

SERFF Tracking Number: AOIC-126204857 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: MHO-AR-01-10/16/2009-01
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Arkansas Mobile Homeowners
Project Name/Number: Arkansas Mobile Homeowners Custom Insurance Score Filing/MHO-AR-01-10/16/2009-01

Filing at a Glance

Company: Auto-Owners Insurance Company
Product Name: Arkansas Mobile Homeowners SERFF Tr Num: AOIC-126204857 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed-Filed State Tr Num: EFT \$100
Sub-TOI: 04.0002 Mobile Homeowners Co Tr Num: MHO-AR-01-10/16/2009-01 State Status: Fees verified and received
Filing Type: Rate/Rule Reviewer(s): Betty Montesi, Becky Harrington
Authors: Mark Vandlen, Dan Keefe, Disposition Date: 12/08/2009
Cindy LeClear, Kristi Walker, Gabe Dunbar
Date Submitted: 10/20/2009 Disposition Status: Filed
Effective Date Requested (New): 12/16/2009 Effective Date (New): 02/15/2010
Effective Date Requested (Renewal): 01/21/2010 Effective Date (Renewal): 03/23/2010

State Filing Description:

General Information

Project Name: Arkansas Mobile Homeowners Custom Insurance Score Status of Filing in Domicile: Filing
Project Number: MHO-AR-01-10/16/2009-01 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 12/08/2009
State Status Changed: 10/21/2009 Deemer Date:
Created By: Gabe Dunbar Submitted By: Gabe Dunbar
Corresponding Filing Tracking Number:
Filing Description:
Auto Owners Insurance Company is implementing the Custom Insurance Model for Arkansas Mobile Homeowners that was approved 12/10/2008 for all personal lines. Please reference SERFF tracking number AOIC-125921820.

Company and Contact

Filing Contact Information

SERFF Tracking Number: AOIC-126204857 State: Arkansas
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Dan Keefe, Assistant Manager keefe.dan@aoins.com
 P.O. Box 30660 517-886-1846 [Phone]
 Lansing, MI 48909-8160 517-323-8796 [FAX]

Filing Company Information

Auto-Owners Insurance Company CoCode: 18988 State of Domicile: Michigan
 P.O. Box 30660 Group Code: 280 Company Type: PC
 Lansing, MI 48909-8160 Group Name: Auto-Owners Ins State ID Number:
 Group
 (800) 346-0346 ext. [Phone] FEIN Number: 38-0315280

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Auto-Owners Insurance Company	\$100.00	10/20/2009	31415866

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	12/08/2009	12/08/2009
Filed	Becky Harrington	11/20/2009	11/20/2009

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	10/21/2009	10/21/2009	Gabe Dunbar	11/17/2009	11/18/2009

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	Insurance Score Rule Page	Gabe Dunbar	12/07/2009	12/07/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective Dates	Note To Reviewer	Gabe Dunbar	12/07/2009	12/07/2009
Re-Open Filing	Note To Reviewer	Gabe Dunbar	12/03/2009	12/03/2009
Weather Related Losses	Note To Filer	Becky Harrington	10/26/2009	10/26/2009

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Disposition

Disposition Date: 12/08/2009

Effective Date (New): 02/15/2010

Effective Date (Renewal): 03/23/2010

Status: Filed

Comment: Effective dates changed. Revised scoring tier.

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Rate (revised)	Insurance Score Rule Page	Filed	Yes
Rate	Insurance Score Rule Page		Yes
Rate	Insurance Score Rule Page		Yes
Rate	Base Rates	Filed	Yes
Rate	Insurance Score Rating Tiers	Filed	Yes

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Disposition

Disposition Date: 11/20/2009

Effective Date (New): 12/16/2009

Effective Date (Renewal): 01/21/2010

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/21/2009
Submitted Date 10/21/2009
Respond By Date
Dear Dan Keefe,

This will acknowledge receipt of the captioned filing.

Objection 1

- Insurance Score Rule Page, AOUSZ124 (Rate)

Comment: Weather related and catastrophe claims must be excluded from consideration under the renewal rule.

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 11/17/2009
Submitted Date 11/18/2009

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see revised Insurance Score Rating Procedure page AOUSZ124. Paid claims will no longer be considered for tier placement criteria.

Related Objection 1

Applies To:

- Insurance Score Rule Page, AOUSZ124 (Rate)

Comment:

Weather related and catastrophe claims must be excluded from consideration under the renewal rule.

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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 #
<i>Insurance Score Rule Page</i>	<i>AOUSZ124</i>	<i>Replacement</i>	<i>AOUSZ100</i>
<i>Previous Version</i>			
<i>Insurance Score Rule Page</i>	<i>AOUSZ124</i>	<i>Replacement</i>	<i>AOUSZ100</i>

Sincerely,
Kristi Walker, Cindy LeClear, Dan Keefe, Gabe Dunbar, Mark Vandlen

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Note To Reviewer

Created By:

Gabe Dunbar on 12/07/2009 09:32 AM

Last Edited By:

Gabe Dunbar

Submitted On:

12/07/2009 03:03 PM

Subject:

Effective Dates

Comments:

Due to changes in our Custom Insurance Score Model we would like to change the effective dates of this filing. The new business effective date will be 2/15/2010 and the renewal date will be 3/23/2010. Thank you.

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Amendment Letter

Submitted Date: 12/07/2009

Comments:

Please see amended Insurance Score Rating Procedure. Tier movement is now a one way provision with no consideration of claims.

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Number:	Attach Document:
Insurance Score Rule Page	AOUSZ124	Replacement	Previous State Filing Num: AOUSZ100	AOUSZ124.pdf

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Note To Reviewer

Created By:

Gabe Dunbar on 12/03/2009 08:34 AM

Last Edited By:

Gabe Dunbar

Submitted On:

12/03/2009 08:34 AM

Subject:

Re-Open Filing

Comments:

We ask that the Arkansas Mobile Homeowners filing please be re-opened for a rule amendment and a change in effective dates. Thank you.

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Note To Filer

Created By:

Becky Harrington on 10/26/2009 07:57 AM

Last Edited By:

Becky Harrington

Submitted On:

11/20/2009 08:19 AM

Subject:

Weather Related Losses

Comments:

I received your e-mail.

I assume you meant a statute to support the exclusion of weather related claims.

Please see Arkansas Code Annotated § 23-63-109. 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.

I apologize for not including the statute.

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 12/08/2009	Insurance Score Rule Page	AOUSZ124	Replacement	AOUSZ100 AOUSZ124.pdf
Filed 11/20/2009	Base Rates	AOASZ014	Replacement	AOASZ007 AOASZ014.pdf
Filed 11/20/2009	Insurance Score Rating Tiers	AOASZ015	New	AOASZ015.pdf

Auto-Owners

**MOBILE HOMEOWNERS
PREMIUM ADJUSTMENTS**

Arkansas

INSURANCE SCORE

A rating factor will be applied to the premium based on the Insurance Score and age of a named insured. The Insurance Score is developed from credit related information including: types of accounts, balances, dates opened, and account activity, plus public record items and inquiries initiated by the insured. Refer to [{{AR MHO Insurance Score Relativities}}](#) for rating factors.

Application of the Insurance Score

1. New Business: The Insurance Score will be applied to all new business.
2. The Insurance Score will apply to primary, secondary and seasonal residences and will also apply to all boats, recreational vehicles and other scheduled items.
3. The policy Declarations will show the Insurance Score used in rating the policy. The scores range from X001 to X997. If there is a No Score or Neutral, it will also be shown on the Declarations.
4. The Insurance Score will be ordered annually.
5. **Renewal Procedures:**
 - a. Each renewal term, the actual Insurance Score will be compared to the Insurance Score used in rating the policy of the previous term.
 - b. If the actual Insurance Score is lower than the Insurance Score used in rating the policy of the previous term, the Insurance Score for the new term will remain the same.
 - c. If the actual Insurance Score is higher than the Insurance Score used in rating the policy of the previous term, the actual Insurance Score will be applied without limitation.
6. The Insurance Score used, including No Score, will apply for a minimum of 12 months except in cases where corrections have been made for errors in the insured's credit history file with the national credit bureaus. A higher score obtained in this process will be applied back to the beginning of the current policy term.
7. An Insurance Score of Neutral indicates that an applicant or insured's credit report has been influenced negatively by an extenuating life circumstance such as divorce, death of a spouse or temporary loss of employment. In cases of divorce or death of a spouse, the named insured may use the existing score, use their new score or have a Neutral score applied, whichever is higher.

Auto-Owners

MOBILE HOME
ARKANSAS
BASE RATES

Standard Program	
Broad	763.58
Special	848.42
Premier Program	
Special	763.58

Edition Date: 12/16/09

Auto-Owners

**MOBILE HOMEOWNERS
PREMIUM ADJUSTMENTS
INSURANCE SCORE RATING TIERS**

ARKANSAS

AGE OF SCORED INSURED

INSURANCE SCORE	TIER	24 & Under	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 & Over
		FACTOR												
985 - 997	50	0.617	0.617	0.617	0.627	0.647	0.666	0.686	0.735	0.764	0.804	0.833	0.853	0.853
961 - 984	49	0.620	0.620	0.620	0.630	0.649	0.669	0.689	0.738	0.767	0.807	0.836	0.856	0.856
937 - 960	48	0.622	0.622	0.622	0.632	0.652	0.672	0.692	0.741	0.771	0.810	0.840	0.860	0.860
913 - 936	47	0.625	0.625	0.625	0.635	0.655	0.675	0.694	0.744	0.774	0.813	0.843	0.863	0.863
892 - 912	46	0.627	0.627	0.627	0.637	0.657	0.677	0.697	0.747	0.777	0.817	0.847	0.866	0.866
876 - 891	45	0.630	0.630	0.630	0.640	0.660	0.680	0.700	0.750	0.780	0.820	0.850	0.870	0.870
863 - 875	44	0.639	0.639	0.639	0.649	0.670	0.690	0.711	0.760	0.790	0.828	0.856	0.875	0.875
851 - 862	43	0.648	0.648	0.648	0.659	0.679	0.700	0.722	0.770	0.801	0.836	0.863	0.881	0.881
840 - 850	42	0.657	0.657	0.657	0.669	0.689	0.711	0.734	0.781	0.811	0.845	0.870	0.886	0.886
829 - 839	41	0.667	0.667	0.667	0.679	0.699	0.721	0.745	0.791	0.822	0.853	0.876	0.892	0.892
819 - 828	40	0.676	0.676	0.676	0.689	0.709	0.732	0.757	0.802	0.832	0.861	0.883	0.897	0.897
811 - 818	39	0.686	0.686	0.686	0.699	0.719	0.743	0.769	0.813	0.843	0.870	0.890	0.903	0.903
805 - 810	38	0.696	0.696	0.696	0.709	0.730	0.754	0.781	0.824	0.854	0.879	0.896	0.908	0.908
801 - 804	37	0.705	0.705	0.705	0.720	0.740	0.765	0.794	0.835	0.865	0.887	0.903	0.914	0.914
797 - 800	36	0.716	0.716	0.716	0.731	0.751	0.776	0.806	0.846	0.877	0.896	0.910	0.920	0.920
793 - 796	35	0.726	0.726	0.726	0.742	0.762	0.788	0.819	0.858	0.888	0.905	0.917	0.925	0.925
790 - 792	34	0.736	0.736	0.736	0.753	0.773	0.799	0.832	0.870	0.900	0.914	0.924	0.931	0.931
786 - 789	33	0.747	0.747	0.747	0.764	0.784	0.811	0.845	0.881	0.911	0.923	0.931	0.937	0.937
782 - 785	32	0.757	0.757	0.757	0.775	0.795	0.823	0.859	0.893	0.923	0.932	0.938	0.942	0.942
778 - 781	31	0.768	0.768	0.768	0.786	0.807	0.835	0.872	0.905	0.935	0.941	0.946	0.948	0.948
775 - 777	30	0.779	0.779	0.779	0.798	0.818	0.847	0.886	0.918	0.948	0.951	0.953	0.954	0.954
772 - 774	29	0.790	0.790	0.790	0.810	0.830	0.860	0.900	0.930	0.960	0.960	0.960	0.960	0.960
769 - 771	28	0.800	0.801	0.802	0.821	0.841	0.870	0.906	0.935	0.964	0.966	0.970	0.973	0.975
765 - 768	27	0.809	0.811	0.813	0.831	0.851	0.879	0.913	0.941	0.969	0.973	0.979	0.985	0.989
761 - 764	26	0.819	0.822	0.825	0.842	0.862	0.889	0.920	0.946	0.973	0.980	0.989	0.998	1.005
757 - 760	25	0.829	0.833	0.837	0.853	0.873	0.899	0.926	0.952	0.978	0.986	0.999	1.012	1.020
752 - 756	24	0.839	0.844	0.849	0.864	0.884	0.909	0.933	0.957	0.982	0.993	1.009	1.025	1.035
747 - 751	23	0.849	0.855	0.862	0.875	0.895	0.919	0.940	0.963	0.986	1.000	1.019	1.038	1.051
742 - 746	22	0.859	0.867	0.874	0.887	0.907	0.929	0.946	0.969	0.991	1.006	1.029	1.052	1.067
736 - 741	21	0.870	0.878	0.887	0.898	0.918	0.940	0.953	0.974	0.995	1.013	1.040	1.066	1.083
727 - 735	20	0.880	0.890	0.900	0.910	0.930	0.950	0.960	0.980	1.000	1.020	1.050	1.080	1.100
720 - 726	19	0.900	0.909	0.917	0.927	0.947	0.968	0.982	1.008	1.029	1.057	1.088	1.120	1.142
713 - 719	18	0.921	0.928	0.935	0.945	0.965	0.985	1.005	1.037	1.060	1.094	1.127	1.161	1.186
706 - 712	17	0.943	0.948	0.953	0.963	0.983	1.003	1.028	1.066	1.091	1.134	1.168	1.203	1.232
697 - 705	16	0.965	0.968	0.972	0.982	1.002	1.022	1.051	1.097	1.123	1.174	1.211	1.247	1.280
684 - 696	15	0.987	0.989	0.991	1.001	1.021	1.041	1.075	1.128	1.156	1.216	1.255	1.293	1.329
674 - 683	14	1.010	1.010	1.010	1.020	1.040	1.060	1.100	1.160	1.190	1.260	1.300	1.340	1.380
668 - 673	13	1.058	1.058	1.060	1.072	1.093	1.114	1.155	1.215	1.246	1.317	1.358	1.398	1.438
662 - 667	12	1.107	1.107	1.113	1.127	1.149	1.171	1.214	1.273	1.305	1.378	1.418	1.458	1.499
655 - 661	11	1.160	1.160	1.169	1.185	1.208	1.231	1.275	1.333	1.366	1.440	1.481	1.521	1.562
649 - 654	10	1.214	1.214	1.227	1.245	1.270	1.294	1.339	1.396	1.431	1.506	1.547	1.587	1.628
643 - 648	9	1.272	1.272	1.288	1.309	1.335	1.360	1.406	1.462	1.498	1.575	1.615	1.656	1.696
633 - 642	8	1.332	1.332	1.352	1.376	1.403	1.430	1.477	1.531	1.569	1.646	1.687	1.727	1.768
621 - 632	7	1.394	1.394	1.419	1.446	1.475	1.503	1.552	1.604	1.643	1.722	1.762	1.802	1.842
608 - 620	6	1.460	1.460	1.490	1.520	1.550	1.580	1.630	1.680	1.720	1.800	1.840	1.880	1.920
596 - 607	5	1.529	1.529	1.560	1.592	1.623	1.654	1.707	1.759	1.801	1.885	1.927	1.969	2.011
583 - 595	4	1.601	1.601	1.634	1.667	1.700	1.732	1.787	1.842	1.886	1.974	2.018	2.061	2.105
571 - 582	3	1.676	1.676	1.711	1.745	1.780	1.814	1.872	1.929	1.975	2.067	2.113	2.159	2.205
558 - 570	2	1.755	1.755	1.791	1.828	1.864	1.900	1.960	2.020	2.068	2.164	2.212	2.260	2.308
1 - 557	1	1.838	1.838	1.876	1.914	1.951	1.989	2.052	2.115	2.165	2.266	2.317	2.367	2.417
		TIER MAPPED TO												
99A	No Hit	17	17	17	18	19	20	20	20	20	23	25	26	27
99B	No Score	17	17	17	18	19	20	20	20	20	23	25	26	27
		FACTOR												
99C	Neutral	0.768	0.768	0.768	0.786	0.807	0.835	0.872	0.905	0.935	0.941	0.946	0.948	0.948
999	Not Scored	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Edition Date: 12/16/09

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 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: MHO-AR-01-10/16/2009-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Arkansas Mobile Homeowners
 Project Name/Number: Arkansas Mobile Homeowners Custom Insurance Score Filing/MHO-AR-01-10/16/2009-01

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	11/20/2009
Comments: Please see attached NAIC document.		
Attachment: NAIC Loss Cost Data Entry.pdf		

	Item Status:	Status Date:
Bypassed - Item: NAIC Loss Cost Filing Document for OTHER than Workers' Comp		
Bypass Reason: N/A		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Explanatory Memorandum	Filed	11/20/2009
Comments: Please see attached Explanatory Memorandum.		
Attachment: AR MHO Explanatory Memo_Custom 09.pdf		

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	MHO-AR-01-10/16/2009-01
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. Auto Owners Insurance Company	B.	280-18988

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.	04.0002 Mobile Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
Mobile Homeowners		0.0%				
TOTAL OVERALL EFFECT		0.0%				

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	11	N/A	N/A	8.6	24.2	291.0%	96.9%
2008	11	N/A	N/A	8.8	5.8	67.5%	73.2%
2007	11	-2.3%	4/1/07	7.0	0.3	7.2%	53.0%
2006	4	N/A	N/A	1.8	0.0	0.0%	83.5%
2005	N/A	N/A	N/A	N/A	N/A	N/A	91.2%

Expense Constants	Selected Provisions
A. Total Production Expense	21.8
B. General Expense	1.3
C. Taxes, License & Fees	2.9
D. Underwriting Profit & Contingencies	9.0
E. Other (Reinsurance)	0.5
F. TOTAL	35.5

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 5.1% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. * Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____
- * Since upward tier movement can occur without limitation there is not a way to accurately calculate the maximum rate decrease.

Arkansas Mobile Homeowners : Explanatory Memorandum

With this filing we will be implementing rates and rules for our Custom Insurance Score Model that was approved for all personal lines on December 10, 2008. Please reference SERFF tracking number AOIC-125921820.

These revisions submitted will apply to all Mobile Homeowners policies and will result in an approximate -0.66% change. The approximate overall -0.66% change is determined in the following way: We ran scores for a sample of our auto and homeowners policyholders and based on the sample's distribution of insurance scores in our current and proposed models and the associated Arkansas relativities, we calculate a rate impact for each of our insurance score tiers and our No Hit/No Score tier. These are then weighted by our current Arkansas premium distribution for each tier to get an overall estimate.

Also, with the implementation of these custom factors, we will be increasing the base rate 0.66% to offset the approximated rate impact to result in an overall no change for our Mobile Homeowners program. Please see manual page AOASZ014.

We will use the following mapping to convert current Insurance Scores before following the Renewal Procedures outlined on the rule page:

Current Insurance Score	Converted Score
Superior	876
Very Good	772
Acceptable	727
Standard	674
Basic	608

Please see manual page AOASZ015 for the Insurance Score Rating Tiers and manual page AOUSZ124 for the Insurance Score Rules.

SERFF Tracking Number: AOIC-126204857 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: MHO-AR-01-10/16/2009-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Arkansas Mobile Homeowners
 Project Name/Number: Arkansas Mobile Homeowners Custom Insurance Score Filing/MHO-AR-01-10/16/2009-01

Superseded Schedule Items

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.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/17/2009	Rate and Rule	Insurance Score Rule Page	12/07/2009	AOUSZ124.pdf (Superseded)
06/25/2009	Rate and Rule	Insurance Score Rule Page	11/17/2009	AOUSZ124.pdf (Superseded)

INSURANCE SCORE

A rating factor will be applied to the premium based on the Insurance Score and age of a named insured. The Insurance Score is developed from credit related information including: types of accounts, balances, dates opened, and account activity, plus public record items and inquiries initiated by the insured. Refer to [{{AR MHO Insurance Score Relativities}}](#) for rating factors.

Application of the Insurance Score

1. New Business: The Insurance Score will be applied to all new business.
2. The Insurance Score will apply to primary, secondary and seasonal residences and will also apply to all boats, recreational vehicles and other scheduled items.
3. The policy Declarations will show the Insurance Score used in rating the policy. The scores range from X001 to X997. If there is a No Score or Neutral, it will also be shown on the Declarations.
4. The Insurance Score will be ordered annually.
5. Renewal Procedures:
 - a. Each renewal term, the actual Insurance Score will be compared to the Insurance Score used in rating the policy of the previous term.
 - b. If the actual Insurance Score is **lower** than the Insurance Score used in rating the policy of the previous term, the Insurance Score for the new term will be reduced by a maximum of one rating tier.
 - c. If the actual Insurance Score is **higher** than the Insurance Score used in rating the policy of the previous term, the actual Insurance Score will be applied without limitation.
6. The actual Insurance Score used, including No Score, will be used for a minimum of 12 months except in cases where corrections have been made for errors in the insured's credit history file with the national credit bureaus. A higher score obtained in this process will be applied back to the beginning of the current policy term.
7. An Insurance Score of Neutral indicates that an applicant or insured's credit report has been influenced negatively by an extenuating life circumstance such as divorce, death of a spouse or temporary loss of employment. In cases of divorce or death of a spouse, the named insured may use the existing score, use their new score or have a Neutral score applied, whichever is higher. All Insurance Scores other than a Neutral Score will be subject to the above renewal procedures.

INSURANCE SCORE

A rating factor will be applied to the premium based on the Insurance Score and age of a named insured. The Insurance Score is developed from credit related information including: types of accounts, balances, dates opened, and account activity, plus public record items and inquiries initiated by the insured. Refer to {{AR MHO Insurance Score Relativities}} for rating factors.

Application of the Insurance Score

1. New Business: The Insurance Score will be applied to all new business.
2. The Insurance Score will apply to primary, secondary and seasonal residences and will also apply to all boats, recreational vehicles and other scheduled items.
3. The policy Declarations will show the Insurance Score used in rating the policy. The scores range from X001 to X997. If there is a No Score or Neutral, it will also be shown on the Declarations.
4. The Insurance Score used, including No Score, will apply for a minimum of 12 months except in cases where corrections have been made for errors in the insured's credit history file with the national credit bureaus. A higher score obtained in this process will be applied back to the beginning of the current policy term.
5. The Insurance Score will be ordered annually.
6. Renewal Procedures:
 - a. Each renewal term, the actual Insurance Score will be compared to the Insurance Score used in rating the policy of the previous term.
 - b. If the actual Insurance Score is lower than the Insurance Score used in rating the policy of the previous term **and** there is a paid claim occurring in the 36 months preceding the renewal effective date, the Insurance Score for the new term will be reduced by a maximum of one rating tier.
 - c. If the actual Insurance Score is lower than the Insurance Score used in rating the policy of the previous term but there are **no** paid claims in the previous 36 months, the Insurance Score for the new term will remain the same.
 - d. If the actual Insurance Score is higher than the Insurance Score used in rating the policy of the previous term, the actual Insurance Score will be applied without limitation.

For the purpose of this rule, the paid claim amount includes subrogation, salvage and recovery, but excludes paid ALAE.

7. An Insurance Score of Neutral indicates that an applicant or insured's credit report has been influenced negatively by an extenuating life circumstance such as divorce, death of a spouse or temporary loss of employment. In cases of divorce or death of a spouse, the named insured may use the existing score, use their new score or have a Neutral score applied, whichever is higher. All Insurance Scores other than a Neutral Score will be subject to the above renewal procedures.