

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Filing at a Glance

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

Product Name: Property Program 2008 SERFF Tr Num: USAA-125701882 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 04.0003 Owner Occupied Homeowners Co Tr Num: HOMAR00084CGR01 State Status: Fees verified and received
Homeowners
Filing Type: Rate/Rule Co Status: Pending Reviewer(s): Becky Harrington, Betty Montesi
Authors: Nick Almendarez, Scott Hawthorne Disposition Date: 09/05/2008
Date Submitted: 06/20/2008 Disposition Status: Filed
Effective Date Requested (New): 07/30/2008 Effective Date (New):
Effective Date Requested (Renewal): 09/30/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Status of Filing in Domicile:
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 09/05/2008
State Status Changed: 06/23/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
USAA Group (USAA, USAA-CIC, USAA-GIC, and Garrison) wishes to revise Homeowners premiums with an overall effect of 10.2%. The effects by form apply as follows:

USAA Owners Forms 9.2%

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USAA Unit-Owners Forms 10.0%

USAA All Forms Combined 9.2%

USAA-CIC Owners Forms 12.6%

USAA-CIC Unit-Owners Forms 10.0%

USAA-CIC All Forms Combined 12.6%

USAA-GIC Owners Forms 11.6%

USAA-GIC Unit-Owners Forms 10.0%

USAA-GIC All Forms Combined 11.6%

Garrison Owners Forms 8.4%

Garrison Unit-Owners Forms 10.0%

Garrison All Forms Combined 8.4%

USAA Group All Forms Combined 10.2%

The proposed changes support the introduction of USAA's new 2008 Homeowners program. An integral part of the new program is the introduction of a redesigned rating plan for both Owners and Unit-Owners forms. This new rating plan will improve USAA's ability to offer a fair and competitive rate. The major improvements are in moving the rating formula to a multiplicative structure. Rating structures at the peril level are also being introduced, further improving pricing accuracy.

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

<i>SERFF Tracking Number:</i>	<i>USAA-125701882</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Company Tracking Number:</i>	<i>HOMAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>/</i>		

For new business, an effective date of July 30, 2008, for these revisions will apply to policies written on or after July 26, 2008. For renewal business, an effective date of September 30, 2008 for these revisions will apply to all policies. The related forms filing is being filed under SERFF Tracking #USAA-125701881.

Company and Contact

Filing Contact Information

Scott Hawthorne, Compliance Analyst	scott.hawthorne@usaa.com
A-03-W Insurance Regulatory Compliance	(800) 531-8722 [Phone]
San Antonio, TX 78288-1033	(866) 358-3638[FAX]

Filing Company Information

Garrison Property and Casualty Insurance Company	CoCode: 21253	State of Domicile: Texas
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9800 Fredericksburg Road	Group Code: 200	Company Type: Stock
San Antonio, TX 78284-8496	Group Name: USAA	State ID Number:
(800) 531-8722 ext. [Phone]	FEIN Number: 43-1803614	

United Services Automobile Association	CoCode: 25941	State of Domicile: Texas
9800 Fredericksburg Road	Group Code: 200	Company Type: Reciprocal
San Antonio, TX 78288	Group Name: USAA	State ID Number:
(800) 531-8722 ext. [Phone]	FEIN Number: 74-0959140	

USAA Casualty Insurance Company	CoCode: 25968	State of Domicile: Texas
9800 Fredericksburg Road	Group Code: 200	Company Type: Stock
San Antonio, TX 78288	Group Name: USAA	State ID Number:
(800) 531-8722 ext. [Phone]	FEIN Number: 59-3019540	

USAA General Indemnity Company	CoCode: 18600	State of Domicile: Texas
9800 Fredericksburg Road	Group Code: 200	Company Type: Stock
San Antonio, TX 78288	Group Name: USAA	State ID Number:
(800) 531-8722 ext. [Phone]	FEIN Number: 74-1718283	

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/05/2008	09/05/2008

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	08/01/2008	08/01/2008	John Mancini	08/25/2008	08/25/2008
Pending Industry Response	Becky Harrington	06/23/2008	06/23/2008	Scott Hawthorne	07/30/2008	07/30/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
HPCS-Homeowners Premium Comparison Survey	Supporting Document	Scott Hawthorne	09/03/2008	09/03/2008
NAIC loss cost data entry document	Supporting Document	Scott Hawthorne	09/03/2008	09/03/2008

SERFF Tracking Number: USAA-125701882 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Disposition

Disposition Date: 09/05/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Arkansas Code Annotated §23- 67-211(a)(1) requires every authorized insurer to file with the Commissioner all rates and supplementary rate information and all changes and amendments made by it for use in this State at least twenty (20) days before they become effective. Your filing was completed on the date above and cannot be effective for 20 days after that date.

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:
Garrison Property and Casualty Insurance Company	8.400%	\$14,599	212	\$173,794	25.000%	-25.000%	98.100%
United Services Automobile Association	9.200%	\$892,895	10,838	\$9,705,377	25.000%	-25.000%	98.100%
USAA Casualty Insurance Company	12.600%	\$443,697	4,203	\$3,521,401	25.000%	-25.000%	98.100%
USAA General Indemnity	11.600%	\$6,182	77	\$53,289	25.000%	-25.000%	98.100%

<i>SERFF Tracking Number:</i>	<i>USAA-125701882</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Garrison Property and Casualty Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>HOMAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>/</i>		
Company			

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	98.100%
Overall Percentage Rate Impact For This Filing	10.200%
Effect of Rate Filing-Written Premium Change For This Program	\$1,357,373
Effect of Rate Filing - Number of Policyholders Affected	15,330

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	AR HO Filing Memorandum	Filed	Yes
Supporting Document	AR HO Explanatory Memorandum and Actuarial Support	Filed	Yes
Supporting Document	Form H-1 Homeowners Abstract	Filed	Yes
Supporting Document	Choicepoint Credit Model Support	Filed	No
Supporting Document	Confidential: UW Tier Placement Guidelines	Filed	No
Supporting Document	Objection Report Response 07-30-08	Filed	Yes
Supporting Document	Objection 2 Response	Filed	Yes
Supporting Document	Objection 3 Response	Filed	No
Supporting Document	Objection 4 Response	Filed	Yes
Supporting Document	Objection 6 Response	Filed	Yes
Supporting Document	Objection 7 Response	Filed	Yes
Supporting Document	Objection 8 Response	Filed	Yes
Rate (revised)	AR HO Rate Pages	Filed	Yes
Rate	AR HO Rate Pages		Yes
Rate	AR HO Rule Pages	Filed	Yes
Rate	AR HO Territory Pages	Filed	Yes

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Disposition

Disposition Date: 09/05/2008

Effective Date (New): 11/30/2008

Effective Date (Renewal): 01/30/2009

- Effective Date (New) changed from NULL to 11/30/2008 and Effective Date (Renewal) changed from NULL to 01/30/2009 by Harrington, Becky on 09/05/2008.

Status: Filed

Comment:

Arkansas Code Annotated §23- 67-211(a)(1) requires every authorized insurer to file with the Commissioner all rates and supplementary rate information and all changes and amendments made by it for use in this State at least twenty (20) days before they become effective. Your filing was completed on the date above and cannot be effective for 20 days after that date.

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:
Garrison Property and Casualty Insurance Company	8.400%	\$14,599	212	\$173,794	25.000%	-25.000%	98.100%
United Services Automobile Association	9.200%	\$892,895	10,838	\$9,705,377	25.000%	-25.000%	98.100%
USAA Casualty Insurance Company	12.600%	\$443,697	4,203	\$3,521,401	25.000%	-25.000%	98.100%

<i>SERFF Tracking Number:</i>	<i>USAA-125701882</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Garrison Property and Casualty Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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USAA General Indemnity Company	11.600%	\$6,182	77	\$53,289	25.000%	-25.000%	98.100%
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Product Name: Property Program 2008
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Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	98.100%
Overall Percentage Rate Impact For This Filing	10.200%
Effect of Rate Filing-Written Premium Change For This Program	\$1,357,373
Effect of Rate Filing - Number of Policyholders Affected	15,330

SERFF Tracking Number: USAA-125701882 State: Arkansas
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 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	AR HO Filing Memorandum	Filed	Yes
Supporting Document	AR HO Explanatory Memorandum and Actuarial Support	Filed	Yes
Supporting Document	Form H-1 Homeowners Abstract	Filed	Yes
Supporting Document	Choicepoint Credit Model Support	Filed	No
Supporting Document	Confidential: UW Tier Placement Guidelines	Filed	No
Supporting Document	Objection Report Response 07-30-08	Filed	Yes
Supporting Document	Objection 2 Response	Filed	Yes
Supporting Document	Objection 3 Response	Filed	No
Supporting Document	Objection 4 Response	Filed	Yes
Supporting Document	Objection 6 Response	Filed	Yes
Supporting Document	Objection 7 Response	Filed	Yes
Supporting Document	Objection 8 Response	Filed	Yes
Rate (revised)	AR HO Rate Pages	Filed	Yes
Rate	AR HO Rate Pages		Yes
Rate	AR HO Rule Pages	Filed	Yes
Rate	AR HO Territory Pages	Filed	Yes

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Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Note To Reviewer

Created By:

Scott Hawthorne on 09/05/2008 11:42 AM

Subject:

Request to Change Effective Date

Comments:

We would like to change the effective date for New Business to 11-30-08, written on or after 11-22-08 and Renewal Business eff 01-30-09.

Thank you.

Scott Hawthorne

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/01/2008
Submitted Date 08/01/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: AIR Tropical Cyclone Model for the US Gulf and East Coasts is not appropriate for modeling wind/hail losses in Arkansas.

The Department has not allowed other companies to separately rate the perils of wind/hail or hurricane. USAA will not be allowed to do so. This filing will be disapproved if not amended or withdrawn.

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.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/25/2008
Submitted Date 08/25/2008

Dear Becky Harrington,

Comments:

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: HOMAR00084CGR01
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Supporting Document	AR HO Filing Memorandum	Filed	Yes
Supporting Document	AR HO Explanatory Memorandum and Actuarial Support	Filed	Yes
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Supporting Document	Confidential: UW Tier Placement Guidelines	Filed	No
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Supporting Document	Objection 2 Response	Filed	Yes
Supporting Document	Objection 3 Response	Filed	No
Supporting Document	Objection 4 Response	Filed	Yes
Supporting Document	Objection 6 Response	Filed	Yes
Supporting Document	Objection 7 Response	Filed	Yes
Supporting Document	Objection 8 Response	Filed	Yes
Rate (revised)	AR HO Rate Pages	Filed	Yes
Rate	AR HO Rate Pages		Yes
Rate	AR HO Rule Pages	Filed	Yes
Rate	AR HO Territory Pages	Filed	Yes

SERFF Tracking Number: USAA-125701882 *State:* Arkansas
First Filing Company: Garrison Property and Casualty Insurance *State Tracking Number:* EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Note To Reviewer

Created By:

Scott Hawthorne on 09/05/2008 11:42 AM

Subject:

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Comments:

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Thank you.

Scott Hawthorne

SERFF Tracking Number: USAA-125701882 State: Arkansas
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 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Response 1

Comments: In response to your Objection Letter, we are submitting revised rates. The revisions are shown in red font on the AR HO-Revised Rate Pages attached to the SERFF rate/rule schedule. These revised rates were arrived at by averaging the previously proposed Other Perils rates with the previously proposed wind/hail rates.

Related Objection 1

Comment:

AIR Tropical Cyclone Model for the US Gulf and East Coasts is not appropriate for modeling wind/hail losses in Arkansas.

The Department has not allowed other companies to separately rate the perils of wind/hail or hurricane. USAA will not be allowed to do so. This filing will be disapproved if not amended or withdrawn.

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.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
AR HO Rate Pages		Replacement	HOMAR00019CGR01
Previous Version			
AR HO Rate Pages		Replacement	HOMAR00019CGR01

Sincerely,
 Nick Almendarez, Scott Hawthorne

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/23/2008

Submitted Date 06/23/2008

Respond By Date

Dear Scott Hawthorne,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Arkansas Code Annotated § 23-63-109 prohibits separately rating perils relating to natural causes. The public policy of this statute is to avoid penalizing insureds for losses occasioned by natural causes beyond their control. This policy of the State of Arkansas as set forth by the Legislature has been applied whenever consideration of losses and claims due to natural events and catastrophes have been proposed as a factor for placement into rating tiers, to surcharge policyholders, to cancel or to non-renew insurance policies.

The supporting documentation submitted with this filing is insufficient to justify the use of natural cause events as a factor to determine the final rate the insured is charged, which therefore results in unfair discrimination among insureds with the same future risk of loss from natural causes and prospective policy administration and expense expectations under A.C.A. § 23-67-208(a).

Separately rating the perils of other wind/hail and hurricane will not be permitted.

Objection 2

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment: Provide documentation of actual hurricane losses in AR.

Objection 3

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment: Provide the AIR model.

Objection 4

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment: The loss trend factors have increased significantly. Please explain and provide additional support for them.

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

Objection 5

No Objections

Comment: Please provide all rule pages.

Objection 6

- AR HO Rate Pages (Rate)

Comment: Provide statistical support showing the development of:

- Claims Activity Surcharges
- Tier factors
- Protection/Construction factors
- Square footage factors
- Territory factors

Objection 7

- AR HO Rate Pages (Rate)

Comment: Explain the capping process in greater detail.

Objection 8

- AR HO Filing Memorandum (Supporting Document)

Comment: Provide additional supporting documentation on the GLM process.

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	07/30/2008
Submitted Date	07/30/2008

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Dear Becky Harrington,

Comments:

Response 1

Comments: The rule and territory pages were added as an amendment last week. They were inadvertently left out of the original submission.

Related Objection 1

Comment:

Please provide all rule pages.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Objection 7 Response

Related Objection 1

Applies To:

- AR HO Rate Pages (Rate)

Comment:

Explain the capping process in greater detail.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 7 Response

Comment:

No Form Schedule items changed.

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

No Rate/Rule Schedule items changed.

Response 3

Comments: Attached are our responses to your objections.

Related Objection 1

Comment:

Arkansas Code Annotated § 23-63-109 prohibits separately rating perils relating to natural causes. The public policy of this statute is to avoid penalizing insureds for losses occasioned by natural causes beyond their control. This policy of the State of Arkansas as set forth by the Legislature has been applied whenever consideration of losses and claims due to natural events and catastrophes have been proposed as a factor for placement into rating tiers, to surcharge policyholders, to cancel or to non-renew insurance policies.

The supporting documentation submitted with this filing is insufficient to justify the use of natural cause events as a factor to determine the final rate the insured is charged, which therefore results in unfair discrimination among insureds with the same future risk of loss from natural causes and prospective policy administration and expense expectations under A.C.A. § 23-67-208(a).

Separately rating the perils of other wind/hail and hurricane will not be permitted.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection Report Response 07-30-08

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: The objection response is attached below.

Related Objection 1

Applies To:

- AR HO Rate Pages (Rate)

Comment:

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Provide statistical support showing the development of:

Claims Activity Surcharges
Tier factors
Protection/Construction factors
Square footage factors
Territory factors

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 6 Response
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments: -

Related Objection 1

Applies To:

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment:

Provide documentation of actual hurricane losses in AR.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 2 Response
Comment:

No Form Schedule items changed.

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

No Rate/Rule Schedule items changed.

Response 6

Comments: Objection 4 Response

Related Objection 1

Applies To:

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment:

The loss trend factors have increased significantly. Please explain and provide additional support for them.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 4 Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments: Objection Response 8

Related Objection 1

Applies To:

- AR HO Filing Memorandum (Supporting Document)

Comment:

Provide additional supporting documentation on the GLM process.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 8 Response

Comment:

No Form Schedule items changed.

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

No Rate/Rule Schedule items changed.

Response 8

Comments: The AIR model is attached as "AIR Tropical Cyclone Model for the U.S. Gulf and East Coasts."

Related Objection 1

Applies To:

- AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment:

Provide the AIR model.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 3 Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Nick Almendarez, Scott Hawthorne

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Amendment Letter

Amendment Date:
Submitted Date: 09/03/2008

Comments:

The revised HPCS forms have been attached.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

HPCS 200-25941.XLS
HPCS 200-25968.XLS
HPCS 200-18600.XLS
HPCS 200-21253.XLS

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Amendment Letter

Amendment Date:

Submitted Date: 09/03/2008

Comments:

The revised RF-1 forms have been attached.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: NAIC loss cost data entry document

Comment:

RF-1 200-25941.pdf

RF-1 200-25968.pdf

RF-1 200-18600.pdf

RF-1 200-21253.pdf

SERFF Tracking Number: USAA-125701882 *State:* Arkansas
First Filing Company: Garrison Property and Casualty Insurance *State Tracking Number:* EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Note To Filer

Created By:

Becky Harrington on 08/29/2008 08:44 AM

Subject:

HPCS & RF-1

Comments:

Please submit revised HPCS and RF-1.

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Amendment Letter

Amendment Date:
 Submitted Date: 07/28/2008

Comments:

I wish to amend the filing by submitting the AR HO Rule pages along with the Territories. The territories have not changed from any previous Homeowners filing, but since this is a new program, I wanted to include them.

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
AR HO Rule Pages		New		AR HO Rules Manual.pdf
Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
AR HO Territory Pages		New		AR HO Territory Pages.pdf

SERFF Tracking Number: USAA-125701882 *State:* Arkansas
First Filing Company: Garrison Property and Casualty Insurance *State Tracking Number:* EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Reviewer Note

Created By:

Becky Harrington on 09/03/2008 11:00 AM

Subject:

Correspondence

Comments:

status of note to filer

From: Hawthorne, Scott [Scott.Hawthorne@usaa.com]
Sent: Wednesday, September 03, 2008 9:30 AM
To: Becky Harrington
Subject: RE: USAA-125701882

Becky,

I sent the request to our Actuarial Dept yesterday. I'm hoping to have them by the end of this week.

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

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

From: Becky Harrington [mailto:Becky.Harrington@arkansas.gov]
Sent: Wednesday, September 03, 2008 8:56 AM
To: Hawthorne, Scott
Cc: Mancini, John
Subject: USAA-125701882

I sent a note to filer on 8/29/08 requesting revised HPCS' and RF-1's.
Please let me know when to expect them.

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

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -13.900%
Effective Date of Last Rate Revision: 10/31/2007
Filing Method of Last Filing: File & 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):
Garrison Property and Casualty Insurance Company	98.100%	8.400%	\$14,599	212	\$173,794	25.000%	-25.000%
United Services Automobile Association	98.100%	9.200%	\$892,895	10,838	\$9,705,377	25.000%	-25.000%
USAA Casualty Insurance Company	98.100%	12.600%	\$443,697	4,203	\$3,521,401	25.000%	-25.000%
USAA General Indemnity Company	98.100%	11.600%	\$6,182	77	\$53,289	25.000%	-25.000%

<i>SERFF Tracking Number:</i>	<i>USAA-125701882</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Garrison Property and Casualty Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>HOMAR00084CGR01</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Property Program 2008</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	98.100%
Overall Percentage Rate Impact For This Filing:	10.200%
Effect of Rate Filing - Written Premium Change For This Program:	\$1,357,373
Effect of Rate Filing - Number of Policyholders Affected:	15330

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	AR HO Rate Pages		Replacement	HOMAR00019CGR01 AR HO Revised Rate Pages.pdf
Filed	AR HO Rule Pages		New	AR HO Rules Manual.pdf
Filed	AR HO Territory Pages		New	AR HO Territory Pages.pdf

State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **SEPTEMBER 30, 2008 (NEW BUSINESS written on or after SEPTEMBER 22, 2008)**
NOVEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND MINIMUM PREMIUMS

BASE RATES

<u>Form Type</u>	<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	Other Perils	897.17	1061.33	1270.84	1282.06
	Fire	986.81	1157.50	1159.04	1241.80
Unit-Owners	Other Perils	329.22	281.04	281.04	281.04
	Fire	36.79	26.59	26.59	26.59

* Base limits are \$300,000 Liability and \$5,000 Medical Payments to Others

MINIMUM PREMIUMS

<u>Form Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	\$250	\$250	\$250	\$250
Unit-Owners	\$125	\$125	\$125	\$125

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USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP		Other		Optional
	Tier	Perils	Fire	Coverages *
	21	0.4237	0.2103	0.4237
	22	0.4441	0.2184	0.4441
	23	0.4649	0.2269	0.4649
	24	0.4862	0.2359	0.4862
	25	0.5078	0.2455	0.5078
	26	0.5297	0.2556	0.5297
	27	0.5515	0.2663	0.5515
	28	0.5735	0.2777	0.5735
	29	0.5951	0.2898	0.5951
	30	0.6167	0.3026	0.6167
	31	0.6379	0.3162	0.6379
	32	0.6588	0.3307	0.6588
	33	0.6792	0.3461	0.6792
	34	0.7001	0.3624	0.7001
	35	0.7163	0.3798	0.7163
	36	0.7319	0.3984	0.7319
	37	0.7470	0.4181	0.7470
	38	0.7617	0.4391	0.7617
	39	0.7758	0.4616	0.7758
	40	0.7896	0.4855	0.7896
	41	0.8031	0.5110	0.8031
	42	0.8163	0.5383	0.8163
	43	0.8293	0.5674	0.8293
	44	0.8424	0.5985	0.8424
	45	0.8556	0.6318	0.8556
	46	0.8690	0.6675	0.8690
	47	0.8827	0.7056	0.8827
	48	0.8970	0.7465	0.8970
	49	0.9119	0.7903	0.9119
	50	0.9266	0.8373	0.9266
	51	0.9496	0.8877	0.9496
	52	0.9739	0.9418	0.9739
	53	1.0000	1.0000	1.0000
	54	1.0281	1.0625	1.0281
	55	1.0587	1.1298	1.0587
	56	1.0919	1.2021	1.0919
	57	1.1282	1.2800	1.1282
	58	1.1682	1.3640	1.1682
	59	1.2123	1.4545	1.2123

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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

TIER FACTORS

USAA GROUP	Tier	Other		Optional Coverages *
		Perils	Fire	
	60	1.2613	1.5522	1.2613
	61	1.3158	1.6576	1.3158
	62	1.3769	1.7714	1.3769
	63	1.4455	1.8944	1.4455
	64	1.5230	2.0274	1.5230
	65	1.6110	2.1714	1.6110
	66	1.7113	2.3272	1.7113
	67	1.8263	2.4960	1.8263
	68	1.9588	2.6790	1.9588
	69	2.1125	2.8775	2.1125
	70	2.2917	3.0930	2.2917
	71	2.4891	3.3269	2.4891
	72	2.7066	3.5812	2.7066
	73	2.9465	3.8549	2.9465

* These factors apply to the optional Increased Liability Limit and Personal Injury Endorsement

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TERRITORY FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>
58	1.1350	0.7944
59	1.1622	0.9056
60	1.1363	0.9158
61	1.1662	0.9554
62	1.0180	1.0936
63	1.0110	1.0236
64	1.0000	0.9366
65	1.0281	1.0089
66	1.0702	1.0471
67	0.9888	1.0000
68	1.1230	1.2697
69	1.0898	1.2248
70	1.0423	1.0938
71	1.0647	1.0683
72	1.0888	0.7943
73	1.1344	0.8657
74	1.1890	0.9311
75	1.2194	0.9388
76	1.1785	0.9792
77	1.1877	0.9612
78	1.0850	0.7179

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

TERRITORY FACTORS

**USAA GROUP
UNIT-OWNERS FORMS**

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>
58	1.1350	0.7944
59	1.1622	0.9056
60	1.1363	0.9158
61	1.1662	0.9554
62	1.0180	1.0936
63	1.0110	1.0236
64	1.0000	0.9366
65	1.0281	1.0089
66	1.0702	1.0471
67	0.9888	1.0000
68	1.1230	1.2697
69	1.0898	1.2248
70	1.0423	1.0938
71	1.0647	1.0683
72	1.0888	0.7943
73	1.1344	0.8657
74	1.1890	0.9311
75	1.2194	0.9388
76	1.1785	0.9792
77	1.1877	0.9612
78	1.0850	0.7179

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

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Perils - \$500 Deductible	Wind/Hail Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.7117	0.6831	0.7629	0.7477
\$15,000	0.7184	0.6896	0.7622	0.7410
\$20,000	0.7254	0.6966	0.7617	0.7356
\$30,000	0.7359	0.7071	0.7586	0.7297
\$40,000	0.7455	0.7168	0.7557	0.7276
\$50,000	0.7564	0.7278	0.7564	0.7278
\$75,000	0.7762	0.7478	0.7615	0.7444
\$100,000	0.8248	0.7964	0.7964	0.7708
\$150,000	0.8972	0.8688	0.8494	0.8363
\$200,000	1.0000	0.9715	0.9321	0.9086
\$300,000	1.2110	1.1827	1.1053	1.0770
\$400,000	1.4026	1.3728	1.2901	1.2871
\$500,000	1.6104	1.5792	1.4663	1.4611
\$750,000	2.0192	1.9872	1.8513	1.8182
\$1,000,000	2.4116	2.3797	2.2112	2.1781
\$1,500,000	3.1966	3.1646	2.9394	2.9043
\$2,000,000	3.9815	3.9495	3.6733	3.6278

for each add'l \$10,000 above \$2,000,000, add:

0.0159	0.0159	0.0147	0.0145
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State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **SEPTEMBER 30, 2008 (NEW BUSINESS written on or after SEPTEMBER 22, 2008)**
NOVEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Perils - \$1,000 Deductible	Wind/Hail Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.6474	0.6188	0.6986	0.6834
\$15,000	0.6541	0.6253	0.6979	0.6768
\$20,000	0.6622	0.6334	0.6984	0.6723
\$30,000	0.6731	0.6443	0.6958	0.6669
\$40,000	0.6830	0.6543	0.6931	0.6650
\$50,000	0.6937	0.6652	0.6937	0.6652
\$75,000	0.7122	0.6838	0.6975	0.6804
\$100,000	0.7581	0.7297	0.7297	0.7041
\$150,000	0.8305	0.8021	0.7826	0.7695
\$200,000	0.9331	0.9047	0.8653	0.8417
\$300,000	1.1435	1.1152	1.0377	1.0095
\$400,000	1.3349	1.3051	1.2224	1.2193
\$500,000	1.5398	1.5085	1.3956	1.3904
\$750,000	1.9344	1.9025	1.7665	1.7334
\$1,000,000	2.2592	2.2272	2.0587	2.0256
\$1,500,000	2.9086	2.8766	2.6514	2.6164
\$2,000,000	3.5581	3.5261	3.2499	3.2044

for each add'l \$10,000 above \$2,000,000, add:

0.0132	0.0132	0.0120	0.0118
---------------	---------------	---------------	---------------

State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **SEPTEMBER 30, 2008 (NEW BUSINESS written on or after SEPTEMBER 22, 2008)**
NOVEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Perils - 1% Deductible	Wind/Hail Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.7921	0.7635	0.8433	0.8281
\$15,000	0.7880	0.7592	0.8318	0.8106
\$20,000	0.7839	0.7551	0.8202	0.7941
\$30,000	0.7720	0.7433	0.7948	0.7659
\$40,000	0.7608	0.7321	0.7709	0.7428
\$50,000	0.7564	0.7278	0.7564	0.7278
\$75,000	0.7442	0.7158	0.7294	0.7124
\$100,000	0.7581	0.7297	0.7297	0.7041
\$150,000	0.7699	0.7415	0.7221	0.7090
\$200,000	0.8066	0.7781	0.7387	0.7151
\$300,000	0.8914	0.8630	0.7856	0.7573
\$400,000	0.9846	0.9548	0.8721	0.8691
\$500,000	1.0960	1.0648	0.9519	0.9467
\$750,000	1.3662	1.3343	1.1983	1.1652
\$1,000,000	1.5466	1.5146	1.3461	1.3130
\$1,500,000	1.7380	1.7060	1.4808	1.4457
\$2,000,000	2.0273	1.9953	1.7190	1.6736

for each add'l \$10,000 above \$2,000,000, add:

	0.0059	0.0059	0.0048	0.0045
--	---------------	---------------	---------------	---------------

State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **SEPTEMBER 30, 2008 (NEW BUSINESS written on or after SEPTEMBER 22, 2008)**
NOVEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Perils - 2% Deductible	Wind/Hail Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.7697	0.7411	0.8208	0.8056
\$15,000	0.7544	0.7256	0.7982	0.7771
\$20,000	0.7406	0.7119	0.7769	0.7508
\$30,000	0.7233	0.6945	0.7460	0.7171
\$40,000	0.7079	0.6792	0.7181	0.6900
\$50,000	0.6937	0.6652	0.6937	0.6652
\$75,000	0.6531	0.6247	0.6384	0.6213
\$100,000	0.6479	0.6195	0.6195	0.5939
\$150,000	0.6623	0.6339	0.6144	0.6013
\$200,000	0.7139	0.6855	0.6461	0.6225
\$300,000	0.8208	0.7924	0.7150	0.6867
\$400,000	0.9354	0.9056	0.8229	0.8198
\$500,000	1.0460	1.0147	0.9018	0.8966
\$750,000	1.1831	1.1512	1.0153	0.9821
\$1,000,000	1.3113	1.2793	1.1109	1.0777
\$1,500,000	1.5631	1.5311	1.3059	1.2708
\$2,000,000	1.7974	1.7654	1.4892	1.4437

for each add'l \$10,000 above \$2,000,000, add:

0.0056	0.0056	0.0044	0.0042
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USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

USAA GROUP OWNERS FORMS

Fire	<u>Amount of Insurance</u>	<u>Deductible</u>			
		<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>	<u>2%</u>
	\$10,000	0.7147	0.6729	0.8416	0.7957
	\$15,000	0.7160	0.6752	0.8190	0.7608
	\$20,000	0.7173	0.6765	0.7982	0.7348
	\$30,000	0.7188	0.6874	0.7682	0.7098
	\$40,000	0.7290	0.6982	0.7495	0.7062
	\$50,000	0.7419	0.7110	0.7419	0.7110
	\$75,000	0.7815	0.7475	0.7576	0.7342
	\$100,000	0.8210	0.7864	0.7864	0.7644
	\$150,000	0.9061	0.8709	0.8597	0.8306
	\$200,000	1.0000	0.9638	0.9421	0.9077
	\$300,000	1.2409	1.1803	1.1211	1.0713
	\$400,000	1.5394	1.4546	1.3189	1.2455
	\$500,000	1.9419	1.8193	1.5225	1.4191
	\$750,000	3.2024	2.9214	2.0698	1.9001
	\$1,000,000	5.2999	4.9425	3.6044	3.0489
	\$1,500,000	13.4843	12.8971	10.0444	7.9041
	\$2,000,000	21.6686	20.8517	15.5680	11.0593

for each add'l \$10,000 above \$2,000,000, add:

	0.1637	0.1591	0.1105	0.0745
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
 UNIT-OWNERS FORMS**

All Perils	Deductible				
	<u>Amount of Insurance</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$5,000	1.1203	0.7840	0.6140	1.4118	1.3325
\$7,500	1.1388	0.8005	0.6277	1.3924	1.2790
\$10,000	1.1574	0.8175	0.6390	1.3732	1.2274
\$15,000	1.1934	0.8514	0.6544	1.3341	1.1234
\$20,000	1.2237	0.8774	0.6739	1.2940	1.0132
\$30,000	1.2748	0.9036	0.7000	1.1955	0.8043
\$40,000	1.3350	0.9519	0.7366	1.0921	0.7819
\$50,000	1.4022	1.0000	0.7749	1.0000	0.7749
\$75,000	1.5544	1.1395	0.8700	0.9480	0.7629
\$100,000	1.7301	1.2734	0.9656	0.9656	0.7787
\$150,000	2.1114	1.6189	1.1514	1.0158	0.8027
\$200,000	2.4713	1.8962	1.3390	1.0756	0.8486
\$300,000	3.1911	2.4510	1.7143	1.1592	0.9757
\$400,000	3.9108	3.0057	2.0897	1.2986	1.0641
\$500,000	4.6306	3.5605	2.4650	1.4535	1.1135
\$750,000	6.4300	4.9473	3.4033	1.7553	1.1850
\$1,000,000	8.2294	6.3342	4.3416	1.9324	1.2390
for each add'l \$10,000 above \$1,000,000, add:	0.0720	0.0555	0.0375	0.0071	0.0047

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PROTECTION / CONSTRUCTION FACTORS

USAA GROUP OWNERS FORMS

Construction Type	Protection Class	Other Perils	Fire
Frame	1	1.0241	0.7683
	2	1.0241	1.0000
	3	1.0000	1.0000
	4	0.9809	1.0000
	5	0.9809	1.1493
	6	0.9809	1.3378
	7	0.9809	1.3378
	8	0.9566	1.3378
	8B	0.9566	1.3378
	9	0.9566	1.8283
	10	0.9566	1.8283
Masonry	1	1.0209	0.5570
	2	1.0209	0.7249
	3	0.9968	0.7249
	4	0.9777	0.7249
	5	0.9777	0.8331
	6	0.9777	0.9698
	7	0.9777	0.9698
	8	0.9535	0.9698
	8B	0.9535	0.9698
	9	0.9535	1.3254
	10	0.9535	1.3254

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PROTECTION / CONSTRUCTION FACTORS

**USAA GROUP
 UNIT-OWNERS FORMS**

Construction Type	Protection Class	Other Perils	Fire
Frame	1	1.0241	0.7683
	2	1.0241	1.0000
	3	1.0000	1.0000
	4	0.9809	1.0000
	5	0.9809	1.1493
	6	0.9809	1.3378
	7	0.9809	1.3378
	8	0.9566	1.3378
	8B	0.9566	1.3378
	9	0.9566	1.8283
	10	0.9566	1.8283
Masonry	1	1.0209	0.5570
	2	1.0209	0.7249
	3	0.9968	0.7249
	4	0.9777	0.7249
	5	0.9777	0.8331
	6	0.9777	0.9698
	7	0.9777	0.9698
	8	0.9535	0.9698
	8B	0.9535	0.9698
	9	0.9535	1.3254
	10	0.9535	1.3254

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ROOF FACTORS

**USAA GROUP
 OWNERS FORMS**

Roof <u>Type</u>	<u>Code</u>	Other <u>Perils</u>	<u>Fire</u>
Aluminum	AL	0.9908	1.0000
Asbestos	AS	1.0983	1.0000
Cloth	CL	1.0744	1.0000
Concrete Tile	CN	0.8606	0.8456
Composition Shingle	CS	1.0000	1.0000
Clay Tile	CT	0.9078	1.0000
Composition Over Wood	CW	1.0579	1.4699
Fiberglass Shingle	FB	0.9815	0.8456
Fiber Cement	FC	0.9767	0.8456
Resin Formed Shingle	FE	0.9728	0.8456
Foam	FM	1.0698	1.0000
Metal	MT	0.9727	1.0000
None	NA	1.1618	1.4699
Other	OT	1.1618	1.0000
Plastic	PL	1.0713	1.0000
Reinforced Plastic	RP	1.0750	1.0000
Slate	SL	1.0827	0.8456
Tar	TR	0.9360	1.0000
Unknown	UN	1.1618	1.4699
Wood Shake	WS	1.1234	1.4699
No Data	X	1.1618	1.4699

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SQUARE FOOTAGE FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Minimum</u>	<u>Maximum</u>	Other <u>Perils</u>	<u>Fire</u>
0	499	0.7890	0.9149
500	599	0.7928	0.9149
600	699	0.8163	0.9149
700	799	0.8393	0.9149
800	899	0.8431	0.9149
900	999	0.8624	0.9149
1000	1099	0.8813	0.9149
1100	1199	0.8968	0.9149
1200	1299	0.9073	0.9149
1300	1399	0.9239	0.9818
1400	1499	0.9374	0.9818
1500	1599	0.9520	0.9818
1600	1699	0.9680	1.0000
1700	1799	0.9848	1.0000
1800	1899	1.0000	1.0000
1900	1999	1.0198	1.0000
2000	2099	1.0344	1.0000
2100	2199	1.0540	1.1076
2200	2299	1.0706	1.1076
2300	2399	1.0874	1.1076
2400	2499	1.1028	1.1076
2500	2599	1.1202	1.1724
2600	2699	1.1357	1.1724
2700	2799	1.1506	1.1724
2800	2899	1.1648	1.2455
2900	2999	1.1800	1.2455
3000	3099	1.1903	1.2455
3100	3199	1.2003	1.2455
3200	3299	1.2075	1.2455
3300	3399	1.2174	1.2455
3400	3499	1.2260	1.2946
3500	3599	1.2333	1.2946
3600	3699	1.2414	1.2946
3700	3799	1.2455	1.2946
3800	3899	1.2514	1.2946

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SQUARE FOOTAGE FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Minimum</u>	<u>Maximum</u>	<u>Other Perils</u>	<u>Fire</u>
3900	3999	1.2589	1.2946
4000	4099	1.2645	1.2946
4100	4199	1.2697	1.2946
4200	4299	1.2758	1.2946
4300	4399	1.2846	1.2946
4400	4499	1.2899	1.2946
4500	4599	1.2996	1.2946
4600	4699	1.3062	1.2946
4700	4799	1.3142	1.2946
4800	4899	1.3272	1.2946
4900	4999	1.3372	1.5784
5000	5499	1.3462	1.5784
5500	5999	1.3618	1.5784
6000	6499	1.3872	1.5784
6500	6999	1.4548	1.5784
7000	7499	1.4551	1.5784
7500	9999	1.4626	1.5784
10000	and greater	1.4772	1.5784

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MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR
USAA GROUP
OWNERS FORMS

<u>Form</u>	Other <u>Perils</u>	<u>Fire</u>
HO-3R	1.0000	1.0000
HO-9R	1.0434	1.0199

PERSONAL PROPERTY COVERAGE AMOUNT FACTOR
USAA GROUP
OWNERS FORMS

<u>Coverage Amount</u>	Other <u>Perils</u>	<u>Fire</u>	<u>Optional Coverages *</u>
50% of Coverage A	1.0000	1.0000	1.0000
75% of Coverage A	1.0460	1.0460	1.0460

* This factor applies to the optional Earthquake coverage

SPECIAL PERSONAL PROPERTY COVERAGE FACTOR
USAA GROUP

<u>Form Type</u>	Other <u>Perils</u>	<u>Fire</u>
Owners	1.2000	--
Unit-Owners	1.4000	--

HOME PROTECTOR COVERAGE FACTOR
USAA GROUP
OWNERS FORMS

<u>Form</u>	Other <u>Perils</u>	<u>Fire</u>
HO-3R	1.0382	1.0148
HO-9R	--	--

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MISCELLANEOUS RATING FACTORS

RATE CAPS

<u>Form Type</u>	<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	Lower	Increase	25%	25%	25%	25%
		Decrease	25%	25%	25%	25%
	Higher	Increase	50%	50%	50%	50%
		Decrease	50%	50%	50%	50%
Unit-Owners	Lower	Increase	25%	25%	25%	25%
		Decrease	25%	25%	25%	25%
	Higher	Increase	50%	50%	50%	50%
		Decrease	50%	50%	50%	50%

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OPTIONAL COVERAGES

PERSONAL COMPUTER COVERAGE

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	4.00	4.00	4.00	4.00

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form Type</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners with Special Personal	\$2,000	15.00	15.00	15.00	15.00
Property Coverage	\$4,000	30.00	30.00	30.00	30.00
Owners without Special Personal	\$2,000	20.00	20.00	20.00	20.00
Property Coverage	\$4,000	40.00	40.00	40.00	40.00
Unit-Owners with Special Personal	\$2,000	15.00	15.00	15.00	15.00
Property Coverage	\$4,000	30.00	30.00	30.00	30.00
Unit-Owners without Special Personal	\$2,000	20.00	20.00	20.00	20.00
Property Coverage	\$4,000	40.00	40.00	40.00	40.00

INCREASED LIABILITY LIMIT

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$500,000	12.00	12.00	12.00	12.00
\$1,000,000	47.00	47.00	47.00	47.00

PERSONAL INJURY ENDORSEMENT

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$300,000	34.00	34.00	34.00	34.00
\$500,000	41.00	41.00	41.00	41.00
\$1,000,000	66.00	66.00	66.00	66.00

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OPTIONAL COVERAGES

SINKHOLE COLLAPSE COVERAGE

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	0.42	0.42	0.42	0.42

INCREASED DWELLING COVERAGE LIMIT

USAA GROUP

UNIT-OWNERS FORMS

	<u>Other</u>	<u>Fire*</u>
Rate per \$1,000	7.23	0.38

* Tier factors, Territory factors, Claims Free Discount factors, and Claims Activity Surcharge factors specific to these perils apply to Increased Dwelling Coverage Limit

EARTHQUAKE COVERAGE

USAA GROUP

<u>Form Type</u>		<u>Zone</u>	<u>Frame</u>	<u>Masonry</u>
Owners	Rate per \$1,000 of Dwelling Coverage	2	0.95	2.34
		3	0.63	1.80
		4	0.63	1.50
		5	0.41	0.90
		Unit-Owners	Rate per \$1,000 of Personal Property Coverage	2
		3	0.31	0.95
		4	0.35	1.18
		5	0.26	0.62
Unit-Owners	Rate per \$1,000 of Increased Dwelling Coverage	2	0.32	0.95
		3	0.31	0.95
		4	0.35	1.18
		5	0.26	0.62

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DISCOUNTS AND SURCHARGES

Protective Device Credit
USAA GROUP

	<u>Other</u> <u>Perils</u>	<u>Fire</u>	<u>Optional</u> <u>Coverages</u>
Monitored Burglar Alarm	0.95	--	--
Monitored Fire Alarm	--	0.95	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	--	0.80	--

Claims Free Discount
USAA GROUP

<u>Other</u> <u>Perils</u>	<u>Fire</u>	<u>Optional</u> <u>Coverages</u>
0.90	0.90	0.90

Claims Activity Surcharge
USAA GROUP

Prior Non-Weather <u>Claims</u>	<u>Other</u> <u>Perils</u>	<u>Fire</u>	<u>Optional</u> <u>Coverages</u>
0	1.00	1.00	1.00
1	1.13	1.17	1.13
2	1.42	1.33	1.42
3	1.64	1.59	1.64
4	2.05	1.85	2.05
for each add'l claim above 4 add:	0.42	0.26	0.42

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DISCOUNTS AND SURCHARGES

Home Age Discount
USAA GROUP
OWNERS FORMS

Dwelling Age (Years)	Other Perils	Fire
0	0.3704	0.3421
1	0.4049	0.3609
2	0.4439	0.3802
3	0.4867	0.3998
4	0.5337	0.4197
5	0.5852	0.4401
6	0.6352	0.4606
7	0.6866	0.4814
8	0.7371	0.5024
9	0.7890	0.5236
10	0.8378	0.5448
11	0.8805	0.5660
12	0.9169	0.5873
13	0.9461	0.6085
14	0.9688	0.6297
15	0.9827	0.6507
16	0.9886	0.6715
17	0.9858	0.6921
18	0.9753	0.7123
19	0.9604	0.7323
20	0.9382	0.7519
21	0.9362	0.7710
22	0.9341	0.7897
23	0.9311	0.8078
24	0.9269	0.8255
25	0.9251	0.8426
26	0.9216	0.8590
27	0.9189	0.8748
28	0.9139	0.8899
29	0.9098	0.9044
30	0.9065	0.9181
31	0.9032	0.9311
32	0.8998	0.9433
33	0.8957	0.9547
34	0.8929	0.9654

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DISCOUNTS AND SURCHARGES

Home Age Discount
USAA GROUP
OWNERS FORMS

<u>Dwelling Age</u> <u>(Years)</u>	<u>Other</u> <u>Perils</u>	<u>Fire</u>
35	0.8903	0.9752
36	0.8868	0.9843
37	0.8831	0.9925
38	0.8806	1.0000
39	0.8776	0.9916
40	0.8758	0.9916
41	0.8737	0.9916
42	0.8697	0.9916
43	0.8679	0.9916
44	0.8648	0.9916
45	0.8634	0.9916
46	0.8613	0.9916
47	0.8572	0.9916
48	0.8554	0.9916
49	0.8529	0.9916
50-54	0.8280	0.9916
55-59	0.8259	0.9916
60-64	0.8230	0.9916
65-69	0.8127	0.9916
70-74	0.7999	0.9916
75+	0.7925	0.9916

State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **SEPTEMBER 30, 2008 (NEW BUSINESS written on or after SEPTEMBER 22, 2008)**
NOVEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Auto and Home Combination Discount
USAA GROUP

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Optional Coverages</u>
58	0.90	0.90	0.90
59	0.90	0.90	0.90
60	0.90	0.90	0.90
61	0.90	0.90	0.90
62	0.90	0.90	0.90
63	0.90	0.90	0.90
64	0.90	0.90	0.90
65	0.90	0.90	0.90
66	0.90	0.90	0.90
67	0.90	0.90	0.90
68	0.90	0.90	0.90
69	0.90	0.90	0.90
70	0.90	0.90	0.90
71	0.90	0.90	0.90
72	0.90	0.90	0.90
73	0.90	0.90	0.90
74	0.90	0.90	0.90
75	0.90	0.90	0.90
76	0.90	0.90	0.90
77	0.90	0.90	0.90
78	0.90	0.90	0.90

ARKANSAS HOMEOWNERS MANUAL

HOMEOWNERS POLICY PROGRAM
2008 EDITION
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2. DESCRIPTIONS OF COVERAGES
3. ELIGIBILITY
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7. SECONDARY RESIDENCE PREMISES
8. POLICY PERIOD
9. RENEWAL PREMIUM
10. OTHER INSURANCE
11. CANCELLATION OR REDUCTIONS IN LIMITS OF LIABILITY OR COVERAGES
12. MANUAL PREMIUM REVISION
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ARKANSAS HOMEOWNERS MANUAL

HOMEOWNERS POLICY PROGRAM

2008 EDITION

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4. PERSONAL PROPERTY - HO-3 & HO-9
5. EARTHQUAKE COVERAGE -
6. PERSONAL COMPUTER COVERAGE
7. SINKHOLE COLLAPSE

IV. SECTION II - LIMITS OF LIABILITY AND OTHER EXPOSURES

USAA GROUP

(ii)

NEW BUSINESS EFFECTIVE JULY 30, 2008 (WRITTEN ON OR AFTER JULY 26, 2008)
RENEWAL BUSINESS EFFECTIVE SEPTEMBER 30, 2008

ARKANSAS HOMEOWNERS MANUAL

I. GENERAL RULES

The Homeowners Policy provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the Company for each coverage govern in all cases not specifically provided for in this manual.

FORMS AVAILABILITY

1. AMOUNT OF INSURANCE AND COVERAGE RELATIONSHIPS

- a. The minimum amounts of insurance required under the Homeowners Policy are as follows:

Section I--Property Damage

Coverage	HO-3R	HO-6R	HO-9R
A -- Dwelling Minimum Limit	\$10,000	See Premium Section for auto- matic limit.	\$10,000
B -- Other Structures	25% of A	--	25% of A
C -- Personal Property	50% of A	\$5,000	50% of A
D -- Loss of Use (Up to 12 months)	20% of A	40% of C	Unlimited

Section II--Liability - All Forms

Coverage E--Personal Liability	\$300,000	Each Occurrence
Coverage F--Medical Payments to Others	\$ 5,000	Each Person

- b. Forms HO-3R, HO-6R, HO-9R: The amount of insurance for Coverage A, Coverage C of Section I and Coverage E of Section II may be increased.

2. DESCRIPTION OF COVERAGES

- a. Section I Coverages-Property Damage

Consult the policy for exact contract conditions.

- (1) Dwelling-Coverage A, Other Structures-Coverage B and Loss of Use-Coverage D.

HO-3R, HO6-R: Insures against All Risks with certain exceptions (Special Coverage.)

HO-9R: Insures against Additional Risks with certain exceptions (Special Coverage.) Includes Home Protector coverage.

I. GENERAL RULES, (Cont'd)

2. DESCRIPTION OF COVERAGES, (Cont'd)

(2) Personal Property Coverage C.

HO-3R, HO-6R, HO-9R: Insures against loss caused by Named Perils such as Fire or Lightning, Windstorm or Hail, Explosion, Theft, etc.

b. Section II Coverages--Liability--All Forms

(1) Coverage E--Personal Liability

Covers payment on behalf of an insured of all sums which an insured becomes legally obligated to pay as damages because of a covered bodily injury or property damage loss arising out of an insured's premises or personal activities.

(2) Coverage F--Medical Payments to Others

Covers medical expenses incurred by persons, other than an insured, who sustain a covered bodily injury loss caused by an accident arising out of an insured's premises or personal activities.

3. ELIGIBILITY

a. FORM HO-3R - A Homeowners Policy may be issued:

- (1) to the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes (except as provided in General Rule 3.g) and is not occupied by more than one additional family or more than two boarders or roomers per family; or
- (2) to the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts a mortgagee. The seller's interest in the building and premises liability may be covered using Endorsement HO-41--Additional Insured; or
- (3) to the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 90% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO-41--Additional Insured; or
- (4) to cover dwellings in course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.

b. FORM HO-6R -

A Unit-Owners Policy may be issued to the owner of a condominium or cooperative unit which is used exclusively for residential purposes and is not occupied by more than one additional family or more than two boarders or roomers.

c. FORM HO-9R - The Preferred Protection Plan may be issued when the requirements of 3.a are met and the dwelling is in accordance with the company's underwriting guidelines.

I. GENERAL RULES, (Cont'd)

3. ELIGIBILITY, (Cont'd)

d. CO-OWNER/JOINT OWNER

1. Occupant

a. Co-Owner

- i. When a one-family dwelling is occupied by a nonrelative co-owner, the Homeowners Policy may be endorsed without additional premiums, to cover the interest of the nonrelative co-owner in the building, personal property and personal liability.
- ii. When a two-family dwelling is occupied by co-owners, each occupying distinct living quarters with separate entrances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other occupant co-owner(s) in the building and for premises liability. The other occupant co-owner(s) must secure separate personal property and off-premises liability coverage.

Use Endorsement HO-41 - Additional Insured

b. Non-owner

The Homeowners Policy may be endorsed without additional premium to cover the interest of a nonrelative resident in personal property and for personal liability.

Use Endorsement HO-41 - Additional Insured

(2) Joint-Owner Non-Occupant

The Homeowners Policy may be endorsed without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability.

Use Endorsement HO-41 - Additional Insured

- e. Certain business occupancies incidental to the dwelling are permitted provided the premises is occupied principally for residential dwelling purposes.
- f. Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.
- g. A Homeowners Policy will not be issued on any property used for farming purposes.
- h. The Homeowners Policy may be endorsed without additional premium charge to cover the Section II liability of an additional insured with respect to the maintenance or use of private watercraft or a golf cart by an insured.

Use Endorsement HO-41 - Additional Insured

- i. The Homeowners Policy may be endorsed without additional premium charge to cover a personal corporation under Section I and II.

Use Endorsement HO-41 - Additional Insured

I. GENERAL RULES, (Cont'd)

4. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

5. DEDUCTIBLES

Deductible options are shown in the State Rate Pages. Availability of deductible options is subject to company underwriting guidelines.

6. OPTIONAL COVERAGES

For optional Section I and II Coverages, see the [Optional Coverages](#) Section of this manual.

7. SECONDARY RESIDENCE PREMISES

Homeowners Coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply.

8. POLICY PERIOD

The Homeowners Policy may be written for a period of:

one year and may be extended for successive policy periods by renewal certificate based upon the premiums, forms and endorsements then in effect for the Company.

9. RENEWAL PREMIUM

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

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

10. OTHER INSURANCE

Credit for existing insurance is not permitted.

11. CANCELLATION OR REDUCTIONS IN AMOUNTS OF INSURANCE OR COVERAGES

It is not permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.

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

12. MANUAL PREMIUM REVISION

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

- a. The effective date of such revision will be as announced.
- b. The revision will apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- c. When an existing Homeowners Policy is endorsed to take advantage of a reduction in premium, the adjustment will be made on a pro rata basis.

I. GENERAL RULES, (Cont'd)

12. MANUAL PREMIUM REVISION (Cont'd)

- d. Unless otherwise provided at the time the premium revision becomes effective, the premium revision does not affect in-force policy forms and endorsements until the policy is renewed.

13. RESTRICTION OF INDIVIDUAL POLICIES

If a Homeowners 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.

14. SPECIAL STATE REQUIREMENTS

A Homeowners Policy may be endorsed to comply with special state requirements. When required, the state Special Provisions Endorsement will be attached to all Homeowners policies issued in that state

15. ADJUSTED BUILDING COST ENDORSEMENT

A. Forms HO-3R and HO-9R

The Homeowners Policy provides for automatic increases in the limit of liability for Coverage A at each renewal.

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

B. Form HO-6R

The Homeowners Policy provides for automatic increases in the limit of liability for Coverage A at each renewal, when the insured carries coverage in excess of the amount automatically provided with the policy.

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

16. ADJUSTED CONTENTS ENDORSEMENT - FORM HO-6R

The Homeowners Policy provides for automatic increases in the limit of liability for Coverage C at each renewal. The increase is based on the change in the Housefurnishing, Entertainment Commodities, and Apparel Commodities portions of the Consumer Price Index published by the U.S. Department of Labor.

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

17. REPLACEMENT COST COVERAGE - PERSONAL PROPERTY - FORMS HO-3R & HO-6R

The policy will be endorsed to provide Replacement Cost Coverage for Coverage C. See State Rate Pages for additional premium charge.

Use Endorsement HO-728 - Replacement Cost Coverage-Personal Property

I. GENERAL RULES, (Cont'd)

18. WATER BACK UP OR SUMP PUMP OVERFLOW - ALL FORMS

The policy may be endorsed to provide coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump pump or sump well. A \$250 deductible applies to any loss covered by this endorsement.

Use Endorsement HO-208 - Water Back Up or Sump Pump Overflow

I. GENERAL RULES, (Cont'd)

19. CLASSIFICATION OF PUBLIC FIRE PROTECTION (PPC)

Public Protection Classifications are determined by using one of the following methods:

A. Using LOCATION™

- (1) LOCATION™ is a database that can be used to obtain Public Protection Classifications for specific locations. LOCATION™ follows the Fire Suppression Rating Schedule and Public Protection Classification manual rules in assigning the PPC for a specific location.
- (2) In the event that LOCATION™ produces a split classification (e.g., in a 6/9 - community where water source/hydrant information is not available) the classification number will be determined as follows:
 - (a) If the risk address is within 1000 feet of an approved water source, then the PPC is assigned the lower-numbered class (e.g., class 6 in the example above.
 - (b) Otherwise the risk is assigned a PPC 9.

B. Applying the following manual rules

- (1) For jurisdictions listed with a single classification number, all properties within the jurisdiction should receive the listed classification number.
- (2) For jurisdictions listed with multiple classification numbers (e.g. 6/9), known as a "split classification", the classification number applicable to individual properties is determined as follows:
 - (a) Split classifications shown as "X/9" or "X/8B" (e.g. 6/9 or 6/8B):
 - i. For properties located five road miles or less from a responding fire station of a designated recognized fire department indicated in the listing for the jurisdiction, and within 1,000 feet of a fire hydrant, the first listed classification number applies. (e.g., 6/9, use class 6).
 - ii. For properties located five road miles or less from a responding fire station of a designated recognized fire department indicated in the listing for the jurisdiction, and with a fire hydrant more than 1,000 feet, class 9 or class 8B applies.
 - iii. For properties not qualifying for 2(a)i or 2(a)ii, class 10 applies.

I. GENERAL RULES, (Cont'd)

19. CLASSIFICATION OF PUBLIC FIRE PROTECTION (PPC), (Cont'd)

- (b) Split classifications displayed as "X/10" where no hydrants are installed (e.g. 9/10); or where hydrant distance does not apply due to an alternate creditable water supply (e.g. 7/10):
 - i. For properties located within five road miles or less from a responding fire station of a designated recognized fire department indicated in the listing for the jurisdiction, the first listed classification applies (e.g., 7/10, use class 7).
 - ii. For properties not qualifying for 2a. above, class 10 applies.

- (3) For jurisdictions or areas not listed, class 10 applies.

Class 10 applies to individual properties that do not subscribe to the listed subscription fire department.

- (4) Definitions

- a. "Recognized Fire Department" means a fire department meeting the minimum criteria of ISO's Fire Suppression Rating Schedule (FSRS).
- b. "Primary Fire Department" means the fire department that has primary overall responsibility for the jurisdiction.

I. GENERAL RULES, (Cont'd)

20. PREMIUM DETERMINATION

1. From the rate pages, select the appropriate factors for underwriting tier, territory, protection/construction, roof type, square footage, and policy form if applicable.
2. Using the amount of insurance/deductible tables from the rate pages, determine the applicable factors for the desired deductible and amount of insurance. The amount of insurance is the dwelling coverage limit for Owners forms and the personal property coverage limit for Unit-Owners forms. If the limit is not shown in the chart, use the following rules to determine the applicable factor.
 - a. If the desired limit is less than the highest limit shown, use linear interpolation between the nearest limit above and below the desired limit to determine the applicable factor.
 - b. If the desired limit is more than the highest limit shown, add the applicable incremental additional amount to the factor for the highest limit shown to determine the applicable factor.
3. Multiply the base rate for each peril by the appropriate factors for underwriting tier, territory, amount of insurance/deductible, protection/construction, roof type, square footage, and policy form if applicable.
4. Multiply the result by the appropriate factors for Owners Personal Property Coverage Amount, Special Personal Property Coverage, and Home Protector Coverage if applicable.
5. For other Optional Coverages, determine the premium by selecting the rate from the rate pages and multiplying by any applicable rating factors.

Note: Discounts and Surcharges if applicable would modify the above calculated rate.

6. A minimum premium must be charged for each policy. The applicable minimum premium is listed in the rate pages.

I. GENERAL RULES, (Cont'd)

21. PREMIUM DETERMINATION, (Cont'd)

7. Rate Capping

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

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

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

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

- c. Premium adjustments to the policy other than at renewal will be capped at the same proportion as the policy's capped to uncapped premium ratio immediately prior to the adjustment.
- d. The ratio of the policy's capped to uncapped premium shall be applied to all coverages on the policy.
- e. If the difference between the full renewal premium and the expiring prior term premium does not exceed the applicable cap, the renewal premium is not capped.

II. DISCOUNTS/SURCHARGES

1. Protective Device Credit

a.) Monitored Burglar Alarm Credit

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

b.) Monitored Fire Alarm Credit

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

c.) Automatic Sprinkler Credit

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

2. Auto and Home Combination Discount

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

3. Home Age Discount

All Owners policies are eligible for a premium discount based on the age in years of the dwelling. Refer to the State Rate Pages for the applicable discount.

II. DISCOUNTS/SURCHARGES

4. Claims Free Discount

The policy is eligible for a premium discount if no chargeable Homeowners, Tenant Homeowners, or Renters claims have been paid for the Named Insured in the five years immediately preceding the effective date of the policy. Policies covering residences other than the primary residence of the Named Insured are not eligible for this discount. Refer to the State Rate Pages for the applicable discount.

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

- a. total payments on a claim are less than or equal to \$500
- b. a claim was paid under Medical Payments to Others coverage
- c. a claim was paid under Moving and Storage coverage
- d. a claim for a loss caused by flood was paid under a Renters policy.
- e. a claim was catastrophe or weather related.

5. Claims Activity Surcharge

A premium surcharge will be applied to the policy for any chargeable Homeowners, Tenant Homeowners, or Renters claims paid for the Named Insured in the three years immediately preceding the effective date of the policy. Policies covering residences other than the primary residence of the Named Insured are not eligible for this surcharge. Refer to the State Rate Pages for the applicable surcharge.

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

- a. total payments on a claim are less than or equal to \$500
- b. a claim was paid under Medical Payments to Others coverage
- c. a claim was paid under Moving and Storage coverage
- d. a claim paid under a Renters policy that was caused by flood
- e. a claim was catastrophe or weather related.

The Claims Activity Surcharge will be waived on the first otherwise chargeable claim if all of the following apply:

- a. the Named Insured has at least 5 years of tenure with the USAA Group. For purposes of this rule, tenure is defined as the duration of time from the date the Named Insured first purchased a Homeowners or Renters policy with the USAA Group to the effective date of the policy
- b. the policy was eligible for the Claims Free Discount on the previous annual term

III. OPTIONAL COVERAGES

1. Home Protector - Form HO-3R

Form HO-3R may be endorsed to provide an additional percentage of the Coverage A limit to apply to a covered loss when:

- (1) the limit of liability applying to a building covered under Coverages A or B is exhausted;
- (2) the limit of liability provided under Additional Coverages, Debris Removal is exhausted;
- (3) the limit of liability provided under Additional Coverages, Building Ordinance is exhausted.

The most that will be paid for (1), (2) or (3), either singly or in any combination is the percentage specified.

A. Eligibility

An owner-occupied dwelling or townhouse, used principally for private residential purposes. The dwelling may not be a mobile home.

B. Rules

1. The dwelling must be insured for 100% of value at the time this endorsement is applied. The value is to be determined by one of this Company's accepted methods for determining value.
2. The insured must annually accept any applicable adjusted building cost increase.
3. To maintain the replacement cost provisions, the insured must notify the Company of any additions or other physical changes which change the value of either the dwelling or other structures on the residence premises by 25,000 OR 5% which ever is greater.

C. Rates

When the HO-3R policy is endorsed with Home Protector, the additional percentage of coverage will be 25%. See State Rate Pages for applicable charge.

Use Endorsement HO-125 Home Protector Coverage

2. Home Protector - Form HO-9R

Form HO-9R automatically includes the Home Protector coverage and Replacement Cost Coverage for Personal Property.

3. FORM HO-6R Coverage A Dwelling - Increased Limits

\$3,000 Coverage A is provided at no additional charge. When this limit is increased, see State Rate Pages for the rate per \$1000.

III. OPTIONAL COVERAGES, (Cont'd)

4. Personal Property - HO-3 & HO-9

A. Increased Limit

When the limit of liability for Coverage C is increased, the option is 75% of coverage A. See Rate Pages for Factor.

B. Special Personal Property Coverage

The Homeowners Policy may be endorsed to change Coverage C from a Named Perils coverage to coverage insured against additional risks of physical loss subject to certain exclusions. See State Rate Pages.

Forms HO-3R & HO-9R - Use Endorsement HO-137 - Special Personal Property Coverage

Form HO-6R - Use Endorsement HO-874 - Special Personal Property Coverage

C. Special Coverage Jewelry, Watches, Furs and Silverware.

Some policies may be endorsed to cover jewelry, watches, furs, and silverware against additional risks of physical loss subject to certain exclusions. There is a \$1,000 per item maximum limit. See State Rate Pages.

Use Endorsement HO-506--Special Coverage Jewelry, Watches, Furs and Silverware

NOTE: THIS ENDORSEMENT IS NOT AVAILABLE TO ALL POLICYHOLDERS.

III. OPTIONAL COVERAGES, (Cont'd)

5. Earthquake Coverage - All Forms

The policy may be endorsed to add earthquake coverage.

- A. The earthquake peril applies to all Section I Coverages for the same limits provided in the policy. When earthquake is added, the additional premium will be developed according to C. below.

A deductible of 10% applies. The deductible will be a percentage of Coverage A, or Coverage C, whichever is higher.

Use Endorsement HO-370 Earthquake

B. Premiums

1. Determine which rate tables from the State Rate Pages applies.
2. Determine the Earthquake Zone.
3. Select the rate(s) per \$1000 according to construction.
4. Apply the rate(s) to the:
Coverage A limit for FORM HO-3R and HO-9R OR
Coverage C limit for Form HO-6R
Increased Dwelling Coverage For Form HO-6R.

Zone Definition:

- Zone 2 - Clay, Craighead, Crittenden, Cross, Greene, Jackson, Mississippi, Poinsett Counties.
- Zone 3 - Independence, Lawrence, Lee, Monroe, Phillips, Randolph, Ste. Francis, White, Woodruff Counties.
- Zone 4 - Arkansas, Baxter, Cleburne, Conway, Desha, Faulkner, Fulton, Izard, Jefferson, Little River, Lonoke, Marion, Prairie, Pulaski, Searcy, Sebastian, Sharp, Stone, Van Buren Counties.
- Zone 5 - Balance of State

III. OPTIONAL COVERAGES, (Cont'd)

6. Personal Computer Coverage - All Forms

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

Use Endorsement HO-513 - Personal Computer Coverage

7. Sinkhole Collapse - Forms HO-3R & HO-9R.

Some policies may be endorsed to provide sinkhole collapse coverage. See State Rate Pages.

Use Endorsement HO-99 - Sinkhole Collapse

NOTE: THIS ENDORSEMENT IS NOT AVAILABLE TO ALL POLICYHOLDERS.

IV. SECTION II - LIMITS OF LIABILITY AND OTHER EXPOSURES

Basic limits of \$300,000 for Coverage E (Personal Liability) and \$5000 for Coverage F (Medical Payments to Others) are provided in the policy. When the Coverage E limit is increased see State Rate Pages.

Coverage E limits apply on an "occurrence" basis; Coverage F limits, on an "each person" basis.

Personal Injury Endorsement

Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy. See State Rate Pages.

Use Endorsement HO-82 - Personal Injury

<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>
72104	SALINE	65	71720	OUACHITA	63	71845	LAFAYETTE	70
71601	JEFFERSON	69	71722	NEVADA	62	71846	SEVIER	62
71602	GRANT	63	71725	DALLAS	63	71847	HEMPSTEAD	62
71602	JEFFERSON	69	71726	OUACHITA	63	71851	HOWARD	62
71603	GRANT	63	71730	UNION	63	71852	HEMPSTEAD	62
71603	JEFFERSON	69	71740	COLUMBIA	70	71852	HOWARD	62
71630	DESHA	71	71742	DALLAS	63	71853	LITTLE RIVER	62
71631	BRADLEY	71	71743	CLARK	63	71854	MILLER	70
71635	ASHLEY	71	71744	CALHOUN	71	71855	HEMPSTEAD	62
71638	CHICOT	71	71745	CALHOUN	71	71857	NEVADA	62
71638	DREW	71	71747	UNION	63	71858	NEVADA	62
71639	DESHA	71	71748	DALLAS	63	71859	HEMPSTEAD	62
71640	CHICOT	71	71749	UNION	63	71859	HOWARD	62
71642	ASHLEY	71	71751	OUACHITA	63	71859	SEVIER	62
71642	DREW	71	71752	COLUMBIA	70	71860	COLUMBIA	70
71643	LINCOLN	69	71753	COLUMBIA	70	71860	LAFAYETTE	70
71644	JEFFERSON	69	71753	UNION	63	71861	COLUMBIA	70
71644	LINCOLN	69	71758	UNION	63	71862	HEMPSTEAD	62
71646	ASHLEY	71	71762	OUACHITA	63	71864	NEVADA	62
71646	DREW	71	71762	UNION	63	71865	LITTLE RIVER	62
71647	BRADLEY	71	71763	CLARK	63	71866	LITTLE RIVER	62
71651	BRADLEY	71	71763	DALLAS	63	71901	GARLAND	64
71652	CLEVELAND	71	71763	OUACHITA	63	71909	GARLAND	64
71653	ASHLEY	71	71764	COLUMBIA	70	71909	SALINE	64
71653	CHICOT	71	71764	OUACHITA	63	71913	GARLAND	63
71654	DESHA	71	71765	UNION	63	71913	HOT SPRING	63
71655	DREW	71	71766	CALHOUN	71	71921	CLARK	63
71656	DREW	71	71769	COLUMBIA	70	71922	PIKE	62
71658	ASHLEY	71	71770	COLUMBIA	70	71923	CLARK	63
71658	DREW	71	71801	HEMPSTEAD	62	71923	HOT SPRING	63
71660	CLEVELAND	71	71822	HEMPSTEAD	62	71929	HOT SPRING	63
71661	ASHLEY	71	71822	LITTLE RIVER	62	71933	GARLAND	63
71661	CHICOT	71	71825	HEMPSTEAD	62	71933	HOT SPRING	63
71662	DESHA	71	71826	LAFAYETTE	70	71935	MONTGOMERY	62
71663	ASHLEY	71	71827	LAFAYETTE	70	71937	POLK	62
71663	CHICOT	71	71828	NEVADA	62	71940	PIKE	62
71665	CLEVELAND	71	71831	HEMPSTEAD	62	71941	HOT SPRING	63
71666	DESHA	71	71832	SEVIER	62	71942	HOT SPRING	63
71667	CLEVELAND	71	71833	HOWARD	62	71943	PIKE	62
71667	LINCOLN	69	71834	MILLER	70	71944	POLK	62
71670	DESHA	71	71835	HEMPSTEAD	62	71945	POLK	62
71670	DREW	71	71835	NEVADA	62	71949	GARLAND	64
71671	BRADLEY	71	71836	LITTLE RIVER	62	71950	PIKE	62
71671	CLEVELAND	71	71837	MILLER	70	71952	PIKE	62
71674	DESHA	71	71838	HEMPSTEAD	62	71953	POLK	62
71675	DREW	71	71839	LAFAYETTE	70	71953	SCOTT	60
71676	ASHLEY	71	71839	MILLER	70	71956	GARLAND	63
71677	DREW	71	71841	POLK	62	71957	GARLAND	64
71678	LINCOLN	69	71841	SEVIER	62	71957	MONTGOMERY	62
71701	OUACHITA	63	71842	SEVIER	62	71958	PIKE	62

<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>
71959	HOWARD	62	72030	CONWAY	61	72088	VAN BUREN	61
71959	PIKE	62	72031	VAN BUREN	61	72099	PULASKI	67
71960	MONTGOMERY	62	72032	FAULKNER	61	72101	CROSS	77
71961	MONTGOMERY	62	72034	FAULKNER	61	72101	JACKSON	74
71962	CLARK	63	72035	FAULKNER	61	72101	ST FRANCIS	77
71964	GARLAND	63	72036	WOODRUFF	77	72101	WOODRUFF	77
71964	HOT SPRING	63	72038	ARKANSAS	69	72102	WHITE	76
71965	MONTGOMERY	62	72039	FAULKNER	61	72103	PULASKI	66
71968	GARLAND	63	72040	PRAIRIE	76	72103	SALINE	66
71969	MONTGOMERY	62	72041	PRAIRIE	76	72104	HOT SPRING	63
71970	MONTGOMERY	62	72042	ARKANSAS	69	72105	HOT SPRING	63
71971	HOWARD	62	72044	CLEBURNE	73	72106	FAULKNER	61
71972	POLK	62	72045	WHITE	76	72110	CONWAY	61
71973	POLK	62	72046	JEFFERSON	69	72111	FAULKNER	61
71998	CLARK	63	72046	LONOKE	66	72111	WHITE	76
71999	CLARK	63	72046	PULASKI	66	72112	JACKSON	74
72001	PERRY	64	72047	FAULKNER	61	72113	FAULKNER	61
72002	PULASKI	66	72048	ARKANSAS	69	72113	PULASKI	67
72002	SALINE	66	72051	STONE	73	72114	PULASKI	66
72003	ARKANSAS	69	72052	WHITE	76	72116	PULASKI	67
72004	JEFFERSON	69	72055	ARKANSAS	69	72117	PULASKI	66
72004	LINCOLN	69	72057	GRANT	63	72118	PULASKI	67
72005	JACKSON	74	72058	FAULKNER	61	72120	FAULKNER	61
72006	WOODRUFF	77	72060	WHITE	76	72120	PULASKI	67
72007	LONOKE	67	72063	CONWAY	61	72121	CLEBURNE	73
72010	WHITE	76	72063	POPE	61	72121	WHITE	76
72011	SALINE	66	72064	PRAIRIE	76	72122	PERRY	64
72012	WHITE	76	72065	GRANT	63	72122	PULASKI	67
72013	VAN BUREN	61	72065	PULASKI	66	72122	SALINE	64
72014	JACKSON	74	72065	SALINE	66	72125	PERRY	64
72015	GRANT	63	72066	PRAIRIE	76	72126	PERRY	64
72015	SALINE	65	72067	CLEBURNE	73	72126	PULASKI	67
72016	PERRY	64	72068	WHITE	76	72126	SALINE	64
72016	PULASKI	67	72069	MONROE	76	72127	CONWAY	61
72017	PRAIRIE	76	72070	PERRY	64	72127	PERRY	64
72020	INDEPENDENCE	73	72072	LONOKE	66	72128	GRANT	63
72020	JACKSON	74	72073	ARKANSAS	69	72129	GRANT	63
72020	WHITE	76	72076	FAULKNER	61	72130	CLEBURNE	73
72021	MONROE	76	72076	LONOKE	67	72131	CLEBURNE	73
72022	SALINE	65	72076	PULASKI	67	72131	FAULKNER	61
72023	FAULKNER	61	72079	JEFFERSON	69	72132	GRANT	63
72023	LONOKE	67	72080	CONWAY	61	72132	JEFFERSON	69
72023	PULASKI	67	72081	WHITE	76	72133	JEFFERSON	69
72024	LONOKE	66	72082	WHITE	76	72134	MONROE	76
72024	PRAIRIE	76	72083	LONOKE	66	72135	PERRY	64
72025	PERRY	64	72084	GRANT	63	72135	PULASKI	67
72026	ARKANSAS	69	72086	LONOKE	66	72136	WHITE	76
72027	CONWAY	61	72087	GARLAND	64	72137	CLEBURNE	73
72028	VAN BUREN	61	72087	SALINE	64	72137	WHITE	76
72029	MONROE	76	72088	CLEBURNE	73	72140	ARKANSAS	69

<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>
72141	VAN BUREN	61	72326	CROSS	77	72394	ST FRANCIS	77
72142	LONOKE	66	72326	ST FRANCIS	77	72395	MISSISSIPPI	77
72142	PULASKI	66	72327	CRITTENDEN	77	72396	CROSS	77
72143	WHITE	76	72328	PHILLIPS	77	72396	ST FRANCIS	77
72149	WHITE	76	72329	MISSISSIPPI	77	72401	CRAIGHEAD	75
72150	GRANT	63	72330	MISSISSIPPI	77	72401	GREENE	74
72150	JEFFERSON	69	72331	CRITTENDEN	77	72404	CRAIGHEAD	75
72152	JEFFERSON	69	72331	CROSS	77	72410	LAWRENCE	74
72153	CLEBURNE	73	72332	CRITTENDEN	77	72411	CRAIGHEAD	75
72153	VAN BUREN	61	72333	PHILLIPS	77	72412	GREENE	74
72156	CONWAY	61	72335	LEE	77	72413	CLAY	74
72157	CONWAY	61	72335	ST FRANCIS	77	72413	RANDOLPH	74
72160	ARKANSAS	69	72338	MISSISSIPPI	77	72414	CRAIGHEAD	75
72160	JEFFERSON	69	72339	CRITTENDEN	77	72415	LAWRENCE	74
72165	INDEPENDENCE	73	72340	ST FRANCIS	77	72416	CRAIGHEAD	75
72166	ARKANSAS	69	72341	LEE	77	72416	GREENE	74
72167	GRANT	63	72342	PHILLIPS	77	72416	LAWRENCE	74
72167	HOT SPRING	63	72346	ST FRANCIS	77	72417	CRAIGHEAD	75
72167	SALINE	65	72347	CROSS	77	72419	CRAIGHEAD	75
72168	JEFFERSON	69	72347	JACKSON	74	72421	CRAIGHEAD	75
72170	PRAIRIE	76	72348	CRITTENDEN	77	72421	JACKSON	74
72173	FAULKNER	61	72348	LEE	77	72422	CLAY	74
72175	JEFFERSON	69	72348	ST FRANCIS	77	72424	CLAY	74
72176	LONOKE	67	72350	MISSISSIPPI	77	72425	GREENE	74
72179	CLEBURNE	73	72351	MISSISSIPPI	77	72426	MISSISSIPPI	77
72199	FAULKNER	61	72354	MISSISSIPPI	77	72428	MISSISSIPPI	77
72199	PULASKI	67	72354	POINSETT	77	72429	POINSETT	77
72201	PULASKI	66	72355	LEE	77	72430	CLAY	74
72202	PULASKI	66	72355	PHILLIPS	77	72432	POINSETT	77
72204	PULASKI	68	72358	MISSISSIPPI	77	72433	LAWRENCE	74
72205	PULASKI	66	72360	LEE	77	72434	LAWRENCE	74
72206	PULASKI	66	72364	CRITTENDEN	77	72434	RANDOLPH	74
72206	SALINE	66	72365	POINSETT	77	72435	CLAY	74
72207	PULASKI	67	72366	MONROE	76	72436	GREENE	74
72209	PULASKI	68	72366	PHILLIPS	77	72437	CRAIGHEAD	75
72210	PULASKI	67	72367	PHILLIPS	77	72438	MISSISSIPPI	77
72210	SALINE	66	72368	LEE	77	72440	LAWRENCE	74
72211	PULASKI	67	72369	PHILLIPS	77	72441	CLAY	74
72212	PULASKI	67	72370	MISSISSIPPI	77	72442	MISSISSIPPI	77
72223	PULASKI	67	72372	ST FRANCIS	77	72443	GREENE	74
72227	PULASKI	67	72373	CROSS	77	72444	RANDOLPH	74
72301	CRITTENDEN	77	72374	PHILLIPS	77	72445	LAWRENCE	74
72310	MISSISSIPPI	77	72376	CRITTENDEN	77	72447	CRAIGHEAD	75
72311	LEE	77	72379	DESHA	71	72449	RANDOLPH	74
72313	MISSISSIPPI	77	72384	CRITTENDEN	77	72450	CRAIGHEAD	75
72314	CROSS	77	72386	CRITTENDEN	77	72450	GREENE	74
72315	MISSISSIPPI	77	72386	MISSISSIPPI	77	72453	CLAY	74
72320	LEE	77	72386	POINSETT	77	72453	GREENE	74
72321	MISSISSIPPI	77	72390	PHILLIPS	77	72454	CLAY	74
72324	CROSS	77	72392	ST FRANCIS	77	72455	RANDOLPH	74

<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>
72456	CLAY	74	72533	STONE	73	72623	BAXTER	72
72457	LAWRENCE	74	72534	CLEBURNE	73	72624	NEWTON	61
72458	LAWRENCE	74	72534	INDEPENDENCE	73	72626	BAXTER	72
72459	LAWRENCE	74	72536	IZARD	73	72628	NEWTON	61
72459	RANDOLPH	74	72537	BAXTER	72	72629	VAN BUREN	61
72460	RANDOLPH	74	72538	BAXTER	72	72631	CARROLL	58
72460	SHARP	73	72538	FULTON	73	72632	BENTON	58
72461	CLAY	74	72539	FULTON	73	72632	CARROLL	58
72461	GREENE	74	72540	IZARD	73	72633	BOONE	58
72464	CLAY	74	72542	SHARP	73	72634	MARION	58
72465	LAWRENCE	74	72543	CLEBURNE	73	72635	BAXTER	72
72466	LAWRENCE	74	72544	BAXTER	72	72638	CARROLL	58
72467	CRAIGHEAD	75	72546	CLEBURNE	73	72638	NEWTON	61
72469	LAWRENCE	74	72550	CLEBURNE	73	72639	SEARCY	61
72469	SHARP	73	72550	INDEPENDENCE	73	72640	NEWTON	61
72470	CLAY	74	72553	INDEPENDENCE	73	72641	NEWTON	61
72471	JACKSON	74	72554	FULTON	73	72642	BAXTER	72
72472	POINSETT	77	72555	STONE	73	72644	BOONE	58
72473	JACKSON	74	72556	IZARD	73	72644	MARION	58
72476	LAWRENCE	74	72560	STONE	73	72645	SEARCY	61
72478	RANDOLPH	74	72561	IZARD	73	72648	NEWTON	61
72479	POINSETT	77	72562	INDEPENDENCE	73	72650	SEARCY	61
72482	SHARP	73	72564	INDEPENDENCE	73	72651	BAXTER	72
72501	INDEPENDENCE	73	72565	IZARD	73	72653	BAXTER	72
72512	FULTON	73	72566	IZARD	73	72653	MARION	58
72512	IZARD	73	72567	STONE	73	72655	NEWTON	61
72513	FULTON	73	72568	INDEPENDENCE	73	72658	BAXTER	72
72513	SHARP	73	72569	SHARP	73	72660	CARROLL	58
72515	FULTON	73	72571	INDEPENDENCE	73	72661	MARION	58
72517	IZARD	73	72572	LAWRENCE	74	72662	BOONE	58
72519	BAXTER	72	72573	IZARD	73	72663	STONE	73
72519	IZARD	73	72576	FULTON	73	72666	NEWTON	61
72519	STONE	73	72577	SHARP	73	72668	BOONE	58
72520	FULTON	73	72578	FULTON	73	72668	MARION	58
72521	INDEPENDENCE	73	72579	INDEPENDENCE	73	72669	SEARCY	61
72521	SHARP	73	72581	CLEBURNE	73	72670	NEWTON	61
72522	INDEPENDENCE	73	72583	FULTON	73	72675	MARION	58
72523	CLEBURNE	73	72584	IZARD	73	72675	SEARCY	61
72523	INDEPENDENCE	73	72585	IZARD	73	72679	POPE	61
72524	INDEPENDENCE	73	72587	IZARD	73	72680	STONE	73
72526	INDEPENDENCE	73	72601	BOONE	58	72682	MARION	58
72527	INDEPENDENCE	73	72601	MARION	58	72683	NEWTON	61
72528	IZARD	73	72601	NEWTON	61	72685	NEWTON	61
72529	FULTON	73	72610	STONE	73	72686	SEARCY	61
72529	SHARP	73	72611	BOONE	58	72687	MARION	58
72530	CLEBURNE	73	72611	CARROLL	58	72701	WASHINGTON	58
72530	STONE	73	72616	CARROLL	58	72703	WASHINGTON	58
72531	BAXTER	72	72616	NEWTON	61	72704	BENTON	58
72531	FULTON	73	72617	BAXTER	72	72704	WASHINGTON	58
72532	SHARP	73	72619	MARION	58	72712	BENTON	58

<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>	<u>ZIP CODE</u>	<u>COUNTY</u>	<u>TERRITORY</u>
72714	BENTON	78	72823	POPE	61	72930	FRANKLIN	58
72715	BENTON	78	72824	YELL	60	72932	CRAWFORD	59
72717	WASHINGTON	58	72826	LOGAN	60	72933	FRANKLIN	58
72718	BENTON	58	72827	YELL	60	72933	SEBASTIAN	60
72719	BENTON	58	72828	YELL	60	72934	CRAWFORD	59
72721	MADISON	58	72830	JOHNSON	60	72936	SEBASTIAN	60
72722	BENTON	58	72832	JOHNSON	60	72937	SEBASTIAN	60
72727	WASHINGTON	58	72833	YELL	60	72938	SEBASTIAN	60
72729	WASHINGTON	58	72834	POPE	61	72940	SEBASTIAN	60
72730	WASHINGTON	58	72834	YELL	60	72941	FRANKLIN	58
72732	BENTON	58	72835	LOGAN	60	72941	SEBASTIAN	60
72734	BENTON	58	72835	YELL	60	72943	LOGAN	60
72734	WASHINGTON	58	72837	JOHNSON	60	72944	SCOTT	60
72736	BENTON	58	72837	POPE	61	72944	SEBASTIAN	60
72738	BENTON	58	72838	YELL	60	72946	CRAWFORD	59
72738	MADISON	58	72839	JOHNSON	60	72947	CRAWFORD	59
72738	WASHINGTON	58	72840	JOHNSON	60	72947	FRANKLIN	58
72739	BENTON	78	72841	SCOTT	60	72948	CRAWFORD	59
72740	CARROLL	58	72842	YELL	60	72948	WASHINGTON	58
72740	MADISON	58	72843	POPE	61	72949	FRANKLIN	58
72742	MADISON	58	72845	JOHNSON	60	72950	SCOTT	60
72744	WASHINGTON	58	72846	JOHNSON	60	72951	LOGAN	60
72745	BENTON	58	72846	POPE	61	72952	CRAWFORD	59
72747	BENTON	58	72847	POPE	61	72955	CRAWFORD	59
72749	WASHINGTON	58	72851	LOGAN	60	72956	CRAWFORD	59
72751	BENTON	58	72852	JOHNSON	60	72958	SCOTT	60
72752	MADISON	58	72853	YELL	60	72959	CRAWFORD	59
72753	WASHINGTON	58	72854	JOHNSON	60	72959	FRANKLIN	58
72756	BENTON	58	72855	LOGAN	60	72959	WASHINGTON	58
72756	MADISON	58	72856	POPE	61			
72756	WASHINGTON	58	72857	YELL	60			
72758	BENTON	58	72858	POPE	61			
72760	MADISON	58	72860	YELL	60			
72761	BENTON	58	72863	LOGAN	60			
72761	WASHINGTON	58	72865	LOGAN	60			
72762	BENTON	58	72901	SEBASTIAN	60			
72762	WASHINGTON	58	72903	SEBASTIAN	60			
72764	BENTON	58	72904	SEBASTIAN	60			
72764	WASHINGTON	58	72905	SEBASTIAN	60			
72768	BENTON	58	72908	SEBASTIAN	60			
72769	WASHINGTON	58	72916	SEBASTIAN	60			
72773	MADISON	58	72921	CRAWFORD	59			
72774	WASHINGTON	58	72921	SEBASTIAN	60			
72776	MADISON	58	72923	SEBASTIAN	60			
72801	POPE	61	72924	SCOTT	60			
72802	POPE	61	72926	SCOTT	60			
72820	FRANKLIN	58	72927	FRANKLIN	58			
72820	JOHNSON	60	72927	LOGAN	60			
72821	FRANKLIN	58	72927	SEBASTIAN	60			
72823	CONWAY	61	72928	FRANKLIN	58			

For Zip Codes not listed:

As Zip Codes are changed by the United States Postal Service, a new Zip Code may not be listed in the manual pages. If this is the case, use the rating territory that corresponds to the Zip Code that formerly applied to the risk.

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: HPCS-Homeowners Premium **Review Status:** Filed 09/05/2008
 Comparison Survey

Comments:

Attachments:

HPCS 200-25941.XLS
 HPCS 200-25968.XLS
 HPCS 200-18600.XLS
 HPCS 200-21253.XLS

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Filed 09/05/2008

Comments:

Attachments:

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

Bypassed -Name: NAIC Loss Cost Filing Document **Review Status:** 06/18/2008
 for OTHER than Workers' Comp

Bypass Reason: Not applicable. This is not a loss cost filing.

Comments:

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

Bypass Reason: The Rate/Rule information is contained in the Rate/Rule Schedule. The filing description is contained in the General Information tab.

Comments:

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Review Status:
Satisfied -Name: AR HO Filing Memorandum Filed 09/05/2008
Comments:
Attachment:
1 Homeowners Filing Memorandum.pdf

Review Status:
Satisfied -Name: AR HO Explanatory Memorandum Filed 09/05/2008
and Actuarial Support
Comments:
Attachments:
2 AR HO Explanatory Memo.pdf
AR HO Actuarial Support.pdf

Review Status:
Satisfied -Name: Form H-1 Homeowners Abstract Filed 09/05/2008
Comments:
Attachments:
H-1 200-25941.pdf
H-1 200-25968.pdf
H-1 200-18600.pdf
H-1 200-21253.pdf

Review Status:
Satisfied -Name: Objection Report Response 07-30- Filed 09/05/2008
08
Comments:
Attachment:
Objection 1 Response.pdf

Review Status:
Satisfied -Name: Objection 2 Response Filed 09/05/2008
Comments:

SERFF Tracking Number: USAA-125701882 *State:* Arkansas
First Filing Company: Garrison Property and Casualty Insurance *State Tracking Number:* EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Attachment:

Objection 2 Response.pdf

SERFF Tracking Number: USAA-125701882 State: Arkansas
First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
Company, ...
Company Tracking Number: HOMAR00084CGR01
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Property Program 2008
Project Name/Number: /

Satisfied -Name: Objection 4 Response **Review Status:** Filed 09/05/2008
Comments:
Attachment:
Objection 4 Response.pdf

Satisfied -Name: Objection 6 Response **Review Status:** Filed 09/05/2008
Comments:
Attachments:
Objection 6 Response.pdf
Exhibits.pdf

Satisfied -Name: Objection 7 Response **Review Status:** Filed 09/05/2008
Comments:
Attachment:
Objection 7 Response.pdf

Satisfied -Name: Objection 8 Response **Review Status:** Filed 09/05/2008
Comments:
Attachment:
Objection 8 Response.pdf

NAIC Number: 25941
 Company Name: United Services Automobile Association
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext 85315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 9/30/2008

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

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

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to: insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$684.40	\$738.45	\$662.13	\$716.10	\$750.09	\$813.78	\$738.71	\$803.82	\$698.05	\$770.02	\$611.41	\$660.23	\$691.69	\$765.30	\$706.08	\$768.12	\$761.06	\$846.38
	\$120,000	\$743.04	\$801.59	\$718.85	\$777.31	\$814.33	\$883.31	\$801.95	\$872.48	\$757.72	\$835.68	\$663.80	\$716.68	\$750.79	\$830.53	\$766.53	\$833.73	\$826.06	\$918.48
	\$160,000	\$799.74	\$863.06	\$773.74	\$836.97	\$876.55	\$951.16	\$863.28	\$939.55	\$815.87	\$900.18	\$714.46	\$771.65	\$808.46	\$894.69	\$825.15	\$897.83	\$889.59	\$989.54
6	\$80,000	\$720.48	\$792.18	\$698.63	\$770.26	\$793.85	\$878.41	\$784.08	\$870.55	\$750.83	\$846.55	\$644.15	\$708.93	\$746.17	\$844.09	\$749.26	\$831.66	\$825.10	\$938.64
	\$120,000	\$782.09	\$859.76	\$758.35	\$835.94	\$861.69	\$953.28	\$851.05	\$944.72	\$814.86	\$918.54	\$699.23	\$769.40	\$809.77	\$915.84	\$813.27	\$902.52	\$895.39	\$1,018.38
	\$160,000	\$842.05	\$926.06	\$816.54	\$900.45	\$927.87	\$1,026.92	\$916.47	\$1,017.78	\$877.74	\$989.88	\$752.86	\$828.75	\$872.32	\$987.05	\$875.78	\$972.31	\$964.66	\$1,097.68
9	\$80,000	\$774.80	\$872.09	\$753.49	\$850.70	\$859.48	\$974.27	\$851.98	\$969.42	\$829.28	\$959.43	\$693.42	\$781.32	\$827.05	\$960.23	\$813.90	\$925.80	\$920.01	\$1,074.48
	\$120,000	\$840.88	\$946.27	\$817.73	\$923.03	\$932.72	\$1,057.07	\$924.55	\$1,051.77	\$899.79	\$1,040.76	\$752.55	\$847.77	\$897.34	\$1,041.60	\$883.24	\$1,004.45	\$998.15	\$1,165.47
	\$160,000	\$905.75	\$1,019.74	\$880.86	\$994.75	\$1,004.81	\$1,139.30	\$996.08	\$1,133.67	\$969.71	\$1,122.18	\$810.62	\$913.60	\$967.13	\$1,123.16	\$951.56	\$1,082.66	\$1,075.90	\$1,256.88

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)

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

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

HO3 and HO4 only

Fire Extinguisher	<input type="text" value="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="5 (if monitored)"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="0"/> %	\$1,000 Deductible	<input type="text" value="varies"/> %
		Other (specify)	
		Sprinklers	<input type="text" value="20"/> %
		Maximum Credit	<input type="text" value="varies"/> %

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? (yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

	Zone	Brick	Frame
Highest Risk	\$	<input type="text" value="2.34"/>	<input type="text" value="0.95"/>
Lowest Risk	\$	<input type="text" value="0.90"/>	<input type="text" value="0.41"/>

NAIC Number: 25968
 Company Name: USAA Casualty Insurance Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext 85315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 9/30/2008

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

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

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to: insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$872.68	\$945.94	\$844.75	\$917.92	\$957.68	\$1,044.03	\$943.82	\$1,032.11	\$894.79	\$992.42	\$779.76	\$845.94	\$887.27	\$987.15	\$902.08	\$986.21	\$977.47	\$1,093.24
	\$120,000	\$947.41	\$1,026.78	\$917.08	\$996.34	\$1,039.65	\$1,133.19	\$1,024.57	\$1,120.21	\$971.23	\$1,076.99	\$846.53	\$918.23	\$963.05	\$1,071.23	\$979.26	\$1,070.39	\$1,060.90	\$1,186.30
	\$160,000	\$1,019.79	\$1,105.63	\$987.19	\$1,072.90	\$1,119.19	\$1,220.35	\$1,103.03	\$1,206.46	\$1,045.87	\$1,160.25	\$911.22	\$988.76	\$1,037.11	\$1,154.12	\$1,054.24	\$1,152.80	\$1,142.60	\$1,278.23
6	\$80,000	\$922.81	\$1,020.07	\$895.41	\$992.58	\$1,018.34	\$1,133.05	\$1,006.63	\$1,123.96	\$967.55	\$1,097.46	\$825.23	\$913.11	\$962.32	\$1,095.24	\$961.86	\$1,073.66	\$1,065.60	\$1,219.72
	\$120,000	\$1,001.67	\$1,107.03	\$971.91	\$1,077.16	\$1,105.30	\$1,229.56	\$1,092.56	\$1,219.65	\$1,050.00	\$1,190.71	\$895.75	\$990.94	\$1,044.30	\$1,188.27	\$1,043.98	\$1,165.08	\$1,156.31	\$1,323.25
	\$160,000	\$1,078.58	\$1,192.53	\$1,046.59	\$1,160.42	\$1,190.31	\$1,324.70	\$1,176.66	\$1,314.12	\$1,131.16	\$1,283.36	\$964.55	\$1,067.49	\$1,125.09	\$1,280.81	\$1,124.34	\$1,255.31	\$1,245.90	\$1,426.47
9	\$80,000	\$998.03	\$1,130.08	\$971.30	\$1,103.24	\$1,109.02	\$1,264.84	\$1,100.36	\$1,259.79	\$1,075.47	\$1,252.18	\$893.43	\$1,012.73	\$1,073.53	\$1,254.36	\$1,051.11	\$1,203.01	\$1,195.96	\$1,405.71
	\$120,000	\$1,083.09	\$1,226.13	\$1,054.06	\$1,196.98	\$1,203.47	\$1,372.25	\$1,194.04	\$1,366.72	\$1,166.85	\$1,358.26	\$969.57	\$1,098.80	\$1,164.70	\$1,360.58	\$1,140.59	\$1,305.13	\$1,297.46	\$1,524.66
	\$160,000	\$1,166.78	\$1,321.48	\$1,135.56	\$1,290.14	\$1,296.63	\$1,479.18	\$1,286.56	\$1,473.33	\$1,257.67	\$1,464.70	\$1,044.50	\$1,184.27	\$1,255.44	\$1,467.30	\$1,228.96	\$1,406.92	\$1,398.70	\$1,644.44

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)

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	5 (if monitored) %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	varies %
		Other (specify)	
		Sprinklers	20 %
		Maximum Credit	varies %

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)		
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10 %		
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone		
	Highest Risk	Brick	Frame
	Lowest Risk	\$ 2.34	\$ 0.95
		\$ 0.90	\$ 0.41

NAIC Number: 18600
 Company Name: USAA General Indemnity Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext 85315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 9/30/2008

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

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE,
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Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to: insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$1,117.26	\$1,197.07	\$1,080.01	\$1,159.68	\$1,222.10	\$1,316.10	\$1,202.27	\$1,298.35	\$1,130.45	\$1,236.58	\$997.83	\$1,069.91	\$1,118.90	\$1,227.44	\$1,149.27	\$1,240.83	\$1,228.79	\$1,354.56
	\$120,000	\$1,213.06	\$1,299.52	\$1,172.59	\$1,258.90	\$1,326.84	\$1,428.66	\$1,305.27	\$1,409.35	\$1,227.17	\$1,342.13	\$1,083.38	\$1,161.46	\$1,214.60	\$1,332.17	\$1,247.73	\$1,346.91	\$1,333.83	\$1,470.07
	\$160,000	\$1,305.47	\$1,398.97	\$1,261.96	\$1,355.31	\$1,428.04	\$1,538.16	\$1,404.90	\$1,517.46	\$1,321.14	\$1,445.47	\$1,165.92	\$1,250.37	\$1,307.68	\$1,434.83	\$1,342.96	\$1,450.22	\$1,436.17	\$1,583.52
6	\$80,000	\$1,168.17	\$1,273.94	\$1,131.62	\$1,237.25	\$1,284.14	\$1,408.82	\$1,266.73	\$1,394.22	\$1,206.04	\$1,347.08	\$1,044.06	\$1,139.60	\$1,197.03	\$1,341.31	\$1,210.61	\$1,332.10	\$1,320.82	\$1,488.08
	\$120,000	\$1,268.15	\$1,382.72	\$1,228.44	\$1,342.87	\$1,393.98	\$1,529.03	\$1,375.03	\$1,513.14	\$1,308.99	\$1,461.76	\$1,133.40	\$1,236.90	\$1,299.17	\$1,455.46	\$1,314.12	\$1,445.72	\$1,433.46	\$1,614.64
	\$160,000	\$1,365.18	\$1,489.09	\$1,322.50	\$1,446.25	\$1,500.80	\$1,646.87	\$1,480.49	\$1,629.86	\$1,409.76	\$1,575.00	\$1,220.15	\$1,332.08	\$1,399.28	\$1,568.31	\$1,414.90	\$1,557.23	\$1,544.07	\$1,740.03
9	\$80,000	\$1,245.33	\$1,388.70	\$1,209.67	\$1,352.90	\$1,377.71	\$1,546.84	\$1,363.72	\$1,536.73	\$1,318.83	\$1,510.48	\$1,114.07	\$1,243.60	\$1,313.45	\$1,509.55	\$1,302.93	\$1,467.78	\$1,457.67	\$1,685.09
	\$120,000	\$1,351.65	\$1,506.95	\$1,312.91	\$1,468.07	\$1,495.25	\$1,678.45	\$1,480.02	\$1,667.42	\$1,431.09	\$1,638.68	\$1,209.18	\$1,349.48	\$1,425.21	\$1,637.63	\$1,414.04	\$1,592.61	\$1,581.62	\$1,827.96
	\$160,000	\$1,455.67	\$1,623.64	\$1,414.03	\$1,581.83	\$1,610.52	\$1,808.66	\$1,594.22	\$1,796.91	\$1,542.00	\$1,766.52	\$1,302.26	\$1,454.00	\$1,535.76	\$1,765.51	\$1,523.15	\$1,716.28	\$1,704.49	\$1,970.93

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)

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	5 (if monitored) %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	varies %
		Other (specify)	
		Sprinklers	20 %
		Maximum Credit	varies %

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10	%	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$ 2.34	\$ 0.95
	Lowest Risk	\$ 0.90	\$ 0.41

800-531-8722, ext 21253
 Company Name: Garrison Property and Casualty Insurance Company
 Contact Person: Scott Hawthorne, MSIM, CPCU, ARC
 Telephone No.: 800-531-8722, ext 85315
 Email Address: scott.hawthorne@usaa.com
 Effective Date: 9/30/2008

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

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE,
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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	\$1,124.01	\$1,209.07	\$1,087.05	\$1,171.97	\$1,230.85	\$1,331.05	\$1,211.60	\$1,314.04	\$1,142.43	\$1,255.63	\$1,004.02	\$1,080.85	\$1,131.47	\$1,247.24	\$1,158.13	\$1,255.74	\$1,243.92	\$1,378.09
	\$120,000	\$1,220.35	\$1,312.49	\$1,180.19	\$1,272.19	\$1,336.28	\$1,444.83	\$1,315.36	\$1,426.32	\$1,240.12	\$1,362.74	\$1,090.06	\$1,173.29	\$1,228.19	\$1,353.60	\$1,257.31	\$1,363.05	\$1,350.20	\$1,495.54
	\$160,000	\$1,313.41	\$1,413.05	\$1,270.24	\$1,369.73	\$1,438.31	\$1,555.70	\$1,415.87	\$1,535.87	\$1,335.20	\$1,467.82	\$1,173.20	\$1,263.20	\$1,322.43	\$1,458.06	\$1,353.38	\$1,467.73	\$1,453.93	\$1,611.12
6	\$80,000	\$1,179.75	\$1,292.54	\$1,143.48	\$1,256.14	\$1,298.58	\$1,431.56	\$1,281.88	\$1,417.88	\$1,224.45	\$1,374.95	\$1,054.61	\$1,156.51	\$1,216.18	\$1,370.15	\$1,225.02	\$1,354.61	\$1,343.59	\$1,522.10
	\$120,000	\$1,280.67	\$1,402.85	\$1,241.27	\$1,363.30	\$1,409.59	\$1,553.64	\$1,391.42	\$1,538.74	\$1,328.92	\$1,491.94	\$1,144.82	\$1,255.19	\$1,319.90	\$1,486.68	\$1,329.71	\$1,470.08	\$1,458.10	\$1,651.46
	\$160,000	\$1,378.78	\$1,510.92	\$1,336.42	\$1,468.41	\$1,517.75	\$1,673.54	\$1,498.28	\$1,657.61	\$1,431.37	\$1,607.69	\$1,232.54	\$1,351.91	\$1,421.74	\$1,602.13	\$1,431.81	\$1,583.63	\$1,570.78	\$1,779.91
9	\$80,000	\$1,263.89	\$1,416.88	\$1,228.51	\$1,381.36	\$1,400.39	\$1,580.88	\$1,387.30	\$1,571.94	\$1,346.57	\$1,551.16	\$1,130.94	\$1,269.15	\$1,342.14	\$1,551.49	\$1,325.37	\$1,501.30	\$1,491.50	\$1,734.30
	\$120,000	\$1,371.74	\$1,537.45	\$1,333.30	\$1,498.87	\$1,519.79	\$1,715.29	\$1,505.53	\$1,705.54	\$1,461.12	\$1,682.73	\$1,227.43	\$1,377.14	\$1,456.27	\$1,683.03	\$1,438.33	\$1,628.90	\$1,618.24	\$1,881.24
	\$160,000	\$1,477.45	\$1,656.68	\$1,436.12	\$1,615.20	\$1,637.12	\$1,848.57	\$1,621.88	\$1,838.20	\$1,574.52	\$1,814.21	\$1,322.04	\$1,483.97	\$1,569.40	\$1,814.67	\$1,549.47	\$1,755.58	\$1,744.15	\$2,028.61

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)

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	5 (if monitored) %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	varies %
		Other (specify)	
		Sprinklers	20 %
		Maximum Credit	%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)		
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10 %		
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone		
	Highest Risk	Brick	Frame
	Lowest Risk	\$ 2.34	\$ 0.95
		\$ 0.90	\$ 0.41

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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	Company Name		Company NAIC Number
3.	A.	United Services Automobile Association	B. 200-25941

	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.	04.0 Homeowners	B. 04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	9.2%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	9.2%					

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
2002	7937	11.9%	5-1-02	5,500	3,526	64%	58%
2003	8162	15.3%	2-1-03	6,573	3,366	51%	61%
2003	8162	5.1%	10-1-03	6,573	3,366	51%	61%
2004	8674	0.0%	10-1-04	8,193	2,346	29%	71%
2005	9210	0.0%	10-1-05	9,323	4,407	47%	76%
2006	9720	-5.0%	11-01-06	10,115	4,627	46%	41%
2007	10,838	-18.3%	4-15-07	10,337	6,070	59%	49%
2007	10,838	-13.9%	12-31-07	10,337	6,070	59%	49%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

- 8.** Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
- 10.** **-25.0%** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number	
3.	A.	USAA Casualty Insurance Company	B. 200-25968

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.	04.0 Homeowners	B. 04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	12.6%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	12.6%					

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	
2002	2723	12.1%	5-1-02	1,707	697	41%	59%	
2003	2913	14.7%	2-1-03	2,168	1,056	49%	54%	
2003	2913	4.6%	10-1-03	2,168	1,056	49%	54%	
2004	3229	-3.8%	10-1-04	2,828	755	27%	63%	
2005	3563	0.0%	10-1-05	3,263	1,504	46%	67%	
2006	3782	-5.0%	11-1-06	3,654	2,780	46%	40%	
2007	4025	-20.1%	4-15-07	3,764	1,596	42%	49%	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. **-25.0%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number	
3.	A.	USAA General Indemnity Company	B. 200-18600

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.	04.0 Homeowners	B. 04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Owners	N/A	11.6%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	11.6%					

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	
2006	20	-5.0%	9-01-06 new 11-01-06 renewal	3	1	31%	77%	
2006	20	-5.0%	11-01-06	3	1	31%	77%	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. **-25.0%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number	
3.	A. Garrison Property And Casualty Insurance Company	B.	200-21253

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. 04.0 Homeowners	B.	04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	8.4%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	8.4%					

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
2006	63	-5.0%	9-01-06	15	1	5%	67%
			new				
			11-01-06				
			renewal				
2006	63	-5.0%	11-01-06	15	1	5%	69%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. **-25.0%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

USAA Group
Arkansas
Homeowners Filing Memorandum

USAA Group (USAA, USAA-CIC, USAA-GIC, and Garrison) wishes to revise Homeowners premiums with an overall effect of 10.2%. The effects by form apply as follows:

USAA Owners Forms	9.2%
USAA Unit-Owners Forms	10.0%
USAA All Forms Combined	9.2%
USAA-CIC Owners Forms	12.6%
USAA-CIC Unit-Owners Forms	10.0%
USAA-CIC All Forms Combined	12.6%
USAA-GIC Owners Forms	11.6%
USAA-GIC Unit-Owners Forms	10.0%
USAA-GIC All Forms Combined	11.6%
Garrison Owners Forms	8.4%
Garrison Unit-Owners Forms	10.0%
Garrison All Forms Combined	8.4%
USAA Group All Forms Combined	10.2%

The proposed changes support the introduction of USAA's new 2008 Homeowners program. An integral part of the new program is the introduction of a redesigned rating plan for both Owners and Unit-Owners forms. This new rating plan will improve USAA's ability to offer a fair and competitive rate. The major improvements are in moving the rating formula to a multiplicative structure. Rating structures at the peril level are also being introduced, further improving pricing accuracy.

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

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

- Claims Free Discount
- Auto and Homeowners Combination Discount
- Claims Activity Surcharge

USAA Group
Arkansas
Homeowners Filing Memorandum

- Square Footage rating

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

- Protective Device Credits
- Home Age Discounts
- Territory factors
- Underwriting tier factors
- Protection/Construction factors
- Deductible options and factors
- Amount of Insurance factors
- Policy form factors
- Rating for Personal Property coverage
- Home Protector coverage
- Increased Liability Limit rates
- Increased Dwelling Coverage Limit rates for Unit-Owners forms
- Personal Computer endorsement
- Personal Injury endorsement
- Sinkhole Collapse endorsement
- Special Coverage endorsement for Jewelry, Watches, Furs, and Silverware
- Earthquake endorsement
- Roof Type rating

Finally, the currently existing townhouse/row house rating structure is being eliminated.

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

For new business, an effective date of July 30, 2008, for these revisions will apply to policies written on or after July 26, 2008. For renewal business, an effective date of September 30, 2008 for these revisions will apply to all policies.

USAA Group
Arkansas
Homeowners Filing Memorandum
Table of Contents

Attachments in support of this filing:

Explanatory Memorandum

- Exhibit I Owners Indicated Rate Change
- Exhibit II Owners Premium Trend
- Exhibit III Owners Large Loss Adjustment
- Exhibit IV Owners Loss Development
- Exhibit V Owners Loss Trend
- Exhibit VI All Forms Loss Adjustment Expense (LAE)
- Exhibit VII Owners Non-Hurricane, Non-Fire Following Catastrophe Ratio
- Exhibit VIII Owners Expected Net Hurricane Catastrophe Loss and LAE Ratio
- Exhibit IX Owners Fire Following Catastrophe Loss and LAE Ratio
- Exhibit X Owners Expenses
- Exhibit XI Owners and Unit-Owners Underwriting Profit Provision
- Exhibit XII Unit-Owners Indicated Rate Change
- Exhibit XIII Unit-Owners Premium Trend
- Exhibit XIV Unit-Owners Large Loss Adjustment
- Exhibit XV Unit-Owners Loss Development
- Exhibit XVI Unit-Owners Loss Trend
- Exhibit XVII All Forms Loss Adjustment Expense (LAE)
- Exhibit XVIII Unit-Owners Non-Hurricane, Non-Fire Following Catastrophe Ratio
- Exhibit XIX Unit-Owners Expected Net Hurricane Catastrophe Loss and LAE Ratio
- Exhibit XX Unit-Owners Fire Following Catastrophe Loss and LAE Ratio

USAA Group

Arkansas

Homeowners Filing Memorandum

Exhibit XXI Unit-Owners Expenses

USAA Group
Arkansas
Homeowners Explanatory Memorandum Page 1 of 1

Exhibit I - illustrates USAA and USAA-CIC Arkansas experience for the latest five accident years ending September 30, 2007 as of December 31, 2007. The data is for Owners forms only. A large loss procedure was applied to the losses, which is detailed in Exhibit III.

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

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

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

Exhibit V - shows the loss trend underlying the rate level indication. Various exponential fits including 20-, 16-, 12-, 8-, and 4-points are shown. The selected current cost factor (CCF) and trended cost factor (TCF) are based on the results of these exponential fits. The Arkansas credibility-weighted current cost factor and trended cost factor are displayed on Page 2.

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

Exhibit VII - Page 1 illustrates the calculation of the Arkansas historical non-hurricane, non-fire following catastrophe loss and LAE ratio used to determine the indication in Exhibit I. We are utilizing a procedure based on the methodology presented in "Pricing the Catastrophe Exposure in Homeowners Ratemaking" by David H. Hays and W. Scott Farris. Owners catastrophe losses are considered fully developed. The historical catastrophe loss is divided by the amount of insurance (AOI) in force for each of the last twenty accident years. The mean and standard deviation of these ratios is calculated, along with a t-statistic. A 55% confidence was selected on a state basis to reflect the variability of losses within the twenty-year experience period and to ensure that our countrywide catastrophe provision is sufficient in the long-run. The final catastrophe provision is applied to prospective amount of insurance in force. The selected AOI trend is displayed on Page 2. Exhibit VI derives the selected non-hurricane, non-fire following LAE factor.

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Homeowners Explanatory Memorandum Page 2 of 2

Exhibit VIII – displays the Arkansas owners forms expected hurricane catastrophe loss and LAE ratio calculation based on a hurricane simulation model developed by AIR Worldwide (AIR), Inc., of Boston, Massachusetts. AIR’s Catastrophe Loss Analysis Service models hurricanes based on meteorological, engineering, and property damage data. The models estimate wind speeds by five-digit zip code based on various hurricane characteristics, including landfall location, size, intensity, storm track, direction, and wind speed. The model generates a large sample of simulated hurricanes, with the resultant hurricane characteristics superimposed on USAA’s geographical distribution of exposures by county and zip code within the state. USAA uses the statewide estimated average annual hurricane loss provided by AIR in calculating the overall indication.

Exhibit IX - displays the owners forms expected fire following earthquake catastrophe loss and LAE ratio calculation based on a fire following earthquake simulation model developed by AIR Worldwide (AIR), Inc., of Boston, Massachusetts. AIR’s Catastrophe Loss Analysis Service models fire following earthquake based on geological, engineering, and property damage data. The models estimate damage by five digit ZIP code based on various earthquake causative characteristics, including ignition, population, and fire suppression ability. The model generates a large sample of simulated events which are then superimposed on USAA’s geographical distribution of exposures by county and ZIP code within the state. USAA uses the statewide estimated average annual loss provided by AIR in calculating the overall indication.

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

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

Exhibit XII - illustrates USAA and USAA-CIC Arkansas experience for the latest five accident years ending September 30, 2007 as of December 31, 2007. The data is for Condos (Unit-Owners) forms only. The indicated rate level change is developed in this exhibit. The proposed change is also provided. A large loss procedure was applied to the losses, which is detailed in Exhibit XIV.

Exhibit XIII - provides the calculation of USAA premium trend factors for Arkansas. These factors reflect increasing amounts of insurance and other distributional changes. The average earned premium at present rates, shown in column 2, has been fit to a

USAA Group
Arkansas
Homeowners Explanatory Memorandum Page 3 of 3

exponential model using 20-, 16-, 12-, 8-, and 4-point values. The selected annual trend value is shown in this exhibit.

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

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

Exhibit XVI - shows the loss trend underlying the rate level indication. Various exponential fits including 20-, 16-, 12-, 8-, and 4-points are shown. The selected current cost factor (CCF) and trended cost factor (TCF) are based on the results of these exponential fits. The Arkansas current cost factor and trended cost factor are displayed on Page 2.

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

Exhibit XVIII - Page 1 illustrates the calculation of the Arkansas historical non-hurricane, non-fire following catastrophe loss and LAE ratio used to determine the indication in Exhibit XII. We are utilizing a procedure based on the methodology presented in "Pricing the Catastrophe Exposure in Homeowners Ratemaking" by David H. Hays and W. Scott Farris. Owners catastrophe losses are considered fully developed. The historical catastrophe loss is divided by the amount of insurance (AOI) in force for each of the last twenty accident years. The mean and standard deviation of these ratios is calculated, along with a t-statistic. A 55% confidence was selected on a state basis to reflect the variability of losses within the twenty-year experience period and to ensure that our countrywide catastrophe provision is sufficient in the long-run. The final catastrophe provision is applied to prospective amount of insurance in force. The selected AOI trend is displayed on Page 2. Exhibit XVII derives the selected non-hurricane, non-fire following LAE factor.

Exhibit XIX - displays the Arkansas unit-owners (condos) forms expected hurricane catastrophe loss and LAE ratio calculation based on a hurricane simulation model developed by AIR Worldwide (AIR), Inc., of Boston, Massachusetts. AIR's Catastrophe Loss Analysis Service models hurricanes based on meteorological, engineering, and property damage data. The models estimate wind speeds by five-digit zip code based on various hurricane characteristics, including landfall location, size, intensity, storm track, direction, and wind speed. The model generates a large sample of simulated hurricanes,

USAA Group

Arkansas

Homeowners Explanatory Memorandum Page 4 of 4

with the resultant hurricane characteristics superimposed on USAA's geographical distribution of exposures by county and zip code within the state. USAA uses the statewide estimated average annual hurricane loss provided by AIR in calculating the overall indication.

Exhibit XX - displays the unit-owners forms expected fire following earthquake catastrophe loss and LAE ratio calculation based on a fire following earthquake simulation model developed by AIR Worldwide (AIR), Inc., of Boston, Massachusetts. AIR's Catastrophe Loss Analysis Service models fire following earthquake based on geological, engineering, and property damage data. The models estimate damage by five digit ZIP code based on various earthquake causative characteristics, including ignition, population, and fire suppression ability. The model generates a large sample of simulated events which are then superimposed on USAA's geographical distribution of exposures by county and ZIP code within the state. USAA uses the statewide estimated average annual loss provided by AIR in calculating the overall indication.

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

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

Calendar/ Accident Year Ending (1)	Earned Premium at Present Rates (2)	Premium Trend Factor ^A (3)	Prospective Earned Premium at Present Rates (4) = (2) * (3)	Smoothed Developed Incurred Losses Excluding Catastrophes ^B (5)	Loss Trend Factor ^C (6)	LAE Factor ^D (7)	Prospective Incurred Losses and LAE Excluding Catastrophes (8) = (5) * (6) * (7)	Prospective Loss and LAE Ratio Excluding Catastrophes (9) = (8) / (4)	Weight (10)
09/30/2003	\$5,434,485	1.253	\$6,809,410	\$4,337,043	1.773	1.280	\$9,842,659	1.445	0.100
09/30/2004	\$5,810,958	1.215	7,060,314	3,113,993	1.641	1.280	6,540,880	0.926	0.150
09/30/2005	\$6,496,292	1.173	7,620,151	4,460,378	1.520	1.280	8,678,111	1.139	0.200
09/30/2006	\$7,130,307	1.141	8,135,680	6,030,681	1.407	1.280	10,861,015	1.335	0.250
09/30/2007	\$8,050,874	1.084	8,727,147	6,222,934	1.302	1.280	10,370,893	1.188	0.300
Five Year Weighted Loss and LAE Ratio Excluding Catastrophes =									1.201
Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE Ratio ^F =									0.210
Hurricane Catastrophe Loss and LAE Ratio ^G =									0.008
Fire Following Catastrophe Loss and LAE Ratio ^H =									0.007
Trended Fixed Expense Ratio ^E =									0.258
Variable Permissible Loss and LAE Ratio ^E =									0.850
Indicated Rate Level Change =						(1.201 + 0.210 + 0.008 + 0.007 + 0.258) / 0.850 - 1		98.1%	

^A Developed in Exhibit II

^B Developed in Exhibit III

^C Developed in Exhibit V, Page 2 of 2

^D Developed in Exhibit VI

^E Developed in Exhibit X, Page 1 of 2

^F Developed in Exhibit VII, Page 1 of 2

^G Developed in Exhibit VIII

^H Developed in Exhibit IX

USAA Group
Arkansas
Premium Trend
Owners Forms

Exhibit II

Year Ending Quarter (1)	Average Earned Premium at Present Rates (2)	Annual Change (3)	Current Amount Factors 682.51 / (2)	<u>Trended Amount Factor:</u>					
				Least Squares Results					
				Exponential Fits	20 pt	16 pt	12 pt	8 pt	4 pt
				Annualized Change:	3.4%	3.4%	3.6%	3.9%	6.0%
				R-squared Value:	0.993	0.989	0.979	0.951	0.993
				Selected Annual Trend Factor:	1.035				
				Premium Trend Factor					
				<u>Calendar Year Ending</u>	Current Amount Factors (1)	Trended Amount Selection (2)	Trended Amount Period ^A (3)	Trended Amount Factors (4) = (2) ^ (3)	Premium Trend Factors (5) = (1) * (4)
2002/4	578.00		1.181						
2003/1	580.44		1.176						
2003/2	584.62		1.167						
2003/3	590.54		1.156						
2003/4	595.76	3.1%	1.146						
2004/1	600.14	3.4%	1.137						
2004/2	604.91	3.5%	1.128						
2004/3	608.64	3.1%	1.121						
2004/4	613.60	3.0%	1.112						
2005/1	619.22	3.2%	1.102						
2005/2	624.70	3.3%	1.093						
2005/3	630.95	3.7%	1.082						
2005/4	636.23	3.7%	1.073						
2006/1	640.61	3.5%	1.065						
2006/2	644.29	3.1%	1.059	09/30/2003	1.156	1.035	2.334	1.084	1.253
2006/3	648.08	2.7%	1.053	09/30/2004	1.121	1.035	2.334	1.084	1.215
2006/4	653.22	2.7%	1.045	09/30/2005	1.082	1.035	2.334	1.084	1.173
2007/1	660.77	3.1%	1.033	09/30/2006	1.053	1.035	2.334	1.084	1.141
2007/2	670.91	4.1%	1.017	09/30/2007	1.000	1.035	2.334	1.084	1.084
2007/3	682.51	5.3%	1.000						

^A From the average earned date in the most recent accident year, 03/31/2007, to the average earned date in the effective period, 07/30/2009

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

Calendar/ Accident Year Ending (1)	Average Amount of Insurance (2)	Cutoff 25% of (2) (3)	Incurred Losses Excluding Catastrophes (4)	Loss Development Factors ^A (5)	Developed Incurred Losses Excluding Catastrophes (6) = (4) * (5)	Number of Excess Losses (7)	Large Losses (8)	Excess Losses (9) = (8) - (7) * (3)	Normal Losses (10) = (6) - (9)	Excess Ratio (11) = (9) / (10)	Smoothed Developed Incurred Losses Ex Cats ^C (12)
09/30/1998	\$125,565	\$31,391	\$2,304,774	1.0000	\$2,304,774	4	\$605,061	\$479,497	\$1,825,277	0.263	\$2,551,737
09/30/1999	128,984	32,246	3,327,090	1.0000	3,327,090	10	1,071,976	749,516	2,577,574	0.291	3,603,448
09/30/2000	135,409	33,852	3,591,273	1.0000	3,591,273	9	1,348,592	1,043,924	2,547,349	0.410	3,561,194
09/30/2001	141,082	35,271	6,071,279	1.0000	6,071,279	16	2,550,292	1,985,956	4,085,323	0.486	5,711,282
09/30/2002	146,396	36,599	3,009,501	1.0000	3,009,501	7	879,306	623,113	2,386,388	0.261	3,336,170
09/30/2003	165,301	41,325	4,399,032	1.0050	4,421,027	8	1,649,307	1,318,707	3,102,320	0.425	4,337,043
09/30/2004	182,336	45,584	2,928,589	1.0050	2,943,232	7	1,034,857	715,769	2,227,463	0.321	3,113,993
09/30/2005	195,863	48,966	4,240,883	1.0058	4,265,480	8	1,466,666	1,074,938	3,190,542	0.337	4,460,378
09/30/2006	206,887	51,722	5,823,414	1.0019	5,834,478	15	2,296,516	1,520,686	4,313,792	0.353	6,030,681
09/30/2007	222,163	55,541	7,326,389	0.9764	7,153,486	13	3,424,207	2,702,174	4,451,312	0.607	6,222,934
								\$12,214,280	\$30,707,340		

Weighted Average Excess Ratio ^B = 0.398

Weighted Average Excess Factor = 1.398

^A Developed in Exhibit IV

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

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

USAA Group
Arkansas
Loss Development
Incurred Losses Excluding Catastrophes
Owners Forms

Accident Year Ending	15 months	27 months	39 months	51 months
09/30/2000			3,573,132	3,583,248
09/30/2001		6,058,531	6,064,441	6,069,467
09/30/2002	3,194,056	3,042,088	3,168,250	3,172,268
09/30/2003	4,509,217	4,423,470	4,390,727	4,387,524
09/30/2004	2,924,299	2,967,717	2,938,514	2,928,589
09/30/2005	4,421,161	4,238,856	4,240,883	
09/30/2006	5,553,927	5,823,414		
09/30/2007	7,326,389			

Age-to-Age Factors

Accident Year Ending	15 to 27 Months	27 to 39 Months	39 to 51 Months
09/30/2000			1.0028
09/30/2001		1.0010	1.0008
09/30/2002	0.9524	1.0415	1.0013
09/30/2003	0.9810	0.9926	0.9993
09/30/2004	1.0148	0.9902	0.9966
09/30/2005	0.9588	1.0005	
09/30/2006	1.0485		
Latest 3-year Average	1.0074	0.9944	0.9991
Latest 4-year Average	1.0008	1.0062	0.9995
Latest 5-year Average	0.9911	1.0052	1.0002
Latest 3-out-of-5-year Average	0.9746	0.9961	1.0008
Selected Age-to-Age Factors	0.9746	0.9961	1.0008

Cumulative Factors ^A

	15 to Ultimate	27 to Ultimate	39 to Ultimate
Selected Cumulative Factors	0.9764	1.0019	1.0058

^A Cumulative factors are adjusted to ultimate with a Countrywide factor of 1.0050

USAA Group
Arkansas
Paid Losses Excluding Catastrophes
Owners Forms

Year Ending Quarter	Calendar Year Paid Frequency				Calendar Year Paid Severity				Calendar Year Paid Pure Premium			
	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change
2003/1	0.1010		0.0727		3,483		3,838		351.78		279.02	
2003/2	0.0902		0.0678		3,905		3,983		352.23		270.05	
2003/3	0.0839		0.0629		4,556		4,334		382.25		272.61	
2003/4	0.0836		0.0592		4,395		4,510		367.42		266.99	
2004/1	0.0862	-14.7%	0.0579	-20.4%	4,165	19.6%	4,699	22.4%	359.02	2.1%	272.07	-2.5%
2004/2	0.0897	-0.6%	0.0581	-14.3%	3,585	-8.2%	4,802	20.6%	321.57	-8.7%	279.00	3.3%
2004/3	0.0875	4.3%	0.0565	-10.2%	3,652	-19.8%	4,873	12.4%	319.55	-16.4%	275.32	1.0%
2004/4	0.0795	-4.9%	0.0536	-9.5%	3,730	-15.1%	5,075	12.5%	296.54	-19.3%	272.02	1.9%
2005/1	0.0711	-17.5%	0.0526	-9.2%	4,284	2.9%	5,296	12.7%	304.59	-15.2%	278.57	2.4%
2005/2	0.0646	-28.0%	0.0504	-13.3%	4,583	27.8%	5,644	17.5%	296.06	-7.9%	284.46	2.0%
2005/3	0.0657	-24.9%	0.0499	-11.7%	3,950	8.2%	5,721	17.4%	259.52	-18.8%	285.48	3.7%
2005/4	0.0666	-16.2%	0.0502	-6.3%	4,979	33.5%	5,768	13.7%	331.60	11.8%	289.55	6.4%
2006/1	0.0680	-4.4%	0.0501	-4.8%	5,737	33.9%	5,907	11.5%	390.12	28.1%	295.94	6.2%
2006/2	0.0726	12.4%	0.0506	0.4%	5,844	27.5%	5,948	5.4%	424.27	43.3%	300.97	5.8%
2006/3	0.0733	11.6%	0.0521	4.4%	6,334	60.4%	5,980	4.5%	464.28	78.9%	311.56	9.1%
2006/4	0.0778	16.8%	0.0542	8.0%	5,877	18.0%	6,041	4.7%	457.23	37.9%	327.42	13.1%
2007/1	0.0769	13.1%	0.0557	11.2%	5,676	-1.1%	6,056	2.5%	436.48	11.9%	337.32	14.0%
2007/2	0.0787	8.4%	0.0570	12.6%	6,275	7.4%	6,180	3.9%	493.84	16.4%	352.26	17.0%
2007/3	0.0794	8.3%	0.0586	12.5%	6,802	7.4%	6,433	7.6%	540.08	16.3%	376.97	21.0%
2007/4	0.0744	-4.4%	0.0592	9.2%	6,997	19.1%	6,523	8.0%	520.58	13.9%	386.16	17.9%
Exponential Fits	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change
20-point fit	0.353	-4.5%	0.269	-3.4%	0.787	14.7%	0.957	10.9%	0.487	9.5%	0.774	7.1%
16-point fit	0.084	-2.1%	0.022	0.8%	0.877	20.0%	0.944	8.8%	0.731	17.4%	0.856	9.6%
12-point fit	0.674	6.9%	0.746	6.3%	0.833	19.9%	0.928	6.2%	0.891	28.2%	0.925	12.9%
8-point fit	0.515	6.3%	0.987	11.0%	0.599	10.4%	0.876	5.8%	0.819	17.4%	0.977	17.5%
4-point fit	0.155	-3.5%	0.973	8.8%	0.958	32.8%	0.968	11.1%	0.733	28.0%	0.973	20.9%

^A Series 1 is based on USAA Group Arkansas data

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

USAA Group
Arkansas
Credibility Weighted Loss Trend
Owners Forms

	Series 1 Frequency ^A	Series 2 Frequency ^B	Cred-Weighted Frequency ^C	Series 1 Severity ^A	Series 2 Severity ^B	Cred-Weighted Severity ^C	Cred-Weighted Pure Premium
Current Cost Selection	0.970	1.000	0.991	1.090	1.090	1.090	1.080
Trended Cost Selection	0.990	1.095	1.062	1.100	1.040	1.059	1.125

Accident Year Ending	Loss Trend Factor						
	Current Cost Selection (1)	Current Cost Period ^D (2)	Current Cost Factor (3) = (1) ^ (2)	Trended Cost Selection (4)	Trended Cost Period ^E (5)	Trended Cost Factor (6) = (4) ^ (5)	Loss Trend Factor (7) = (3) * (6)
09/30/2003	1.080	4.249	1.387	1.125	2.085	1.278	1.773
09/30/2004	1.080	3.249	1.284	1.125	2.085	1.278	1.641
09/30/2005	1.080	2.249	1.189	1.125	2.085	1.278	1.520
09/30/2006	1.080	1.249	1.101	1.125	2.085	1.278	1.407
09/30/2007	1.080	0.249	1.019	1.125	2.085	1.278	1.302

^A Series 1 is based on USAA Group Arkansas data

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

^C USAA Group Arkansas is 31.4% credible based on 1,045 claims; used the Square Root method with a full credibility standard of 10,623 claims.

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

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

USAA Group
Countrywide
 Loss Adjustment Expense (LAE) Factor
All Forms Combined
 As of 06/30/2007

Non-Catastrophe Loss Adjustment Expense Factor

Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	549,021,482	143,809,513	0.262
12/31/2005	605,818,728	151,746,970	0.250
12/31/2006	692,486,601	173,903,568	0.251
Selected Non-Catastrophe LAE Factor			1.280

Non-Hurricane, Non-Fire Following Catastrophe Loss Adjustment Expense Factor

Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	79,922,669	3,591,530	0.045
12/31/2005	86,465,872	4,616,839	0.053
12/31/2006	202,355,454	12,946,115	0.064
Average LAE Ratio			0.054
Selected Non-Hurricane, Non-Fire Following Catastrophe LAE Factor			1.050

Non-Hurricane, Non-Fire Following Catastrophe Ratio

Owners Forms

As of 03/31/2007

Calendar / Accident Year Ending	Total Amount of Insurance in Force/1000	Non-Hurricane, Non-Fire Following Catastrophe Losses	Cat/AOI Ratio
12/31/1987	442,098	\$26,158	0.0592
12/31/1988	475,731	\$108,854	0.2288
12/31/1989	512,730	\$551,213	1.0751
12/31/1990	554,175	\$383,630	0.6923
12/31/1991	609,574	\$346,354	0.5682
12/31/1992	671,241	\$264,842	0.3946
12/31/1993	735,242	\$67,920	0.0924
12/31/1994	807,998	\$92,798	0.1148
12/31/1995	881,062	\$429,986	0.4880
12/31/1996	933,155	\$1,464,110	1.5690
12/31/1997	1,009,075	\$520,764	0.5161
12/31/1998	1,110,129	\$13,802	0.0124
12/31/1999	1,227,850	\$1,830,279	1.4906
12/31/2000	1,350,885	\$509,198	0.3769
12/31/2001	1,469,535	\$78,926	0.0537
12/31/2002	1,591,122	\$119,819	0.0753
12/31/2003	1,879,117	\$149,754	0.0797
12/31/2004	2,214,199	\$240,655	0.1087
12/31/2005	2,538,458	\$23,347	0.0092
12/31/2006	2,850,210	\$2,870,986	1.0073
(1) Mean			0.4506
(2) Standard Deviation			0.4868
(3) t-statistic for 55% confidence and 19 degrees of freedom			0.127
(4) Final Non-Hurricane, Non-Fire Following Catastrophe Provision (1) + (2) * (3)			0.5124
(5) Selected AOI trend ^A			6.0%
(6) Prospective Amount of Insurance in Force/1000			3,412,453
(7) Prospective Non-Hurricane, Non-Fire Following Catastrophe Losses (4) * (6)			\$1,748,541
(8) Selected Non-Hurricane, Non-Fire Following Catastrophe LAE Factor ^B			1.050
(9) Prospective Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE (7) * (8)			\$1,835,968
(10) Prospective Earned Premium at Present Rates ^C			\$8,727,147
Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE Ratio (9) / (10)			0.210

^A Developed in Exhibit VII, Page 2 of 2^B Developed in Exhibit VI^C Developed in Exhibit I

USAA Group
Arkansas
Average Amount of Insurance Trend
Owners Forms

In Force Data as of	Average AOI	Annual Change	12 point fit	6 point fit
2003/4	173,011			
2004/1	176,381			
2004/2	180,440			
2004/3	184,964			
2004/4	188,585	9.0%		
2005/1	191,280	8.4%	191,216	
2005/2	194,758	7.9%	194,026	
2005/3	197,709	6.9%	196,878	
2005/4	200,195	6.2%	199,771	
2006/1	201,356	5.3%	202,708	
2006/2	204,446	5.0%	205,687	
2006/3	207,516	5.0%	208,710	208,229
2006/4	211,543	5.7%	211,777	211,517
2007/1	215,313	6.9%	214,890	214,857
2007/2	219,131	7.2%	218,048	218,249
2007/3	222,191	7.1%	221,253	221,695
2007/4	224,055	5.9%	224,504	225,196
Exponential Trend			6.0%	6.5%
R-squared			0.991	0.988
Selected AOI Trend				6.0%

USAA Group
Arkansas
 Expected Net Hurricane Catastrophe
 Loss and LAE Ratio
Owners Forms

(1) Expected Annual Net Hurricane Catastrophe Loss and LAE ^A	\$73,425
(2) Prospective Earned Premium at Present Rates	\$8,727,147
(3) Hurricane Catastrophe Loss and LAE Ratio (1) / (2)	0.008
Selected Hurricane Catastrophe Loss and LAE Ratio	0.008

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

USAA Group
Arkansas
 Expected Net Fire Following Loss and LAE Ratio
Owners Forms

(1) Expected Annual Net Fire Following Cat Loss ^A	\$63,41
(2) Prospective Earned Premium at Present Rates	\$8,727,14
(3) Fire Following Catastrophe Loss and LAE Ratio (1) / (2)	0.00
<hr/>	
Selected Fire Following Catastrophe Loss and LAE Ratio	0.00

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

USAA Group
Arkansas
Fixed and Variable Expense Provisions
Owners Forms

	2004	2005	2006	2-Year Straight Average	Selected
(1) Average General Expenses Per Earned Exposure ^A	\$9.31	\$2.67	\$9.01		
(2) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(3) Trend Period ^C	5.09	4.09	3.09		
(4) Projected Average General Expenses Per Earned Exposure (1) * [1.03] ^ (3)	\$10.82	\$3.01	\$9.87	\$6.44	\$6.44
(5) Average Other Acquisition Expense Per Written Exposure ^A	\$141.04	\$143.79	\$135.75		
(6) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(7) Trend Period ^D	4.59	3.59	2.59		
(8) Projected Average Other Acquisition Expense Per Written Exposure (5) * [1.03] ^ (7)	\$161.53	\$159.88	\$146.55	\$153.22	\$153.22
(9) Average Licenses and Fees Expense Per Written Exposure ^E	\$4.08	\$3.43	\$4.31		
(10) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(11) Trend Period ^D	4.59	3.59	2.59		
(12) Projected Average Licenses and Fees Expense Per Written Exposure (9) * [1.03] ^ (11)	\$4.67	\$3.81	\$4.65	\$4.23	\$4.23
(13) Total Fixed Expense (4) + (8) + (12)					\$163.89
(14) Average Projected Premium at Present Rates ^F					\$635.44
(15) Projected Fixed Expense Provision (13) / (14)					0.258
(16) Commission and Brokerage	0.0%	0.0%	0.0%	0.0%	0.0%
(17) Taxes ^G	2.9%	3.1%	2.2%	2.7%	2.7%
(18) Profit and Contingencies Provision ^H					12.3%
(19) Total Variable Expenses (16) + (17) + (18)					15.0%
(20) Variable Permissible Loss and LAE Ratio 1 - (19)					85.0%

^A USAA Group Countrywide data

^B Developed in Exhibit X, Page 2 of 2

^C From the midpoint of the respective year to the average earned date in effective period, 07/30/2009

^D From the midpoint of the respective year to the average written date in effective period, 01/30/2009

^E Arkansas USAA Group data

^F Arkansas USAA Group data for Owners Forms only

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

^H Developed in Exhibit XI

USAA Group
Countrywide
Calculation of Annual Expense Trend

(1) Employment Cost Index - Finance, Insurance & Real Estate, excluding Sales Occupations - (annual change over latest 2 years ending 12/31/2006) U.S. Department of Labor	3.1%
(2) % of Total Acquisition and General Expenses used for Salaries and Employee Relations & Welfare - USAA Group Insurance Expense Exhibit, 2007	56.6%
(3) Consumer Price Index, All Items - (annual change over latest 2 years ending 09/30/2007)	2.4%
(4) Annual Expense Trend - $\{ (1) * (2) \} + \{ (3) * [1 - (2)] \}$	2.8%
<hr/> Selected Annual Expense Trend	<hr/> 3.0%

USAA GROUP
ARKANSAS HOMEOWNERS
UNDERWRITING PROFIT PROVISION
EXPLANATORY MEMORANDUM

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

UNDERWRITING PROFIT PROVISION

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

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

TARGET RATE OF RETURN

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

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

INVESTMENT RATE OF RETURN

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

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

USAA GROUP
ARKANSAS HOMEOWNERS
UNDERWRITING PROFIT PROVISION

A.	Target Rate of Return (% of GAAP Surplus)	
1.	Capital Asset Pricing Model	11.3%
2.	Selected Target Rate of Return	10.0%
B.	Target Underwriting Rate of Return (% of GAAP Surplus)	
1.	Investment Rate of Return After Tax	4.1%
2.	Target Underwriting Return After Tax (A2) - (B1)	5.9%
3.	Target Underwriting Return Before Tax (B2) / (1.00 - 0.35)	9.1%
C.	Target Underwriting Profit Provision (% of Direct Earned Premium)	
1.	Direct Written Premium / GAAP Surplus Ratio	0.741
2.	Indicated Underwriting Profit Provision (B3) / (C1)	12.3%
3.	Selected Underwriting Profit Provision	12.3%

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

Calendar/ Accident Year Ending (1)	Earned Premium at Present Rates (2)	Premium Trend Factor ^A (3)	Prospective Earned Premium at Present Rates (4) = (2) * (3)	Smoothed Developed Incurred Losses Excluding Catastrophes ^B (5)	Loss Trend Factor ^C (6)	LAE Factor ^D (7)	Prospective Incurred Losses and LAE Excluding Catastrophes (8) = (5) * (6) * (7)	Prospective Loss and LAE Ratio Excluding Catastrophes (9) = (8) / (4)	Weight (10)
09/30/2003	\$55,125	1.666	\$91,838	\$39,955	2.197	1.280	\$112,360	1.223	0.100
09/30/2004	\$58,043	1.594	92,521	\$18,620	1.996	1.280	47,572	0.514	0.150
09/30/2005	\$61,643	1.483	91,417	\$49,313	1.813	1.280	114,438	1.252	0.200
09/30/2006	\$65,371	1.346	87,989	\$18,449	1.647	1.280	38,893	0.442	0.250
09/30/2007	\$70,542	1.210	85,356	\$54,152	1.495	1.280	103,625	1.214	0.300

Five Year Weighted Loss and LAE Ratio Excluding Catastrophes =	0.925
Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE Ratio ^F =	0.015
Hurricane Catastrophe Loss and LAE Ratio ^G =	0.004
Fire Following Catastrophe Loss and LAE Ratio ^H =	0.001
Trended Fixed Expense Ratio ^E =	0.457
Variable Permissible Loss and LAE Ratio ^E =	0.850
Indicated Rate Level Change =	(0.925 + 0.015 + 0.004 + 0.001 + 0.457) / 0.850 - 1
Proposed Rate Level Change =	64.9%
	10.0%

^A Developed in Exhibit XIII

^B Developed in Exhibit XIV

^C Developed in Exhibit XVI, Page 2 of 2

^D Developed in Exhibit XVII

^E Developed in Exhibit XXI, Page 1 of 2

^F Developed in Exhibit XVIII, Page 1 of 2

^G Developed in Exhibit XIX

^H Developed in Exhibit XX

USAA Group
Arkansas
Premium Trend
Condo Forms

Year Ending Quarter (1)	Average Earned Premium at Present Rates (2)	Annual Change (3)	Current Amount Factors 400.48 / (2)	<u>Trended Amount Factor:</u>	Least Squares Results					
				Exponential Fits	20 pt	16 pt	12 pt	8 pt	4 pt	
2002/4	286.14		1.400	Annualized Change:	7.6%	9.2%	10.2%	12.1%	10.0%	
2003/1	288.30		1.389	R-squared Value:	0.947	0.980	0.982	0.991	0.989	
2003/2	291.17		1.375	Selected Annual Trend Factor:	1.085					
2003/3	290.76		1.377		Premium Trend Factor					
2003/4	291.32	1.8%	1.375		Current Amount Factors (1)	Trended Amount Selection (2)	Trended Amount Period ^A (3)	Trended Amount Factors (4) = (2) ^ (3)	Premium Trend Factors (5) = (1) * (4)	
2004/1	294.39	2.1%	1.360	<u>Calendar Year Ending</u>						
2004/2	297.16	2.1%	1.348	09/30/2003	1.377	1.085	2.334	1.210	1.666	
2004/3	304.10	4.6%	1.317	09/30/2004	1.317	1.085	2.334	1.210	1.594	
2004/4	310.19	6.5%	1.291	09/30/2005	1.226	1.085	2.334	1.210	1.483	
2005/1	315.76	7.3%	1.268	09/30/2006	1.112	1.085	2.334	1.210	1.346	
2005/2	321.54	8.2%	1.246	09/30/2007	1.000	1.085	2.334	1.210	1.210	
2005/3	326.68	7.4%	1.226							
2005/4	332.65	7.2%	1.204							
2006/1	337.30	6.8%	1.187							
2006/2	347.38	8.0%	1.153							
2006/3	360.29	10.3%	1.112							
2006/4	373.04	12.1%	1.074							
2007/1	383.57	13.7%	1.044							
2007/2	393.72	13.3%	1.017							
2007/3	400.48	11.2%	1.000							

^A From the average earned date in the most recent accident year, 03/31/2007, to the average earned date in the effective period, 07/30/2009

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

Exhibit XIV

Calendar/ Accident Year Ending (1)	Average Amount of Insurance (2)	Cutoff 25% of (2) (3)	Incurred Losses Excluding Catastrophes (4)	Loss Development Factors ^A (5)	Developed Incurred Losses Excluding Catastrophes (6) = (4) * (5)	Number of Excess Losses (7)	Large Losses (8)	Excess Losses (9) = (8) - (7) * (3)	Normal Losses (10) = (6) - (9)	Excess Ratio (11) = (9) / (10)	Smoothed Developed Incurred Losses Ex Cats ^C (12)	
09/30/1998	49,789	12,447	43,946	1.0000	43,946	1	31,196	18,749	25,197	0.744	28,951	
09/30/1999	49,401	12,350	18,740	1.0000	18,740	0	0	0	18,740	0.000	21,532	
09/30/2000	49,170	12,293	58,430	1.0000	58,430	1	36,626	24,333	34,097	0.714	39,177	
09/30/2001	49,972	12,493	18,890	1.0000	18,890	0	0	0	18,890	0.000	21,705	
09/30/2002	51,633	12,908	34,809	1.0000	34,809	0	0	0	34,809	0.000	39,996	
09/30/2003	52,762	13,191	34,705	1.0020	34,774	0	0	0	34,774	0.000	39,955	
09/30/2004	52,038	13,010	16,173	1.0020	16,205	0	0	0	16,205	0.000	18,620	
09/30/2005	52,694	13,174	42,832	1.0020	42,918	0	0	0	42,918	0.000	49,313	
09/30/2006	56,604	14,151	16,025	1.0020	16,057	0	0	0	16,057	0.000	18,449	
09/30/2007	57,784	14,446	48,210	0.9776	47,130	0	0	0	47,130	0.000	54,152	
								\$43,082	\$288,817			

Weighted Average Excess Ratio ^B = 0.149

Weighted Average Excess Factor = 1.149

^A Developed in Exhibit XV

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

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

USAA Group

Exhibit XV

Arkansas

Loss Development

Incurred Losses Excluding Catastrophes

Condo Forms

Accident Year Ending	15 months	27 months	39 months	51 months
09/30/2000			58,430	58,430
09/30/2001		18,890	18,890	18,890
09/30/2002	36,009	36,665	34,809	34,809
09/30/2003	35,953	32,953	34,705	34,705
09/30/2004	16,173	16,173	16,173	16,173
09/30/2005	43,462	42,832	42,832	
09/30/2006	17,025	16,025		
09/30/2007	48,210			

Age-to-Age Factors

Accident Year Ending	15 to 27 Months	27 to 39 Months	39 to 51 Months
09/30/2000			1.0000
09/30/2001		1.0000	1.0000
09/30/2002	1.0182	0.9494	1.0000
09/30/2003	0.9166	1.0532	1.0000
09/30/2004	1.0000	1.0000	1.0000
09/30/2005	0.9855	1.0000	
09/30/2006	0.9413		
Latest 3-year Average	0.9756	1.0177	1.0000
Latest 4-year Average	0.9609	1.0007	1.0000
Latest 5-year Average	0.9723	1.0005	1.0000
Latest 3-out-of-5-year Average	0.9756	1.0000	1.0000
Selected Age-to-Age Factors	0.9756	1.0000	1.0000

Cumulative Factors ^A

	15 to Ultimate	27 to Ultimate	39 to Ultimate
Selected Cumulative Factors	0.9776	1.0020	1.0020

^A Cumulative factors are adjusted to ultimate with a Countrywide factor of 1.0020

USAA Group
CW EXC CA, FL, & TX
Paid Losses Excluding Catastrophes
Condo Forms

Year Ending Quarter	Calendar Year Paid Frequency	Annual Change	Calendar Year Paid Severity	Annual Change	Calendar Year Paid Pure Premium	Annual Change
2003/1	0.0429		2,526		108.23	
2003/2	0.0415		2,662		110.40	
2003/3	0.0397		2,754		109.42	
2003/4	0.0376		2,824		106.07	
2004/1	0.0379	-11.5%	2,855	13.0%	108.25	0.0%
2004/2	0.0395	-4.8%	2,770	4.1%	109.43	-0.9%
2004/3	0.0390	-1.8%	2,799	1.6%	109.19	-0.2%
2004/4	0.0384	2.2%	2,918	3.3%	112.00	5.6%
2005/1	0.0384	1.2%	3,049	6.8%	117.04	8.1%
2005/2	0.0371	-6.0%	3,237	16.9%	120.22	9.9%
2005/3	0.0370	-5.3%	3,382	20.8%	124.96	14.4%
2005/4	0.0379	-1.3%	3,398	16.5%	128.78	15.0%
2006/1	0.0371	-3.4%	3,380	10.9%	125.33	7.1%
2006/2	0.0373	0.5%	3,352	3.5%	125.06	4.0%
2006/3	0.0381	3.1%	3,292	-2.6%	125.41	0.4%
2006/4	0.0382	0.9%	3,438	1.2%	131.42	2.1%
2007/1	0.0402	8.3%	3,655	8.2%	146.83	17.2%
2007/2	0.0418	12.1%	3,748	11.8%	156.82	25.4%
2007/3	0.0434	13.9%	3,867	17.5%	167.83	33.8%
2007/4	0.0450	17.8%	3,960	15.2%	178.37	35.7%
Exponential Fits	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change
20-point	0.044	0.8%	0.942	9.1%	0.783	9.9%
16-point	0.381	3.0%	0.919	9.5%	0.833	12.8%
12-point	0.690	6.4%	0.837	8.1%	0.802	15.1%
8-point	0.936	12.4%	0.884	11.4%	0.918	25.2%
4-point	1.000	16.4%	0.997	11.5%	1.000	29.8%

USAA Group
Arkansas
Loss Trend
Condo Forms

	Frequency	Severity	Pure Premium				
Current Cost Selection	1.010	1.090	1.101				
Trended Cost Selection	1.090	1.100	1.199				
	Loss Trend Factor						
<u>Accident Year Ending</u>	Current Cost Selection (1)	Current Cost Period ^A (2)	Current Cost Factor (3) = (1) ^ (2)	Trended Cost Selection (4)	Trended Cost Period ^B (5)	Trended Cost Factor (6) = (4) ^ (5)	Loss Trend Factor (7) = (3) * (6)
09/30/2003	1.101	4.249	1.505	1.199	2.085	1.460	2.197
09/30/2004	1.101	3.249	1.367	1.199	2.085	1.460	1.996
09/30/2005	1.101	2.249	1.242	1.199	2.085	1.460	1.813
09/30/2006	1.101	1.249	1.128	1.199	2.085	1.460	1.647
09/30/2007	1.101	0.249	1.024	1.199	2.085	1.460	1.495

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

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

USAA Group
Countrywide
 Loss Adjustment Expense (LAE) Factor
All Forms Combined
 As of 06/30/2007

Non-Catastrophe Loss Adjustment Expense Factor

Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	549,021,482	143,809,513	0.262
12/31/2005	605,818,728	151,746,970	0.250
12/31/2006	692,486,601	173,903,568	0.251
Selected Non-Catastrophe LAE Factor			1.280

Non-Hurricane, Non-Fire Following Catastrophe Loss Adjustment Expense Factor

Calendar/Accident Year Ending	Incurred Losses	Loss Adjustment Expense	LAE Ratio
12/31/2004	79,922,669	3,591,530	0.045
12/31/2005	86,465,872	4,616,839	0.053
12/31/2006	202,355,454	12,946,115	0.064
Average LAE Ratio			0.054
Selected Non-Hurricane, Non-Fire Following Catastrophe LAE Factor			1.050

Non-Hurricane, Non-Fire Following Catastrophe Ratio

Condo Forms

As of 12/31/2007

Calendar / Accident Year Ending	Total Amount of Insurance in Force/1000	Non-Hurricane, Non-Fire Following Catastrophe Losses	Cat/AOI Ratio
12/31/1987	2,851	\$0	0.0000
12/31/1988	2,999	\$0	0.0000
12/31/1989	3,786	\$2,654	0.7010
12/31/1990	4,531	\$0	0.0000
12/31/1991	5,475	\$0	0.0000
12/31/1992	6,316	\$0	0.0000
12/31/1993	6,987	\$0	0.0000
12/31/1994	7,710	\$146	0.0189
12/31/1995	8,822	\$0	0.0000
12/31/1996	10,059	\$0	0.0000
12/31/1997	10,004	\$0	0.0000
12/31/1998	10,271	\$0	0.0000
12/31/1999	10,000	\$3,038	0.3038
12/31/2000	9,932	\$650	0.0654
12/31/2001	10,182	\$0	0.0000
12/31/2002	11,121	\$0	0.0000
12/31/2003	11,934	\$0	0.0000
12/31/2004	11,370	\$0	0.0000
12/31/2005	11,951	\$0	0.0000
12/31/2006	13,688	\$0	0.0000
(1) Mean			0.0545
(2) Standard Deviation			0.1669
(3) t-statistic for 55% confidence and 19 degrees of freedom			0.127
(4) Final Non-Hurricane, Non-Fire Following Catastrophe Provision (1) + (2) * (3)			0.0757
(5) Selected AOI trend ^A			4.8%
(6) Prospective Amount of Insurance in Force/1000			15,801
(7) Prospective Non-Hurricane, Non-Fire Following Catastrophe Losses (4) * (6)			\$1,196
(8) Selected Non-Hurricane, Non-Fire Following Catastrophe LAE Factor ^B			1.050
(9) Prospective Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE (7) * (8)			\$1,256
(10) Prospective Earned Premium at Present Rates ^C			\$85,356
Non-Hurricane, Non-Fire Following Catastrophe Loss and LAE Ratio (9) / (10)			0.015

^A Developed in Exhibit XVIII, Page 2 of 2^B Developed in Exhibit XVII^C Developed in Exhibit XII

USAA Group
Arkansas
Average Amount of Insurance Trend
Condominium Forms

In Force Data as of	Average AOI	Annual Change	12 point fit	6 point fit
2003/4	53,757			
2004/1	53,769			
2004/2	53,393			
2004/3	52,038			
2004/4	52,156	-3.0%		
2005/1	52,480	-2.4%	51,955	
2005/2	51,915	-2.8%	52,562	
2005/3	52,694	1.3%	53,177	
2005/4	53,593	2.8%	53,800	
2006/1	53,211	1.4%	54,429	
2006/2	56,011	7.9%	55,066	
2006/3	56,604	7.4%	55,710	56,955
2006/4	57,035	6.4%	56,362	57,194
2007/1	58,138	9.3%	57,021	57,434
2007/2	57,902	3.4%	57,688	57,675
2007/3	57,784	2.1%	58,363	57,917
2007/4	57,880	1.5%	59,046	58,160
Exponential Trend			4.8%	1.7%
R-squared			0.890	0.561
Selected AOI Trend				4.8%

USAA Group
Arkansas
 Expected Net Hurricane Catastrophe
 Loss and LAE Ratio
Condo Forms

(1) Expected Annual Net Hurricane Catastrophe Loss and LAE ^A	\$323
(2) Prospective Earned Premium at Present Rates	\$85,356
(3) Hurricane Catastrophe Loss and LAE Ratio (1) / (2)	0.004
Selected Hurricane Catastrophe Loss and LAE Ratio	0.004

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

USAA Group
Arkansas
 Expected Net Fire Following Loss and LAE Ratio
Condo Forms

(1) Expected Annual Net Fire Following Cat Loss ^A	\$11,350,000
(2) Prospective Earned Premium at Present Rates	\$85,350,000
(3) Fire Following Catastrophe Loss and LAE Ratio (1) / (2)	0.00
<hr/>	
Selected Fire Following Catastrophe Loss and LAE Ratio	0.00

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

USAA Group
Arkansas
Fixed and Variable Expense Provisions
Condo Forms

	2004	2005	2006	2-Year Straight Average	Selected
(1) Average General Expenses Per Earned Exposure ^A	\$9.31	\$2.67	\$9.01		
(2) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(3) Trend Period ^C	5.09	4.09	3.09		
(4) Projected Average General Expenses Per Earned Exposure (1) * [1.03] ^ (3)	\$10.82	\$3.01	\$9.87	\$6.44	\$6.44
(5) Average Other Acquisition Expense Per Written Exposure ^A	\$141.04	\$143.79	\$135.75		
(6) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(7) Trend Period ^D	4.59	3.59	2.59		
(8) Projected Average Other Acquisition Expense Per Written Exposure (5) * [1.03] ^ (7)	\$161.53	\$159.88	\$146.55	\$153.22	\$153.22
(9) Average Licenses and Fees Expense Per Written Exposure ^E	\$4.08	\$3.43	\$4.31		
(10) Selected Annual Expense Trend ^B	3.0%	3.0%	3.0%		
(11) Trend Period ^D	4.59	3.59	2.59		
(12) Projected Average Licenses and Fees Expense Per Written Exposure (9) * [1.03] ^ (11)	\$4.67	\$3.81	\$4.65	\$4.23	\$4.23
(13) Total Fixed Expense (4) + (8) + (12)					\$163.89
(14) Average Projected Premium at Present Rates ^F					\$358.64
(15) Projected Fixed Expense Provision (13) / (14)					0.457
(16) Commission and Brokerage	0.0%	0.0%	0.0%	0.0%	0.0%
(17) Taxes ^G	2.9%	3.1%	2.2%	2.7%	2.7%
(18) Profit and Contingencies Provision ^H					12.3%
(19) Total Variable Expenses (16) + (17) + (18)					15.0%
(20) Variable Permissible Loss and LAE Ratio 1 - (19)					85.0%

^A USAA Group Countrywide data

^B Developed in Exhibit XXI, Page 2 of 2

^C From the midpoint of the respective year to the average earned date in effective period, 07/30/2009

^D From the midpoint of the respective year to the average written date in effective period, 01/30/2009

^E Arkansas USAA Group data

^F Arkansas USAA Group data for Condo Forms only

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

^H Developed in Exhibit XI

USAA Group
Countrywide
Calculation of Annual Expense Trend

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

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name United Services Automobile Association
NAIC No. _____ Group No. _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. We encourage homeowners to insure for 100% of replacement cost based on various valuation tools.
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. USAA uses the Marshall Swift/Boeckh replacement cost tool.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. We require 100% insurance to value. Rare exceptions are allowed down to 80%.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. We use an Adjusted Building Cost (ABC) method. Actual results vary by location. Application of ABC may result in an adjustment in policy limits of as much as 25% or more.
5. Specify the percentage given for credits or discounts for the following:

a.	Fire Extinguisher	<u>No Credit</u>	%
b.	Burglar Alarm	<u>5% Discount</u>	%
		<u>(if monitored)</u>	
c.	Smoke Alarm	<u>No Credit</u>	%
d.	Insured who has both homeowners and auto with your company	<u>10% Discount</u>	%
e.	Deadbolt Locks	<u>No Credit</u>	%
f.	Window or Door Locks	<u>No Credit</u>	%
g.	Other (specify)	_____	%
	<u>Sprinklers</u>	<u>20% Discount</u>	%
	<u>Monitored Fire Alarm</u>	<u>5% Discount</u>	%
6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No If so, state areas and explain reason for not writing.

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Form	Premium Volume
<u>HO-3R Homeowners Special Form</u>	<u>\$1,606,836</u>
<u>HO-9R Preferred Protection Plan Form</u>	<u>\$7,996,357</u>
<u>HO-6R Unit-Owners Form</u>	<u>\$102,184</u>
<u> </u>	<u> </u>

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

9. Is there a surcharge on risks with wood heat? No
If yes, state surcharge
Does the surcharge apply to conventional fire places? No
If yes, state surcharge

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

Scott Hawthorne

Signature

Compliance Analyst

Title

800-531-8722, ext 85315

Telephone Number

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name USAA Casualty Insurance Company
NAIC No. _____ Group No. _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. We encourage homeowners to insure for 100% of replacement cost based on various valuation tools.
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. USAA uses the Marshall Swift/Boeckh replacement cost tool.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. We require 100% insurance to value. Rare exceptions are allowed down to 80%.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. We use an Adjusted Building Cost (ABC) method. Actual results vary by location. Application of ABC may result in an adjustment in policy limits of as much as 25% or more.
5. Specify the percentage given for credits or discounts for the following:

a. Fire Extinguisher	<u>No Credit</u>	%
b. Burglar Alarm	<u>5% Discount</u>	%
	<u>(if monitored)</u>	
c. Smoke Alarm	<u>No Credit</u>	%
d. Insured who has both homeowners and auto with your company	<u>10% Discount</u>	%
e. Deadbolt Locks	<u>No Credit</u>	%
f. Window or Door Locks	<u>No Credit</u>	%
g. Other (specify)	_____	%
<u>Sprinklers</u>	<u>20% Discount</u>	%
<u>Monitored Fire Alarm</u>	<u>5% Discount</u>	%
6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No If so, state areas and explain reason for not writing.

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name USAA General Indemnity Company
NAIC No. _____ Group No. _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. We encourage homeowners to insure for 100% of replacement cost based on various valuation tools.
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. USAA uses the Marshall Swift/Boeckh replacement cost tool.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. We require 100% insurance to value. Rare exceptions are allowed down to 80%.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. We use an Adjusted Building Cost (ABC) method. Actual results vary by location. Application of ABC may result in an adjustment in policy limits of as much as 25% or more.
5. Specify the percentage given for credits or discounts for the following:

a. Fire Extinguisher	<u>No Credit</u>	%
b. Burglar Alarm	<u>5% Discount</u>	%
	<u>(if monitored)</u>	
c. Smoke Alarm	<u>No Credit</u>	%
d. Insured who has both homeowners and auto with your company	<u>10% Discount</u>	%
e. Deadbolt Locks	<u>No Credit</u>	%
f. Window or Door Locks	<u>No Credit</u>	%
g. Other (specify)	_____	%
<u>Sprinklers</u>	<u>20% Discount</u>	%
<u>Monitored Fire Alarm</u>	<u>5% Discount</u>	%
6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No If so, state areas and explain reason for not writing.

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Form	Premium Volume
HO-3R Homeowners Special Form	
HO-9R Preferred Protection Plan Form	\$53,000
HO-6R Unit-Owners Form	\$289

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

9. Is there a surcharge on risks with wood heat? No
If yes, state surcharge _____
Does the surcharge apply to conventional fire places? No
If yes, state surcharge _____

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

Scott Hawthorne

Signature

Compliance Analyst

Title

800-531-8722, ext. 85315

Telephone Number

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Garrison Property And Casualty Insurance Company

NAIC No. _____ Group No. _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. We encourage homeowners to insure for 100% of replacement cost based on various valuation tools.
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. USAA uses the Marshall Swift/Boeckh replacement cost tool.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. We require 100% insurance to value. Rare exceptions are allowed down to 80%.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. We use an Adjusted Building Cost (ABC) method. Actual results vary by location. Application of ABC may result in an adjustment in policy limits of as much as 25% or more.
5. Specify the percentage given for credits or discounts for the following:

a. Fire Extinguisher	<u>No Credit</u>	%
b. Burglar Alarm	<u>5% Discount</u>	%
	<u>(if monitored)</u>	
c. Smoke Alarm	<u>No Credit</u>	%
d. Insured who has both homeowners and auto with your company	<u>10% Discount</u>	%
e. Deadbolt Locks	<u>No Credit</u>	%
f. Window or Door Locks	<u>No Credit</u>	%
g. Other (specify)	_____	%
<u>Sprinklers</u>	<u>20% Discount</u>	%
<u>Monitored Fire Alarm</u>	<u>5% Discount</u>	%
6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No If so, state areas and explain reason for not writing.

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Form	Premium Volume
<u>HO-3R Homeowners Special Form</u>	<u>\$10,889</u>
<u>HO-9R Preferred Protection Plan Form</u>	<u>\$161,256</u>
<u>HO-6R Unit-Owners Form</u>	<u>\$1,649</u>
<u> </u>	<u> </u>

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

9. Is there a surcharge on risks with wood heat? No
If yes, state surcharge
Does the surcharge apply to conventional fire places? No
If yes, state surcharge

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

Scott Hawthorne

Signature

Compliance Analyst

Title

800-531-8722, ext 85315

Telephone Number

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 1

Comment: Arkansas Code Annotated § 23-63-109 prohibits separately rating perils relating to natural causes. The public policy of this statute is to avoid penalizing insureds for losses occasioned by natural causes beyond their control. This policy of the State of Arkansas as set forth by the Legislature has been applied whenever consideration of losses and claims due to natural events and catastrophes have been proposed as a factor for placement into rating tiers, to surcharge policyholders, to cancel or to non-renew insurance policies.

The supporting documentation submitted with this filing is insufficient to justify the use of natural cause events as a factor to determine the final rate the insured is charged, which therefore results in unfair discrimination among insureds with the same future risk of loss from natural causes and prospective policy administration and expense expectations under A.C.A. § 23-67-208(a).

Separately rating the perils of other wind/hail and hurricane will not be permitted.

Objection 1 Response: In our new rating plan, we are simply determining the premium separately for the primary covered perils rather than for all covered perils combined. This is done to improve accuracy in the pricing process. As required by Arkansas Code Annotated § 23-63-109, we are not using claims due to natural events and catastrophes for placement into rating tiers, to surcharge policyholders, to cancel or to non-renew insurance policies. Refer to manual rate page R-10.1, which indicates only non-weather claims are considered for surcharges. Also, refer to manual rule page GR-12, which fully describes our rules for applying the Claims Free Discount and the Claims Activity Surcharge.

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 2

AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment: Provide documentation of actual hurricane losses in AR.

Objection 2 Response: In 2005, USAA paid \$117,927 due to losses from Hurricane Rita.

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 4

AR HO Explanatory Memorandum and Actuarial Support (Supporting Document)

Comment: The loss trend factors have increased significantly. Please explain and provide additional support for them.

Objection 4 Response: Since 2003, our loss trend factors have increased. Severity has clearly spiked, both Countrywide and in Arkansas. We have seen severity increase 100% Countrywide and 70% in Arkansas. Although frequency has declined 26% Countrywide and 19% in Arkansas, it clearly bottomed out in mid-2005 and has risen since. When we combine frequency and severity, we see that the significant spike in severity outweighs the decrease in frequency by looking at our pure premium. We have seen our pure premium increase 48% Countrywide and 38% in Arkansas, thus supporting our increased loss trend factors.

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 6

AR HO Rate Pages, [No rule/page number] (Rate)

Comment: Provide statistical support showing the development of:

Claims Activity Surcharges, Tier factors, Protection/Construction factors, Square footage factors and Territory factors

Objection 6 Response:

Claims Activity Surcharges

The indicated claims activity surcharges for zero to three claims were derived using a GLM analysis (please see the response to Objection 7 for more discussion of GLM). The indicated surcharges for more than three claims were extrapolated using the Each Additional factor for each peril. Please see Exhibit I for USAA Group's exposure weights, indicated factors, and selected factors for this variable.

Tier

Indicated tier factors are determined using GLM to analyze the underlying variables. See Exhibit II for the exposure distributions and indicated factors for the tier variable. Selected factors equal indicated factors for tiers 21 – 70. No data was available for tiers 71-73, so selected factors for those tiers were extrapolated.

Protection/Construction Factors

We use the GLM indicated factors for our protection/construction factors. See Exhibit III for our exposure weights and indicated factors for this variable. For protection/construction, the selected factors equal the indicated factors.

Square Footage Factors

We use the GLM indicated factors for our square footage factors. See Exhibit IV for our exposure weights and indicated factors for this variable. For square footage, the selected factors equal the indicated factors except at the two end groupings where data was sparse.

Territory

We use the GLM indicated factors for our territory factors. See Exhibit V for our indicated territory factors. We also show the exposure distribution by territory. For our territory factors, the selected factors equal the indicated factors for all of the perils except for the Hurricane Factor for Territory 78. The GLM analysis indicated an abnormally low factor for this territory when compared to the indicated factors of nearby territories (70 and 71). Therefore, we have adjusted our selected factor for Territory 78 for geographic consistency.

USAA Group
Countrywide
Homeowners Claims Activity Surcharge

Prior Non-Weather Claims	Other Perils			Fire			Other Wind and Hail			Optional Coverages		
	Exposures	Indicated	Selected									
0	89.3%	1.0000	1.00	89.3%	1.0000	1.00	89.3%	1.0000	1.00	89.3%	1.0000	1.00
1	9.5%	1.2127	1.21	9.5%	1.1705	1.17	9.5%	1.0549	1.02	9.5%	1.2127	1.21
2	1.1%	1.5298	1.53	1.1%	1.3309	1.33	1.1%	1.2936	1.26	1.1%	1.5298	1.53
3	0.1%	1.7721	1.77	0.1%	1.5888	1.59	0.1%	1.5140	1.46	0.1%	1.7721	1.77
4	<i>Not Included in GLM</i>		2.09	<i>Not Included in GLM</i>		1.85	<i>Not Included in GLM</i>		2.03	<i>Not Included in GLM</i>		2.09
5	<i>Model</i>		2.41	<i>Model</i>		2.11	<i>Model</i>		2.62	<i>Model</i>		2.41

Note: The Hurricane peril is not included in this exhibit as the claims activity surcharge will not apply to the portion of the premium attributable to Hurricane.

USAA Group
Countrywide
Homeowners Tier Factors

Tier	All Other Perils			Fire			Other Wind and Hail			Hurricane		
	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected
21	0.0%	0.2544	0.2544	0.0%	0.2103	0.2103	0.0%	0.6640	0.6640			1.0000
22	0.0%	0.2808	0.2808	0.0%	0.2184	0.2184	0.0%	0.6757	0.6757			1.0000
23	0.0%	0.3079	0.3079	0.0%	0.2269	0.2269	0.0%	0.6876	0.6876			1.0000
24	0.1%	0.3357	0.3357	0.1%	0.2359	0.2359	0.0%	0.6998	0.6998			1.0000
25	0.2%	0.3638	0.3638	0.2%	0.2455	0.2455	0.0%	0.7121	0.7121			1.0000
26	0.5%	0.3922	0.3922	0.5%	0.2556	0.2556	0.0%	0.7246	0.7246			1.0000
27	0.8%	0.4205	0.4205	0.8%	0.2663	0.2663	0.0%	0.7374	0.7374			1.0000
28	1.2%	0.4487	0.4487	1.2%	0.2777	0.2777	0.0%	0.7504	0.7504			1.0000
29	1.7%	0.4764	0.4764	1.7%	0.2898	0.2898	0.0%	0.7636	0.7636			1.0000
30	2.2%	0.5037	0.5037	2.2%	0.3026	0.3026	0.1%	0.7771	0.7771			1.0000
31	2.7%	0.5303	0.5303	2.7%	0.3162	0.3162	0.1%	0.7908	0.7908			1.0000
32	3.1%	0.5562	0.5562	3.1%	0.3307	0.3307	0.1%	0.8047	0.8047			1.0000
33	3.6%	0.5812	0.5812	3.6%	0.3461	0.3461	0.1%	0.8189	0.8189			1.0000
34	4.1%	0.6053	0.6053	4.1%	0.3624	0.3624	0.2%	0.8356	0.8356			1.0000
35	4.4%	0.6285	0.6285	4.4%	0.3798	0.3798	0.4%	0.8415	0.8415			1.0000
36	4.5%	0.6508	0.6508	4.5%	0.3984	0.3984	0.5%	0.8474	0.8474			1.0000
37	4.6%	0.6721	0.6721	4.6%	0.4181	0.4181	0.4%	0.8534	0.8534			1.0000
38	4.4%	0.6926	0.6926	4.4%	0.4391	0.4391	1.0%	0.8595	0.8595			1.0000
39	4.0%	0.7123	0.7123	4.0%	0.4616	0.4616	1.2%	0.8656	0.8656			1.0000
40	3.8%	0.7314	0.7314	3.8%	0.4855	0.4855	1.4%	0.8717	0.8717			1.0000
41	3.5%	0.7499	0.7499	3.5%	0.5110	0.5110	1.0%	0.8779	0.8779			1.0000
42	3.3%	0.7679	0.7679	3.3%	0.5383	0.5383	2.2%	0.8841	0.8841			1.0000
43	3.2%	0.7857	0.7857	3.2%	0.5674	0.5674	2.3%	0.8903	0.8903			1.0000
44	3.2%	0.8035	0.8035	3.2%	0.5985	0.5985	1.4%	0.8966	0.8966			1.0000
45	3.3%	0.8213	0.8213	3.3%	0.6318	0.6318	3.1%	0.9030	0.9030			1.0000
46	3.8%	0.8396	0.8396	3.8%	0.6675	0.6675	4.0%	0.9094	0.9094	The dataset for modeled hurricanes does not include tier information		1.0000
47	4.0%	0.8584	0.8584	4.0%	0.7056	0.7056	4.9%	0.9158	0.9158			1.0000
48	3.9%	0.8780	0.8780	3.9%	0.7465	0.7465	4.8%	0.9223	0.9223			1.0000
49	3.7%	0.8988	0.8988	3.7%	0.7903	0.7903	2.4%	0.9288	0.9288			1.0000
50	4.9%	0.9210	0.9210	4.9%	0.8373	0.8373	6.6%	0.9324	0.9324			1.0000
51	2.3%	0.9451	0.9451	2.3%	0.8877	0.8877	7.2%	0.9544	0.9544			1.0000
52	3.5%	0.9712	0.9712	3.5%	0.9418	0.9418	2.3%	0.9769	0.9769			1.0000
53	6.3%	1.0000	1.0000	6.3%	1.0000	1.0000	7.1%	1.0000	1.0000			1.0000
54	0.7%	1.0318	1.0318	0.7%	1.0625	1.0625	5.7%	1.0236	1.0236			1.0000
55	0.7%	1.0672	1.0672	0.7%	1.1298	1.1298	5.6%	1.0478	1.0478			1.0000
56	0.6%	1.1067	1.1067	0.6%	1.2021	1.2021	2.2%	1.0725	1.0725			1.0000
57	0.6%	1.1511	1.1511	0.6%	1.2800	1.2800	5.2%	1.0979	1.0979			1.0000
58	0.8%	1.2011	1.2011	0.8%	1.3640	1.3640	4.2%	1.1238	1.1238			1.0000
59	0.4%	1.2577	1.2577	0.4%	1.4545	1.4545	4.5%	1.1504	1.1504			1.0000
60	0.3%	1.3220	1.3220	0.3%	1.5522	1.5522	4.3%	1.1775	1.1775			1.0000
61	0.3%	1.3951	1.3951	0.3%	1.6576	1.6576	3.5%	1.2053	1.2053			1.0000
62	0.2%	1.4786	1.4786	0.2%	1.7714	1.7714	2.8%	1.2338	1.2338			1.0000
63	0.0%	1.5744	1.5744	0.0%	1.8944	1.8944	2.1%	1.2630	1.2630			1.0000
64	0.0%	1.6845	1.6845	0.0%	2.0274	2.0274	2.1%	1.2928	1.2928			1.0000
65	0.0%	1.8116	1.8116	0.0%	2.1714	2.1714	1.3%	1.3233	1.3233			1.0000
66	0.0%	1.9588	1.9588	0.0%	2.3272	2.3272	0.7%	1.3546	1.3546			1.0000
67	0.0%	2.1301	2.1301	0.0%	2.4960	2.4960	0.5%	1.3866	1.3866			1.0000
68	0.0%	2.3301	2.3301	0.0%	2.6790	2.6790	0.2%	1.4193	1.4193			1.0000
69	0.0%	2.5649	2.5649	0.0%	2.8775	2.8775	0.1%	1.4529	1.4529			1.0000
70	0.0%	2.8417	2.8417	0.0%	3.0930	3.0930	0.1%	1.4872	1.4872			1.0000
71	0.0%	N/A	3.1484	0.0%	N/A	3.3269	0.0%	N/A	1.5223			1.0000
72	0.0%	N/A	3.4881	0.0%	N/A	3.5812	0.0%	N/A	1.5582			1.0000
73	0.0%	N/A	3.8646	0.0%	N/A	3.8549	0.0%	N/A	1.5949			1.0000

USAA Group
Arkansas
Homeowners Protection/Construction Relativities

Construction	Protection Class	All Other Perils			Fire			Other Wind and Hail			Hurricane			
		Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected	
Frame	1	0.0%	1.0402	1.0402	0.0%	0.7683	0.7683			1.0000		1.0000	1.0000	
	2	9.6%	1.0402	1.0402	9.6%	1.0000	1.0000			1.0000		1.0000	1.0000	
	3	9.3%	1.0000	1.0000	9.3%	1.0000	1.0000			1.0000		1.0000	1.0000	
	4	3.6%	0.9681	0.9681	3.6%	1.0000	1.0000			1.0000		1.0000	1.0000	
	5	5.7%	0.9681	0.9681	5.7%	1.1493	1.1493			1.0000		1.0000	1.0000	
	6	7.3%	0.9681	0.9681	7.3%	1.3378	1.3378			1.0000	Protection Class was not predictive of Hurricane losses, the indicated factors represent Frame vs Masonry Construction. 45% of exposures were Frame and 55% were Masonry.	1.0000	1.0000	
	7	2.6%	0.9681	0.9681	2.6%	1.3378	1.3378			1.0000		1.0000	1.0000	
	8	0.3%	0.9276	0.9276	0.3%	1.3378	1.3378			1.0000		1.0000	1.0000	
	8B	0.0%	0.9276	0.9276	0.0%	1.3378	1.3378			1.0000		1.0000	1.0000	
	9	3.4%	0.9276	0.9276	3.4%	1.8283	1.8283			1.0000		1.0000	1.0000	
10	1.4%	0.9276	0.9276	1.4%	1.8283	1.8283			1.0000	1.0000		1.0000		
Masonry	1	0.0%	1.0376	1.0376	0.0%	0.557	0.5570			1.0000			0.8944	0.8944
	2	19.7%	1.0376	1.0376	19.7%	0.7249	0.7249			1.0000			0.8944	0.8944
	3	17.2%	1.0376	1.0376	17.2%	0.7249	0.7249			1.0000			0.8944	0.8944
	4	5.6%	0.9975	0.9975	5.6%	0.7249	0.7249			1.0000			0.8944	0.8944
	5	4.2%	0.9656	0.9656	4.2%	0.8331	0.8331			1.0000		0.8944	0.8944	
	6	4.9%	0.9656	0.9656	4.9%	0.9698	0.9698			1.0000		0.8944	0.8944	
	7	1.7%	0.9656	0.9656	1.7%	0.9698	0.9698			1.0000		0.8944	0.8944	
	8	0.4%	0.9656	0.9656	0.4%	0.9698	0.9698			1.0000		0.8944	0.8944	
	8B	0.0%	0.9252	0.9252	0.0%	0.9698	0.9698			1.0000		0.8944	0.8944	
	9	2.2%	0.9252	0.9252	2.2%	1.3254	1.3254			1.0000		0.8944	0.8944	
10	0.8%	0.9252	0.9252	0.8%	1.3254	1.3254			1.0000		0.8944	0.8944		

USAA Group
Countrywide
Homeowners Square Footage Factors

Square Footage	All Other Perils			Fire			Other Wind and Hail			Hurricane		
	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected
<500	0.3%	0.8082	0.7359	0.3%	0.9149	0.9149	0.3%	0.9262	0.8630			1.0000
500-599	0.1%	0.7359	0.7359	0.1%	0.9149	0.9149	0.1%	0.8730	0.8730			1.0000
600-699	0.1%	0.7688	0.7688	0.1%	0.9149	0.9149	0.1%	0.8829	0.8829			1.0000
700-799	0.3%	0.8007	0.8007	0.3%	0.9149	0.9149	0.3%	0.8929	0.8929			1.0000
800-899	0.6%	0.8007	0.8007	0.6%	0.9149	0.9149	0.6%	0.9028	0.9028			1.0000
900-999	1.1%	0.8265	0.8265	1.1%	0.9149	0.9149	1.1%	0.9127	0.9127			1.0000
1000-1099	1.8%	0.8517	0.8517	1.8%	0.9149	0.9149	1.8%	0.9225	0.9225			1.0000
1100-1199	2.3%	0.8713	0.8713	2.3%	0.9149	0.9149	2.3%	0.9324	0.9324			1.0000
1200-1299	3.7%	0.8826	0.8826	3.7%	0.9149	0.9149	3.7%	0.9421	0.9421			1.0000
1300-1399	3.6%	0.9040	0.9040	3.6%	0.9818	0.9818	3.6%	0.9519	0.9519			1.0000
1400-1499	4.3%	0.9202	0.9202	4.3%	0.9818	0.9818	4.3%	0.9616	0.9616			1.0000
1500-1599	5.1%	0.9383	0.9383	5.1%	0.9818	0.9818	5.1%	0.9713	0.9713			1.0000
1600-1699	5.1%	0.9588	0.9588	5.1%	1.0000	1.0000	5.1%	0.9809	0.9809			1.0000
1700-1799	5.0%	0.9808	0.9808	5.0%	1.0000	1.0000	5.0%	0.9905	0.9905			1.0000
1800-1899	6.1%	1.0000	1.0000	6.1%	1.0000	1.0000	6.1%	1.0000	1.0000			1.0000
1900-1999	4.7%	1.0270	1.0270	4.7%	1.0000	1.0000	4.7%	1.0095	1.0095			1.0000
2000-2099	6.0%	1.0452	1.0452	6.0%	1.0000	1.0000	6.0%	1.0189	1.0189			1.0000
2100-2199	4.5%	1.0720	1.0720	4.5%	1.1076	1.1076	4.5%	1.0282	1.0282			1.0000
2200-2299	4.8%	1.0937	1.0937	4.8%	1.1076	1.1076	4.8%	1.0374	1.0374			1.0000
2300-2399	4.0%	1.1159	1.1159	4.0%	1.1076	1.1076	4.0%	1.0466	1.0466			1.0000
2400-2499	4.5%	1.1357	1.1357	4.5%	1.1076	1.1076	4.5%	1.0558	1.0558			1.0000
2500-2599	3.9%	1.1589	1.1589	3.9%	1.1724	1.1724	3.9%	1.0648	1.0648			1.0000
2600-2699	3.1%	1.1791	1.1791	3.1%	1.1724	1.1724	3.1%	1.0737	1.0737			1.0000
2700-2799	2.8%	1.1982	1.1982	2.8%	1.1724	1.1724	2.8%	1.0826	1.0826			1.0000
2800-2899	2.9%	1.2163	1.2163	2.9%	1.2455	1.2455	2.9%	1.0914	1.0914			1.0000
2900-2999	1.9%	1.2360	1.2360	1.9%	1.2455	1.2455	1.9%	1.1001	1.1001			1.0000
3000-3099	3.0%	1.2476	1.2476	3.0%	1.2455	1.2455	3.0%	1.1087	1.1087			1.0000
3100-3199	1.5%	1.2644	1.2644	1.5%	1.2455	1.2455	1.5%	1.1087	1.1087			1.0000
3200-3299	1.8%	1.2764	1.2764	1.8%	1.2455	1.2455	1.8%	1.1087	1.1087			1.0000
3300-3399	1.2%	1.2929	1.2929	1.2%	1.2455	1.2455	1.2%	1.1087	1.1087			1.0000
3400-3499	1.2%	1.3072	1.3072	1.2%	1.2946	1.2946	1.2%	1.1087	1.1087			1.0000
3500-3599	1.2%	1.3194	1.3194	1.2%	1.2946	1.2946	1.2%	1.1087	1.1087			1.0000
3600-3699	0.9%	1.3328	1.3328	0.9%	1.2946	1.2946	0.9%	1.1087	1.1087			1.0000
3700-3799	0.7%	1.3397	1.3397	0.7%	1.2946	1.2946	0.7%	1.1087	1.1087			1.0000
3800-3899	0.7%	1.3496	1.3496	0.7%	1.2946	1.2946	0.7%	1.1087	1.1087			1.0000
3900-3999	0.5%	1.3620	1.3620	0.5%	1.2946	1.2946	0.5%	1.1087	1.1087			1.0000
4000-4099	0.8%	1.3714	1.3714	0.8%	1.2946	1.2946	0.8%	1.1087	1.1087			1.0000
4100-4199	0.4%	1.3801	1.3801	0.4%	1.2946	1.2946	0.4%	1.1087	1.1087			1.0000
4200-4299	0.4%	1.3903	1.3903	0.4%	1.2946	1.2946	0.4%	1.1087	1.1087			1.0000
4300-4399	0.3%	1.4049	1.4049	0.3%	1.2946	1.2946	0.3%	1.1087	1.1087			1.0000
4400-4499	0.3%	1.4138	1.4138	0.3%	1.2946	1.2946	0.3%	1.1087	1.1087			1.0000
4500-4599	0.3%	1.4300	1.4300	0.3%	1.2946	1.2946	0.3%	1.1087	1.1087			1.0000
4600-4699	0.2%	1.4409	1.4409	0.2%	1.2946	1.2946	0.2%	1.1087	1.1087			1.0000
4700-4799	0.2%	1.4543	1.4543	0.2%	1.2946	1.2946	0.2%	1.1087	1.1087			1.0000
4800-4899	0.2%	1.4760	1.4760	0.2%	1.2946	1.2946	0.2%	1.1087	1.1087			1.0000
4900-4999	0.1%	1.4927	1.4927	0.1%	1.5784	1.5784	0.1%	1.1087	1.1087			1.0000
5000-5499	0.6%	1.5077	1.5077	0.6%	1.5784	1.5784	0.6%	1.1087	1.1087			1.0000
5500-5999	0.3%	1.5336	1.5336	0.3%	1.5784	1.5784	0.3%	1.1087	1.1087			1.0000
6000-6499	0.2%	1.5760	1.5760	0.2%	1.5784	1.5784	0.2%	1.1087	1.1087			1.0000
6500-6599	0.1%	1.6887	1.6887	0.1%	1.5784	1.5784	0.1%	1.1087	1.1087			1.0000
7000-7499	0.1%	1.6892	1.6892	0.1%	1.5784	1.5784	0.1%	1.1087	1.1087			1.0000
7500-9999	0.1%	1.7018	1.7018	0.1%	1.5784	1.5784	0.1%	1.1087	1.1087			1.0000
10000-19999	0.0%	1.7260	1.7260	0.0%	1.5784	1.5784	0.0%	1.1087	1.1087			1.0000
20000+	0.0%	1.6962	1.7260	0.0%	1.5784	1.5784	0.0%	1.1087	1.1087			1.0000

The dataset for modeled hurricanes does not include square footage information

USAA Group
Arkansas
Homeowners Territory Relativities

Arkansas Territory	All Other Perils			Fire			Other Wind and Hail			Hurricane		
	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected	Exposures	Indicated	Selected
58	18.0%	0.9858	0.9858	18.0%	0.7944	0.7944	18.0%	1.4123	1.4123	18.0%	0.0605	0.0605
59	1.2%	0.9672	0.9672	1.2%	0.9056	0.9056	1.2%	1.5099	1.5099	1.4%	0.1129	0.1129
60	5.5%	0.9940	0.9940	5.5%	0.9158	0.9158	5.5%	1.3998	1.3998	5.2%	0.1390	0.1390
61	6.8%	1.0005	1.0005	6.8%	0.9554	0.9554	6.8%	1.4643	1.4643	7.1%	0.2140	0.2140
62	1.2%	0.9361	0.9361	1.2%	1.0936	1.0936	1.2%	1.1706	1.1706	1.2%	0.4197	0.4197
63	5.4%	0.9373	0.9373	5.4%	1.0236	1.0236	5.4%	1.1487	1.1487	5.0%	0.4629	0.4629
64	4.6%	0.8970	0.8970	4.6%	0.9366	0.9366	4.6%	1.1902	1.1902	4.3%	0.2913	0.2913
65	2.4%	0.9245	0.9245	2.4%	1.0089	1.0089	2.4%	1.2184	1.2184	2.5%	0.3374	0.3374
66	3.8%	0.9712	0.9712	3.8%	1.0471	1.0471	3.8%	1.2555	1.2555	4.1%	0.3268	0.3268
67	32.4%	1.0000	1.0000	32.4%	1.0000	1.0000	32.4%	1.0000	1.0000	33.0%	0.2986	0.2986
68	1.1%	1.0092	1.0092	1.1%	1.2697	1.2697	1.1%	1.3336	1.3336	1.1%	0.3265	0.3265
69	1.7%	1.0228	1.0228	1.7%	1.2248	1.2248	1.7%	1.2181	1.2181	1.7%	0.5151	0.5151
70	1.1%	0.9654	0.9654	1.1%	1.0938	1.0938	1.1%	1.1727	1.1727	1.1%	0.7941	0.7941
71	0.8%	0.9453	0.9453	0.8%	1.0683	1.0683	0.8%	1.2537	1.2537	0.7%	1.0000	1.0000
72	1.6%	0.8564	0.8564	1.6%	0.7943	0.7943	1.6%	1.4931	1.4931	1.6%	0.0865	0.0865
73	3.5%	0.885	0.885	3.5%	0.8657	0.8657	3.5%	1.5637	1.5637	3.4%	0.1638	0.1638
74	1.1%	0.9134	0.9134	1.1%	0.9311	0.9311	1.1%	1.6614	1.6614	1.0%	0.1692	0.1692
75	2.4%	0.9377	0.9377	2.4%	0.9388	0.9388	2.4%	1.7013	1.7013	2.2%	0.2010	0.2010
76	1.7%	0.9925	0.9925	1.7%	0.9792	0.9792	1.7%	1.5064	1.5064	1.7%	0.2686	0.2686
77	1.7%	0.9724	0.9724	1.7%	0.9612	0.9612	1.7%	1.5595	1.5595	1.6%	0.3218	0.3218
78	2.1%	0.8747	0.8747	2.1%	0.7179	0.7179	2.1%	1.4208	1.4208	2.1%	0.0509	0.9000

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 7

AR HO Rate Pages, [No rule/page number] (Rate)

Comment: Explain the capping process in greater detail.

Objection 7 Response: In this filing, we are implementing renewal rate capping. Upon renewal, we will cap our member's proposed premium at +/- 25% of their current premium. The difference between the capped premium and the proposed premium will be subject to rate capping upon future renewals until members reach their proposed premium.

For example, consider a member with a current premium of \$1,000 seeing a 60% increase due to this rate filing. For simplicity, we will assume there are no further rate changes. Upon renewal, the member would see a 25% increase, raising the premium for the first year to \$1,250. Upon the next renewal, the member would see another 25% increase, raising the premium for the second year to \$1,562.50. Upon the third renewal, the member would see a 2.4% increase, raising the premium for the third year to \$1,600. At this point, the member has reached the proposed premium. Assuming there are no further rate changes, the member's premium will stay constant at \$1,600.

**Arkansas
USAA Group
Homeowners
Filing Proposed Effective 07/30/2008
DOI Questions**

Objection 8

AR HO Filing Memorandum (Supporting Document)

Comment: Provide additional supporting documentation on the GLM process.

Objection 8 Response: Except where otherwise stated, indications for all indicated rating factors are determined using Generalized Linear Modeling (GLM). We develop several sets of models and used analysis tools to help us compare the models to one another. We use chi-square tests and look at standard error of parameter differences to determine what variables to include in the final models and how to group and/or fit curves to those variables.

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

GLM is a multivariate predictive modeling method where:

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

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

Response Variable = Product(Rating Factors) + Noise

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

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

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

Final Rate for a Particular Peril = Base Rate x Territory Factor x (the product of all the other factors modeled for the peril.)

SERFF Tracking Number: USAA-125701882 State: Arkansas
 First Filing Company: Garrison Property and Casualty Insurance State Tracking Number: EFT \$100
 Company, ...
 Company Tracking Number: HOMAR00084CGR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Property Program 2008
 Project Name/Number: /

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Supporting Document	HPCS-Homeowners Premium Comparison Survey	06/18/2008	HPCS 200-25941.XLS HPCS 200-25968.XLS HPCS 200-18600.XLS HPCS 200-21253.XLS
No original date	Supporting Document	NAIC loss cost data entry document	06/18/2008	RF-1 200-25941.pdf RF-1 200-25968.pdf RF-1 200-18600.pdf RF-1 200-21253.pdf
No original date	Rate and Rule	AR HO Rate Pages	06/20/2008	AR HO Rate Pages.pdf

State: **ARKANSAS**
Line of Business: **HOMEOWNERS**
Effective: **JULY 30, 2008 (NEW BUSINESS written on or after JULY 26, 2008)**
SEPTEMBER 30, 2008 (RENEWAL BUSINESS)
Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND MINIMUM PREMIUMS

BASE RATES

<u>Form Type</u>	<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	Other Perils	622.48	719.54	795.78	842.04
	Fire	986.81	1157.50	1159.04	1241.80
	Other Wind and Hail	278.23	343.80	466.35	441.32
	Hurricane	35.67	35.67	35.67	35.67
Unit-Owners	Other Perils	412.20	296.37	296.37	296.37
	Fire	36.79	26.59	26.59	26.59
	Other Wind and Hail	2.48	2.13	2.13	2.13
	Hurricane	7.11	7.11	7.11	7.11

* Base limits are \$300,000 Liability and \$5,000 Medical Payments to Others

MINIMUM PREMIUMS

<u>Form Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	\$250	\$250	\$250	\$250
Unit-Owners	\$125	\$125	\$125	\$125

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TIER FACTORS

USAA GROUP		Other		Other Wind		Optional
	<u>Tier</u>	<u>Perils</u>	<u>Fire</u>	<u>and Hail</u>	<u>Hurricane</u>	<u>Coverages *</u>
	21	0.2544	0.2103	0.6640	1.0000	0.2544
	22	0.2808	0.2184	0.6757	1.0000	0.2808
	23	0.3079	0.2269	0.6876	1.0000	0.3079
	24	0.3357	0.2359	0.6998	1.0000	0.3357
	25	0.3638	0.2455	0.7121	1.0000	0.3638
	26	0.3922	0.2556	0.7246	1.0000	0.3922
	27	0.4205	0.2663	0.7374	1.0000	0.4205
	28	0.4487	0.2777	0.7504	1.0000	0.4487
	29	0.4764	0.2898	0.7636	1.0000	0.4764
	30	0.5037	0.3026	0.7771	1.0000	0.5037
	31	0.5303	0.3162	0.7908	1.0000	0.5303
	32	0.5562	0.3307	0.8047	1.0000	0.5562
	33	0.5812	0.3461	0.8189	1.0000	0.5812
	34	0.6053	0.3624	0.8356	1.0000	0.6053
	35	0.6285	0.3798	0.8415	1.0000	0.6285
	36	0.6508	0.3984	0.8474	1.0000	0.6508
	37	0.6721	0.4181	0.8534	1.0000	0.6721
	38	0.6926	0.4391	0.8595	1.0000	0.6926
	39	0.7123	0.4616	0.8656	1.0000	0.7123
	40	0.7314	0.4855	0.8717	1.0000	0.7314
	41	0.7499	0.5110	0.8779	1.0000	0.7499
	42	0.7679	0.5383	0.8841	1.0000	0.7679
	43	0.7857	0.5674	0.8903	1.0000	0.7857
	44	0.8035	0.5985	0.8966	1.0000	0.8035
	45	0.8213	0.6318	0.9030	1.0000	0.8213
	46	0.8396	0.6675	0.9094	1.0000	0.8396
	47	0.8584	0.7056	0.9158	1.0000	0.8584
	48	0.8780	0.7465	0.9223	1.0000	0.8780
	49	0.8988	0.7903	0.9288	1.0000	0.8988
	50	0.9210	0.8373	0.9324	1.0000	0.9210
	51	0.9451	0.8877	0.9544	1.0000	0.9451
	52	0.9712	0.9418	0.9769	1.0000	0.9712
	53	1.0000	1.0000	1.0000	1.0000	1.0000
	54	1.0318	1.0625	1.0236	1.0000	1.0318
	55	1.0672	1.1298	1.0478	1.0000	1.0672
	56	1.1067	1.2021	1.0725	1.0000	1.1067

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TIER FACTORS

USAA GROUP	Tier	Other Perils	Fire	Other Wind and Hail	Hurricane	Optional Coverages *
	57	1.1511	1.2800	1.0979	1.0000	1.1511
	58	1.2011	1.3640	1.1238	1.0000	1.2011
	59	1.2577	1.4545	1.1504	1.0000	1.2577
	60	1.3220	1.5522	1.1775	1.0000	1.3220
	61	1.3951	1.6576	1.2053	1.0000	1.3951
	62	1.4786	1.7714	1.2338	1.0000	1.4786
	63	1.5744	1.8944	1.2630	1.0000	1.5744
	64	1.6845	2.0274	1.2928	1.0000	1.6845
	65	1.8116	2.1714	1.3233	1.0000	1.8116
	66	1.9588	2.3272	1.3546	1.0000	1.9588
	67	2.1301	2.4960	1.3866	1.0000	2.1301
	68	2.3301	2.6790	1.4193	1.0000	2.3301
	69	2.5649	2.8775	1.4529	1.0000	2.5649
	70	2.8417	3.0930	1.4872	1.0000	2.8417
	71	3.1484	3.3269	1.5223	1.0000	3.1484
	72	3.4881	3.5812	1.5582	1.0000	3.4881
	73	3.8646	3.8549	1.5949	1.0000	3.8646

* These factors apply to the optional Increased Liability Limit and Personal Injury Endorsement

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TERRITORY FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
58	0.9858	0.7944	1.4123	0.0605
59	0.9672	0.9056	1.5099	0.1129
60	0.9940	0.9158	1.3998	0.1390
61	1.0005	0.9554	1.4643	0.2140
62	0.9361	1.0936	1.1706	0.4197
63	0.9373	1.0236	1.1487	0.4629
64	0.8970	0.9366	1.1902	0.2913
65	0.9245	1.0089	1.2184	0.3374
66	0.9712	1.0471	1.2555	0.3268
67	1.0000	1.0000	1.0000	0.2986
68	1.0092	1.2697	1.3336	0.3265
69	1.0228	1.2248	1.2181	0.5151
70	0.9654	1.0938	1.1727	0.7941
71	0.9453	1.0683	1.2537	1.0000
72	0.8564	0.7943	1.4931	0.0865
73	0.8850	0.8657	1.5637	0.1638
74	0.9134	0.9311	1.6614	0.1692
75	0.9377	0.9388	1.7013	0.2010
76	0.9925	0.9792	1.5064	0.2686
77	0.9724	0.9612	1.5595	0.3218
78	0.8747	0.7179	1.4208	0.9000

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TERRITORY FACTORS

**USAA GROUP
UNIT-OWNERS FORMS**

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
58	0.9858	0.7944	1.4123	0.0605
59	0.9672	0.9056	1.5099	0.1129
60	0.9940	0.9158	1.3998	0.1390
61	1.0005	0.9554	1.4643	0.2140
62	0.9361	1.0936	1.1706	0.4197
63	0.9373	1.0236	1.1487	0.4629
64	0.8970	0.9366	1.1902	0.2913
65	0.9245	1.0089	1.2184	0.3374
66	0.9712	1.0471	1.2555	0.3268
67	1.0000	1.0000	1.0000	0.2986
68	1.0092	1.2697	1.3336	0.3265
69	1.0228	1.2248	1.2181	0.5151
70	0.9654	1.0938	1.1727	0.7941
71	0.9453	1.0683	1.2537	1.0000
72	0.8564	0.7943	1.4931	0.0865
73	0.8850	0.8657	1.5637	0.1638
74	0.9134	0.9311	1.6614	0.1692
75	0.9377	0.9388	1.7013	0.2010
76	0.9925	0.9792	1.5064	0.2686
77	0.9724	0.9612	1.5595	0.3218
78	0.8747	0.7179	1.4208	0.9000

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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Perils	Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.7813	0.6758	0.9133	0.8764
\$15,000	0.7828	0.6773	0.8970	0.8419
\$20,000	0.7849	0.6811	0.8809	0.8099
\$30,000	0.7928	0.6897	0.8521	0.7721
\$40,000	0.7991	0.6964	0.8241	0.7374
\$50,000	0.8075	0.7047	0.8075	0.7047
\$75,000	0.8297	0.7247	0.7771	0.6277
\$100,000	0.8513	0.7419	0.7419	0.5610
\$150,000	0.9115	0.8020	0.7026	0.5260
\$200,000	1.0000	0.8903	0.6826	0.5306
\$300,000	1.1921	1.0813	0.6675	0.5517
\$400,000	1.3956	1.2845	0.7097	0.6289
\$500,000	1.6181	1.5021	0.7740	0.6918
\$750,000	2.1530	2.0139	1.0815	0.7811
\$1,000,000	2.6405	2.3903	1.2210	0.8349
\$1,500,000	3.6156	3.1431	1.2221	0.9351
\$2,000,000	4.5907	3.8959	1.3839	1.0067

for each add'l \$10,000 above \$2,000,000, add:

0.0195	0.0151	0.0032	0.0026
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Fire	<u>Amount of Insurance</u>	<u>Deductible</u>			
		<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>	<u>2%</u>
	\$10,000	0.7147	0.6729	0.8416	0.7957
	\$15,000	0.7160	0.6752	0.8190	0.7608
	\$20,000	0.7173	0.6765	0.7982	0.7348
	\$30,000	0.7188	0.6874	0.7682	0.7098
	\$40,000	0.7290	0.6982	0.7495	0.7062
	\$50,000	0.7419	0.7110	0.7419	0.7110
	\$75,000	0.7815	0.7475	0.7576	0.7342
	\$100,000	0.8210	0.7864	0.7864	0.7644
	\$150,000	0.9061	0.8709	0.8597	0.8306
	\$200,000	1.0000	0.9638	0.9421	0.9077
	\$300,000	1.2409	1.1803	1.1211	1.0713
	\$400,000	1.5394	1.4546	1.3189	1.2455
	\$500,000	1.9419	1.8193	1.5225	1.4191
	\$750,000	3.2024	2.9214	2.0698	1.9001
	\$1,000,000	5.2999	4.9425	3.6044	3.0489
	\$1,500,000	13.4843	12.8971	10.0444	7.9041
	\$2,000,000	21.6686	20.8517	15.5680	11.0593

for each add'l \$10,000 above \$2,000,000, add:

	0.1637	0.1591	0.1105	0.0745
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Other Wind and Hail	Deductible			
	<u>Amount of Insurance</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$10,000	0.6031	0.5299	0.7341	0.6952
\$15,000	0.6179	0.5442	0.7301	0.6759
\$20,000	0.6326	0.5589	0.7255	0.6586
\$30,000	0.6471	0.5735	0.7053	0.6313
\$40,000	0.6620	0.5885	0.6880	0.6160
\$50,000	0.6766	0.6035	0.6766	0.6035
\$75,000	0.6928	0.6201	0.6550	0.6114
\$100,000	0.7834	0.7107	0.7107	0.6452
\$150,000	0.8750	0.8023	0.7524	0.7189
\$200,000	1.0000	0.9271	0.8262	0.7659
\$300,000	1.2406	1.1680	0.9698	0.8974
\$400,000	1.4136	1.3373	1.1255	1.1177
\$500,000	1.5985	1.5185	1.2294	1.2162
\$750,000	1.8104	1.7286	1.3806	1.2958
\$1,000,000	2.0546	1.9727	1.5414	1.4566
\$1,500,000	2.5428	2.4609	1.8843	1.7946
\$2,000,000	3.0311	2.9491	2.2419	2.1255
for each add'l \$10,000 above \$2,000,000, add:	0.0102	0.0102	0.0072	0.0066

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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
OWNERS FORMS**

Hurricane	<u>Amount of Insurance</u>	Deductible			
		<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>	<u>2%</u>
	\$10,000	0.0103	0.0096	0.0124	0.0112
	\$15,000	0.0272	0.0261	0.0289	0.0278
	\$20,000	0.0495	0.0471	0.0513	0.0500
	\$30,000	0.0951	0.0904	0.0991	0.0939
	\$40,000	0.1537	0.1466	0.1555	0.1491
	\$50,000	0.2127	0.2029	0.2127	0.2029
	\$75,000	0.3608	0.3432	0.3519	0.3276
	\$100,000	0.4998	0.4610	0.4610	0.4258
	\$150,000	0.7390	0.6992	0.6786	0.6358
	\$200,000	1.0000	0.9517	0.8913	0.8443
	\$300,000	1.5308	1.4547	1.3368	1.2690
	\$400,000	2.0868	1.9769	1.7833	1.6954
	\$500,000	2.6759	2.5395	2.2570	2.1625
	\$750,000	4.2203	3.9931	3.5281	3.4161
	\$1,000,000	5.6026	5.3163	4.5922	4.3936
	\$1,500,000	8.6014	8.1652	6.6324	6.2630
	\$2,000,000	12.8091	12.1688	9.5220	8.9330

for each add'l \$10,000 above \$2,000,000, add:

0.0842	0.0801	0.0578	0.0534
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AMOUNT OF INSURANCE / DEDUCTIBLE FACTORS

**USAA GROUP
UNIT-OWNERS FORMS**

All Perils	Deductible				
	<u>Amount of Insurance</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>	<u>1%</u>
\$5,000	1.1203	0.7840	0.6140	1.4118	1.3325
\$7,500	1.1388	0.8005	0.6277	1.3924	1.2790
\$10,000	1.1574	0.8175	0.6390	1.3732	1.2274
\$15,000	1.1934	0.8514	0.6544	1.3341	1.1234
\$20,000	1.2237	0.8774	0.6739	1.2940	1.0132
\$30,000	1.2748	0.9036	0.7000	1.1955	0.8043
\$40,000	1.3350	0.9519	0.7366	1.0921	0.7819
\$50,000	1.4022	1.0000	0.7749	1.0000	0.7749
\$75,000	1.5544	1.1395	0.8700	0.9480	0.7629
\$100,000	1.7301	1.2734	0.9656	0.9656	0.7787
\$150,000	2.1114	1.6189	1.1514	1.0158	0.8027
\$200,000	2.4713	1.8962	1.3390	1.0756	0.8486
\$300,000	3.1911	2.4510	1.7143	1.1592	0.9757
\$400,000	3.9108	3.0057	2.0897	1.2986	1.0641
\$500,000	4.6306	3.5605	2.4650	1.4535	1.1135
\$750,000	6.4300	4.9473	3.4033	1.7553	1.1850
\$1,000,000	8.2294	6.3342	4.3416	1.9324	1.2390
for each add'l \$10,000 above \$1,000,000, add:	0.0720	0.0555	0.0375	0.0071	0.0047

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PROTECTION / CONSTRUCTION FACTORS

**USAA GROUP
OWNERS FORMS**

Construction Type	Protection Class	Other Perils	Fire	Other Wind and Hail	Hurricane
Frame	1	1.0402	0.7683	1.0000	1.0000
	2	1.0402	1.0000	1.0000	1.0000
	3	1.0000	1.0000	1.0000	1.0000
	4	0.9681	1.0000	1.0000	1.0000
	5	0.9681	1.1493	1.0000	1.0000
	6	0.9681	1.3378	1.0000	1.0000
	7	0.9681	1.3378	1.0000	1.0000
	8	0.9276	1.3378	1.0000	1.0000
	8B	0.9276	1.3378	1.0000	1.0000
	9	0.9276	1.8283	1.0000	1.0000
	10	0.9276	1.8283	1.0000	1.0000
Masonry	1	1.0376	0.5570	1.0000	0.8944
	2	1.0376	0.7249	1.0000	0.8944
	3	0.9975	0.7249	1.0000	0.8944
	4	0.9656	0.7249	1.0000	0.8944
	5	0.9656	0.8331	1.0000	0.8944
	6	0.9656	0.9698	1.0000	0.8944
	7	0.9656	0.9698	1.0000	0.8944
	8	0.9252	0.9698	1.0000	0.8944
	8B	0.9252	0.9698	1.0000	0.8944
	9	0.9252	1.3254	1.0000	0.8944
	10	0.9252	1.3254	1.0000	0.8944

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PROTECTION / CONSTRUCTION FACTORS

**USAA GROUP
UNIT-OWNERS FORMS**

Construction Type	Protection Class	Other Perils	Fire	Other Wind and Hail	Hurricane
Frame	1	1.0402	0.7683	1.0000	1.0000
	2	1.0402	1.0000	1.0000	1.0000
	3	1.0000	1.0000	1.0000	1.0000
	4	0.9681	1.0000	1.0000	1.0000
	5	0.9681	1.1493	1.0000	1.0000
	6	0.9681	1.3378	1.0000	1.0000
	7	0.9681	1.3378	1.0000	1.0000
	8	0.9276	1.3378	1.0000	1.0000
	8B	0.9276	1.3378	1.0000	1.0000
	9	0.9276	1.8283	1.0000	1.0000
	10	0.9276	1.8283	1.0000	1.0000
Masonry	1	1.0376	0.5570	1.0000	0.8944
	2	1.0376	0.7249	1.0000	0.8944
	3	0.9975	0.7249	1.0000	0.8944
	4	0.9656	0.7249	1.0000	0.8944
	5	0.9656	0.8331	1.0000	0.8944
	6	0.9656	0.9698	1.0000	0.8944
	7	0.9656	0.9698	1.0000	0.8944
	8	0.9252	0.9698	1.0000	0.8944
	8B	0.9252	0.9698	1.0000	0.8944
	9	0.9252	1.3254	1.0000	0.8944
	10	0.9252	1.3254	1.0000	0.8944

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ROOF FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Roof Type</u>	<u>Code</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
Aluminum	AL	1.0000	1.0000	0.9743	1.0440
Asbestos	AS	1.0640	1.0000	1.1559	1.0000
Cloth	CL	1.0640	1.0000	1.0920	1.0440
Concrete Tile	CN	1.0640	0.8456	0.5400	0.9418
Composition Shingle	CS	1.0000	1.0000	1.0000	1.0000
Clay Tile	CT	1.0640	1.0000	0.6628	0.9418
Composition Over Wood	CW	1.0000	1.4699	1.1507	0.9991
Fiberglass Shingle	FB	1.0000	0.8456	0.9518	1.0000
Fiber Cement	FC	1.0640	0.8456	0.8394	1.0000
Resin Formed Shingle	FE	1.0640	0.8456	0.8294	1.0000
Foam	FM	1.0640	1.0000	1.0817	1.0000
Metal	MT	1.0000	1.0000	0.9271	1.0440
None	NA	1.0640	1.4699	1.3210	1.0000
Other	OT	1.0640	1.0000	1.3210	1.0000
Plastic	PL	1.0640	1.0000	1.0857	1.0000
Reinforced Plastic	RP	1.0640	1.0000	1.0952	1.0000
Slate	SL	1.0640	0.8456	1.1175	0.9448
Tar	TR	1.0000	1.0000	0.8368	0.9230
Unknown	UN	1.0640	1.4699	1.3210	1.0000
Wood Shake	WS	1.0000	1.4699	1.3210	0.9991
No Data	X	1.0640	1.4699	1.3210	1.0000

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SQUARE FOOTAGE FACTORS

**USAA GROUP
 OWNERS FORMS**

<u>Minimum</u>	<u>Maximum</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
0	499	0.7359	0.9149	0.8630	1.0000
500	599	0.7359	0.9149	0.8730	1.0000
600	699	0.7688	0.9149	0.8829	1.0000
700	799	0.8007	0.9149	0.8929	1.0000
800	899	0.8007	0.9149	0.9028	1.0000
900	999	0.8265	0.9149	0.9127	1.0000
1000	1099	0.8517	0.9149	0.9225	1.0000
1100	1199	0.8713	0.9149	0.9324	1.0000
1200	1299	0.8826	0.9149	0.9421	1.0000
1300	1399	0.9040	0.9818	0.9519	1.0000
1400	1499	0.9202	0.9818	0.9616	1.0000
1500	1599	0.9383	0.9818	0.9713	1.0000
1600	1699	0.9588	1.0000	0.9809	1.0000
1700	1799	0.9808	1.0000	0.9905	1.0000
1800	1899	1.0000	1.0000	1.0000	1.0000
1900	1999	1.0270	1.0000	1.0095	1.0000
2000	2099	1.0452	1.0000	1.0189	1.0000
2100	2199	1.0720	1.1076	1.0282	1.0000
2200	2299	1.0937	1.1076	1.0374	1.0000
2300	2399	1.1159	1.1076	1.0466	1.0000
2400	2499	1.1357	1.1076	1.0558	1.0000
2500	2599	1.1589	1.1724	1.0648	1.0000
2600	2699	1.1791	1.1724	1.0737	1.0000
2700	2799	1.1982	1.1724	1.0826	1.0000
2800	2899	1.2163	1.2455	1.0914	1.0000
2900	2999	1.2360	1.2455	1.1001	1.0000
3000	3099	1.2476	1.2455	1.1087	1.0000
3100	3199	1.2644	1.2455	1.1087	1.0000
3200	3299	1.2764	1.2455	1.1087	1.0000
3300	3399	1.2929	1.2455	1.1087	1.0000
3400	3499	1.3072	1.2946	1.1087	1.0000
3500	3599	1.3194	1.2946	1.1087	1.0000
3600	3699	1.3328	1.2946	1.1087	1.0000
3700	3799	1.3397	1.2946	1.1087	1.0000
3800	3899	1.3496	1.2946	1.1087	1.0000

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SQUARE FOOTAGE FACTORS

**USAA GROUP
OWNERS FORMS**

<u>Minimum</u>	<u>Maximum</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
3900	3999	1.3620	1.2946	1.1087	1.0000
4000	4099	1.3714	1.2946	1.1087	1.0000
4100	4199	1.3801	1.2946	1.1087	1.0000
4200	4299	1.3903	1.2946	1.1087	1.0000
4300	4399	1.4049	1.2946	1.1087	1.0000
4400	4499	1.4138	1.2946	1.1087	1.0000
4500	4599	1.4300	1.2946	1.1087	1.0000
4600	4699	1.4409	1.2946	1.1087	1.0000
4700	4799	1.4543	1.2946	1.1087	1.0000
4800	4899	1.4760	1.2946	1.1087	1.0000
4900	4999	1.4927	1.5784	1.1087	1.0000
5000	5499	1.5077	1.5784	1.1087	1.0000
5500	5999	1.5336	1.5784	1.1087	1.0000
6000	6499	1.5760	1.5784	1.1087	1.0000
6500	6999	1.6887	1.5784	1.1087	1.0000
7000	7499	1.6892	1.5784	1.1087	1.0000
7500	9999	1.7018	1.5784	1.1087	1.0000
10000	and greater	1.7260	1.5784	1.1087	1.0000

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MISCELLANEOUS RATING FACTORS

POLICY FORM FACTOR

USAA GROUP

OWNERS FORMS

<u>Form</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
HO-3R	1.0000	1.0000	1.0000	1.0000
HO-9R	1.0199	1.0199	1.0800	1.0447

PERSONAL PROPERTY COVERAGE AMOUNT FACTOR

USAA GROUP

OWNERS FORMS

<u>Coverage Amount</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>	<u>Optional Coverages *</u>
50% of Coverage A	1.0000	1.0000	1.0000	1.0000	1.0000
75% of Coverage A	1.0460	1.0460	1.0460	1.0460	1.0460

* This factor applies to the optional Earthquake coverage

SPECIAL PERSONAL PROPERTY COVERAGE FACTOR

USAA GROUP

<u>Form Type</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
Owners	1.2000	--	--	--
Unit-Owners	1.4000	--	--	--

HOME PROTECTOR COVERAGE FACTOR

USAA GROUP

OWNERS FORMS

<u>Form</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>
HO-3R	1.0148	1.0148	1.0746	1.0395
HO-9R	--	--	--	--

State: **ARKANSAS**
 Line of Business: **HOMEOWNERS**
 Effective: **JULY 30, 2008 (NEW BUSINESS written on or after JULY 26, 2008)**
SEPTEMBER 30, 2008 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

MISCELLANEOUS RATING FACTORS

RATE CAPS

<u>Form Type</u>	<u>Limit</u>	<u>Type</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners	Lower	Increase	25%	25%	25%	25%
		Decrease	25%	25%	25%	25%
	Higher	Increase	50%	50%	50%	50%
		Decrease	50%	50%	50%	50%
Unit-Owners	Lower	Increase	25%	25%	25%	25%
		Decrease	25%	25%	25%	25%
	Higher	Increase	50%	50%	50%	50%
		Decrease	50%	50%	50%	50%

State: **ARKANSAS**
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OPTIONAL COVERAGES

PERSONAL COMPUTER COVERAGE

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	4.00	4.00	4.00	4.00

SPECIAL COVERAGE ON JEWELRY, WATCHES, FURS, AND SILVERWARE

<u>Form Type</u>	<u>Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Owners with Special Personal Property Coverage	\$2,000 \$4,000	15.00 30.00	15.00 30.00	15.00 30.00	15.00 30.00
Owners without Special Personal Property Coverage	\$2,000 \$4,000	20.00 40.00	20.00 40.00	20.00 40.00	20.00 40.00
Unit-Owners with Special Personal Property Coverage	\$2,000 \$4,000	15.00 30.00	15.00 30.00	15.00 30.00	15.00 30.00
Unit-Owners without Special Personal Property Coverage	\$2,000 \$4,000	20.00 40.00	20.00 40.00	20.00 40.00	20.00 40.00

INCREASED LIABILITY LIMIT

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$500,000	12.00	12.00	12.00	12.00
\$1,000,000	47.00	47.00	47.00	47.00

PERSONAL INJURY ENDORSEMENT

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$300,000	34.00	34.00	34.00	34.00
\$500,000	41.00	41.00	41.00	41.00
\$1,000,000	66.00	66.00	66.00	66.00

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OPTIONAL COVERAGES

SINKHOLE COLLAPSE COVERAGE

	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Rate per \$1,000	0.42	0.42	0.42	0.42

INCREASED DWELLING COVERAGE LIMIT

USAA GROUP

UNIT-OWNERS FORMS

	<u>Other Perils*</u>	<u>Fire*</u>	<u>Other Wind and Hail*</u>	<u>Hurricane*</u>
Rate per \$1,000	8.67	0.46	0.09	0.09

* Tier factors, Territory factors, Claims Free Discount factors, and Claims Activity Surcharge factors specific to these perils apply to Increased Dwelling Coverage Limit

EARTHQUAKE COVERAGE

USAA GROUP

<u>Form Type</u>		<u>Zone</u>	<u>Frame</u>	<u>Masonry</u>
Owners	Rate per \$1,000 of Dwelling Coverage	2	0.95	2.34
		3	0.63	1.80
		4	0.63	1.50
		5	0.41	0.90
Unit-Owners	Rate per \$1,000 of Personal Property Coverage	2	0.32	0.95
		3	0.31	0.95
		4	0.35	1.18
		5	0.26	0.62
Unit-Owners	Rate per \$1,000 of Increased Dwelling Coverage	2	0.32	0.95
		3	0.31	0.95
		4	0.35	1.18
		5	0.26	0.62

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DISCOUNTS AND SURCHARGES

Protective Device Credit
USAA GROUP

	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>	<u>Optional Coverages</u>
Monitored Burglar Alarm	0.95	--	--	--	--
Monitored Fire Alarm	--	0.95	--	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	--	0.80	--	--	--

Claims Free Discount
USAA GROUP

<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>	<u>Optional Coverages</u>
0.90	0.90	0.90	0.90	0.90

Claims Activity Surcharge
USAA GROUP

Prior Non-Weather <u>Claims</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>	<u>Optional Coverages</u>
0	1.00	1.00	1.00	1.00	1.00
1	1.21	1.17	1.02	1.00	1.21
2	1.53	1.33	1.26	1.00	1.53
3	1.77	1.59	1.46	1.00	1.77
4	2.09	1.85	2.03	1.00	2.09

for each add'l claim above 4 add: **0.32** **0.26** **0.59** **0.00** **0.32**

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DISCOUNTS AND SURCHARGES

Home Age Discount
USAA GROUP
OWNERS FORMS

<u>Dwelling Age</u> <u>(Years)</u>	<u>Other</u> <u>Perils</u>	<u>Fire</u>	<u>Other Wind</u> <u>and Hail</u>	<u>Hurricane</u>
0	0.3920	0.3421	0.3105	1.0000
1	0.4297	0.3609	0.3416	1.0000
2	0.4727	0.3802	0.3758	1.0000
3	0.5200	0.3998	0.4134	1.0000
4	0.5720	0.4197	0.4547	1.0000
5	0.6286	0.4401	0.5002	1.0000
6	0.6800	0.4606	0.5502	1.0000
7	0.7305	0.4814	0.6052	1.0000
8	0.7758	0.5024	0.6657	1.0000
9	0.8197	0.5236	0.7323	1.0000
10	0.8561	0.5448	0.8025	1.0000
11	0.8869	0.5660	0.8655	1.0000
12	0.9134	0.5873	0.9189	1.0000
13	0.9356	0.6085	0.9602	1.0000
14	0.9558	0.6297	0.9877	1.0000
15	0.9711	0.6507	1.0000	1.0000
16	0.9832	0.6715	0.9966	1.0000
17	0.9906	0.6921	0.9776	1.0000
18	0.9948	0.7123	0.9439	1.0000
19	1.0000	0.7323	0.8971	1.0000
20	1.0000	0.7519	0.8392	1.0000
21	0.9966	0.7710	0.8392	1.0000
22	0.9931	0.7897	0.8392	1.0000
23	0.9882	0.8078	0.8392	1.0000
24	0.9812	0.8255	0.8392	1.0000
25	0.9782	0.8426	0.8392	1.0000
26	0.9724	0.8590	0.8392	1.0000
27	0.9679	0.8748	0.8392	1.0000
28	0.9595	0.8899	0.8392	1.0000
29	0.9527	0.9044	0.8392	1.0000
30	0.9472	0.9181	0.8392	1.0000
31	0.9417	0.9311	0.8392	1.0000
32	0.9359	0.9433	0.8392	1.0000
33	0.9291	0.9547	0.8392	1.0000
34	0.9244	0.9654	0.8392	1.0000

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DISCOUNTS AND SURCHARGES

Home Age Discount
USAA GROUP
OWNERS FORMS

Dwelling Age (Years)	Other Perils	Fire	Other Wind and Hail	Hurricane
35	0.9201	0.9752	0.8392	1.0000
36	0.9143	0.9843	0.8392	1.0000
37	0.9081	0.9925	0.8392	1.0000
38	0.9039	1.0000	0.8392	1.0000
39	0.8989	0.9916	0.8392	1.0000
40	0.8960	0.9916	0.8392	1.0000
41	0.8924	0.9916	0.8392	1.0000
42	0.8858	0.9916	0.8392	1.0000
43	0.8828	0.9916	0.8392	1.0000
44	0.8776	0.9916	0.8392	1.0000
45	0.8753	0.9916	0.8392	1.0000
46	0.8718	0.9916	0.8392	1.0000
47	0.8649	0.9916	0.8392	1.0000
48	0.8620	0.9916	0.8392	1.0000
49	0.8578	0.9916	0.8392	1.0000
50-54	0.8588	0.9916	0.7727	1.0000
55-59	0.8553	0.9916	0.7727	1.0000
60-64	0.8505	0.9916	0.7727	1.0000
65-69	0.8333	0.9916	0.7727	1.0000
70-74	0.8120	0.9916	0.7727	1.0000
75+	0.7996	0.9916	0.7727	1.0000

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GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Auto and Home Combination Discount
USAA GROUP

<u>Territory</u>	<u>Other Perils</u>	<u>Fire</u>	<u>Other Wind and Hail</u>	<u>Hurricane</u>	<u>Optional Coverages</u>
58	0.90	0.90	0.90	0.90	0.90
59	0.90	0.90	0.90	0.90	0.90
60	0.90	0.90	0.90	0.90	0.90
61	0.90	0.90	0.90	0.90	0.90
62	0.90	0.90	0.90	0.90	0.90
63	0.90	0.90	0.90	0.90	0.90
64	0.90	0.90	0.90	0.90	0.90
65	0.90	0.90	0.90	0.90	0.90
66	0.90	0.90	0.90	0.90	0.90
67	0.90	0.90	0.90	0.90	0.90
68	0.90	0.90	0.90	0.90	0.90
69	0.90	0.90	0.90	0.90	0.90
70	0.90	0.90	0.90	0.90	0.90
71	0.90	0.90	0.90	0.90	0.90
72	0.90	0.90	0.90	0.90	0.90
73	0.90	0.90	0.90	0.90	0.90
74	0.90	0.90	0.90	0.90	0.90
75	0.90	0.90	0.90	0.90	0.90
76	0.90	0.90	0.90	0.90	0.90
77	0.90	0.90	0.90	0.90	0.90
78	0.90	0.90	0.90	0.90	0.90

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number		
3.	A.	United Services Automobile Association	B.	200-25941

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.	04.0 Homeowners	B.	04.003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	9.2%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	9.2%					

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
2002	7937	11.9%	5-1-02	5,500	3,526	64%	58%
2003	8162	15.3%	2-1-03	6,573	3,366	51%	61%
2003	8162	5.1%	10-1-03	6,573	3,366	51%	61%
2004	8674	0.0%	10-1-04	8,193	2,346	29%	71%
2005	9210	0.0%	10-1-05	9,323	4,407	47%	76%
2006	9720	-5.0%	11-01-06	10,115	4,627	46%	41%
2007	10,838	-18.3%	4-15-07	10,337	6,070	59%	49%
2007	10,838	-13.9%	12-31-07	10,337	6,070	59%	49%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

- 8.** Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
- 10.** **-25.0%** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number		
3.	A.	USAA Casualty Insurance Company	B.	200-25968

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.	04.0 Homeowners	B.	04.003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	12.6%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	12.6%					

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
2002	2723	12.1%	5-1-02	1,707	697	41%	59%
2003	2913	14.7%	2-1-03	2,168	1,056	49%	54%
2003	2913	4.6%	10-1-03	2,168	1,056	49%	54%
2004	3229	-3.8%	10-1-04	2,828	755	27%	63%
2005	3563	0.0%	10-1-05	3,263	1,504	46%	67%
2006	3782	-5.0%	11-1-06	3,654	2,780	46%	40%
2007	4025	-20.1%	4-15-07	3,764	1,596	42%	49%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

- 8.** Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 25.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
- 10.** -25.0% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number	
3.	A.	USAA General Indemnity Company	B. 200-18600

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.	04.0 Homeowners	B. 04.003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Owners	N/A	11.6%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	11.6%					

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	
2006	20	-5.0%	9-01-06 new 11-01-06 renewal	3	1	31%	77%	
2006	20	-5.0%	11-01-06	3	1	31%	77%	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. **-25.0%** Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	USAA-125701882
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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	
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Company Name		Company NAIC Number	
3.	A. Garrison Property And Casualty Insurance Company	B.	200-21253

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. 04.0 Homeowners	B.	04.003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	N/A	8.4%					
Condos	N/A	10.0%					
TOTAL OVERALL EFFECT	N/A	8.4%					

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
2006	63	-5.0%	9-01-06	15	1	5%	67%
			new				
			11-01-06				
			renewal				
2006	63	-5.0%	11-01-06	15	1	5%	69%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	24.1%
B. General Expense	1.0%
C. Taxes	2.7%
D. Underwriting Profit & Contingencies	12.3%
E. License & Fees	0.7%
F. TOTAL	40.8%

8. Apply Lost Cost Factors to Future filings? (Y or N)
9. **25.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. **-25.0%** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):