

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Filing at a Glance

Companies: United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company

Product Name: Property Program 2008 SERFF Tr Num: USPX-125588311 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 04.0004 Tenant Homeowners Co Tr Num: RENAR00084CGR01 State Status: Fees verified and received
Filing Type: Rate/Rule Co Status: Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Author: SPI USAAPC Disposition Date: 06/18/2008
Date Submitted: 03/31/2008 Disposition Status: Filed
Effective Date Requested (New): 07/01/2008 Effective Date (New): 07/01/2008
Effective Date Requested (Renewal): 08/30/2008 Effective Date (Renewal): 08/30/2008

State Filing Description:

General Information

Project Name: Property Program 2008 Status of Filing in Domicile:
Project Number: RENAR00084CGR01 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 06/18/2008 Deemer Date:
State Status Changed: 04/09/2008
Corresponding Filing Tracking Number: RENAR00084CGF01
Filing Description:
United Services Automobile Association (USAA), USAA Casualty Insurance Company (USAA-CIC), USAA General Indemnity Company (USAA-GIC), and Garrison Property and Casualty Insurance Company (Garrison) are revising the Renter Protection Policy Program Manual on file with the Department.

Based on an extensive review of our latest Renters experience, we hereby file a new rating plan. This proposed new

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rating plan simplifies the rating formula and introduces structures that will improve USAA's ability to offer a fair and competitive rate. Improvements include (1) moving towards a multiplicative structure, and (2) making the algorithm easier for our service representatives and our members to understand. Renewal premiums will be capped to mitigate the impact of this revision.

In addition, our rating plan revisions include changes to our underwriting program. Tier placement will be re-evaluated at each renewal. Insurance credit score will be ordered annually on each renters policy and the score will be considered in tier placement. Please note that we consider the enclosed Tier Placement Guidelines as confidential and ask that they be exempt from public disclosure.

The overall rate level change of 18.2% for the USAA Group is planned to become effective for new business on July 01, 2008 that is written on or after June 21, 2008 and renewal business on August 30, 2008. Actuarial exhibits and Tier Placement Guidelines are submitted as support for the proposed change and include a detailed explanation of our changes.

A complete set of manual rate, rule, and territory pages are enclosed. We are submitting a combined rate and rule manual for USAA, USAA-CIC, USAA-GIC, and Garrison to replace the currently approved manuals.

The corresponding form filing has been submitted under Filing #RENAR00084CGF01.

Company and Contact

Filing Contact Information

Scott Hawthorne, Compliance Analyst scott.hawthorne@usaa.com
9800 Fredericksburg Road (210) 498-5315 [Phone]
San Antonio, TX 78288-1033 (210) 498-5081[FAX]

Filing Company Information

United Services Automobile Association CoCode: 25941 State of Domicile: Texas
9800 Fredericksburg Road Group Code: 200 Company Type: Property & Casualty

ATTN: Insurance Regulatory Compliance, A-03-W
San Antonio, TX 78288-1033 Group Name: USAA Group State ID Number:
(210) 498-8722 ext. [Phone] FEIN Number: 74-0959140

SERFF Tracking Number: USPX-125588311 State: Arkansas
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Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

USAA Casualty Insurance Company CoCode: 25968 State of Domicile: Texas
9800 Fredericksburg Road Group Code: 200 Company Type: Property &
Casualty

ATTN: Insurance Regulatory Compliance, A-03-W
San Antonio, TX 78288-1033 Group Name: USAA Group State ID Number:
(210) 498-8722 ext. [Phone] FEIN Number: 59-3019540

USAA General Indemnity Company CoCode: 18600 State of Domicile: Texas
9800 Fredericksburg Road Group Code: 200 Company Type: Property &
Casualty

ATTN: Insurance Regulatory Compliance, A-03-W
San Antonio, TX 78288-1033 Group Name: USAA Group State ID Number:
(210) 498-8722 ext. [Phone] FEIN Number: 74-1718283

Garrison Property and Casualty Insurance CoCode: 21253 State of Domicile: Texas
Company Group Code: 200 Company Type: Property &
9800 Fredericksburg Road Casualty

ATTN: Insurance Regulatory Compliance, A-03-W
San Antonio, TX 78288-1033 Group Name: USAA Group State ID Number:
(210) 498-8722 ext. [Phone] FEIN Number: 43-1803614

SERFF Tracking Number: USPX-125588311 State: Arkansas
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Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: \$100 per rate/rule filing.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United Services Automobile Association	\$100.00	03/31/2008	19156888

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 Product Name: Property Program 2008
 Project Name/Number: Property Program 2008/RENAR00084CGR01

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	06/18/2008	06/18/2008

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	06/13/2008	06/13/2008	SPI USAAPC	06/16/2008	06/16/2008
Pending Industry Response	Becky Harrington	06/11/2008	06/11/2008	SPI USAAPC	06/11/2008	06/11/2008
Pending Industry Response	Becky Harrington	06/04/2008	06/04/2008	SPI USAAPC	06/06/2008	06/06/2008
Pending Industry Response	Becky Harrington	05/28/2008	05/28/2008	SPI USAAPC	06/02/2008	06/02/2008
Pending Industry Response	Becky Harrington	04/09/2008	04/09/2008	SPI USAAPC	05/27/2008	05/27/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
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SERFF Tracking Number: *USPX-125588311* State: *Arkansas*
 First Filing Company: *United Services Automobile Association, ...* State Tracking Number: *EFT \$100*
 Company Tracking Number: *RENAR00084CGR01*
 TOI: *04.0 Homeowners* Sub-TOI: *04.0004 Tenant Homeowners*
 Product Name: *Property Program 2008*
 Project Name/Number: *Property Program 2008/RENAR00084CGR01*

HPCS 200- Supporting Document SPI USAAPC 06/12/2008 06/12/2008
 25941, HPCS
 200-25968,
 HPCS 200-
 18600, HPCS
 200-21253
Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
HPCS	Note To Filer	Becky Harrington	06/13/2008	06/13/2008
Revised HPCS	Reviewer Note	Becky Harrington	06/13/2008	
EQ	Reviewer Note	Becky Harrington	06/13/2008	
Correspondence with BL	Reviewer Note	Becky Harrington	06/04/2008	

SERFF Tracking Number: *USPX-125588311* State: *Arkansas*
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 TOI: *04.0 Homeowners* Sub-TOI: *04.0004 Tenant Homeowners*
 Product Name: *Property Program 2008*
 Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Disposition

Disposition Date: 06/18/2008
 Effective Date (New): 07/01/2008
 Effective Date (Renewal): 08/30/2008
 Status: Filed
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
United Services Automobile Association	16.900%	\$72,518	2,275	\$429,101	93.400%	-63.900%	83.400%
USAA Casualty Insurance Company	18.300%	\$54,501	1,473	\$297,821	89.200%	-63.900%	83.400%
USAA General Indemnity Company	34.100%	\$14,144	262	\$41,477	86.500%	-43.800%	83.400%
Garrison Property and Casualty Insurance Company	15.200%	\$5,810	220	\$38,221	78.800%	-56.800%	83.400%

<i>SERFF Tracking Number:</i>	<i>USPX-125588311</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Services Automobile Association, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RENAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0004 Tenant Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>Property Program 2008/RENAR00084CGR01</i>		

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	83.400%
Overall Percentage Rate Impact For This Filing	18.200%
Effect of Rate Filing-Written Premium Change For This Program	\$146,973
Effect of Rate Filing - Number of Policyholders Affected	4,230

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 Product Name: Property Program 2008
 Project Name/Number: Property Program 2008/RENAR00084CGR01

Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Confidential - AR Renters Underwriting Tier Placement Guidelines	Filed	No
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	AR Renters Filing Memo	Filed	Yes
Supporting Document	AR Renters Explanatory Memo	Filed	Yes
Supporting Document	AR Renters Actuarial Support	Filed	Yes
Supporting Document	Objection 3 - Exhibit VIII	Filed	Yes
Supporting Document	HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253	Filed	Yes
Supporting Document	AIR Earthquake Model	Filed	No
Supporting Document	ChoicePoint Attract One NCOIL, ChoicePoint Attract One Overview	Filed	No
Supporting Document	Confidential - USAA UW Tier Placement Guidelines, Confidential - CIC UW Tier Placement Guidelines, Confidential - GIC UW Tier Placement Guidelines, Confidential - Garrison UW Tier Placement Guidelines	Filed	No
Supporting Document	AR Renters Objection Response	Filed	Yes
Supporting Document	AR Renters Objection Response - Exhibits	Filed	Yes
Supporting Document	Objection Response 2	Filed	Yes
Supporting Document	AR Renters Objection Response 3, AR Renters Objection 3 Response Supporting Exhibits	Filed	Yes
Supporting Document	HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253	Filed	Yes
Rate	AR Renters Rate Pages		Yes
Rate	AR Renters General Rules	Filed	Yes

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TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Rate	AR Renters Optional Coverages		Yes
Rate	AR Renters Revised Rate Pages		Yes
Rate	AR Renters Optional Coverages - Revised	Filed	Yes
Rate	AR Renters Rate Pages - Revised		Yes
Rate	AR Renters Rate Pages	Filed	Yes

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Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/13/2008

Submitted Date 06/13/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: We appreciate the revision made in lowering the EQ base rate, however, all that was really done was shift the rate to the other perils. The fact that the factor is highest in Pulaski County where there is a great deal less likelihood of EQ damage than that of Eastern and Northeastern Arkansas still makes no sense. I do not believe there is a company writing EQ in AR that has a lower rate in E/NE AR where severity is greatest than other parts of the state. Other companies face the same reinsurance issues as USAA and use the AIR model as well as other EQ models.

Mr. Lacy stated that in order for the filing to be acceptable you will need to adjust your EQ factors or have a very good, easily understandable and explainable reason that we can pass on to consumers as to why they are arranged as they have been presented in the filing.

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 06/16/2008

Submitted Date 06/16/2008

Dear Becky Harrington,

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Comments:

Becky,

We have adjusted our overall Earthquake Base Rates as well as the Territorial Relativities for territories 3 and 4.

Response 1

Comments: Please see our latest Rate Pages attached below.

Related Objection 1

Comment:

We appreciate the revision made in lowering the EQ base rate, however, all that was really done was shift the rate to the other perils. The fact that the factor is highest in Pulaski County where there is a great deal less likelihood of EQ damage than that of Eastern and Northeastern Arkansas still makes no sense. I do not believe there is a company writing EQ in AR that has a lower rate in E/NE AR where severity is greatest than other parts of the state. Other companies face the same reinsurance issues as USAA and use the AIR model as well as other EQ models.

Mr. Lacy stated that in order for the filing to be acceptable you will need to adjust your EQ factors or have a very good, easily understandable and explainable reason that we can pass on to consumers as to why they are arranged as they have been presented in the filing.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
AR Renters Rate Pages		Replacement	AR069141

Thank you.

Sincerely,
SPI USAAPC

SERFF Tracking Number: USPX-125588311 State: Arkansas
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Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/11/2008

Submitted Date 06/11/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

- AR Renters Objection Response 3, AR Renters Objection 3 Response Supporting Exhibits (Supporting Document)

Comment: Although Arkansas data was used for the final determination of the earthquake rates, the rate still appears excessive. A comparison of other companies' earthquake rates for dwelling and contents at a 10% deductible shows that very few exceed a 3.00 rate for the Eastern most earthquake prone counties.

This filing's rates including the territory factors greatly exceed that amount. By my calculations, Pulaski County would have a rate of 19.92 and the Eastern most earthquake prone counties (Territory 3) would have a 17.926 rate.

We will disapprove this filing as excessive under ACA 23-67-208 based upon the earthquake rates alone unless they are amended.

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 06/11/2008

Submitted Date 06/11/2008

Dear Becky Harrington,

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Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Comments:

Attached are our Revised Rate pages.

Response 1

Comments: We have revised the base rates for Earthquake and Other Property Perils.

Related Objection 1

Applies To:

- AR Renters Objection Response 3, AR Renters Objection 3 Response Supporting Exhibits (Supporting Document)

Comment:

Although Arkansas data was used for the final determination of the earthquake rates, the rate still appears excessive. A comparison of other companies' earthquake rates for dwelling and contents at a 10% deductible shows that very few exceed a 3.00 rate for the Eastern most earthquake prone counties.

This filing's rates including the territory factors greatly exceed that amount. By my calculations, Pulaski County would have a rate of 19.92 and the Eastern most earthquake prone counties (Territory 3) would have a 17.926 rate.

We will disapprove this filing as excessive under ACA 23-67-208 based upon the earthquake rates alone unless they are amended.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
AR Renters Rate Pages - Revised Thank you.		Replacement	

Sincerely,
SPI USAAPC

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Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/04/2008

Submitted Date 06/04/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

- AIR Earthquake Model (Supporting Document)

Comment: It is our position that earthquake modeling for Arkansas is not credible using CA, HI, NM, NV, OR, SC, UT and WA. Earthquake rates appear excessive, especially given the territory assignments.

Objection 2

- AR Renters Objection Response (Supporting Document)

Comment: For liability and contents GLMs, we use two years of country-wide policy-year incurred losses beginning 7/1/04 and applying reserves as of 3/31/07. Arkansas data is included in this country-wide analysis, where each full-year Arkansas exposure is given the same weight as any other full-year exposure in the GLM. State and territory combinations are included in the country-wide pure premium models to provide for Arkansas' indicated territory relativities for contents.

This is the area I was referring to when I asked for 5-years loss experience for Arkansas. In what way would rates be impacted by using 5-years of Arkansas only experience?

Objection 3

No Objections

Comment: We will not approve the overall increases without additional justification. A company's decision to change the rating structure should not adversely impact insureds to the degree represented in this filing.

Please make revisions or withdraw this filing.

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,

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Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01
Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/06/2008
Submitted Date 06/06/2008

Dear Becky Harrington,

Comments:

Please see our response below.

Response 1

Comments: Attached is our combined response to the following three objections.

Related Objection 1

Applies To:

- AIR Earthquake Model (Supporting Document)

Comment:

It is our position that earthquake modeling for Arkansas is not credible using CA, HI, NM, NV, OR, SC, UT and WA. Earthquake rates appear excessive, especially given the territory assignments.

Related Objection 2

Applies To:

- AR Renters Objection Response (Supporting Document)

Comment:

For liability and contents GLMs, we use two years of country-wide policy-year incurred losses beginning 7/1/04 and applying reserves as of 3/31/07. Arkansas data is included in this country-wide analysis, where each full-year Arkansas exposure is given the same weight as any other full-year exposure in the GLM. State and territory combinations are included in the country-wide pure premium models to provide for Arkansas' indicated territory relativities for contents.

This is the area I was referring to when I asked for 5-years loss experience for Arkansas. In what way would rates be impacted by using 5-years of Arkansas only experience?

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Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Related Objection 3

Comment:

We will not approve the overall increases without additional justification. A company's decision to change the rating structure should not adversely impact insureds to the degree represented in this filing.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: AR Renters Objection Response 3, AR Renters Objection 3 Response Supporting Exhibits

Comment: AR Renters Objection 3 Response

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
SPI USAAPC

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Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/28/2008

Submitted Date 05/28/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

- Confidential - USAA UW Tier Placement Guidelines, Confidential - CIC UW Tier Placement Guidelines, Confidential - GIC UW Tier Placement Guidelines, Confidential - Garrison UW Tier Placement Guidelines (Supporting Document)

Comment: No hits/thin files must be treated as credit neutral.

Objection 2

- AR Renters Objection Response (Supporting Document)

Comment: Please identify the 13 states included in the earthquake modeling.

Objection 3

- AR Renters Objection Response (Supporting Document)

Comment: ACA 23-67-209 requires the use of 5-years of data to develop rates.

Objection 4

- AR Renters Objection Response (Supporting Document)

Comment: Identify the specific variables included in the final model.

Objection 5

- AR Renters Objection Response (Supporting Document)

Comment: It is the Department's position that weather related and catastrophe losses should not be considered as chargeable claims for tier placement or surcharges.

Objection 6

- HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253 (Supporting Document)

Comment: 18600 and 21253 are still missing. Try sending them to me by e-mail and I will document the filing.

Please feel free to contact me if you have questions.

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Project Name/Number: Property Program 2008/RENAR00084CGR01

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:

Please see our response below.

Response 1

Comments: Please see our attached response for the first five objections. I submitted the 18600 and the 21253 via separate email.

Related Objection 1

Applies To:

- Confidential - USAA UW Tier Placement Guidelines, Confidential - CIC UW Tier Placement Guidelines, Confidential - GIC UW Tier Placement Guidelines, Confidential - Garrison UW Tier Placement Guidelines (Supporting Document)

Comment:

No hits/thin files must be treated as credit neutral.

Related Objection 2

Applies To:

- AR Renters Objection Response (Supporting Document)

Comment:

Please identify the 13 states included in the earthquake modeling.

Related Objection 3

Applies To:

- AR Renters Objection Response (Supporting Document)

Comment:

SERFF Tracking Number: USPX-125588311 State: Arkansas
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ACA 23-67-209 requires the use of 5-years of data to develop rates.

Related Objection 4

Applies To:

- AR Renters Objection Response (Supporting Document)

Comment:

Identify the specific variables included in the final model.

Related Objection 5

Applies To:

- AR Renters Objection Response (Supporting Document)

Comment:

It is the Department's position that weather related and catastrophe losses should not be considered as chargeable claims for tier placement or surcharges.

Related Objection 6

Applies To:

- HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253 (Supporting Document)

Comment:

18600 and 21253 are still missing. Try sending them to me by e-mail and I will document the filing.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection Response 2

Comment: Objection 2 Response

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
SPI USAAPC

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 04/09/2008

Submitted Date 04/09/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: The HPCS for 18600 and 21253 was not attached.

Objection 2

No Objections

Comment: Tier placement and factors appear to be consistent between all the companies. Please explain what determines company placement.

Objection 3

- AR Renters Actuarial Support (Supporting Document)

Comment: Part of the figures of Exhibit VIII are cut off by the margin. Please re-submit this exhibit.

Objection 4

- AR Renters Rate Pages (Rate)

- Confidential - AR Renters Underwriting Tier Placement Guidelines (Supporting Document)

Comment: Pursuant to ACA 23-67-409 the scoring model must be filed. The loss experience justifying the use must also be filed including the development of tier factors.

Tiers placement guidelines are too vague.

Objection 5

- AR Renters Rate Pages (Rate)

- AR Renters General Rules (Rate)

- AR Renters Filing Memo (Supporting Document)

- AR Renters Explanatory Memo (Supporting Document)

Comment: Please file the EQ model.

Provide statistical data supporting the earthquake deductible factors. Explain the statement in the general rules that the

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

15% deductible has no impact on the premium.

The earthquake factors and territory combinations do not appear logical for the risk. Explain and provide support for the assignments and development.

Objection 6

- AR Renters Rate Pages (Rate)

Comment: Provide statistical support for the territory factors.

Objection 7

- AR Renters Rate Pages (Rate)

Comment: Provide statistical support showing the development of the claims surcharges.

Objection 8

- AR Renters Rate Pages (Rate)

Comment: Provide statistical support showing the development of the marital status factors.

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	05/27/2008
Submitted Date	05/27/2008

Dear Becky Harrington,

Comments:

In addition to our objection response, we wish to amend this filing. We had mistakenly reported the effects as 18.2% based on the use of the ChoicePoint Attract Standard Auto credit model. Because we are using the ChoicePoint Attract One credit model, we are adjusting our base rates to achieve the effects that had been reported. The revised rate pages have been attached.

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Response 1

Comments: The revised Exhibit VIII has been attached.

Related Objection 1

Applies To:

- AR Renters Actuarial Support (Supporting Document)

Comment:

Part of the figures of Exhibit VIII are cut off by the margin. Please re-submit this exhibit.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 3 - Exhibit VIII

Comment: Objection 3 Response - Exhibit VIII

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: The HPCS forms have been revised.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

The HPCS for 18600 and 21253 was not attached.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253

Comment: The HPCS forms have been revised.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Response 3

Comments: Attached is the AIR Earthquake Model for the United States.

Related Objection 1

Applies To:

- AR Renters Rate Pages (Rate)
- AR Renters General Rules (Rate)
- AR Renters Filing Memo (Supporting Document)
- AR Renters Explanatory Memo (Supporting Document)

Comment:

Please file the EQ model.

Provide statistical data supporting the earthquake deductible factors. Explain the statement in the general rules that the 15% deductible has no impact on the premium.

The earthquake factors and territory combinations do not appear logical for the risk. Explain and provide support for the assignments and development.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: AIR Earthquake Model

Comment: AIR Earthquake Model

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: As requested, we have attached the ChoicePoint Attract One Model as well as the detailed UW Tier Placement Guidelines.

Related Objection 1

Applies To:

- AR Renters Rate Pages (Rate)
- Confidential - AR Renters Underwriting Tier Placement Guidelines (Supporting Document)

Comment:

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Pursuant to ACA 23-67-409 the scoring model must be filed. The loss experience justifying the use must also be filed including the development of tier factors.

Tiers placement guidelines are too vague.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: ChoicePoint Attract One NCOIL, ChoicePoint Attract One Overview

Comment: ChoicePoint Attract One Model and Overview

Satisfied -Name: Confidential - USAA UW Tier Placement Guidelines, Confidential - CIC UW Tier Placement

Guidelines, Confidential - GIC UW Tier Placement Guidelines, Confidential - Garrison UW Tier Placement Guidelines

Comment: Confidential: Detailed AR Renters UW Tier Placement Guidelines

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments: Attached is our response as well as the supporting documentation.

Related Objection 1

Comment:

Tier placement and factors appear to be consistent between all the companies. Please explain what determines company placement.

Related Objection 2

Applies To:

- AR Renters Rate Pages (Rate)

Comment:

Provide statistical support for the territory factors.

Related Objection 3

Applies To:

- AR Renters Rate Pages (Rate)

Comment:

Provide statistical support showing the development of the claims surcharges.

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Related Objection 4

Applies To:

- AR Renters Rate Pages (Rate)

Comment:

Provide statistical support showing the development of the marital status factors.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: AR Renters Objection Response

Comment: AR Renters Objection Response

Satisfied -Name: AR Renters Objection Response - Exhibits

Comment: AR Renters Objection Response - Exhibits

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments: The revised Rate pages and Optional Coverages pages have been attached.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
AR Renters Revised Rate Pages		Replacement	AR069141
AR Renters Optional Coverages - Revised		Replacement	AR058090

Thank you.

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Sincerely,
SPI USAAPC

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Note To Filer

Created By:

Becky Harrington on 06/13/2008 08:54 AM

Subject:

HPCS

Comments:

The same thing happened with the revised forms sent with the amendment letter. The company information on all the reports is either 25941 or 25968. Please submit the HPCS through e-mail.

Thanks

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Amendment Letter

Amendment Date:

Submitted Date: 06/12/2008

Comments:

The previously submitted HPCS forms are incorrect.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253

Comment: The previously submitted Homeowners Comparison Survey Forms were incorrect. The revised HPCS forms are attached.

HPCS 200-25941.PDF

HPCS 200-25941.XLS

HPCS 200-25941.PDF

HPCS 200-25941.XLS

HPCS 200-25968.PDF

HPCS 200-25968.XLS

HPCS 200-25968.PDF

HPCS 200-25968.XLS

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Reviewer Note

Created By:

Becky Harrington on 06/13/2008 10:39 AM

Subject:

Revised HPCS

Comments:

see attached

Becky Harrington

From: Hawthorne, Scott [Scott.Hawthorne@usaa.com]
Sent: Friday, June 13, 2008 9:10 AM
To: Becky Harrington
Subject: RE: SERFF Filing

Attachments: HPCS 200-18600.xls; HPCS 200-21253.xls; HPCS 200-25941.xls; HPCS 200-25968.xls



HPCS



HPCS



HPCS



HPCS

00-18600.xls (31 KE00-21253.xls (31 KE00-25941.xls (30 KE00-25968.xls (31 KE

Scott Hawthorne, MSIM, CPCU, ARC
Compliance Analyst
800-531-8722, ext. 85315
Fax: 866-358-3638
scott.hawthorne@usaa.com

-----Original Message-----

From: Becky Harrington [mailto:Becky.Harrington@arkansas.gov]
Sent: Friday, June 13, 2008 8:36 AM
To: Hawthorne, Scott
Subject: RE: SERFF Filing

Any request from us for additional information on a filing regardless of whether it is done by a note to filer or objection letter re-starts the 20-days. We do, however, have the authority to waive the waiting period for good cause. I strongly suggest that policies not be issued with the changes included in this filing until it has been completed. USAA would be in violation of statutes and at risk of penalties. I would also like to point out that a majority of the delay in completing this filing was the length of time between my first objection on 4/9 and your response on 5/27.

We appreciate the revision made in lowering the EQ base rate, however, all that was really done was shift the rate to the other perils. The fact that the factor is highest in Pulaski County where there is a great deal less likelihood of EQ damage than that of Eastern and Northeastern Arkansas still makes no sense. I do not believe there is a company writing EQ in AR that has a lower rate in E/NE AR where severity is greatest than other parts of the state. Other companies face the same reinsurance issues as USAA and use the AIR model as well as other EQ models.

Mr. Lacy stated that in order for the filing to be acceptable you will

need to adjust your EQ factors or have a very good, easily understandable and explainable reason that we can pass on to consumers as to why they are arranged as they have been presented in the filing.

I will send this through SERFF in just a few minutes.

-----Original Message-----

From: Hawthorne, Scott [mailto:Scott.Hawthorne@usaa.com]

Sent: Thursday, June 12, 2008 1:51 PM

To: Becky Harrington

Subject: RE: SERFF Filing

Becky,

I don't know if this would be possible on your end, but I was thinking that if you had a question regarding the filing, that you could send a note to filer, and we could amend the filing in order that the new 20 day time lag does not start again. Our IT requirements are such that it would be difficult for them to delay the effective date past July 01. (We are already past the cut-off date.) I would like for us to remain in compliance with the Arkansas regulations.

Thanks again for all your help!

Scott Hawthorne, MSIM, CPCU, ARC

Compliance Analyst

800-531-8722, ext. 85315

Fax: 866-358-3638

scott.hawthorne@usaa.com

-----Original Message-----

From: Becky Harrington [mailto:Becky.Harrington@arkansas.gov]

Sent: Wednesday, June 11, 2008 3:33 PM

To: Hawthorne, Scott

Subject: SERFF Filing

I have reviewed your response. Mr. Lacy is out of the office, but I have sent him an e-mail. I'll let you know as soon as he responds to me.

Becky

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Reviewer Note

Created By:

Becky Harrington on 06/13/2008 10:35 AM

Subject:

EQ

Comments:

see correspondence attached

Becky Harrington

From: Becky Harrington
Sent: Friday, June 13, 2008 10:32 AM
To: Hawthorne, Scott
Cc: Bill Lacy
Subject: RE: SERFF Filing

I think you all are missing the point. Whether the base rate is 1.00 or 20.00 if the territory factors remain as submitted, the discrepancy in the severity of the risk and the rate structure remains. You have not submitted any additional support, compelling reason, or explanation that would allow us to accept an earthquake rate structure that has lower rates in NE Arkansas than the remainder of the counties.

I realize the range of factors is not that significant except for Territory 1, but if allowed as is, there would be little support for the Department's position on future filings.

-----Original Message-----

From: Hawthorne, Scott [mailto:Scott.Hawthorne@usaa.com]
Sent: Friday, June 13, 2008 10:01 AM
To: Becky Harrington
Subject: RE: SERFF Filing

Becky,

I checked with Actuary, and they wanted me to ask you before sending our formal response if the state would be okay if we changed our Earthquake base rates to 1.0 while keeping the earthquake territory relativities the same.

Thanks!

Scott Hawthorne, MSIM, CPCU, ARC
Compliance Analyst
800-531-8722, ext. 85315
Fax: 866-358-3638
scott.hawthorne@usaa.com

-----Original Message-----

From: Becky Harrington [mailto:Becky.Harrington@arkansas.gov]
Sent: Friday, June 13, 2008 8:36 AM
To: Hawthorne, Scott
Subject: RE: SERFF Filing

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also like to point out that a majority of the delay in completing this filing was the length of time between my first objection on 4/9 and your response on 5/27.

We appreciate the revision made in lowering the EQ base rate, however, all that was really done was shift the rate to the other perils. The fact that the factor is highest in Pulaski County where there is a great deal less likelihood of EQ damage than that of Eastern and Northeastern Arkansas still makes no sense. I do not believe there is a company writing EQ in AR that has a lower rate in E/NE AR where severity is greatest than other parts of the state. Other companies face the same reinsurance issues as USAA and use the AIR model as well as other EQ models.

Mr. Lacy stated that in order for the filing to be acceptable you will need to adjust your EQ factors or have a very good, easily understandable and explainable reason that we can pass on to consumers as to why they are arranged as they have been presented in the filing.

I will send this through SERFF in just a few minutes.

-----Original Message-----

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Sent: Thursday, June 12, 2008 1:51 PM
To: Becky Harrington
Subject: RE: SERFF Filing

Becky,

I don't know if this would be possible on your end, but I was thinking that if you had a question regarding the filing, that you could send a note to filer, and we could amend the filing in order that the new 20 day time lag does not start again. Our IT requirements are such that it would be difficult for them to delay the effective date past July 01. (We are already past the cut-off date.) I would like for us to remain in compliance with the Arkansas regulations.

Thanks again for all your help!

Scott Hawthorne, MSIM, CPCU, ARC
Compliance Analyst
800-531-8722, ext. 85315
Fax: 866-358-3638
scott.hawthorne@usaa.com

-----Original Message-----

From: Becky Harrington [mailto:Becky.Harrington@arkansas.gov]

Sent: Wednesday, June 11, 2008 3:33 PM

To: Hawthorne, Scott

Subject: SERFF Filing

I have reviewed your response. Mr. Lacy is out of the office, but I have sent him an e-mail. I'll let you know as soon as he responds to me.

Becky

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Reviewer Note

Created By:

Becky Harrington on 06/04/2008 02:46 PM

Subject:

Correspondence with BL

Comments:

see attached

Becky Harrington

From: Bill Lacy
Sent: Wednesday, June 04, 2008 8:56 AM
To: Becky Harrington
Subject: RE: USAA Earthquake modeling and Rate Filing - Renters

No Arkansas model can be credible using CA, HI, NM, NV, OR, SC, UT and WA!

Plus the rate seem extremely high to me.

I also agree the territories are more important than they do, however, I suppose they hope to avoid adverse selection by having extremely uncompetitive rates (in essence dumping on the MAP).

I agree, this would have to be disapproved as filed for excessiveness on the EQ alone.

As to the rest of the coverages, do they state what they would need IF they used the same system currently in place?

This seems like quite a jump for renters which is basically contents only. Do they justify or try to explain why they suffered such extreme losses in such as "normal" period; or I wonder, is it because of increased profit desires and the change in classification systems?

From: Becky Harrington
Sent: Wednesday, June 04, 2008 8:44 AM
To: Bill Lacy
Subject: USAA Earthquake modeling and Rate Filing - Renters

USAA has modeled earthquake for their renters program. They will be using the same earthquake territories as their contents/liability territories. They have submitted the AIR model. The earthquake modeling included Alaska (AK), Arkansas (AR), California (CA), Hawaii (HI), Illinois (IL), Missouri (MO), New Mexico (NM), Nevada (NV), Oregon (OR), South Carolina (SC), Tennessee (TN), Utah (UT), and Washington (WA).

The base rate is 19.92 to be multiplied by the territory factors ranging from 1.00 in Pulaski County to .6919 in Benton and Washington Counties. The most earthquake prone counties have the third best factor, which makes absolutely no sense. Their explanation is that because the EQ is the smallest of the premium components, the territory definitions are not necessarily optimized. They feel that introducing territory rating this way is better than not having it at all. In this filing the assignments might not be that significant, but if they file to have the same set-up in their HO program then we will have a problem.

The overall rate increase for all companies is 18.2% with USAA General having a 34.1% increase. The indicated rate need is 83.4%. They are changing their overall rating formula to include tiers, claim surcharges and some discounts. The rating territories are also new for other than EQ rating. Rating by peril for the contents is also being introduced. This will only be separating out the liability portion from the property portion. Not fire, theft etc rated separately.

Your opinion please.

<i>SERFF Tracking Number:</i>	<i>USPX-125588311</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Services Automobile Association, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RENAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0004 Tenant Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>Property Program 2008/RENAR00084CGR01</i>		

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	8.300%
Effective Date of Last Rate Revision:	12/06/2006
Filing Method of Last Filing:	File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
United Services Automobile Association	%	16.900%	\$72,518	2,275	\$429,101	93.400%	-63.900%
USAA Casualty Insurance Company	%	18.300%	\$54,501	1,473	\$297,821	89.200%	-63.900%
USAA General Indemnity Company	%	34.100%	\$14,144	262	\$41,477	86.500%	-43.800%
Garrison Property and Casualty Insurance Company	%	15.200%	\$5,810	220	\$38,221	78.800%	-56.800%

<i>SERFF Tracking Number:</i>	<i>USPX-125588311</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Services Automobile Association, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RENAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0004 Tenant Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>Property Program 2008/RENAR00084CGR01</i>		

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:

Overall Percentage Rate Impact For This Filing:

18.200%

Effect of Rate Filing - Written Premium Change For This Program:

\$146,973

Effect of Rate Filing - Number of Policyholders Affected:

4230

SERFF Tracking Number: *USPX-125588311* State: *Arkansas*
 First Filing Company: *United Services Automobile Association, ...* State Tracking Number: *EFT \$100*
 Company Tracking Number: *RENAR00084CGR01*
 TOI: *04.0 Homeowners* Sub-TOI: *04.0004 Tenant Homeowners*
 Product Name: *Property Program 2008*
 Project Name/Number: *Property Program 2008/RENAR00084CGR01*

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
	AR Renters Rate Pages		Replacement	AR069141	.PDF
Filed	AR Renters General Rules		Replacement	AR058090	.PDF
	AR Renters Optional Coverages		Replacement	AR058090	.PDF
	AR Renters Revised Rate Pages		Replacement	AR069141	.PDF
Filed	AR Renters Optional Coverages - Revised		Replacement	AR058090	.PDF
	AR Renters Rate Pages - Revised		Replacement		.PDF
Filed	AR Renters Rate Pages		Replacement	AR069141	.PDF

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Other Property Perils	212.37	264.72	240.59	211.22
Earthquake	19.54	19.54	19.54	19.54
Liability *	51.22	50.23	40.16	42.88

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

NOT APPROVED

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.0000	1.0000	1.0000	1.0000
\$300,000	1.6700	1.6700	1.6700	1.6700
\$500,000	2.0500	2.0500	2.0500	2.0500
\$1,000,000	2.7200	2.7200	2.7200	2.7200

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP

<u>Tier</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
21	0.2171	1.0000	0.1436
22	0.2277	1.0000	0.1532
23	0.2388	1.0000	0.1634
24	0.2505	1.0000	0.1743
25	0.2627	1.0000	0.1860
26	0.2756	1.0000	0.1984
27	0.2891	1.0000	0.2117
28	0.3032	1.0000	0.2258
29	0.3180	1.0000	0.2409
30	0.3336	1.0000	0.2570
31	0.3499	1.0000	0.2742
32	0.3670	1.0000	0.2925
33	0.3849	1.0000	0.3121
34	0.4037	1.0000	0.3329
35	0.4235	1.0000	0.3552
36	0.4442	1.0000	0.3789
37	0.4659	1.0000	0.4042
38	0.4887	1.0000	0.4313
39	0.5126	1.0000	0.4601
40	0.5376	1.0000	0.4908
41	0.5639	1.0000	0.5236
42	0.5915	1.0000	0.5586
43	0.6204	1.0000	0.5960
44	0.6508	1.0000	0.6358
45	0.6826	1.0000	0.6783
46	0.7159	1.0000	0.7236
47	0.7510	1.0000	0.7720
48	0.7877	1.0000	0.8236
49	0.8262	1.0000	0.8786
50	0.8666	1.0000	0.9374
51	0.9089	1.0000	1.0000
52	0.9534	1.0000	1.0668
53	1.0000	1.0000	1.1381
54	1.0489	1.0000	1.2142
55	1.1002	1.0000	1.2953
56	1.1540	1.0000	1.3819

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP		Other Property		
	<u>Tier</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	57	1.2104	1.0000	1.4743
	58	1.2696	1.0000	1.5728
	59	1.3316	1.0000	1.6779
	60	1.3967	1.0000	1.7901
	61	1.4650	1.0000	1.9097
	62	1.5367	1.0000	2.0373
	63	1.6118	1.0000	2.1735
	64	1.6906	1.0000	2.3187
	65	1.7733	1.0000	2.4737
	66	1.8600	1.0000	2.6390
	67	1.9509	1.0000	2.8154
	68	2.0463	1.0000	3.0036
	69	2.1463	1.0000	3.2043
	70	2.2513	1.0000	3.4185
	71	2.3614	1.0000	3.6469
	72	2.4768	1.0000	3.8907
	73	2.5979	1.0000	4.1507
	74	2.7249	1.0000	4.4281

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TERRITORY FACTORS

USAA		Other Property		
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
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TERRITORY FACTORS

USAA-CIC	Other Property			
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

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TERRITORY FACTORS

USAA-GIC	Other Property			
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

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 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
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USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

Garrison	<u>Territory</u>	Other Property		<u>Liability</u>
		<u>Perils</u>	<u>Earthquake</u>	
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
 Line of Business: **RENTERS**
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Other Property Perils	Deductible			
	<u>Amount of Insurance</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>
\$2,500	0.5702	0.3863	0.3216	0.2295
\$3,000	0.5896	0.4172	0.3496	0.2751
\$4,000	0.6275	0.4666	0.4002	0.3285
\$5,000	0.6622	0.5109	0.4434	0.3742
\$7,500	0.7270	0.5856	0.5389	0.4707
\$10,000	0.7916	0.6598	0.6102	0.5440
\$15,000	0.9007	0.7635	0.7054	0.6329
\$20,000	1.0000	0.8658	0.7989	0.7179
\$30,000	1.1658	1.0512	0.9609	0.8863
\$40,000	1.3311	1.2343	1.1213	1.0531
\$50,000	1.4965	1.4048	1.2742	1.2192
\$75,000	1.9098	1.7982	1.6521	1.6258
\$100,000	2.3209	2.1598	2.0183	2.0026
\$150,000	3.1286	2.8799	2.7450	2.6959
\$200,000	3.8913	3.5869	3.4709	3.3876
\$300,000	5.2941	4.9905	4.8215	4.7419
\$400,000	6.6851	6.3817	6.1558	6.0633
\$500,000	8.0100	7.7064	7.4821	7.3845
\$750,000	11.3149	11.0115	10.7943	10.6874
\$1,000,000	14.6174	14.3140	14.0968	13.9899
for each add'l \$10,000 above \$1,000,000, add:	0.1321	0.1321	0.1321	0.1321

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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Earthquake		Deductible
<u>Amount of Insurance</u>	<u>15%</u>	
\$2,500	0.1925	
\$3,000	0.2290	
\$4,000	0.3019	
\$5,000	0.3747	
\$7,500	0.5309	
\$10,000	0.6573	
\$15,000	0.8287	
\$20,000	1.0000	
\$30,000	1.1599	
\$40,000	1.2603	
\$50,000	1.3606	
\$75,000	1.6114	
\$100,000	1.8622	
\$150,000	2.3639	
\$200,000	2.8656	
\$300,000	3.8689	
\$400,000	4.8722	
\$500,000	5.8755	
\$750,000	8.3837	
\$1,000,000	10.8837	
for each add'l \$10,000 above \$1,000,000, add:	0.1000	

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MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR

USAA GROUP

<u>Form</u>	Other Property <u>Perils</u>	<u>Earthquake</u>
RP-3	1.0000	--
RP-5	1.1300	--

MARITAL STATUS FACTOR

USAA GROUP

<u>Status</u>	Other Property <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Single	0.9765	--	0.6800
Married	1.0000	--	1.0000

RATE CAPS

<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Lower	Increase	\$100	\$100	\$100	\$100
	Decrease	\$100	\$100	\$100	\$100
Higher	Increase	\$200	\$200	\$200	\$200
	Decrease	\$200	\$200	\$200	\$200

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OPTIONAL COVERAGES

PERSONAL COMPUTER ENDORSEMENT

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	16.50	20.60	26.80	20.60

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
RP-3	\$2,000	25.00	31.00	40.00	31.00
	\$4,000	49.00	62.00	80.00	62.00
RP-5	\$2,000	20.00	25.00	32.00	25.00
	\$4,000	39.00	49.00	64.00	49.00

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DISCOUNTS AND SURCHARGES

Protective Device Discount

USAA GROUP	Other Property		
	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Monitored Burglar Alarm	0.92	--	--
Monitored Fire Alarm	0.92	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	0.95	--	--

Claims Free Discount

USAA GROUP	<u>Tenure</u>	Other Property		
		<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	Less than 1 year	0.96	0.96	0.96
	1 - 2 years	0.81	0.81	0.81
	2 - 3 years	0.78	0.78	0.78
	3 years or more	0.76	0.76	0.76

Claims Activity Surcharge

USAA GROUP	<u>Tenure</u>	Number of <u>Prior Claims*</u>	Other Property		
			<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year		0	1.00	1.00	1.00
		1	1.32	1.32	1.32
		2	2.06	2.06	2.06
1 - 2 years		0	1.00	1.00	1.00
		1	1.20	1.20	1.20
		2	1.76	1.76	1.76
2 - 3 years		0	1.00	1.00	1.00
		1	1.10	1.10	1.10
		2	1.50	1.50	1.50
3 years or more		0	1.00	1.00	1.00
		1	1.04	1.04	1.04
		2	1.36	1.36	1.36

for each add'l claim above 2 add:

<u>Tenure</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year	0.74	0.74	0.74
1 - 2 years	0.56	0.56	0.56
2 - 3 years	0.40	0.40	0.40
3 years or more	0.32	0.32	0.32

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DISCOUNTS AND SURCHARGES

Auto and Renters Combination Discount
USAA GROUP

<u>Territory</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
1	0.90	0.90	0.90
2	0.90	0.90	0.90
3	0.90	0.90	0.90
4	0.90	0.90	0.90
5	0.90	0.90	0.90
6	0.90	0.90	0.90

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TERRITORY DEFINITIONS

USAA GROUP

<u>County</u>	<u>Territory</u>	<u>County</u>	<u>Territory</u>
Arkansas	3	Lee	3
Ashley	6	Lincoln	6
Baxter	2	Little River	6
Benton	1	Logan	2
Boone	2	Lonoke	4
Bradley	6	Madison	2
Calhoun	6	Marion	2
Carroll	2	Miller	6
Chicot	6	Mississippi	3
Clark	6	Monroe	3
Clay	3	Montgomery	6
Cleburne	3	Nevada	6
Cleveland	6	Newton	2
Columbia	6	Ouachita	6
Conway	2	Perry	6
Craighead	3	Phillips	3
Crawford	2	Pike	6
Crittenden	3	Poinsett	3
Cross	3	Polk	6
Dallas	6	Pope	2
Desha	6	Prairie	3
Drew	6	Pulaski	5
Faulkner	4	Randolph	3
Franklin	2	Saline	6
Fulton	3	Scott	2
Garland	6	Searcy	2
Grant	6	Sebastian	2
Greene	3	Sevier	6
Hempstead	6	Sharp	3
Hot Spring	6	St. Francis	3
Howard	6	Stone	3
Independence	3	Union	6
Izard	3	Van Buren	2
Jackson	3	Washington	1
Jefferson	6	White	3
Johnson	2	Woodruff	3
Lafayette	6	Yell	2
Lawrence	3		

RENTERS PROTECTION POLICY MANUAL
2008 EDITION
GENERAL RULES INDEX

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USAA GROUP
GR-1

EFFECTIVE 07-01-2008 FOR NEW BUSINESS WRITTEN ON OR AFTER 06-21-2008
EFFECTIVE 08-30-2008 FOR RENEWAL BUSINESS

RENTERS PROTECTION POLICY
GENERAL RULES

1. LIMITS OF LIABILITY

PERSONAL PROPERTY

	MINIMUM LIMIT
Broad Personal Property With Replacement Cost Coverage RP-3	\$2,500
Special Personal Property With Replacement Cost Coverage RP-5	\$2,500

PERSONAL LIABILITY

Liability	\$100,000
Medical Payments	\$ 5,000

2. ELIGIBILITY

- a. The Renters Protection Policy is designed for the insured whose place of residence is used exclusively for residential purposes (except as provided in General Rule 2.c.) and is not occupied by more than three additional families or more than two roomers or boarders.
- b. The Renters Policy may be endorsed without additional premium to cover the interest of a non-relative resident's [interest](#) in personal property and for liability.

Use Endorsement R-56 -- Additional Insured

- c. Certain business occupancies incidental to the residence are permitted provided the premises is occupied principally for residential purposes.
- d. Coverage is provided at other residence(s) used exclusively for residential purposes by the insured and is not occupied by more than three additional families or more than two boarders or roomers.

3. POLICY PERIOD

The Renters Protection Policy will be written for a period of one year.

4. COVERAGES

The Renters Protection Policy [must](#) be issued with both Personal Property and Personal Liability. The policy forms are:

Broad Personal Property with Replacement Cost, RP-3
Special Personal Property with Replacement Cost, RP-5
Personal Liability, RP-6

[Note: The RP-5 policy form is not available to new applicants.](#)

USAA GROUP

GR-2

EFFECTIVE 07-01-2008 FOR NEW BUSINESS WRITTEN ON OR AFTER 06-21-2008
EFFECTIVE 08-30-2008 FOR RENEWAL BUSINESS

RENTERS PROTECTION POLICY
GENERAL RULES

5. AMOUNT OF INSURANCE

Rates for Amount of Insurance are shown on the state rate pages.

NOTE: Limits above \$750,000 are not available for new business.

6. DEDUCTIBLES

All personal property losses are subject to a deductible except as otherwise stated in the policy or endorsement. The following deductibles are applied on an occurrence basis.

Minimum deductibles:

Earthquake 15% of the Personal Property amount of Insurance (This deductible has no impact on policy premium determination.)

Other Perils \$100

Higher deductibles of \$250, \$500 and \$1,000 are available for Other Perils.

Deductible options are shown in the State Rate Pages.

7. CHANGES IN COVERAGE

The continuation premium will be based upon the premiums in effect at the time of renewal. The then current editions of the applicable forms and endorsements must be made a part of the policy.

Additional premiums for policy changes occurring during the current policy term will be computed pro rata of the annual premium.

8. CANCELLATIONS

The earned premium will be computed on a pro rata basis.

9. ADJUSTED CONTENTS ENDORSEMENT

The Renters Protection Policy will be endorsed to provide automatic increases in the limit of liability for Personal Property at each renewal. The increase is based on the change in the Housefurnishings, Entertainment Commodities, and Apparel Commodities portions of the Consumer Price Index published by the U.S. Department of Labor. The endorsement is attached at no charge.

The insured may refuse any increase at renewal, in which case, the Personal Property amount will be adjusted.

Use Endorsement R-20 - Adjusted Contents Endorsement.

USAA GROUP
GR-3

EFFECTIVE 07-01-2008 FOR NEW BUSINESS WRITTEN ON OR AFTER 06-21-2008
EFFECTIVE 08-30-2008 FOR RENEWAL BUSINESS

RENTERS PROTECTION POLICY
GENERAL RULES

10. PREMIUM DETERMINATION

- A. From the rate pages, select the appropriate factors for underwriting tier, territory, policy form, and marital status if applicable.
- B. Using the amount of insurance/deductible tables from the rate pages, determine the applicable factors for the desired deductible and personal property limit. If the limit is not shown in the chart, use the following rules to determine the applicable factor.
 - 1. If the desired limit is less than the highest limit shown, use linear interpolation between the nearest limit above and below the desired limit to determine the applicable factor.
 - 2. If the desired limit is more than the highest limit shown, add the applicable incremental additional amount to the factor for the highest limit shown to determine the applicable factor.
- C. Multiply the base rate for each peril by the appropriate factors for underwriting tier, territory, amount of insurance/deductible, policy form, and marital status if applicable.
- D. For Optional Coverages, determine the premium by selecting the rate from the rate pages.

Note: Discounts, Surcharges, and Increased Limit Factors if applicable would modify the above calculated rate.

E. Rate Capping

Policy renewal premium changes shall be capped. The capped renewal premium shall be determined as described below:

- 1. Calculate the full renewal premium and compare to the expiring prior term premium.
- 2. If the number of chargeable losses on the renewal policy changes by two or more, the premium change on the renewal policy is not capped.

If the number of chargeable losses on the renewal policy changes by one, the premium change on the renewal policy is capped at the higher cap (shown on the rate pages) from the expiring prior term premium.

Otherwise, the renewal premium is capped at the lower cap (also shown on the rate pages) from the expiring term premium.

- 3. Premium adjustments to the policy other than at renewal will be capped at the same proportion as the policy's capped to uncapped premium ratio immediately prior to the adjustment.
- 4. The ratio of the policy's capped to uncapped premium shall be applied to all coverages on the policy.

RENTERS PROTECTION POLICY
GENERAL RULES

11. Restriction of Individual Policies

If a Renters Policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed.

Use Endorsement R-45 Renters Change Endorsement

USAA GROUP
GR-5

EFFECTIVE 07-01-2008 FOR NEW BUSINESS WRITTEN ON OR AFTER 06-21-2008
EFFECTIVE 08-30-2008 FOR RENEWAL BUSINESS

I. DISCOUNTS & SURCHARGES

1. Protective Device Discount

a) Monitored Burglar Alarm Discount

An approved and properly installed and maintained burglar alarm in the residence may be recognized for a reduction in premium. To be eligible, the alarm must be centrally monitored by a paid service. Refer to the rate pages for the applicable discount.

b) Monitored Fire Alarm Discount

An approved and properly installed and maintained fire alarm in the residence may be recognized for a reduction in premium. To be eligible, the alarm must be centrally monitored by a paid service. Refer to the rate pages for the applicable discount.

c) Automatic Sprinkler Discount

An approved and properly installed and maintained internal sprinkler system in the residence may be recognized for a premium discount. To be eligible, the system must be in use in the entire living area except for attics, bathrooms, closets, and any attached structures. Refer to the rate pages for the applicable discount.

2. Auto and Renters Combination Discount

The policy is eligible for a premium discount if the Named Insured or the spouse of the Named Insured is also a Named Insured on an active automobile policy written by the USAA Group. Refer to the rate pages for the applicable discount.

3. Claims Free Discount

The policy is eligible for a premium discount if no chargeable Renters claims have been paid to the Named Insured in the three years immediately preceding the effective date of the policy. For purposes of this discount, Tenure is defined as the duration of time since the Named Insured first purchased a Homeowners or Renters policy with the USAA Group. Refer to the rate pages for the applicable discount.

A claim is not considered chargeable if any of the following apply:

- a. a claim was paid by an insurer other than the USAA Group
- b. total payments on a claim are less than or equal to \$250
- c. for new policies, the incident resulting in a claim took place prior to July 01, 2008.
- d. for renewal policies, the incident resulting in a claim took place prior to the policy's first renewal on or after August 30, 2008.
- e. a claim was paid under Medical Payments coverage
- f. a claim was paid under Moving and Storage coverage
- g. a claim was weather or catastrophe related

ARKANSAS
RENTERS PROTECTION POLICY

I. DISCOUNTS & SURCHARGES cont'd.

4. Claims Activity Surcharge

A premium surcharge will be applied to the policy for any chargeable Renters claims paid to the Named Insured in the three years immediately preceding the effective date of the policy. For purposes of this surcharge, Tenure is defined as the duration of time since the Named Insured first purchased a Homeowners or Renters policy with the USAA Group. Refer to the rate pages for the applicable surcharge.

A claim is not considered chargeable if any of the following apply:

- a. a claim was paid by an insurer other than the USAA Group
- b. total payments on a claim are less than or equal to \$250
- c. for new policies, the incident resulting in a claim took place prior to July 01, 2008.
- d. for renewal policies, the incident resulting in a claim took place prior to the policy's first renewal on or after August 30, 2008.
- e. a claim was paid under Medical Payments coverage
- f. a claim was paid under Moving and Storage coverage
- g. a claim was weather or catastrophe related

USAA GROUP

R-2

NEW BUSINESS EFFECTIVE JULY 01, 2008 (WRITTEN ON OR AFTER JUNE 21, 2008)
RENEWAL BUSINESS EFFECTIVE AUGUST 30, 2008

ARKANSAS
RENTERS PROTECTION POLICY

II. OPTIONAL COVERAGES

1. Personal Computer Coverage

The Renters Policy may be endorsed to provide for direct physical loss, subject to named exclusions for hardware and purchased software used either for personal or business applications. The minimum limit available is \$3,000 with higher limits available in \$1,000 increments up to \$10,000 maximum. A \$250 deductible applies to this endorsement. [See State Rate Pages for rate information.](#)

Use Endorsement R-26 - Personal Computer Coverage

2. Special Coverage on Jewelry, Watches, Furs and Silverware

Previously endorsed policies, will, at the insured's option, continue to be endorsed to cover jewelry, watches, furs, and silverware against additional risks of physical loss subject to certain exclusions. There is a \$1,000 per item maximum limit. [See State Rate Pages for the additional premium charge.](#)

Use Endorsement R-21 - Special Coverage Endorsement

ARKANSAS
RENTERS PROTECTION POLICY

III. INCREASED LIMITS OF LIABILITY

The minimum limit of Liability is \$100,000. The following optional higher limits are available.

\$300,000

\$500,000

\$1,000,000 (Not available for new business.)

See state rate pages for the additional premium charge.

USAA GROUP

R-4

NEW BUSINESS EFFECTIVE JULY 01, 2008 (WRITTEN ON OR AFTER JUNE 21, 2008)
RENEWAL BUSINESS EFFECTIVE AUGUST 30, 2008

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Other Property Perils	221.18	282.34	271.33	247.50
Earthquake	19.92	19.92	19.92	19.92
Liability *	55.11	58.59	48.27	55.30

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

NOT APPROVED

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.0000	1.0000	1.0000	1.0000
\$300,000	1.6700	1.6700	1.6700	1.6700
\$500,000	2.0500	2.0500	2.0500	2.0500
\$1,000,000	2.7200	2.7200	2.7200	2.7200

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State: **ARKANSAS**
Line of Business: **RENTERS**
Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP

<u>Tier</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
21	0.2171	1.0000	0.1436
22	0.2277	1.0000	0.1532
23	0.2388	1.0000	0.1634
24	0.2505	1.0000	0.1743
25	0.2627	1.0000	0.1860
26	0.2756	1.0000	0.1984
27	0.2891	1.0000	0.2117
28	0.3032	1.0000	0.2258
29	0.3180	1.0000	0.2409
30	0.3336	1.0000	0.2570
31	0.3499	1.0000	0.2742
32	0.3670	1.0000	0.2925
33	0.3849	1.0000	0.3121
34	0.4037	1.0000	0.3329
35	0.4235	1.0000	0.3552
36	0.4442	1.0000	0.3789
37	0.4659	1.0000	0.4042
38	0.4887	1.0000	0.4313
39	0.5126	1.0000	0.4601
40	0.5376	1.0000	0.4908
41	0.5639	1.0000	0.5236
42	0.5915	1.0000	0.5586
43	0.6204	1.0000	0.5960
44	0.6508	1.0000	0.6358
45	0.6826	1.0000	0.6783
46	0.7159	1.0000	0.7236
47	0.7510	1.0000	0.7720
48	0.7877	1.0000	0.8236
49	0.8262	1.0000	0.8786
50	0.8666	1.0000	0.9374
51	0.9089	1.0000	1.0000
52	0.9534	1.0000	1.0668
53	1.0000	1.0000	1.1381
54	1.0489	1.0000	1.2142
55	1.1002	1.0000	1.2953
56	1.1540	1.0000	1.3819

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State: **ARKANSAS**
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 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP

<u>Tier</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
57	1.2104	1.0000	1.4743
58	1.2696	1.0000	1.5728
59	1.3316	1.0000	1.6779
60	1.3967	1.0000	1.7901
61	1.4650	1.0000	1.9097
62	1.5367	1.0000	2.0373
63	1.6118	1.0000	2.1735
64	1.6906	1.0000	2.3187
65	1.7733	1.0000	2.4737
66	1.8600	1.0000	2.6390
67	1.9509	1.0000	2.8154
68	2.0463	1.0000	3.0036
69	2.1463	1.0000	3.2043
70	2.2513	1.0000	3.4185
71	2.3614	1.0000	3.6469
72	2.4768	1.0000	3.8907
73	2.5979	1.0000	4.1507
74	2.7249	1.0000	4.4281

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA	<u>Territory</u>	Other Property <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA-CIC	<u>Territory</u>	Other Property		<u>Liability</u>
		<u>Perils</u>	<u>Earthquake</u>	
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA-GIC	Other Property			
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

Garrison	Other Property			
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
 Line of Business: **RENTERS**
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AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Other Property Perils	Deductible			
	<u>Amount of Insurance</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>
\$2,500	0.5702	0.3863	0.3216	0.2295
\$3,000	0.5896	0.4172	0.3496	0.2751
\$4,000	0.6275	0.4666	0.4002	0.3285
\$5,000	0.6622	0.5109	0.4434	0.3742
\$7,500	0.7270	0.5856	0.5389	0.4707
\$10,000	0.7916	0.6598	0.6102	0.5440
\$15,000	0.9007	0.7635	0.7054	0.6329
\$20,000	1.0000	0.8658	0.7989	0.7179
\$30,000	1.1658	1.0512	0.9609	0.8863
\$40,000	1.3311	1.2343	1.1213	1.0531
\$50,000	1.4965	1.4048	1.2742	1.2192
\$75,000	1.9098	1.7982	1.6521	1.6258
\$100,000	2.3209	2.1598	2.0183	2.0026
\$150,000	3.1286	2.8799	2.7450	2.6959
\$200,000	3.8913	3.5869	3.4709	3.3876
\$300,000	5.2941	4.9905	4.8215	4.7419
\$400,000	6.6851	6.3817	6.1558	6.0633
\$500,000	8.0100	7.7064	7.4821	7.3845
\$750,000	11.3149	11.0115	10.7943	10.6874
\$1,000,000	14.6174	14.3140	14.0968	13.9899
for each add'l \$10,000 above \$1,000,000, add:	0.1321	0.1321	0.1321	0.1321

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USAA CASUALTY INSURANCE COMPANY
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Earthquake		Deductible
<u>Amount of Insurance</u>	<u>15%</u>	
\$2,500	0.1925	
\$3,000	0.2290	
\$4,000	0.3019	
\$5,000	0.3747	
\$7,500	0.5309	
\$10,000	0.6573	
\$15,000	0.8287	
\$20,000	1.0000	
\$30,000	1.1599	
\$40,000	1.2603	
\$50,000	1.3606	
\$75,000	1.6114	
\$100,000	1.8622	
\$150,000	2.3639	
\$200,000	2.8656	
\$300,000	3.8689	
\$400,000	4.8722	
\$500,000	5.8755	
\$750,000	8.3837	
\$1,000,000	10.8837	
for each add'l \$10,000 above \$1,000,000, add:	0.1000	

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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR
USAA GROUP

<u>Form</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>
RP-3	1.0000	--
RP-5	1.1300	--

MARITAL STATUS FACTOR
USAA GROUP

<u>Status</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Single	0.9765	--	0.6800
Married	1.0000	--	1.0000

RATE CAPS

<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Lower	Increase	\$100	\$100	\$100	\$100
	Decrease	\$100	\$100	\$100	\$100
Higher	Increase	\$200	\$200	\$200	\$200
	Decrease	\$200	\$200	\$200	\$200

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AUGUST 30, 2008 (RENEWAL BUSINESS)
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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

OPTIONAL COVERAGES

PERSONAL COMPUTER ENDORSEMENT

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	16.50	20.60	26.80	20.60

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
RP-3	\$2,000	25.00	31.00	40.00	31.00
	\$4,000	49.00	62.00	80.00	62.00
RP-5	\$2,000	20.00	25.00	32.00	25.00
	\$4,000	39.00	49.00	64.00	49.00

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AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Protective Device Discount

USAA GROUP

	Other Property		
	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Monitored Burglar Alarm	0.92	--	--
Monitored Fire Alarm	0.92	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	0.95	--	--

Claims Free Discount

USAA GROUP

<u>Tenure</u>	Other Property		
	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year	0.96	0.96	0.96
1 - 2 years	0.81	0.81	0.81
2 - 3 years	0.78	0.78	0.78
3 years or more	0.76	0.76	0.76

Claims Activity Surcharge

USAA GROUP

<u>Tenure</u>	Number of	Other Property		
	<u>Prior Claims*</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year	0	1.00	1.00	1.00
	1	1.32	1.32	1.32
	2	2.06	2.06	2.06
1 - 2 years	0	1.00	1.00	1.00
	1	1.20	1.20	1.20
	2	1.76	1.76	1.76
2 - 3 years	0	1.00	1.00	1.00
	1	1.10	1.10	1.10
	2	1.50	1.50	1.50
3 years or more	0	1.00	1.00	1.00
	1	1.04	1.04	1.04
	2	1.36	1.36	1.36

for each add'l claim above 2 add:

<u>Tenure</u>			
Less than 1 year	0.74	0.74	0.74
1 - 2 years	0.56	0.56	0.56
2 - 3 years	0.40	0.40	0.40
3 years or more	0.32	0.32	0.32

State: **ARKANSAS**
 Line of Business: **RENTERS**
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AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Auto and Renters Combination Discount
USAA GROUP

<u>Territory</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
1	0.90	0.90	0.90
2	0.90	0.90	0.90
3	0.90	0.90	0.90
4	0.90	0.90	0.90
5	0.90	0.90	0.90
6	0.90	0.90	0.90

State: **ARKANSAS**
 Line of Business: **RENTERS**
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AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY DEFINITIONS

USAA GROUP

<u>County</u>	<u>Territory</u>	<u>County</u>	<u>Territory</u>
Arkansas	3	Lee	3
Ashley	6	Lincoln	6
Baxter	2	Little River	6
Benton	1	Logan	2
Boone	2	Lonoke	4
Bradley	6	Madison	2
Calhoun	6	Marion	2
Carroll	2	Miller	6
Chicot	6	Mississippi	3
Clark	6	Monroe	3
Clay	3	Montgomery	6
Cleburne	3	Nevada	6
Cleveland	6	Newton	2
Columbia	6	Ouachita	6
Conway	2	Perry	6
Craighead	3	Phillips	3
Crawford	2	Pike	6
Crittenden	3	Poinsett	3
Cross	3	Polk	6
Dallas	6	Pope	2
Desha	6	Prairie	3
Drew	6	Pulaski	5
Faulkner	4	Randolph	3
Franklin	2	Saline	6
Fulton	3	Scott	2
Garland	6	Searcy	2
Grant	6	Sebastian	2
Greene	3	Sevier	6
Hempstead	6	Sharp	3
Hot Spring	6	St. Francis	3
Howard	6	Stone	3
Independence	3	Union	6
Izard	3	Van Buren	2
Jackson	3	Washington	1
Jefferson	6	White	3
Johnson	2	Woodruff	3
Lafayette	6	Yell	2
Lawrence	3		

ARKANSAS
RENTERS PROTECTION POLICY

I. DISCOUNTS & SURCHARGES

1. Protective Device Credit

a) Monitored Burglar Alarm Credit

An approved and properly installed and maintained burglar alarm in the residence may be recognized for a reduction in premium. To be eligible, the alarm must be centrally monitored by a paid service. Refer to the rate pages for the applicable credit.

b) Monitored Fire Alarm Credit

An approved and properly installed and maintained fire alarm in the residence may be recognized for a reduction in premium. To be eligible, the alarm must be centrally monitored by a paid service. Refer to the rate pages for the applicable credit.

c) Automatic Sprinkler Credit

An approved and properly installed and maintained internal sprinkler system in the residence may be recognized for a premium credit. To be eligible, the system must be in use in the entire living area except for attics, bathrooms, closets, and any attached structures. Refer to the rate pages for the applicable credit.

2. Auto and Renters Combination Discount

The policy is eligible for a premium discount if the Named Insured or the spouse of the Named Insured is also a Named Insured on an active automobile policy written by the USAA Group. Refer to the rate pages for the applicable discount.

3. Claims Free Discount

The policy is eligible for a premium discount if no chargeable Renters claims have been paid to the Named Insured in the three years immediately preceding the effective date of the policy. For purposes of this discount, Tenure is defined as the duration of time since the Named Insured first purchased a Homeowners or Renters policy with the USAA Group. Refer to the rate pages for the applicable discount.

A claim is not considered chargeable if any of the following apply:

- a. a claim was paid by an insurer other than the USAA Group
- b. total payments on a claim are less than or equal to \$250
- c. for new policies, the incident resulting in a claim took place prior to July 01, 2008.
- d. for renewal policies, the incident resulting in a claim took place prior to the policy's first renewal on or after August 30, 2008.
- e. a claim was paid under Medical Payments coverage
- f. a claim was paid under Moving and Storage coverage
- g. a claim was weather or catastrophe related

USAA GROUP

R-1

NEW BUSINESS EFFECTIVE JULY 01, 2008 (WRITTEN ON OR AFTER JUNE 21, 2008)
RENEWAL BUSINESS EFFECTIVE AUGUST 30, 2008

ARKANSAS
RENTERS PROTECTION POLICY

I. DISCOUNTS & SURCHARGES cont'd.

4. Claims Activity Surcharge

A premium surcharge will be applied to the policy for any chargeable Renters claims paid to the Named Insured in the three years immediately preceding the effective date of the policy. For purposes of this surcharge, Tenure is defined as the duration of time since the Named Insured first purchased a Homeowners or Renters policy with the USAA Group. Refer to the rate pages for the applicable surcharge.

A claim is not considered chargeable if any of the following apply:

- a. a claim was paid by an insurer other than the USAA Group
- b. total payments on a claim are less than or equal to \$250
- c. for new policies, the incident resulting in a claim took place prior to July 01, 2008.
- d. for renewal policies, the incident resulting in a claim took place prior to the policy's first renewal on or after August 30, 2008.
- e. a claim was paid under Medical Payments coverage
- f. a claim was paid under Moving and Storage coverage
- g. a claim was weather or catastrophe related

USAA GROUP

R-2

NEW BUSINESS EFFECTIVE JULY 01, 2008 (WRITTEN ON OR AFTER JUNE 21, 2008)
RENEWAL BUSINESS EFFECTIVE AUGUST 30, 2008

ARKANSAS
RENTERS PROTECTION POLICY

II. OPTIONAL COVERAGES

1. Personal Computer Coverage

The Renters Policy may be endorsed to provide for direct physical loss, subject to named exclusions for hardware and purchased software used either for personal or business applications. The minimum limit available is \$3,000 with higher limits available in \$1,000 increments up to \$10,000 maximum. A \$250 deductible applies to this endorsement. [See State Rate Pages for rate information.](#)

Use Endorsement R-26 - Personal Computer Coverage

2. Special Coverage on Jewelry, Watches, Furs and Silverware

Previously endorsed policies, will, at the insured's option, continue to be endorsed to cover jewelry, watches, furs, and silverware against additional risks of physical loss subject to certain exclusions. There is a \$1,000 per item maximum limit. [See State Rate Pages for the additional premium charge.](#)

Use Endorsement R-21 - Special Coverage Endorsement

ARKANSAS
RENTERS PROTECTION POLICY

III. INCREASED LIMITS OF LIABILITY

The minimum limit of Liability is \$100,000. The following optional higher limits are available.

\$300,000

\$500,000

\$1,000,000 (Not available for new business.)

See state rate pages for the additional premium charge.

USAA GROUP

R-4

NEW BUSINESS EFFECTIVE JULY 01, 2008 (WRITTEN ON OR AFTER JUNE 21, 2008)
RENEWAL BUSINESS EFFECTIVE AUGUST 30, 2008

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Other Property Perils	238.50	299.67	287.86	264.59
Earthquake	3.00	3.00	3.00	3.00
Liability *	55.11	58.59	48.27	55.30

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

NOT APPROVED

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.0000	1.0000	1.0000	1.0000
\$300,000	1.6700	1.6700	1.6700	1.6700
\$500,000	2.0500	2.0500	2.0500	2.0500
\$1,000,000	2.7200	2.7200	2.7200	2.7200

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP

<u>Tier</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
21	0.2171	1.0000	0.1436
22	0.2277	1.0000	0.1532
23	0.2388	1.0000	0.1634
24	0.2505	1.0000	0.1743
25	0.2627	1.0000	0.1860
26	0.2756	1.0000	0.1984
27	0.2891	1.0000	0.2117
28	0.3032	1.0000	0.2258
29	0.3180	1.0000	0.2409
30	0.3336	1.0000	0.2570
31	0.3499	1.0000	0.2742
32	0.3670	1.0000	0.2925
33	0.3849	1.0000	0.3121
34	0.4037	1.0000	0.3329
35	0.4235	1.0000	0.3552
36	0.4442	1.0000	0.3789
37	0.4659	1.0000	0.4042
38	0.4887	1.0000	0.4313
39	0.5126	1.0000	0.4601
40	0.5376	1.0000	0.4908
41	0.5639	1.0000	0.5236
42	0.5915	1.0000	0.5586
43	0.6204	1.0000	0.5960
44	0.6508	1.0000	0.6358
45	0.6826	1.0000	0.6783
46	0.7159	1.0000	0.7236
47	0.7510	1.0000	0.7720
48	0.7877	1.0000	0.8236
49	0.8262	1.0000	0.8786
50	0.8666	1.0000	0.9374
51	0.9089	1.0000	1.0000
52	0.9534	1.0000	1.0668
53	1.0000	1.0000	1.1381
54	1.0489	1.0000	1.2142
55	1.1002	1.0000	1.2953
56	1.1540	1.0000	1.3819

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP		Other Property		
	<u>Tier</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	57	1.2104	1.0000	1.4743
	58	1.2696	1.0000	1.5728
	59	1.3316	1.0000	1.6779
	60	1.3967	1.0000	1.7901
	61	1.4650	1.0000	1.9097
	62	1.5367	1.0000	2.0373
	63	1.6118	1.0000	2.1735
	64	1.6906	1.0000	2.3187
	65	1.7733	1.0000	2.4737
	66	1.8600	1.0000	2.6390
	67	1.9509	1.0000	2.8154
	68	2.0463	1.0000	3.0036
	69	2.1463	1.0000	3.2043
	70	2.2513	1.0000	3.4185
	71	2.3614	1.0000	3.6469
	72	2.4768	1.0000	3.8907
	73	2.5979	1.0000	4.1507
	74	2.7249	1.0000	4.4281

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA	<u>Territory</u>	Other Property		<u>Liability</u>
		<u>Perils</u>	<u>Earthquake</u>	
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA-CIC	Territory	Other Property Perils	Earthquake	Liability
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA-GIC	Territory	Other Property Perils	Earthquake	Liability
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

Garrison		Other Property		
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	0.8999	1.0000
	4	0.9951	0.9644	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

NOT APPROVED

State: **ARKANSAS**
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AUGUST 30, 2008 (RENEWAL BUSINESS)
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Other Property Perils	Deductible			
	<u>Amount of Insurance</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>
\$2,500	0.5702	0.3863	0.3216	0.2295
\$3,000	0.5896	0.4172	0.3496	0.2751
\$4,000	0.6275	0.4666	0.4002	0.3285
\$5,000	0.6622	0.5109	0.4434	0.3742
\$7,500	0.7270	0.5856	0.5389	0.4707
\$10,000	0.7916	0.6598	0.6102	0.5440
\$15,000	0.9007	0.7635	0.7054	0.6329
\$20,000	1.0000	0.8658	0.7989	0.7179
\$30,000	1.1658	1.0512	0.9609	0.8863
\$40,000	1.3311	1.2343	1.1213	1.0531
\$50,000	1.4965	1.4048	1.2742	1.2192
\$75,000	1.9098	1.7982	1.6521	1.6258
\$100,000	2.3209	2.1598	2.0183	2.0026
\$150,000	3.1286	2.8799	2.7450	2.6959
\$200,000	3.8913	3.5869	3.4709	3.3876
\$300,000	5.2941	4.9905	4.8215	4.7419
\$400,000	6.6851	6.3817	6.1558	6.0633
\$500,000	8.0100	7.7064	7.4821	7.3845
\$750,000	11.3149	11.0115	10.7943	10.6874
\$1,000,000	14.6174	14.3140	14.0968	13.9899
for each add'l \$10,000 above \$1,000,000, add:	0.1321	0.1321	0.1321	0.1321

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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Earthquake	<u>Amount of Insurance</u>	<u>15%</u>	Deductible
	\$2,500	0.1925	
	\$3,000	0.2290	
	\$4,000	0.3019	
	\$5,000	0.3747	
	\$7,500	0.5309	
	\$10,000	0.6573	
	\$15,000	0.8287	
	\$20,000	1.0000	
	\$30,000	1.1599	
	\$40,000	1.2603	
	\$50,000	1.3606	
	\$75,000	1.6114	
	\$100,000	1.8622	
	\$150,000	2.3639	
	\$200,000	2.8656	
	\$300,000	3.8689	
	\$400,000	4.8722	
	\$500,000	5.8755	
	\$750,000	8.3837	
	\$1,000,000	10.8837	
for each add'l \$10,000 above \$1,000,000, add:		0.1000	

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MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR

USAA GROUP

<u>Form</u>	Other Property <u>Perils</u>	<u>Earthquake</u>
RP-3	1.0000	--
RP-5	1.1300	--

MARITAL STATUS FACTOR

USAA GROUP

<u>Status</u>	Other Property <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Single	0.9765	--	0.6800
Married	1.0000	--	1.0000

RATE CAPS

<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Lower	Increase	\$100	\$100	\$100	\$100
	Decrease	\$100	\$100	\$100	\$100
Higher	Increase	\$200	\$200	\$200	\$200
	Decrease	\$200	\$200	\$200	\$200

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OPTIONAL COVERAGES

PERSONAL COMPUTER ENDORSEMENT

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	16.50	20.60	26.80	20.60

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
RP-3	\$2,000	25.00	31.00	40.00	31.00
	\$4,000	49.00	62.00	80.00	62.00
RP-5	\$2,000	20.00	25.00	32.00	25.00
	\$4,000	39.00	49.00	64.00	49.00

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DISCOUNTS AND SURCHARGES

Protective Device Discount

USAA GROUP	Other Property		
	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Monitored Burglar Alarm	0.92	--	--
Monitored Fire Alarm	0.92	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	0.95	--	--

Claims Free Discount

USAA GROUP	<u>Tenure</u>	Other Property		
		<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	Less than 1 year	0.96	0.96	0.96
	1 - 2 years	0.81	0.81	0.81
	2 - 3 years	0.78	0.78	0.78
	3 years or more	0.76	0.76	0.76

Claims Activity Surcharge

USAA GROUP	<u>Tenure</u>	Number of <u>Prior Claims*</u>	Other Property		
			<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year		0	1.00	1.00	1.00
		1	1.32	1.32	1.32
		2	2.06	2.06	2.06
1 - 2 years		0	1.00	1.00	1.00
		1	1.20	1.20	1.20
		2	1.76	1.76	1.76
2 - 3 years		0	1.00	1.00	1.00
		1	1.10	1.10	1.10
		2	1.50	1.50	1.50
3 years or more		0	1.00	1.00	1.00
		1	1.04	1.04	1.04
		2	1.36	1.36	1.36

for each add'l claim above 2 add:

<u>Tenure</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year	0.74	0.74	0.74
1 - 2 years	0.56	0.56	0.56
2 - 3 years	0.40	0.40	0.40
3 years or more	0.32	0.32	0.32

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DISCOUNTS AND SURCHARGES

Auto and Renters Combination Discount
USAA GROUP

<u>Territory</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
1	0.90	0.90	0.90
2	0.90	0.90	0.90
3	0.90	0.90	0.90
4	0.90	0.90	0.90
5	0.90	0.90	0.90
6	0.90	0.90	0.90

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TERRITORY DEFINITIONS

USAA GROUP

<u>County</u>	<u>Territory</u>	<u>County</u>	<u>Territory</u>
Arkansas	3	Lee	3
Ashley	6	Lincoln	6
Baxter	2	Little River	6
Benton	1	Logan	2
Boone	2	Lonoke	4
Bradley	6	Madison	2
Calhoun	6	Marion	2
Carroll	2	Miller	6
Chicot	6	Mississippi	3
Clark	6	Monroe	3
Clay	3	Montgomery	6
Cleburne	3	Nevada	6
Cleveland	6	Newton	2
Columbia	6	Ouachita	6
Conway	2	Perry	6
Craighead	3	Phillips	3
Crawford	2	Pike	6
Crittenden	3	Poinsett	3
Cross	3	Polk	6
Dallas	6	Pope	2
Desha	6	Prairie	3
Drew	6	Pulaski	5
Faulkner	4	Randolph	3
Franklin	2	Saline	6
Fulton	3	Scott	2
Garland	6	Searcy	2
Grant	6	Sebastian	2
Greene	3	Sevier	6
Hempstead	6	Sharp	3
Hot Spring	6	St. Francis	3
Howard	6	Stone	3
Independence	3	Union	6
Izard	3	Van Buren	2
Jackson	3	Washington	1
Jefferson	6	White	3
Johnson	2	Woodruff	3
Lafayette	6	Yell	2
Lawrence	3		

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BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Other Property Perils	238.50	299.67	287.86	264.59
Earthquake	2.95	2.95	2.95	2.95
Liability *	55.11	58.59	48.27	55.30

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.0000	1.0000	1.0000	1.0000
\$300,000	1.6700	1.6700	1.6700	1.6700
\$500,000	2.0500	2.0500	2.0500	2.0500
\$1,000,000	2.7200	2.7200	2.7200	2.7200

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TIER FACTORS

USAA GROUP

<u>Tier</u>	<u>Other Property</u> <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
21	0.2171	1.0000	0.1436
22	0.2277	1.0000	0.1532
23	0.2388	1.0000	0.1634
24	0.2505	1.0000	0.1743
25	0.2627	1.0000	0.1860
26	0.2756	1.0000	0.1984
27	0.2891	1.0000	0.2117
28	0.3032	1.0000	0.2258
29	0.3180	1.0000	0.2409
30	0.3336	1.0000	0.2570
31	0.3499	1.0000	0.2742
32	0.3670	1.0000	0.2925
33	0.3849	1.0000	0.3121
34	0.4037	1.0000	0.3329
35	0.4235	1.0000	0.3552
36	0.4442	1.0000	0.3789
37	0.4659	1.0000	0.4042
38	0.4887	1.0000	0.4313
39	0.5126	1.0000	0.4601
40	0.5376	1.0000	0.4908
41	0.5639	1.0000	0.5236
42	0.5915	1.0000	0.5586
43	0.6204	1.0000	0.5960
44	0.6508	1.0000	0.6358
45	0.6826	1.0000	0.6783
46	0.7159	1.0000	0.7236
47	0.7510	1.0000	0.7720
48	0.7877	1.0000	0.8236
49	0.8262	1.0000	0.8786
50	0.8666	1.0000	0.9374
51	0.9089	1.0000	1.0000
52	0.9534	1.0000	1.0668
53	1.0000	1.0000	1.1381
54	1.0489	1.0000	1.2142
55	1.1002	1.0000	1.2953
56	1.1540	1.0000	1.3819

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TIER FACTORS

USAA GROUP		Other Property		
	<u>Tier</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	57	1.2104	1.0000	1.4743
	58	1.2696	1.0000	1.5728
	59	1.3316	1.0000	1.6779
	60	1.3967	1.0000	1.7901
	61	1.4650	1.0000	1.9097
	62	1.5367	1.0000	2.0373
	63	1.6118	1.0000	2.1735
	64	1.6906	1.0000	2.3187
	65	1.7733	1.0000	2.4737
	66	1.8600	1.0000	2.6390
	67	1.9509	1.0000	2.8154
	68	2.0463	1.0000	3.0036
	69	2.1463	1.0000	3.2043
	70	2.2513	1.0000	3.4185
	71	2.3614	1.0000	3.6469
	72	2.4768	1.0000	3.8907
	73	2.5979	1.0000	4.1507
	74	2.7249	1.0000	4.4281

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY FACTORS

USAA GROUP		Other Property		
	<u>Territory</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	1	0.6173	0.6919	1.0000
	2	0.7768	0.8762	1.0000
	3	1.0541	1.1000	1.0000
	4	0.9951	1.0100	1.0000
	5	1.0000	1.0000	1.0000
	6	0.9526	0.9192	1.0000

State: **ARKANSAS**
 Line of Business: **RENTERS**
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AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Other Property Perils	Deductible			
	<u>Amount of Insurance</u>	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>
\$2,500	0.5702	0.3863	0.3216	0.2295
\$3,000	0.5896	0.4172	0.3496	0.2751
\$4,000	0.6275	0.4666	0.4002	0.3285
\$5,000	0.6622	0.5109	0.4434	0.3742
\$7,500	0.7270	0.5856	0.5389	0.4707
\$10,000	0.7916	0.6598	0.6102	0.5440
\$15,000	0.9007	0.7635	0.7054	0.6329
\$20,000	1.0000	0.8658	0.7989	0.7179
\$30,000	1.1658	1.0512	0.9609	0.8863
\$40,000	1.3311	1.2343	1.1213	1.0531
\$50,000	1.4965	1.4048	1.2742	1.2192
\$75,000	1.9098	1.7982	1.6521	1.6258
\$100,000	2.3209	2.1598	2.0183	2.0026
\$150,000	3.1286	2.8799	2.7450	2.6959
\$200,000	3.8913	3.5869	3.4709	3.3876
\$300,000	5.2941	4.9905	4.8215	4.7419
\$400,000	6.6851	6.3817	6.1558	6.0633
\$500,000	8.0100	7.7064	7.4821	7.3845
\$750,000	11.3149	11.0115	10.7943	10.6874
\$1,000,000	14.6174	14.3140	14.0968	13.9899
for each add'l \$10,000 above \$1,000,000, add:	0.1321	0.1321	0.1321	0.1321

State: **ARKANSAS**
 Line of Business: **RENTERS**
 Effective: **JULY 1, 2008 (NEW BUSINESS written on or after JUNE 21, 2008)**
AUGUST 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP - Earthquake	<u>Amount of Insurance</u>	<u>15%</u>	Deductible
	\$2,500	0.1925	
	\$3,000	0.2290	
	\$4,000	0.3019	
	\$5,000	0.3747	
	\$7,500	0.5309	
	\$10,000	0.6573	
	\$15,000	0.8287	
	\$20,000	1.0000	
	\$30,000	1.1599	
	\$40,000	1.2603	
	\$50,000	1.3606	
	\$75,000	1.6114	
	\$100,000	1.8622	
	\$150,000	2.3639	
	\$200,000	2.8656	
	\$300,000	3.8689	
	\$400,000	4.8722	
	\$500,000	5.8755	
	\$750,000	8.3837	
	\$1,000,000	10.8837	
for each add'l \$10,000 above \$1,000,000, add:		0.1000	

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MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR

USAA GROUP

<u>Form</u>	Other Property <u>Perils</u>	<u>Earthquake</u>
RP-3	1.0000	--
RP-5	1.1300	--

MARITAL STATUS FACTOR

USAA GROUP

<u>Status</u>	Other Property <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Single	0.9765	--	0.6800
Married	1.0000	--	1.0000

RATE CAPS

<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Lower	Increase	\$100	\$100	\$100	\$100
	Decrease	\$100	\$100	\$100	\$100
Higher	Increase	\$200	\$200	\$200	\$200
	Decrease	\$200	\$200	\$200	\$200

State: **ARKANSAS**
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

OPTIONAL COVERAGES

PERSONAL COMPUTER ENDORSEMENT

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	16.50	20.60	26.80	20.60

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
RP-3	\$2,000	25.00	31.00	40.00	31.00
	\$4,000	49.00	62.00	80.00	62.00
RP-5	\$2,000	20.00	25.00	32.00	25.00
	\$4,000	39.00	49.00	64.00	49.00

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Protective Device Discount

USAA GROUP	Other Property		
	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Monitored Burglar Alarm	0.92	--	--
Monitored Fire Alarm	0.92	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	0.95	--	--

Claims Free Discount

USAA GROUP	<u>Tenure</u>	Other Property		
		<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
	Less than 1 year	0.96	0.96	0.96
	1 - 2 years	0.81	0.81	0.81
	2 - 3 years	0.78	0.78	0.78
	3 years or more	0.76	0.76	0.76

Claims Activity Surcharge

USAA GROUP	<u>Tenure</u>	Number of <u>Prior Claims*</u>	Other Property		
			<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year		0	1.00	1.00	1.00
		1	1.32	1.32	1.32
		2	2.06	2.06	2.06
1 - 2 years		0	1.00	1.00	1.00
		1	1.20	1.20	1.20
		2	1.76	1.76	1.76
2 - 3 years		0	1.00	1.00	1.00
		1	1.10	1.10	1.10
		2	1.50	1.50	1.50
3 years or more		0	1.00	1.00	1.00
		1	1.04	1.04	1.04
		2	1.36	1.36	1.36

for each add'l claim above 2 add:

<u>Tenure</u>	<u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
Less than 1 year	0.74	0.74	0.74
1 - 2 years	0.56	0.56	0.56
2 - 3 years	0.40	0.40	0.40
3 years or more	0.32	0.32	0.32

State: **ARKANSAS**
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 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Auto and Renters Combination Discount
USAA GROUP

<u>Territory</u>	Other Property <u>Perils</u>	<u>Earthquake</u>	<u>Liability</u>
1	0.90	0.90	0.90
2	0.90	0.90	0.90
3	0.90	0.90	0.90
4	0.90	0.90	0.90
5	0.90	0.90	0.90
6	0.90	0.90	0.90

State: **ARKANSAS**
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USAA CASUALTY INSURANCE COMPANY
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TERRITORY DEFINITIONS

USAA GROUP

<u>County</u>	<u>Territory</u>	<u>County</u>	<u>Territory</u>
Arkansas	3	Lee	3
Ashley	6	Lincoln	6
Baxter	2	Little River	6
Benton	1	Logan	2
Boone	2	Lonoke	4
Bradley	6	Madison	2
Calhoun	6	Marion	2
Carroll	2	Miller	6
Chicot	6	Mississippi	3
Clark	6	Monroe	3
Clay	3	Montgomery	6
Cleburne	3	Nevada	6
Cleveland	6	Newton	2
Columbia	6	Ouachita	6
Conway	2	Perry	6
Craighead	3	Phillips	3
Crawford	2	Pike	6
Crittenden	3	Poinsett	3
Cross	3	Polk	6
Dallas	6	Pope	2
Desha	6	Prairie	3
Drew	6	Pulaski	5
Faulkner	4	Randolph	3
Franklin	2	Saline	6
Fulton	3	Scott	2
Garland	6	Searcy	2
Grant	6	Sebastian	2
Greene	3	Sevier	6
Hempstead	6	Sharp	3
Hot Spring	6	St. Francis	3
Howard	6	Stone	3
Independence	3	Union	6
Izard	3	Van Buren	2
Jackson	3	Washington	1
Jefferson	6	White	3
Johnson	2	Woodruff	3
Lafayette	6	Yell	2
Lawrence	3		

SERFF Tracking Number: USPX-125588311 State: Arkansas
 First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
 Company Tracking Number: RENAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Property Program 2008
 Project Name/Number: Property Program 2008/RENAR00084CGR01

Supporting Document Schedules

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey **Review Status:** Filed 06/18/2008

Comments:

Attachments:

HPCS 200-25941.PDF
 HPCS 200-25941.XLS
 HPCS 200-25941.PDF
 HPCS 200-25941.XLS
 HPCS 200-25968.PDF
 HPCS 200-25968.XLS
 HPCS 200-25968.PDF
 HPCS 200-25968.XLS

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Filed 06/18/2008

Comments:

Attachments:

RF-1 200-25941.PDF
 RF-1 200-25968.PDF
 RF-1 200-18600.PDF
 RF-1 200-21253.PDF

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 06/18/2008

Comments:

Attachment:

AR Renters Rate & Rule Schedule.PDF

Satisfied -Name: AR Renters Filing Memo **Review Status:** Filed 06/18/2008

Comments:

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*

AR Renters Filing Memo

Attachment:

AR Renters Filing Memo.PDF

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Review Status:
Satisfied -Name: AR Renters Explanatory Memo Filed 06/18/2008
Comments:
AR Renters Explanatory Memo
Attachment:
AR Renters Explanatory Memo.PDF

Review Status:
Satisfied -Name: AR Renters Actuarial Support Filed 06/18/2008
Comments:
AR Renters Actuarial Support
Attachment:
AR Renters Actuarial Support.PDF

Review Status:
Satisfied -Name: Objection 3 - Exhibit VIII Filed 06/18/2008
Comments:
Objection 3 Response - Exhibit VIII
Attachment:
Objection 3 - Exhibit VIII.PDF

Review Status:
Satisfied -Name: HPCS 200-25941, HPCS 200-25968, HPCS 200-18600, HPCS 200-21253 Filed 06/18/2008
Comments:
The HPCS forms have been revised.
Attachments:
HPCS 200-25941.PDF
HPCS 200-25941.XLS
HPCS 200-25941.PDF
HPCS 200-25941.XLS
HPCS 200-25968.PDF
HPCS 200-25968.XLS
HPCS 200-25968.PDF

SERFF Tracking Number: *USPX-125588311* *State:* *Arkansas*
First Filing Company: *United Services Automobile Association, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *RENAR00084CGR01*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0004 Tenant Homeowners*
Product Name: *Property Program 2008*
Project Name/Number: *Property Program 2008/RENAR00084CGR01*
HPCS 200-25968.XLS

SERFF Tracking Number: USPX-125588311 State: Arkansas
First Filing Company: United Services Automobile Association, ... State Tracking Number: EFT \$100
Company Tracking Number: RENAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Property Program 2008
Project Name/Number: Property Program 2008/RENAR00084CGR01

Satisfied -Name: AR Renters Objection Response **Review Status:** Filed 06/18/2008
Comments:
AR Renters Objection Response
Attachment:
AR Renters Objection Response.PDF

Satisfied -Name: AR Renters Objection Response - Exhibits **Review Status:** Filed 06/18/2008
Comments:
AR Renters Objection Response - Exhibits
Attachment:
AR Renters Objection Response - Exhibits.PDF

Satisfied -Name: Objection Response 2 **Review Status:** Filed 06/18/2008
Comments:
Objection 2 Response
Attachment:
Objection Response 2.PDF

Satisfied -Name: AR Renters Objection Response 3, AR Renters Objection 3 Response Supporting Exhibits **Review Status:** Filed 06/18/2008
Comments:
AR Renters Objection 3 Response
Attachments:
AR Renters Objection Response 3.PDF
AR Renters Objection 3 Response Supporting Exhibits.PDF

Satisfied -Name: HPCS 200-25941, HPCS 200- **Review Status:** Filed 06/18/2008

NAIC Number: 18600
 Company Name: USAA General Indemnity Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext. 8-5315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 7/1/2008

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

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

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

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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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		Desha		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	\$134.37	\$134.37	\$154.94	\$154.94	\$188.48	\$188.48	\$188.48	\$188.48	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$154.94	\$154.94	\$182.71	\$182.71
	\$15,000	\$184.51	\$184.51	\$218.08	\$218.08	\$271.55	\$271.55	\$271.55	\$271.55	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$218.08	\$218.08	\$262.85	\$262.85
	\$25,000	\$217.21	\$217.21	\$259.25	\$259.25	\$325.96	\$325.96	\$325.96	\$325.96	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$259.25	\$259.25	\$315.19	\$315.19
6	\$5,000	\$134.37	\$134.37	\$154.94	\$154.94	\$188.48	\$188.48	\$188.48	\$188.48	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$154.94	\$154.94	\$182.71	\$182.71
	\$15,000	\$184.51	\$184.51	\$218.08	\$218.08	\$271.55	\$271.55	\$271.55	\$271.55	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$218.08	\$218.08	\$262.85	\$262.85
	\$25,000	\$217.21	\$217.21	\$259.25	\$259.25	\$325.96	\$325.96	\$325.96	\$325.96	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$259.25	\$259.25	\$315.19	\$315.19
9	\$5,000	\$134.37	\$134.37	\$154.94	\$154.94	\$188.48	\$188.48	\$188.48	\$188.48	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$176.41	\$154.94	\$154.94	\$182.71	\$182.71
	\$15,000	\$184.51	\$184.51	\$218.08	\$218.08	\$271.55	\$271.55	\$271.55	\$271.55	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$252.43	\$218.08	\$218.08	\$262.85	\$262.85
	\$25,000	\$217.21	\$217.21	\$259.25	\$259.25	\$325.96	\$325.96	\$325.96	\$325.96	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$302.15	\$259.25	\$259.25	\$315.19	\$315.19

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	0 %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	Varies by Property Value
		Maximum Credit	0 %

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?	15 %
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk \$ [] Lowest Risk \$ []
	Brick [] Frame []

NAIC Number: 21253
 Company Name: Garrison Property and Casualty Insurance Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext. 8-5315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 7/1/2008

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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		Desha		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	\$135.84	\$135.84	\$154.73	\$154.73	\$185.34	\$185.34	\$185.34	\$185.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$154.73	\$154.73	\$180.14	\$180.14
	\$15,000	\$182.13	\$182.13	\$213.02	\$213.02	\$261.83	\$261.83	\$261.83	\$261.83	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$213.02	\$213.02	\$254.04	\$254.04
	\$25,000	\$212.26	\$212.26	\$250.96	\$250.96	\$311.86	\$311.86	\$311.86	\$311.86	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$250.96	\$250.96	\$302.23	\$302.23
6	\$5,000	\$135.84	\$135.84	\$154.73	\$154.73	\$185.34	\$185.34	\$185.34	\$185.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$154.73	\$154.73	\$180.14	\$180.14
	\$15,000	\$182.13	\$182.13	\$213.02	\$213.02	\$261.83	\$261.83	\$261.83	\$261.83	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$213.02	\$213.02	\$254.04	\$254.04
	\$25,000	\$212.26	\$212.26	\$250.96	\$250.96	\$311.86	\$311.86	\$311.86	\$311.86	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$250.96	\$250.96	\$302.23	\$302.23
9	\$5,000	\$135.84	\$135.84	\$154.73	\$154.73	\$185.34	\$185.34	\$185.34	\$185.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$174.34	\$154.73	\$154.73	\$180.14	\$180.14
	\$15,000	\$182.13	\$182.13	\$213.02	\$213.02	\$261.83	\$261.83	\$261.83	\$261.83	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$244.42	\$213.02	\$213.02	\$254.04	\$254.04
	\$25,000	\$212.26	\$212.26	\$250.96	\$250.96	\$311.86	\$311.86	\$311.86	\$311.86	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$290.17	\$250.96	\$250.96	\$302.23	\$302.23

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	0 %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	Varies by Property Value
		Other (specify)	
		Maximum Credit	%

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?	15 %
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	
	Zone
	Highest Risk
	Lowest Risk
	Brick
	Frame

NAIC Number: 25941
 Company Name: United Services Automobile Association
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext. 8-5315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 7/1/2008

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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		Desha		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	\$128.42	\$128.42	\$145.44	\$145.44	\$172.82	\$172.82	\$172.82	\$172.82	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$145.44	\$145.44	\$168.25	\$168.25
	\$15,000	\$170.45	\$170.45	\$198.38	\$198.38	\$242.04	\$242.04	\$242.04	\$242.04	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$198.38	\$198.38	\$235.25	\$235.25
	\$25,000	\$197.75	\$197.75	\$232.75	\$232.75	\$287.23	\$287.23	\$287.23	\$287.23	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$232.75	\$232.75	\$278.85	\$278.85
6	\$5,000	\$128.42	\$128.42	\$145.44	\$145.44	\$172.82	\$172.82	\$172.82	\$172.82	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$145.44	\$145.44	\$168.25	\$168.25
	\$15,000	\$170.45	\$170.45	\$198.38	\$198.38	\$242.04	\$242.04	\$242.04	\$242.04	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$198.38	\$198.38	\$235.25	\$235.25
	\$25,000	\$197.75	\$197.75	\$232.75	\$232.75	\$287.23	\$287.23	\$287.23	\$287.23	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$232.75	\$232.75	\$278.85	\$278.85
9	\$5,000	\$128.42	\$128.42	\$145.44	\$145.44	\$172.82	\$172.82	\$172.82	\$172.82	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$163.00	\$145.44	\$145.44	\$168.25	\$168.25
	\$15,000	\$170.45	\$170.45	\$198.38	\$198.38	\$242.04	\$242.04	\$242.04	\$242.04	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$226.52	\$198.38	\$198.38	\$235.25	\$235.25
	\$25,000	\$197.75	\$197.75	\$232.75	\$232.75	\$287.23	\$287.23	\$287.23	\$287.23	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$267.89	\$232.75	\$232.75	\$278.85	\$278.85

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	<input type="text" value="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="0"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="0"/> %	\$1,000 Deductible	<input type="text" value="Varies"/> % by Property Value
		Maximum Credit	

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 or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

	Zone	Brick	Frame
Highest Risk	\$	<input type="text" value=""/>	\$ <input type="text" value=""/>
Lowest Risk	\$	<input type="text" value=""/>	\$ <input type="text" value=""/>

NAIC Number: 25968
 Company Name: USAA Casualty Insurance Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext. 8-5315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 7/1/2008

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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		Desha		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	\$149.12	\$149.12	\$170.47	\$170.47	\$205.36	\$205.36	\$205.36	\$205.36	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$170.47	\$170.47	\$199.33	\$199.33
	\$15,000	\$201.04	\$201.04	\$235.85	\$235.85	\$291.48	\$291.48	\$291.48	\$291.48	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$235.85	\$235.85	\$282.35	\$282.35
	\$25,000	\$234.93	\$234.93	\$278.51	\$278.51	\$347.91	\$347.91	\$347.91	\$347.91	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$278.51	\$278.51	\$336.62	\$336.62
6	\$5,000	\$149.12	\$149.12	\$170.47	\$170.47	\$205.36	\$205.36	\$205.36	\$205.36	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$170.47	\$170.47	\$199.33	\$199.33
	\$15,000	\$201.04	\$201.04	\$235.85	\$235.85	\$291.48	\$291.48	\$291.48	\$291.48	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$235.85	\$235.85	\$282.35	\$282.35
	\$25,000	\$234.93	\$234.93	\$278.51	\$278.51	\$347.91	\$347.91	\$347.91	\$347.91	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$278.51	\$278.51	\$336.62	\$336.62
9	\$5,000	\$149.12	\$149.12	\$170.47	\$170.47	\$205.36	\$205.36	\$205.36	\$205.36	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$192.80	\$170.47	\$170.47	\$199.33	\$199.33
	\$15,000	\$201.04	\$201.04	\$235.85	\$235.85	\$291.48	\$291.48	\$291.48	\$291.48	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$271.57	\$235.85	\$235.85	\$282.35	\$282.35
	\$25,000	\$234.93	\$234.93	\$278.51	\$278.51	\$347.91	\$347.91	\$347.91	\$347.91	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$323.12	\$278.51	\$278.51	\$336.62	\$336.62

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	0 %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	Varies by Property Value
		Other (specify)	
		Maximum Credit	%

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?	15 %
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone
	Highest Risk \$
	Lowest Risk \$
	Brick
	Frame

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # RENAR00084CGR01

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number

3. A. **Company Name**
United Services Automobile Association B. **Company NAIC Number**
200-25941

4. A. **Product Coding Matrix Line of Business (i.e., Type of Insurance)**
04.0 Homeowners B. **Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)**
04.0004 Tenant Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Contents	83.4%	22.0%					
Renters Liability	N/A	0.0%					
OVERALL EFFECT		16.9%					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium	Incurred Losses	State Loss Ratio	Countrywide Loss Ratio
2003	1,829	1.2%	1/1/2003	\$343,951	\$163,786	0.476	0.390
2004	1,932	N/A		\$362,288	\$193,705	0.535	0.448
2005	1,958	N/A		\$367,246	\$228,328	0.622	0.984
2006	2,077	8.2%	12/6/2006	\$368,140	\$96,898	0.263	0.391
2007	2,275	N/A		\$406,806	\$321,391	0.790	0.496

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	11.7%
B. General Expense	0.8%
C. Taxes, License & Fees	2.3%
D. Underwriting Profit & Contingencies	13.5%
E. TOTAL	18.4%

8. **N/A** Apply Lost Cost Factors to Future Filings? (Y or N)
 9. **93.4%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **Territory 5**
 10. **-63.9%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): **Territory 2**

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # RENAR00084CGR01

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number

3. A. **Company Name**
USAA Casualty Insurance Company B. **Company NAIC Number**
200-25968

4. A. **Product Coding Matrix Line of Business (i.e., Type of Insurance)**
04.0 Homeowners B. **Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)**
04.0004 Tenant Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Contents	83.4%	23.3%					
Renters Liability	N/A	0.0%					
OVERALL EFFECT		18.3%					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium	Incurred Losses	State Loss Ratio	Countrywide Loss Ratio
2003	1,196	1.2%	1/1/2003	\$235,817	\$175,751	0.745	0.325
2004	1,339	N/A		\$255,662	\$167,674	0.656	0.418
2005	1,481	N/A		\$280,548	\$164,243	0.585	0.804
2006	1,441	8.4%	12/6/2006	\$282,276	\$105,172	0.373	0.338
2007	1,473	N/A		\$288,206	\$132,589	0.460	0.406

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	11.7%
B. General Expense	0.8%
C. Taxes, License & Fees	2.3%
D. Underwriting Profit & Contingencies	13.5%
E. TOTAL	18.4%

8. **N/A** Apply Lost Cost Factors to Future Filings? (Y or N)
9. **89.2%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **Territory 6**
10. **-63.9%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): **Territory 1**

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # RENAR00084CGR01

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number

3. A. **Company Name**
USAA General Indemnity Company B. **Company NAIC Number**
200-18600

4. A. **Product Coding Matrix Line of Business (i.e., Type of Insurance)**
04.0 Homeowners B. **Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)**
04.0004 Tenant Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Contents	83.4%	46.0%					
Renters Liability	N/A	0.0%					
OVERALL EFFECT		34.1%					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium	Incurred Losses	State Loss Ratio	Countrywide Loss Ratio
2003	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
2006	78	8.4%	12/6/2006	\$3,075	\$1,761	0.573	0.826
2007	262	N/A		\$25,322	\$14,288	0.564	0.791

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	11.7%
B. General Expense	0.8%
C. Taxes, License & Fees	2.3%
D. Underwriting Profit & Contingencies	13.5%
E. TOTAL	18.4%

8. **N/A** Apply Lost Cost Factors to Future Filings? (Y or N)
 9. **86.5%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **Territory 5**
 10. **-43.8%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): **Territory 5**

Arkansas Democrat Gazette

STATEMENT OF LEGAL ADVERTISING

ARK INSURANCE DEPARTMENT
1200 W THIRD
LITTLE ROCK AR 72201

REMIT TO:
ARKANSAS DEMOCRAT-GAZETTE, INC.
P.O. BOX 2221
LITTLE ROCK, AR 72203

ATTN: Pam Looney

DATE : 06/25/08 INVOICE #: 2320294
ACCT #: L801001 P.O. #:

BILLING QUESTIONS CALL 378-3812

STATE OF ARKANSAS,
COUNTY OF PULASKI, } ss.

I, Elizabeth Myers do solemnly swear that I am the Legal Billing Clerk of the Arkansas Democrat - Gazette, a daily newspaper printed and published in said County, State of Arkansas; that I was so related to this publication at and during the publication of the annexed legal advertisement in the matter of:

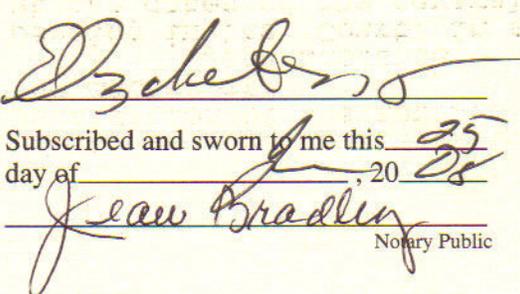
rate increase

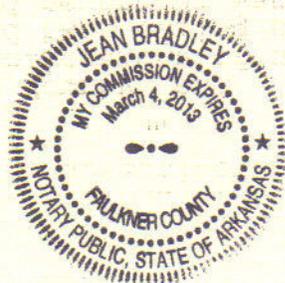
pending in the Court, in said County, and at the dates of the several publications of said advertisement stated below, and that during said periods and at said dates, said newspaper was printed and had a bona fide circulation in said County; that said newspaper had been regularly printed and published in said County, and had a bona fide circulation therein for the period of one month before the date of the first publication of said advertisement; and that said advertisement was published in the regular daily issues of said newspaper as stated below.

DATE	DAY	LINAGE	RATE	DATE	DAY	LINAGE	RATE
06/23	Mon	31	1.25				
06/24	Tue	31	1.25				
06/25	Wed	31	1.25				

TOTAL COST ----- 116.25
Billing Ad #: 51520286

Subscribed and sworn to me this 25
day of June, 2008


Jean Bradley
Notary Public



AD COPY

ARKANSAS INSURANCE DEPARTMENT
NOTICE OF RATE INCREASE
(Homeowners)
USAA General Indemnity Insurance Company (NAIC #18600) has increased its overall rates for its Renters Insurance business in Arkansas. The overall rate increase is 34.1%. Copies of the rate filing may be obtained by writing or calling the Arkansas Insurance Department, or by visiting our internet site at <http://www.insurance.arkansas.gov/PandC/divpage.htm>. For more information, please contact the Department at:
Arkansas Insurance Department
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904
501-371-2800
51520286f

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ACCOUNTING
ARKANSAS INSURANCE DEPARTMENT

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # RENAR00084CGR01

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number

3. A. **Company Name**
USAA Garrison Property & Casualty Company B. **Company NAIC Number**
 200-21253

4. A. **Product Coding Matrix Line of Business (i.e., Type of Insurance)**
 04.0 Homeowners B. **Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)**
 04.0004 Tenant Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Contents	83.4%	20.2%					
Renters Liability	N/A	0.0%					
OVERALL EFFECT		15.2%					

6. 5 Year History

Year	Policy Count	% of Change	Rate Change History				
			Effective Date	State Earned Premium	Incurred Losses	State Loss Ratio	Countrywide Loss Ratio
2003	-	-		-	-	-	-
2004	-	-		-	-	-	-
2005	-	-		-	-	-	-
2006	88	8.4%	12/6/2006	\$3,361	\$245	0.073	0.653
2007	220	N/A		\$25,513	\$24,398	0.956	0.624

7.

Expense Constants	Selected Provisions
A. Total Production Expense	11.7%
B. General Expense	0.8%
C. Taxes, License & Fees	2.3%
D. Underwriting Profit & Contingencies	13.5%
E. TOTAL	18.4%

8. **N/A** Apply Lost Cost Factors to Future Filings? (Y or N)
 9. **78.8%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **Territory 2**
 10. **-56.8%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): **Territory 5**

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 #	RENAR00084CGR01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	RENAR00084CGF01
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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4a. Rate Change by Company (As Proposed)							
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)
USAA	Contents: 83.4% Liability: N/A	16.9%	\$72,518	2,275	\$429,101	93.4%	-63.9%
USAA-CIC		18.3%	\$54,501	1,473	\$297,821	89.2%	-63.9%
USAA-GIC		34.1%	\$14,144	262	\$41,477	86.5%	-43.8%
GARRISON		15.2%	\$5,810	220	\$38,221	78.8%	-56.8%

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

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)	Contents: 83.4% Liability: N/A	
5b	Overall percentage rate impact for this filing	18.2%	
5c	Effect of Rate Filing – Written premium change for this program	\$146,973	
5d	Effect of Rate Filing – Number of policyholders affected	4,230	

6.	Overall percentage of last rate revision	8.3%
7.	Effective Date of last rate revision	12/6/2006
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

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

USAA Group
Arkansas
Renters Filing Memorandum

USAA Group (USAA, USAA-CIC, USAA-GIC, and Garrison) wishes to revise Renters premiums with a combined effect of 18.2%. The effects by form apply as follows:

USAA Contents	22.0%
USAA Liability	-0.1%
USAA Combined	16.9%
USAA-CIC Contents	23.3%
USAA-CIC Liability	-0.1%
USAA-CIC Combined	18.3%
USAA-GIC Contents	46.0%
USAA-GIC Liability	-0.3%
USAA-GIC Combined	34.1%
Garrison Contents	20.2%
Garrison Liability	-0.2%
Garrison Combined	15.2%
USAA Group Combined	18.2%

The proposed changes include a redesign of the rating formula for both Contents and Liability which will improve USAA's ability to offer a fair and competitive rate. The major improvements are in moving the formula to a multiplicative structure. Rating structures at the peril level are also being introduced for Contents, further improving pricing accuracy.

The new rating plan was developed using a multivariate approach to analysis called generalized linear modeling (GLM). GLM indications were developed using USAA Renters pure premium data for the two policy years ending June 30, 2006 evaluated as of March 31, 2007. Frequency and severity were analyzed separately using GLM. The frequency model and severity model were then combined to get a pure premium model, which is necessary for developing indicated factors. Selected factors are consistent with the GLM indicated factors, and base rates were derived to achieve the desired overall effects.

Several new rating structures are being introduced with this new rating plan:

- Claims Free Discount
- Auto and Renters Combination Discount
- Claims Activity Surcharge
- Underwriting tiers
- Marital Status rating
- Rating Territory boundaries and factors

USAA Group
Arkansas
Renters Filing Memorandum

Additionally, rates and factors for several existing rating structures and discounts are being modified:

- Protective Device Discounts
- Increased Limit factors
- Deductible factors
- Amount of Insurance factors
- Personal Computer endorsement
- Special Coverage endorsement for Jewelry, Watches, Furs, and Silverware

Finally, the following currently existing rating structures are being eliminated:

- Replacement Cost Coverage Surcharge
- Number of Families rating

Renewal premiums will be capped to mitigate the impact of this revision. Details pertaining to all of these structures, including proposed factors and the new rating formula can be found in the rate and rule manual.

For new business, an effective date of July 1, 2008, for these revisions will apply to policies written on or after June 21, 2008. For renewal business, an effective date of August 30, 2008 for these revisions will apply to all policies.

USAA Group
Arkansas
Renters Explanatory Memorandum Page 1 of 1

Exhibit I - illustrates USAA Arkansas experience for the latest five accident years ending September 30, 2007 as of December 31, 2007. The data is for Contents only. The indicated rate level change is developed in this exhibit. A large loss procedure applied to the losses is detailed in Exhibit III.

Exhibit II - provides the calculation of USAA premium trend factors for Arkansas. These factors reflect changing amounts of insurance and other distributional changes. The average earned premium at present rates, shown in column 2, has been fit to an exponential model using 20-, 16-, 12-, 8-, and 4-point values. The selected annual trend value is shown in this exhibit.

Exhibit III - shows the 10-year smoothing technique USAA uses to reflect the excess loss potential in Arkansas. The Large Loss Adjustment establishes an excess loss cut-off as a percentage of the average amount of insurance written for each year. The procedure then removes the portion of developed loss in excess of the cut-off, ratios the excess losses to the developed non-excess (normal) losses, and selects a weighted average of this ratio as the excess loss factor.

Exhibit IV - displays the calculation of USAA loss development factors for Arkansas. Loss data used for these calculations excludes catastrophes.

Exhibit V - shows the loss trend underlying the rate level indication. Various exponential fits including 20-, 16-, 12-, 8-, and 4-points are shown. The selected current cost factor (CCF) and trended cost factor (TCF) are based on the results of these exponential fits. Due to the volatility and lack of credibility in Arkansas, the selected Arkansas loss trend was credibility weighted with USAA countrywide loss trend data excluding California, Florida, North Carolina, and Texas. The Arkansas credibility weighted current cost factors and trended cost factors are displayed on Page 2.

Exhibit VI - develops the loss adjustment expense (LAE) factor used in calculating the indication in Exhibit I. The factor is based upon USAA worldwide data for calendar-accident years 2004, 2005, and 2006.

Exhibit VII - illustrates the calculation of the Arkansas historical non-modeled catastrophe loss and LAE ratio used to determine the indication in Exhibit I. Historical non-modeled catastrophe losses are ratioed to direct premium for fifteen years. The selected LAE factor is then applied to the average 15-year ratio.

Exhibit VIII - displays the Contents forms expected earthquake and fire following earthquake catastrophe loss and LAE ratio calculation based on simulation models developed by AIR Worldwide (AIR), Inc., of Boston, Massachusetts. AIR's Catastrophe Loss Analysis Service models earthquakes and fire following earthquake based on geological, engineering, and property damage data. The model estimates damage by five-digit ZIP code based on various earthquake characteristics, including location, event epicenter, magnitude, soil condition, and depth. Fire following earthquake events also consider additional elements including ignition, population, available fuel, and fire suppression ability. The model generates a large sample of simulated events which are then superimposed on USAA's geographical distribution of exposures by county and ZIP code within the state. USAA uses the statewide estimated average annual loss provided by AIR in calculating the overall indication.

USAA Group
Arkansas
Renters Explanatory Memorandum Page 2 of 2

Exhibit IX - shows the development of the variable permissible loss and LAE ratio for Arkansas on Page 1. Provisions for other expense categories are based on countrywide data from the Insurance Expense Exhibit while taxes, licenses, and fees are based upon actual Arkansas experience for USAA Group. The calculation of the selected annual expense trend is shown on Page 2. The trend is derived by taking a weighted average of the Employment Cost Index and the Consumer Price Index. The expense trend is used to trend fixed expenses, which are used to develop the indication shown in Exhibit I.

Exhibit X - details USAA Group's method for selecting its underwriting profit and contingency provision for Contents, which is included in the permissible loss ratio. A separate explanatory memorandum is included with the exhibit.

USAA Group
Arkansas
Indicated Rate Change
Renters Contents Forms
As of 12/31/2007

Calendar/ Accident Year Ending (1)	Earned Premium at Present Rates (2)	Premium Trend Factor ^A (3)	Prospective Earned Premium at Present Rates (4) = (2) * (3)	Smoothed Developed Incurred Losses Excluding Catastrophes ^B (5)	Loss Trend Factor ^C (6)	LAE Factor ^D (7)	Prospective Incurred Losses and LAE Excluding Catastrophes (8) = (5) * (6) * (7)	Prospective Loss and LAE Ratio Excluding Catastrophes (9) = (8) / (4)	Weight (10)
09/30/2003	\$523,645	0.885	\$463,426	\$284,176	1.432	1.450	\$590,063	1.273	0.100
09/30/2004	\$557,357	0.875	487,687	285,722	1.391	1.450	576,287	1.182	0.150
09/30/2005	\$586,504	0.899	527,267	332,638	1.350	1.450	651,139	1.235	0.200
09/30/2006	\$596,272	0.911	543,204	263,555	1.311	1.450	501,005	0.922	0.250
09/30/2007	\$594,151	0.945	561,473	272,378	1.272	1.450	502,374	0.895	0.300

Five Year Weighted Loss and LAE Ratio Excluding Catastrophes =	1.051
Non-Modeled Catastrophe Loss and LAE Ratio ^F =	0.082
EQ FF Cat Loss and LAE Ratio ^G =	0.094
Trended Fixed Expense Ratio ^E =	0.317
Variable Permissible Loss and LAE Ratio ^E =	0.842
Indicated Rate Level Change = (1.051 + 0.082 + 0.094 + 0.317) / 0.842 - 1	83.4%

^A Developed in Exhibit II

^B Developed in Exhibit III

^C Developed in Exhibit V, Page 2 of 2

^D Developed in Exhibit VI

^E Developed in Exhibit IX, Page 1 of 2

^F Developed in Exhibit VII

^G Developed in Exhibit VIII

USAA Group
Arkansas
Premium Trend
Renters Contents Forms

Year Ending Quarter (1)	Average Earned Premium at Present Rates (2)	Annual Change (3)	Current Amount Factors 169.60 / (2)
2002/4	180.75		0.938
2003/1	181.13		0.936
2003/2	181.00		0.937
2003/3	181.14		0.936
2003/4	181.77	0.6%	0.933
2004/1	182.60	0.8%	0.929
2004/2	183.38	1.3%	0.925
2004/3	183.15	1.1%	0.926
2004/4	182.38	0.3%	0.930
2005/1	181.00	-0.9%	0.937
2005/2	179.43	-2.2%	0.945
2005/3	178.35	-2.6%	0.951
2005/4	178.03	-2.4%	0.953
2006/1	177.34	-2.0%	0.956
2006/2	176.67	-1.5%	0.960
2006/3	175.86	-1.4%	0.964
2006/4	174.03	-2.2%	0.975
2007/1	172.70	-2.6%	0.982
2007/2	171.15	-3.1%	0.991
2007/3	169.60	-3.6%	1.000

Trended Amount Factor:

Exponential Fits

Annualized Change:

R-squared Value:

Selected Annual Trend Factor:

Accident Year Ending

09/30/2003
09/30/2004
09/30/2005
09/30/2006
09/30/2007

Least Squares Results

	20 pt	16 pt	12 pt	8 pt	4 pt
Annualized Change:	-1.3%	-2.0%	-2.4%	-2.8%	-3.4%
R-squared Value:	0.750	0.927	0.973	0.972	0.998
Selected Annual Trend Factor:	0.975				

Premium Trend Factor					
Current Amount Factors (1)	Trended Amount Selection (2)	Trended Amount Period ^A (3)	Trended Amount Factors (4) = (2) ^ (3)	Premium Trend Factors (5) = (1) * (4)	
0.936	0.975	2.250	0.945	0.885	
0.926	0.975	2.250	0.945	0.875	
0.951	0.975	2.250	0.945	0.899	
0.964	0.975	2.250	0.945	0.911	
1.000	0.975	2.250	0.945	0.945	

^A From the average earned date in the most recent accident year, 03/31/2007, to the average earned date in the effective period, 07/01/2009

USAA Group
Arkansas
Calculation of Large Loss Adjustment
Renters Contents Forms
As of 12/31/2007

Calendar/ Accident Year Ending	Average Amount of Insurance	Cutoff 45% of (2)	Incurred Losses Excluding Catastrophes	Loss Development Factors ^A	Developed Incurred Losses Excluding Catastrophes	Number of Excess Losses	Large Losses	Excess Losses	Normal Losses	Excess Ratio	Smoothed Developed Incurred Losses Ex Cats ^C
(1)	(2)	(3)	(4)	(5)	(6) = (4) * (5)	(7)	(8)	(9) = (8) - (7) * (3)	(10) = (6) - (9)	(11) = (9) / (10)	(12)
09/30/1998	\$36,144	\$16,265	\$446,066	1.0000	\$446,066	4	\$178,541	\$113,481	\$332,585	0.341	\$406,751
09/30/1999	\$37,228	\$16,753	\$178,374	1.0000	178,374	1	\$40,000	23,247	155,127	0.150	189,720
09/30/2000	\$38,331	\$17,249	\$150,817	1.0000	150,817	1	\$36,273	19,024	131,793	0.144	161,183
09/30/2001	\$39,302	\$17,686	\$243,333	1.0000	243,333	2	\$67,684	32,312	211,021	0.153	258,079
09/30/2002	\$38,745	\$17,435	\$285,957	1.0000	285,957	2	\$98,116	63,246	222,711	0.284	272,376
09/30/2003	\$39,170	\$17,627	\$288,805	1.0000	288,805	3	\$109,326	56,445	232,360	0.243	284,176
09/30/2004	\$39,384	\$17,723	\$256,682	0.9998	256,631	2	\$58,453	23,007	233,624	0.098	285,722
09/30/2005	\$39,093	\$17,592	\$356,168	1.0016	356,738	6	\$190,305	84,753	271,985	0.312	332,638
09/30/2006	\$37,414	\$16,836	\$233,289	1.0431	243,344	1	\$44,681	27,845	215,499	0.129	263,555
09/30/2007	\$36,358	\$16,361	\$278,687	0.9912	276,235	3	\$102,605	53,522	222,713	0.240	272,378
								\$496,882	\$2,229,418		

Weighted Average Excess Ratio ^B = 0.223

Weighted Average Excess Factor = 1.223

^A Developed in Exhibit IV

^B Weighted Average Excess Ratio = Sum of Column (9) / Sum of Column (10)

^C (12) = (10) * Weighted Average Excess Factor

USAA Group
Arkansas
Loss Development
Incurred Losses Excluding Catastrophes
Renters Contents Forms

Accident Year Ending	15 months	27 months	39 months	51 months	63 months
09/30/1999				178,374	178,374
09/30/2000			150,817	150,817	150,817
09/30/2001		242,947	244,212	243,333	243,333
09/30/2002	267,680	247,237	282,730	286,297	285,957
09/30/2003	313,663	287,161	288,805	288,805	288,805
09/30/2004	266,172	256,531	256,682	256,682	
09/30/2005	355,371	338,538	356,168		
09/30/2006	234,201	233,289			
09/30/2007	278,687				

Age-to-Age Factors

Accident Year Ending	15 to 27 Months	27 to 39 Months	39 to 51 Months	51 to 63 Months
09/30/1999				1.0000
09/30/2000			1.0000	1.0000
09/30/2001		1.0052	0.9964	1.0000
09/30/2002	0.9236	1.1436	1.0126	0.9988
09/30/2003	0.9155	1.0057	1.0000	1.0000
09/30/2004	0.9638	1.0006	1.0000	
09/30/2005	0.9526	1.0521		
09/30/2006	0.9961			
Latest 3-year Average	0.9708	1.0195	1.0042	0.9996
Latest 4-year Average	0.9570	1.0505	1.0023	0.9997
Latest 5-year Average	0.9503	1.0414	1.0018	0.9998
Latest 3-out-of-5-year Average	0.9467	1.0210	1.0000	1.0000
Selected Age-to-Age Factors	0.9503	1.0414	1.0018	0.9998

Cumulative Factors

	15 to 63 Months	27 to 63 Months	39 to 63 Months	51 to 63 Months
Selected Cumulative Factors	0.9912	1.0431	1.0016	0.9998

USAA Group
Arkansas
Paid Losses Excluding Catastrophes
Renters Contents Forms

Year Ending Quarter	Calendar Year Paid Frequency				Calendar Year Paid Severity				Calendar Year Paid Pure Premium			
	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change
2003/1	0.0409		0.0369		2,453		1,806		100.31		66.61	
2003/2	0.0378		0.0349		2,968		1,839		112.14		64.16	
2003/3	0.0351		0.0336		2,751		1,808		96.53		60.66	
2003/4	0.0371		0.0327		2,587		1,760		95.91		57.63	
2004/1	0.0421	2.8%	0.0331	-10.4%	2,003	-18.3%	1,661	-8.0%	84.26	-16.0%	54.91	-17.6%
2004/2	0.0469	24.2%	0.0339	-2.9%	1,663	-44.0%	1,588	-13.7%	78.04	-30.4%	53.77	-16.2%
2004/3	0.0486	38.5%	0.0348	3.7%	2,056	-25.3%	1,639	-9.4%	99.88	3.5%	57.03	-6.0%
2004/4	0.0441	18.8%	0.0340	3.8%	2,264	-12.5%	1,732	-1.6%	99.73	4.0%	58.86	2.1%
2005/1	0.0390	-7.4%	0.0337	1.9%	2,337	16.7%	1,782	7.3%	91.09	8.1%	60.04	9.3%
2005/2	0.0356	-24.1%	0.0328	-3.2%	2,189	31.6%	1,849	16.5%	77.98	-0.1%	60.63	12.8%
2005/3	0.0357	-26.6%	0.0324	-7.0%	2,035	-1.0%	1,900	16.0%	72.59	-27.3%	61.52	7.9%
2005/4	0.0373	-15.3%	0.0324	-4.5%	2,137	-5.6%	1,899	9.6%	79.78	-20.0%	61.61	4.7%
2006/1	0.0427	9.7%	0.0329	-2.4%	1,874	-19.8%	1,897	6.4%	80.08	-12.1%	62.35	3.8%
2006/2	0.0425	19.2%	0.0334	1.9%	2,312	5.6%	1,857	0.4%	98.17	25.9%	62.02	2.3%
2006/3	0.0428	19.9%	0.0340	4.9%	2,216	8.9%	1,801	-5.2%	94.78	30.6%	61.16	-0.6%
2006/4	0.0426	14.0%	0.0358	10.4%	1,837	-14.1%	1,760	-7.3%	78.16	-2.0%	63.02	2.3%
2007/1	0.0373	-12.8%	0.0369	12.3%	2,044	9.1%	1,766	-6.9%	76.16	-4.9%	65.19	4.6%
2007/2	0.0386	-9.0%	0.0383	14.5%	2,059	-10.9%	1,818	-2.1%	79.57	-18.9%	69.55	12.1%
2007/3	0.0376	-12.2%	0.0393	15.7%	2,001	-9.7%	1,832	1.7%	75.12	-20.7%	71.97	17.7%
2007/4	0.0392	-8.0%	0.0410	14.6%	2,481	35.1%	1,790	1.7%	97.14	24.3%	73.47	16.6%
Exponential Fits	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change
20-point fit	0.006	-0.4%	0.276	2.4%	0.190	-3.8%	0.087	1.0%	0.247	-4.1%	0.375	3.4%
16-point fit	0.205	-3.4%	0.549	4.6%	0.053	2.0%	0.265	2.4%	0.022	-1.4%	0.870	7.1%
12-point fit	0.033	1.5%	0.809	8.6%	0.002	-0.6%	0.189	-1.3%	0.007	0.9%	0.775	7.1%
8-point fit	0.633	-7.6%	0.983	14.0%	0.103	5.5%	0.265	-2.1%	0.016	-2.5%	0.860	11.6%
4-point fit	0.440	4.9%	0.990	14.8%	0.519	24.7%	0.146	1.9%	0.540	30.9%	0.947	17.0%

^A Series 1 is based on USAA Group Arkansas data

^B Series 2 is based on USAA Group CW EXC CA, FL, NC, & TX data

USAA Group
Arkansas
Credibility Weighted Loss Trend
Renters Contents Forms

	Series 1 Frequency ^A	Series 2 Frequency ^B	Cred-Weighted Frequency ^C	Series 1 Severity ^A	Series 2 Severity ^B	Cred-Weighted Severity ^C	Cred-Weighted Pure Premium
Current Cost Selection	0.990	1.030	1.025	0.965	1.010	1.005	1.030
Trended Cost Selection	1.000	1.130	1.115	1.060	1.000	1.007	1.123

<u>Accident Year Ending</u>	Loss Trend Factor						
	Current Cost Selection	Current Cost Period ^D	Current Cost Factor	Trended Cost Selection	Trended Cost Period ^E	Trended Cost Factor	Loss Trend Factor
	(1)	(2)	(3) = (1) ^ (2)	(4)	(5)	(6) = (4) ^ (5)	(7) = (3) * (6)
09/30/2003	1.030	4.250	1.134	1.123	2.010	1.263	1.432
09/30/2004	1.030	3.250	1.101	1.123	2.010	1.263	1.391
09/30/2005	1.030	2.250	1.069	1.123	2.010	1.263	1.350
09/30/2006	1.030	1.250	1.038	1.123	2.010	1.263	1.311
09/30/2007	1.030	0.250	1.007	1.123	2.010	1.263	1.272

^A Series 1 is based on USAA Group Arkansas data

^B Series 2 is based on USAA Group CW EXC CA, FL, NC, & TX data

^C USAA Group Arkansas is 11.4% credible based on 139 claims; used the Square Root method with a full credibility standard of 10,623 claims.

^D From the average date of loss in the respective accident year to 06/30/2007

^E From 06/30/2007 to the average date of loss in the effective period, 07/01/2009

USAA Group
Worldwide
 Loss Adjustment Expense (LAE) Factor
All Forms Combined
 As of 6/30/2007

Non-Catastrophe Loss Adjustment Expense Factor			
Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	44,543,352	9,925,133	0.223
12/31/2005	47,860,827	15,647,642	0.327
12/31/2006	52,989,395	24,900,537	0.470
Selected Non-Catastrophe LAE Factor			1.450

Non-Modeled Catastrophe Loss Adjustment Expense Factor			
Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	759,543	7,037	0.009
12/31/2005	1,250,551	2,592	0.002
12/31/2006	1,638,632	58,217	0.036
Average LAE Ratio			0.016
Selected Non-Modeled Catastrophe LAE Factor			1.020

USAA Group
Arkansas
Non-Modeled Catastrophe Ratio
Renters Contents Forms
As of 12/31/2007

Accident Year Ending	Direct Earned Premium	Non-Modeled Catastrophe Losses	Non-Modeled Cat/Prem Ratio
12/31/1992	281,456	\$160,173	0.569
12/31/1993	284,008	\$0	0.000
12/31/1994	290,276	\$830	0.003
12/31/1995	312,314	\$12,100	0.039
12/31/1996	326,054	\$104,173	0.319
12/31/1997	335,148	\$4,545	0.014
12/31/1998	353,584	\$0	0.000
12/31/1999	377,068	\$15,531	0.041
12/31/2000	400,739	\$1,384	0.003
12/31/2001	417,142	\$0	0.000
12/31/2002	444,578	\$0	0.000
12/31/2003	479,383	\$1,225	0.003
12/31/2004	513,351	\$13,227	0.026
12/31/2005	537,872	\$87,021	0.162
12/31/2006	538,755	\$13,684	0.025
Average (Non-Modeled Catastrophe Losses) / (Direct Earned Premium) =			0.080
Selected Non-Modeled Catastrophe LAE Factor ^A =			1.020
Non-Modeled Catastrophe Loss and LAE Ratio =			0.082

^A Developed in Exhibit VI

USAA Group
Arkansas
 Expected Net Earthquake and Fire Following Loss and LAE Ratio
Renters Contents Forms

(1) Expected Annual Net Earthquake Loss ^A	\$51,54
(2) Expected Annual Net Fire Following Cat Loss ^A	\$1,28
(3) Prospective Earned Premium at Present Rates	\$561,47
(4) Earthquake and Fire Following Catastrophe Loss and LAE Ratio (1+2)/3	0.09
Selected Earthquake and Fire Following Catastrophe Loss and LAE Ratio	0.09

^A Based on Applied Insurance Research, Inc. (AIR) methodology and assumptions; net losses are based on exposure levels as of 05/31/2007 and trended for loss severity

USAA Group
Arkansas
Fixed and Variable Expense Provisions
Renters Contents Forms

	2005	2006	2-Year Straight Average	Selected
(1) Average General Expenses Per Earned Exposure ^A	\$0.56	\$3.19		
(2) Selected Annual Expense Trend ^B	3.0%	3.0%		
(3) Trend Period ^C	4.01	3.01		
(4) Projected Average General Expenses Per Earned Exposure (1) * [1.03] ^ (3)	\$0.63	\$3.49	\$2.06	\$2.06
(5) Average Other Acquisition Expense Per Written Exposure ^A	\$43.77	\$44.00		
(6) Selected Annual Expense Trend ^B	3.0%	3.0%		
(7) Trend Period ^D	3.51	2.51		
(8) Projected Average Other Acquisition Expense Per Written Exposure (5) * [1.03] ^ (7)	\$48.56	\$47.39	\$47.98	\$47.98
(9) Average Licenses and Fees Expense Per Written Exposure ^E	\$0.50	\$1.44		
(10) Selected Annual Expense Trend ^B	3.0%	3.0%		
(11) Trend Period ^D	3.51	2.51		
(12) Projected Average Licenses and Fees Expense Per Written Exposure (9) * [1.03] ^ (11)	\$0.55	\$1.55	\$1.05	\$1.05
(13) Total Fixed Expense (4) + (8) + (12)				\$51.09
(14) Average Projected Premium at Present Rates ^F				\$160.93
(15) Projected Fixed Expense Provision (13) / (14)				0.317
(16) Commission and Brokerage	0.0%	0.0%	0.0%	0.0%
(17) Taxes ^G	2.4%	2.1%	2.3%	2.3%
(18) Profit and Contingencies Provision ^H				13.5%
(19) Total Variable Expenses (16) + (17) + (18)				15.8%
(20) Variable Permissible Loss and LAE Ratio 1 - (19)				84.2%

^A USAA Group Countrywide data

^B Developed in Exhibit IX, Page 2 of 2

^C From the midpoint of the respective year to the average earned date in effective period, 07/01/2009

^D From the midpoint of the respective year to the average written date in effective period, 01/01/2009

^E Arkansas USAA Group data

^F Arkansas USAA Group data for Renters Contents Forms only

^G Arkansas USAA Group data as a percent of direct written premium

^H Developed in Exhibit X

USAA Group
Countrywide
Calculation of Annual Expense Trend

(1) Employment Cost Index - Finance, Insurance & Real Estate, excluding Sales Occupations - (annual change over latest 2 years ending 12/31/2006) U.S. Department of Labor	3.1%
(2) % of Other Acquisition and General Expenses used for Salaries and Employee Relations & Welfare - USAA Group Insurance Expense Exhibit, 2006	56.6%
(3) Consumer Price Index, All Items - (annual change over latest 2 years ending 12/31/2007)	2.4%
(4) Annual Expense Trend - $\{ (1) * (2) \} + \{ (3) * [1 - (2)] \}$	2.8%
<hr/> Selected Annual Expense Trend	<hr/> 3.0%

USAA GROUP
ARKANSAS RENTERS CONTENTS
UNDERWRITING PROFIT PROVISION
EXPLANATORY MEMORANDUM

This exhibit is submitted in support of the underwriting profit and contingency provision included in the permissible loss ratio.

UNDERWRITING PROFIT PROVISION

The target underwriting profit and contingency provision needed to achieve our desired overall profit level is developed on Page 2. The selected target rate of return is 10% on GAAP (generally accepted accounting principles) equity.

The target underwriting return on an after-tax basis is derived by subtracting the after-tax investment rate of return on GAAP surplus from the target rate of return. This target underwriting rate of return is then adjusted to a before-tax basis, using the current corporate tax rate of 35%, and then divided by the premium-to-surplus ratio to yield the target underwriting profit and contingency provision.

TARGET RATE OF RETURN

USAA's selected target rate of return of 10% is supported by results from the Capital Asset Pricing Model (CAPM), the financial model commonly used in evaluating investments.

The data points used in the CAPM method are published historical values from Value Line, Inc.'s *Investment Survey* (as of 3/24/06) and from Ibbotson Associates' 2007 Stocks, Bonds, Bills & Inflation (SBBI) Yearbook. The companies composing the "P&C Insurance Industry", as identified by Value Line, Inc., were selected to determine the appropriate rate of return for a P&C company.

INVESTMENT RATE OF RETURN

The investment rate of return is determined by dividing the estimated investment earnings by the Arkansas Renters Contents allocation of USAA Group surplus. The estimated investment earnings are calculated by applying a selected after-tax rate of return to the total funds subject to investment.

The selected after-tax rate of return is a weighted average after-tax return, using the projected proportion of the portfolio held in each component as weight. The composition of the portfolio is projected for 2008 and 2009 and an after-tax return for each year is calculated.

USAA GROUP
ARKANSAS RENTERS CONTENTS
UNDERWRITING PROFIT PROVISION

A.	Target Rate of Return (% of GAAP Surplus)	
1.	Capital Asset Pricing Model	11.3%
2.	Selected Target Rate of Return	10.0%
B.	Target Underwriting Rate of Return (% of GAAP Surplus)	
1.	Investment Rate of Return After Tax	3.5%
2.	Target Underwriting Return After Tax (A2) - (B1)	6.5%
3.	Target Underwriting Return Before Tax (B2) / (1.00 - 0.35)	10.0%
C.	Target Underwriting Profit Provision (% of Direct Earned Premium)	
1.	Direct Written Premium / GAAP Surplus Ratio	0.741
2.	Indicated Underwriting Profit Provision (B3) / (C1)	13.5%
3.	Selected Underwriting Profit Provision	13.5%

USAA Group
Arkansas
Expected Net Earthquake and Fire Following Loss and LAE Ratio
Renters Contents Forms

(1) Expected Annual Net Earthquake Loss ^A	\$51,543
(2) Expected Annual Net Fire Following Cat Loss ^A	\$1,288
(3) Prospective Earned Premium at Present Rates	\$561,473
(4) Earthquake and Fire Following Catastrophe Loss and LAE Ratio (1+2)/3	0.094
Selected Earthquake and Fire Following Catastrophe Loss and LAE Ratio	0.094

^A Based on Applied Insurance Research, Inc. (AIR) methodology and assumptions; net losses are based on exposure levels as of 05/31/2007 and trended for loss severity

**USAA Renters
Arkansas
Response to Department of Insurance Objections**

Objection 1

Comments: The HPCS for 18600 and 21253 was not attached.

I am not sure why SERFF failed to attach these two surveys, but they should now be attached.

Objection 2

Comments: Tier placement and factors appear to be consistent between all the companies. Please explain what determines company placement.

Company placement is based on an applicant's membership eligibility group. Renters insurance provided by United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company is available only to persons eligible for P&C group membership. Membership eligibility is not an underwriting or rating factor.

Objection 3

Comments: Part of the figures of Exhibit VIII are cut off by the margin. Please re-submit this exhibit.

Exhibit VIII has been corrected and attached.

Objection 4 Confidential - AR Renters Underwriting Tier Placement Guidelines

Comments: Pursuant to ACA 23-67-409 the scoring model must be filed. The loss experience justifying the use must also be filed including the development of tier factors. Tiers placement guidelines are too vague.

Indicated tier factors are determined using GLM to analyze the underlying variables. Please see the response to Objection 6 for more discussion of GLM. See Exhibit I for the exposure distributions and indicated factors for the tier variable. Selected factors equal indicated factors for tier. The ChoicePoint AttractOne Model has been attached along with more detailed UW Tier Placement Guidelines.

Objection 5 Comments: Please file the EQ model.

Provide statistical data supporting the earthquake deductible factors. Explain the statement in the general rules that the 15% deductible has no impact on the premium. The earthquake factors and territory combinations do not appear logical for the risk. Explain and provide support for the assignments and development.

The earthquake peril has no choice of deductible; all policies have a 15% deductible. There is no factor to apply for deductible choice.

With this filing we are introducing territory rating in Arkansas. For simplicity, we assign the same territory definitions for contents, liability, and earthquake perils. We select these boundary definitions to be similar to our competitors. Because earthquake is the smallest of these premium components, the territory definitions are

**USAA Renters
Arkansas
Response to Department of Insurance Objections**

not necessarily optimized for the earthquake peril. However, we feel that introducing territory rating in this way is better than not introducing it.

Please see the bottom of page 24 of AIR Worldwide Corporation's Technical Document EQUUS-0508 for more detailed discussion of the modeled earthquake peril. Risk is lowest in northwest Arkansas and this is where our territory relativities are lowest. Allocation of reinsurance premiums (which appear as adjustments to territory relativities) depend on expected annual recoveries, which are highest in areas of greatest frequency (northeast Arkansas) and greatest exposure density (central Arkansas). Due to loss correlations, high exposure density increases the severity of an earthquake event, increases the probability of a reinsurance recovery, and increases the reinsurance premiums. See Exhibit II for the indicated earthquake territory relativities adjusted for reinsurance. The selected relativities equal indicated relativities for this variable.

For earthquake GLM's (please see the response to Objection 6 for more discussion of GLM), we use modeled catastrophe losses as of 10/31/07 for the most important states: 13 states (including Arkansas) for earthquake shake and 5 states for fire following earthquake. Arkansas fire-following-earthquake data is not used because Arkansas losses would not significantly impact indicated relativities and because including all states would significantly increase data collection time for modeled losses. Losses for earthquake shake are more significant than losses for fire following. For earthquake GLM's, we use modeled average annual losses (earthquake shake plus fire following earthquake) and we model pure premium directly rather than producing intermediate frequency and severity models.

Objection 6 Comments: Provide statistical support for the territory factors.

Please see Exhibit II for our indicated territory factors for contents, liability and earthquake perils. We also show the exposure distribution by territory. For our territory factors, the selected factors equal the indicated factors for all of the perils.

We now give a general discussion of our modeling approach to obtain our indicated relativities.

Except where otherwise stated, indications for all indicated rating factors are determined using Generalized Linear Modeling (GLM). The total database contains approximately 1.3 million records for contents and liability and 264,000 records for earthquake. We develop several sets of models and used analysis tools to help us compare the models to one another. We use chi-square tests and look at standard error of parameter differences to determine what variables to include in the final models and how to group and/or fit curves to those variables.

For liability and contents GLMs, we use two years of country-wide policy-year incurred losses beginning 7/1/04 and applying reserves as of 3/31/07. Arkansas data is included in this country-wide analysis, where each full-year Arkansas exposure is given the same weight as any other full-year exposure in the GLM. State and territory combinations are included in the country-wide pure premium models to provide for Arkansas' indicated territory relativities for contents.

**USAA Renters
Arkansas
Response to Department of Insurance Objections**

GLM is a multivariate predictive modeling method where:

Response Variable = Systematic Component (Signal) + Random Component (Noise)

GLMs generalize traditional regression models by introducing nonlinearity through the link function and loosening the normality assumption (we used Poisson for frequency and gamma for severity and pure premium.) In our models we use a log-link function, which means that the rating factors are combined using straightforward multiplication.

Response Variable = Product(Rating Factors) + Noise

The GLM software was used to estimate Poisson frequency parameters that minimize variance from the actual data. We begin with the assumption that frequency could best be described by a Poisson distribution, because this has been documented in many actuarial papers as a reasonable approach from both a theoretical and practical standpoint (see Sholom Feldblum's discussion on Lester Dropkin's paper entitled "Some Considerations on Automobile Rating Systems Utilizing Individual Driving Records", 1987). We test this assumption using residual plots and find that the model is statistically reasonable.

Severity modeling is done using all the claims data (1 million records) in a single model. The GLM software estimates Gamma severity parameters that minimize variance from the actual data. We begin with a gamma distribution and test it using residual plots and find that the model is statistically reasonable.

The frequency models and severity models are combined into pure premium models, which is necessary for developing indicated factors. The pure premium data are modeled using Gamma error parameters. Because we use log link functions, the indicated rating factors directly support a multiplicative rating algorithm.

Final Contents Rate = Base Rate x Territory Factor x (the product of all the other factors modeled for Contents.)

Objection 7 Comments: Provide statistical support showing the development of the claims surcharges.

The claims free discount and surcharge indications for zero and one year tenure come from a GLM (please see the response to Objection 6 for more discussion of GLM) for 0, 1, and 2 claims with 3+ claims being extrapolated from 1 and 2 claims. We use a generalization of the Bailey-Simon paper (CAS Exam 9) to extrapolate discounts/surcharges for other tenure years since additional loss history is unavailable in this data. See Exhibit III for USAA Group's exposure weights, indicated factors, and selected for this variable.

USAA Renters
Arkansas
Response to Department of Insurance Objections

Objection 8 Comments: Provide statistical support showing the development of the marital status factors.

We use the GLM (please see the response to Objection 6 for more discussion of GLM) indicated factors for our marital status factors. See Exhibit IV for our exposure weights and indicated factors for this variable. For marital status, the selected factors equal the indicated factors.

USAA Group
Countrywide
Renters Tier Factors

Tier	Liability			Hurricane, Earthquake, and Fire Fire Following Earthquake			Other Property Perils		
	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected
21	0.0%	0.1436	0.1436			1.0000	0.0%	0.2171	0.2171
22	0.0%	0.1532	0.1532			1.0000	0.0%	0.2277	0.2277
23	0.0%	0.1634	0.1634			1.0000	0.0%	0.2388	0.2388
24	0.0%	0.1743	0.1743			1.0000	0.0%	0.2505	0.2505
25	0.0%	0.1860	0.1860			1.0000	0.0%	0.2627	0.2627
26	0.0%	0.1984	0.1984			1.0000	0.0%	0.2756	0.2756
27	0.0%	0.2117	0.2117			1.0000	0.0%	0.2891	0.2891
28	0.0%	0.2258	0.2258			1.0000	0.0%	0.3032	0.3032
29	0.0%	0.2409	0.2409			1.0000	0.0%	0.3180	0.3180
30	0.1%	0.2570	0.2570			1.0000	0.1%	0.3336	0.3336
31	0.1%	0.2742	0.2742			1.0000	0.1%	0.3499	0.3499
32	0.1%	0.2925	0.2925			1.0000	0.1%	0.3670	0.3670
33	0.1%	0.3121	0.3121			1.0000	0.1%	0.3849	0.3849
34	0.2%	0.3329	0.3329			1.0000	0.2%	0.4037	0.4037
35	0.4%	0.3552	0.3552			1.0000	0.4%	0.4235	0.4235
36	0.4%	0.3789	0.3789			1.0000	0.5%	0.4442	0.4442
37	0.8%	0.4042	0.4042			1.0000	0.4%	0.4659	0.4659
38	0.9%	0.4313	0.4313			1.0000	1.0%	0.4887	0.4887
39	1.2%	0.4601	0.4601			1.0000	1.2%	0.5126	0.5126
40	1.4%	0.4908	0.4908			1.0000	1.4%	0.5376	0.5376
41	1.4%	0.5236	0.5236			1.0000	1.0%	0.5639	0.5639
42	1.8%	0.5586	0.5586			1.0000	2.2%	0.5915	0.5915
43	2.2%	0.5960	0.5960			1.0000	2.3%	0.6204	0.6204
44	2.6%	0.6358	0.6358			1.0000	1.4%	0.6508	0.6508
45	2.9%	0.6783	0.6783			1.0000	3.1%	0.6826	0.6826
46	3.5%	0.7236	0.7236			1.0000	4.0%	0.7159	0.7159
47	3.9%	0.7720	0.7720			1.0000	4.9%	0.7510	0.7510
48	4.5%	0.8236	0.8236			1.0000	4.8%	0.7877	0.7877
49	4.8%	0.8786	0.8786			1.0000	2.4%	0.8262	0.8262
50	5.3%	0.9374	0.9374			1.0000	6.6%	0.8666	0.8666
51	6.4%	1.0000	1.0000			1.0000	7.2%	0.9089	0.9089
52	5.4%	1.0668	1.0668			1.0000	2.3%	0.9534	0.9534
53	5.7%	1.1381	1.1381			1.0000	7.1%	1.0000	1.0000
54	5.0%	1.2142	1.2142			1.0000	5.7%	1.0489	1.0489
55	4.9%	1.2953	1.2953			1.0000	5.6%	1.1002	1.1002
56	4.3%	1.3819	1.3819			1.0000	2.2%	1.1540	1.1540

Datasets for modeled
hurricanes and modeled
earthquakes do not
include tier information

57	4.1%	1.4743	1.4743	1.0000	5.2%	1.2104	1.2104
58	3.8%	1.5728	1.5728	1.0000	4.2%	1.2696	1.2696
59	4.5%	1.6779	1.6779	1.0000	4.5%	1.3316	1.3316
60	3.7%	1.7901	1.7901	1.0000	4.3%	1.3967	1.3967
61	3.3%	1.9097	1.9097	1.0000	3.5%	1.4650	1.4650
62	3.0%	2.0373	2.0373	1.0000	2.8%	1.5367	1.5367
63	2.2%	2.1735	2.1735	1.0000	2.1%	1.6118	1.6118
64	1.8%	2.3187	2.3187	1.0000	2.1%	1.6906	1.6906
65	1.4%	2.4737	2.4737	1.0000	1.3%	1.7733	1.7733
66	0.9%	2.6390	2.6390	1.0000	0.7%	1.8600	1.8600
67	0.6%	2.8154	2.8154	1.0000	0.5%	1.9509	1.9509
68	0.3%	3.0036	3.0036	1.0000	0.2%	2.0463	2.0463
69	0.1%	3.2043	3.2043	1.0000	0.1%	2.1463	2.1463
70	0.1%	3.4185	3.4185	1.0000	0.1%	2.2513	2.2513
71	0.1%	3.6469	3.6469	1.0000	0.1%	2.3614	2.3614
72	0.0%	3.8907	3.8907	1.0000	0.0%	2.4768	2.4768
73	0.0%	4.1507	4.1507	1.0000	0.0%	2.5979	2.5979
74	0.0%	4.4281	4.4281	1.0000	0.0%	2.7249	2.7249

USAA Group
Arkansas
 Renters Territory Relativities

Arkansas Territory	Liability			Earthquake and Fire Following			Other Property Perils		
	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected
1	17.9%	Insufficient	1.0000	17.9%	0.6919	0.6919	17.9%	0.6173	0.6173
2	15.1%	experience	1.0000	15.1%	0.8762	0.8762	15.1%	0.7768	0.7768
3	8.5%	in data used	1.0000	8.5%	0.8999	0.8999	8.5%	1.0541	1.0541
4	5.4%	for liability	1.0000	5.4%	0.9644	0.9644	5.4%	0.9951	0.9951
5	39.4%	analysis by	1.0000	39.4%	1.0000	1.0000	39.4%	1.0000	1.0000
6	13.7%	territory	1.0000	13.7%	0.9192	0.9192	13.7%	0.9526	0.9526

Exhibit III

USAA Group

Countrywide

Renters Claims Free Discount and Claims Activity Surcharge

Claims Free Discount and Claims Activity Surcharge				
Tenure	Prior Claims	Exposures	Indicated	Selected
0 to 1	0	40.3562%	0.96	0.96
	1			1.32
	2			2.06
	3	not in GLM dataset	not computed	2.80
	4			3.54
	5			4.28
1 to 2	0	57.0076%	0.76	0.81
	1	2.4144%	1.30	1.20
	2	0.1990%	2.15	1.76
	3	0.0186%	2.45	2.32
	4	0.0039%	2.50	2.88
	5	0.0004%	10.96	3.44
2 to 3	0		0.73	0.78
	1		1.15	1.10
	2	not in GLM dataset	1.74	1.50
	3		1.96	1.90
	4		1.99	2.30
	5		7.86	2.70
3+	0		0.70	0.76
	1		1.07	1.04
	2	not in GLM dataset	1.53	1.36
	3		1.70	1.68
	4		1.73	2.00
	5		6.25	2.32

USAA Group
Countrywide
 Renters Marital Status Factors

	Exposure Distribution	Indicated Factors Contents		Selected Factors Contents	
		Liability	All Other Perils	Liability	All Other Perils
Married	57.6%	1.0000	1.0000	1.0000	1.0000
Single	42.4%	0.6800	0.9765	0.6800	0.9765

Objection 1 Schedule Items:

Confidential - USAA UW Tier Placement Guidelines, Confidential - CIC UW Tier Placement Guidelines, Confidential - GIC UW Tier Placement Guidelines, Confidential - Garrison UW Tier Placement Guidelines
Comments: No hits/thin files must be treated as credit neutral.

Members with a “no hit” or “no score” credit score are treated as credit neutral, equivalent to a credit range 13.

Example 1: Credit Range 13

1. Insured risk characteristics: Active Homeowner, Umbrella, VPP and Boat policies; Active Bank, Life and IMCO products; active duty military; no notices of non-payment cancellation, 700 insurance score (range 13).
2. Association Variables Values
 - a. Collateral Coverage – Non-Auto Property and Casualty = **PA** (Active Homeowner, Umbrella, VPP and Boat policies)
 - b. Collateral Coverage-Other = **EA** (Active Bank, Life and IMCO products)
 - c. Military Status = **MA** (active duty military)
3. Association Combination Score = **ASA (PA + EA + MA)**
4. Financial Responsibility Variables Values
 - a. Number of notices issued for non-payment cancellation = **NA** (no notices of non-payment cancellation)
 - b. ChoicePoint Attract™ One Insurance Score = **CM** (700 insurance score, Range 13)
5. Financial Responsibility Combination Score = **FRQ (NA + CM)**
6. Tier = **37 (FRQ + ASA)**

Example 2: No Hit Credit Score

1. Insured risk characteristics: Active Homeowner, Umbrella, VPP and Boat policies; Active Bank, Life and IMCO products; active duty military; no notices of non-payment cancellation, no hit insurance score.
2. Association Variables Values
 - a. Collateral Coverage – Non-Auto Property and Casualty = **PA** (Active Homeowner, Umbrella, VPP and Boat policies)
 - b. Collateral Coverage-Other = **EA** (Active Bank, Life and IMCO products)
 - c. Military Status = **MA** (active duty military)
3. Association Combination Score = **ASA (PA + EA + MA)**
4. Financial Responsibility Variables Values
 - a. Number of notices issued for non-payment cancellation = **NA** (no notices of non-payment cancellation)
 - b. ChoicePoint Attract™ One Insurance Score = **SA** (no hit)
5. Financial Responsibility Combination Score = **FRQ (NA + SA)**
6. Tier = **37 (FRQ + ASA)**

Objection 2 Schedule Items:

AR Renters Objection ResponseComments: Please identify the 13 states included in the earthquake modeling.

The earthquake modeling included Alaska (AK), Arkansas (AR), California (CA), Hawaii (HI), Illinois (IL), Missouri (MO), New Mexico (NM), Nevada (NV), Oregon (OR), South Carolina (SC), Tennessee (TN), Utah (UT), and Washington (WA).

Objection 3 Schedule Items:

AR Renters Objection ResponseComments: ACA 23-67-209 requires the use of 5-years of data to develop rates.

Exhibit I and its supporting exhibits contained in the original filing use five years of data to determine the indicated rate level change as required by ACA 23-67-209.

Objection 4 Schedule Items:

AR Renters Objection ResponseComments: Identify the specific variables included in the final model.

Earthquake model:

- State and territories (14 separate variables, but grouped to act like one)
- Amount of Insurance (contents)
- Company (factors not used)

Liability Model

- Increased Liability Limit
- Tier
- Marital status
- Has auto policy
- State (factors not used)
- Company (factors not used)
- Policy year and month (factors not used)

Other Property Perils Model (contents)

- Tier
- State and territories (48 separate variables, but grouped to act like one)
- Amount of Insurance
- Deductible
- Policy form
- Marital status
- Has auto policy
- Company (factors not used)

Claims Model (separate model due to data problems – only “tenure and claims” used for indications)

- Tenure and claims (combined variable)
- Tier components (6 variables)
- State
- Latitude
- Longitude
- Amount of Insurance (contents)
- Deductible (contents)
- Policy form
- Marital status
- Has auto policy
- Age of insured

Objection 5

Schedule Items:

Comments: It is the Department’s position that weather related and catastrophe losses should not be considered as chargeable claims for tier placement or surcharges.

Please see the Optional Coverages Pages R-1 and R-2. We already have a rule in place that states “A claim is not considered chargeable if any of the following apply:
...g. a claim was weather or catastrophe related

Objection 1 Schedule Items: AIR Earthquake Model

Comments: It is our position that earthquake modeling for Arkansas is not credible using CA, HI, NM, NV, OR, SC, UT and WA. Earthquake rates appear excessive, especially given the territory assignments.

There appears to be some confusion about how earthquake rates are determined. There are three processes at work here to determine three different earthquake components: base rates, territory factors, and all other factors.

- GLM analysis does not impact the calculation of base rates. Arkansas's earthquake base rates, which define the overall adequacy of earthquake rates in Arkansas, are developed using Arkansas data. In other words, the inherently higher earthquake frequencies of CA, etc are not impacting the average earthquake rates in Arkansas. Calculations are based on Arkansas statewide ratios of average annual losses for modeled earthquake losses versus non-modeled non-catastrophe losses using information presented in Exhibit I of the original filing. Using these ratios, Arkansas's earthquake rates and all-other-perils rates are equally adequate at a statewide level for any given company.
- Territory factors are determined by Arkansas data, not data from other states. In the modeling, 13 separate territory variables (for 13 states) plus one state variable enables each Arkansas territory factor to float independently from territory factors in other states. This means that Arkansas territories are shielded from higher losses in other states – in no way is an Arkansas territory factor tied directly to any other territory factor. These GLM territory factors are then modified by allocated reinsurance costs across Arkansas using Arkansas data. Allocated reinsurance costs are higher in territories that are more likely to trigger reinsurance recoverables, particularly those territories that are 1) more prone to earthquakes and 2) more densely populated, where a single earthquake event has higher total losses across policies. This latter severity feature of reinsurance cost is why territories with highest earthquake frequency may not necessarily have the highest territory factors.
- GLM is used to determine non-territory earthquake factors, essentially AOI. We believe it is reasonable to group with other states' data to determine non-territory factors given that 1) location should be the main driver of earthquake losses, 2) earthquake is a small portion of overall policy premium in Arkansas, and 3) overall earthquake rate level is determined by base rate calculations external to GLM.

Earthquake is a standard peril covered in the renters contract. We are not adding earthquake coverage. We are only dividing the premium determination into perils. Earthquake rates are not excessive because base rates and territory factors are determined by Arkansas data.

Objection 2 Schedule Items:

AR Renters Objection Response

Comments: For liability and contents GLMs, we use two years of country-wide policy-year incurred losses beginning 7/1/04 and applying reserves as of 3/31/07. Arkansas data is included in this country-wide analysis, where each full-year Arkansas exposure is given the same weight as any other full-year exposure in the GLM. State and territory combinations are included in the country-wide pure premium models to provide for Arkansas' indicated territory relativities for contents.

This is the area I was referring to when I asked for 5-years loss experience for Arkansas. In what way would rates be impacted by using 5-years of Arkansas only experience?

Rates would be less accurate (more unfair) by using five years of Arkansas-only experience for liability and contents (all other perils). Five years of Arkansas-only data would have insufficient credibility for GLM analysis of risk classification due to the large number of desirable variable combination in our multivariate analyses. Arkansas represents 0.6% of the countrywide records for liability and contents models. Two years of countrywide data has credibility roughly equivalent to 300+ years of Arkansas-only data.

We use 5 years of Arkansas-only data for determining base rates, which determines the average rate level for each company. We do not use the company factors or average rate levels from GLM. All Arkansas premiums depend on the 5 years of Arkansas data used to determine the base rates.

Objection 3Comments: We will not approve the overall increases without additional justification. A company's decision to change the rating structure should not adversely impact insureds to the degree represented in this filing.

USAA Group's renters contents indicated rate change is +83.4%. There are several contributing factors to this large indicated rate change. First, USAA Group implemented a +10% contents rate change on 12/6/2006. Our indicated rate change from that filing was +48.2%. Thus, nearly half of the indicated rate change for this filing is attributable to residual rate not taken in the last rate revision. Secondly, USAA Group's average earned premium at present rates has been declining at a steady 2% pace since about the second quarter of 2004. This trend was apparent in our 12/6/2006 filing, and the trend has persisted since. Third, USAA Group's countrywide average pure premium has been trending upwards at a +7% pace since the second quarter of 2004. This trend was also apparent in our 12/6/2006 filing, and the trend has persisted since. Additionally, USAA Group implemented a change in our loss adjustment expense allocation methodology in 2006, which was not reflected in our 12/6/2006 filing because it was not yet in effect. All of these factors combine to give a high indicated contents rate change for this rate revision. Please note that USAA Group's proposed renters contents rate change is +23.6%, which leads to an overall renters line of business rate change of +18.2%. This is much less than our indication.

Exhibit A displays the distribution of effects by company. USAA, CIC, and Garrison have rate level effects which are in line with our proposed overall rate change. GIC has a significantly higher rate level effect because the countrywide experience we have collected to date for that company has a significantly higher Loss & Expense Ratio than that of the other companies. Please see Exhibit B for the five year operating results for years 2003 to 2007. Specifically, please note the countrywide Total Loss & Expense Ratio for each of the four companies. We summarize them here:

Company	2003 to 2007 Total Loss & Expense Ratio
USAA	0.993
CIC	0.885
GIC	1.396
Garrison	0.875

The structural changes in this filing are independent of the rate increase for the filing. USAA Group is revising our rating program in order to more accurately price our risks, ensure equitable rates, and remain competitive. Nevertheless, we remain conscientious of the impact of the filing on our insureds. In order to temper the impact of the structural changes to our rating program with this filing, we are introducing renewal rate capping to our rating program. This will have the effect of distributing large rate changes over multiple renewal cycles. Please see Exhibit C for examples of how renewal rate capping will function. Also, please see Exhibit D for USAA Group's distribution of dollar change in premium upon renewal. This table was generated assuming \$100 change in premium caps, for both positive and negative changes in premium. The decision was made to use dollar amount, rather than percent, caps because USAA Group has a significant number of policies with low premiums, sometimes under \$10 per month. These insureds are not adequately priced, causing subsidization in our rates in Arkansas. With premiums being so low, percent caps would have hindered USAA Group from rectifying this subsidization.

USAA Group
Arkansas
Renters Rate Level Effects by Company

	Contents	Liability	Overall
USAA	22.0%	-0.1%	16.9%
CIC	23.3%	-0.1%	18.3%
GIC	46.0%	-0.3%	34.1%
Garrison	20.2%	-0.2%	15.2%
Group	23.6%	-0.1%	18.2%

Company Comparison of 5 Year Operating Results
Property & Casualty Underwriting Profit & Loss Statement

Exhibit B-1

Program: Renters
Direct Voluntary Business

Five Year Statement
UNITED SERVICES AUTOMOBILE ASSOCIATION

Arkansas

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written	356,754		368,098		370,032		379,538		429,101		1,903,524	
2. Direct Premiums Earned	343,951		362,288		367,246		368,140		406,806		1,848,431	
3. Losses Incurred (E)*	163,786	0.476	193,705	0.535	228,328	0.622	96,898	0.263	321,391	0.790	1,004,109	0.543
4. Loss Adjustment Expenses Incurred (E)*	51,987	0.151	54,803	0.151	57,570	0.157	45,314	0.123	89,757	0.221	299,430	0.162
5. Acquisition Expense Incurred (W)**	108,600	0.304	48,726	0.132	78,109	0.211	99,871	0.263	95,316	0.222	430,622	0.226
6. General Expense (E)*	11,363	0.033	(4,994)	-0.014	(1,024)	-0.003	6,375	0.017	5,920	0.015	17,640	0.010
7. Taxes, Licenses & Fees Incurred (W)**	7,772	0.022	8,096	0.022	9,314	0.025	13,095	0.035	15,839	0.037	54,116	0.028
8. Total Loss & Expense	343,508	0.986	300,336	0.826	372,297	1.012	261,554	0.701	528,223	1.285	1,805,918	0.969

Countrywide ex CA, FL, NY, & TX

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written	43,616,259		45,789,617		46,817,133		51,614,731		55,698,462		243,536,203	
2. Direct Premiums Earned	41,898,143		44,778,325		45,780,880		48,760,171		53,856,479		235,073,998	
3. Losses Incurred (E)*	18,686,948	0.446	16,978,119	0.379	55,117,994	1.204	19,594,601	0.402	26,944,320	0.500	137,321,981	0.584
4. Loss Adjustment Expenses Incurred (E)*	3,392,814	0.081	3,798,568	0.085	6,918,350	0.151	7,862,096	0.161	8,644,955	0.161	30,616,783	0.130
5. Acquisition Expense Incurred (W)**	8,754,014	0.201	10,754,733	0.235	11,900,848	0.254	13,389,181	0.259	12,309,974	0.221	57,108,750	0.234
6. General Expense (E)*	2,871,544	0.069	(115,718)	-0.003	(398,901)	-0.009	878,742	0.018	783,282	0.015	4,018,949	0.017
7. Taxes, Licenses & Fees Incurred (W)**	1,118,274	0.026	1,107,598	0.024	1,082,049	0.023	1,701,654	0.033	1,883,467	0.034	6,893,043	0.028
8. Total Loss & Expense	34,823,594	0.823	32,523,299	0.720	74,620,341	1.623	43,426,275	0.873	50,565,997	0.931	235,959,506	0.993

Including commission and brokerage, field supervision, collection expense and other acquisition costs.

*(E) Ratio based on Earned Premium **(W) Ratio based on Written Premium

All premiums on this exhibit are actual premiums collected.

Company Comparison of 5 Year Operating Results
Property & Casualty Underwriting Profit & Loss Statement

Exhibit B-2

Program: Renters
Direct Voluntary Business

Five Year Statement
USAA CASUALTY INSURANCE COMPANY

Arkansas

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio								
1. Direct Premiums Written	252,230		268,143		286,036		272,527		297,821		1,376,756	
2. Direct Premiums Earned	235,817		255,662		280,548		282,276		288,206		1,342,509	
3. Losses Incurred (E)*	175,751	0.745	167,674	0.656	164,243	0.585	105,172	0.373	132,589	0.460	745,427	0.555
4. Loss Adjustment Expenses Incurred (E)*	104,241	0.442	96,512	0.377	15,579	0.056	42,933	0.152	39,364	0.137	298,630	0.222
5. Acquisition Expense Incurred (W)**	43,017	0.171	70,280	0.262	97,545	0.341	67,790	0.249	60,455	0.203	339,087	0.246
6. General Expense (E)*	351	0.001	15,156	0.059	12,625	0.045	4,610	0.016	3,872	0.013	36,615	0.027
7. Taxes, Licenses & Fees Incurred (W)**	6,378	0.025	8,372	0.031	8,397	0.029	10,101	0.037	11,110	0.037	44,358	0.032
8. Total Loss & Expense	329,738	1.384	357,993	1.385	298,389	1.056	230,607	0.827	247,390	0.850	1,464,117	1.082

Countrywide ex CA, FL, NY, & TX

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written	34,729,224		36,607,195		36,684,209		37,057,140		35,912,000		180,989,768	
2. Direct Premiums Earned	33,567,022		35,771,203		36,405,925		36,903,070		36,657,517		179,304,738	
3. Losses Incurred (E)*	11,505,672	0.343	12,210,898	0.341	34,690,421	0.953	12,021,267	0.326	15,028,607	0.410	85,456,865	0.477
4. Loss Adjustment Expenses Incurred (E)*	3,271,741	0.097	2,817,228	0.079	4,976,161	0.137	5,137,644	0.139	4,682,504	0.128	20,885,277	0.116
5. Acquisition Expense Incurred (W)**	10,100,500	0.291	9,119,932	0.249	10,119,351	0.276	9,290,551	0.251	7,336,570	0.204	45,966,904	0.254
6. General Expense (E)*	(912,140)	-0.027	1,099,459	0.031	664,006	0.018	674,884	0.018	446,243	0.012	1,972,452	0.011
7. Taxes, Licenses & Fees Incurred (W)**	856,376	0.025	921,476	0.025	876,590	0.024	1,175,189	0.032	1,092,119	0.030	4,921,750	0.027
8. Total Loss & Expense	24,822,148	0.729	26,168,992	0.725	51,326,529	1.408	28,299,534	0.766	28,586,043	0.784	159,203,247	0.885

Including commission and brokerage, field supervision, collection expense and other acquisition costs.

*(E) Ratio based on Earned Premium **(W) Ratio based on Written Premium

All premiums on this exhibit are actual premiums collected.

Company Comparison of 5 Year Operating Results
Property & Casualty Underwriting Profit & Loss Statement

Program: Renters
Direct Voluntary Business

Five Year Statement
USAA GENERAL INDEMNITY COMPANY

Arkansas

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written							12,529		41,477		54,006	
2. Direct Premiums Earned							3,075		25,322		28,397	
3. Losses Incurred (E)*		N/A		N/A		N/A	1,761	0.573	14,288	0.564	16,049	0.565
4. Loss Adjustment Expenses Incurred (E)*		N/A		N/A		N/A	1,424	0.463	5,539	0.219	6,963	0.245
5. Acquisition Expense Incurred (W)**		N/A		N/A		N/A	2,032	0.162	6,510	0.157	8,542	0.158
6. General Expense (E)*		N/A		N/A		N/A	(148)	-0.048	(92)	-0.004	(240)	-0.008
7. Taxes, Licenses & Fees Incurred (W)**		N/A		N/A		N/A	223	0.018	1,364	0.033	1,587	0.029
8. Total Loss & Expense		N/A		N/A		N/A	5,292	1.168	27,609	0.969	32,902	0.989

Countrywide ex CA, FL, NY, & TX

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written							1,854,000		5,607,008		7,461,008	
2. Direct Premiums Earned							640,030		3,597,006		4,237,036	
3. Losses Incurred (E)*		N/A		N/A		N/A	564,879	0.883	2,980,144	0.829	3,545,023	0.837
4. Loss Adjustment Expenses Incurred (E)*		N/A		N/A		N/A	231,741	0.362	1,139,526	0.317	1,371,267	0.324
5. Acquisition Expense Incurred (W)**		N/A		N/A		N/A	381,951	0.206	954,026	0.170	1,335,977	0.179
6. General Expense (E)*		N/A		N/A		N/A	33,541	0.052	71,502	0.020	105,043	0.025
7. Taxes, Licenses & Fees Incurred (W)**		N/A		N/A		N/A	55,352	0.030	177,173	0.032	232,525	0.031
8. Total Loss & Expense		N/A		N/A		N/A	1,267,463	1.533	5,322,372	1.368	6,589,835	1.396

Including commission and brokerage, field supervision, collection expense and other acquisition costs.

*(E) Ratio based on Earned Premium **(W) Ratio based on Written Premium

All premiums on this exhibit are actual premiums collected.

Company Comparison of 5 Year Operating Results
Property & Casualty Underwriting Profit & Loss Statement

Program: Renters
Direct Voluntary Business

Five Year Statement
GARRISON PROPERTY & CASUALTY INSURANCE COMPANY

Arkansas

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written							13,163		38,221		51,384	
2. Direct Premiums Earned							3,361		25,513		28,874	
3. Losses Incurred (E)*		N/A		N/A		N/A	245	0.073	24,398	0.956	24,643	0.853
4. Loss Adjustment Expenses Incurred (E)*		N/A		N/A		N/A	205	0.061	2,734	0.107	2,939	0.102
5. Acquisition Expense Incurred (W)**		N/A		N/A		N/A	753	0.057	3,795	0.099	4,549	0.089
6. General Expense (E)*		N/A		N/A		N/A	(152)	-0.045	(151)	-0.006	(302)	-0.010
7. Taxes, Licenses & Fees Incurred (W)**		N/A		N/A		N/A	317	0.024	1,131	0.030	1,448	0.028
8. Total Loss & Expense		N/A		N/A		N/A	1,368	0.170	31,908	1.186	33,277	1.062

Countrywide ex CA, FL, NY, & TX

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written							1,468,683		3,448,816		4,917,499	
2. Direct Premiums Earned							541,971		2,416,937		2,958,908	
3. Losses Incurred (E)*		N/A		N/A		N/A	354,052	0.653	1,514,755	0.627	1,868,807	0.632
4. Loss Adjustment Expenses Incurred (E)*		N/A		N/A		N/A	47,247	0.087	277,962	0.115	325,209	0.110
5. Acquisition Expense Incurred (W)**		N/A		N/A		N/A	100,280	0.068	372,680	0.108	472,960	0.096
6. General Expense (E)*		N/A		N/A		N/A	7,478	0.014	21,753	0.009	29,231	0.010
7. Taxes, Licenses & Fees Incurred (W)**		N/A		N/A		N/A	35,494	0.024	97,538	0.028	133,032	0.027
8. Total Loss & Expense		N/A		N/A		N/A	544,551	0.846	2,284,688	0.887	2,829,238	0.875

Including commission and brokerage, field supervision, collection expense and other acquisition costs.

*(E) Ratio based on Earned Premium **(W) Ratio based on Written Premium

All premiums on this exhibit are actual premiums collected.

Company Comparison of 5 Year Operating Results
Property & Casualty Underwriting Profit & Loss Statement

Exhibit B-5

Program: Renters
Direct Voluntary Business

Five Year Statement
UNITED SERVICES AUTOMOBILE ASSOCIATION GROUP

Arkansas

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio								
1. Direct Premiums Written	608,984		636,241		656,069		703,448		886,317		3,491,059	
2. Direct Premiums Earned	579,767		617,950		647,795		663,289		796,681		3,305,482	
3. Losses Incurred (E)*	339,536	0.586	361,379	0.585	392,571	0.606	206,083	0.311	531,352	0.667	1,830,922	0.554
4. Loss Adjustment Expenses Incurred (E)*	156,228	0.269	151,315	0.245	73,150	0.113	91,505	0.138	145,669	0.183	617,866	0.187
5. Acquisition Expense Incurred (W)**	151,618	0.249	119,006	0.187	175,653	0.268	173,232	0.246	176,382	0.199	795,891	0.228
6. General Expense (E)*	11,714	0.020	10,161	0.016	11,601	0.018	10,386	0.016	9,307	0.012	53,170	0.016
7. Taxes, Licenses & Fees Incurred (W)**	14,150	0.023	16,468	0.026	17,711	0.027	24,275	0.035	31,939	0.036	104,544	0.030
8. Total Loss & Expense	673,247	1.147	658,329	1.059	670,686	1.032	505,482	0.746	894,650	1.097	3,402,393	1.015

Countrywide ex CA, FL, NY, & TX

	2003		2004		2005		2006		2007		Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1. Direct Premiums Written	78,345,483		82,396,812		83,501,343		95,317,238		109,722,109		449,282,986	
2. Direct Premiums Earned	75,465,165		80,549,528		82,186,805		88,027,244		102,541,883		428,770,625	
3. Losses Incurred (E)*	30,192,620	0.400	29,189,017	0.362	89,808,416	1.093	33,453,728	0.380	50,962,725	0.497	233,606,505	0.545
4. Loss Adjustment Expenses Incurred (E)*	6,664,554	0.088	6,615,795	0.082	11,894,511	0.145	13,557,716	0.154	16,162,434	0.158	54,895,011	0.128
5. Acquisition Expense Incurred (W)**	18,854,514	0.241	19,874,665	0.241	22,020,199	0.264	23,644,193	0.248	22,299,956	0.203	106,693,528	0.237
6. General Expense (E)*	1,959,405	0.026	983,740	0.012	265,106	0.003	1,635,664	0.019	1,416,035	0.014	6,259,949	0.015
7. Taxes, Licenses & Fees Incurred (W)**	1,974,650	0.025	2,029,074	0.025	1,958,639	0.023	3,058,536	0.032	3,525,009	0.032	12,545,907	0.028
8. Total Loss & Expense	59,645,743	0.780	58,692,292	0.722	125,946,870	1.528	75,349,837	0.833	94,366,159	0.904	414,000,900	0.953

Including commission and brokerage, field supervision, collection expense and other acquisition costs.

*(E) Ratio based on Earned Premium **(W) Ratio based on Written Premium

All premiums on this exhibit are actual premiums collected.

USAA Group
Countrywide
Renters Rate Capping Examples

Example: Upward move in premium

Change in Rateable Loss Experience	Expired Policy Premium	Renewal Policy Premium Before Capping	Applied Dollar Cap	Resultant Renewal Premium	Effect
none	106.44	310.56	+100	206.44	93.9%
+1	106.44	310.56	+200	306.44	187.9%
2 or more	106.44	310.56	none	310.56	191.8%

Example: Downward move in premium

Change in Rateable Loss Experience	Expired Policy Premium	Renewal Policy Premium Before Capping	Applied Dollar Cap	Resultant Renewal Premium	Effect
none	502.31	292.87	-100	402.31	-19.9%
-1	502.31	292.87	-200	302.31	-39.8%
-2 or more	502.31	292.87	none	292.87	-41.7%

USAA Group
Arkansas
 Distribution of Renters Effects

Dollar Change in Premium Upon Renewal*	% of Policies
x = -100	2.27%
-100 < x <= -90	0.73%
-90 < x <= -80	1.06%
-80 < x <= -70	1.84%
-70 < x <= -60	2.13%
-60 < x <= -50	2.91%
-50 < x <= -40	2.79%
-40 < x <= -30	4.02%
-30 < x <= -20	4.18%
-20 < x <= -10	4.07%
-10 < x <= 0	4.75%
0 < x <= 10	5.01%
10 < x <= 20	5.89%
20 < x <= 30	4.94%
30 < x <= 40	4.96%
40 < x <= 50	4.89%
50 < x <= 60	4.30%
60 < x <= 70	4.59%
70 < x <= 80	4.52%
80 < x <= 90	3.78%
90 < x <= 100	26.37%

* This dollar effect distribution was computed assuming a \$100 (absolute value) cap on each individual insured's premium change.