

SERFF Tracking Number: ARKS-125699080 State: Arkansas
Filing Company: 18236 - AGENTS MUTUAL INSURANCE COMPANY State Tracking Number: #92566 \$125
Company Tracking Number: AMIC-2008-12
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO DF MH
Project Name/Number: /

Filing at a Glance

Company: 18236 - AGENTS MUTUAL INSURANCE COMPANY

| | | |
|--|------------------------------|--|
| Product Name: HO DF MH | SERFF Tr Num: ARKS-125699080 | State: Arkansas |
| TOI: 04.0 Homeowners | SERFF Status: Closed | State Tr Num: #92566 \$125 |
| Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations | Co Tr Num: AMIC-2008-12 | State Status: Fees verified and received |
| Filing Type: Rate | Co Status: | Reviewer(s): Becky Harrington, Betty Montesi |
| | Author: | Disposition Date: 08/04/2008 |
| | Date Submitted: 06/17/2008 | Disposition Status: Filed |
| Effective Date Requested (New): 07/01/2008 | | Effective Date (New): 08/20/2008 |
| Effective Date Requested (Renewal): 07/01/2008 | | Effective Date (Renewal): 08/20/2008 |

State Filing Description:

Pending receipt of completed RF1

General Information

| | |
|---------------------------------------|-------------------------------|
| Project Name: | Status of Filing in Domicile: |
| Project Number: | Domicile Status Comments: |
| Reference Organization: | Reference Number: |
| Reference Title: | Advisory Org. Circular: |
| Filing Status Changed: 08/04/2008 | |
| State Status Changed: 06/18/2008 | Deemer Date: |
| Corresponding Filing Tracking Number: | |
| Filing Description: | |
| Rate change for HO, DF and MH. | |

Company and Contact

SERFF Tracking Number: ARKS-125699080 State: Arkansas
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COMPANY
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO DF MH
Project Name/Number: /

Filing Contact Information

NA NA, NA@NA.com
NA (123) 555-4567 [Phone]
NA, AR 00000

Filing Company Information

18236 - AGENTS MUTUAL INSURANCE CoCode: 18236 State of Domicile: Arkansas
COMPANY
No Address Group Code: Company Type:
City, AR 99999 Group Name: State ID Number:
(999) 999-9999 ext. [Phone] FEIN Number: 99-9999999

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

SERFF Tracking Number: ARKS-125699080 State: Arkansas
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COMPANY
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO DF MH
Project Name/Number: /

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------|------------------|------------|----------------|
| Filed | Becky Harrington | 08/04/2008 | 08/04/2008 |

SERFF Tracking Number: ARKS-125699080 State: Arkansas
 Filing Company: 18236 - AGENTS MUTUAL INSURANCE COMPANY State Tracking Number: #92566 \$125
 Company Tracking Number: AMIC-2008-12
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO DF MH
 Project Name/Number: /

Disposition

Disposition Date: 08/04/2008
 Effective Date (New): 08/20/2008
 Effective Date (Renewal): 08/20/2008
 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: |
|---|------------------------|--|--|-------------|------------------------------------|------------------------------------|-----------------------------|
| 18236 - AGENTS MUTUAL INSURANCE COMPANY | 6.400% | \$220,334 | | \$3,442,721 | 10.000% | -22.200% | 7.800% |

SERFF Tracking Number: ARKS-125699080 State: Arkansas
Filing Company: 18236 - AGENTS MUTUAL INSURANCE State Tracking Number: #92566 \$125
COMPANY
Company Tracking Number: AMIC-2008-12
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO DF MH
Project Name/Number: /

| Item Type | Item Name | Item Status | Public Access |
|----------------------------|------------------|--------------------|----------------------|
| Supporting Document | ARKS-125699080 | | Yes |

SERFF Tracking Number: ARKS-125699080 State: Arkansas
 Filing Company: 18236 - AGENTS MUTUAL INSURANCE COMPANY State Tracking Number: #92566 \$125
 Company Tracking Number: AMIC-2008-12
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO DF MH
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

12.400%

Effective Date of Last Rate Revision:

01/01/2005

Filing Method of Last Filing:

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): |
|---|-----------------------------|------------------------|--|--|-------------|------------------------------------|------------------------------------|
| 18236 - AGENTS MUTUAL INSURANCE COMPANY | 13.100% | 6.400% | \$220,334 | | \$3,442,721 | 10.000% | -22.200% |

SERFF Tracking Number: ARKS-125699080 State: Arkansas
Filing Company: 18236 - AGENTS MUTUAL INSURANCE State Tracking Number: #92566 \$125
COMPANY
Company Tracking Number: AMIC-2008-12
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO DF MH
Project Name/Number: /

Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125699080

08/13/2008

Comments:

Attachments:

ARKS-125699080.pdf
ARKS-125699080-a.pdf
ARKS-125699080-b.pdf
ARKS-125699080-c.pdf

ARKS-125699080 # 92566
125.00

BH

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only
FILED
 AUG 01 2008
 PROPERTY AND CASUALTY
 ARKANSAS INSURANCE DEPT.

2. Insurance Department Use only

a. Date the filing is received:

b. Analyst:

c. Disposition:

d. Date of disposition of the filing: **RECEIVED**

e. Effective date of filing:
 New Business JUN 17 2008
 Renewal Business

f. State Filing #: PROPERTY AND CASUALTY DIVISION

g. SERFF Filing #: ARKANSAS INSURANCE DEPARTMENT

h. Subject Codes

| | | | | | | |
|---------------------------------|----------|--------|-----------|---------|--------------|------|
| 3. Group Name | | | | | Group NAIC # | 0000 |
| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # | | |
| Agents Mutual Insurance Company | AR | 18236 | 716059087 | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

5. Company Tracking Number AMIC-2008-12

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

| 6. Name and address | Title | Telephone #s | FAX # | e-mail |
|---|-----------|----------------------|-------|--------------------------|
| Kathy Vincent P O Box 1250 Pine Bluff, AR | President | 870-535-2840 | | agentsmutual@hotmail.com |
| 7. Signature of authorized filer | | <i>Kathy Vincent</i> | | |
| 8. Please print name of authorized filer | | Kathy Vincent | | |

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

| | |
|--|--|
| 9. Type of Insurance (TOI) | 35.0 |
| 10. Sub-Type of Insurance (Sub-TOI) | 35.0001 |
| 11. State Specific Product code(s) (if applicable) [See State Specific Requirements] | |
| 12. Company Program Title (Marketing Title) | Dwelling, Homeowners and Mobile-Homeowners |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| 14. Effective Date(s) Requested | New: July 1, 2008 Renewal: July 1, 2008 |
| 15. Reference Filing? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16. Reference Organization (if applicable) | |
| 17. Reference Organization # & Title | |
| 18. Company's Date of Filing | June 5, 2008 |
| 19. Status of filing in domicile | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved |

PROPERTY & CASUALTY 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 # | AMIC-2008-12 |
| 2. | This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | None |

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

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

| 4a. Rate Change by Company (As Proposed) | | | | | | | |
|--|--|-----------------------|---|--|----------------------------------|----------------------------------|----------------------------------|
| 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) |
| Agents Mutual Insurance Company | 13.1 | 6.4 | 220334 | 0 | 3442721 | 10 | -22.2 |

| 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 (where required) | Minimum %Change (where required) |
| | | | | | | | |

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

| | | |
|-----------|---|------------------------|
| 6. | Overall percentage of last rate revision | HO & MHO 12.4, DP 10.0 |
| 7. | Effective Date of last rate revision | 1/1/05 |
| 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 | 1 - 7 Rev 06 08 | <input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 02 | 8 - 16 Rev 06 08 | <input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 03 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|----|---|-------------|
| 1. | This filing/transmittal is part of Company Tracking # | AMIC-2008-1 |
| 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 | Agents Mutual Insurance Company | B. | Company NAIC Number | 0000-18236 |
|----|----|--------------|---------------------------------|----|---------------------|------------|

| | | | | | | |
|----|----|--|------|----|---|---------|
| 4. | A. | Product Coding Matrix Line of Business (i.e., Type of Insurance) | 35.0 | B. | Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance) | 35.0001 |
|----|----|--|------|----|---|---------|

| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---------------------------------------|--|--|-------------------------------|---|--|---|---|
| | | | (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
| Homeowners | +13.1% | +6.3% | | This does not apply to a filing of independent rates. | | | |
| Dwelling Fire | +13.1% | +7.5% | | This does not apply to a filing of independent rates. | | | |
| TOTAL OVERALL EFFECT | +13.1% | +6.0% | | | | | |

| Year | Policy Count | % of Change | Effective Rate | Rate Change History | | | |
|------|--------------|----------------|-------------------|-------------------------------|-----------------------------|---------------------|---------------------------|
| | | | | State Earned Premium (000) | Incurred Losses (000) | State Loss Ratio | Countrywide Loss Ratio |
| 2003 | | | | 2,828 | 1,079 | 0.382 | 0.382 |
| 2004 | | | | 3,280 | 1,435 | 0.437 | 0.437 |
| 2005 | | | | 3,524 | 1,472 | 0.418 | 0.418 |
| 2006 | | | | 3,594 | 1,510 | 0.420 | 0.420 |
| 2007 | | | | 3,220 | 2,030 | 0.630 | 0.630 |

7. Expense Constants
- | | | |
|-----------------------------|----|---------------------|
| A. Total Production Expense | NA | Selected Provisions |
| B. General Expense | NA | |
| C. Taxes, License & Fees | NA | |
| D. Underwriting Profit | NA | |
| & Contingencies | NA | |
| E. Other (explain) | NA | |
| F. TOTAL | NA | |
8. NA Apply Lost Cost Factors to Future filings? (Y or N)
9. +10% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. -22% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

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Becky Harrington

From: Kathy Vincent [agentsmutual@hotmail.com]
Sent: Monday, August 04, 2008 9:17 AM
To: Becky Harrington
Subject: RE: AGENTS MUTUAL RATE FILING

Becky,

Thank you so much for your time and attention, I really appreciate it. Since we mail renewals 30 days ahead, the 20 days from last Friday will be fine. Will a copy of this e-mail in the file be ok, or should I send you a stamped envelope so that we can actually have a "filed" copy in the rate file? Just let me know and I will send it right on to you.

Again, thank you.

Sincerely,
Kathy Vincent
President
Agents Mutual Insurance Co.

Subject: RE: AGENTS MUTUAL RATE FILING
Date: Mon, 4 Aug 2008 07:57:26 -0500
From: Becky.Harrington@arkansas.gov
To: agentsmutual@hotmail.com

The revised weights are more what I needed. Our statutes require the use of 5-years of experience. The previous exhibit showed weights for only three years, which meant you were only giving consideration to those years' data, not 5 as required. Companies can distribute the weighting in any logical way, most use 10%-30% as you have submitted in the revised exhibit. Some use 20% for each of the five years. The 10-30 spread assigns more significance to the most current year, which is prudent.

I will stamp the filing "filed" as of Friday. Your effective day may be 20-days from Friday or I can waive the 20-day waiting period at your request, but the earliest date should not be before 8/1/08. Please let me know your choice for an effective date.

Thanks,
Becky

From: Kathy Vincent [mailto:agentsmutual@hotmail.com]
Sent: Friday, August 01, 2008 4:10 PM
To: Becky Harrington
Subject: AGENTS MUTUAL RATE FILING

BECKY,

I have been working with Greg Jaynes, an actuary at AAIS in getting these rate filings done. He was really wanting me to discuss with you the weighting of the rates. His actual wording was:

Attached is a revised indication that uses weights by year commonly filed by ISO (no assurance that these weights are approvable just that they may be in common use). The indication drops with ISO weights drops to 7.8%; however, I would not file this until I reached a better understanding of what Becky Harrington is after. I would try to have a conversation with Becky and impress upon her the fact that you are a mono-state mono-line writer, and you need rate level relief. Perhaps all she is after is a change to the documentation to more closely support the proposal.

I am not an actuary. I will not pretend to understand exactly what he is wanting me to get from you. I am, for that reason,

8/4/2008

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forwarding to you the information that he has provided me with. Pleaes let me know what I can do to help with any information. I appreciate your time, efforts, and understanding in this matter.

Sincerely,
Kathy Vincent
President
Agents Mutual Insurance Company
NAIC# 18236

Stay in touch when you're away with Windows Live Messenger. IM anytime you're online.

Your PC, mobile phone, and online services work together like never before. See how Windows® fits your life

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Exhibit 1 (Revised 07/31/2008)

AGENTS MUTUAL INSURANCE COMPANY

ARKANSAS

| (1) Calendar Year | (2) Earned Premium | (3) Incurred Non-Catastrophe Loss | (4) Annual Loss Ratio [(3)/(2)] | (5) Weights |
|-------------------------|--------------------------|--|--|----------------|
| 2000 | 2,464,961 | 1,708,449 | 69.3% | |
| 2001 | 2,107,410 | 1,672,494 | 79.4% | |
| 2002 | 2,246,477 | 1,187,722 | 52.9% | |
| 2003 | 2,827,718 | 1,078,880 | 38.2% | 10.0% |
| 2004 | 3,279,930 | 1,434,885 | 43.7% | 15.0% |
| 2005 | 3,524,140 | 1,471,943 | 41.8% | 20.0% |
| 2006 | 3,593,784 | 1,509,779 | 42.0% | 25.0% |
| 2007 | 3,220,176 | 2,029,941 | 63.0% | 30.0% |

| | |
|-------------------------------------|-------|
| All Year Average Non-Cat Loss Ratio | 53.8% |
| Two Year Average Non-Cat Loss Ratio | 52.5% |
| Weighted Average Non-Cat Loss Ratio | 48.1% |

| | |
|--|-------------|
| (6) Selected Non-Catastrophe Loss Ratio | 48.1% |
| (7) Cat-to-Non-Catastrophe Factor {Exhibit 5} | 1.200 |
| (8) LAE Factor {Exhibit 2} | 1.101 |
| (9) State's Experience Loss & LAE Ratio [(6) x (7) x (8)] | 63.6% |
| (10) Permissible Loss & LAE Ratio {Exhibit 3} | 59.0% |
| (11) Indication [(9) / (10) minus 1.000] | 7.8% |
| (12) Impact of Change to Homeowners | 6.3% |
| (13) Homeowners 2007 Premium Volume | 2,650,895 |
| (14) Impact of Change to Dwelling Fire | 7.5% |
| (15) Dwelling Fire 2007 Premium Volume | 688,544 |
| (16) Total Program 2007 Premium Volume | 3,442,721 |
| (17) Proposed Impact = [(12)x(13) + (14)x(15)] / (16) | 6.4% |

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Exhibit 4

AGENTS MUTUAL INSURANCE COMPANY

EFFECT OF CHANGE FOR FIRE PROTECTION - Homeowners

| Protection Grade | Assumed Distribution | Est. Impact |
|------------------|-------------------------|-------------|
| FP Grade 1 - 6 | 75.0% | 10.0% |
| FP Grade 7- 8 | 18.1% | 0.0% |
| FP Grade 9 | 5.3% | -22.2% |
| FP Grade 10 | 1.7% | 0.0% |
| | Effect of Change: | 6.3% |

EFFECT OF CHANGE FOR FIRE PROTECTION - Dwelling Fire

| Protection Grade | Assumed Distribution | Est. Impact |
|------------------|-------------------------|-------------|
| FP Grade 1 - 6 | 75.0% | 10.0% |
| FP Grade 7- 8 | 18.1% | 0.0% |
| FP Grade 9 | 5.3% | 0.0% |
| FP Grade 10 | 1.7% | 0.0% |
| | Effect of Change: | 7.5% |

Notes

Industry written premium distribution provided by AAIS.

Exhibit 5 (Revised 07/01/2008)

American Association of Insurance Services
Arkansas
Homeowners - Owners Forms

Non-modeled Catastrophe Factor

| <u>Accident Year</u> (1) | <u>Non-Cat Losses</u> (2) | <u>Catastrophe Losses Excluding Earthquakes</u> (3) |
|---------------------------------|----------------------------------|--|
| 1997 | 520,828 | 19,845 |
| 1998 | 226,529 | 1,609 |
| 1999 | 329,770 | 275,417 |
| 2000 | 996,890 | 81,250 |
| 2001 | 665,481 | 28,914 |
| 2002 | 225,422 | 48,113 |
| 2003 | 631,622 | 79,929 |
| 2004 | 8,638,377 | 1,105,452 |
| 2005 | 12,478,988 | 169,261 |
| 2006 | 15,219,484 | 6,296,311 |
| Total | 39,933,391 | 8,106,101 |
| Indicated Factor | | 1.203 |
| Selected | | 1.200 |

Copyright, American Association of Insurance Services, Inc., 2008

Part 9

Becky Harrington

From: Becky Harrington
Sent: Wednesday, July 30, 2008 8:23 AM
To: Kathy Vincent
Subject: FW: Rate Filing Addendum

I'll also need a revised RF-1.

From: Becky Harrington
Sent: Wednesday, July 30, 2008 8:22 AM
To: Kathy Vincent
Subject: Rate Filing

In revised Exhibit 1 only the last three years were weighted for an average. In my letter of June 18, 2008 I informed you that the most recent 5-years experience must be used pursuant to Arkansas Code Annotated 23-67-209(a). Please revise your filing accordingly.

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.

Thanks,
Becky Harrington
Sr. Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@arkansas.gov

Page 10

Becky Harrington

From: Becky Harrington
Sent: Wednesday, July 30, 2008 8:22 AM
To: Kathy Vincent
Subject: Rate Filing

In revised Exhibit 1 only the last three years were weighted for an average. In my letter of June 18, 2008 I informed you that the most recent 5-years experience must be used pursuant to Arkansas Code Annotated 23-67-209(a). Please revise your filing accordingly.

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.

Thanks,
Becky Harrington
Sr. Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@arkansas.gov

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Page

Becky Harrington

From: Kathy Vincent [agentsmutual@hotmail.com]

Sent: Friday, July 25, 2008 4:53 PM

To: Becky Harrington

Subject: rate filing for AMIC

Attachments: Indication[1].pdf; Actuarial_Memo_Revised[1].pdf; Form_HPCS_(Premium_Comparison)[1].doc

Dear Ms. Harrington,

This is just a follow up letter. I had sent you the attached documents regarding our rate filing and since I haven't heard anything, I was wondering - 1. If I sent everything you need? and 2. If maybe I forgot to enclose a self addressed envelope.

Also, on a similar note. We had previously requested to discontue writing earthquake coverage and we had a response back in April. We sent in the requested numbers, but have heard nothing back on that request. Do you know where we stand on that one?

Thank you for your time and efforts in this matter. I really appreciate it.

Sincerely,
Kathy Vincent
President Agents Mutual Insurance Co
NAIC#18236

Use video conversation to talk face-to-face with Windows Live Messenger. [Get started.](#)

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**AGENTS MUTUAL INSURANCE COMPANY
HOMEOWNERS AND DWELLING FIRE PROGRAMS**

**ACTUARIAL FILING MEMO – ARKANSAS
REVISED 07/01/2008**

This revision to the filing memo responds to the objections outlined by staff of the Arkansas Insurance Department in a letter dated 6/18/2008.

The indication has been revised to better depict catastrophe exposure.

The incurred losses now reflect non-catastrophe losses. The non-catastrophe loss ratios for the most recent three years are weighted as shown in column (5). The weighted loss ratio is basically in line with a two-year average loss ratio and an all-year average loss ratio as shown on Exhibit 1.

Line (7) shows the Cat-to-Non-Catastrophe Factor which is supported in Exhibit 5. This factor, based on data provided by AAIS, reflects the state's propensity to loss due to catastrophic windstorm and hail. Consideration of other catastrophic loss, such as loss due to fire following earthquake or hurricanes, would increase the indication.

The LAE provision strictly reflects company experience. Company underwriting expense ratios are now shown in Exhibit 3 and are used in the development of the permissible loss ratio. The revised indication is +17.5%.

Exhibit 6 shows the derivation of the distribution used in Exhibit 4. As a statistical agent, AAIS collects fire protection data by protection class 1 through 10 as well as by the simplified definitions. As shown on Exhibit 6, data reported under the simplified definitions are converted to the numeric protection class system to calculate the distribution used in Exhibit 4. This is an estimated distribution.

Exhibit 7 tests the excessiveness of the proposed AMIC rates by benchmarking versus currently approved AAIS loss costs. The rating as proposed appears to be reasonable, not excessive, not inadequate, and not unfairly discriminatory.

Note that loss ratios are not available by protection class due to company limitations. If this data were available, it is highly likely that the credibility of higher protection groupings would render analysis meaningless.

Exhibit 1 (Revised 07/01/2008)

AGENTS MUTUAL INSURANCE COMPANY

ARKANSAS

| (1) Calendar Year | (2) Earned Premium | (3) Incurred Non-Catastrophe Loss | (4) Annual Loss Ratio [(3)/(2)] | (5) Weights |
|-------------------------|--------------------------|--|--|---|
| 2000 | 2,464,961 | 1,708,449 | 69.3% | |
| 2001 | 2,107,410 | 1,672,494 | 79.4% | |
| 2002 | 2,246,477 | 1,187,722 | 52.9% | |
| 2003 | 2,827,718 | 1,078,880 | 38.2% | |
| 2004 | 3,279,930 | 1,434,885 | 43.7% | |
| 2005 | 3,524,140 | 1,471,943 | 41.8% | 20.0% |
| 2006 | 3,593,784 | 1,509,779 | 42.0% | 30.0% |
| 2007 | 3,220,176 | 2,029,941 | 63.0% | 50.0% |
| | | All Year Average Non-Cat Loss Ratio | | 53.8% |
| | | Two Year Average Non-Cat Loss Ratio | | 52.5% |
| | | Weighted Average Non-Cat Loss Ratio | | 52.5% |
| | | | | (6) Selected Non-Catastrophe Loss Ratio 52.5% |
| | | | | (7) Cat-to-Non-Catastrophe Factor {Exhibit 5} 1.200 |
| | | | | (8) LAE Factor {Exhibit 2} 1.101 |
| | | | | (9) State's Experience Loss & LAE Ratio [(6) x (7) x (8)] 69.4% |
| | | | | (10) Permissible Loss & LAE Ratio {Exhibit 3} 59.0% |
| | | | | (11) Indication [(9) / (10) minus 1.000] 17.5% |
| | | | | (12) Impact of Change to Homeowners 6.3% |
| | | | | (13) Homeowners 2007 Premium Volume 2,650,895 |
| | | | | (14) Impact of Change to Dwelling Fire 7.5% |
| | | | | (15) Dwelling Fire 2007 Premium Volume 688,544 |
| | | | | (16) Total Program 2007 Premium Volume 3,442,721 |
| | | | | (17) Proposed Impact = [(12)x(13) + (14)x(15)] / (16) 6.4% |

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Exhibit 2 (Revised 07/01/2008)

AGENTS MUTUAL INSURANCE COMPANY

Development of LAE Factor

| Calendar Year | LAE Ratio (1) | Loss Ratio (2) | LAE % [(2)/(1)] |
|---------------|---------------|----------------|-----------------|
| 2003 | 3.7% | 39.1% | 9.5% |
| 2004 | 3.8% | 43.4% | 8.8% |
| 2005 | 3.1% | 36.8% | 8.4% |
| 2006 | 5.7% | 38.9% | 14.7% |
| 2007 | 5.2% | 55.4% | 9.4% |
| | | Average | 10.1% |

Source: *Agents Mutual Annual Statement*
Five-Year Historical Data
Lines 64 and 65.

Paaf

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Exhibit 3 (Revised 07/01/2008)

AGENTS MUTUAL INSURANCE COMPANY

DEVELOPMENT OF INDUSTRY PERMISSIBLE LOSS RATIO

| Expense Description | 2003 | 2004 | 2005 | 2006 | 2007 | Selected |
|--------------------------------------|--------|--------|--------|--------|--------|----------|
| 1. Commission & Brokerage | --- | 14.06% | 13.94% | 13.94% | --- | |
| 2. Other Acquisition Costs | --- | 7.06% | 6.59% | 7.46% | --- | |
| 3. General Expenses | --- | 4.34% | 4.31% | 5.21% | --- | |
| 4. Taxes, Licenses and Fees | --- | 2.37% | 2.47% | 2.23% | --- | |
| Subtotal | | 27.84% | 27.31% | 28.84% | | |
| 5. AMIC Underwriting Expense Ratio | 47.60% | 25.50% | 30.70% | 38.90% | 28.10% | 35.00% |
| 6. Traditional Profit Provision | | | | | | 5.00% |
| 7. Traditional Contingency Provision | | | | | | 1.00% |
| 8. Total Expenses and Profit | | | | | | 41.00% |
| 9. Permissible Loss Ratio | | | | | | 59.00% |

Source: Lines (1) to (4)
Best's Aggregates and Averages (Property - Casualty)
 Insurance Expense Exhibit, Part III
 Homeowners Multiple Peril

Line (5) is taken from AMIC's 2007 Annual Statement
 Five Year Historical Exhibit Line 66.

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Exhibit 5 (Revised 07/01/2008)

American Association of Insurance Services
Arkansas
Homeowners - Owners Forms

Non-modeled Catastrophe Factor

| <u>Accident Year</u> (1) | <u>Non-Cat Losses</u> (2) | <u>Catastrophe Losses Excluding Earthquakes</u> (3) |
|---------------------------------|----------------------------------|--|
| 1997 | 520,828 | 19,845 |
| 1998 | 226,529 | 1,609 |
| 1999 | 329,770 | 275,417 |
| 2000 | 996,890 | 81,250 |
| 2001 | 665,481 | 28,914 |
| 2002 | 225,422 | 48,113 |
| 2003 | 631,622 | 79,929 |
| 2004 | 8,638,377 | 1,105,452 |
| 2005 | 12,478,988 | 169,261 |
| 2006 | 15,219,484 | 6,296,311 |
| Total | 39,933,391 | 8,106,101 |
| Indicated Factor | | 1.203 |
| Selected | | 1.200 |

Copyright, American Association of Insurance Services, Inc., 2008

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Exhibit 6 (Revised 07/01/2008)

AGENTS MUTUAL INSURANCE COMPANY

DISTRIBUTION FOR FIRE PROTECTION CLASS - Homeowners

| Reported Level of Protection | 2006 Written Premium | | Conversion of Simplified Data to Grades 1 through 10 | |
|---------------------------------|----------------------|---------|---|---------|
| | Owners | Tenants | Owners | Tenants |
| FP Grade 1 | 0 | 0 | 0 | 0 |
| FP Grade 2 | 33,549 | 864 | 77,197 | 9,628 |
| FP Grade 3 | 36,134 | 627 | 83,145 | 6,987 |
| FP Grade 4 | 40,907 | 0 | 94,127 | 0 |
| FP Grade 5 | 40,012 | 242 | 92,068 | 2,697 |
| FP Grade 6 | 42,353 | 280 | 97,455 | 3,120 |
| FP Grade 7 | 21,809 | 701 | 50,183 | 7,811 |
| FP Grade 8 | 23,832 | 0 | 54,838 | 0 |
| FP Grade 9 | 6,380 | 0 | 38,309 | 1,773 |
| FP Grade 10 | 0 | 0 | 13,373 | 1,295 |
| Protected | 549,012 | 30,243 | | |
| Part Protected | 38,309 | 1,773 | | |
| Unprotected | 13,373 | 1,295 | | |
| Total | 845,670 | 36,025 | 600,694 | 33,311 |

| AMIC's Protection Groupings | 2006 Written Premium | Percentage of Premium |
|-----------------------------------|----------------------------|--------------------------|
| PC 1-6 | 661,391 | 75.0% |
| PC 7-8 | 159,174 | 18.1% |
| PC 9 | 46,462 | 5.3% |
| PC 10 | 14,668 | 1.7% |
| | 881,695 | |

Notes

Assumed equivalence between AAIS Partially Protected and Grade 9 and between AAIS Unprotected and Grade 10.
Protected distributed among Grades 1 through 8 in same proportion specified Grade is to total for Grades 1 through 8.

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Poff

Exhibit 7 (Revised 07/01/2008)

AGENTS MUTUAL INSURANCE COMPANY

| Territory | Construction | Cov A | Protection | Deductible | Current AMIC | Proposed Impact | Proposed AMIC | AAIS Loss Cost | PLR | Benchmark Rate | Benchmark Greater Than AMIC |
|-----------|--------------|---------|------------|------------|--------------|-----------------|---------------|----------------|-------|----------------|-----------------------------|
| 1 | Frame | 100,000 | 1-6 | 500 | 760 | 10.0% | 836 | 619 | 59.0% | 1,050 | Yes |
| 1 | Frame | 100,000 | 1-6 | 1000 | 684 | 10.0% | 752 | 545 | | 923 | Yes |
| 1 | Frame | 100,000 | 1-6 | 1500 | 646 | 10.0% | 711 | 530 | | 898 | Yes |
| 1 | Frame | 100,000 | 7-8 | 500 | 855 | 0.0% | 855 | 619 | | 1,050 | Yes |
| 1 | Frame | 100,000 | 7-8 | 1000 | 770 | 0.0% | 770 | 545 | | 923 | Yes |
| 1 | Frame | 100,000 | 7-8 | 1500 | 727 | 0.0% | 727 | 530 | | 898 | Yes |
| 1 | Frame | 100,000 | 9 | 500 | 1,131 | -24.4% | 855 | 1,051 | | 1,782 | Yes |
| 1 | Frame | 100,000 | 9 | 1000 | 1,018 | -24.4% | 770 | 925 | | 1,567 | Yes |
| 1 | Frame | 100,000 | 9 | 1500 | 961 | -24.3% | 727 | 900 | | 1,526 | Yes |
| 1 | Brick | 100,000 | 1-6 | 500 | 712 | 10.0% | 783 | 551 | | 933 | Yes |
| 1 | Brick | 100,000 | 1-6 | 1000 | 641 | 10.0% | 705 | 484 | | 820 | Yes |
| 1 | Brick | 100,000 | 1-6 | 1500 | 605 | 10.0% | 666 | 471 | | 799 | Yes |
| 1 | Brick | 100,000 | 7-8 | 500 | 806 | 0.0% | 806 | 551 | | 933 | Yes |
| 1 | Brick | 100,000 | 7-8 | 1000 | 725 | 0.0% | 725 | 484 | | 820 | Yes |
| 1 | Brick | 100,000 | 7-8 | 1500 | 685 | 0.0% | 685 | 471 | | 799 | Yes |
| 1 | Brick | 100,000 | 9 | 500 | 1,114 | -27.6% | 806 | 903 | | 1,530 | Yes |
| 1 | Brick | 100,000 | 9 | 1000 | 1,003 | -27.7% | 725 | 794 | | 1,346 | Yes |
| 1 | Brick | 100,000 | 9 | 1500 | 947 | -27.7% | 685 | 773 | | 1,310 | Yes |
| 2 | Frame | 100,000 | 1-6 | 500 | 950 | 10.0% | 1,045 | 619 | | 1,050 | Yes |
| 2 | Frame | 100,000 | 1-6 | 1000 | 855 | 10.0% | 941 | 545 | | 923 | Yes |
| 2 | Frame | 100,000 | 1-6 | 1500 | 808 | 10.0% | 888 | 530 | | 898 | Yes |
| 2 | Frame | 100,000 | 7-8 | 500 | 1,069 | 0.0% | 1,069 | 619 | | 1,050 | Yes |
| 2 | Frame | 100,000 | 7-8 | 1000 | 963 | 0.0% | 963 | 545 | | 923 | Yes |
| 2 | Frame | 100,000 | 7-8 | 1500 | 909 | 0.0% | 909 | 530 | | 898 | Yes |
| 2 | Frame | 100,000 | 9 | 500 | 1,414 | -24.4% | 1,069 | 1,051 | | 1,782 | Yes |
| 2 | Frame | 100,000 | 9 | 1000 | 1,273 | -24.4% | 963 | 925 | | 1,567 | Yes |
| 2 | Frame | 100,000 | 9 | 1500 | 1,201 | -24.3% | 909 | 900 | | 1,526 | Yes |
| 2 | Brick | 100,000 | 1-6 | 500 | 890 | 10.0% | 979 | 551 | | 933 | Yes |
| 2 | Brick | 100,000 | 1-6 | 1000 | 801 | 10.0% | 881 | 484 | | 820 | Yes |
| 2 | Brick | 100,000 | 1-6 | 1500 | 756 | 10.0% | 832 | 471 | | 799 | Yes |
| 2 | Brick | 100,000 | 7-8 | 500 | 1,008 | 0.0% | 1,008 | 551 | | 933 | Yes |
| 2 | Brick | 100,000 | 7-8 | 1000 | 906 | 0.0% | 906 | 484 | | 820 | Yes |
| 2 | Brick | 100,000 | 7-8 | 1500 | 856 | 0.0% | 856 | 471 | | 799 | Yes |
| 2 | Brick | 100,000 | 9 | 500 | 1,393 | -27.6% | 1,008 | 903 | | 1,530 | Yes |
| 2 | Brick | 100,000 | 9 | 1000 | 1,254 | -27.7% | 906 | 794 | | 1,346 | Yes |
| 2 | Brick | 100,000 | 9 | 1500 | 1,184 | -27.7% | 856 | 773 | | 1,310 | Yes |

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Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

June 18, 2008

Ms. Kathy Vincent
Agents Mutual Insurance Company
PO Drawer 1250
Pine Bluff, Arkansas 71613

RE: Agents Mutual Insurance Company - 18236
Homeowner, Dwelling Fire, Mobile Home Rate Filing
AMIC-2008-12

Dear Ms. Vincent:

This will acknowledge the receipt of the captioned rate filing.

Arkansas Code Annotated § 23-67-209 (a) stipulates the most recent 5-years experience be used in rate development. Doing so would greatly reduce the selected loss ratio and therefore reduce the indicated rate need. In fact, the indication would be a decrease if all other methods used in this filing were acceptable.

Arkansas Code Annotated § 23-67-209(c) requires the expense provision to reflect the operating methods of the insurer and its actual and anticipated expense experience. Company expense information must be reported on the annual statement; therefore, this information should be available for use. Best's Aggregates and Averages is not a licensed advisory organization in Arkansas. Only licensed advisory organization's data may be referenced.

AAIS loss costs are filed as protected, partially protected, and unprotected instead of a protection classification numbering system. Provide the AAIS document that supports information submitted in Exhibit 4.

Provide loss ratios by protection classification grouping.

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June 18, 2008

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Form HPCS is required with all homeowner rate filings. Please submit an electronic version in Excel spreadsheet format to me via e-mail. A copy of the form may be found at <http://insurance.arkansas.gov/PandC/RR23Forms.htm>

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
Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@mail.state.ar.us

Page 2/

**AGENTS MUTUAL INSURANCE COMPANY
HOMEOWNERS AND DWELLING FIRE PROGRAMS**

ACTUARIAL FILING MEMO -- ARKANSAS

Agents Mutual Insurance Company (AMIC) is proposing revisions to its rate level based on level of fire protection in its Homeowners and Dwelling Fire programs.

For the Homeowners program, protection classes 1 through 6 will receive a 10.0% increase. In addition, protection class 9 will be rated the same as protection classes 7 and 8 resulting in an average decrease of 22.2% for protection class 9 risks. The overall effect of change for the Homeowners program is estimated to be +6.3%. The indication for the company is +13.1% and supports this change.

For the Dwelling Fire program, a +10.0% increase is proposed for protection classes 1 through 6. No other changes are proposed for the Dwelling Fire program. The overall effect of change for this program is +7.5%. The indication for the company is +13.1% and supports this change.

Note that no change to the Mobile Homeowners program is proposed. Mobile homeowner experience was included in the indication. The overall impact of the proposed changes to the program is +6.4% relative to the indication of +13.1%.

Exhibit 1 shows a loss ratio indication based on total company data. Supporting the indication are Exhibits 2 and 3 which show the LAE factor and Permissible Loss Ratio based on industry Homeowners data from *Best's Aggregates and Averages*. The net loss ratio trend is assumed to be 0% per year. The indication assumes that an industry expense assumption is appropriate for AMIC. Small companies tend to have higher expense ratios than the industry as a whole. As such, the indication shown in Exhibit 1 may be understated.

Exhibit 4 shows the effects of change. The written premium distributions were provided by the American Association of Insurance Services and reflect industry Arkansas Homeowners data by fire protection for 2006.

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Exhibit 1

AGENTS MUTUAL INSURANCE COMPANY

ARKANSAS

| (1) Calendar Year | (2) Earned Premium | (3) Incurred Loss with Catastrophes | (4) Annual Loss Ratio [(3)/(2)] |
|-------------------------|--------------------------|--|--|
| 1999 | \$ 2,078,465 | \$ 2,771,717 | 133.4% |
| 2000 | 2,464,961 | 1,708,449 | 69.3% |
| 2001 | 2,107,410 | 1,672,494 | 79.4% |
| 2002 | 2,246,477 | 1,187,722 | 52.9% |
| 2003 | 2,827,718 | 1,078,880 | 38.2% |
| 2004 | 3,279,930 | 1,434,885 | 43.7% |
| 2005 | 3,524,140 | 1,471,943 | 41.8% |
| 2006 | 3,593,784 | 1,509,779 | 42.0% |
| 2007 | 3,220,176 | 2,029,941 | 63.0% |

| | |
|--|--------------|
| (5) Selected Loss Ratio | 63.0% |
| (6) LAE Factor {Exhibit 2} | 1.170 |
| (7) State's Experience Loss & LAE Ratio [(5) x (6)] | 73.7% |
| (8) Permissible Loss & LAE Ratio {Exhibit 3} | 65.2% |
| (9) Indication [(7) / (8) minus 1.000] | 13.1% |
| (10) Impact of Change to Homeowners | 6.3% |
| (11) Homeowners 2007 Premium Volume | 2,650,895 |
| (12) Impact of Change to Dwelling Fire | 7.5% |
| (13) Dwelling Fire 2007 Premium Volume | 688,544 |
| (14) Total Program 2007 Premium Volume | 3,442,721 |
| (15) Proposed Impact = [(10)x(11) + (12)x(13)] / (14) | 6.4% |

Exhibit 2

AGENTS MUTUAL INSURANCE COMPANY

Development of LAE Factor

| | Losses Incurred (1) | DCC Incurred (2) | AOE Incurred (3) | LAE % [(2+3)/(1)] |
|----------|------------------------|---------------------|---------------------|----------------------|
| 2002 | \$ 26,352,011 | \$ 1,220,674 | \$ 3,370,395 | 17.4% |
| 2003 | 27,034,659 | 1,024,669 | 3,462,809 | 16.6% |
| 2004 | 26,322,579 | 920,883 | 3,694,877 | 17.5% |
| 2005 | 40,206,062 | 856,517 | 5,121,229 | 14.9% |
| 2006 | 28,131,134 | 721,024 | 4,186,708 | 17.4% |
| Selected | | | | 17.0% |

Source: *Best's Aggregates and Averages (Property - Casualty)*
Aggregate Insurance Expense Exhibit
Homeowners Multiple Peril

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Exhibit 3

AGENTS MUTUAL INSURANCE COMPANY

DEVELOPMENT OF INDUSTRY PERMISSIBLE LOSS RATIO

| Expense Description | 2004 | 2005 | 2006 | Selected |
|--------------------------------------|--------|--------|--------|----------|
| 1. Commission & Brokerage | 14.06% | 13.94% | 13.94% | 14.00% |
| 2. Other Acquisition Costs | 7.06% | 6.59% | 7.46% | 7.50% |
| 3. General Expenses | 4.34% | 4.31% | 5.21% | 5.00% |
| 4. Taxes, Licenses and Fees | 2.37% | 2.47% | 2.23% | 2.30% |
| 5. Traditional Profit Provision | | | | 5.00% |
| 6. Traditional Contingency Provision | | | | 1.00% |
| 7. Total Expenses and Profit | | | | 34.80% |
| 8. Permissible Loss Ratio | | | | 65.20% |

Source: *Best's Aggregates and Averages (Property - Casualty)*
Insurance Expense Exhibit, Part III
Homeowners Multiple Peril

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Exhibit 4

AGENTS MUTUAL INSURANCE COMPANY

EFFECT OF CHANGE FOR FIRE PROTECTION - Homeowners

| Protection Grade | Assumed Distribution | Est. Impact |
|------------------|-------------------------|-------------|
| FP Grade 1 - 6 | 75.0% | 10.0% |
| FP Grade 7- 8 | 18.1% | 0.0% |
| FP Grade 9 | 5.3% | -22.2% |
| FP Grade 10 | 1.7% | 0.0% |
| | Effect of Change: | 6.3% |

EFFECT OF CHANGE FOR FIRE PROTECTION - Dwelling Fire

| Protection Grade | Assumed Distribution | Est. Impact |
|------------------|-------------------------|-------------|
| FP Grade 1 - 6 | 75.0% | 10.0% |
| FP Grade 7- 8 | 18.1% | 0.0% |
| FP Grade 9 | 5.3% | 0.0% |
| FP Grade 10 | 1.7% | 0.0% |
| | Effect of Change: | 7.5% |

Notes

Industry written premium distribution provided by AAIS.

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Agents Mutual Insurance Company
 NAIC # (including group #) 0000-18236

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
NONE

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.
NONE

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.
NONE

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
NONE

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

- | | | |
|---|-------------|---|
| a. Fire Extinguisher | NONE | % |
| b. Burglar Alarm | NONE | % |
| c. Smoke Alarm | NONE | % |
| d. Insured who has both homeowners and auto with your company | NONE | % |
| e. Deadbolt Locks | NONE | % |
| f. Window or Door Locks | NONE | % |
| g. Other (specify) | | % |
| | | % |
| | | % |

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
NO

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

| | |
|-------------------|----------------|
| Form | Premium Volume |
| AAIS Form ML 0008 | 2,650,895 |

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

9. Is there a surcharge on risks with wood heat? Yes _____
If yes, state the surcharge \$25 fee _____
Does the surcharge apply to conventional fire places? Yes _____
If yes, state the surcharge \$25 fee _____

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

Kathy Vincent
Signature
Kathy Vincent
Printed Name
President
Title
870-535-2840
Telephone Number
agentsmutual@hotmail.com
Email address

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Becky Harrington

From: Kathy Vincent [agentsmutual@hotmail.com]
Sent: Monday, August 11, 2008 4:12 PM
To: Becky Harrington
Subject: RE: AGENTS MUTUAL RATE FILING
Attachments: RF-1.doc

Becky,
I am so sorry, I think I have it fixed now. Let me know if this is not what you are needing.
Thanks ever so much,
Kathy Vincent
Agents Mutual Insurance

Subject: FW: AGENTS MUTUAL RATE FILING
Date: Fri, 8 Aug 2008 12:24:20 -0500
From: Becky.Harrington@arkansas.gov
To: agentsmutual@hotmail.com

I have not received the requested revised RF-1 from you. Please provide it by Wednesday, 8/13/08 or the filing will be disapproved.

Thanks,
Becky

From: Becky Harrington
Sent: Monday, August 04, 2008 9:48 AM
To: Kathy Vincent
Subject: RE: AGENTS MUTUAL RATE FILING
Importance: High

Kathy,

I just discovered the policy count on the RF-1 is blank. Please add a policy count for each year and remove the highlighting or shadowing.

Thanks,
Becky.

From: Kathy Vincent [mailto:agentsmutual@hotmail.com]
Sent: Monday, August 04, 2008 9:38 AM
To: Becky Harrington
Subject: RE: AGENTS MUTUAL RATE FILING

Thank you!

Subject: RE: AGENTS MUTUAL RATE FILING
Date: Mon, 4 Aug 2008 09:21:21 -0500

8/13/2008

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From: Becky.Harrington@arkansas.gov
To: agentsmutual@hotmail.com

This is fine. You had previously sent an envelope. I made copies of the PC TD to return to you. You should receive your copy in a couple of days.

From: Kathy Vincent [mailto:agentsmutual@hotmail.com]
Sent: Monday, August 04, 2008 9:17 AM
To: Becky Harrington
Subject: RE: AGENTS MUTUAL RATE FILING

Becky,
Thank you so much for your time and attention, I really appreciate it. Since we mail renewals 30 days ahead, the 20 days from last Friday will be fine. Will a copy of this e-mail in the file be ok, or should I send you a stamped envelope so that we can actually have a 'filed' copy in the rate file? Just let me know and I will send it right on to you.

Again, thank you.

Sincerely,
Kathy Vincent
President
Agents Mutual Insurance Co.

Subject: RE: AGENTS MUTUAL RATE FILING
Date: Mon, 4 Aug 2008 07:57:26 -0500
From: Becky.Harrington@arkansas.gov
To: agentsmutual@hotmail.com

The revised weights are more what I needed. Our statutes require the use of 5-years of experience. The previous exhibit showed weights for only three years, which meant you were only giving consideration to those years' data, not 5 as required. Companies can distribute the weighting in any logical way, most use 10%-30% as you have submitted in the revised exhibit. Some use 20% for each of the five years. The 10-30 spread assigns more significance to the most current year, which is prudent.

I will stamp the filing 'filed' as of Friday. Your effective day may be 20-days from Friday or I can waive the 20-day waiting period at your request, but the earliest date should not be before 8/1/08. Please let me know your choice for an effective date.

Thanks,
Becky

From: Kathy Vincent [mailto:agentsmutual@hotmail.com]
Sent: Friday, August 01, 2008 4:10 PM
To: Becky Harrington
Subject: AGENTS MUTUAL RATE FILING

BECKY,

I have been working with Greg Jaynes, an actuary at AAIS in getting these rate filings done. He was really wanting me to discuss with you the weighting of the rates. His actual wording was:

Attached is a revised indication that uses weights by year commonly filed by ISO (no assurance that these weights are approvable just that they may be in common use). The indication drops with ISO weights drops to 7.8%; however, I would not file this until I reached a better understanding of what Becky Harrington is after. I would try to have a conversation with Becky and impress

8/13/2008

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upon her the fact that you are a mono-state mono-line writer, and you need rate level relief. Perhaps all she is after is a change to the documentation to more closely support the proposal.

I am not an actuary. I will not pretend to understand exactly what he is wanting me to get from you. I am, for that reason, forwarding to you the information that he has provided me with. Pleaes let me know what I can do to help with any information. I appreciate your time, efforts, and understanding in this matter.

Sincerely,
Kathy Vincent
President
Agents Mutual Insurance Company
NAIC# 18236

Stay in touch when you're away with Windows Live Messenger. [IM anytime you're online.](#)

Your PC, mobile phone, and online services work together like never before. [See how Windows® fits your life](#)

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Get more from your digital life. [Find out how.](#)

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Page

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|----|---|-------------|
| 1. | This filing transmittal is part of Company Tracking # | AMIC-2008-1 |
| 2. | If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number | |

| | | |
|--------------|---------------------------------|---------------------|
| Company Name | | Company NAIC Number |
| A. | Agents Mutual Insurance Company | 0000-18236 |

| | | | | |
|----|----|--|----|---|
| 4. | A. | Product Coding Matrix Line of Business (i.e., Type of Insurance) | B. | Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance) |
| | | 35.0 | | 35.0001 |

| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---------------------------------------|--|--|-------------------------------|---|--|---|---|
| | | | (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
| Homeowners | +13.1% | +6.3% | | This does not apply to a filing of independent rates. | | | |
| Dwelling Fire | +13.1% | +7.5% | | This does not apply to a filing of independent rates. | | | |
| TOTAL OVERALL EFFECT | +13.1% | +6.0% | | | | | |

| Year | Policy Count | % of Change | Effective Date | State Earned Premium (000) | Incurred Losses (000) | State Loss Ratio | Countrywide Loss Ratio | Expense Constants | | | | Selected Provisions |
|------|--------------|----------------|-------------------|-------------------------------|-----------------------------|---------------------|---------------------------|-----------------------------|--------------------|--------------------------|--|------------------------|
| | | | | | | | | A. Total Production Expense | B. General Expense | C. Taxes, License & Fees | D. Underwriting Profit & Contingencies | |
| 2003 | 5,755 | 0 | N/A | 2,828 | 1,079 | 0.382 | 0.382 | | | | | NA |
| 2004 | 6,340 | 0 | N/A | 3,280 | 1,435 | 0.437 | 0.437 | | | | | NA |
| 2005 | 6,419 | 0 | N/A | 3,524 | 1,472 | 0.418 | 0.418 | | | | | NA |
| 2006 | 6,341 | 0 | N/A | 3,594 | 1,510 | 0.420 | 0.420 | | | | | NA |
| 2007 | 6,372 | 0 | N/A | 3,220 | 2,030 | 0.630 | 0.630 | | | | | NA |

6. 5 Year History Rate Change History
7. Expense Constants
8. NA Apply Lost Cost Factors to Future filings? (Y or N)
9. +10% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable):
10. -22% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

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Property & Casualty Transmittal Document

| | |
|--|--------------|
| 20. This filing transmittal is part of Company Tracking # | AMIC-2008-12 |
|--|--------------|

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|--|
| 21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] |
|--|

June 6, 2008

Commissioner Mike Pickens
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Attn: Property & Casualty Division

Re: AMIC-2008-12 NAIC #: 0000-18236 FEIN: 71-6059087
 Dwelling, Homeowners, and Mobile-Homeowners Programs
 Revised Manual Rules and Rates (Rev 06/2008)

Dear Sir or Madam:

Agents Mutual Insurance Company (AMIC) is filing changes to our Dwelling, Homeowners and Mobile-Homeowners Program. We are affiliated with AAIS for these lines of insurance.

The attached actuarial memo describes the changes being made. Exhibits supporting these changes are also provided.

AMIC proposes to implement this filing effective July 1, 2008.

Should you have any questions concerning this filing, please do not hesitate to contact us.

The required filing fee and filing forms are provided. An additional copy of this letter and a postage paid, business reply envelope are enclosed for your convenience.

Sincerely,
Kathy Vincent
President

| |
|--|
| 22. Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below] |
| Check #: 92566 Amount: 125.00 \$100 for rates and \$25 for rules Refer to each state's checklist for additional state specific requirements or instructions on calculating fees. |

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

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