

SERFF Tracking Number: MRKA-126064878 State: Arkansas  
Filing Company: Markel American Insurance Company State Tracking Number: EFT \$100  
Company Tracking Number: ARSDFRR-091  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Special Dwelling Fire Program  
Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

## Filing at a Glance

Company: Markel American Insurance Company

Product Name: Special Dwelling Fire Program SERFF Tr Num: MRKA-126064878 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 04.0000 Homeowners Sub-TOI

Co Tr Num: ARSDFRR-091

State Status: Fees verified and received

Combinations

Filing Type: Rate

Co Status:

Reviewer(s): Becky Harrington, Betty Montesi

Authors: Angel Wunrow, Sue Cisz

Disposition Date: 03/18/2009

Date Submitted: 03/09/2009

Disposition Status: Filed

Effective Date Requested (New): 04/01/2009

Effective Date (New): 04/01/2009

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):

State Filing Description:

This is a dwelling fire filing, not HO.

## General Information

Project Name: AR Special Dwelling Fire Rate and Rule Filing

Status of Filing in Domicile: Not Filed

Project Number: ARSDFRR-091

Domicile Status Comments: none

Reference Organization: none

Reference Number: none

Reference Title: none

Advisory Org. Circular: none

Filing Status Changed: 03/18/2009

State Status Changed: 03/11/2009

Deemer Date:

Corresponding Filing Tracking Number: none

Filing Description:

We enclose a rate and rule revision to our current Special Dwelling Fire program. The last program revision, with a rate impact, was filed by your department effective November 20,2006 under our filing # ARSDFRR-061; SERFF # SERT-6UMMQN370; AR DOI # AR-PC-06-021692. All changes are detailed below and any necessary supporting documentation is also enclosed.

We are filing these changes using your "file and use" statutes with an effective date of April 1, 2009 for new business.

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Please feel free to contact me if you have any questions or concerns.

The following changes have been made to the Arkansas Special Dwelling Fire Program:

- 1) Increased base rates for owner occupied and rental by 20%.
- 2) No change to the vacant rates.
- 3) Overall rate change of 18.26%.

## Company and Contact

### Filing Contact Information

Angel Wunrow, Regulatory Compliance awunrow@markelcorp.com  
 Specialist  
 P.O. Box 906 (800) 236-2862 [Phone]  
 Pewaukee, WI 53072-0906 (262) 548-9790[FAX]

### Filing Company Information

Markel American Insurance Company	CoCode: 28932	State of Domicile: Virginia
P.O. Box 906	Group Code: 785	Company Type: Insurance Company
N14 W23800		
Pewaukee, WI 53072-0906	Group Name:	State ID Number:
(800) 236-2862 ext. [Phone]	FEIN Number: 54-1398877	
	-----	

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	\$100 Rate Filing Fee
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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Markel American Insurance Company	\$100.00	03/09/2009	26248009
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/18/2009	03/18/2009

### 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	03/16/2009	03/16/2009	Angel Wunrow	03/16/2009	03/16/2009
Pending Industry Response	Becky Harrington	03/11/2009	03/11/2009	Angel Wunrow	03/16/2009	03/16/2009

### Amendments

Item	Schedule	Created By	Created On	Date Submitted
NAIC loss cost data entry document	Supporting Document	Angel Wunrow	03/18/2009	03/18/2009

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
RF-1 NAIC Loss Cost Data Entry Document	Note To Filer	Becky Harrington	03/18/2009	03/18/2009

SERFF Tracking Number: MRKA-126064878 State: Arkansas  
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 Product Name: Special Dwelling Fire Program  
 Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

## Disposition

Disposition Date: 03/18/2009  
 Effective Date (New): 04/01/2009  
 Effective Date (Renewal):  
 Status: Filed  
 Comment: Effective date waiting period waived.

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):
Markel American Insurance Company	58.300%	18.260%	\$37,298	389	\$204,261	%	%

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
<b>Supporting Document</b>	H-1 Homeowners Abstract	Filed	Yes
<b>Supporting Document</b>	HPCS-Homeowners Premium Comparison Survey		Yes
<b>Supporting Document (revised)</b>	NAIC loss cost data entry document	Filed	Yes
<b>Supporting Document</b>	NAIC loss cost data entry document		Yes
<b>Supporting Document (revised)</b>	Support	Filed	Yes
<b>Supporting Document</b>	Support	Filed	Yes
<b>Rate</b>	2009 AR SDF Rate Page	Filed	Yes

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Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/16/2009  
Submitted Date 03/16/2009

Respond By Date

Dear Angel Wunrow,

This will acknowledge receipt of the captioned filing.

Objection 1

- Support (Supporting Document)

Comment: The attachment labeled "2009 AR SDF Indications" is the one with missing data on page 3, not missing page 3. It also happens to be the only original exhibit that you submitted that contained 3 pages. I apologize for the confusion.

By attaching the new expense exhibits as you did, it looks as if they replace the previous exhibits when they do not. The expense exhibits should have been attached as a separate new supporting documentation item.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/16/2009  
Submitted Date 03/16/2009

Dear Becky Harrington,

### Comments:

Thank you for your quick response.

### Response 1

Comments: Page 3 of the 2009 AR SDF Indications appears to be incomplete because this program was first introduced and became effective January 15, 2007, so there is no data for 2004, 2005 and 2006. The data labeled N/A is not applicable to this program.

*SERFF Tracking Number:* MRKA-126064878                      *State:* Arkansas  
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*Product Name:* Special Dwelling Fire Program  
*Project Name/Number:* AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

My apologies for attaching the new exhibits incorrectly. I have made note for future filings.

**Related Objection 1**

Applies To:

- Support (Supporting Document)

Comment:

The attachment labeled "2009 AR SDF Indications" is the one with missing data on page 3, not missing page 3. It also happens to be the only original exhibit that you submitted that contained 3 pages. I apologize for the confusion.

By attaching the new expense exhibits as you did, it looks as if they replace the previous exhibits when they do not. The expense exhibits should have been attached as a separate new supporting documentation item.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Again, please let me know if you have additional questions.

Sincerely,

Angel Wunrow, Sue Cisz

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Product Name: Special Dwelling Fire Program  
Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/11/2009

Submitted Date 03/11/2009

Respond By Date

Dear Angel Wunrow,

This will acknowledge receipt of the captioned filing.

Objection 1

- Support (Supporting Document)

Comment: There is missing data (page 3) in this exhibit. Please correct.

Objection 2

- Support (Supporting Document)

Comment: All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Please provide additional documentation including expense exhibits. Include countrywide experience and indicate to what extent it was considered in the rate indications.

Explain the statement regarding selection weights.

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 03/16/2009

Submitted Date 03/16/2009

Dear Becky Harrington,

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Product Name: Special Dwelling Fire Program  
Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

**Comments:**

Thank you for your letter dated March 11, 2009. Our response follows the order of your letter.

**Response 1**

Comments: Please provide specific detail as to which exhibit is missing page 3. All exhibits located under the "Support" supporting documentation tab are independent exhibits. We also note that for the state specific exhibits, the Abstract requires only two pages and RF-1 is one page.

**Related Objection 1**

Applies To:

- Support (Supporting Document)

Comment:

There is missing data (page 3) in this exhibit. Please correct.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Support

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 2**

Comments: We have added the Loss and Expense Exhibit and Exhibit IV exhibits under the Support schedule item.

Please note, countrywide experience was not used in determining our rate change in Arkansas. The BF a priori is the expected loss ratio based upon historical results for the program. We weight the more current years with the BF a priori and the developed losses rather than using only the loss development factor as we believe it may be a better indicator of ultimate losses for the more current years. The BF a priori is significantly lower than actual results in 2008, thus delivers lesser indicated rate.

**Related Objection 1**

Applies To:

- Support (Supporting Document)

Comment:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Please provide additional documentation including

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expense exhibits. Include countrywide experience and indicate to what extent it was considered in the rate indications.

Explain the statement regarding selection weights.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let me know if you have any additional questions or concerns.

Best Regards,  
Angel Wunrow

Sincerely,  
Angel Wunrow, Sue Cisz

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**Amendment Letter**

Amendment Date:

Submitted Date: 03/18/2009

**Comments:**

Dear Ms. Harrington -

As requested, enclosed please find a revised RF-1 which contains data for 2007 and 2008. We apologize for the oversight. Please let me know if you have additional questions.

Angel Wunrow

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**Satisfied -Name: NAIC loss cost data entry document**

Comment:

2009 AR SDF RF1.pdf

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Product Name: Special Dwelling Fire Program  
Project Name/Number: AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

**Note To Filer**

**Created By:**

Becky Harrington on 03/18/2009 09:25 AM

**Last Edited By:**

Becky Harrington

**Submitted On:**

03/18/2009 11:48 AM

**Subject:**

RF-1 NAIC Loss Cost Data Entry Document

**Comments:**

Please complete the 5-year history policy count, premium/loss information for 2007 and 2008 on the RF-1.

I apologize for the oversight.

Thanks

SERFF Tracking Number: MRKA-126064878 State: Arkansas  
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 Product Name: Special Dwelling Fire Program  
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**Rate Information**

Rate data applies to filing.

**Filing Method:** File and Use  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:** 11/20/2006  
**Filing Method of Last Filing:** File and Use

**Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Markel American Insurance Company	58.300%	18.260%	\$37,298	389	\$204,261	%	%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	2009 AR SDF Rate Page	Rage Page	Replacement	AR-PC-06-021692 2009 AR SDF Rate Page 1.pdf

ARKANSAS DWELLING FIRE PROGRAM

DP-1 Base Rates

Limit of Liability	DP-1 Coverage A	Limit of Liability	DP-1 Coverage A	Limit of Liability	DP-1 Coverage A
\$1,000	0.665	50,000	2.009	99,000	3.867
2,000	0.665	51,000	2.043	100,000	3.906
3,000	0.665	52,000	2.074	101,000	3.945
4,000	0.665	53,000	2.109	102,000	3.984
5,000	0.665	54,000	2.143	103,000	4.023
6,000	0.665	55,000	2.178	104,000	4.062
7,000	0.665	56,000	2.209	105,000	4.101
8,000	0.665	57,000	2.243	106,000	4.140
9,000	0.665	58,000	2.278	107,000	4.179
10,000	0.665	59,000	2.309	108,000	4.218
11,000	0.700	60,000	2.346	109,000	4.257
12,000	0.735	61,000	2.385	110,000	4.296
13,000	0.765	62,000	2.424	111,000	4.335
14,000	0.800	63,000	2.463	112,000	4.374
15,000	0.835	64,000	2.502	113,000	4.413
16,000	0.865	65,000	2.541	114,000	4.452
17,000	0.900	66,000	2.580	115,000	4.491
18,000	0.935	67,000	2.619	116,000	4.530
19,000	0.970	68,000	2.658	117,000	4.569
20,000	1.000	69,000	2.697	118,000	4.608
21,000	1.035	70,000	2.736	119,000	4.647
22,000	1.070	71,000	2.775	120,000	4.686
23,000	1.100	72,000	2.814	Each Add'l	0.039
24,000	1.135	73,000	2.853	\$1,000, add	
25,000	1.170	74,000	2.892		
26,000	1.204	75,000	2.931		
27,000	1.235	76,000	2.970		
28,000	1.270	77,000	3.009		
29,000	1.304	78,000	3.048		
30,000	1.335	79,000	3.087		
31,000	1.370	80,000	3.126		
32,000	1.404	81,000	3.165		
33,000	1.439	82,000	3.204		
34,000	1.470	83,000	3.243		
35,000	1.504	84,000	3.282		
36,000	1.539	85,000	3.321		
37,000	1.574	86,000	3.360		
38,000	1.604	87,000	3.399		
39,000	1.639	88,000	3.438		
40,000	1.674	89,000	3.477		
41,000	1.704	90,000	3.516		
42,000	1.739	91,000	3.555		
43,000	1.774	92,000	3.594		
44,000	1.809	93,000	3.633		
45,000	1.839	94,000	3.672		
46,000	1.874	95,000	3.711		
47,000	1.909	96,000	3.750		
48,000	1.939	97,000	3.789		
49,000	1.974	98,000	3.828		

Owner Occupied Base Rates

PC	DP-1
1-3	270
4-6	270
7-8	378
9-10	648

Rental Base Rates

PC	DP-1
1-3	243
4-6	243
7-8	340
9-10	583

Territory Relativities

A	1.00
B	1.40

Construction Relativities

Frame	1.00
Masonry	0.90

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## Supporting Document Schedules

**Satisfied -Name:** H-1 Homeowners Abstract **Review Status:** Filed 03/18/2009  
**Comments:**  
**Attachment:**  
2009 AR PC H-1 Questionnaire.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Filed 03/18/2009  
**Comments:**  
**Attachment:**  
2009 AR SDF RF1.pdf

**Satisfied -Name:** Support **Review Status:** Filed 03/18/2009  
**Comments:**  
**Attachments:**  
2009 Property Exhibit IV.pdf  
2009 Property Loss and Expense Exhibit.pdf

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 Markel American Insurance Company  
 NAIC # (including group #) 785-28932

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.  
 Not Applicable.
  
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.  
 Not Applicable.
  
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.  
 Not Applicable.
  
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.  
 Not Applicable.
  
5. Specify the percentage given for credit or discounts for the following:
 

a. Fire Extinguisher	0	%
b. Burglar Alarm	0	%
c. Smoke Alarm	0	%
d. Insured who has both homeowners and auto with your company	0	%
e. Deadbolt Locks	0	%
f. Window or Door Locks	0	%
g. Other (specify)	N/A	%
		%
		%
  
6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.  
 No.
  
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.
 

Form	Premium Volume
Dwelling Property Basic Form	\$204,261

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

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

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

*Angel Wunrow*  
\_\_\_\_\_  
Signature  
**Angel Wunrow**  
\_\_\_\_\_  
Printed Name  
**Regulatory Compliance**  
\_\_\_\_\_  
Title  
**800-236-2862**  
\_\_\_\_\_  
Telephone Number  
**awunrow@markelcorp.com**  
\_\_\_\_\_  
Email address

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

<b>1.</b>	This filing transmittal is part of Company Tracking #	ARSDFRR-091
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	not applicable
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Company Name		Company NAIC Number	
<b>3.</b>	<b>A.</b> Markel American Insurance Company	<b>B.</b>	28932

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
<b>4.</b>	<b>A.</b> 04.0 Homeowners	<b>B.</b>	04.0000 Homeowners Sub-TOI Combinations

**5.**

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Fire and Allied Lines	58.3	18.26					
<b>TOTAL OVERALL EFFECT</b>	58.3	18.26					

**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	n/a - new program	0	11/20/2006	0	0	0	0
2007	234	0	11/20/2006	63,641	28,879	49.2	34.5
2008	389	0	11/20/2006	174,561	327,188	185.3	80.3

**7.**

Expense Constants	Selected Provisions
A. Total Production Expense	23.7
B. General Expense	18.5
C. Taxes, Licenses & Fees	2.8
D. Underwriting Profit & Contingencies	10
E. Other (explain)	(investment income) -1.47
<b>F. TOTAL</b>	<b>53.53</b>

**8.**  N  Apply Loss Cost Factors to Future filings? (Y or N)

**9.**   Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable):  18.26

10. \_\_\_\_\_ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_  
0%

**Markel American Insurance Company  
Essex Insurance Company**

**CALCULATION OF INVESTMENT INCOME  
Calendar Years: 2008 & 2007  
Property**

**UNEARNED PREMIUM**

(1) Direct earned premium Countrywide latest calendar year all lines	\$8,694,779
(2) Mean unearned premiums:	
A. Direct Countrywide unearned premium reserves @12/31 latest calendar year	4,651,162
B. Direct Countrywide unearned premium reserves @12/31 penultimate calendar year	3,933,590
C. Mean unearned premium 1/2(A+B)	<b>4,292,376</b>
(3) Deduction for delayed remission of premium:	
A. Direct country wide earned premium latest calendar year	96,602,296
B. Direct agents balances @ 12/31 latest calendar year	3,859,972
C. Direct agents balances @ 12/31 penultimate calendar year	3,765,209
D. Mean agents' balances 1/2(B+C)	<b>3,812,590</b>
E. Ratio (D) / (A)	<b>3.95%</b>
F. Deduction for delayed remission of premium (1) * (E)	<b>343,183</b>
(4) Deduction for prepaid expenses:	
A. Net premium earned	8,694,779
B. Commission and brokerage	0.237
C. 50 % of other acquisition cost	0.000
D. 50 % of general expense	0.092
E. Taxes, licenses and fees	0.028
F. Total prepaid expenses (B) + (C) + (D) + (E)	<b>3,106,020</b>
G. Ratio (F) / (A)	<b>35.72%</b>
H. Deduction for prepaid expenses (2C) * (G)	<b>1,533,365</b>
(5) Deduction for federal taxes payable (2C)*7%	<b>300,466</b>
(6) Net subject to investment (2C) - (3F) - (4H) - (5)	<b>2,115,362</b>

## LOSS RESERVES

(7) Expected incurred losses	
(1) * (Balance Point Loss Ratio)	<b>3,916,801</b>
(8) Expected mean loss reserves:	
A. Direct Countrywide loss reserve @12/31 latest calendar year (All Lines)	2,239,080
B. Direct Countrywide loss reserve @12/31 penultimate calendar year	2,421,947
C. Mean loss reserve for latest calendar year 1/2 (A + B)	<b>2,330,514</b>
D. Direct Countrywide incurred losses for latest calendar year	4,029,000
E. Ratio (C) / (D)	<b>57.84%</b>
F. Direct Countrywide loss reserve @12/31 penultimate calendar year	2,421,947
G. Direct Countrywide loss reserve @12/31 antepenultimate calendar year	2,162,082
H. Mean loss reserve for penultimate calendar year 1/2 (F + G)	<b>2,292,015</b>
I. Direct Countrywide incurred losses for penultimate calendar year	6,147,000
J. Ratio (H) / (I)	<b>37.29%</b>
K. Weighted Average of J & E (Based on I & D)	<b>45.43%</b>
L. Expected mean loss reserves (7) * (K)	<b>1,779,207</b>
(9) Expected mean loss and loss adjustment expense reserve	
A. Countrywide net loss reserves @12/31 latest calendar year	2,239,080
B. Countrywide net loss reserves @12/31 penultimate calendar year	2,466,368
C. Mean net loss reserves 1/2 (A + B)	<b>2,352,724</b>
D. Countrywide net loss adjustment expense reserve @12/31 latest calendar year	257,746
E. Countrywide net loss adjustment expense reserve @12/31 penultimate calendar year	325,348
F. Mean net loss adjustment expense reserve 1/2 (D +E)	<b>291,547</b>
G. Ratio 1 + (F / C)	<b>112.39%</b>
H. Expected mean loss and loss adjustment expense reserve (8L) * (G)	<b>1,999,686</b>

<b>TOTAL</b>	<u>COMBINED</u>
(10) Total net subject to investment (6) + (9H)	<b>4,115,048</b>
(11) Pre-tax rate of return:	
A. Net investment income for latest calendar year	51,898,124
B. Assets available for investment @12/31 latest calendar year	1,377,373,657
C. Assets available for investment @12/31 penultimate calendar year	1,421,988,835
D. Mean assets available for investment 1/2 (B +C)	<b>1,399,681,246</b>
E. Pre-tax rate of return (A) / (D)	<b>3.71%</b>
F. After tax rate of return on surplus = 11E*(effective tax rate)	<b>3.11%</b>
(12) Investment earnings on total net subject to investment (10) * (11E)	<b>152,586</b>
(13) A. Federal income tax on investment earnings	<b>24,802</b>
B. Adjustment to line (a) due to federal income tax changes	0
C. Net federal income tax on investment earnings (A) +/- (B)	<b>24,802</b>
(14) Average rate of return as a percentage of earned premiums ((12) - (13C) / (1))	<b>1.47%</b>

#### **Calculation of Profit Provision**

(15) Target rate of return on surplus	0.20
(16) Selected premium to surplus ratio	2
(17) After tax ratio of investment income from reserves to surplus (14*16)	<b>0.029</b>
(18) After tax ratio of investment income from premium to surplus (11F)	0.031
(19) After tax ratio of underwriting profit to surplus (15)-((17)+(18))	<b>0.140</b>
(20) Pre tax ratio of underwriting profit to surplus (19)/(1.0-.35)	<b>0.215</b>
(21) Pre tax ratio of underwriting profit to premium (20)/(16)	<b>0.11</b>
(22) Selected ratio of underwriting profit to premium	0.10

#### **Calculation of Permissible Loss Ratio**

(23) Underwriting profit needed to meet target rate of return (22)	0.10
(24) Underwriting expenses	
A. Commissions	0.237
B. Taxes	0.028
C. General expenses and other acquisition expenses	0.185
D. Total expenses = (A)+(B)+(C)	<b>0.450</b>
(25) Permissible loss ratio (1.0-(23)-(24))	<b>0.450</b>

Market American Underwriting Managers  
Loss and Expense Ratios  
Property

	2008		2007		2006		2005		2004		2003	
Written Premium	9,402,383		8,047,546		8,813,507		9,748,357		11,766,372		12,461,056	
Earned Premium	8,688,858		8,244,660		9,440,657		10,334,693		12,259,976		13,218,390	
Losses- Indemnity	5,665,709	65.2%	4,107,023	49.8%	4,718,824	50.0%	6,322,161	61.2%	4,051,548	33.0%	7,097,283	53.7%
LAE	783,056	9.0%	561,687	6.8%	789,389	8.4%	1,015,901	9.8%	1,081,645	8.8%	679,228	5.1%
ULAE	206,552	2.4%	208,598	2.5%	139,618	1.5%	314,575	3.0%	336,764	2.7%	318,250	2.4%
	6,655,317	76.6%	4,877,308	59.2%	5,647,831	59.8%	7,652,637	74.0%	5,469,957	44.6%	8,094,761	61.2%
Commissions												
Regular	2,208,655	23.5%	1,859,992	23.1%	2,021,544	22.9%	2,339,538	24.0%	2,672,813	22.7%	2,864,546	23.0%
Contingent	23,401	0.2%	20,107	0.2%	53,097	0.6%	25,484	0.3%	-	0.0%	-	0.0%
	2,232,056	23.7%	1,880,099	23.4%	2,074,641	23.5%	2,365,022	24.3%	2,672,813	22.7%	2,864,546	23.0%
Other Acquisition Expense												
Fronting Fees	-	0.0%	-	0.0%	-	0.0%	-	0.0%	50,000	0.4%	50,000	0.4%
Selling Expense	2,449	0.0%	10,469	0.1%	2,967	0.0%	5,086	0.1%	(505)	0.0%	20,688	0.2%
	2,449	0.0%	10,469	0.1%	2,967	0.0%	5,086	0.1%	49,495	0.4%	70,688	0.6%
Premium Taxes & Licenses												
Premium Taxes	252,221	2.7%	156,880	1.9%	132,293	1.5%	160,846	1.6%	140,003	1.2%	217,303	1.7%
Licenses	6,731	0.1%	6,227	0.1%	951	0.0%	4,741	0.0%	11,506	0.1%	2,094	0.0%
	258,952	2.8%	163,107	2.0%	133,244	1.5%	165,587	1.7%	151,509	1.3%	219,397	1.8%
General Expenses	1,509,613	16.1%	1,349,518	16.8%	1,278,935	14.5%	1,140,597	11.7%	1,239,243	10.5%	1,281,961	10.3%
Statutory Income	(1,969,529)		(35,841)		303,039		(994,236)		2,676,959		687,037	
Combined Ratio		119.2%		101.4%		99.4%		111.8%		79.6%		96.8%
Deferrals	194,847		(55,192)		(175,041)		(150,897)		(100,939)		(175,705)	
GAAP Income	(1,774,682)		(91,033)		127,998		(1,145,133)		2,576,020		511,332	

*SERFF Tracking Number:* MRKA-126064878      *State:* Arkansas  
*Filing Company:* Markel American Insurance Company      *State Tracking Number:* EFT \$100  
*Company Tracking Number:* ARSDFRR-091  
*TOI:* 04.0 Homeowners      *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Special Dwelling Fire Program  
*Project Name/Number:* AR Special Dwelling Fire Rate and Rule Filing/ARSDFRR-091

## 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.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Supporting Document	NAIC loss cost data entry document	03/06/2009	2009 AR SDF RF1.pdf
No original date	Supporting Document	Support	03/09/2009	2009 AR SDF Rate Comparison.pdf 2009 AR SDF Indications.pdf 2009 AR SDF Offbal.pdf 2009 AR SDF Cat Load.pdf

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

<b>1.</b>	This filing transmittal is part of Company Tracking #	ARSDFRR-091
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	not applicable
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Company Name		Company NAIC Number	
<b>3.</b>	<b>A.</b> Markel American Insurance Company	<b>B.</b>	28932

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
<b>4.</b>	<b>A.</b> 04.0 Homeowners	<b>B.</b>	04.0000 Homeowners Sub-TOI Combinations

**5.**

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Fire and Allied Lines	58.3	18.26					
<b>TOTAL OVERALL EFFECT</b>	58.3	18.26					

**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	n/a - new program	0	11/20/2006				

**7.**

Expense Constants	Selected Provisions
A. Total Production Expense	N/A
B. General Expense	N/A
C. Taxes, Licenses & Fees	N/A
D. Underwriting Profit & Contingencies	N/A
E. Other (explain)	N/A
<b>F. TOTAL</b>	<b>N/A</b>

**8.**   N   Apply Loss Cost Factors to Future filings? (Y or N)

**9.**            Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable):   18.26  

**10.**            Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):   0%

DP-1 Rate Comparison  
\$500 Deductible

Frame	Owner Occupied, PC 1-6											Tenant Occupied - 1 family, PC 1-6										
	Curr MKL	Prop MKL	AMIG				Aegis	Foremost				Curr MKL	Prop MKL	AMIG				Aegis	Foremost			
			Best	Base	Mid	Worst		Best	Base	Mid	Worst			Best	Base	Mid	Worst		Best	Base	Mid	Worst
20,000	225	270	205	241	313	467	217	165	392	464	598	203	243	193	241	253	277	251	432	659	731	865
30,000	300	360	288	339	441	657	312	189	449	531	685	271	324	271	339	356	390	345	496	755	838	992
40,000	377	397	382	449	584	871	408	269	639	757	975	340	407	359	449	472	517	441	708	1,078	1,195	1,414
50,000	452	542	474	558	725	1,082	504	348	826	979	1,261	408	488	446	558	586	642	537	916	1,394	1,546	1,829
60,000	528	633	567	667	867	1,294	599	426	1,011	1,197	1,543	476	570	534	667	700	767	634	1,120	1,705	1,891	2,237
70,000	616	739	660	776	1,009	1,506	696	503	1,195	1,415	1,824	555	665	621	776	815	893	730	1,324	2,016	2,236	2,645
80,000	703	844	752	885	1,151	1,717	792	581	1,379	1,633	2,105	635	760	708	885	930	1,018	826	1,529	2,327	2,581	3,053
90,000	791	949	845	994	1,293	1,929	888	658	1,564	1,852	2,387	714	854	795	994	1,044	1,144	922	1,733	2,638	2,926	3,461
100,000	879	1,055	938	1,103	1,434	2,141	984	736	1,748	2,070	2,668	793	949	883	1,103	1,159	1,269	1,017	1,937	2,949	3,271	3,869
110,000	967	1,160	1,031	1,213	1,576	2,352	1,079	814	1,932	2,288	2,949	872	1,044	970	1,213	1,273	1,394	1,112	2,142	3,260	3,616	4,277
120,000	1,054	1,265	1,123	1,322	1,718	2,564	1,174	891	2,117	2,506	3,231	951	1,139	1,057	1,322	1,388	1,520	1,207	2,346	3,571	3,961	4,685
130,000	1,142	1,371	1,216	1,431	1,860	2,776	1,269	958	2,275	2,694	3,472	1,030	1,233	1,145	1,431	1,502	1,645	1,302	2,538	3,855	4,274	5,052
140,000	1,230	1,476	1,309	1,540	2,002	2,987	1,364	1,024	2,433	2,881	3,714	1,110	1,328	1,232	1,540	1,617	1,771	1,397	2,730	4,138	4,587	5,419
150,000	1,318	1,581	1,402	1,649	2,142	3,199	1,459	1,091	2,591	3,069	3,955	1,189	1,423	1,319	1,649	1,731	1,896	1,492	2,922	4,422	4,899	5,786
160,000	1,405	1,686	1,494	1,758	2,285	3,411	1,554	1,158	2,750	3,256	4,197	1,268	1,518	1,406	1,758	1,846	2,022	1,587	3,114	4,706	5,212	6,153
170,000	1,493	1,792	1,587	1,867	2,427	3,622	1,649	1,224	2,908	3,444	4,438	1,347	1,613	1,494	1,867	1,961	2,147	1,682	3,306	4,989	5,525	6,520
180,000	1,581	1,897	1,680	1,976	2,569	3,834	1,744	1,291	3,066	3,631	4,680	1,426	1,707	1,581	1,976	2,075	2,273	1,777	3,498	5,273	5,838	6,887
190,000	1,669	2,002	1,773	2,085	2,711	4,046	1,839	1,358	3,224	3,818	4,922	1,505	1,802	1,668	2,085	2,190	2,398	1,872	3,690	5,556	6,150	7,254
200,000	1,756	2,108	1,865	2,194	2,853	4,257	1,934	1,424	3,383	4,006	5,163	1,585	1,897	1,756	2,194	2,304	2,524	1,967	3,882	5,840	6,463	7,620

Masonry	Owner Occupied, PC 1-6											Tenant Occupied - 1 family, PC 1-6										
	Curr MKL	Prop MKL	AMIG				Aegis	Foremost				Curr MKL	Prop MKL	AMIG				Aegis	Foremost			
			Best	Base	Mid	Worst		Best	Base	Mid	Worst			Best	Base	Mid	Worst		Best	Base	Mid	Worst
20,000	203	243	184	217	282	420	217	134	361	433	567	183	219	173	217	227	249	251	401	628	700	834
30,000	270	324	259	305	396	592	312	154	413	496	649	244	292	244	305	320	351	345	460	720	803	956
40,000	339	357	344	404	526	784	408	219	589	706	925	306	366	323	404	424	465	441	657	1,027	1,145	1,364
50,000	407	488	427	502	653	974	504	283	761	913	1,196	367	439	402	502	527	577	537	851	1,329	1,481	1,764
60,000	475	570	510	600	780	1,165	599	346	931	1,117	1,463	429	513	480	600	630	690	634	1,040	1,625	1,812	2,157
70,000	554	665	594	699	908	1,355	696	409	1,101	1,321	1,730	500	598	559	699	733	803	730	1,230	1,922	2,142	2,551
80,000	633	760	677	797	1,036	1,546	792	472	1,270	1,525	1,996	571	684	637	797	837	916	826	1,420	2,218	2,472	2,944
90,000	712	854	761	895	1,163	1,736	888	535	1,440	1,728	2,263	642	769	716	895	940	1,029	922	1,610	2,515	2,803	3,338
100,000	791	949	844	993	1,291	1,927	984	598	1,610	1,932	2,530	714	854	794	993	1,043	1,142	1,017	1,799	2,811	3,133	3,731
110,000	870	1,044	928	1,091	1,419	2,117	1,079	661	1,780	2,136	2,797	785	940	873	1,091	1,146	1,255	1,112	1,989	3,108	3,464	4,125
120,000	949	1,139	1,011	1,189	1,546	2,308	1,174	724	1,949	2,339	3,063	856	1,025	952	1,189	1,249	1,368	1,207	2,179	3,404	3,794	4,518
130,000	1,028	1,233	1,095	1,288	1,674	2,498	1,269	778	2,095	2,514	3,292	927	1,110	1,030	1,288	1,352	1,481	1,302	2,358	3,675	4,094	4,873
140,000	1,107	1,328	1,178	1,386	1,802	2,689	1,364	832	2,241	2,689	3,522	999	1,195	1,109	1,386	1,455	1,594	1,397	2,538	3,946	4,395	5,227
150,000	1,186	1,423	1,261	1,484	1,929	2,879	1,459	887	2,387	2,864	3,751	1,070	1,281	1,187	1,484	1,558	1,707	1,492	2,717	4,217	4,695	5,581
160,000	1,265	1,518	1,345	1,582	2,057	3,070	1,554	941	2,533	3,039	3,980	1,141	1,366	1,266	1,582	1,661	1,820	1,587	2,897	4,489	4,995	5,936
170,000	1,344	1,613	1,428	1,680	2,185	3,260	1,649	995	2,678	3,214	4,209	1,212	1,451	1,344	1,680	1,764	1,932	1,682	3,076	4,760	5,295	6,290
180,000	1,423	1,707	1,512	1,779	2,312	3,450	1,744	1,049	2,824	3,389	4,438	1,284	1,537	1,423	1,779	1,868	2,045	1,777	3,256	5,031	5,596	6,645
190,000	1,502	1,802	1,595	1,877	2,440	3,641	1,839	1,103	2,970	3,564	4,667	1,355	1,622	1,501	1,877	1,971	2,158	1,872	3,435	5,302	5,896	6,999
200,000	1,581	1,897	1,679	1,975	2,567	3,831	1,934	1,157	3,116	3,739	4,896	1,426	1,707	1,580	1,975	2,074	2,271	1,967	3,615	5,573	6,196	7,353

Frame	Owner Occupied, PC 9											Tenant Occupied - 1 family, PC 9										
	Curr MKL	Prop MKL	AMIG				Aegis	Foremost				Curr MKL	Prop MKL	AMIG				Aegis	Foremost			
			Best	Base	Mid	Worst		Best	Base	Mid	Worst			Best	Base	Mid	Worst		Best	Base	Mid	Worst
20,000	540	648	368	433	563	841	531	362	860	1,019	1,313	486	583	347	433	455	498	610	407	905	1,064	1,358
30,000	721	865	519	610	793	1,183	656	415	987	1,168	1,506	649	779	488	610	641	702	865	467	1,039	1,220	1,558
40,000	904	1,085	687	809	1,051	1,569	751	593	1,408	1,668	2,150	814	976	647	809	849	930	1,116	667	1,483	1,742	2,224
50,000	1,085	1,302	854	1,004	1,306	1,948	847	767	1,823	2,158	2,782	976	1,172	803	1,004	1,055	1,155	1,369	863	1,919	2,254	2,878
60,000	1,267	1,520	1,021	1,201	1,561	2,329	943	939	2,229	2,640	3,402	1,140	1,368	961	1,201	1,261	1,381	1,621	1,056	2,347	2,757	3,520
70,000	1,477	1,773	1,188	1,397	1,816	2,710	1,104	1,110	2,636	3,121	4,023	1,330	1,596	1,118	1,397	1,467	1,607	1,873	1,249	2,775	3,260	4,162
80,000	1,688	2,026	1,354	1,593	2,071	3,091	1,136	1,281	3,042	3,603	4,644	1,519	1,823	1,275	1,593	1,673	1,832	2,125	1,441	3,203	3,763	4,804
90,000	1,899	2,278	1,521	1,790	2,327	3,472	1,232	1,452	3,449	4,084	5,264	1,709	2,051	1,432	1,790	1,879	2,058	2,379	1,634	3,631	4,266	5,446
100,000	2,109	2,531	1,688	1,986	2,582	3,853	1,328	1,623	3,856	4,566	5,885	1,898	2,278	1,589	1,986	2,086	2,284	2,631	1,826	4,059	4,769	6,088
110,000	2,320	2,784	1,855	2,183	2,837	4,234	1,423	1,795	4,262	5,047	6,505	2,088	2,505	1,746	2,183	2,292	2,510	2,887	2,019	4,487	5,272	6,730
120,000	2,530	3,037	2,022	2,379	3,093	4,615	1,518	1,966	4,669	5,529	7,126	2,277	2,733	1,903	2,379	2,498	2,736	3,144	2,212	4,915	5,775	7,372
130,000	3,289	3,892	2,189	2,575	3,348	4,996	1,613	2,126	5,049	5,980	7,707	2,467	2,960	2,060	2,575	2,704	2,962	3,400	2,392	5,315	6,245	7,973
140,000	3,542	4,252	2,356	2,772	3,603	5,377	1,708	2,286	5,430	6,430	8,288	2,657	3,18									

MARKEL AMERICAN INSURANCE COMPANY

2009 RATE INDICATION

DWELLING FIRE

Arkansas

RESULTS INCLUDING 2008

I. 1ST PARTY

	Cal/Acc Year					Total
	2004	2005	2006	2007	2008	
(a) Earned Premium	0	0	0	59,355	161,909	221,265
(b) Factor to Current Rate Level	1.000	1.000	1.000	1.000	1.000	
Premium at Current Rate Level	0	0	0	59,355	161,909	221,265
Reported Incurred Losses (Non Cat)	0	0	0	28,879	308,188	337,067
(c) Development Factor	1.000	1.000	1.000	1.016	1.050	
Ultimate Inc Losses (Non Cat), INC LDF method	0	0	0	29,338	323,484	352,822
BF a priori	63.0%	60.0%	60.0%	60.0%	60.0%	
Ultimate Inc Losses (Non Cat), INC BF method	0	0	0	29,436	312,782	342,217
(d) Selected Non Catastrophe Losses	0	0	0	29,416	312,782	342,198
(e) Trend Factor	1.191	1.157	1.123	1.090	1.058	
Ult. Trended Incurred Losses (Non Cat)	0	0	0	32,068	331,025	363,093
Ult. Trended Loss Ratio- Non Cat	0.0%	0.0%	0.0%	54.0%	204.5%	164.1%
Reported Claims	0	0	0	5	54	59
(f) Credibility Factor for Non Cat						0.234
(g) Expected Loss Ratio for Non Cat						37.1%
Credibility Weighted Ultimate Trended Non Catastrophe Loss Ratio						66.7%
(h) Catastrophe Load						14.4%
Total Non Cat + Cat Credibility Weighted Loss Ratio						81.2%
Indicated Cat + Non Cat Rate Change						62.3%

NOTES:

(a) 2008 premium has been annualized using a factor of 12/12

(b) Rate change history is as follows:

01/01/02	0.0%
01/01/03	0.0%
01/01/04	0.0%
01/01/05	0.0%
01/01/06	0.0%
01/01/07	0.0%

(c) Dev factors are based on countrywide data.

(d) Selection Weights: Year 2008 is 100% BF; Year 2007 is 80% BF, 20% LDF; All other years are 100% LDF.

(e) Assumed effective date is 6/1/2009.  
The trend rate is 3.0%

(f) Standard for full credibility is 1,082 claims, given that we want to be within 5% of the true answer 90% of the time.

(g) The permissible loss ratio is 50.0%.  
The expected loss ratio is the permissible trended for one year.

(h) Catastrophe Load based on state experience

MARKEL AMERICAN INSURANCE COMPANY

2009 RATE INDICATION

DWELLING FIRE

Arkansas

II. 3RD PARTY

	Cal/Acc Year					Total
	2004	2005	2006	2007	2008	
(a) Earned Premium	0	0	0	4,286	12,652	16,938
(b) Factor to Current Rate Level	1.000	1.000	1.000	1.000	1.000	
Premium at Current Rate Level	0	0	0	4,286	12,652	16,938
Reported Incurred Losses (Non Cat)	0	0	0	0	19,000	19,000
(c) Development Factor	1.000	1.000	1.000	1.016	1.050	
Ultimate Inc Losses (Non Cat), INC LDF method	0	0	0	0	19,943	19,943
BF a priori	63.0%	60.0%	60.0%	60.0%	60.0%	
Ultimate Inc Losses (Non Cat), INC BF method	0	0	0	40	19,359	19,399
(d) Selected Non Catastrophe Losses	0	0	0	32	19,359	19,391
(e) Trend Factor	1.191	1.157	1.123	1.090	1.058	
Ult. Trended Incurred Losses (Non Cat)	0	0	0	35	20,488	20,523
Ult. Trended Loss Ratio- Non Cat	0.0%	0.0%	0.0%	0.8%	161.9%	121.2%
Reported Claims	0	0	0	0	1	1
(f) Credibility Factor for Non Cat						0.030
(g) Expected Loss Ratio for Non Cat						51.5%
Credibility Weighted Ultimate Trended Non Catastrophe Loss Ratio						53.6%
(h) Catastrophe Load						0.0%
Total Non Cat + Cat Credibility Weighted Loss Ratio						53.6%
Indicated Cat + Non Cat Rate Change						7.2%

NOTES:

(a) 2008 premium has been annualized using a factor of 12/12

(b) Rate change history is as follows:

01/01/02	0.0%
01/01/03	0.0%
01/01/04	0.0%
01/01/05	0.0%
01/01/06	0.0%
01/01/07	0.0%

(c) Dev factors are based on countrywide data.

(d) Selection Weights: Year 2008 is 100% BF; Year 2007 is 80% BF, 20% LDF; All other years are 100% LDF.

(e) Assumed effective date is 6/1/2009.  
The trend rate is 3.0%

(f) Standard for full credibility is 1,082 claims, given that we want to be within 5% of the true answer 90% of the time.

(g) The permissible loss ratio is 50.0%.  
The expected loss ratio is the permissible trended for one year.

(h) Catastrophe Load based on state experience  
|::

MARKEL AMERICAN INSURANCE COMPANY

2009 RATE INDICATION

DWELLING FIRE

Arkansas

V. ALL COVERAGES

	Cal/Acc Year					Total
	2004	2005	2006	2007	2008	
Earned Premium	0	0	0	63,641	174,561	238,202
Implied Fac to Curr Rate Level	#DIV/0!	#DIV/0!	#DIV/0!	1.000	1.000	
Premium at Current Rate Level	0	0	0	63,641	174,561	238,202
Reported Incurred Losses (Non Cat)	0	0	0	28,879	327,188	356,067
Development Factor	#DIV/0!	#DIV/0!	#DIV/0!	1.020	1.015	
Ultimate Inc Losses (Non Cat), INC LDF method	0	0	0	29,448	332,141	361,589
Implied Trend Factor	#DIV/0!	#DIV/0!	#DIV/0!	1.090	1.058	
Ult. Trended Incurred Losses (Non Cat)	0	0	0	32,103	351,513	383,616
Ult. Trended Loss Ratio- Non Cat	0.0%	0.0%	0.0%	50.4%	201.4%	161.0%
Reported Claims	0	0	0	5	55	60
Credibility Factor for Non Cat						#N/A
Expected Loss Ratio for Non Cat						#N/A
Credibility Weighted Ultimate Trended Non Catastrophe Loss Ratio						#N/A
Catastrophe Load						#N/A
Total Non Cat + Cat Credibility Weighted Loss Ratio						#N/A
Premium Wtd Indicated Rate Change						58.3%

### Arkansas Dwelling Fire Program Offbalance

	<u>Premium</u>	<u>Curr. Rel.</u>	<u>Prop. Rel.</u>	<u>% Change</u>	<u>\$ Change</u>
<b>DP-1</b>					
Owner	72,475	225	270	20.00%	14,495
Rental/Seasonal	91,402	203	243	19.70%	18,010
<b>Vacant</b>					
	14,169	0.40	0.40	0.00%	0
<b>Total</b>	<b>E/P</b> <b>178,046</b>				<b>Impact</b> <b>32,505</b>
					<b>Overall</b> <b>18.26%</b>

#### Arkansas Dwelling Fire - Cat Load

Year	Cat Loss	All Losses	All Less Cat	Cat Ratio
2007	0	3,020	3,020	0.0000
2008	110,477	327,190	216,713	0.5098
Total	110,477	330,210	219,733	0.5028

Cat Load 50.3%  
Selected Cat Load 14%

Started writing in 2007

Due to our limited experience, we have selected a cat load of 16%, which is similar to what our competitors use