.00	0.00	(0.11)	(0.11)	1.0117	(0.11)
0	211.11	84.92	126.19	(126.19)	0.00	(126.19)	1.0000	(126.19)
3	174.36	74.08	100.28	25.92	0.00	25.92	0.9657	25.03
6	128.38	58.92	69.47	30.81	0.00	30.81	0.9325	28.73
9	77.71	41.19	36.52	32.94	0.00	32.94	0.9005	29.66
12	29.06	27.10	1.96	34.56	0.00	34.56	0.8696	30.05
15	17.11	17.11	0.00	1.96	4.62	6.58	0.8397	5.53
18	12.40	12.40	0.00	0.00	2.76	2.76	0.8109	2.24
21	9.80	9.80	0.00	0.00	1.56	1.56	0.7830	1.22
24	8.01	8.01	0.00	0.00	1.08	1.08	0.7561	0.82
27	6.92	6.92	0.00	0.00	0.70	0.70	0.7302	0.51
30	6.11	6.11	0.00	0.00	0.52	0.52	0.7051	0.37
33	5.33	5.33	0.00	0.00	0.50	0.50	0.6809	0.34
36	4.73	4.73	0.00	0.00	0.39	0.39	0.6575	0.26
39	4.25	4.25	0.00	0.00	0.29	0.29	0.6349	0.19
42	3.77	3.77	0.00	0.00	0.31	0.31	0.6131	0.19
45	3.37	3.37	0.00	0.00	0.27	0.27	0.5921	0.16
48	2.99	2.99	0.00	0.00	0.25	0.25	0.5718	0.14
51	2.70	2.70	0.00	0.00	0.22	0.22	0.5521	0.12
54	2.38	2.38	0.00	0.00	0.21	0.21	0.5332	0.11
57	2.11	2.11	0.00	0.00	0.18	0.18	0.5149	0.09
60	1.86	1.86	0.00	0.00	0.17	0.17	0.4972	0.08
72	1.11	1.11	0.00	0.00	0.51	0.51	0.4323	0.22
84	0.58	0.58	0.00	0.00	0.35	0.35	0.3759	0.13
96	0.40	0.40	0.00	0.00	0.13	0.13	0.3269	0.04
108	0.25	0.25	0.00	0.00	0.11	0.11	0.2843	0.03
120	0.16	0.16	0.00	0.00	0.06	0.06	0.2472	0.02
132	0.09	0.09	0.00	0.00	0.05	0.05	0.2149	0.01
144	0.04	0.04	0.00	0.00	0.03	0.03	0.1869	0.01
156	0.01	0.01	0.00	0.00	0.02	0.02	0.1625	0.00
168	0.01	0.01	0.00	0.00	0.00	0.00	0.1413	0.00
180	0.00	0.00	0.00	0.00	0.00	0.00	0.1229	0.00
192	0.00	0.00	0.00	0.00	0.00	0.00	0.1069	0.00
204	0.00	0.00	0.00	0.00	0.00	0.00	0.0929	0.00
216	0.00	0.00	0.00	0.00	0.00	0.00	0.0808	0.00
228	0.00	0.00	0.00	0.00	0.00	0.00	0.0703	0.00
240	0.00	0.00	0.00	0.00	0.00	0.00	0.0611	0.00
252	0.00	0.00	0.00	0.00	0.00	0.00	0.0531	0.00
264	0.00	0.00	0.00	0.00	0.00	0.00	0.0462	0.00
276	0.00	0.00	0.00	0.00	0.00	0.00	0.0402	0.00
288	0.00	0.00	0.00	0.00	0.00	0.00	0.0349	0.00
300	0.00	0.00	0.00	0.00	0.00	0.00	0.0304	0.00
312	0.00	0.00	0.00	0.00	0.00	0.00	0.0264	0.00
324	0.00	0.00	0.00	0.00	0.00	0.00	0.0230	0.00
336	0.00	0.00	0.00	0.00	0.00	0.00	0.0200	0.00
348	0.00	0.00	0.00	0.00	0.00	0.00	0.0174	0.00
360	0.00	0.00	0.00	0.00	0.00	0.00	0.0151	0.00
Total				0.00	15.19	15.19		(0.00)

Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Financial Responsibility Class Factors
Homeowners Form
Effective Date: August 23, 2008

FRC	Current Factor	Indicated Change	Indicated Factor	Selected Change	Selected Factor	Actual Change After Rounding	Off-Balanced Change
1	0.49	0.0%	0.49	0.0%	0.49	0.0%	-1.4%
2	0.49	0.0%	0.49	0.0%	0.49	0.0%	-1.4%
3	0.49	0.0%	0.49	0.0%	0.49	0.0%	-1.4%
4	0.49	0.0%	0.49	0.0%	0.49	0.0%	-1.4%
5	0.53	0.0%	0.53	0.0%	0.53	0.0%	-1.4%
6	0.56	0.0%	0.56	0.0%	0.56	0.0%	-1.4%
7	0.58	0.0%	0.58	0.0%	0.58	0.0%	-1.4%
8	0.60	0.0%	0.60	0.0%	0.60	0.0%	-1.4%
9	0.62	0.0%	0.62	0.0%	0.62	0.0%	-1.4%
10	0.65	0.0%	0.65	0.0%	0.65	0.0%	-1.4%
11	0.68	0.0%	0.68	0.0%	0.68	0.0%	-1.4%
12	0.71	0.0%	0.71	0.0%	0.71	0.0%	-1.4%
13	0.74	0.0%	0.74	0.0%	0.74	0.0%	-1.4%
14	0.77	0.0%	0.77	0.0%	0.77	0.0%	-1.4%
15	0.81	0.0%	0.81	0.0%	0.81	0.0%	-1.4%
16	0.84	0.0%	0.84	0.0%	0.84	0.0%	-1.4%
17	0.88	0.0%	0.88	0.0%	0.88	0.0%	-1.4%
18	1.03	12.8%	1.16	7.0%	1.10	6.8%	5.3%
19	1.09	12.8%	1.23	7.0%	1.17	7.3%	5.9%
20	1.12	11.8%	1.25	7.0%	1.20	7.1%	5.7%
21	1.46	11.8%	1.63	7.0%	1.56	6.8%	5.4%
811 (0 to 60)	0.77	0.0%	0.77	0.0%	0.77	0.0%	-1.4%
811 (60+)	0.56	0.0%	0.56	0.0%	0.56	0.0%	-1.4%
812 (0 to 60)	0.77	0.0%	0.77	0.0%	0.77	0.0%	-1.4%
812 (60+)	0.56	0.0%	0.56	0.0%	0.56	0.0%	-1.4%
Statewide	0.77	2.5%	0.79	1.4%	0.78	1.4%	0.0%

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Financial Responsibility Class Factors
 Tenants Form
 Effective Date: August 23, 2008**

FRC	Current Factor	Indicated Change	Indicated Factor	Selected Change	Selected Factor	Actual Change After Rounding	Off-Balanced Change
1	0.50	0.0%	0.50	0.0%	0.50	0.0%	-2.7%
2	0.50	0.0%	0.50	0.0%	0.50	0.0%	-2.7%
3	0.50	0.0%	0.50	0.0%	0.50	0.0%	-2.7%
4	0.50	0.0%	0.50	0.0%	0.50	0.0%	-2.7%
5	0.54	0.0%	0.54	0.0%	0.54	0.0%	-2.7%
6	0.56	0.0%	0.56	0.0%	0.56	0.0%	-2.7%
7	0.58	0.0%	0.58	0.0%	0.58	0.0%	-2.7%
8	0.61	0.0%	0.61	0.0%	0.61	0.0%	-2.7%
9	0.63	0.0%	0.63	0.0%	0.63	0.0%	-2.7%
10	0.66	0.0%	0.66	0.0%	0.66	0.0%	-2.7%
11	0.68	0.0%	0.68	0.0%	0.68	0.0%	-2.7%
12	0.71	0.0%	0.71	0.0%	0.71	0.0%	-2.7%
13	0.74	0.0%	0.74	0.0%	0.74	0.0%	-2.7%
14	0.77	0.0%	0.77	0.0%	0.77	0.0%	-2.7%
15	0.81	0.0%	0.81	0.0%	0.81	0.0%	-2.7%
16	0.84	0.0%	0.84	0.0%	0.84	0.0%	-2.7%
17	0.88	0.0%	0.88	0.0%	0.88	0.0%	-2.7%
18	1.03	12.8%	1.16	7.0%	1.10	6.8%	3.9%
19	1.09	12.8%	1.23	7.0%	1.17	7.3%	4.4%
20	1.12	11.8%	1.25	7.0%	1.20	7.1%	4.2%
21	1.44	11.8%	1.61	7.0%	1.54	6.9%	4.0%
811 (0 to 60)	0.94	0.0%	0.94	0.0%	0.94	0.0%	-2.7%
811 (60+)	0.72	0.0%	0.72	0.0%	0.72	0.0%	-2.7%
812 (0 to 60)	0.92	0.0%	0.92	0.0%	0.92	0.0%	-2.7%
812 (60+)	0.72	0.0%	0.72	0.0%	0.72	0.0%	-2.7%
Statewide	0.88	4.9%	0.94	2.8%	0.91	2.8%	0.0%

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Financial Responsibility Class Factors
 Condominiums Form
 Effective Date: August 23, 2008**

FRC	Current Factor	Indicated Change	Indicated Factor	Selected Change	Selected Factor	Actual Change After Rounding	Off-Balanced Change
1	0.48	0.0%	0.48	0.0%	0.48	0.0%	-0.3%
2	0.48	0.0%	0.48	0.0%	0.48	0.0%	-0.3%
3	0.48	0.0%	0.48	0.0%	0.48	0.0%	-0.3%
4	0.48	0.0%	0.48	0.0%	0.48	0.0%	-0.3%
5	0.52	0.0%	0.52	0.0%	0.52	0.0%	-0.3%
6	0.54	0.0%	0.54	0.0%	0.54	0.0%	-0.3%
7	0.57	0.0%	0.57	0.0%	0.57	0.0%	-0.3%
8	0.59	0.0%	0.59	0.0%	0.59	0.0%	-0.3%
9	0.61	0.0%	0.61	0.0%	0.61	0.0%	-0.3%
10	0.64	0.0%	0.64	0.0%	0.64	0.0%	-0.3%
11	0.67	0.0%	0.67	0.0%	0.67	0.0%	-0.3%
12	0.70	0.0%	0.70	0.0%	0.70	0.0%	-0.3%
13	0.73	0.0%	0.73	0.0%	0.73	0.0%	-0.3%
14	0.76	0.0%	0.76	0.0%	0.76	0.0%	-0.3%
15	0.80	0.0%	0.80	0.0%	0.80	0.0%	-0.3%
16	0.84	0.0%	0.84	0.0%	0.84	0.0%	-0.3%
17	0.88	0.0%	0.88	0.0%	0.88	0.0%	-0.3%
18	1.03	12.8%	1.16	7.0%	1.10	6.8%	6.5%
19	1.09	12.8%	1.23	7.0%	1.17	7.3%	7.0%
20	1.12	11.8%	1.25	7.0%	1.20	7.1%	6.8%
21	1.46	11.8%	1.63	7.0%	1.56	6.8%	6.5%
811 (0 to 60)	0.85	0.0%	0.85	0.0%	0.85	0.0%	-0.3%
811 (60+)	0.65	0.0%	0.65	0.0%	0.65	0.0%	-0.3%
812 (0 to 60)	0.84	0.0%	0.84	0.0%	0.84	0.0%	-0.3%
812 (60+)	0.65	0.0%	0.65	0.0%	0.65	0.0%	-0.3%
Statewide	0.66	0.5%	0.67	0.3%	0.67	0.3%	0.0%

PREMIUM COMPUTATION FOR HOMEOWNER POLICIES

BASE RATE
 Eff. ~~2-16-08~~ 08-23-08

Step (1)

\$1,372.81

Multiply the base rate of ~~\$1,300.94~~ by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

TABLE A — TERRITORY RATING FACTORS

Rating Territory	Factor
79	0.972
81	0.814
84	0.809
85	0.948
89	0.981
90	0.965
91	0.965
92	0.981
93	1.000
94	0.891
100	0.891
101	1.164
102	1.164
103	1.164
104	1.158
105	1.158
106	1.158
107	1.158
108	1.154
109	0.794
110	0.814
111	0.794
112	0.794
113	0.842
114	0.842
115	0.939
116	0.954
117	0.954
118	0.943
119	0.943
120	0.943
121	0.939
122	0.939

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Type of Construction rating factor in Table B. Round to the nearest penny.

**TABLE B —
 PROTECTION CLASS/CONSTRUCTION TYPE
 RATING FACTORS**

Protection Class	Entire State		
	MAS	FRM	MSV
02	1.000	1.099	1.000
03	1.000	1.099	1.000
04	1.041	1.177	1.041
05	1.041	1.177	1.041
06	1.177	1.311	1.177
07	1.320	1.458	1.320
08	1.787	2.099	1.787
09	2.265	2.677	2.265
10	3.097	3.794	3.097
11	4.032	4.590	4.032

PREMIUM COMPUTATION FOR TENANTS POLICIES

BASE RATE
 Eff. ~~2-16-08~~ 08-23-08

Step (1)

\$ 186.61

Multiply the base rate of ~~\$174.41~~ by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

TABLE A — TERRITORY RATING FACTORS
 Eff. 10-1-05

Rating Territory	Factor
84, 111, 113	0.962
79, 85, 91, 92, 102, 105, 109, 110, 112, 114, 116, 118	1.000
81, 89, 90, 94, 101, 103, 104, 106, 107, 108, 115, 117, 119, 120-122	1.013
93	1.151

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Number of Families rating factor in Table B. Round to the nearest penny.

**TABLE B —
 PROTECTION CLASS/NUMBER OF FAMILIES*
 RATING FACTORS**

Protection Class	Terr: Entire State	
	1 - 4	A/O
02	1.000	1.000
03	1.000	1.000
04	1.000	1.000
05	1.095	1.095
06	1.095	1.095
07	1.248	1.248
08	1.248	1.248
09	1.600	1.600
10	1.600	1.600
11	1.819	1.819

* 1 - 4: One to four families or fire resistive.
 A/O: All other risks.

Step (3)

Multiply the result from Step (2) by the appropriate Amount of Insurance rating factor from Table C. Interpolation may be used to calculate factors for amounts not shown. See page H — 401 for instructions. Round to the nearest penny, then round to the nearest whole dollar.

**TABLE C —
 AMOUNT OF INSURANCE RATING FACTORS**

Amount of Insurance	All Territories
\$ 4,000	0.620
5,000	0.620
6,000	0.620
7,000	0.652
8,000	0.690
9,000	0.740
10,000	0.780
11,000	0.832
12,000	0.873
13,000	0.912
14,000	0.953
15,000	1.000
16,000	1.040
17,000	1.078
18,000	1.120
19,000	1.155
20,000	1.194
25,000	1.335
30,000	1.496
35,000	1.657
40,000	1.803
45,000	1.940
**5,000	0.121

** Add For Each Additional \$5,000

PREMIUM COMPUTATION FOR CONDOMINIUM POLICIES

BASE RATE
 Eff. ~~2-16-08~~ 08-23-08

Step (1)

\$ 342.25

Multiply the base rate of ~~\$312.07~~ by the appropriate Territory rating factor from Table A below. Round to the nearest penny.

TABLE A — TERRITORY RATING FACTORS

Rating Territory	Factor
All	1.000

Step (2)

Multiply the result from Step (1) by the appropriate Protection Class/Number of Families rating factor in Table B. Round to the nearest penny.

**TABLE B —
 PROTECTION CLASS/NUMBER OF FAMILIES*
 RATING FACTORS**

Protection Class	Terr: Entire State	
	1 - 4	A/O
02	1.000	1.000
03	1.000	1.000
04	1.000	1.000
05	1.100	1.100
06	1.100	1.100
07	1.100	1.100
08	1.100	1.100
09	1.592	1.592
10	1.592	1.592
11	1.815	1.815

* 1 - 4: One to four families or fire resistive.
 A/O: All other risks.

Step (3)

Multiply the result from Step (2) by the appropriate Amount of Insurance rating factor from Table C. Interpolation may be used to calculate factors for amounts not shown. See page H — 401 for instructions. Round to the nearest penny, then round to the nearest whole dollar.

**TABLE C —
 AMOUNT OF INSURANCE RATING FACTORS**

Amount of Insurance	All Territories
\$ 4,000	0.471
5,000	0.471
6,000	0.471
7,000	0.500
8,000	0.529
9,000	0.563
10,000	0.592
11,000	0.632
12,000	0.661
13,000	0.690
14,000	0.718
15,000	0.753
16,000	0.787
17,000	0.816
18,000	0.845
19,000	0.868
20,000	0.897
25,000	1.000
30,000	1.121
35,000	1.241
40,000	1.351
45,000	1.448
**5,000	0.086

** Add For Each Additional \$5,000

CREDITS AND CHARGES (cont'd)

J. SAFE HOME RATING PLAN (cont'd)

The Number of Points Accumulated from Paid Claims in the Last Three Years

The number of points is determined by the number of points accumulated, according to the table below, in the last three years (ending 90 days prior to the policy effective date). A qualified claim is considered to be any claim, which results in a net paid loss during this 3-year period. Weather and catastrophe related losses and losses, which only have payments under Medical Payments coverage, are also NOT considered to be qualified claims.

Cause of Loss	Points
Catastrophe	0
Medical Payments	0
Weather	0
Section II Liability	5
All Other	3

K. FINANCIAL RESPONSIBILITY RATE FACTOR

Eff. ~~7-15-07~~ 08-23-08

Based on Nationwide's Proprietary Credit Scoring Model for use in Arkansas, the scoring rules listed below are applicable. Based on the resulting credit score and its corresponding Financial Responsibility Class, multiply the accumulated premium by the appropriate factor in the table below:

INSERT A
↳

Financial Responsibility Class	Rate Factors		
	Homeowner	Condo-minium	Tenants
1	0.49	0.48	0.50
2	0.49	0.48	0.50
3	0.49	0.48	0.50
4	0.49	0.48	0.50
5	0.53	0.52	0.54
6	0.56	0.54	0.56
7	0.58	0.57	0.58
8	0.60	0.59	0.61
9	0.62	0.61	0.63
10	0.65	0.64	0.66
11	0.68	0.67	0.68
12	0.71	0.70	0.71
13	0.74	0.73	0.74
14	0.77	0.76	0.77
15	0.81	0.80	0.81
16	0.84	0.84	0.84
17	0.88	0.88	0.88
18	1.03	1.03	1.03
19	1.09	1.09	1.09
20	1.12	1.12	1.12

Financial Responsibility Class	Rate Factors		
	Homeowner	Condo-minium	Tenants
21	1.46	1.46	1.44
811 & <60 Years Old	0.77	0.85	0.94
811 & 60+ Years Old	0.56	0.65	0.72
812 & <60 Years Old	0.77	0.84	0.92
812 & 60+ Years Old	0.56	0.65	0.72

New Business Scoring:

The following rules (in order of precedence) are applicable:

1. Credit reports shall be obtained for the first and second named insureds.
2. On a policy where the first and second named insured has a credit score, the credit class associated with the first or second named insured with the best credit score shall be assigned to the policy.
3. If the first and second named insureds are all exclusions or a combination of exclusions and no-hits, a Financial Responsibility Class 811 Factor applies. The age of the oldest first or second named insured shall be used to determine which class 811 factor applies.
4. On policies where the first or second named insureds are all credit "no-hits," the Financial Responsibility Class 812 Factor shall be assigned to the policy. The age of the first or second named insured shall be used to determine which class 812 factor applies.

Renewal Scoring:

The following rules (in order of precedence) are applicable:

1. Credit reports shall be obtained for the first and second named insureds.
2. On a policy where the first or second named insured has a credit score, the credit class associated with the first or second named insured with the best credit score shall be assigned to the policy.
3. If the first and second named insureds are all exclusions or a combination of exclusions and "no-hits," a Financial Responsibility Class 811 Factor applies. The age of the oldest first or second named insured shall be used to determine which class 811 factor applies.

ADDITIONAL SECTION I COVERAGES (cont'd)

Q. EARTHQUAKE AND VOLCANIC ERUPTION COVERAGE (cont'd)

Construction Year	Factors	
	Other	Frame
1939 and Prior	2.00	1.00
1940 - 1949	1.30	1.00
1950 and Later	1.00	1.00

Earthquake Rating Zones

Zone 1 — Counties of Clay, Craighead, Crittenden, Cross, Greene, Jackson, Mississippi, and Poinsett.

Zone 2 — Counties of Lee and St. Francis.

Zone 3 — Counties of Independence, Lawrence, Randolph, and Sharp.

Zone 4 — Counties of Arkansas, Monroe, Phillips, Prairie, White, and Woodruff.

Zone 5 — Counties of Baxter, Fulton, and Izard.

Zone 6 — Counties of Cleburne, Conway, Desha, Faulkner, Jefferson, Little River, Lonoke, Marion, Pulaski, Searcy, Sebastian, and Stone.

Zone 7 — Remainder of State.

Construction

Construction materials affect the rate for Earthquake Damage protection as follows:

1. Homeowner
 - a. Exterior Masonry Veneer that is NOT to be covered is rated as "FRAME."
 - b. Exterior Masonry Veneer that is to be covered is rated as "OTHER."
 - c. Frame Stucco is to be rated as "FRAME."
 2. Tenants and Condominium
- All constructions to be rated as "FRAME."

R. REPLACEMENT COST PLUS — HOMEOWNER POLICY
Eff. 2-16-08

This option modifies the policy loss settlement provisions to pay up to an additional 25 percent of the dwelling limit, if needed.

The premium for this option is \$10.00.

The guarantee applies to total losses only when:

1. The dwelling is originally insured to 100 percent of replacement cost as determined by the Replacement Guide. If this is not the case, a current replacement cost computation and an adjustment to the policy limit needed to bring it to 100 percent of replacement cost must be submitted with requests to add this coverage.
2. The Inflation Protection Coverage is activated.
3. The Insured notifies us within ninety (90) days of the start of any improvements or additions, which increase the value of the dwelling by \$5,000 or more. We will pay no more than the policy limit if the Insured fails to so notify us.

S. OPTIONAL COVERAGE AGAINST BACKING OF SEWERS AND DRAINS ← Eff. 08-23-08

1. Option P — Limited Water Back Up of Sewers or Drains Coverage

We will pay up to a maximum of \$5,000 for all damage to:

- a. The Coverage A — Dwelling, AND
- b. The following personal property:
 1. Clothes washers and dryers,
 2. Food freezers and the food in them,
 3. Refrigerators,
 4. Ranges,
 5. Portable dishwashers, AND
 6. Dehumidifiers

caused by or resulting from water or water-borne material which

- a. Backs up through sewers or drains from outside the dwelling's plumbing system, OR
- b. Overflows a sump pump, sump pump well or other system designed to remove subsurface water or water-borne material from the foundation area.

ADDITIONAL SECTION I COVERAGES (cont'd)

S. OPTIONAL COVERAGE AGAINST BACKING OF SEWERS AND DRAINS (cont'd)

- 1. Option P — Limited Water Back Up of Sewers or Drains Coverage (cont'd)

We will pay for that part of the covered loss that is above the Section I — Deductible shown on the Declarations or \$500, whichever is greater.

INSERT B

Section — I All Other Peril Deductible	Homeowner	Tenants	Condominium
\$500 or less	\$7.00	\$2.00	\$7.00
\$1,000	5.00	1.00	4.00
2,500	5.00	N/A	N/A
5,000	4.00	N/A	N/A

NOTE — For all split theft deductibles use the non-theft portion of the deductible to find the correct premium.

- 2. Option R — Broad Water Back Up of Sewers or Drains Coverage (All Policy Forms)

Eff. 08-23-08 →

We will pay up to the limit of liability shown on the Declarations for this option at the time of loss for direct damage to covered property caused by or resulting from water or water-borne material which:

- a. Backs up through sewers or drains from outside the dwelling's plumbing system, OR
- b. Overflows a sump pump, sump pump well or other system designed to remove subsurface water or water-borne material from the foundation area.

A \$500 deductible or the Section — I policy deductible, whichever is higher applies to loss under this coverage.

INSERT C

Homeowner		Option R Limit of Liability			
Section — I All Other Peril Deductible		\$5,000	\$10,000	\$25,000	\$50,000
\$250		\$33.00	\$62.00	\$168.00	\$316.00
500		33.00	62.00	168.00	316.00
1,000		28.00	53.00	142.00	268.00
2,500		25.00	47.00	127.00	240.00
5,000		23.00	43.00	117.00	220.00

Tenants				
Section — I All Other Peril Deductible	Option R Limit of Liability			
	\$5,000	\$10,000	\$25,000	\$50,000
\$100	\$11.00	\$22.00	\$58.00	\$109.00
250	11.00	22.00	58.00	109.00
500	11.00	22.00	58.00	109.00
1,000	10.00	18.00	49.00	93.00
2,500	9.00	16.00	44.00	83.00
5,000	8.00	15.00	40.00	76.00

Condominium				
Section — I All Other Peril Deductible	Option R Limit of Liability			
	\$5,000	\$10,000	\$25,000	\$50,000
\$250	\$19.00	\$36.00	\$97.00	\$182.00
500	19.00	36.00	97.00	182.00
1,000	16.00	30.90	82.00	155.00
2,500	14.00	27.00	73.00	138.00
5,000	13.00	25.00	67.00	127.00

T. INLAND MARINE COVERAGES

All risks insurance on outboard motors, boats, trailers and accessories, subject to applicable deductibles, and certain classes of personal property may be added to the Homeowner policy in accordance with the appropriate rates and rules set forth in the Inland Marine Portfolio. Minimum premiums do not apply.

U. ENGAGED COUPLES — PERSONAL PROPERTY

Wedding presents and other personal property of an engaged couple may be covered under the Tenants Policy only when the appropriate endorsement is attached. The policy is issued in the names of both parties and may be written to become effective up to 90 days prior to the wedding date. The endorsement covers personal property of the couple located anywhere in the state until 90 days after the wedding date, and then provides coverage in their permanent residence thereafter. Section II of the policy does not apply until the date of the wedding. The policy premium is based on the rates at the bride's residence.

Arkansas Homeowners
 Effective August 23, 2008
 INSERT A
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Financial Responsibility Class	Homeowners Rate Factor	Condominium Rate Factor	Tenants Rate Factor
1	0.49	0.48	0.50
2	0.49	0.48	0.50
3	0.49	0.48	0.50
4	0.49	0.48	0.50
5	0.53	0.52	0.54
6	0.56	0.54	0.56
7	0.58	0.57	0.58
8	0.60	0.59	0.61
9	0.62	0.61	0.63
10	0.65	0.64	0.66
11	0.68	0.67	0.68
12	0.71	0.70	0.71
13	0.74	0.73	0.74
14	0.77	0.76	0.77
15	0.81	0.80	0.81
16	0.84	0.84	0.84
17	0.88	0.88	0.88
18	1.10	1.10	1.10
19	1.17	1.17	1.17
20	1.20	1.20	1.20
21	1.56	1.56	1.54
811 & <60 Years Old	0.77	0.85	0.94
811 & 60+ Years Old	0.56	0.65	0.72
812 & <60 Years Old	0.77	0.84	0.92
812 & 60+ Years Old	0.56	0.65	0.72

Arkansas Homeowners
Effective August 23, 2008
INSERT B
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Section-I All Other Peril Deductible	Homeowners	Tenants	Condominiums
\$500 or less	\$7.49	\$2.20	\$7.70
\$1,000	\$5.35	\$1.10	\$4.40
\$2,500	\$5.35	N/A	N/A
\$5,000	\$4.28	N/A	N/A

Arkansas Homeowners
 Effective August 23, 2008
 INSERT C
 Page H-421

Homeowner				
Section-I All Other	Limit of Liability			
Peril Deductible	\$5,000	\$10,000	\$25,000	\$50,000
250	\$35.31	\$66.34	\$179.76	\$338.12
500	\$35.31	\$66.34	\$179.76	\$338.12
1,000	\$29.96	\$56.71	\$151.94	\$286.76
2,500	\$26.75	\$50.29	\$135.89	\$256.80
5,000	\$24.61	\$46.01	\$125.19	\$235.40

Tenants				
Section-I All Other	Limit of Liability			
Peril Deductible	\$5,000	\$10,000	\$25,000	\$50,000
100	\$12.10	\$24.20	\$63.80	\$119.90
250	\$12.10	\$24.20	\$63.80	\$119.90
500	\$12.10	\$24.20	\$63.80	\$119.90
1,000	\$11.00	\$19.80	\$53.90	\$102.30
2,500	\$9.90	\$17.60	\$48.40	\$91.30
5,000	\$8.80	\$16.50	\$44.00	\$83.60

Condominium				
Section-I All Other	Limit of Liability			
Peril Deductible	\$5,000	\$10,000	\$25,000	\$50,000
250	\$20.90	\$39.60	\$106.70	\$200.20
500	\$20.90	\$39.60	\$106.70	\$200.20
1,000	\$17.60	\$33.99	\$90.20	\$170.50
2,500	\$15.40	\$29.70	\$80.30	\$151.80
5,000	\$14.30	\$27.50	\$73.70	\$139.70



June 2, 2008

Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 W 3rd Street
Little Rock, AR 72201-1901

Attention: Ms. Becky Harrington

Re: Nationwide Mutual Fire Insurance Company, NAIC No. 23779
Homeowners Rate Revision
File No. 08H-5461AR-BZ
SERFF Tracking No. NWPC-125662121

Dear Ms. Harrington:

In response to your May 30, 2008 Objection Letter, we offer the following information. For your convenience, your question is shown in bold.

Department's Question: Uniform Transmittal Document-Property & Casualty (Supporting Document). Comment: Provide the 5 year premium/loss experience for Arkansas justifying the use of credit information in the development of the Financial Responsibility Class factors pursuant to ACA 23-67-409.

Please see the attached FRC Support Exhibit. Premium and loss data by Financial Responsibility Class were combined into three larger groups to increase credibility of the analysis. Please note that we did not implement credit rating until October 1, 2004, and our data only include policies with inception dates after October 1, 2004. Policies that existed before our implementation of credit rating would not be classified in our data by their true financial responsibility classes because of anchoring procedures, therefore distorting the analysis.

Please contact me at (614) 677-6047 or at (800) 882-2822, extension 76047, with any questions. I may also be reached via facsimile at (614) 249-3885 or via e-mail at zhib@nationwide.com.

Ms. Harrington
June 2, 2008

Sincerely,

A handwritten signature in black ink that reads "Brian Zhi". The signature is written in a cursive style with a large, stylized "B" and "Z".

Brian Zhi
Sr. Analyst, Pricing

BZ/bz
Attachments

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Financial Responsibility Class Pure Premium Analysis**

AY	FRC Group	Exposure Years	Non- Wind, Non- Hail	Non- Wind, Non- Hail	Frequency (per 1,000)	Severity	N-W, N-H	N-W, N-H
			Incurring Count	Incurring Losses			Premium	Pure Premium Relativity
2005	1-17	2,486.00	45	2,129,262	18.10	47,317	856.50	1.000
	18-19	368.25	8	22,876	21.72	2,860	62.12	0.073
	20-21	295.25	11	452,669	37.26	41,152	1,533.17	1.790
2006	1-17	5,738.75	116	1,228,662	20.21	10,592	214.10	1.000
	18-19	953.50	34	1,189,333	35.66	34,980	1,247.33	5.826
	20-21	637.00	29	703,309	45.53	24,252	1,104.10	5.157
2007	1-17	7,933.50	203	1,243,921	25.59	6,128	156.79	1.000
	18-19	1,277.25	46	1,350,842	36.01	29,366	1,057.62	6.745
	20-21	838.50	46	815,441	54.86	17,727	972.50	6.202
Total	1-17	16,158.25	364	4,601,845	22.53	12,642	284.80	1.000
	18-19	2,599.00	88	2,563,052	33.86	29,126	986.17	3.463
	20-21	1,770.75	86	1,971,419	48.57	22,923	1,113.32	3.909

- (1) (2) (3) (4) (6) (7) (8) (9) (10)
 [Peril-weighted] [Expense flattened] [Exposure-weighted average] = (4)/(4-base) = (3)/(6)-1.0 = sqrt(#claims / 1,082) = (7)*(8)

	AR All- Peril Pure Premium Relativity	AR Experienc e- Indicated Premium Relativity	AR Avg Current Factor	AR Avg Current Factor	AR Experienc e Indicated Change	AR Cred- Weighted Indicated Change	AR Proposed Change		
1-17	7,933.50	1.000	1.000	0.664	1.000	0.0%	0.580	0.0%	0.0%
18-19	1,277.25	2.534	2.144	1.062	1.601	33.9%	0.285	9.7%	7.0%
20-21	838.50	2.812	2.351	1.256	1.892	24.3%	0.282	6.8%	7.0%
SW	10,049.25								

(2) Peril Mix: 37.7% wind/hail, 62.3% non wind/hail; wind/hail assumed pure premium relativity = 1.000 for all FRC
 (3) = [(2)*(TCR-VER-FER) + FER] / (TCR-VER); TCR=0.900; VER=0.279; FER=0.158
 (4): see current factors in Filing Exhibit VIII



June 18, 2008

Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 W 3rd Street
Little Rock, AR 72201-1901

Attention: Ms. Becky Harrington

Re: Nationwide Mutual Fire Insurance Company, NAIC No. 23779
Homeowners Rate Revision
File No. 08H-5461AR-BZ
SERFF Tracking No. NWPC-125662121

Dear Ms. Harrington:

In response to your June 4, 2008 Objection Letter and per your discussion with our regional product director Mr. James Horvath, we are providing three exhibits to illustrate the historical loss experience underlying our proposed rate factor changes as well as the premium effects of the rate change.

Exhibit I shows the rate change histogram including rate changes effective 2/16/2008 and 8/23/2008. Exhibit II details the premium effect by rate filing and rating variables. Exhibit III shows the loss/pure premium relativities for Multi-Line discount and Financial Responsibility Credit Classes.

We acknowledge that filing three Homeowner rate changes in a period of 13 months (July 2007, February 2008 and August 2008) is atypical. While we cannot guarantee our future rate change plans, it is our intent not to file another overall rate increase for Arkansas Homeowners until the annual anniversary date of this filing. (August 2009). If our results dictate a different direction, we would certainly have discussions with the Department prior to making any changes to our Homeowner product.

Please contact me at (614) 677-6047 or at (800) 882-2822, extension 76047, with any questions. I may also be reached via e-mail at zhbi@nationwide.com.

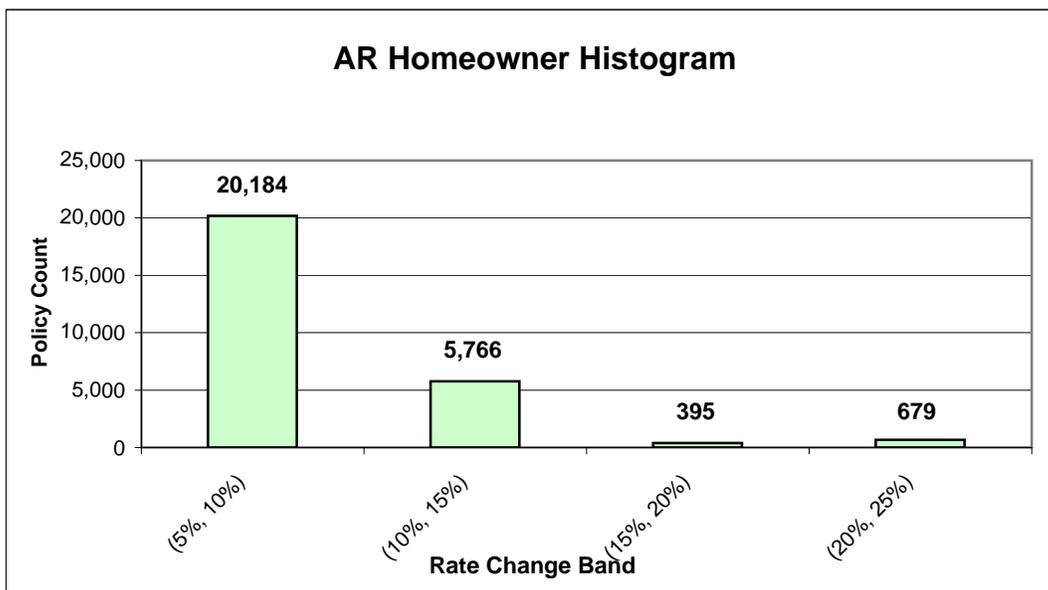
Sincerely,


Brian Zhi
Sr. Analyst, Pricing

Attachments

**Arkansas Homeowners
 Nationwide Mutual Fire Insurance Company
 Rate Change Histogram
 Includes Rate Changes Effective 2/16/2008 and 8/23/2008**

Rate Change Band	Policy Count	Percent of Total
(5%, 10%)	20,184	74.7%
(10%, 15%)	5,766	21.3%
(15%, 20%)	395	1.5%
(20%, 25%)	679	2.5%
Grand Total	27,024	100.0%



Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Detailed Premium Effect By Rate Filings and Rating Variables
Includes Rate Changes Effective 2/16/2008 and 8/23/2008

Policy Upon Next Renewal will Experience	Home Car Discount	FRC Class	Rate Change	Group Total Premium As a Percentage of Statewide Total Premium
Both Changes^	Yes	1-17	7.5%	30.5%
Both Changes	Yes	18	14.8%	2.8%
Both Changes	Yes	19	15.4%	1.1%
Both Changes	Yes	20	15.2%	0.8%
Both Changes	Yes	21	14.9%	0.7%
Both Changes	Yes	811	7.5%	0.2%
Both Changes	Yes	812	7.5%	0.2%
Both Changes	No	1-17	14.2%	15.4%
Both Changes	No	18	22.0%	1.7%
Both Changes	No	19	22.6%	0.8%
Both Changes	No	20	22.4%	0.6%
Both Changes	No	21	22.1%	0.3%
Both Changes	No	811	14.2%	0.4%
Both Changes	No	812	14.2%	0.2%
Both Changes	No	Total	11.1%	55.7%
8/23/2008 Only ¥		1-17	5.5%	39.9%
8/23/2008 Only		18	12.7%	1.0%
8/23/2008 Only		19	13.3%	1.3%
8/23/2008 Only		20	13.1%	0.8%
8/23/2008 Only		21	12.8%	0.6%
8/23/2008 Only		811	5.5%	0.4%
8/23/2008 Only		812	5.5%	0.2%
8/23/2008 Only			6.2%	44.3%

^ Policies in this group will be impacted by both 2/16/2008 rate change and 8/23/2008 rate change.

¥ Policies in this group will be impacted by 8/23/2008 rate change only.

**Arkansas Homeowners
Nationwide Mutual Fire Insurance Company
Rating Variable Loss/Pure Premium Relativities Illustration**

Multi-Line (Home Car) Discount Loss Relativities *

Multi-Line Discount Indicator (1)	Rerated Earned Premium (2)	Incurred Cost + DCC Amount (3)	Experience Loss Ratio (4)=(3)/(2)	Current Multi-Line Discount Factor (5)	Base Class Rerated Earned Premium (6)=(2)/(5)	Base Class Incurred Loss Ratio (7)=(3)/(6)	Indicated Relativities To Base Class (8)=(7)/(7)base
N	9,462,209	4,635,827	0.49	1.00	9,462,209	0.49	1.00
Y	16,044,167	6,567,887	0.41	0.85	18,875,491	0.35	0.71

* Based On 2007 Fiscal Year Experience. New Home Car Discount Became Effective On February 16, 2008.

Financial Responsibility Credit Classes Pure Premium Relativities ^

FR Credit Class (1)	Earned Exposure (2)	Incurred Claim Counts (3)	Capped Case Incurred Non-Weather Losses (4)	Non-Weather Pure Premium (5)=(4)/(2)	Non-Weather Pure Premium Relativity (6)=(5)/(5)1
1	574	13	53,363	93	1.00
2	642	20	42,364	66	0.71
3	643	17	115,609	180	1.93
4	688	10	32,655	47	0.51
5	679	17	58,405	86	0.92
6	884	29	126,396	143	1.54
7	819	27	358,761	438	4.71
8	1,149	20	67,004	58	0.63
9	1,136	25	320,599	282	3.03
10	4,952	127	680,410	137	1.48
11	1,644	30	101,477	62	0.66
12	9,784	285	2,655,873	271	2.92
13	2,394	74	397,345	166	1.78
14	26,097	982	6,866,576	263	2.83
15	12,409	280	2,162,028	174	1.87
16	9,232	382	3,355,825	364	3.91
17	1,779	54	458,407	258	2.77
18	3,818	158	1,498,409	392	4.22
19	1,561	79	1,411,882	905	9.73
20	1,146	65	1,338,233	1,168	12.56
21	987	46	355,954	361	3.88

^ Based On 2005, 2006, 2007 3-Year Experience. Non-Weather Losses Capped At \$200,000.