

SERFF Tracking Number: STAT-125730500 State: Arkansas
Filing Company: State Auto Property and Casualty Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: PC-DF-2008-263
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: Arkansas DF
Project Name/Number: Rates and Rules eff 11-15-08/PC-DF-2008-263

Filing at a Glance

Company: State Auto Property and Casualty Insurance Company

Product Name: Arkansas DF	SERFF Tr Num: STAT-125730500	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)	Co Tr Num: PC-DF-2008-263	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Authors: Doug Griffith, Amanda Scott	Disposition Date: 08/06/2008
	Date Submitted: 07/25/2008	Disposition Status: Filed
Effective Date Requested (New): 11/15/2008		Effective Date (New): 11/15/2008
Effective Date Requested (Renewal): 11/15/2008		Effective Date (Renewal): 11/15/2008

State Filing Description:

General Information

Project Name: Rates and Rules eff 11-15-08	Status of Filing in Domicile:
Project Number: PC-DF-2008-263	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/06/2008	
State Status Changed: 07/30/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

With this filing we are revising our Dwelling Fire program, as detailed in the Summary of Proposed Changes.

We estimate these revisions will result in an overall impact of +11.4%.

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Attached are copies of the revised manual pages and rating document.

Company and Contact

Filing Contact Information

Doug Griffith, Supervisor, State Filings doug.griffith@stateauto.com
 518 E. Broad Street (614) 917-5492 [Phone]
 Columbus, OH 43215 (614) 887-1615[FAX]

Filing Company Information

State Auto Property and Casualty Insurance CoCode: 25127 State of Domicile: Iowa
 Company
 1300 Woodland Ave Group Code: 175 Company Type: Property and Casualty
 PO Box 66150
 West Des Moines, IA 50265-0150 Group Name: State ID Number:
 (614) 464-5000 ext. [Phone] FEIN Number: 57-6010814

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance Company	\$100.00	07/25/2008	21598327

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	08/06/2008	08/06/2008

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	08/04/2008	08/04/2008	Amanda Scott	08/06/2008	08/06/2008
Pending Industry Response	Becky Harrington	07/30/2008	07/30/2008	Amanda Scott	08/04/2008	08/04/2008

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Disposition

Disposition Date: 08/06/2008
 Effective Date (New): 11/15/2008
 Effective Date (Renewal): 11/15/2008
 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:
State Auto Property and Casualty Insurance Company	11.400%	\$67,057	1,286	\$586,877	15.000%	-21.600%	22.300%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Summary of Proposed Changes	Filed	Yes
Rate (revised)	Rate Document	Filed	Yes
Rate	Rate Document		Yes
Rate	Revised Manual Pages	Filed	Yes

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Project Name/Number: Rates and Rules eff 11-15-08/PC-DF-2008-263

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/04/2008
Submitted Date 08/04/2008

Respond By Date

Dear Doug Griffith,

I apologize for overlooking this on the original objection.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: Please complete an HPCS and submit as in excel spreadsheet format.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/06/2008
Submitted Date 08/06/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: Attached is the completed HPCS form as requested in your Objection dated 08-04-08.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Please complete an HPCS and submit as in excel spreadsheet format.

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Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Amanda Scott, Doug Griffith

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 07/30/2008
Submitted Date 07/30/2008

Respond By Date
Dear Doug Griffith,

This will acknowledge receipt of the captioned filing.

Objection 1

- Rate Document (Rate)

Comment: Arkansas does not allow the roof to be covered under an ACV loss settlement when the dwelling is covered as replacement cost. Please amend your rating step accordingly.

Objection 2

No Objections

Comment: Please identify the ISO reference number that is being adopted for loss costs other than the terrorism reference 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 08/04/2008
Submitted Date 08/04/2008

Dear Becky Harrington,

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Comments:

Response 1

Comments: The rate document has been revised accordingly with a table on page RD-19 stating that ACV wind/hail loss settlement to roof is not applicable in Arkansas.

Related Objection 1

Applies To:

- Rate Document (Rate)

Comment:

Arkansas does not allow the roof to be covered under an ACV loss settlement when the dwelling is covered as replacement cost. Please amend your rating step accordingly.

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 #
Rate Document	Entire Document	Replacement	
Previous Version			
<i>Rate Document</i>	<i>Entire Document</i>	<i>Replacement</i>	

Response 2

Comments: The ISO Loss Cost Reference Filing number is DP-2006-RLA1.

Related Objection 1

Comment:

Please identify the ISO reference number that is being adopted for loss costs other than the terrorism reference filing.

Changed Items:

SERFF Tracking Number: STAT-125730500 State: Arkansas
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 Product Name: Arkansas DF
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Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 12/17/2007
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):
State Auto Property and Casualty Insurance Company	22.300%	11.400%	\$67,057	1,286	\$586,877	15.000%	-21.600%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Rate Document	Entire Document	Replacement	AR DF Rate Document 2008 revised.pdf
Filed	Revised Manual Pages	Various Pages	Replacement	AR DF Manual eff 11-15-08 revised pages.pdf

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Base Premium Rating Steps

FIRE – BUILDING RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
Result #3 is the Fire Building Key Premium
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Dwelling Under Construction Factor
10. Result #9 X Deductible Factor
11. Result #10 X Employee Discount Factor
12. Result #11 X Loss Experience Rating Factor
13. Result #12 X ACV Wind/Hail Loss to Roof Factor
14. Result #13 X Premium Fire Tax Factor (AZ only)
15. Result #14 X Term Factor
Result #15 is the preliminary Fire Building Base Premium

16. Result #15 X Capping Factor (round down to nearest whole dollar)
Result #16 is the final Fire Building Base Premium

17. Result #15 X Protective Device Credit (negative %)
Result #17 is the preliminary Fire Building Protective Device credit amount

18. Result #17 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #18 is the final Fire Building Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Base Premium Rating Steps (continued)

FIRE – CONTENTS RATING STEPS

(round to whole dollar after each step)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
Result #3 is the Fire Contents Key Premium
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Deductible Factor
10. Result #9 X Employee Discount Factor
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X ACV Wind/Hail Loss to Roof Factor
13. Result #12 X Premium Fire Tax Factor (AZ only)
14. Result #13 X Term Factor
Result #14 is the preliminary Fire Contents Base Premium

15. Result #14 X Capping Factor (round down to nearest whole dollar)
Result #15 is the final Fire Contents Base Premium

16. Result #14 X Protective Device Credit (negative %)
Result #16 is the preliminary Fire Contents Protective Device credit amount

17. Result #16 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #17 is the final Fire Contents Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Base Premium Rating Steps (continued)

EXTENDED COVERAGE – BUILDING RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity
Result #1 is the Extended Coverage Building Key Premium
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Dwelling Under Construction Factor
7. Result #6 X Deductible Factor
8. Result #7 X Employee Discount Factor
9. Result #8 X Loss Experience Rating Factor
10. Result #9 X ACV Wind/Hail Loss to Roof Factor
11. Result #10 X Term Factor
Result #11 is the preliminary Extended Coverage Building Base Premium
12. Result #11 X Capping Factor (round down to nearest whole dollar)
Result #12 is the final Extended Coverage Building Base Premium
13. Result #11 X Protective Device Credit (negative %)
Result #13 is the preliminary Extended Coverage Building Protective Device credit amount
14. Result #13 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #14 is the final Extended Coverage Building Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Base Premium Rating Steps (continued)

EXTENDED COVERAGE – CONTENTS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity
Result #1 is the Extended Coverage Contents Key Premium
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Loss Experience Rating Factor
9. Result #8 X ACV Wind/Hail Loss to Roof Factor
10. Result #9 X Term Factor
Result #10 is the preliminary Extended Coverage Contents Base Premium
11. Result #10 X Capping Factor (round down to nearest whole dollar)
Result #11 is the final Extended Coverage Contents Base Premium
12. Result #10 X Protective Device Credit (negative %)
Result #12 is the preliminary Extended Coverage Contents Protective Device credit amount
13. Result #12 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #12 is the final Fire Extended Coverage Contents Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Rate Tables A and B Rating Steps

RATE TABLE A PREMIUMS RATING STEPS

Use these steps for the following Endorsements or Coverage Options:

- Other Structures
- Fair Rental Value
- Additional Living Expense
- Plants, Shrubs, Trees (DP-1)

Fire Rating Steps

1. Fire Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table A rate per \$1,000 of coverage.

Extended Coverage Rating Steps

1. EC Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the EC Table A rate per \$1,000 of coverage.

RATE TABLE B PREMIUMS RATING STEPS

Use these steps for the following Endorsements or Coverage Options:

- Improvements, Alterations and Additions
- Merchandise in Storage
- Building Items Condo Unit-Owner

Fire Rating Steps

1. Fire Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table B rate per \$1,000 of coverage.

Extended Coverage Rating Steps (round to whole dollar after each step)

1. EC Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2
4. Result #3 is the EC Table B rate per \$1,000 of coverage.

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Optional Coverages Rating Steps

VANDALISM AND MALICIOUS MISCHIEF (V&MM) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

Use these steps to add V&MM Coverage to Form DP0001

1. V&MM Rate per \$1,000 X Coverage amount, in thousands
2. Result #1 X Deductible Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Loss Experience Rating Factor
5. Result #4 X Term Factor
Result #5 is the preliminary V&MM Premium
6. Result #5 X Capping Factor (round down to nearest whole dollar)
Result #6 is the final V&MM Premium
7. Result #5 X Protective Device Credit (negative %)
Result #7 is the preliminary V&MM Protective Device credit amount
8. Result #7 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #8 is the final V&MM Protective Device credit amount

OTHER STRUCTURES RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Other Structures Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000
3. Result #2 X Fire Deductible Factor

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

4. Other Structures Coverage amount / 1,000
5. Result #4 X EC Table A rate per \$1,000
6. Result #5 X EC Deductible Factor

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 9.

7. Other Structures Coverage amount / 1,000
8. Result #7 X V&MM rate per \$1,000
9. Result #3 + Result #6 (if applicable) + Result #8 (if applicable)
10. Result #9 X Employee Discount Factor
11. Result #10 X Term Factor
Result #11 is the preliminary Other Structures premium
12. Result #11 X Capping Factor (round down to nearest whole dollar)
Result #12 is the final Other Structures premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Optional Coverages Rating Steps (continued)

FAIR RENTAL VALUE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Fair Rental Value Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Fair Rental Value Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Fair Rental Value Coverage amount / 1,000
 6. Result #5 X V&MM rate per \$1,000
 7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
 8. Result #7 X Employee Discount Factor
 9. Result #8 X Term Factor
- Result #9 is the preliminary Fair Rental Value premium*

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Fair Rental Value premium*

ADDITIONAL LIVING EXPENSE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Additional Living Expense Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Additional Living Expense Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Additional Living Expense Coverage amount / 1,000
 6. Result #5 X V&MM rate per \$1,000
 7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
 8. Result #7 X Employee Discount Factor
 9. Result #8 X Term Factor
- Result #9 is the preliminary Additional Living Expense premium*

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Additional Living Expense premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

IMPROVEMENTS, ALTERATIONS, & ADDITIONS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Building Additions, Alterations, & Improvements Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 & DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Building Additions, Alterations, & Improvements Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Building Additions, Alterations, & Improvements Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Building Additions, Alterations, & Improvements premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Building Additions, Alterations, & Improvements premium*

MERCHANDISE IN STORAGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Merchandise In Storage Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Merchandise In Storage Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Merchandise In Storage Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Merchandise In Storage premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Merchandise In Storage premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

PLANTS, SHRUBS, AND TREES RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Plants, Shrubs, and Trees Coverage amount / 1,000

To add Plants, Shrubs, and Trees to form DP0001 only, follow the steps below. For adding windstorm or hail coverage (all forms), see step 5.

2. Result #1 X Fire Table A rate per \$1,000
3. Result #1 X EC Table A rate per \$1,000.
4. Result #2 + Result #3
5. Result #1 X Plants, Shrubs, and Trees -- Windstorm or Hail rate per \$1,000

If Vandalism & Malicious Mischief applies, follow the step below.
Otherwise, skip to step 7.

6. Result #1 X V&MM rate per \$1,000
7. Result #4 (DP0001 only) + Result #5 + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor
Result #9 is the preliminary Plants, Shrubs, and Trees premium
10. Result #9 X Capping Factor (round down to nearest whole dollar)
Result #10 is the final Plants, Shrubs, and Trees premium

EARTHQUAKE COVERAGE RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Coverage A amount / 1,000
2. Result #1 X Earthquake Coverage rate per \$1,000
3. Coverage C amount / 1,000
4. Result #3 X Earthquake Coverage rate per \$1,000
5. Result #2 + Result #4
6. Result #5 X Earthquake Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Term Factor
Result #8 is the preliminary Earthquake Coverage premium
9. Result #8 X Capping Factor (round down to nearest whole dollar)
Result #9 is the final Earthquake Coverage premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Optional Coverages Rating Steps (continued)

**WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS, AND OUTDOOR RADIO
AND TV EQUIPMENT RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment Coverage amount / 1,000
2. Result #1 X Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment rate per \$1,000
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor
Result #4 is the preliminary Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium
5. Result #4 X Capping Factor (round down to nearest whole dollar)
Result #5 is the final Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium

CONDITION CHARGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

Use these steps when condition charges apply. The steps should be applied separately to the coverage amounts for Coverage A, Coverage C, and Other Structures

1. Condition Charge Rate per \$1,000* X Coverage amount, in thousands
2. Result #2 X Employee Discount Factor
3. Result #3 X Term Factor
Result #3 is the preliminary Condition Charge
4. Result #3 X Capping Factor (round down to nearest whole dollar)
Result #5 is the final Condition Charge

* Condition Charge is determined by adding the charge for each condition that exists at the insured location. If the total charge exceeds \$5.00 per \$1,000, or there is a range of rates provided for a condition that exists, please contact your underwriter to determine acceptance and premium for this risk.

ORDINANCE OR LAW COVERAGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Preliminary Fire Building Base Premium + Preliminary Extended Coverage Building Base Premium
2. Result #1 X Ordinance or Law percent charge
Result #2 is the preliminary Ordinance or Law premium
3. Result #2 X Capping Factor (round down to nearest whole dollar)
Result #3 is the final Ordinance or Law premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

BUILDING ITEMS CONDO UNIT-OWNER – STANDARD – DP 17 66 RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Building Items Condo Unit Owner Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

3. Building Items Condo Unit Owner Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Building Items Condo Unit Owner Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Building Items Condo Unit Owner Standard – DP 17 66 premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
Result #10 is the final Building Items Condo Unit Owner Standard – DP 17 66 premium

BUILDING ITEMS CONDO UNIT OWNER – MODIFIED – DP 17 71 RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Building Items Condo Unit Owner Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

3. Building Items Condo Unit Owner Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Building Items Condo Unit Owner Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X 1.25
9. Result #8 X Employee Discount Factor
10. Result #9 X Term Factor

Result #10 is the preliminary Building Items Condo Unit Owner Modified -- DP 17 71 premium

11. Result #10 X Capping Factor (round down to nearest whole dollar)
Result #11 is the final Building Items Condo Unit Owner Modified -- DP 17 71 premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

THEFT OF BUILDING MATERIALS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Theft of Building Materials annual premium for amount of coverage selected
2. Result #1 X Employee Discount Factor
3. Result #2 X Term Factor

Result #3 is the preliminary Theft of Building Materials premium

4. Result #3 X Capping Factor (round down to nearest whole dollar)

Result #4 is the final Theft of Building Materials premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Liability Rating Steps

PREMISES LIABILITY (a.k.a. LANDLORDS LIABILITY) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Premises (Non-Owner Occupied) Liability Premium + Premises (Non-Owner Occupied) Medical Payment Premium
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

Result #4 is the preliminary Premises Liability premium

5. Result #4 X Capping Factor (round down to nearest whole dollar)

Result #5 is the final Premises Liability premium

PERSONAL LIABILITY (a.k.a. COMPREHENSIVE PERSONAL LIABILITY) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Personal (Owner Occupied) Liability Premium + Personal (Owner Occupied) Medical Payment Premium
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

Result #4 is the preliminary Personal Liability premium

5. Result #4 X Capping Factor (round down to nearest whole dollar)

Result #5 is the final Personal Liability premium

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08**

Fire

Forms DP-1, DP-2, and DP-3

Base Class Rates		
Fire Coverage A and C		
	Coverage	
Territory	A	C
30	95	27
31	95	27
32	95	27
33	95	27

Protection Construction Relativities			
Fire Coverage A and C			
		Coverage	
Construction	PC	A	C
Frame	1	0.98	0.98
Frame	2	0.98	0.98
Frame	3	0.99	0.99
Frame	4	1.00	0.99
Frame	5	1.07	1.00
Frame	6	1.17	1.09
Frame	7	1.57	1.31
Frame	8	1.87	1.50
Frame	8B	2.56	1.91
Frame	9	2.66	2.01
Frame	10	3.46	2.55
Masonry	1	0.73	0.73
Masonry	2	0.73	0.73
Masonry	3	0.74	0.74
Masonry	4	0.75	0.74
Masonry	5	0.82	0.77
Masonry	6	0.94	0.83
Masonry	7	1.24	1.00
Masonry	8	1.43	1.10
Masonry	8B	1.66	1.32
Masonry	9	1.73	1.39
Masonry	10	2.32	1.78

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Fire

Forms DP-1, DP-2, and DP-3

Coverage	Owner/Non-Owner Relativities	
	Non-Owner	Owner
A	1.25	1.00
C	1.00	1.00

Number of Families	Coverage	
	A	C
1	1.00	1.00
2	1.10	1.00
3	1.60	1.30
4	1.60	1.30
5 or more	N/A	1.30

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Extended Coverage
Forms DP-1, DP-2, and DP-3

Base Class Rates		
EC Coverage A and C		
	Coverage	
Territory	A	C
30	60	5
31	60	5
32	60	5
33	60	5

Extended Coverage Form Relativities				
Seasonal or		Policy Form		
Non-Seasonal	Coverage	DP-1	DP-2	DP-3
NonSeasonal	A	1.00	1.50	1.80
	C	1.00	2.30	2.30
Seasonal	A	1.00	1.75	2.10
	C	1.00	2.75	2.75

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Key Factors										
Limit of Liability	Fire		EC			Limit of Liability	Fire		EC	
	Cov. A	Cov. C	Cov. A	Cov. C			Cov. A	Cov. C	Cov. A	Cov. C
\$1,000	0.310	0.350	0.566	0.170		\$36,000	1.261	4.900	1.365	6.040
\$2,000	0.346	0.480	0.588	0.330		\$37,000	1.278	5.030	1.388	6.210
\$3,000	0.382	0.610	0.611	0.500		\$38,000	1.294	5.160	1.411	6.380
\$4,000	0.419	0.740	0.634	0.670		\$39,000	1.311	5.290	1.434	6.550
\$5,000	0.455	0.870	0.657	0.830		\$40,000	1.327	5.420	1.456	6.720
\$6,000	0.491	1.000	0.680	1.000		\$41,000	1.343	5.550	1.479	6.890
\$7,000	0.528	1.130	0.703	1.170		\$42,000	1.359	5.680	1.502	7.060
\$8,000	0.564	1.260	0.726	1.340		\$43,000	1.376	5.810	1.525	7.230
\$9,000	0.600	1.390	0.749	1.500		\$44,000	1.392	5.940	1.547	7.400
\$10,000	0.637	1.520	0.771	1.670		\$45,000	1.409	6.070	1.570	7.570
\$11,000	0.673	1.650	0.794	1.840		\$46,000	1.425	6.200	1.593	7.740
\$12,000	0.709	1.780	0.817	2.000		\$47,000	1.441	6.330	1.616	7.910
\$13,000	0.746	1.910	0.840	2.170		\$48,000	1.457	6.460	1.639	8.080
\$14,000	0.782	2.040	0.862	2.330		\$49,000	1.474	6.590	1.662	8.250
\$15,000	0.818	2.170	0.885	2.500		\$50,000	1.490	6.720	1.685	8.420
\$16,000	0.855	2.300	0.908	2.670		\$55,000	1.570	7.370	1.800	9.270
\$17,000	0.891	2.430	0.931	2.840		\$60,000	1.650	8.020	1.915	10.120
\$18,000	0.927	2.560	0.953	3.000		\$65,000	1.730	8.670	2.030	10.970
\$19,000	0.964	2.690	0.977	3.170		\$70,000	1.810	9.320	2.145	11.820
\$20,000	1.000	2.820	1.000	3.340		\$75,000	1.890	9.970	2.260	12.670
\$21,000	1.017	2.950	1.023	3.510		\$80,000	1.970	10.620	2.375	13.520
\$22,000	1.033	3.080	1.046	3.670		\$85,000	2.050	11.270	2.490	14.370
\$23,000	1.049	3.210	1.069	3.840		\$90,000	2.130	11.920	2.605	15.220
\$24,000	1.065	3.340	1.091	4.000		\$95,000	2.210	12.570	2.720	16.070
\$25,000	1.082	3.470	1.114	4.170		\$100,000	2.290	13.220	2.835	16.920
\$26,000	1.098	3.600	1.137	4.340		\$105,000	2.370	13.870	2.950	17.770
\$27,000	1.115	3.730	1.160	4.510		\$110,000	2.450	14.520	3.065	18.620
\$28,000	1.131	3.860	1.182	4.680		\$115,000	2.530	15.170	3.180	19.470
\$29,000	1.147	3.990	1.205	4.850		\$120,000	2.610	15.820	3.295	20.320
\$30,000	1.163	4.120	1.228	5.020		\$125,000	2.690	16.470	3.410	21.170
\$31,000	1.180	4.250	1.251	5.190		\$130,000	2.770	17.120	3.525	22.020
\$32,000	1.196	4.380	1.273	5.360		\$135,000	2.850	17.770	3.640	22.870
\$33,000	1.213	4.510	1.297	5.530		\$140,000	2.930	18.420	3.755	23.720
\$34,000	1.229	4.640	1.320	5.700		\$145,000	3.010	19.070	3.870	24.570
\$35,000	1.245	4.770	1.343	5.870		\$150,000	3.090	19.720	3.985	25.420
						Add'l 10k	0.160	1.300	0.230	1.700

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Credits And Charges To The Basic Premium

Superior Construction Factor		
Fire Resistive, Masonry		
Non-Combustible, and		0.50
Non-Combustible		

Dwelling Under Construction Factor		
Named Insured is the Intended Occupant		0.65
Named Insured is not the Intended Occupant		0.65

Deductible Factors		
Deductible	Fire	Extended Coverage
\$100	1.05	1.10
\$250	1.00	1.00
\$500	0.97	0.91
\$1,000	0.95	0.76
\$2,500	0.88	0.50
\$5,000	0.76	0.35

Windstorm or Hail Deductible Factors			
Coverage A, B, C, D, Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts		
	\$1,000	\$2,000	\$5,000
\$100	0.95	0.87	0.83
\$250	0.89	0.81	0.77
\$500	0.84	0.76	0.72
\$1,000	--	0.68	0.64
\$2,500	--	--	0.49

Loss Experience Rating Factor		
Number of Losses	Surcharge	
	0-9 Years with State Auto	10 Plus Years with State Auto
1	+15%	0%
2 or more	+40%	+25%

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Optional Coverages

Vandalism And Malicious Mischief -- Form DP-1 Only			
Rates per \$1,000 of Coverage			
Seasonal & Not Vacant	Vacant	Builders Risk	All Other
\$0.57	\$9.19	\$0.12	\$0.12

Plants, Shrubs, and Trees -- Windstorm or Hail Coverage	
Rates per \$1,000	
DP-1	DP-2 or DP-3
\$55	\$55

Earthquake Coverage			
The following rates per \$1,000 shall apply:			
	Territory 1	Territory 2	
Masonry	\$1.46	\$0.92	
Frame	\$0.68	\$0.37	
Superior	\$0.68	\$0.34	
Earthquake Deductible Factors			
Deductible Percentage	Frame	Masonry	Superior
5%	1.00	1.00	1.00
10%	0.85	0.91	0.82
15%	0.71	0.83	0.65
20%	0.58	0.76	0.49
25%	0.46	0.70	0.34

Windstorm or Hail Coverage- Awnings, Signs, and Outdoor Radio and TV Equipment -- All Forms
Rate per \$1,000
\$55

Condition Charges
Rate per \$1,000
\$2.40

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Optional Coverages

Ordinance Or Law Coverage		
DP-1		
Percentage of Coverage A Total Amount		Percent Charge
10%		3%
25%		8%
50%		15%
75%		23%
DP-2 and DP-3		
Increase In Amount	Total Amount	Percent Charge
15%	25%	5%
40%	50%	12%
65%	75%	20%
90%	100%	27%

Theft of Building Materials	
Coverage Amount	Annual Premium
\$2,000	\$35

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Liability Premiums

LIABILITY- COVERAGE F			
Number of Families	Limit Of Liability	Occupancy	
		Non-Owner	Owner
1	\$50,000	\$12	\$16
1	\$100,000	\$14	\$19
1	\$200,000	\$16	\$22
1	\$300,000	\$18	\$24
1	\$400,000	\$19	\$25
1	\$500,000	\$20	\$26
2	\$50,000	\$21	\$29
2	\$100,000	\$24	\$33
2	\$200,000	\$28	\$39
2	\$300,000	\$30	\$42
2	\$400,000	\$32	\$44
2	\$500,000	\$33	\$46
3	\$50,000	\$45	\$32
3	\$100,000	\$50	\$36
3	\$200,000	\$58	\$42
3	\$300,000	\$63	\$46
3	\$400,000	\$66	\$48
3	\$500,000	\$69	\$50
4	\$50,000	\$45	\$32
4	\$100,000	\$50	\$36
4	\$200,000	\$58	\$42
4	\$300,000	\$63	\$46
4	\$400,000	\$66	\$48
4	\$500,000	\$69	\$50

* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Medical Payments Premiums

MEDICAL PAYMENTS - COVERAGE G			
Number of Families	Medical Payments Limit	Occupancy	
		Non-Owner	Owner
1	\$500	\$1	\$1
1	\$1,000	\$2	\$2
1	\$2,000	\$3	\$4
1	\$3,000	\$4	\$6
1	\$4,000	\$5	\$8
1	\$5,000	\$6	\$10
2	\$500	\$1	\$3
2	\$1,000	\$2	\$4
2	\$2,000	\$3	\$6
2	\$3,000	\$4	\$8
2	\$4,000	\$5	\$10
2	\$5,000	\$6	\$12
3	\$500	\$2	\$3
3	\$1,000	\$3	\$4
3	\$2,000	\$4	\$6
3	\$3,000	\$5	\$8
3	\$4,000	\$6	\$10
3	\$5,000	\$7	\$12
4	\$500	\$2	\$3
4	\$1,000	\$3	\$4
4	\$2,000	\$4	\$6
4	\$3,000	\$5	\$8
4	\$4,000	\$6	\$10
4	\$5,000	\$7	\$12

* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.

ARKANSAS DWELLING FIRE PROGRAM

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ARKANSAS DWELLING FIRE PROGRAM

7. MANDATORY COVERAGES (CON'T)

B. Special State Requirements

Endorsement **DP0103**, Special Provisions (All Forms), shall be attached to all Dwelling Policies.

8. DEDUCTIBLES

For available deductible amounts and options, refer to Credits and Charges Rule of this manual.

9. POLICY PERIOD/PAYMENT OPTION

A. The dwelling policy may be written for a period of:

1.

Twelve Month Policy Term			
Pay Plan Options	E-Pay Available	Service Charge	Billing Due Dates
Full Pay	Yes	N/A	Full payment due at inception of policy term.
Two Pay	Yes	N/A	50% due at inception with remaining due in 6 months
Four Pay	Yes	\$4 N/A- EFT	25% due at inception with remaining billed in 25% installments each 90 days
Monthly	Yes	\$4 N/A- EFT	1/12 th due at inception with remaining billed in installments every 30 days

2. The E-Pay Option will be available on full pay plans.

B. Electronic Funds Transfer ("E-Pay")

The insured has the option of choosing a date between the 1st and 28th of the month that they would like the deduction to take place on EFT billed policies. Using the effective date of the policy for the EFT effective date will ensure that the insured is current on installment payments. The insured will be notified by the company 14 days in advance of the initial amount of premium to be deducted, as well as any changes to that amount of one dollar (\$1.00) or more.

This option is available for new and existing business. Once State Auto receives the enrollment form, the insured's policy will be set up for the electronic funds transfer. This option is not available on premium financed or mortgagee billed policies.

ARKANSAS DWELLING FIRE PROGRAM

9. POLICY PERIOD/PAYMENT OPTION (CON'T)

C. Customers Can Pay:

- 1) **By Check** – Customers can mail in a check with the invoice billing stub.
- 2) **EFT** – Customers can have an automatic deduction taken from their bank account. Refer to item D.
- 3) Payments can be made any time of the day or night, seven days a week, by **credit** or **debit card** ((Visa or Master Card), or **automated check** (ACH payment), using either of these options:
 - a) **Pay on the Web** at www.stateauto.com – After selecting the option to “Pay Your Policy” customers can make a one-time payment without enrolling in the system or they can enroll in our “Pay Now” program where personal and payment type information is stored to facilitate and expedite future payments.
 - b) **Pay By Phone** using our automated service – just call 1-800-444-9950, extension 5118.

D. Timing Considerations—the number of installments will be determined by the number of months remaining in the policy term at the time the policy is set up. At renewal, the payment cycle will convert to the valid pay plan that was selected.

E. Service Charge - A \$20 non-sufficient fund fee will be charged.

F. If the policy is to be mortgagee bill, the policy must be paid in full.

10. INCIDENTAL OCCUPANCIES

One of the following incidental occupancies is permitted in a premises eligible for coverage under a dwelling policy if;

1. The policy provides insurance under Coverage A, B or C.
2. The incidental occupancy is operated by the insured who is the owner or a resident of the premises.
3. There are not more than two persons at work in the incidental occupancy.

A. Office, Schools or studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

B. Small service occupancies meaning occupancies primarily for service rather than sales for example, barber or beauty shop, tailor or dressmaker, telephone exchanges or shoe repair shops using handwork only.

Storage of merchandise is permitted if the value of the merchandise does not exceed \$10,000.

Note: Coverage on contents of incidental occupancies written in the same policy providing Insurance under Coverage A, B or C must be covered as a separate item.

Use endorsement **DP0420** - Permitted Incidental Occupancies

11. CANCELLATIONS OR REDUCTIONS

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

ARKANSAS DWELLING FIRE PROGRAM

12. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Program shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. When an existing Dwelling Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.
- D. The forms and endorsements in effect on the effective date of the revision are to be used with the revised premiums or rates except on existing policies when the limits of liability are increased.

13. MULTIPLE LOCATIONS

A dwelling policy may be issued to provide insurance at up to nine described location in the same state provided:

- A. The same DP form and deductible applies at each location;
- B. A separate policy declaration page will be issued for each location.

14. MULTIPLE POLICIES

Separate Dwelling policies may be issued by one or more companies to provide insurance under the same coverages at the same location to a maximum of 4.

Refer to Additional Rating Provisions for the Multiple Policies Procedure.

15. TRANSFER OR ASSIGNMENT

Subject to all rules of this manual, a Dwelling Policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

16. OTHER COVERAGES

For available coverages and perils other than provided by the DP forms, refer to the State Rules.

ARKANSAS DWELLING FIRE PROGRAM

...17. COVERAGE FOR CERTIFIED TERRORISM LOSS

A. The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for: 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

B. All insurers providing commercial property and casualty insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Dwelling Policy Program may be considered commercial exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:

1. 1 – 4 family rental dwellings owned for the business purpose of generating income for the property owner; or
2. Policies on which incidental business premium is more than 25% of total direct earned premium.

C. The following applies to those insurers offering Dwelling policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility. An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations or elsewhere in the policy.

D. There are no terrorism exclusions in the Dwelling Policy Program. The following endorsement specifies that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. Attach endorsement **Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement DP 05 38 and/or DL2489** (Applicable To Liability Only)

ARKANSAS DWELLING FIRE PROGRAM

18. CREDITS AND CHARGES TO THE BASIC PREMIUM

A. Townhouse or Row House - All Forms

Determine the total number of individual family units within a fire division. For example, a 2 family dwelling attached to a 1 family dwelling is considered 3 individual family units within a fire division if both dwellings are not separated by a fire wall. Four attached 2 family dwellings are considered 8 individual family units within a fire division if they are not separated by fire walls.

1. A dwelling policy may be issued for:
Coverage A when the dwelling contains 1, 2, 3 or 4 individual family units within a fire division.
Coverage C in a dwelling with 1 or more individual family units within a fire division.

Refer to the commercial lines manual for building coverage when it contains 5 or more individual family units within a fire division.

Premium No. of Individual Family Units	Use Cov A or C Base Premium for
1,2,3 or 4 5 or more (Contents only)	1,2,3 or 4 families 5 or more families

B. Superior Construction - All Forms

Refer to the construction definition page in this manual for details.

☞...Refer to Dwelling Fire, Rates and Relativities Document for superior construction factor.

C. Coverage C - Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates

Refer to Commercial Department for proper forms and rates.

D. Deductibles - All Forms

All dwelling policies are subject to a deductible that applies to loss from all perils covered, except liability endorsements, under the policy on an occurrence basis.

When a separate deductible amount applies to a certain peril such as Windstorm or Hail, also enter that deductible amount and peril on the dwelling application.

1. \$250 Deductible, this is the base deductible amount
2. Optional Deductibles -
\$100, \$500, \$1,000, \$2,500 or \$5,000 Deductibles

☞...3. Windstorm or Hail Deductibles

The following deductible options are available and apply to the perils of windstorm or hail: \$1,000, \$2,000 or \$5,000.

Refer to Dwelling Fire Rating Steps, Rates and Relativities document for all peril or optional windstorm or hail deductible factors used in premium development.
Attach Endorsement DF187.

ARKANSAS DWELLING FIRE PROGRAM

18. CREDITS AND CHARGES TO THE BASIC PREMIUM (CON'T)

E. Dwelling Under Construction - All Forms

1. Named Insured is the Intended Occupant

A builder (contractor) may be designated as an additional insured. Pro rata cancellation permitted upon completion of the dwelling.

Use endorsement **DP1143** - Dwelling Under Construction.

2. Named Insured is not the Intended Occupant

Dwellings in the course of construction may be insured using the Dwelling Under Construction Endorsement. Pro rata cancellation is permitted upon completion of the dwelling.

For other exposures, refer to the Commercial Lines Manual.

Use endorsement **DP1143** - Dwelling Under Construction.

3. Theft of Building Materials - Forms DP0002 and DP0003

Theft coverage for building materials, installed or not installed, for a one or two family dwelling, may be provided by attaching Theft of Building Materials Endorsement. The amount of coverage is \$2,000.

Use endorsement **FI-50** - Theft of Building Materials.

☛...Refer to Dwelling Fire Rating Steps, Rates and Relativities document for premium development.

F. Protective Devices - All Forms

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a premium credit - developed by applying the selected factors to the base policy premium.

Maximum policy credit allowed is 15%.

Use endorsement **DP0470** - Premises Alarm or Fire Protection System

☛...Refer to Dwelling Fire Rating Steps, Rates and Relativities document for premium development.

ARKANSAS DWELLING FIRE PROGRAM

18. CREDITS AND CHARGES TO THE BASIC PREMIUM (CON'T)

G. Loss Experience Rating

The Loss Experience Rating incorporates the number of losses with the length of time the insured has been with the Company. A loss experience surcharge will apply to all programs based on a rolling three (3) year experience period.

The loss experience surcharge will apply to all programs on a rolling three-year experience period. The surcharge only applies to losses for which any company has a paid and reserved amount in excess of \$500. The surcharge applies to all losses with the exception of catastrophe and weather related losses.

Apply the applicable percentage to the rate shown in the rate pages based on the number of losses the insured has had in the past three years.

☛...Refer to Dwelling Fire Rating Steps, Rates and Relativities document for premium development.

19. OPTIONAL COVERAGES

☛...A. Vandalism & Malicious Mischief - Form DP0001 Only

To provide vandalism & malicious mischief coverage.

Refer to V&MM Rating Steps in the Arkansas Dwelling Fire Rating Steps, Rates and relativities document.

B. Coverage B - Other Structures - All Forms

Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A amount. Use of this option reduces the Coverage A limit for the same loss under form DP 00 01. This limit is additional insurance under forms DP 00 02 and DP 00 03.

Coverage may be provided for specific structures as a specific item for an additional premium.

1. Other Structures written on the same policy with dwelling coverage - To determine the premium, use the same territory, protection class, and construction as the dwelling. ☛...Refer to **OTHER STRUCTURES RATING STEPS in the Dwelling Fire Rating Steps document for premium development.**
2. Other Structures written on a policy without the dwelling coverage - When the policy does not include the dwelling or the structures has permitted business occupancy, the rate shall be; the rate for a 1 family dwelling for the territory, protection class and construction applying to the structure. (Owner Occupied). ☛... See Rating Steps for Fire-Building in the Dwelling Fire Rating Steps document.
3. Structures Rented to Others for dwelling purposes shall be covered and rated as separate dwellings. (Tenant Occupied). ☛... See Rating Steps for Fire-Building in the Dwelling Fire Rating Steps Document.

ARKANSAS DWELLING FIRE PROGRAM

19. OPTIONAL COVERAGES (CON'T)

C. COVERAGE D - FAIR RENTAL VALUE and COVERAGE E – ADDITIONAL LIVING EXPENSE

1. Form DP 00 01

Coverage D – up to 20% of the Coverage A limit is available. Use of this option reduces the Coverage A limit for the same loss. The amount recoverable each month is limited to a fraction of the total rental value amount insured under the policy. This fraction is equal to one divided by the number of months the dwelling is rented per year.

☛...To increase coverage, refer FAIR RENTAL VALUE RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Coverage E – not automatically included in form.

☛...Coverage may be added. No more than 25% of the limit is recoverable in any one month. Refer to ADDITIONAL LIVING EXPENSE RATING STEPS in the Dwelling Fire Rating Steps document for premium development. Attach Endorsement **DP 0414** – Additional Living Expense.

☛...2. Form DP 00 02 or DP 00 03

Coverage D and E combined – up to 20% of the Coverage A limit is available for Coverage D and Coverage E combined as additional insured.

Coverage may be added. No more than 25% of the limit is recoverable in any one month. Refer to FAIR RENTAL VALUE RATING STEPS in the Dwelling Fire Rating Steps document for premium development. Attach Endorsement **DP 04 14** – Additional Living Expenses.

D. Improvements, Alterations & Additions - All Forms

Improvements, alterations and additions may be increased for a tenant or condominium unit owner. See Rate Table B.

For DP 00 01, use of the 10% of the Coverage C limit reduces that limit for the same loss. Forms DP 00 02 and DP 00 03 provide the 10% limit as additional insurance.

☛... Refer to BUILDING ADDITIONS, ALTERATIONS AND IMPROVEMENTS RATING STEPS in the Dwelling Fire Rating Steps document for premium development

Use Endorsement **DP0431** - Improvements, Alterations and Additions.

E. Merchandise In Storage - All Forms

Coverage for merchandise in storage may be added up to a maximum limit of \$10,000.

To develop the premium:

☛...1. Refer to MERCAHNDISE IN STORAGE RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Use Endorsement **DP0420** - Permitted Incidental Occupancy

ARKANSAS DWELLING FIRE PROGRAM

19. OPTIONAL COVERAGES (CON'T)

...F. Trees Shrubs and Other Plants

1. Form DP0001-
Coverage for trees, shrubs and other plants is not automatically provided in this form. When Extended Coverage is provided, coverage for trees, shrubs and other plants is also available (including coverage for windstorm or hail) for an additional premium. Coverage is limited to a \$500 per item maximum.

For premium computation:

Refer to TREES, SHRUBS AND OTHER PLANTS RATING STEPS in the Dwelling Fire Rating Steps document for premium development

Use Endorsement **DP0417** - Plants, Shrubs and Trees

2. Form DP0002 & DP0003 -
Up to 5% of the Coverage A limit is available in the basic form (subject to a \$500 per item maximum) for all perils except Windstorm or Hail.
Coverage for Windstorm or Hail is available up to 5% of the Coverage A limit (subject to a \$500 per item maximum) for an additional premium.

...Refer to **TREES, SHRUBS AND OTHER PLANTS – WINDSTORM OR HAIL COVERAGE RATING STEPS** in the Dwelling Fire Rating Steps document for premium development.

Use Endorsement **DP 04 18** – Windstorm or Hail Broad Form and Special Form.

...G. Earthquake -- All Forms

When earthquake is provided, coverage shall apply for the coverages and limits that apply to the peril of fire.

Coverage can only be added at policy inception or renewal date.

A deductible equal to 5% of limit of liability subject to an overall minimum of \$250 is available. In addition, we offer higher deductible options of 10%, 15%, 20% and 25%.

The premium is fully earned upon adding coverage to the policy.

...Refer to **EARTHQUAKE COVERAGE RATING STEPS** in the Dwelling Fire Rating Steps document for premium development.

Territory 1 - Baxter, Clay, Craighead, Crittendon, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp.

Territory 2 - Remainder of State

Use Endorsement **DF0469** - Earthquake

Use Endorsement **FI-163** - Earthquake Coverage Amendment (all construction types).

ARKANSAS DWELLING FIRE PROGRAM

19. OPTIONAL COVERAGES (CON'T)

H. Windstorm or Hail - Awnings, Signs, Outdoor Radio and Television Equipment - All Forms

Windstorm or Hail is not provided for:

- Awnings, Signs and Outdoor Radio & Television equipment in Forms DP0001 or DP0002.
- Outdoor Radio & Television Equipment in Form DP0003.

☛...Refer to WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS AND OUTDOOR RADIO AND T.V. EQUIPMENT – RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Use Endorsement **DP0419** – Windstorm or Hail, Radio and Televisions Antennas, Awnings, Canopies and Signs

I. Condition Charges - All forms

Apply when building or addition has metal stovepipes, plain tile, terra cotta, brick-on-edge, concrete, or concrete block flue less than 4 inches in thickness, through combustible floors, ceilings, partitions, windows, roof, or side of building.

Please refer to CONDITION CHARGES RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Note: No change should be made for type "B" vent pipes from domestic appliances using artificial or natural gas or for flues or vent pipes described above from domestic type gas burning appliances with approved down-draft diverters.

Note: A type "B" vent is one listed by Underwriters' Laboratories as approved with domestic type appliances.

☛...J. ORDINANCE OR LAW COVERAGE - DP0001, 2 or 3

DP 00 01 – Coverage is not automatically included in this form but may be added by endorsement. For a described location which includes Coverage A,

☛...Refer to ORDINANCE OR LAW COVERAGE RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Use Endorsement **DP 04 74** – Ordinance or Law Coverage (DP 00 01 only)

DP0002 and DP0003 – A limited amount of coverage is automatically included at each described location to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. This amount is equal to 10% of the limit of liability that applies to:

1. Coverage A or Unit-Owners Building items if the insured is an owner of a described location; or
2. Coverage B if the insured is an owner of a described location which is not insured for Coverage A or Unit-Owner Building Items; or
3. Improvements, Alterations and Additions if the insured is a tenant of a described location.

The amount under 1. above may be increased by endorsement.

☛...Refer to ORDINANCE OR LAW COVERAGE RATING STEPS in the Dwelling Fire Rating Steps document for premium development.

Use Endorsement **DP 04 71** - Ordinance or Law – Increased Amount of Coverage.

ARKANSAS DWELLING FIRE PROGRAM

19. OPTIONAL COVERAGES (CON'T)

L. BUILDING ITEMS CONDO UNIT-OWNER – DP0001, DP0002 or DP0003

Named Perils is available for an additional premium.

1. Unit-Owners Coverage Including Standard Other Insurance and Service Agreement Condition

Building items are not covered in the forms and Named Perils or Special Coverage is available for an additional premium. Refer to Building Items Condo Unit-Owner Rating Steps for applicable rates.

Use Endorsement **DP 17 66** – Unit-Owners Coverage

2. Unit-Owners Coverage Including Modified Other Insurance and Service Agreement Condition

Unit-Owners Coverage Endorsement, DP 17 66, provides that if there is other insurance in the name of a corporation or association of property owners covering the same property, payment for a covered loss will be excess over the amount recoverable. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit-owner under DP 17 66.

- a. The policy may be endorsed to modify the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.

Refer to Building Items Condo Unit-Owner Rating Steps for applicable rates.

Use Endorsement **DP 17 71** – Unit-Owners Coverage – Modified Other Insurance and Service Agreement Condition

20. LIABILITY COVERAGES

Minimum limits for liability and medical payments are \$50,000 Coverage E and \$500 Coverage F. Refer to RATE DOCUMENT FOR AVAILABLE LIMITS, RATES AND RATINGS STEPS.

A. Premises Liability -

Use only when the dwellings covered on the policy are non-owner occupied.

PREMISE LIABILITY – NON OWNER OCCUPIED – Use only when a non-owner occupied dwelling is written on the same policy with the owner occupied dwelling.

B. Personal Liability - Owner Occupied

Use only when owner occupied dwelling is written on the policy.

Use Endorsement **DL2401** - Personal Liability

D. Mandatory Endorsements

When Personal Liability Endorsement **DL2401** is attached, the following mandatory endorsement will also be attached:

DL2416 – Amendatory Endorsement – No Coverage for Home Day Care Business

DL 2489 – Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act

DL2503 - Special Provisions - Arkansas

ARKANSAS DWELLING FIRE PROGRAM

20. LIABILITY COVERAGES (CON'T)

E. Optional Endorsements

These options apply to the Personal Liability Endorsement only:

1. Non-Relative Occupant of Resident Premises - Coverage may be extended to cover additional insureds, but only with respect to the insured location. Any additional insured is a person or organization with interest in the insured location or a joint owner who does not occupy the insured location. No additional charge is required.

Use Endorsement DL2410 – Additional Insured.

2. Child or Parent Occupant of Additional Residences: When a child or parent is the occupant of an additional residence on the policy, you may extend liability coverage. The premium will be the rates that apply for an owner occupant of the dwelling.

Use Endorsement DL2410 – Additional Insured

3. Additional Insured – Non-Owner Occupant: An additional insured is a person or organization with interest in the insured location or a joint owner who does not occupy the insured location. No additional charge is required.

Use Endorsement **DL2410** - Additional Insured Residence Premises

21. ADDITIONAL RATING PROVISIONS

A. Minimum Premium

1. Prepaid policies: A minimum of not less than \$50 must be charged for each policy.
2. The \$50 minimum premium may include all chargeable endorsements or coverages for Fire and Allied Lines if attached at inception of the policy. When such endorsement or coverages are attached after inception of the policy, the charge for each shall apply in accordance with the minimum premium rule for the endorsement.

B. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation the return premium may be carried to the next higher whole dollar.

ARKANSAS DWELLING FIRE PROGRAM

21. ADDITIONAL RATING PROVISIONS (CON'T)

C. Interpolation

If the desired limit of liability is less than the highest limit shown, interpolate Key Factors shown for the nearest limit above and below the desired limit.

For example, for a policy with \$25,500 limit of liability, the nearest limits are \$25,000 and \$26,000.

STEPS	PROCEDURE	EXAMPLE		
1.	Find the Key Factors for the limits noted above.	Limits	Factor	
		\$26,000	1.33	- higher limit
		\$25,000	1.30	- smaller limit
2.	Subtract the small limit from the desired limit. This is the additional amount	\$25,500		- desired limit
		-25,000		- smaller limit
		\$ 500		- additional limit
3.	Subtract the smaller limit from the higher limit. This is the amount difference.	\$26,000		- higher limit
		-25,000		- higher limit
		\$ 1,000		- amount differ.
4.	Subtract the Key Factor for the smaller limit from the Key Factor for the higher limit. This is the Factor difference.		1.33	- higher limit factor
			1.30	- smaller limit factor
			.03	- Factor Difference
5.	Determine the Factor for the additional amount by the following formula: add'l amt X Factor Diff. = Factor amt. diff. for add'l amt	\$1,000	\$500 x .03 = 0.15 (02) Key Factor for add'l amt.	
6.	Add the Factor for the add'l amount to the Factor for the smaller limit to obtain the Key Factor for the desired limit.		1.30	- smaller limit factor
			+.02	- add'l amt factor
			1.32	- Key factor for desired limit

ARKANSAS DWELLING FIRE PROGRAM

21. ADDITIONAL RATING PROVISIONS (CON'T)

D. Coverage Limits Greater Than \$50,000

If the desired limit of liability is greater than \$50,000, calculate the desired premium by using the Key Factors for the limits of \$50,000 and each additional \$10,000.

For example, for a policy with \$56,400 limit of liability, the calculations would be as follows:

STEPS	PROCEDURE	EXAMPLE	
1.	Find the Key Factors for the highest limit and for each add'l \$10,000 limit.	Limits \$50,000 ea. add'l. 10,000	Factor 1.490 0.16 - higher limit - ea. add'l. \$10,000
2.	Find the Key Premium for the desired form, # of family, construction, and protection class.	\$72	- Key Premium
3.	Subtract the highest limit from the desired limit. This is the add'l. amount.	\$56,400 <u>-50,000</u> \$ 6,400	- desired limit - highest limit - add'l. amount
4.	Multiply Key Premium X Key Factor for highest limit.	\$72 x 1.490 = \$107.28	prem. for \$50,000 of cov. - round to 2 decimals
5.	Multiply Key Premium X Ea. Add'l Key Factor.	\$72 x 0.16 = \$11.52	prem. for ea. add'l. \$10,000 round to 2 decimals.
6.	Multiply Add'l. Amt. X .001.	6,400 x .001 = .640	- factor for add'l \$10,000 of ins.
7.	Multiply prem. for ea. add'l. \$10,000 X factor for ea. add'l. \$10,000 of Ins.	\$11.52 x .640 = \$7.37	- Add'l. Prem.
8.	Premium for \$50,000 of Cov. + Add'l. Prem.	\$107.28 + \$7.37 = 114.65	- Total Premium. \$110 round to whole dollar.

ARKANSAS DWELLING FIRE PROGRAM

22. CONSTRUCTION DEFINITIONS

A. Frame

Exterior walls of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports.

Aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior wall of combustible construction veneered with brick or stone shall be classified as masonry.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roofs of combustible construction (Disregarding floors resting directly on the ground.)

D. Mixed (Masonry/Frame)

A dwelling with additions (other than open porches), sections, or exterior walls of frame construction shall be classed as frame construction when the wall area of frame construction exceeds 33 1/3% of the total wall area.

23. SUPERIOR CONSTRUCTION DEFINITIONS

A. Non-Combustible

Exterior walls and floors and roof constructed of and supported by metal, asbestos, gypsum, or other non-combustible materials.

B. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Masonry Construction) and floors and roof of metal or other non-combustible materials.

C. Fire Resistive

Dwelling with walls, floors and roof constructed entirely of masonry or other fire resistive materials with Fire Resistive rating of not less than one hour.

See Fire Resistive Rating Credits.

24. SEASONAL DWELLING DEFINITIONS

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

ARKANSAS DWELLING FIRE PROGRAM

25. SINGLE BUILDING DEFINITIONS

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

Buildings which are separated by space shall be considered separate buildings.

Buildings or sections of buildings which are separated by an 8 inch masonry party wall which pierces or rises to the underside of the roof and which pierces or extends to the inner side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

26. PROTECTION CLASS

The protection class listings in the Public Protection Classifications Manual apply to risks insured under Dwelling Fire Policies.

Protection Classification Codes

Protection Class

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8 and 8B
- 9
- 10

ARKANSAS DWELLING FIRE PROGRAM

27. TERRITORY DEFINITIONS

In the County of: Zone	Prop. Zone	Liab. Zone	In the County of: Zone	Prop. Zone	Liab. Zone
Arkansas	33	33	Lee	33	33
Ashley	33	33	Lincoln	33	33
Baxter	33	33	Little River	33	33
Benton	33	33	Logan	33	33
Boone	33	33	Lonoke	33	33
Bradley	33	33	Madison	33	33
Calhoun	33	33	Marion	33	33
Carroll	33	33	Miller	33	33
Chicot	33	33	Mississippi	33	33
Clark	33	33	Monroe	33	33
Clay	33	33	Montgomery	33	33
Cleburne	33	33	Nevada	33	33
Cleveland	33	33	Newton	33	33
Columbia	33	33	Quachita	33	33
Conway	33	33	Perry	33	33
Craighead	33	33	Phillips	33	33
Crawford	33	33	Pike	33	33
Crittendon	33	33	Poinsett	33	33
Cross	33	33	Polk	33	33
Dallas	33	33	Pope	33	33
Desha	33	33	Prairie	33	33
Drew	33	33	Pulaski	31	33
Faulkner	33	33	- City of Little Rock	30	33
Franklin	33	33	- City of N. Little Rock	30	33
Fulton	33	33	Randolph	33	33
Garland	33	33	St. Francis	33	33
Grant	33	33	Saline	33	33
Greene	33	33	Scott	33	33
Hempstead	33	33	Searcy	33	33
Hot Spring	33	33	Sebastian	33	33
Howard	33	33	Sevier	33	33
Independence	33	33	Sharp	33	33
Izard	33	33	Stone	33	33
Jackson	33	33	Union	33	33
Jefferson	32	33	Van Buren	33	33
Johnson	33	33	Washington	33	33
Lafayette	33	33	White	33	33
Lawrence	33	33	Woodruff	33	33
			Yell	33	33

SERFF Tracking Number: STAT-125730500 State: Arkansas
 Filing Company: State Auto Property and Casualty Insurance State Tracking Number: EFT \$100
 Company Company
 Company Tracking Number: PC-DF-2008-263
 TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
 Product Name: Arkansas DF
 Project Name/Number: Rates and Rules eff 11-15-08/PC-DF-2008-263

Supporting Document Schedules

Satisfied -Name: Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
Review Status: Filed 08/06/2008

Comments:

Attachment:

FORM RF-1 Rate Filing Abstract.pdf

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey
Review Status: Filed 08/06/2008

Comments:

Attachments:

AR DF Survey Form.xls
AR DF Survey Form.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp
Review Status: Filed 08/06/2008

Comments:

Attachments:

AR Filing Notes 2008.pdf
 loss_cost_other_coverLC.ECA.pdf
 loss_cost_other_coverLC.ECC.pdf
 loss_cost_other_coverLC.FireA.pdf
 loss_cost_other_coverLC.FireC.pdf
 AR NAIC LCM ECA.pdf
 AR NAIC LCM ECC.pdf
 AR NAIC LCM FireA.pdf
 AR NAIC LCM FireC.pdf

Review Status:

SERFF Tracking Number: STAT-125730500 *State:* Arkansas
Filing Company: State Auto Property and Casualty Insurance *State Tracking Number:* EFT \$100
Company
Company Tracking Number: PC-DF-2008-263
TOI: 01.0 Property *Sub-TOI:* 01.0002 Personal Property (Fire and Allied
Lines)
Product Name: Arkansas DF
Project Name/Number: Rates and Rules eff 11-15-08/PC-DF-2008-263

Bypassed -Name: Uniform Transmittal Document- Filed 08/06/2008
Property & Casualty
Bypass Reason: N/A
Comments:

SERFF Tracking Number: STAT-125730500 State: Arkansas
Filing Company: State Auto Property and Casualty Insurance State Tracking Number: EFT \$100
Company
Company Tracking Number: PC-DF-2008-263
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied
Lines)
Product Name: Arkansas DF
Project Name/Number: Rates and Rules eff 11-15-08/PC-DF-2008-263

Review Status:

Satisfied -Name: Summary of Proposed Changes

Filed

08/06/2008

Comments:

Attachment:

AR DF RR Summary of Proposed Changes.pdf

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	PC-DF-2008-263
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	Insurance Services Office (ISO), DP-2008-RTRP1 (property) and DL-2008-RTRL1 (liability)
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Company Name		Company NAIC Number	
3.	A. State Auto Property & Casualty Insurance Company	B.	25127

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 01.0 Property	B.	01.0002 Personal Property (Fire and Allied Lines)

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				(H) Co. Current Loss Cost Multiplier
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	
Dwelling Fire—Cov. A	14.2%	-0.2%	52.8%	0.8211	1.555	N/A	not available
Dwelling Fire—Cov. C	11.3%	0.6%	52.8%	0.867	1.642	N/A	not available
Dwelling Extended Coverage A	32.5%	26.6%	50.7%	0.969	1.911	N/A	not available
Dwelling Extended Coverage C	31.6%	31.6%	50.7%	0.969	1.911	N/A	not available
							Note: last base rate change was 1998
TOTAL OVERALL EFFECT	22.3%	11.4%					

Year	5 Year History		Rate Change History				
	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	not available	0.0%	10/01/03	326	87	26.7%	86.3%
2004	1067	0.0%	11/15/04	393	199	50.7%	73.0%
2005	1198	0.0%	11/15/05	475	194	40.8%	76.5%
2006	1215	0.0%	11/15/06	522	363	69.6%	70.9%
2007	1286	0.0%	12/17/07	560	81	14.6%	75.5%

7. Note—varies by coverage	
Expense Constants	Selected Provisions
A. Total Production Expense	28.1-28.3%
B. General Expense	9.1%-9.7%
C. Taxes, License & Fees	3.1%
D. Underwriting Profit & Contingencies	6.1%-9.0%
E. Other (explain)	
F. TOTAL	47.2-49.3%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 15% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): all
10. -21.6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 33

NAIC Number: 25127
 Company Name: State Auto Property & Casualty Insurance Company
 Contact Person: Jon Eshelman
 Telephone No.: 800-444-9950
 Email Address: jon.eshelman@stateauto.com
 Effective Date: 11/15/2008

**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		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Please note that the following assumptions have also been made for the purposes of these premium calculations: Coverage C (personal property) limit of liability = \$5,000, non-owner occupied, 1 family, non-seasonal dwelling.

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	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00	\$388.00	\$451.00
	\$120,000	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00	\$518.00	\$600.00
	\$160,000	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00	\$647.00	\$748.00
6	\$80,000	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00	\$434.00	\$494.00
	\$120,000	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00	\$578.00	\$655.00
	\$160,000	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00	\$722.00	\$816.00
9	\$80,000	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00	\$628.00	\$854.00
	\$120,000	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00	\$830.00	\$1,125.00
	\$160,000	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00	\$1,032.00	\$1,396.00

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

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

Zone Brick Frame

State Auto Property & Casualty Insurance Company
NAIC #25127
Adopting ISO Loss Cost

Notes on Loss Cost Modifications:

Dwelling Fire--Buildings

Calculation of Company Loss Cost Multiplier

3. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing with the following modification.

State Auto gives a 2% smoke detector credit which ISO does not account for. In addition, we are applying a loss cost modifier of 0.805 in order to mitigate customer impact. Our total modification, then, is $1.020 \times 0.805 = 0.8211$.

Dwelling Fire--Contents

Calculation of Company Loss Cost Multiplier

3. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing with the following modification.

State Auto gives a 2% smoke detector credit which ISO does not account for. In addition, we are applying a loss cost modifier of 0.850 in order to mitigate customer impact. Our total modification, then, is $1.020 \times 0.850 = 0.867$.

Extended Coverage--Buildings

Calculation of Company Loss Cost Multiplier

3. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing with the following modification.

State Auto gives a 2% smoke detector credit which ISO does not account for. In addition, we are applying a loss cost modifier of 0.950 in order to mitigate customer impact. Our total modification, then, is $1.020 \times 0.950 = 0.969$.

State Auto Property & Casualty Insurance Company
NAIC #25127
Adopting ISO Loss Cost

Extended Coverage--Contents

Calculation of Company Loss Cost Multiplier

3. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing with the following modification.

State Auto gives a 2% smoke detector credit which ISO does not account for. In addition, we are applying a loss cost modifier of 0.950 in order to mitigate customer impact. Our total modification, then, is $1.020 * 0.950 = 0.969$.

Date: July 10, 2008

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Department Use

**OTHER THAN WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS

1. INSURER NAME State Auto Property & Casualty Company
ADDRESS 518 E. Broad Street
Columbus, OH 43215
2. PERSON RESPONSIBLE FOR FILING Doug Griffith
TITLE Supervisor, State Filings TELEPHONE # (614)464-5000
3. INSURER NAIC # 25127
4. LINE OF INSURANCE Dwelling Extended Coverage -- Buildings
5. ADVISORY ORGANIZATION Insurance Services Office (ISO)
6. PROPOSED RATE LEVEL CHANGE 26.6 % EFFECTIVE DATE 11-15-08
7. PRIOR RATE LEVEL CHANGE 0.0% % EFFECTIVE DATE 12-17-07
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

Date: July 10, 2008

Space Reserved for Insurance
Department Use

**OTHER THAN WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS

1. INSURER NAME State Auto Property & Casualty Company
ADDRESS 518 E. Broad Street
Columbus, OH 43215
2. PERSON RESPONSIBLE FOR FILING Doug Griffith
TITLE Supervisor, State Filings TELEPHONE # (614)464-5000
3. INSURER NAIC # 25127
4. LINE OF INSURANCE Dwelling Extended Coverage -- Contents
5. ADVISORY ORGANIZATION Insurance Services Office (ISO)
6. PROPOSED RATE LEVEL CHANGE 31.6 % EFFECTIVE DATE 11-15-08
7. PRIOR RATE LEVEL CHANGE 0.0% % EFFECTIVE DATE 12-17-07
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

Date: July 10, 2008

Space Reserved for Insurance
Department Use

**OTHER THAN WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS

1. INSURER NAME State Auto Property & Casualty Company
ADDRESS 518 E. Broad Street
Columbus, OH 43215
2. PERSON RESPONSIBLE FOR FILING Doug Griffith
TITLE Supervisor, State Filings TELEPHONE # (614)464-5000
3. INSURER NAIC # 25127
4. LINE OF INSURANCE Dwelling Fire -- Buildings
5. ADVISORY ORGANIZATION Insurance Services Office (ISO)
6. PROPOSED RATE LEVEL CHANGE -0.2 % EFFECTIVE DATE 11-15-08
7. PRIOR RATE LEVEL CHANGE 0.0% % EFFECTIVE DATE 12-17-07
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

Date: July 10, 2008

Space Reserved for Insurance
Department Use

**OTHER THAN WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS

1. INSURER NAME State Auto Property & Casualty Company
ADDRESS 518 E. Broad Street
Columbus, OH 43215
2. PERSON RESPONSIBLE FOR FILING Doug Griffith
TITLE Supervisor, State Filings TELEPHONE # (614)464-5000
3. INSURER NAIC # 25127
4. LINE OF INSURANCE Dwelling Fire -- Contents
5. ADVISORY ORGANIZATION Insurance Services Office (ISO)
6. PROPOSED RATE LEVEL CHANGE 0.6 % EFFECTIVE DATE 11-15-08
7. PRIOR RATE LEVEL CHANGE 0.0% % EFFECTIVE DATE 12-17-07
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	PC-DF-2008-263
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	PC-DF-2008-270

(X) Loss Cost Reference Filing Insurance Services Office (ISO), DP-2008-RTRP1 () Independent Rate Filing
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization’s loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization’s prospective loss costs for this line of insurance. The insurer’s rates will be the combination of the advisory organization’s prospective loss costs and the insurer’s loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization’s prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Dwelling Extended Coverage A

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

() Without Modification (factor = 1.000)

(X) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) **See attached notes for explanation**

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) **0.969**

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH “EXPENSE CONSTANT SUPPLEMENT” OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.

		Selected Provisions	
A.	Total Production Expense	28.1	%
B.	General Expense	9.1	%
C.	Taxes, Licenses & Fee	3.1	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	9.0	%
E.	Other (explain)		%
F.	Total	49.3	%

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	50.7	%
	B.	B. ELR in Decimal Form =	.507	
6.		Company Formula Loss Cost Multiplier (3B/5B)	1.911	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.911	
8.		Rate Level Change for the coverage(s) to which this page applies	26.6	%

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	PC-DF-2008-263
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	PC-DF-2008-270

(X) Loss Cost Reference Filing Insurance Services Office (ISO), DP-2008-RTRP1 () Independent Rate Filing
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization’s loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization’s prospective loss costs for this line of insurance. The insurer’s rates will be the combination of the advisory organization’s prospective loss costs and the insurer’s loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization’s prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Dwelling Extended Coverage C

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

() Without Modification (factor = 1.000)

(X) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) **See attached notes for explanation**

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) **0.969**

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH “EXPENSE CONSTANT SUPPLEMENT” OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.

		Selected Provisions	
A.	Total Production Expense	28.1	%
B.	General Expense	9.1	%
C.	Taxes, Licenses & Fee	3.1	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	9.0	%
E.	Other (explain)		%
F.	Total	49.3	%

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	50.7	%
	B.	B. ELR in Decimal Form =	.507	
6.		Company Formula Loss Cost Multiplier (3B/5B)	1.911	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.911	
8.		Rate Level Change for the coverage(s) to which this page applies	31.6	%

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	PC-DF-2008-263
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	PC-DF-2008-270

(X) Loss Cost Reference Filing Insurance Services Office (ISO), DP-2008-RTRP1 () Independent Rate Filing
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization’s loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization’s prospective loss costs for this line of insurance. The insurer’s rates will be the combination of the advisory organization’s prospective loss costs and the insurer’s loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization’s prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Dwelling Fire Coverage A

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

() Without Modification (factor = 1.000)

(X) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) **See attached notes for explanation**

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) **0.8211**

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH “EXPENSE CONSTANT SUPPLEMENT” OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.

		Selected Provisions	
A.	Total Production Expense	28.3	%
B.	General Expense	9.7	%
C.	Taxes, Licenses & Fee	3.1	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	6.1	%
E.	Other (explain)		%
F.	Total	47.2	%

5.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	52.8	%
	B. ELR in Decimal Form =	.528	
6.	Company Formula Loss Cost Multiplier (3B/5B)	1.555	
7.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.555	
8.	Rate Level Change for the coverage(s) to which this page applies	-0.2	%

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	PC-DF-2008-263
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	PC-DF-2008-270

(X) Loss Cost Reference Filing Insurance Services Office (ISO), DP-2008-RTRP1 () Independent Rate Filing
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization’s loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization’s prospective loss costs for this line of insurance. The insurer’s rates will be the combination of the advisory organization’s prospective loss costs and the insurer’s loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization’s prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Dwelling Fire Coverage C

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

() Without Modification (factor = 1.000)

(X) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) **See attached notes for explanation**

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) **0.867**

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH “EXPENSE CONSTANT SUPPLEMENT” OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.

		Selected Provisions	
A.	Total Production Expense	28.3	%
B.	General Expense	9.7	%
C.	Taxes, Licenses & Fee	3.1	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	6.1	%
E.	Other (explain)		%
F.	Total	47.2	%

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	52.8	%
	B.	B. ELR in Decimal Form =	.528	
6.		Company Formula Loss Cost Multiplier (3B/5B)	1.642	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.642	
8.		Rate Level Change for the coverage(s) to which this page applies	0.6	%

Summary of Proposed Changes
Arkansas - Dwelling Fire Program
State Auto Property & Casualty Insurance Company
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1. Capping:

To limit policyholder impacts, we will apply a 15% cap on the annual premium change for each insured dwelling, assuming there are no exposure or coverage level changes.

2. Base Rates:

We are revising our base rates for Fire Coverage A and C and Extended Coverage A and C. Please refer to the attached exhibits for details. The overall impact of the key premium changes, which include the base rate changes and the Protection/Construction relativity changes in item 3 below, is +7.2%.

3. Protection/Construction Relativities:

We are revising our protection/construction relativities to move toward the ISO recommended protection/construction relativities. The overall impact of the key premium changes, which include the base rate changes in item 2 above and the Protection/Construction relativity changes, is +7.2%.

4. Building Items Condo Unit-Owner:

Effective with this change the rates for this coverage will be based on Table B rates versus Table A rates. The impact of this change is negligible.

5. Deductible Factors:

We are revising our deductible factors in order to adopt ISO's all peril deductibles. The overall impact of this change is +4.7%.

Fire		
Deductible Amount	Current	Proposed
\$100	1.11	1.05
\$250	1.00	1.00
\$500	0.89	0.97
\$1,000	0.80	0.95
\$2,500	0.69	0.88
\$5,000	0.58	0.76
Extended Coverage		
Deductible Amount	Current	Proposed
\$100	1.11	1.10
\$250	1.00	1.00
\$500	0.89	0.91
\$1,000	0.80	0.76
\$2,500	0.69	0.50
\$5,000	0.58	0.35

6. Plants, Shrubs and Trees:

We are revising our rates for Windstorm or Hail Coverage for Plants, Shrubs and Trees from \$45 to \$55. The overall impact of this change is negligible.

Summary of Proposed Changes
Arkansas - Dwelling Fire Program
State Auto Property & Casualty Insurance Company
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7. Windstorm or Hail Deductibles:

We are introducing the following Windstorm or Hail Deductible options. These will only apply to Extended Coverage premium.

Coverage A, B, C, D, Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts		
	\$1,000	\$2,000	\$5,000
\$100	0.95	0.87	0.83
\$250	0.89	0.81	0.77
\$500	0.84	0.76	0.72
\$1000	N/A	0.68	0.64
\$2,500	N/A	N/A	0.49

8. Vandalism & Malicious Mischief – DP 00 01:

We are revising our rates for Vandalism and Malicious Mischief as seen in the table below. The overall impact of this change is negligible.

Vandalism & Malicious Mischief—Form DP0001 Only				
Note: V & MM is included in the DP0002 and DP0003 rates. To add V & MM coverage for DP-1 use the following rates per \$1000.				
	Seasonal and Not Vacant	Vacant	Builders Risk	All Other
Current Rates	\$0.54	\$8.82	\$0.11	\$0.11
Proposed Rates	\$0.57	\$9.19	\$0.12	\$0.12

9. Earthquake:

We are revising our Earthquake rates in order to move closer to ISO as seen in the table below. All earthquake coverage is currently written with a deductible of 5% of the limit of liability that applies to the peril of fire. We will begin offering additional deductibles of 10%, 15%, 20% and 25%. Please see Rate Document page 20 for details. The overall impact of this change is negligible.

Earthquake Rates per \$1,000--Base Deductible 5%				
Construction	Current Rates		Proposed Rates	
	Territory 1	Territory 2	Territory 1	Territory 2
Masonry	\$0.54	\$0.41	\$1.46	\$0.92
Frame	\$0.41	\$0.27	\$0.68	\$0.37
Superior	N/A	N/A	\$0.68	\$0.34

Summary of Proposed Changes
Arkansas - Dwelling Fire Program
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10. Windstorm or Hail, Awnings, Signs, and Outdoor Radio and TV Equipment:

We are revising our rates for Windstorm or Hail, Awnings, Signs, and Outdoor Radio and TV Equipment from \$45 to \$55. The overall impact of this change is negligible.

11. Maximum number of multiple locations:

The number of locations has been increased from 4 to 9.

12. Payment plans:

We are making the following payment plan changes.

- We are adding a payment option chart with Full Pay, Monthly, Two Pay and Four Pay options for twelve month policy term.
- We are also converting the six month policies to annual twelve month policies.
- We are adding a timing considerations section.
- We are revising and expanding our Customers Can Pay options for clarification purposes.

13. Miscellaneous Rule Changes:

We are revising our manual as outlined in the following table:

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Removed premium wording and tables throughout manual and added wording to refer to the rate document.		
Table of Contents - Adjusted rules & page numbers. Revised to reflect changes in Manual.		
Policy Period/Payment Option, revised to include a twelve month policy term chart, also revised payment options. Revised Customers Can Pay options. Additions caused remaining rules to shift pages.	Rule 9, Page 5	Rule 9, Page 6
Multiple Locations, revised maximum number of locations from 4 to 9.	Rule 13, Page 7	Rule 13, Page 6
Six Month Term Policy Calculation, removed rule. Remaining rules renumbered.	N/A	Rule 17, Page 6
Coverage For Certified Terrorism Loss, revised wording for clarification purposes.	Rule 17, Page 8	Rule 18, Page 7
Credits and Charges to the Basic Premium, Deductibles, added new Windstorm or Hail Deductibles.	Rule 18D, Page 9	N/A
Optional Coverages, Trees, Shrubs and Other Plants, revised wording under DP0001 for clarification purposes.	Rule 19F, Page 13	Rule 20F, Page 11

Summary of Proposed Changes
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Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Optional Coverages, Earthquake, revised to include new deductible limits, also removed reference to volcanic eruption.	Rule 19G, Page 13	Rule 20G, Page 11
Liability Coverages, Optional Endorsements, revised wording for Non-Relative Occupant of Resident Premises for clarification.	Rule 20E, Page 16	Rule 21E, Page 15
Single Building Definitions, revised wording for clarification.	Rule 25, Page 20	Rule 26, Page 19
Territory Definitions, revised territory definitions.	Rule 27, Page T-1	Rule 27, Page T-1

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Base Premium Rating Steps

FIRE – BUILDING RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
Result #3 is the Fire Building Key Premium
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Dwelling Under Construction Factor
10. Result #9 X Deductible Factor
11. Result #10 X Employee Discount Factor
12. Result #11 X Loss Experience Rating Factor
13. Result #12 X ACV Wind/Hail Loss to Roof Factor
14. Result #13 X Premium Fire Tax Factor (AZ only)
15. Result #14 X Term Factor
Result #15 is the preliminary Fire Building Base Premium

16. Result #15 X Capping Factor (round down to nearest whole dollar)
Result #16 is the final Fire Building Base Premium

17. Result #15 X Protective Device Credit (negative %)
Result #17 is the preliminary Fire Building Protective Device credit amount

18. Result #17 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #18 is the final Fire Building Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Base Premium Rating Steps (continued)

FIRE – CONTENTS RATING STEPS

(round to whole dollar after each step)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
Result #3 is the Fire Contents Key Premium
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Deductible Factor
10. Result #9 X Employee Discount Factor
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X ACV Wind/Hail Loss to Roof Factor
13. Result #12 X Premium Fire Tax Factor (AZ only)
14. Result #13 X Term Factor
Result #14 is the preliminary Fire Contents Base Premium

15. Result #14 X Capping Factor (round down to nearest whole dollar)
Result #15 is the final Fire Contents Base Premium

16. Result #14 X Protective Device Credit (negative %)
Result #16 is the preliminary Fire Contents Protective Device credit amount

17. Result #16 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #17 is the final Fire Contents Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Base Premium Rating Steps (continued)

EXTENDED COVERAGE – BUILDING RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity
Result #1 is the Extended Coverage Building Key Premium
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Dwelling Under Construction Factor
7. Result #6 X Deductible Factor
8. Result #7 X Employee Discount Factor
9. Result #8 X Loss Experience Rating Factor
10. Result #9 X ACV Wind/Hail Loss to Roof Factor
11. Result #10 X Term Factor
Result #11 is the preliminary Extended Coverage Building Base Premium
12. Result #11 X Capping Factor (round down to nearest whole dollar)
Result #12 is the final Extended Coverage Building Base Premium
13. Result #11 X Protective Device Credit (negative %)
Result #13 is the preliminary Extended Coverage Building Protective Device credit amount
14. Result #13 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #14 is the final Extended Coverage Building Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Base Premium Rating Steps (continued)

EXTENDED COVERAGE – CONTENTS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity
Result #1 is the Extended Coverage Contents Key Premium
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Loss Experience Rating Factor
9. Result #8 X ACV Wind/Hail Loss to Roof Factor
10. Result #9 X Term Factor
Result #10 is the preliminary Extended Coverage Contents Base Premium
11. Result #10 X Capping Factor (round down to nearest whole dollar)
Result #11 is the final Extended Coverage Contents Base Premium
12. Result #10 X Protective Device Credit (negative %)
Result #12 is the preliminary Extended Coverage Contents Protective Device credit amount
13. Result #12 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #12 is the final Fire Extended Coverage Contents Protective Device credit amount

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Rate Tables A and B Rating Steps

RATE TABLE A PREMIUMS RATING STEPS

Use these steps for the following Endorsements or Coverage Options:

- Other Structures
- Fair Rental Value
- Additional Living Expense
- Plants, Shrubs, Trees (DP-1)

Fire Rating Steps

1. Fire Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table A rate per \$1,000 of coverage.

Extended Coverage Rating Steps

1. EC Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the EC Table A rate per \$1,000 of coverage.

RATE TABLE B PREMIUMS RATING STEPS

Use these steps for the following Endorsements or Coverage Options:

- Improvements, Alterations and Additions
- Merchandise in Storage
- Building Items Condo Unit-Owner

Fire Rating Steps

1. Fire Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table B rate per \$1,000 of coverage.

Extended Coverage Rating Steps (round to whole dollar after each step)

1. EC Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2
4. Result #3 is the EC Table B rate per \$1,000 of coverage.

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps

VANDALISM AND MALICIOUS MISCHIEF (V&MM) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

Use these steps to add V&MM Coverage to Form DP0001

1. V&MM Rate per \$1,000 X Coverage amount, in thousands
2. Result #1 X Deductible Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Loss Experience Rating Factor
5. Result #4 X Term Factor
Result #5 is the preliminary V&MM Premium
6. Result #5 X Capping Factor (round down to nearest whole dollar)
Result #6 is the final V&MM Premium
7. Result #5 X Protective Device Credit (negative %)
Result #7 is the preliminary V&MM Protective Device credit amount
8. Result #7 X Capping Factor (round down to nearest whole dollar)
(Rounding example: -\$7.45 rounds down to -\$8.00)
Result #8 is the final V&MM Protective Device credit amount

OTHER STRUCTURES RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Other Structures Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000
3. Result #2 X Fire Deductible Factor

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

4. Other Structures Coverage amount / 1,000
5. Result #4 X EC Table A rate per \$1,000
6. Result #5 X EC Deductible Factor

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 9.

7. Other Structures Coverage amount / 1,000
8. Result #7 X V&MM rate per \$1,000
9. Result #3 + Result #6 (if applicable) + Result #8 (if applicable)
10. Result #9 X Employee Discount Factor
11. Result #10 X Term Factor
Result #11 is the preliminary Other Structures premium
12. Result #11 X Capping Factor (round down to nearest whole dollar)
Result #12 is the final Other Structures premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

FAIR RENTAL VALUE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Fair Rental Value Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Fair Rental Value Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Fair Rental Value Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000
7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Fair Rental Value premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)

Result #10 is the final Fair Rental Value premium

ADDITIONAL LIVING EXPENSE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Additional Living Expense Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Additional Living Expense Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Additional Living Expense Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000
7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Additional Living Expense premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)

Result #10 is the final Additional Living Expense premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

IMPROVEMENTS, ALTERATIONS, & ADDITIONS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Building Additions, Alterations, & Improvements Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 & DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Building Additions, Alterations, & Improvements Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Building Additions, Alterations, & Improvements Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Building Additions, Alterations, & Improvements premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Building Additions, Alterations, & Improvements premium*

MERCHANDISE IN STORAGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Merchandise In Storage Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Merchandise In Storage Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.
Otherwise, skip to step 7.

5. Merchandise In Storage Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Merchandise In Storage premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
- Result #10 is the final Merchandise In Storage premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

PLANTS, SHRUBS, AND TREES RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Plants, Shrubs, and Trees Coverage amount / 1,000

To add Plants, Shrubs, and Trees to form DP0001 only, follow the steps below. For adding windstorm or hail coverage (all forms), see step 5.

2. Result #1 X Fire Table A rate per \$1,000
3. Result #1 X EC Table A rate per \$1,000.
4. Result #2 + Result #3
5. Result #1 X Plants, Shrubs, and Trees -- Windstorm or Hail rate per \$1,000

If Vandalism & Malicious Mischief applies, follow the step below.
Otherwise, skip to step 7.

6. Result #1 X V&MM rate per \$1,000
7. Result #4 (DP0001 only) + Result #5 + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor
Result #9 is the preliminary Plants, Shrubs, and Trees premium
10. Result #9 X Capping Factor (round down to nearest whole dollar)
Result #10 is the final Plants, Shrubs, and Trees premium

EARTHQUAKE COVERAGE RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Coverage A amount / 1,000
2. Result #1 X Earthquake Coverage rate per \$1,000
3. Coverage C amount / 1,000
4. Result #3 X Earthquake Coverage rate per \$1,000
5. Result #2 + Result #4
6. Result #5 X Earthquake Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Term Factor
Result #8 is the preliminary Earthquake Coverage premium
9. Result #8 X Capping Factor (round down to nearest whole dollar)
Result #9 is the final Earthquake Coverage premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

**WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS, AND OUTDOOR RADIO
AND TV EQUIPMENT RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment Coverage amount / 1,000
2. Result #1 X Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment rate per \$1,000
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor
Result #4 is the preliminary Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium
5. Result #4 X Capping Factor (round down to nearest whole dollar)
Result #5 is the final Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium

CONDITION CHARGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

Use these steps when condition charges apply. The steps should be applied separately to the coverage amounts for Coverage A, Coverage C, and Other Structures

1. Condition Charge Rate per \$1,000* X Coverage amount, in thousands
2. Result #2 X Employee Discount Factor
3. Result #3 X Term Factor
Result #3 is the preliminary Condition Charge
4. Result #3 X Capping Factor (round down to nearest whole dollar)
Result #5 is the final Condition Charge

* Condition Charge is determined by adding the charge for each condition that exists at the insured location. If the total charge exceeds \$5.00 per \$1,000, or there is a range of rates provided for a condition that exists, please contact your underwriter to determine acceptance and premium for this risk.

ORDINANCE OR LAW COVERAGE RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Preliminary Fire Building Base Premium + Preliminary Extended Coverage Building Base Premium
2. Result #1 X Ordinance or Law percent charge
Result #2 is the preliminary Ordinance or Law premium
3. Result #2 X Capping Factor (round down to nearest whole dollar)
Result #3 is the final Ordinance or Law premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

BUILDING ITEMS CONDO UNIT-OWNER – STANDARD – DP 17 66 RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Building Items Condo Unit Owner Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

3. Building Items Condo Unit Owner Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Building Items Condo Unit Owner Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X Employee Discount Factor
9. Result #8 X Term Factor

Result #9 is the preliminary Building Items Condo Unit Owner Standard – DP 17 66 premium

10. Result #9 X Capping Factor (round down to nearest whole dollar)
Result #10 is the final Building Items Condo Unit Owner Standard – DP 17 66 premium

BUILDING ITEMS CONDO UNIT OWNER – MODIFIED – DP 17 71 RATING STEPS
(round to whole dollar after each step, unless otherwise noted)

1. Building Items Condo Unit Owner Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

3. Building Items Condo Unit Owner Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 7.

5. Building Items Condo Unit Owner Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000

7. Result #2 + Result #4 (if applicable) + Result #6 (if applicable)
8. Result #7 X 1.25
9. Result #8 X Employee Discount Factor
10. Result #9 X Term Factor

Result #10 is the preliminary Building Items Condo Unit Owner Modified -- DP 17 71 premium

11. Result #10 X Capping Factor (round down to nearest whole dollar)
Result #11 is the final Building Items Condo Unit Owner Modified -- DP 17 71 premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Dwelling Fire Optional Coverages Rating Steps (continued)

THEFT OF BUILDING MATERIALS RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Theft of Building Materials annual premium for amount of coverage selected
2. Result #1 X Employee Discount Factor
3. Result #2 X Term Factor

Result #3 is the preliminary Theft of Building Materials premium

4. Result #3 X Capping Factor (round down to nearest whole dollar)

Result #4 is the final Theft of Building Materials premium

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
EFFECTIVE 11-15-08

Dwelling Fire Liability Rating Steps

PREMISES LIABILITY (a.k.a. LANDLORDS LIABILITY) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Premises (Non-Owner Occupied) Liability Premium + Premises (Non-Owner Occupied) Medical Payment Premium
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

Result #4 is the preliminary Premises Liability premium

5. Result #4 X Capping Factor (round down to nearest whole dollar)

Result #5 is the final Premises Liability premium

PERSONAL LIABILITY (a.k.a. COMPREHENSIVE PERSONAL LIABILITY) RATING STEPS

(round to whole dollar after each step, unless otherwise noted)

1. Personal (Owner Occupied) Liability Premium + Personal (Owner Occupied) Medical Payment Premium
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

Result #4 is the preliminary Personal Liability premium

5. Result #4 X Capping Factor (round down to nearest whole dollar)

Result #5 is the final Personal Liability premium

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Fire

Forms DP-1, DP-2, and DP-3

Base Class Rates		
Fire Coverage A and C		
	Coverage	
Territory	A	C
30	95	27
31	95	27
32	95	27
33	95	27

Protection Construction Relativities			
Fire Coverage A and C			
		Coverage	
Construction	PC	A	C
Frame	1	0.98	0.98
Frame	2	0.98	0.98
Frame	3	0.99	0.99
Frame	4	1.00	0.99
Frame	5	1.07	1.00
Frame	6	1.17	1.09
Frame	7	1.57	1.31
Frame	8	1.87	1.50
Frame	8B	2.56	1.91
Frame	9	2.66	2.01
Frame	10	3.46	2.55
Masonry	1	0.73	0.73
Masonry	2	0.73	0.73
Masonry	3	0.74	0.74
Masonry	4	0.75	0.74
Masonry	5	0.82	0.77
Masonry	6	0.94	0.83
Masonry	7	1.24	1.00
Masonry	8	1.43	1.10
Masonry	8B	1.66	1.32
Masonry	9	1.73	1.39
Masonry	10	2.32	1.78

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Fire

Forms DP-1, DP-2, and DP-3

Coverage	Owner/Non-Owner Relativities	
	Non-Owner	Owner
A	1.25	1.00
C	1.00	1.00

Number of Families	Coverage	
	A	C
1	1.00	1.00
2	1.10	1.00
3	1.60	1.30
4	1.60	1.30
5 or more	N/A	1.30

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Extended Coverage
Forms DP-1, DP-2, and DP-3

Base Class Rates		
EC Coverage A and C		
	Coverage	
Territory	A	C
30	60	5
31	60	5
32	60	5
33	60	5

Extended Coverage Form Relativities				
Seasonal or		Policy Form		
Non-Seasonal	Coverage	DP-1	DP-2	DP-3
NonSeasonal	A	1.00	1.50	1.80
	C	1.00	2.30	2.30
Seasonal	A	1.00	1.75	2.10
	C	1.00	2.75	2.75

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Key Factors										
Limit of Liability	Fire		EC		Limit of Liability	Fire		EC		
	Cov. A	Cov. C	Cov. A	Cov. C		Cov. A	Cov. C	Cov. A	Cov. C	
\$1,000	0.310	0.350	0.566	0.170	\$36,000	1.261	4.900	1.365	6.040	
\$2,000	0.346	0.480	0.588	0.330	\$37,000	1.278	5.030	1.388	6.210	
\$3,000	0.382	0.610	0.611	0.500	\$38,000	1.294	5.160	1.411	6.380	
\$4,000	0.419	0.740	0.634	0.670	\$39,000	1.311	5.290	1.434	6.550	
\$5,000	0.455	0.870	0.657	0.830	\$40,000	1.327	5.420	1.456	6.720	
\$6,000	0.491	1.000	0.680	1.000	\$41,000	1.343	5.550	1.479	6.890	
\$7,000	0.528	1.130	0.703	1.170	\$42,000	1.359	5.680	1.502	7.060	
\$8,000	0.564	1.260	0.726	1.340	\$43,000	1.376	5.810	1.525	7.230	
\$9,000	0.600	1.390	0.749	1.500	\$44,000	1.392	5.940	1.547	7.400	
\$10,000	0.637	1.520	0.771	1.670	\$45,000	1.409	6.070	1.570	7.570	
\$11,000	0.673	1.650	0.794	1.840	\$46,000	1.425	6.200	1.593	7.740	
\$12,000	0.709	1.780	0.817	2.000	\$47,000	1.441	6.330	1.616	7.910	
\$13,000	0.746	1.910	0.840	2.170	\$48,000	1.457	6.460	1.639	8.080	
\$14,000	0.782	2.040	0.862	2.330	\$49,000	1.474	6.590	1.662	8.250	
\$15,000	0.818	2.170	0.885	2.500	\$50,000	1.490	6.720	1.685	8.420	
\$16,000	0.855	2.300	0.908	2.670	\$55,000	1.570	7.370	1.800	9.270	
\$17,000	0.891	2.430	0.931	2.840	\$60,000	1.650	8.020	1.915	10.120	
\$18,000	0.927	2.560	0.953	3.000	\$65,000	1.730	8.670	2.030	10.970	
\$19,000	0.964	2.690	0.977	3.170	\$70,000	1.810	9.320	2.145	11.820	
\$20,000	1.000	2.820	1.000	3.340	\$75,000	1.890	9.970	2.260	12.670	
\$21,000	1.017	2.950	1.023	3.510	\$80,000	1.970	10.620	2.375	13.520	
\$22,000	1.033	3.080	1.046	3.670	\$85,000	2.050	11.270	2.490	14.370	
\$23,000	1.049	3.210	1.069	3.840	\$90,000	2.130	11.920	2.605	15.220	
\$24,000	1.065	3.340	1.091	4.000	\$95,000	2.210	12.570	2.720	16.070	
\$25,000	1.082	3.470	1.114	4.170	\$100,000	2.290	13.220	2.835	16.920	
\$26,000	1.098	3.600	1.137	4.340	\$105,000	2.370	13.870	2.950	17.770	
\$27,000	1.115	3.730	1.160	4.510	\$110,000	2.450	14.520	3.065	18.620	
\$28,000	1.131	3.860	1.182	4.680	\$115,000	2.530	15.170	3.180	19.470	
\$29,000	1.147	3.990	1.205	4.850	\$120,000	2.610	15.820	3.295	20.320	
\$30,000	1.163	4.120	1.228	5.020	\$125,000	2.690	16.470	3.410	21.170	
\$31,000	1.180	4.250	1.251	5.190	\$130,000	2.770	17.120	3.525	22.020	
\$32,000	1.196	4.380	1.273	5.360	\$135,000	2.850	17.770	3.640	22.870	
\$33,000	1.213	4.510	1.297	5.530	\$140,000	2.930	18.420	3.755	23.720	
\$34,000	1.229	4.640	1.320	5.700	\$145,000	3.010	19.070	3.870	24.570	
\$35,000	1.245	4.770	1.343	5.870	\$150,000	3.090	19.720	3.985	25.420	
					Add'l 10k	0.160	1.300	0.230	1.700	

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Credits And Charges To The Basic Premium

Superior Construction Factor		
Fire Resistive, Masonry		
Non-Combustible, and		0.50
Non-Combustible		

Dwelling Under Construction Factor		
Named Insured is the Intended Occupant		0.65
Named Insured is not the Intended Occupant		0.65

Deductible Factors		
Deductible	Fire	Extended Coverage
\$100	1.05	1.10
\$250	1.00	1.00
\$500	0.97	0.91
\$1,000	0.95	0.76
\$2,500	0.88	0.50
\$5,000	0.76	0.35

Windstorm or Hail Deductible Factors			
Coverage A, B, C, D, Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts		
	\$1,000	\$2,000	\$5,000
\$100	0.95	0.87	0.83
\$250	0.89	0.81	0.77
\$500	0.84	0.76	0.72
\$1,000	--	0.68	0.64
\$2,500	--	--	0.49

Loss Experience Rating Factor		
Number of Losses	Surcharge	
	0-9 Years with State Auto	10 Plus Years with State Auto
1	+15%	0%
2 or more	+40%	+25%

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Optional Coverages

Vandalism And Malicious Mischief -- Form DP-1 Only			
Rates per \$1,000 of Coverage			
Seasonal & Not Vacant	Vacant	Builders Risk	All Other
\$0.57	\$9.19	\$0.12	\$0.12

Plants, Shrubs, and Trees -- Windstorm or Hail Coverage	
Rates per \$1,000	
DP-1	DP-2 or DP-3
\$55	\$55

Earthquake Coverage			
The following rates per \$1,000 shall apply:			
	Territory 1	Territory 2	
Masonry	\$1.46	\$0.92	
Frame	\$0.68	\$0.37	
Superior	\$0.68	\$0.34	
Earthquake Deductible Factors			
Deductible Percentage	Frame	Masonry	Superior
5%	1.00	1.00	1.00
10%	0.85	0.91	0.82
15%	0.71	0.83	0.65
20%	0.58	0.76	0.49
25%	0.46	0.70	0.34

Windstorm or Hail Coverage- Awnings, Signs, and Outdoor Radio and TV Equipment -- All Forms
Rate per \$1,000
\$55

Condition Charges
Rate per \$1,000
\$2.40

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES
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Optional Coverages

Ordinance Or Law Coverage		
DP-1		
Percentage of Coverage A Total Amount	Percent Charge	
10%	3%	
25%	8%	
50%	15%	
75%	23%	
DP-2 and DP-3		
Increase In Amount	Total Amount	Percent Charge
15%	25%	5%
40%	50%	12%
65%	75%	20%
90%	100%	27%

Theft of Building Materials	
Coverage Amount	Annual Premium
\$2,000	\$35

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Liability Premiums

LIABILITY- COVERAGE F			
Number of Families	Limit Of Liability	Occupancy	
		Non-Owner	Owner
1	\$50,000	\$12	\$16
1	\$100,000	\$14	\$19
1	\$200,000	\$16	\$22
1	\$300,000	\$18	\$24
1	\$400,000	\$19	\$25
1	\$500,000	\$20	\$26
2	\$50,000	\$21	\$29
2	\$100,000	\$24	\$33
2	\$200,000	\$28	\$39
2	\$300,000	\$30	\$42
2	\$400,000	\$32	\$44
2	\$500,000	\$33	\$46
3	\$50,000	\$45	\$32
3	\$100,000	\$50	\$36
3	\$200,000	\$58	\$42
3	\$300,000	\$63	\$46
3	\$400,000	\$66	\$48
3	\$500,000	\$69	\$50
4	\$50,000	\$45	\$32
4	\$100,000	\$50	\$36
4	\$200,000	\$58	\$42
4	\$300,000	\$63	\$46
4	\$400,000	\$66	\$48
4	\$500,000	\$69	\$50

* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.

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Medical Payments Premiums

MEDICAL PAYMENTS - COVERAGE G			
Number of Families	Medical Payments Limit	Occupancy	
		Non-Owner	Owner
1	\$500	\$1	\$1
1	\$1,000	\$2	\$2
1	\$2,000	\$3	\$4
1	\$3,000	\$4	\$6
1	\$4,000	\$5	\$8
1	\$5,000	\$6	\$10
2	\$500	\$1	\$3
2	\$1,000	\$2	\$4
2	\$2,000	\$3	\$6
2	\$3,000	\$4	\$8
2	\$4,000	\$5	\$10
2	\$5,000	\$6	\$12
3	\$500	\$2	\$3
3	\$1,000	\$3	\$4
3	\$2,000	\$4	\$6
3	\$3,000	\$5	\$8
3	\$4,000	\$6	\$10
3	\$5,000	\$7	\$12
4	\$500	\$2	\$3
4	\$1,000	\$3	\$4
4	\$2,000	\$4	\$6
4	\$3,000	\$5	\$8
4	\$4,000	\$6	\$10
4	\$5,000	\$7	\$12

* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.