

SERFF Tracking Number: FORE-125749342 State: Arkansas
Filing Company: Foremost Property & Casualty Insurance Company State Tracking Number: EFT \$125
Company Tracking Number: D-11
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing at a Glance

Company: Foremost Property & Casualty Insurance Company

Product Name: Manufactured Home Insurance SERFF Tr Num: FORE-125749342 State: Arkansas
Program

TOI: 04.0 Homeowners

SERFF Status: Closed

State Tr Num: EFT \$125

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: D-11

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Becky Harrington, Betty Montesi

Author: Dianne Sytsma

Disposition Date: 09/12/2008

Date Submitted: 08/06/2008

Disposition Status: Filed

Effective Date Requested (New): 02/15/2009

Effective Date (New): 02/15/2009

Effective Date Requested (Renewal): 02/15/2009

Effective Date (Renewal): 02/15/2009

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 09/12/2008

State Status Changed: 08/06/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Refer to cover letter.

Company and Contact

SERFF Tracking Number: FORE-125749342 State: Arkansas
 Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$125
 Company
 Company Tracking Number: D-11
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Filing Contact Information

Kaan Cidanli, Administrator kaan.cidanli@foremost.com
 PO Box 2450 (616) 956-3645 [Phone]
 Grand Rapids, MI 49501-2450

Filing Company Information

Foremost Property & Casualty Insurance CoCode: 11800 State of Domicile: Michigan
 Company
 P.O. Box 2450 Group Code: Company Type: Property and
 Grand Rapids, MI 49501-2450 Group Name: Casualty
 (616) 956-3000 ext. [Phone] FEIN Number: 35-1604635
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$125.00
 Retaliatory? No
 Fee Explanation: \$100 - rates
 \$25 - rules
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Foremost Property & Casualty Insurance Company	\$125.00	08/06/2008	21815926

SERFF Tracking Number: FORE-125749342 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/12/2008	09/12/2008

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	08/06/2008	08/06/2008	Dianne Sytsma	09/11/2008	09/11/2008

SERFF Tracking Number: FORE-125749342 State: Arkansas
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Disposition

Disposition Date: 09/12/2008
 Effective Date (New): 02/15/2009
 Effective Date (Renewal): 02/15/2009
 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:
Foremost Property & Casualty Insurance Company	2.200%	\$29,605	2,983	\$1,345,688	4.200%	0.500%	17.300%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	RF-1	Filed	Yes
Rate	Rule and Rate Pages	Filed	Yes

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Company Tracking Number: D-11
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/06/2008
Submitted Date 08/06/2008

Respond By Date

Dear Kaan Cidanli,

This will acknowledge receipt of the captioned filing.

Objection 1

- Cover Letter (Supporting Document)

Comment: The percentage change in premium should not be calculated on the revised average premium compared to the proposed average premium. The change should be based upon what the insured will realize, which is the difference between the current average premium compared to the proposed average premium. Please recalculate your overall effect.

Submit revised exhibits and RF-1 as needed.

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 09/11/2008
Submitted Date 09/11/2008

Dear Becky Harrington,

Comments:

SERFF Tracking Number: FORE-125749342 State: Arkansas
Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$125
Company
Company Tracking Number: D-11
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
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Response 1

Comments: Dear Becky Harrington,

Attached, please find revised Form RF-1 which now displays a premium change of +2.2%.

Your attention to our filing is appreciated.

Sincerely,

Kaan K. Cidanli

Related Objection 1

Applies To:

- Cover Letter (Supporting Document)

Comment:

The percentage change in premium should not be calculated on the revised average premium compared to the proposed average premium. The change should be based upon what the insured will realize, which is the difference between the current average premium compared to the proposed average premium. Please recalculate your overall effect.

Submit revised exhibits and RF-1 as needed.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: RF-1

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Dianne Sytsma

SERFF Tracking Number: FORE-125749342 State: Arkansas
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 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -1.660%
Effective Date of Last Rate Revision: 05/01/2008
Filing Method of Last Filing: Prior Approval

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):
Foremost Property & Casualty Insurance Company	0.000%	-2.900%	\$-40,390	2,983	\$1,345,688	4.200%	0.500%

SERFF Tracking Number: FORE-125749342 State: Arkansas
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Rule and Rate Pages		Replacement	Arkansas.pdf

*** MANUFACTURED HOME INSURANCE PROGRAM**

RULES

1. Eligibility

Manufactured homes used exclusively for private residential purposes.

* 2. Term

A policy may be written for a term of one year.

3. Premium (General)

a. The premium will be rounded to the nearest whole dollar.

A premium involving \$.50 or over will be rounded to the next whole dollar.

The procedure will apply to all interim premium adjustments including endorsements, or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

b. Any rating discrepancy involving a premium of \$2.00 or less may be waived, except that an overcharge will be refunded, regardless of amount, if requested by the insured.

* 4. Minimum Written Premium

No policy may be written for less than \$50.00. The Trip Coverage premium is in addition to the \$50.00 minimum written premium.

5. Minimum Earned Premium

The minimum earned premium will not be less than \$50.00 if the insured cancels. If the company cancels, this rule does not apply. Trip Coverage premium will be fully earned.

**Foremost[®] Property and
Casualty Insurance Company**

*** MANUFACTURED HOME INSURANCE PROGRAM**

RULES (Continued)

* 6. Changes

- a. All changes requiring adjustments of premium will be computed pro rata.
- b. Changes - The premium adjustment will be based on the rules and rates in effect at the inception of the policy.

* 7. Cancellation

Cancellation by any party at interest will be computed pro rata.

8. Computation of Pro Rata Factor

- a. To determine the unearned pro rata factor:
 - (1) Determine number of days left in the policy period.
 - (2) Determine number of days in policy period.
 - (3) Divide (1) by (2) which results in the unearned pro rata factor (round to three decimal places).
- b. To determine earned factor:

Subtract the unearned factor from 1.000.

NOTE: One year = 365 days.

* 9. Restriction of Individual Policies

Animal Liability Exclusion – Personal Liability
Specific Structure Exclusion

The following rule applies to these endorsements:

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

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS

DEFINITIONS

AGE OF THE MANUFACTURED HOME

The age of the manufactured home will be determined by subtracting the manufactured home model year from the year in which the manufactured home policy becomes effective (or its renewal).

AUXILIARY HEATING DEVICE

An auxiliary heating device is a wood, coal, kerosene heater or any other supplemental heating system, not installed by the original manufactured home manufacturer.

* FARM OR RANCH

Farm or farming means the ownership or use of land for cultivation of agricultural products. However, farm or farming does not include the ownership or use of land for the cultivation of a personal garden.

Ranch or ranching means the ownership or use of land for the raising of livestock such as cattle, sheep or horses.

OUT OF PARK

Manufactured homes not located in a Park.

* PARK

A planned and named community of manufactured homes which have permanently installed water, electricity and sewage utility services; which are collectively managed; and whose residents recognize common bylaws or rules. Also, those homes located within an incorporated city or town. (This sentence is only applicable to policies in force prior to May 1, 2008.)

SECONDARY RESIDENCE

A secondary residence is defined as a manufactured home which is occupied on an irregular and noncontinuous basis or on a continuous basis, but less than five (5) consecutive months a year. It may not be rented to others.

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

*

TERRITORIES

Territory A consists of the following counties:

Remainder of state

Territory B consists of the following counties:

Ashley
Crittenden
Lee

Chicot
Desha
Mississippi

Clay
Greene
Phillips

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* RATING - MINIMUM REQUIREMENTS

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Primary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	† 10% of the Coverage A - Dwelling Amount of Insurance
Coverage C - Personal Property	† 50% of the Coverage A - Dwelling Amount of Insurance
Liability	
Coverage E - Personal Liability	\$50,000 Limit of Liability
Coverage F - Medical Payments To Others	\$500 Limit of Liability
Damage To Property Of Others	\$500 Limit of Liability

NOTE:

The Minimum Amounts of Insurance

	Minimum Amount of Insurance
Coverage A – Dwelling	\$ 5,000
Coverage B – Other Structures	500
Coverage C – Personal Property	2,500

† How To Determine the Amount of Insurance for Coverage B – Other Structures and Coverage C – Personal Property

Coverage B – Other Structures

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

Coverage C – Personal Property

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

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ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

RATING - MINIMUM REQUIREMENTS (Continued)

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Secondary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	Subject to a minimum of \$500
Coverage C - Personal Property	Subject to a minimum of \$2,500

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

COVERAGE A - DWELLING

Primary Residence – \$250 Deductible
Secondary Residence - \$500 Deductible

Manufactured Home 11 Years Old or Older
Named Insured 50 Years of Age or Older

Territory A

<u>Rating Base</u>	<u>In Park</u>	<u>Out of Park</u>
First \$5,999	* \$145.00	* \$162.00
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	8.50	11.00
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	4.50	6.40
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	4.00	5.75
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	3.25	3.50

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

COVERAGE A - DWELLING

Primary Residence – \$250 Deductible
Secondary Residence - \$500 Deductible

Manufactured Home 11 Years Old or Older
Named Insured 50 Years of Age or Older

Territory B

<u>Rating Base</u>	<u>In Park</u>	<u>Out of Park</u>
First \$5,999	* \$210.00	* \$252.00
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	16.75	19.25
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	9.50	13.50
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.20	11.75
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.20	11.75

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

COVERAGE B - OTHER STRUCTURES

Primary Residence – \$250 Deductible
Secondary Residence - \$500 Deductible

Named Insured 50 Years of Age or Older

Territory A

<u>Rating Criteria</u>	<u>Amount of Insurance</u>	<u>Premiums</u>	<u>For Each Additional \$100</u>
In Park	\$ 100	\$ 5.90	\$.40
Out of Park	100	6.44	.44

Territory B

<u>Rating Criteria</u>	<u>Amount of Insurance</u>	<u>Premiums</u>	<u>For Each Additional \$100</u>
In Park	\$ 100	\$11.21	\$.76
Out of Park	100	12.24	.84

**Foremost® Property and
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ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

COVERAGE C - PERSONAL PROPERTY

Primary Residence – \$250 Deductible
Secondary Residence - \$500 Deductible

Named Insured 50 Years of Age or Older

Territory A

<u>Rating Criteria</u>	<u>Amount of Insurance</u>	<u>Premiums</u>	<u>For Each Additional \$100</u>
In Park	\$ 100	\$50.47	\$.47
Out of Park	100	55.52	.52

Territory B

<u>Rating Criteria</u>	<u>Amount of Insurance</u>	<u>Premiums</u>	<u>For Each Additional \$100</u>
In Park	\$ 100	\$ 95.89	\$.89
Out of Park	100	105.48	.98

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

COVERAGE E - PERSONAL LIABILITY

(Includes \$500 Coverage F - Medical Payments to Others and \$500 Damage to Property of Others)

<u>Limit</u>	<u>Premiums</u>
\$ 25,000	\$26
50,000	32
100,000	42
300,000	77
500,000	90

COVERAGE F - MEDICAL PAYMENTS TO OTHERS

<u>To Increase Limit To</u>	<u>Additional Premium</u>
\$1,000	\$4

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS

* APPLICATION OF PREMIUM MODIFIERS

The premium modifiers will be applied to Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property premiums, if applicable, in the following order:

- | | |
|--|-----------------------------|
| 1. Secondary Residence | 5. Central Alarm |
| 2. Named Insured Under 50 Years of Age | 6. Farm or Ranch |
| 3. 10 Years Old or Newer Manufactured Home | 7. Auxiliary Heating Device |
| 4. Deductible | |

AUXILIARY HEATING DEVICE
Primary and Secondary Residence

A \$50 charge applies when the manufactured home or other structure is equipped with an auxiliary heating device.

CENTRAL ALARM
Primary and Secondary Residence

Reduce the premium for Coverage A – Dwelling by \$20 when the manufactured home is equipped with an alarm system that will alert a fire department or central dispatcher in case of fire or burglary.

DEDUCTIBLE

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate deductible factor.

<u>Deductible Amount</u>	<u>Coverage</u>	<u>Deductible Factors</u>	
		<u>Primary Residence</u>	<u>Secondary Residence</u>
\$100	Coverage A – Dwelling	1.05	1.10
	Coverage B – Other Structures	1.05	1.10
	Coverage C – Personal Property	1.05	1.10
\$250	Coverage A – Dwelling	Included	1.07
	Coverage B – Other Structures	Included	1.07
	Coverage C – Personal Property	Included	1.07
\$500	Coverage A – Dwelling	0.95	Included
	Coverage B – Other Structures	0.95	Included
	Coverage C – Personal Property	0.95	Included
\$750	Coverage A – Dwelling	0.91	0.97
	Coverage B – Other Structures	0.91	0.97
	Coverage C – Personal Property	0.91	0.97
\$950	Coverage A – Dwelling	0.88	0.95
	Coverage B – Other Structures	0.88	0.95
	Coverage C – Personal Property	0.88	0.95

**Foremost[®] Property and
Casualty Insurance Company**

ARKANSAS

*** MANUFACTURED HOME INSURANCE PROGRAM**

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

*** FARM OR RANCH
Primary Residence**

Increase the premium for Coverage A - Dwelling by \$25 when the manufactured home is used as a Farm or Ranch.

**NAMED INSURED UNDER 50 YEARS OF AGE
Primary and Secondary Residence**

Multiply the Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property premiums by a factor of 2.00 when the named insured is under 50 years of age.

**SECONDARY RESIDENCE
\$500 Deductible**

Increase the premium for Coverage A - Dwelling by \$5 when the manufactured home is used as a Secondary Residence.

**10 YEARS OLD OR NEWER MANUFACTURED HOME
Primary and Secondary Residence**

Reduce the premium for Coverage A - Dwelling by \$25 when the manufactured home is 10 years old or newer.

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

30-DAY TRIP COVERAGE

Primary and Secondary Residence

\$75 per policy

* ADDITIONAL COVERAGE

Primary Residence

\$5 per policy

ADDITIONAL RESIDENCE - OWNER-OCCUPIED

Primary Residence

\$20 per policy

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR TOOLS

Primary Residence

\$5 per policy

* DWELLING REPLACEMENT COST PAYMENT METHOD FOR PARTIAL LOSS
OTHER STRUCTURES REPLACEMENT COST PAYMENT METHOD FOR TOTAL AND PARTIAL LOSS

Primary and Secondary Residence

\$35 per policy

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

EARTHQUAKE

10% Earthquake Deductible (\$1,000 minimum)
Primary and Secondary Residence

<u>Amount of Insurance</u>	<u>Premium Territory</u>	
	<u>A</u>	<u>B</u>
First \$100	\$5.10	\$5.15
For Each Additional \$100	.10	.15

EXCESS DWELLING COVERAGE
(Including Non-Structural Hail Losses)
Primary and Secondary Residence

\$50 per policy

EXCESS DWELLING COVERAGE
(EXCEPT FOR NON-STRUCTURAL HAIL LOSSES)
Primary and Secondary Residence

\$20 per policy

FLOOD COVERAGE
Primary and Secondary Residence

\$10 per policy

This coverage is only available to policies in force prior to May 1, 1999

* HOBBY FARM OR RANCH AND ANIMAL LIABILITY
Primary Residence

\$25 per policy

IDENTITY THEFT EXPENSE COVERAGE
Primary and Secondary Residence

\$25 per policy

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* INCIDENTAL BUSINESS LIABILITY
Primary Residence

\$25 per policy

REPLACEMENT COST PERSONAL PROPERTY
Primary Residence

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>Additional \$100</u>
A	\$ 100	\$5.10	\$.10
B	\$ 100	5.20	.20

SCHEDULED PERSONAL PROPERTY COVERAGE
Primary Residence

	<u>Rates per \$100 of Insurance</u>
Jewelry	\$ 1.32
Furs	.40
Cameras	1.80
Golfer's Equipment/Tools	1.32
Stamps	.66
Coins	1.75
Firearms	2.23
Fine Arts/Silverware/Trading Cards	2.50
Musical Instruments	.72

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

UNRELATED NAMED INSURED
Primary and Secondary Residence

\$25 per policy

WATER DAMAGE FROM SEWERS AND DRAINS
Primary and Secondary Residence

\$75 per policy

SERFF Tracking Number: FORE-125749342 State: Arkansas
Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$125
Company
Company Tracking Number: D-11
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** 07/28/2008

Comments:

Attachment:

Rate Filing Abstract RF-1.pdf2.pdf

Satisfied -Name: Cover Letter **Review Status:** Filed 09/12/2008

Comments:

Attachment:

Arkansas rr SOR.pdf

Satisfied -Name: RF-1 **Review Status:** Filed 09/12/2008

Comments:

Attachment:

Rate Filing Abstract RF-1.pdf

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

1.	This filing transmittal is part of Company Tracking #	D-11
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number	
3.	A. Foremost Property & Casualty Insurance Company	B.	212-11800

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. 4.0000	B.	4.0002

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Home	+17.3%	-2.9%					
TOTAL OVERALL EFFECT							

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	1850			1012	560	55.3	56
2004	1993			1117	966	86.5	99
2005	2013			1200	421	35.1	89
2006	2048			1272	776	61.0	53
2007	2045			1320	528	40.0	52
6/2008	2052	-1.7	5/1/2007	679	1487	219.2	61

7.

Expense Constants	Selected Provisions
A. Total Production Expense	0
B. General Expense	22.0
C. Taxes, License & Fees	4.8
D. Underwriting Profit & Contingencies	5.0
E. Other (explain)	
F. TOTAL	31.8

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

**Foremost® Property and
Casualty Insurance Company**

2450

ADMINISTRATIVE OFFICES
5600 Beech Tree Lane
Caledonia, Michigan 49316-0050

MAILING ADDRESS
ATTN: STATE FILINGS DEPT.
P.O. Box 2450
Grand Rapids, Michigan 49501-

August 5, 2008

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

RE: Foremost Property and Casualty Insurance Company
NAIC #212-11800
Manufactured Home Insurance Program
Revision to the Rule and Rate Sections

Dear Mr. Pickens:

We submit this filing for your formal stamp of approval or acknowledgement.

The primary purpose of this filing is to introduce our new Manufactured Homeowners Insurance policies. These policies will replace our current Mobile Home Insurance Policies.

The title of this program has been changed from Mobile Home Insurance Program to Manufactured Home Insurance Program, as a result of revisions to our policy contracts and endorsements. Please refer to our Forms filing for more details. Many of the changes in the corresponding rule and rate sections have been made to accommodate our forms revisions.

Our Mobile Home Insurance Policy has been in place for approximately 11 years without major revisions. In our new policies, we are introducing several coverage enhancements. These are discussed in our Summary of Revisions.

Here is a synopsis of the contents of our Summary of Revisions, which has been developed to assist your review.

Rule Section

The vast majority of rule changes have been made for editorial purposes. We are reinforcing our intent and eliminating extraneous material.

Rate Section

In consideration of our many coverage broadenings, refinements and rate adjustments, the overall effect is -2.9%.

**Foremost® Property and
Casualty Insurance Company**

Mr. Pickens
Page Two
August 5, 2008

The following rule of implementation will apply:

This filing will be effective for all new and renewal policies written to be effective on and after February 15, 2009. No policy effective prior to the above date is to be cancelled and rewritten to take advantage of or to avoid the application of this filing except at the request of the insured.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

KKC/ds

Enclosures:

Enclosures: Transmittal Forms
Summary of Revisions, 7/08
Coverage Enhancements – Exhibits X and Y
Rules and Rates
Return Envelope

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

CONTENTS

SECTION	PAGE NUMBER
Rule Section	1
Rate Section	2 thru 5
Replacement of Manual Pages and Forms	6
Coverage Enhancements – Exhibits X and Y	

ARKANSAS
MANUFACTURED HOME INSURANCE PROGRAM
SUMMARY OF REVISIONS

GENERAL COMMENTS

The term "mobile home" has been changed to "manufactured home" throughout our Manual.

RULE SECTION

<u>RULE</u>	<u>REVISION NARRATIVE</u>
1. Eligibility	No change.
2. Term	Changed maximum term from seven years to one year. Deleted second and third paragraphs.
3. Premium (General)	No change.
4. Minimum Written Premium	In first paragraph, deleted the words "regardless of the term". Deleted second paragraph.
5. Minimum Earned Premium	No change.
6. Changes	Deleted paragraphs b. and d.
7. Cancellation	Deleted the words "regardless of policy term".
8. Computation of Pro Rata Factor	No change.
9. Restriction of Individual Policies	Added rule to state how Form 4057 01/07 – Animal Liability Exclusion – Personal Liability, and Form 4056 01/07 – Specific Structure Exclusion endorsements will be used.

Exception Page E-1 is being withdrawn.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION

DEFINITIONS

Added definition of Farm or Ranch.

Added the following definition of Park to reinforce our original intent:

Also, those homes located within an incorporated city or town. (This sentence is only applicable to policies in force prior to May 1, 2008.

RATING – MINIMUM REQUIREMENTS

The instructions for Coverage B – Other Structures and Coverage C – Personal Property have been amended to reinforce our intent.

TERM FACTORS

Deleted reference to Term Factors.

COVERAGE ENHANCEMENTS

In the course of the change to our policy contract format, we made several coverage enhancements. Some of these are the result of the incorporation of previously optional coverage endorsement provisions into our new policies. Additional coverage enhancements were also made.

In order to enable you to review our coverage enhancements, we have created exhibits. Here is a summary of our exhibits:

<u>Current Policy</u>	<u>Proposed Policy</u>	<u>Exhibits</u>	<u>Coverage Enhancements Value</u>	
			<u>Premium if Purchased Separately</u>	<u>Pure Premium included in Policy</u>
3826 03/97 – Mobile Home Insurance Policy	4085 01/08 – Homeowners Insurance for Manufactured Homes	X	\$25.00	\$16.47
3832 03/97 – Mobile Home Insurance Policy – Property Coverage Only	4086 01/08 – Homeowners Insurance for Manufactured Homes – Property Coverage Only	Y	\$35.00	\$19.07

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Here is a summary of the premium effect of the coverage enhancements in our new policy based upon the average premium.

<u>Policy Type</u>	<u>Net Value of Coverage Enhancements</u>	<u>Current Average Premium</u>	<u>Revised Average Premium</u>	<u>Percent Change</u>
Homeowners Insurance for Manufactured Homes	\$ 23.53 ⁽¹⁾	\$451.12	\$474.65 ⁽³⁾	+5.2% ⁽⁴⁾
Homeowners Insurance for Manufactured Homes – Property Coverage Only	27.24 ⁽²⁾	419.12	446.36 ⁽³⁾	+6.5% ⁽⁴⁾

- (1) Pure premium of coverage enhancements from manufactured home insurance Exhibit X \$26.97 divided by balance point loss ratio of .70 = \$38.52
- (2) Pure premium of coverage enhancements from manufactured home insurance Exhibit Y \$28.07 divided by balance point loss ratio of .70 = \$40.10
- (3) Revised average premium = current average premium + value of coverage enhancements
- (4) Percent change = (revised average premium ÷ current average premium) – 1

At this time, we have decided to increase our average premium \$10 for manufactured home insurance policy to recognize the premium value of new coverage enhancements. As a result, the overall premium effect is as follows:

<u>Policy Type</u>	<u>Number of Policyholders</u>	<u>Current Average Premium</u>	<u>Revised Average Premium</u>	<u>Proposed Average Premium</u>	<u>Percent Change</u>
Homeowners Insurance for Manufactured Homes	2977	\$451.12	\$474.65	\$461.12 ⁽⁵⁾	-2.9% ⁽⁶⁾
Homeowners Insurance for Manufactured Homes – Property Coverage Only	6	419.12	446.36	429.12 ⁽⁵⁾	-3.9% ⁽⁶⁾

- (5) Proposed average premium = (current average premium + proposed rate increase)
- (6) Percent change = (proposed average premium ÷ revised average premium)

Effect of Coverage Enhancements is -2.9%.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

PREMIUM MODIFIERS

Application of Premium Modifiers

Re-arranged the order of how the premium modifiers are applied. Also added Deductible and Farm or Ranch to the list.

Deductible

Changed "Mobile Home" to read "Dwelling" for consistency.

Farm or Ranch

Added to Premium Modifiers.

ENDORSEMENTS

Incidental Business Liability Endorsement – Form 4060 01/07

This is a new endorsement. We will charge a premium of \$25 when this form is provided. The premium charge is based on a survey of other insurance carriers, ISO loss costs and our expected limit of liability.

Water Damage from Sewers and Drains – Form 4058 01/07

This is a new endorsement. We will charge a premium of \$75 when this form is provided. The premium charge is based on a survey of other insurance carriers, ISO loss costs and our expected limit of liability.

Hobby Farm or Ranch and Animal Liability Endorsement – Form 4054 01/07

This is a new endorsement. We will charge a premium of \$25 when this form is provided. We currently do not have any experience writing this type of business nor could we find comparable competitor coverage. However, we do anticipate a significant increase in losses because of the property damage and injuries related to hobby farms and animal liability. We will track this experience and adjust our premium as needed.

Dwelling Replacement Cost Payment Method for Partial Losses Other Structures Replacement Cost Payment Method for Total and Partial Loss

This is a new endorsement. We will charge a premium of \$35 when this form is provided.

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Additional Coverage Endorsement – Form 4035 01/07

This is a new form.

This form incorporates Form 3055 11/96 Loss Assessment. The loss assessment coverage is essentially the same in both forms. In addition to providing loss assessment coverage, the Additional Coverage Endorsement increases the Amounts of Insurance for Emergency Removal from \$250 to \$500 and Ordinance or Law from 5% to 10%.

We currently have 2 policies with Loss Assessment and charge a premium of \$20. We are proposing to charge \$5 for the Additional Coverage Endorsement. The rate effect of this form change is -\$30 for no appreciable overall rate effect.

Farm or Ranch

Historically, our Company has chosen not to write insurance for homes located on farms and ranches because of the mix of residence and farm exposure. However, we have become aware of a need in the marketplace for carriers willing to insure this type of exposure.

Consequently, we have amended our underwriting and policy to address homes located on farms and ranches. We plan to charge an additional \$25 for homes located on farms or ranches to recognize the greater exposure to physical damage and liability hazards.

OVERALL RATE CHANGE

1. Coverage Enhancements	-2.9%
2. Endorsements	0%
Overall Change	-2.9%

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

REPLACEMENT OF MANUAL PAGES

Please withdraw –

Rule Pages 1 and 2 – Original Printing 11/98
Exception Page E-1 – Original Printing 12/07
Rate Page R-1 – Revised Printing 12/07
Rate Page R-2 – Revised Printing 4/01
Rate Pages R-3 and R-4 – Original Printing 11/98
Rate Pages R-5 and R-6 – Revised Printing 4/01
Rate Pages R-7 and R-8 – Original Printing 11/98
Rate Pages R-9 thru R-13 – Revised Printing 12/07

Please insert –

Rule Pages 1 and 2 – Revised Printing 7/08
Rate Pages R-1 thru R-13 – Revised Printing 7/08
Rate Pages R-14 and R-15 – Original Printing 7/08

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

1.	This filing transmittal is part of Company Tracking #	D-11
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
----	---	-----

Company Name		Company NAIC Number	
3.	A. Foremost Property & Casualty Insurance Company	B.	212-11800

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
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E. Other (explain)	
F. TOTAL	31.8

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 4.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

