

SERFF Tracking Number: TRVA-126085210 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
Connecticut, ...
Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

Filing at a Glance

Companies: The Automobile Insurance Company of Hartford, Connecticut, The Standard Fire Insurance Company, The Travelers Indemnity Company of America

| | | |
|--|------------------------------|--|
| Product Name: Homeowners Program | SERFF Tr Num: TRVA-126085210 | State: Arkansas |
| TOI: 04.0 Homeowners | SERFF Status: Closed | State Tr Num: EFT \$100 |
| Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations | Co Tr Num: 2009-03-0098 | State Status: Fees verified and received |
| Filing Type: Rate | Co Status: | Reviewer(s): Becky Harrington, Betty Montesi |
| | Author: Karen Rottner | Disposition Date: 04/22/2009 |
| | Date Submitted: 03/26/2009 | Disposition Status: Filed |
| Effective Date Requested (New): | | Effective Date (New): 06/20/2009 |
| Effective Date Requested (Renewal): | | Effective Date (Renewal): 06/20/2009 |

State Filing Description:

General Information

| | |
|---|---|
| Project Name: | Status of Filing in Domicile: Not Filed |
| Project Number: 2009-03-0098 | Domicile Status Comments: |
| Reference Organization: | Reference Number: |
| Reference Title: | Advisory Org. Circular: |
| Filing Status Changed: 04/22/2009 | |
| State Status Changed: 03/27/2009 | Deemer Date: |
| Corresponding Filing Tracking Number: | |
| Filing Description: | |
| Rate level change. Please see enclosed Explanatory Memo and filing package for details. | |

Company and Contact

SERFF Tracking Number: TRVA-126085210 State: Arkansas
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 Connecticut, ...
 Company Tracking Number: 2009-03-0098
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

Filing Contact Information

Karen Rottner, Regulatory Consultant KROTTNER@travelers.com
 One Tower Square (860) 277-7395 [Phone]
 Hartford, CT 06183 (860) 277-5204[FAX]

Filing Company Information

The Automobile Insurance Company of Hartford, Connecticut CoCode: 19062 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 06-0848755

The Standard Fire Insurance Company CoCode: 19070 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 06-6033509

The Travelers Indemnity Company of America CoCode: 25666 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 58-6020487

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Filing fee is \$100.00 per filing for rates.
 Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|---|----------|----------------|---------------|
| The Automobile Insurance Company of Hartford, Connecticut | \$100.00 | 03/26/2009 | 26710241 |

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Connecticut, ...
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Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

| | | |
|--|--------|------------|
| The Standard Fire Insurance Company | \$0.00 | 03/26/2009 |
| The Travelers Indemnity Company of America | \$0.00 | 03/26/2009 |

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 Connecticut, ...
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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------|------------------|------------|----------------|
| Filed | Becky Harrington | 04/22/2009 | 04/22/2009 |

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 | 03/27/2009 | 03/27/2009 | Karen Rottner | 04/17/2009 | 04/17/2009 |

SERFF Tracking Number: TRVA-126085210 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

Disposition

Disposition Date: 04/22/2009
 Effective Date (New): 06/20/2009
 Effective Date (Renewal): 06/20/2009
 Status: Filed
 Comment:

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|---|-----------------------------|------------------------|--|--|-----------------------------------|------------------------------------|------------------------------------|
| The Automobile Insurance Company of Hartford, Connecticut | 28.780% | 19.930% | \$46,180 | 183 | \$231,709 | 20.000% | % |
| The Standard Fire Insurance Company | 28.780% | 19.930% | \$2,299,356 | 10,441 | \$11,537,161 | 20.000% | % |
| The Travelers Indemnity Company of America | 28.780% | 19.940% | \$8,399 | 38 | \$42,123 | 20.000% | % |

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing 28.780%
 Overall Percentage Rate Impact For This Filing 19.930%

SERFF Tracking Number: TRVA-126085210 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, Connecticut, ... State Tracking Number: EFT \$100
Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

Effect of Rate Filing-Written Premium Change For This Program \$2,353,935
Effect of Rate Filing - Number of Policyholders Affected 10,662

SERFF Tracking Number: TRVA-126085210 State: Arkansas
 First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
 Connecticut, ...
 Company Tracking Number: 2009-03-0098
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

| Item Type | Item Name | Item Status | Public Access |
|-------------------------------|---|-------------|---------------|
| Supporting Document (revised) | HPCS-Homeowners Premium Comparison Survey | Filed | Yes |
| Supporting Document | Form RF-2 Loss Costs Only (not for workers' compensation) | Filed | Yes |
| Supporting Document | Response to inquiry # 3 | Filed | Yes |
| Supporting Document | H-1 Homeowners Abstract | Filed | Yes |
| Supporting Document | HPCS-Homeowners Premium Comparison Survey | | Yes |
| Supporting Document | NAIC loss cost data entry document | Filed | Yes |
| Supporting Document | Explanatory and filing package | Filed | Yes |
| Rate (revised) | Removing exhibit per DOI | Filed | Yes |
| Rate | Filing package and Explanatory memo | | Yes |

SERFF Tracking Number: TRVA-126085210 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
Connecticut, ...
Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/27/2009
Submitted Date 03/27/2009

Respond By Date

Dear Karen Rottner,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: The company information section of the HPCS forms is not complete.

Objection 2

- Explanatory and filing package (Supporting Document)

- Filing package and Explanatory memo (Rate)

Comment: Please attach only manual pages under the rate/rule schedule tab. Exhibits should be attached under the supporting documentation tab. The attachments for this filing are duplicates.

Objection 3

- Explanatory and filing package (Supporting Document)

Comment: Pursuant to ACA 23-67-209, the profit provision appears excessive. Please reduce it to a more reasonable amount.

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 04/17/2009
Submitted Date 04/17/2009

SERFF Tracking Number: TRVA-126085210 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
Connecticut, ...
Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

Dear Becky Harrington,

Comments:

See below

Response 1

Comments: See attached

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

The company information section of the HPCS forms is not complete.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: We have removed from rate/rule schedule tab.

Related Objection 1

Applies To:

- Explanatory and filing package (Supporting Document)
- Filing package and Explanatory memo (Rate)

Comment:

Please attach only manual pages under the rate/rule schedule tab. Exhibits should be attached under the supporting documentation tab. The attachments for this filing are duplicates.

Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: TRVA-126085210 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
Connecticut, ...
Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

| Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing # |
|-------------------------------------|------------------|-------------|-------------------------|
| Removing exhibit per DOI | | New | |
| Previous Version | | | |
| Filing package and Explanatory memo | | New | |

Response 3

Comments: See attached.

Related Objection 1

Applies To:

- Explanatory and filing package (Supporting Document)

Comment:

Pursuant to ACA 23-67-209, the profit provision appears excessive. Please reduce it to a more reasonable amount.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to inquiry # 3

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thanks for your continued interest in our submission.

Karen Rottner

Sincerely,

Karen Rottner

SERFF Tracking Number: TRVA-126085210 State: Arkansas
 First Filing Company: The Automobile Insurance Company of Hartford, Connecticut, ... State Tracking Number: EFT \$100
 Company Tracking Number: 2009-03-0098
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

Rate Information

Rate data applies to filing.

Filing Method: File and use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 4.700%
Effective Date of Last Rate Revision: 02/17/2008
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: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|---|-----------------------------|------------------------|--|--|-----------------------------------|------------------------------------|------------------------------------|
| The Automobile Insurance Company of Hartford, Connecticut | % | 19.930% | \$46,180 | 183 | \$231,709 | % | % |
| The Standard Fire Insurance Company | % | 19.930% | \$2,299,356 | 10,441 | \$11,537,161 | % | % |
| The Travelers Indemnity Company of America | % | 19.940% | \$8,399 | 38 | \$42,123 | % | % |

Overall Rate Information for Multiple Company Filings

SERFF Tracking Number: TRVA-126085210 State: Arkansas
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Company Tracking Number: 2009-03-0098
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Program
Project Name/Number: /2009-03-0098

Overall % Rate Indicated:

Overall Percentage Rate Impact For This Filing: 19.930%

Effect of Rate Filing - Written Premium Change For This Program: \$2,353,935

Effect of Rate Filing - Number of Policyholders Affected: 10662

SERFF Tracking Number: TRVA-126085210 State: Arkansas
 First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
 Connecticut, ...
 Company Tracking Number: 2009-03-0098
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

Rate/Rule Schedule

| Review Status: | Exhibit Name: | Rule # or Page #: | Rate Action | Previous State Filing Attachments Number: |
|----------------|--------------------------|-------------------|-------------|---|
| Filed | Removing exhibit per DOI | | New | |

SERFF Tracking Number: TRVA-126085210 State: Arkansas
 First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$100
 Connecticut, ...
 Company Tracking Number: 2009-03-0098
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Program
 Project Name/Number: /2009-03-0098

Supporting Document Schedules

Satisfied -Name: HPCS-Homeowners Premium
 Comparison Survey **Review Status:** Filed 04/22/2009

Comments:

Attachments:

ArHOSurvey-HPCS AICH 2009.xls
 ArHOSurvey-HPCS SFI(1).xls
 ArHOSurvey-HPCS TIA 2009.xls

Satisfied -Name: Response to inquiry # 3 **Review Status:** Filed 04/22/2009

Comments:

Attachment:

AR Legacy DOI objection - profit provision.pdf

Satisfied -Name: H-1 Homeowners Abstract **Review Status:** Filed 04/22/2009

Comments:

Attachments:

AR H-1 AHC[1].pdf
 AR H-1 SFI[1].pdf
 AR H-1TIA[1].pdf

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Filed 04/22/2009

Comments:

Attachments:

ArRF-1(PCRLC)(1).pdf
 ArRF-1(PCRLC)(1).pdf

Satisfied -Name: Explanatory and filing package **Review Status:** Filed 04/22/2009

NAIC Number: 19062
 Company Name: The Automobile Insurance Company of Hartford, CT
 Contact Person: Karen J. Rotner
 Telephone No.: 860.277.7395
 Email Address: Krotner@travelers.com
 Effective Date: 6/20/2009

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

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

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

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

| Public Protection Class | Dwelling Value | Washington | | Baxter | | Craighead | | St. Francis | | Desha | | Union | | Miller | | Sebastian | | Pulaski | |
|-------------------------|----------------|------------|---------|---------|---------|-----------|---------|-------------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|
| | | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame |
| 3 | \$80,000 | \$411 | \$462 | \$635 | \$717 | \$831 | \$938 | \$677 | \$763 | \$561 | \$631 | \$451 | \$510 | \$653 | \$737 | \$650 | \$734 | \$512 | \$576 |
| | \$120,000 | \$512 | \$577 | \$794 | \$896 | \$1,040 | \$1,173 | \$845 | \$954 | \$699 | \$789 | \$563 | \$635 | \$816 | \$921 | \$813 | \$917 | \$637 | \$719 |
| | \$160,000 | \$605 | \$684 | \$941 | \$1,063 | \$1,232 | \$1,391 | \$1,003 | \$1,131 | \$829 | \$936 | \$667 | \$752 | \$966 | \$1,092 | \$963 | \$1,087 | \$755 | \$852 |
| 6 | \$80,000 | \$495 | \$582 | \$767 | \$905 | \$1,004 | \$1,184 | \$817 | \$963 | \$675 | \$796 | \$545 | \$641 | \$788 | \$929 | \$784 | \$925 | \$616 | \$725 |
| | \$120,000 | \$617 | \$727 | \$959 | \$1,131 | \$1,256 | \$1,481 | \$1,020 | \$1,203 | \$844 | \$994 | \$680 | \$800 | \$984 | \$1,162 | \$981 | \$1,158 | \$770 | \$907 |
| | \$160,000 | \$731 | \$862 | \$1,137 | \$1,342 | \$1,490 | \$1,758 | \$1,211 | \$1,428 | \$1,000 | \$1,180 | \$805 | \$949 | \$1,168 | \$1,378 | \$1,163 | \$1,374 | \$911 | \$1,075 |
| 9 | \$80,000 | \$1,209 | \$1,609 | \$1,884 | \$2,509 | \$2,471 | \$3,291 | \$2,008 | \$2,674 | \$1,658 | \$2,206 | \$1,333 | \$1,773 | \$1,936 | \$2,578 | \$1,929 | \$2,568 | \$1,510 | \$2,009 |
| | \$120,000 | \$1,512 | \$2,013 | \$2,359 | \$3,143 | \$3,095 | \$4,123 | \$2,514 | \$3,349 | \$2,076 | \$2,763 | \$1,667 | \$2,220 | \$2,425 | \$3,230 | \$2,415 | \$3,217 | \$1,890 | \$2,517 |
| | \$160,000 | \$1,796 | \$2,391 | \$2,801 | \$3,732 | \$3,675 | \$4,897 | \$2,985 | \$3,977 | \$2,465 | \$3,282 | \$1,979 | \$2,636 | \$2,878 | \$3,835 | \$2,868 | \$3,820 | \$2,244 | \$2,988 |

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

EARTHQUAKE INSURANCE

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

| | | | |
|--|----------------------|-------------------------|-------------------------|
| ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? | <input type="text"/> | (yes or no) | |
| WHAT IS YOUR PERCENTAGE DEDUCTIBLE? | <input type="text"/> | % | |
| WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? | Zone | Brick | Frame |
| | Highest Risk | \$ <input type="text"/> | \$ <input type="text"/> |
| | Lowest Risk | \$ <input type="text"/> | \$ <input type="text"/> |

| | |
|-----------------|---|
| NAIC Number: | 19070 |
| Company Name: | The Standard Fire Insurance Company 6/20/2009 |
| Contact Person: | Karen J. Rottner |
| Telephone No.: | 860.277.7395 |
| Email Address: | Krottnr@travelers.com |
| Effective Date: | 6/20/2009 |

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

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

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

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

| Public Protection Class | Dwelling Value | Washington | | Baxter | | Craighead | | St. Francis | | Desha | | Union | | Miller | | Sebastian | | Pulaski | |
|-------------------------|----------------|------------|---------|---------|---------|-----------|---------|-------------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|
| | | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame |
| 3 | \$80,000 | \$442 | \$497 | \$683 | \$771 | \$894 | \$1,009 | \$728 | \$820 | \$603 | \$679 | \$485 | \$548 | \$702 | \$792 | \$699 | \$789 | \$550 | \$619 |
| | \$120,000 | \$550 | \$620 | \$854 | \$963 | \$1,118 | \$1,261 | \$909 | \$1,026 | \$752 | \$848 | \$605 | \$683 | \$877 | \$990 | \$874 | \$986 | \$685 | \$773 |
| | \$160,000 | \$651 | \$735 | \$1,012 | \$1,143 | \$1,325 | \$1,496 | \$1,078 | \$1,216 | \$891 | \$1,006 | \$717 | \$809 | \$1,039 | \$1,174 | \$1,036 | \$1,169 | \$812 | \$916 |
| 6 | \$80,000 | \$532 | \$626 | \$825 | \$973 | \$1,080 | \$1,273 | \$878 | \$1,035 | \$726 | \$856 | \$586 | \$689 | \$847 | \$999 | \$843 | \$995 | \$662 | \$780 |
| | \$120,000 | \$663 | \$782 | \$1,031 | \$1,216 | \$1,350 | \$1,593 | \$1,097 | \$1,294 | \$907 | \$1,069 | \$731 | \$860 | \$1,058 | \$1,249 | \$1,055 | \$1,245 | \$828 | \$975 |
| | \$160,000 | \$786 | \$927 | \$1,223 | \$1,443 | \$1,602 | \$1,890 | \$1,302 | \$1,536 | \$1,075 | \$1,269 | \$866 | \$1,020 | \$1,256 | \$1,482 | \$1,250 | \$1,477 | \$980 | \$1,156 |
| 9 | \$80,000 | \$1,300 | \$1,730 | \$2,026 | \$2,698 | \$2,657 | \$3,539 | \$2,159 | \$2,875 | \$1,783 | \$2,372 | \$1,433 | \$1,906 | \$2,082 | \$2,772 | \$2,074 | \$2,761 | \$1,624 | \$2,160 |
| | \$120,000 | \$1,626 | \$2,165 | \$2,537 | \$3,380 | \$3,328 | \$4,433 | \$2,703 | \$3,601 | \$2,232 | \$2,971 | \$1,793 | \$2,387 | \$2,608 | \$3,473 | \$2,597 | \$3,459 | \$2,032 | \$2,706 |
| | \$160,000 | \$1,931 | \$2,571 | \$3,012 | \$4,013 | \$3,952 | \$5,266 | \$3,210 | \$4,276 | \$2,650 | \$3,529 | \$2,128 | \$2,834 | \$3,095 | \$4,124 | \$3,084 | \$4,108 | \$2,413 | \$3,213 |

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

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk Brick \$ Frame \$

NAIC Number: 25666
 Company Name: The Travelers Indemnity Company of America
 Contact Person: Karen J. Rottner
 Telephone No.: 860.277.7395
 Email Address: Krottnr@travelers.com
 Effective Date: 6/20/2009

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

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

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

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

| Public Protection Class | Dwelling Value | Washington | | Baxter | | Craighead | | St. Francis | | Desha | | Union | | Miller | | Sebastian | | Pulaski | |
|-------------------------|----------------|------------|---------|---------|---------|-----------|---------|-------------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|
| | | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame | Brick | Frame |
| 3 | \$80,000 | \$442 | \$497 | \$683 | \$771 | \$894 | \$1,009 | \$728 | \$820 | \$603 | \$679 | \$485 | \$548 | \$702 | \$792 | \$699 | \$789 | \$550 | \$619 |
| | \$120,000 | \$550 | \$620 | \$854 | \$963 | \$1,118 | \$1,261 | \$909 | \$1,026 | \$752 | \$848 | \$605 | \$683 | \$877 | \$990 | \$874 | \$986 | \$685 | \$773 |
| | \$160,000 | \$651 | \$735 | \$1,012 | \$1,143 | \$1,325 | \$1,496 | \$1,078 | \$1,216 | \$891 | \$1,006 | \$717 | \$809 | \$1,039 | \$1,174 | \$1,036 | \$1,169 | \$812 | \$916 |
| 6 | \$80,000 | \$532 | \$626 | \$825 | \$973 | \$1,080 | \$1,273 | \$878 | \$1,035 | \$726 | \$856 | \$586 | \$689 | \$847 | \$999 | \$843 | \$995 | \$662 | \$780 |
| | \$120,000 | \$663 | \$782 | \$1,031 | \$1,216 | \$1,350 | \$1,593 | \$1,097 | \$1,294 | \$907 | \$1,069 | \$731 | \$860 | \$1,058 | \$1,249 | \$1,055 | \$1,245 | \$828 | \$975 |
| | \$160,000 | \$786 | \$927 | \$1,223 | \$1,443 | \$1,602 | \$1,890 | \$1,302 | \$1,536 | \$1,075 | \$1,269 | \$866 | \$1,020 | \$1,256 | \$1,482 | \$1,250 | \$1,477 | \$980 | \$1,156 |
| 9 | \$80,000 | \$1,300 | \$1,730 | \$2,026 | \$2,698 | \$2,657 | \$3,539 | \$2,159 | \$2,875 | \$1,783 | \$2,372 | \$1,433 | \$1,906 | \$2,082 | \$2,772 | \$2,074 | \$2,761 | \$1,624 | \$2,160 |
| | \$120,000 | \$1,626 | \$2,165 | \$2,537 | \$3,380 | \$3,328 | \$4,433 | \$2,703 | \$3,601 | \$2,232 | \$2,971 | \$1,793 | \$2,387 | \$2,608 | \$3,473 | \$2,597 | \$3,459 | \$2,032 | \$2,706 |
| | \$160,000 | \$1,931 | \$2,571 | \$3,012 | \$4,013 | \$3,952 | \$5,266 | \$3,210 | \$4,276 | \$2,650 | \$3,529 | \$2,128 | \$2,834 | \$3,095 | \$4,124 | \$3,084 | \$4,108 | \$2,413 | \$3,213 |

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 %
 Burglar Alarm %
 Smoke Alarm %
 Deadbolt Lock %
 Window Locks %
 \$1,000 Deductible %
 Other (specify) %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?
 Zone Highest Risk Brick Frame

[Objection 3](#)

Comment: Pursuant to ACA 23-67-209, the profit provision appears excessive. Please reduce it to a more reasonable amount.

The chosen profit provision of 13% does not result in excessive rates because it is calculated to allow a return on surplus of 14.8%, which is consistent with the industry and will ensure that anticipated income from all sources produce a net income (after taxes) that is commensurate with the risk assumed.

Additionally, we respectfully request that we not be required to revise the profit provision and re-file our indication on the following basis (see below):

1. In our original filing (Exhibit IX, page 2) we calculated a before-tax profit provision needed of 14.9%.
2. We selected a lower provision of 13%, which produced a rate level indication of 28.8% and supports our desired rate change of 19.9%.
3. In the exhibit below, you can see that the profit provision targeted based on the rate change proposed (19.9%) is only 9.4% and is lower than our prior filed profit provision.
4. Therefore, revising the indication to lower the provision won't change the fact that we are already targeting a much lower profit provision based on the proposed rate change.

| | <u>Profit Provision</u> | <u>Permissible Loss Ratio</u> | <u>Rate Level Indication</u> | <u>Proposed Premium Level Indication</u> |
|---|-------------------------|-------------------------------|------------------------------|--|
| Original Filing Profit Provision | 13.00% | 51.20% | 28.78% | 19.93% |
| Prior Filing Profit Provision | 11.40% | 52.80% | 24.88% | 19.93% |
| Final Rate Selected - Assumed Provision | 9.42% | 54.80% | 19.93% | 19.93% |

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 The Automobile Insurance Co. of Hartford, CT
 NAIC # (including group #) 3548-19062

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policholders whose policy was written prior to January 1, 2004 and the home was built prior to 2004. Our results were:

- 63% of the policyholders who received questionnaires responded.
- 43% of those repoding were under insured and
- 90 % of those underinsured requested increased coverage.

2. If you use a cost estimator (or 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.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

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.

100% of the Dwelling Replacement Cost

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas

5. Specify the percentage given for credit or discounts for the following:

| | | |
|---|--------------|---|
| a. Fire Extinguisher | | % |
| b. Burglar Alarm | 2 | % |
| c. Smoke Alarm | 2 | % |
| d. Insured who has both homeowners and auto with your company | 10/0 | % |
| e. Deadbolt Locks | 2 | % |
| f. Window or Door Locks | | % |
| g. Other (specify) | See Attached | % |
| Age 50 and Retired (Prime Time) Credit | 10 | % |
| New Home Credit 0% to 31% | Max 31 | % |
| Loss free Credit | 10 | |
| Home Buyer Credit 0% - 5% | Max 5 | |

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

| | |
|------|---------|
| HO-3 | 231,760 |
| HO-4 | 3,362 |
| HO-6 | 4,611 |

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 N/A

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge N/A

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

Karen J. Rottner

Signature

Karen J. Rottner

Printed Name

Senior Regulatory Analyst

Title

(860) 277-7395

Telephone Number

krottner@travelers.com

Email Address

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 The Standard Fire Insurance Company

NAIC # (including group #) 3548-19070

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policholders whose policy was written prior to January 1, 2004 and the home was built prior to 2004. Our results were:

63% of the policyholders who received questionnaires responded.

43% of those repoding were under insured and

90 % of those underinsured requested increased coverage.

2. If you use a cost estimator (or 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.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

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.

100% of the Dwelling Replacement Cost

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas

5. Specify the percentage given for credit or discounts for the following:

| | | |
|---|--------------|---|
| a. Fire Extinguisher | | % |
| b. Burglar Alarm | 2 | % |
| c. Smoke Alarm | 2 | % |
| d. Insured who has both homeowners and auto with your company | 10/0 | % |
| e. Deadbolt Locks | 2 | % |
| f. Window or Door Locks | | % |
| g. Other (specify) | See Attached | % |
| Age 50 and Retired (Prime Time) Credit | 10 | % |
| New Home Credit 0% to 31% | Max 31 | % |
| Loss free Credit | 10 | |
| Home Buyer Credit 0% - 5% | Max 5 | |

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

| | |
|------|------------|
| HO-3 | 11,431,387 |
| HO-4 | 121,417 |
| HO-6 | 84,801 |

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 N/A
Does the surcharge apply to conventional fire places? No
If yes, state the surcharge N/A

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

Karen J. Rottner
Signature
Karen J. Rottner
Printed Name
Senior Regulatory Analyst
Title
(860) 277-7395
Telephone Number
krottner@travelers.com
Email Address

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 The Travelers Indemnity Company of America
 NAIC # (including group #) 3548-25666

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policholders whose policy was written prior to January 1, 2004 and the home was built prior to 2004. Our results were:

- 63% of the policyholders who received questionnaires responded.
- 43% of those repoding were under insured and
- 90 % of those underinsured requesed increased coverage.

2. If you use a cost estimator (or 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.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

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.

100% of the Dwelling Replacement Cost

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas

5. Specify the percentage given for credit or discounts for the following:

| | | |
|---|--------------|---|
| a. Fire Extinguisher | | % |
| b. Burglar Alarm | 2 | % |
| c. Smoke Alarm | 2 | % |
| d. Insured who has both homeowners and auto with your company | 10/0 | % |
| e. Deadbolt Locks | 2 | % |
| f. Window or Door Locks | | % |
| g. Other (specify) | See Attached | % |
| Age 50 and Retired (Prime Time) Credit | 10 | % |
| New Home Credit 0% to 31% | Max 31 | % |
| Loss free Credit | 10 | |
| Home Buyer Credit 0% - 5% | Max 5 | |

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

| | |
|------|--------|
| HO-3 | 41,527 |
| HO-4 | 1,380 |
| HO-6 | 0 |

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 N/A

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge N/A

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

Karen J. Rottner

Signature

Karen J. Rottner

Printed Name

Senior Regulatory Analyst

Title

(860) 277-7395

Telephone Number

krottner@travelers.com

Email Address

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

1. This filing transmittal is part of Company Tracking # _____

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number _____

| | | | | |
|----|----|-------------------------------------|----|---------------------|
| | | Company Name | | Company NAIC Number |
| 3. | A. | The Standard Fire Insurance Company | B. | 3548-19070 |

| | | | | |
|----|----|--|----|---|
| | | 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. | | B. | |

5.

| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---------------------------------------|--|--|-------------------------------|--|--|---|---|
| | | | (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
| Dwelling Forms | 28.78% | 19.93% | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL OVERALL EFFECT | | 19.93% | | | | | |

| 6. 5 Year History | | | Rate Change History | | | | | 7. | |
|-------------------|--------------|-------------|---------------------|----------------------------|-----------------------|------------------|------------------------|--|---------------------|
| Year | Policy Count | % of Change | Effective Date | State Earned Premium (000) | Incurred Losses (000) | State Loss Ratio | Countrywide Loss Ratio | Expense Constants | Selected Provisions |
| 2008 | 12,452 | 4.7% | 2/17/2008 | 12,376 | 16,718 | 1.351 | 0.393 | A. Total Production Expense | 22.70% |
| 2007 | 17,524 | 7.4% | 2/18/2007 | 14,732 | 6,838 | 0.464 | 0.312 | B. General Expense | 10.40% |
| 2006 | 17,166 | | | 13,536 | 9,692 | 0.716 | 0.337 | C. Taxes, License & Fees | 2.67% |
| 2005 | 14,791 | 2.4% | 11/12/2005 | 11,015 | 6,636 | 0.602 | 0.326 | D. Underwriting Profit & Contingencies | 13.00% |
| 2004 | 12,028 | 7.8% | 9/25/2004 | 8,122 | 3,378 | 0.416 | 0.333 | E. Other (explain) | |
| | | | | | | | | F. TOTAL | 48.77% |

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

9. 20.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): multiple

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

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ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Explanatory Memorandum

On a yearly basis we intend to review our Legacy book of business to address any need within our product. This memorandum presents a proposed rate level change of +19.93% for Arkansas Homeowners for all dwelling policies processed on or after May 1, 2009 and effective on or after June 20, 2009.

| Policy Form | Overall Change |
|-------------|----------------|
| Dwelling | 19.93% |

Indicated statewide rate level changes have been developed utilizing our normal rate making procedures using the latest available Travelers Homeowners experience in ARKANSAS, accident years 2004 through 2008. Exhibit I sets forth the determination of indicated statewide rate level change. Exhibit II shows our proposed expense provisions and Exhibit III shows our credibility table. The development of accident year losses to ultimate is shown in Exhibit IV. Exhibit V details our unallocated loss adjustment expense calculation. Losses were adjusted to a cost level anticipated under rates proposed to be effective June 20, 2009. The factors utilized to adjust the losses are developed in Exhibit VI. Premiums were adjusted to reflect current rates and increasing amounts of insurance as detailed in Exhibit VII. Exhibit VIII details our catastrophe losses and factor calculations and Exhibit IX details the calculation of Investment Income.

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
 THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
 THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Statewide Indicated Rate Level Change
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| AY Ending 09/30 | Earned House Years (1) | Trended EPCR (2) | Ultimate Trended L & LAE (3) | Incurred Claim Count (4) | AY Weights (5) | Rate Level Loss Ratio (6)=(3)/(2) |
|--|---------------------------------|------------------------|---------------------------------------|-----------------------------------|----------------------|--|
| 2004 | 11,746 | 12,305,089 | 4,194,351 | 580 | 0.20 | 0.341 |
| 2005 | 14,325 | 15,478,741 | 8,001,297 | 853 | 0.20 | 0.517 |
| 2006 | 16,447 | 17,145,903 | 11,726,044 | 1,078 | 0.20 | 0.684 |
| 2007 | 16,760 | 17,605,477 | 8,321,805 | 841 | 0.20 | 0.473 |
| 2008 | 13,223 | 14,050,490 | 13,022,718 | 903 | 0.20 | 0.927 |
| (7) Weighted Rate Level Loss Ratio | | | | | | 0.588 |
| (8) Non-Hurricane Cat. Adjusted Loss Ratio = (7) x WCLM | | | | | | 0.660 |
| (9) Permissible Loss Ratio | | | | | | 0.512 |
| (10) Indicated Rate Level Change = (8)/(9)-1 | | | | | | 28.78% |
| (11) State Credibility | | | | | | 1.00 |
| (12) Trended Permissible Loss Ratio | | | | | | 0.512 |
| (13) Credibility Weighted Rate Level Loss Ratio | | | | | | 0.660 |
| (14) Hurricane Loss Ratio | | | | | | 0.000 |
| (15) Earthquake Loss Ratio | | | | | | 0.000 |
| (16) Hurricane Provision | | | | | | 0.000 |
| (17) Total Cat. Adjusted Loss Ratio = (13) + (14) + (15) + (16) | | | | | | 0.660 |
| (18) Credibility Weighted Indicated Rate Level change = (17)/(9)-1 | | | | | | 28.78% |
| (19) Proposed Premium Level Change | | | | | | 19.93% |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Permissible Loss Ratio

HOMEOWNERS

| | |
|-----------------------------|---------|
| Commissions | 22.70% |
| General & Other Acquisition | 10.40% |
| Taxes, Licenses & Fees | 2.67% |
| Profit Provision | 13.00% |
| Subtotal | 48.77% |
| Permissible Loss Ratio | 51.23% |
| Total | 100.00% |

ARKANSAS HOMEOWNERS

Credibility Table

| <u>Claim Count</u> | <u>Credibility</u> |
|------------------------|--------------------|
| 0 | 0.00 |
| 3 | 0.05 |
| 11 | 0.10 |
| 43 | 0.20 |
| 97 | 0.30 |
| 173 | 0.40 |
| 271 | 0.50 |
| 390 | 0.60 |
| 530 | 0.70 |
| 692 | 0.80 |
| 876 | 0.90 |
| 1082 | 1.00 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Dwelling Policy Forms
Average Development Factors

Statewide

| | Development Period: | | | | | | | | |
|----------------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | 12 to 24 | 24 to 36 | 36 to 48 | 48 to 60 | 60 to 72 | 72 to 84 | 84 to 96 | 96 to 108 | 108 to 120 |
| ALL avg. | 1.052 | 1.005 | 1.005 | 0.997 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| All avg. excluding Hi/Lo | 1.062 | 1.001 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | | |
| 7 yr avg. | 1.090 | 1.003 | 1.005 | | | | | | |
| 7 yr. avg. excluding Hi/Lo | 1.079 | 0.999 | 1.002 | | | | | | |
| 5 yr avg. | 1.110 | 1.003 | 1.008 | 0.997 | 0.999 | | | | |
| 5 yr. avg. excluding Hi/Lo | 1.087 | 0.995 | 1.004 | 1.001 | 1.000 | | | | |
| 4 yr avg | 1.117 | 0.991 | 1.009 | 0.996 | 0.999 | 1.000 | | | |
| 4 yr. avg. excluding Hi/Lo | 1.089 | 0.991 | 1.003 | 1.001 | 1.000 | 1.000 | | | |
| 3 yr avg | 1.117 | 0.987 | 1.012 | 0.994 | 0.999 | 1.000 | 1.000 | | |
| 2 yr avg | 1.145 | 0.991 | 1.018 | 0.990 | 0.998 | 1.000 | 1.000 | 1.000 | |
| Latest | 1.061 | 0.982 | 1.006 | 0.976 | 0.996 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected LDF | 1.087 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulative LDF | 12 to Ult. | 24 to Ult. | 36 to Ult. | 48 to Ult. | 60 to Ult. | 72 to Ult. | 84 to Ult. | 96 to Ult. | 108 to Ult. |
| | 1.087 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Unallocated Loss Adjustment Expense

| HOMEOWNERS | | | |
|------------------|---------------|------------------------------|-------|
| Calendar Year | ULAE | Incurred Losses & ALAE | Ratio |
| 2005 | \$113,165,040 | \$636,067,737 | 0.178 |
| 2006 | \$163,486,696 | \$719,448,914 | 0.227 |
| 2007 | \$169,880,762 | \$1,029,327,958 | 0.165 |
| Mean | | | 0.187 |
| Selected | | | 0.178 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Loss Trend Factors
Dwelling Policy Forms
Frequency Trend
Exponential Fit

| Calendar Year Ending | Travelers Statewide | | | | Calendar Year Ending | Industry Fastrack Statewide | | | |
|---|---------------------|-------|-------|------------|----------------------------|-----------------------------|-------|-------|-------|
| | Actual | 20 PT | 12 PT | 6 PT | | Actual | 20 PT | 12 PT | 6 PT |
| 12/31/2003 | 6.29 | 5.59 | | | 09/30/2003 | 7.17 | 6.08 | | |
| 03/31/2004 | 6.12 | 5.61 | | | 12/31/2003 | 6.62 | 6.02 | | |
| 06/30/2004 | 6.07 | 5.64 | | | 03/31/2004 | 6.15 | 5.95 | | |
| 09/30/2004 | 5.02 | 5.67 | | | 06/30/2004 | 5.85 | 5.89 | | |
| 12/31/2004 | 5.15 | 5.69 | | | 09/30/2004 | 5.42 | 5.83 | | |
| 03/31/2005 | 5.10 | 5.72 | | | 12/31/2004 | 5.32 | 5.76 | | |
| 06/30/2005 | 5.39 | 5.75 | | | 03/31/2005 | 5.27 | 5.70 | | |
| 09/30/2005 | 5.72 | 5.78 | | | 06/30/2005 | 5.23 | 5.64 | | |
| 12/31/2005 | 5.85 | 5.80 | 5.93 | | 09/30/2005 | 5.16 | 5.58 | 5.32 | |
| 03/31/2006 | 6.22 | 5.83 | 5.95 | | 12/31/2005 | 5.16 | 5.52 | 5.31 | |
| 06/30/2006 | 6.01 | 5.86 | 5.96 | | 03/31/2006 | 5.24 | 5.46 | 5.30 | |
| 09/30/2006 | 6.29 | 5.89 | 5.98 | | 06/30/2006 | 5.47 | 5.40 | 5.29 | |
| 12/31/2006 | 6.26 | 5.92 | 6.00 | | 09/30/2006 | 5.54 | 5.35 | 5.28 | |
| 03/31/2007 | 5.98 | 5.94 | 6.02 | | 12/31/2006 | 5.42 | 5.29 | 5.27 | |
| 06/30/2007 | 6.02 | 5.97 | 6.04 | 5.33 | 03/31/2007 | 5.48 | 5.23 | 5.26 | 5.27 |
| 09/30/2007 | 5.45 | 6.00 | 6.05 | 5.57 | 06/30/2007 | 5.22 | 5.18 | 5.25 | 5.24 |
| 12/31/2007 | 5.24 | 6.03 | 6.07 | 5.82 | 09/30/2007 | 5.04 | 5.12 | 5.25 | 5.22 |
| 03/31/2008 | 5.35 | 6.06 | 6.09 | 6.09 | 12/31/2007 | 5.06 | 5.07 | 5.24 | 5.20 |
| 06/30/2008 | 6.71 | 6.09 | 6.11 | 6.36 | 03/31/2008 | 5.05 | 5.01 | 5.23 | 5.17 |
| 09/30/2008 | 7.21 | 6.12 | 6.13 | 6.65 | 06/30/2008 | 5.41 | 4.96 | 5.22 | 5.15 |
| Annual Rate of Change | | 1.9% | 1.2% | 19.3% | | | -4.2% | -0.7% | -1.8% |
| Coefficient of Determination (R2) | | 8.5% | 1.4% | 39.3% | | | 47.5% | 3.4% | 5.1% |
| Selected Annual Rate of Change | | | | 0.0% | | | | | |
| Projected Average Date of Loss for the Period the Proposed Rates will be in Effect | | | | 05/01/2010 | | | | | |

Factors To Adjust Data Based on a 05/01/2009 Effective Date

| Experience Period | Midpoint of Experience Period | Prospective Trend Period (months) | Frequency Factor | |
|----------------------|-------------------------------------|--|---------------------|---------------------------|
| | | | From | Midpoint to 05/01/2010 |
| 09/30/2004 | 03/31/2004 | 73.1 | | 1.000 |
| 09/30/2005 | 03/31/2005 | 61.1 | | 1.000 |
| 09/30/2006 | 03/31/2006 | 49.1 | | 1.000 |
| 09/30/2007 | 03/31/2007 | 37.1 | | 1.000 |
| 09/30/2008 | 03/31/2008 | 25.0 | | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Loss Trend Factors
Dwelling Policy Forms
Severity Trend
Exponential Fit

| Calendar Year Ending | Travelers Statewide | | | | Calendar Year Ending | Industry Fastrack Statewide | | | |
|---|---------------------|--------|-------|------------|----------------------------|-----------------------------|-------|-------|-------|
| | Actual | 20 PT | 12 PT | 6 PT | | Actual | 20 PT | 12 PT | 6 PT |
| 12/31/2003 | 4,715 | 5,013 | | | 09/30/2003 | 4,542 | 4,393 | | |
| 03/31/2004 | 4,816 | 5,202 | | | 12/31/2003 | 4,494 | 4,500 | | |
| 06/30/2004 | 4,769 | 5,399 | | | 03/31/2004 | 4,531 | 4,609 | | |
| 09/30/2004 | 5,483 | 5,603 | | | 06/30/2004 | 4,666 | 4,721 | | |
| 12/31/2004 | 5,287 | 5,814 | | | 09/30/2004 | 4,682 | 4,836 | | |
| 03/31/2005 | 5,892 | 6,034 | | | 12/31/2004 | 4,822 | 4,954 | | |
| 06/30/2005 | 7,327 | 6,262 | | | 03/31/2005 | 5,090 | 5,074 | | |
| 09/30/2005 | 6,637 | 6,499 | | | 06/30/2005 | 5,178 | 5,197 | | |
| 12/31/2005 | 6,747 | 6,744 | 7,783 | | 09/30/2005 | 5,342 | 5,323 | 5,437 | |
| 03/31/2006 | 7,184 | 6,999 | 7,896 | | 12/31/2005 | 5,668 | 5,453 | 5,552 | |
| 06/30/2006 | 6,738 | 7,263 | 8,011 | | 03/31/2006 | 5,741 | 5,585 | 5,670 | |
| 09/30/2006 | 7,804 | 7,538 | 8,127 | | 06/30/2006 | 5,843 | 5,721 | 5,791 | |
| 12/31/2006 | 9,676 | 7,822 | 8,246 | | 09/30/2006 | 5,830 | 5,859 | 5,914 | |
| 03/31/2007 | 10,393 | 8,118 | 8,366 | | 12/31/2006 | 5,981 | 6,002 | 6,039 | |
| 06/30/2007 | 10,940 | 8,424 | 8,487 | 11,097 | 03/31/2007 | 6,079 | 6,148 | 6,168 | 6,136 |
| 09/30/2007 | 10,955 | 8,743 | 8,611 | 10,164 | 06/30/2007 | 6,236 | 6,297 | 6,299 | 6,279 |
| 12/31/2007 | 9,009 | 9,073 | 8,736 | 9,309 | 09/30/2007 | 6,586 | 6,450 | 6,432 | 6,425 |
| 03/31/2008 | 8,161 | 9,416 | 8,863 | 8,525 | 12/31/2007 | 6,601 | 6,606 | 6,569 | 6,575 |
| 06/30/2008 | 7,480 | 9,771 | 8,992 | 7,808 | 03/31/2008 | 6,676 | 6,767 | 6,708 | 6,729 |
| 09/30/2008 | 7,582 | 10,140 | 9,123 | 7,151 | 06/30/2008 | 6,855 | 6,931 | 6,851 | 6,886 |
| Annual Rate of Change | | 16.0% | 5.9% | -29.6% | | | 10.1% | 8.8% | 9.7% |
| Coefficient of Determination (R2) | | 66.1% | 8.2% | 90.6% | | | 98.2% | 96.7% | 91.7% |
| Selected Annual Rate of Change | | | | 0.0% | | | | | |
| Projected Average Date of Loss for the Period the Proposed Rates will be in Effect | | | | 05/01/2010 | | | | | |

Factors To Adjust Data Based on a 05/01/2009 Effective Date

| Experience Period | Midpoint of Experience Period | Prospective Trend Period (months) | Severity Factor | | Frequency x Severity Factor |
|----------------------|-------------------------------------|--|--------------------|---------------------------|--------------------------------|
| | | | From | Midpoint to 05/01/2010 | |
| 09/30/2004 | 03/31/2004 | 73.1 | | 1.000 | 1.000 |
| 09/30/2005 | 03/31/2005 | 61.1 | | 1.000 | 1.000 |
| 09/30/2006 | 03/31/2006 | 49.1 | | 1.000 | 1.000 |
| 09/30/2007 | 03/31/2007 | 37.1 | | 1.000 | 1.000 |
| 09/30/2008 | 03/31/2008 | 25.0 | | 1.000 | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
 THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
 THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Average Premium Trend
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| Experience Period Ending: | Average Premium | Fitted Average Premium (Straight Line) |
|---|--------------------|--|
| 09/30/2004 | 886.99 | 894.72 |
| 09/30/2005 | 944.66 | 923.86 |
| 09/30/2006 | 940.17 | 952.99 |
| 09/30/2007 | 976.28 | 982.13 |
| 09/30/2008 | 1,016.85 | 1,011.26 |
| (1) Average Historical Annual Increment of Change: | | 29.13 |
| (2) Average Annual Increment of Change Tempered 0.75: | | 21.85 |
| (3) Selected Annual Increment of Change: | | 21.85 |
| Current Annual Rate = | 2.2% | |
| (4) Average Earned Date Underlying Proposed Rates: (Effective Date = 05/01/2009) | | 05/01/2010 |
| (5) Prospective Trend Period (months) (Midpoint of Experience Period to Average Earned Date) | | 25.0 |
| (6) Increment to Bring 09/30/2008 Average Premium to 05/01/2010: [(3) * [(5) / 12]] | | 45.46 |
| (7) Projected Average Premium at 05/01/2010: | | 1,056.72 |

CALCULATION OF PREMIUM TREND FACTORS

| Experience Period Ending: | Midpoint of Experience Period | Fitted Average Premium | Premium Trend Factors |
|---------------------------------|-------------------------------------|---------------------------|-----------------------------|
| 09/30/2004 | 03/31/2004 | 894.72 | 1.181 |
| 09/30/2005 | 03/31/2005 | 923.86 | 1.144 |
| 09/30/2006 | 03/31/2006 | 952.99 | 1.109 |
| 09/30/2007 | 03/31/2007 | 982.13 | 1.076 |
| 09/30/2008 | 03/31/2008 | 1,011.26 | 1.045 |

ARKANSAS HOMEOWNERS

Catastrophe Losses

Explanation of Catastrophe Losses

In an effort to avoid sharp fluctuations in our rate level adjustments and maintain a degree of stability, we have given catastrophe losses a special treatment in the ratemaking process.

Catastrophes are estimated separately by hurricane vs. non-hurricane losses.

Non-Hurricane Catastrophes:

The industry defines a catastrophe as an occurrence such as a hailstorm, windstorm, tornado, hurricane, etc., which results in property losses of \$25,000,000 or more.¹ Each catastrophe is accorded a serial number by the Insurance Services Office for identification purposes. This identification makes it possible for each insurance company to summarize the losses due to these types of occurrences in a particular year. One of our underlying assumptions in ratemaking is that past loss experience can be utilized as an indication of the future loss experience. While this is a reasonable assumption for regular property losses, we believe catastrophe losses are extraordinary events that will probably not re-occur with the same degree of frequency as regular losses. Therefore, we give such catastrophe losses special treatment.

We first eliminate all catastrophe losses from the five-year experience period leaving only non-cat losses in the experience. We develop the five-year indicated non-cat loss ratio by considering only these losses. To this non-cat loss ratio, the Catastrophe Loss Factor is applied to produce the indicated loss ratio including catastrophes.

Since catastrophes are rare events, it is necessary that the computation of the catastrophe loading be based upon a long period of experience. In determining the Catastrophe Loss Factor, we have utilized all of the Homeowners experience from 1966 - 2007. The Catastrophe Loss Factor is calculated by relating the catastrophe losses to the non-cat losses. Page 3 of this exhibit sets forth the actual calculation.

Hurricane Catastrophe Losses:

The Travelers utilizes hurricane modeling techniques to determine best estimates of exposure to loss. The model used is provided by a third party vendor, and gives resulting permissible losses specific to the current book of business.

Using the most recent exposure distribution, the average permissible loss ratio due to hurricanes for the state of Arkansas Homeowners is 4.2%. This loss ratio is added to the non-cat loss ratio adjusted for non-hurricane catastrophe losses to obtain the indicated total loss ratio.

1. \$25,000,000 of property losses as the definition of catastrophe has been in effect since January 1, 1997. The previous definition of \$5,000,000 of property losses was in use from January 1, 1982 to December 31, 1996. All previous catastrophes are defined as \$1,000,000 or more of property losses.

ARKANSAS HOMEOWNERS

All Companies Combined

Dwelling, Tenant & Condominium Policy Forms
Development of Weighted Catastrophe Loss Multiplier

| Calendar Year Ending 12/31 | Total Incurred Losses (2)+(3)+(4)+(5) | Hurricane Losses | Earthquake Losses | Other Cat. Losses | Non-Cat. Incurred Losses |
|-------------------------------------|---|---------------------|----------------------|----------------------|-----------------------------|
| | (1) | (2) | (3) | (4) | (5) |
| 1966 | 210,715 | 0 | 0 | 3,913 | 206,802 |
| 1967 | 267,765 | 0 | 0 | 20,977 | 246,788 |
| 1968 | 281,720 | 0 | 0 | 101,427 | 180,293 |
| 1969 | 286,716 | 0 | 0 | -404 | 287,120 |
| 1970 | 376,425 | 0 | 0 | 12,503 | 363,922 |
| 1971 | 415,374 | 0 | 0 | 24,141 | 391,233 |
| 1972 | 676,316 | 0 | 0 | 191,152 | 485,164 |
| 1973 | 578,880 | 0 | 0 | 182,109 | 396,771 |
| 1974 | 686,097 | 0 | 0 | 43,078 | 643,019 |
| 1975 | 1,090,266 | 0 | 0 | 354,884 | 735,382 |
| 1976 | 655,264 | 0 | 0 | 254,326 | 400,938 |
| 1977 | 628,267 | 0 | 0 | 12,435 | 615,832 |
| 1978 | 526,587 | 0 | 0 | 51,049 | 475,538 |
| 1979 | 549,086 | 0 | 0 | 64,241 | 484,845 |
| 1980 | 546,537 | 0 | 0 | 212,233 | 334,304 |
| 1981 | 867,611 | 0 | 0 | 95,268 | 772,343 |
| 1982 | 1,133,784 | 0 | 0 | 140,261 | 993,523 |
| 1983 | 1,729,237 | 0 | 0 | 247,317 | 1,481,920 |
| 1984 | 2,831,410 | 0 | 0 | 326,349 | 2,505,061 |
| 1985 | 4,459,262 | 0 | 0 | 134,592 | 4,324,670 |
| 1986 | 7,814,946 | 0 | 0 | 535,735 | 7,279,211 |
| 1987 | 6,636,713 | 0 | 0 | 341,826 | 6,294,887 |
| 1988 | 2,922,580 | 0 | 0 | 407,400 | 2,515,180 |
| 1989 | 3,399,560 | 0 | 0 | 1,055,941 | 2,343,619 |
| 1990 | 2,172,456 | 0 | 0 | 323,004 | 1,849,452 |

ARKANSAS HOMEOWNERS

All Companies Combined

Dwelling, Tenant & Condominium Policy Forms
Development of Weighted Catastrophe Loss Multiplier

| Calendar Year Ending 12/31 | Total Incurred Losses (2)+(3)+(4)+(5) | Hurricane Losses | Earthquake Losses | Other Cat. Losses | Non-Cat. Incurred Losses |
|-------------------------------------|--|---------------------|----------------------|----------------------|-----------------------------|
| | (1) | (2) | (3) | (4) | (5) |
| 1991 | 803,043 | 0 | 0 | 148,362 | 654,681 |
| 1992 | 297,724 | 0 | 0 | 11,533 | 286,191 |
| 1993 | 18,152 | 0 | 0 | 0 | 18,152 |
| 1994 | 33,681 | 0 | 0 | 0 | 33,681 |
| 1995 | 45,350 | 0 | 0 | 0 | 45,350 |
| 1996 | 16,622 | 0 | 0 | 3,250 | 13,372 |
| 1997 | 94,083 | 0 | 0 | 3,376 | 90,707 |
| 1998 | 140,013 | 0 | 0 | 21,130 | 118,883 |
| 1999 | 1,226,638 | 0 | 0 | 247,702 | 978,936 |
| 2000 | 667,848 | 0 | 0 | 85,139 | 582,709 |
| 2001 | 928,813 | 0 | 0 | 260,322 | 668,491 |
| 2002 | 1,322,681 | 0 | 0 | 120,703 | 1,201,978 |
| 2003 | 2,845,528 | 0 | 0 | 159,373 | 2,686,155 |
| 2004 | 4,007,483 | 0 | 0 | 301,816 | 3,705,667 |
| 2005 | 7,590,058 | 357,668 | 0 | 235,707 | 6,996,683 |
| 2006 | 12,961,298 | 127,285 | 0 | 1,737,918 | 11,096,095 |
| 2007 | 9,496,630 | 0 | 0 | 607,031 | 8,889,599 |
| Total | 84,239,219 | 484,953 | 0 | 9,079,119 | 74,675,147 |
| (6) | Ratio of Total "Other Cat." Losses to Total "Non-Cat." Losses: | | | | 0.122 |
| (7) | Weighted Catastrophe Loss Multiplier [WCLM = 1 + (6)]: | | | | 1.122 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Estimated Investment Earnings

| | | |
|----|--|-------------------|
| A. | <u>Unearned Premium Reserve</u> | <u>Homeowners</u> |
| | 1. Direct Earned Premium | 14,657,794 |
| | 2. Direct Mean Unearned Premium Reserve (<i>See Page 3</i>) | 7,685,955 |
| | 3. Deduction for Prepaid Expenses | |
| | (A) Commissions | 0.2270 |
| | (B) Taxes, Licenses, and Fees | 0.0267 |
| | (C) Other Acquisition (50%) | 0.0188 |
| | (D) General (50%) | 0.0332 |
| | (E) Total | 0.3057 |
| | 4. Deduction for Federal Taxes (<i>See Page 3</i>) | (74,098) |
| | 5. Deduction for Prepaid Expenses in dollars (<i>See Page 3</i>) | 2,349,553 |
| | 6. Net Subject to Investment (<i>See Page 3</i>) | 5,410,500 |
| B. | <u>Delayed Remission of Premium</u> | |
| | 1. Average Agent's Balance (<i>See Page 3</i>) | 28.2% |
| | 2. Amount of Deduction (<i>See Page 3</i>) | 4,133,498 |
| C. | <u>Loss + LAE Reserve</u> | |
| | 1. Direct Earned Premium (A1) | 14,657,794 |
| | 2. Permissible Incurred Loss + LAE (<i>See Page 4</i>) | |
| | 0.5123 x (1) | 7,509,326 |
| | 3. Expected Mean Loss + LAE Reserve (<i>See Page 4</i>) | |
| | 0.6733 x (2) | 5,056,303 |
| | 4. Deduction for Federal Taxes (<i>See Page 5</i>) | 139,062 |
| | 5. Loss & Reserve Subject to Investment | 4,917,241 |
| D. | <u>Policyholders' Surplus</u> (<i>See Page 6</i>) | 14,465,000 |
| E. | <u>Net Subject to Investment</u> (<i>See Page 4</i>) | 20,659,243 |
| | (A6) - (B2) + (C5) + (D) | |
| F. | <u>Average Rate of Return</u> (<i>See Page 6</i>) | 4.8% |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Estimated Investment Earnings

| | <u>Homeowners</u> |
|---|-------------------|
| G. <u>Projected Investment Earnings</u> | 991,644 |
| H. <u>Before Tax Return on Earned Premium</u> | 6.8% |
| I. <u>Federal Income Tax Provision</u> (See Page 6) | 24.9% |
| J. <u>After-Tax Return on Earned Premium</u> | 5.1% |
| K. <u>After-Tax Target Return on Earned Premium</u> (See Page 6) | 14.8% |
| L. <u>After-Tax Target Underwriting Profit (% of EP)</u> | 9.7% |
| M. <u>Before-Tax Target Underwriting Profit (% of EP)</u> (Assuming a tax rate of 35%) | 14.9% |
| N. <u>Selected Before-Tax Target Underwriting Profit</u> | 13.0% |

The Surplus Allocation exhibit requires a 14.8% return on earned premium from underwriting and investment activities. Since the after-tax return on homeowners earned premium from investment income is 5.1%, the difference of 9.7% is the projected underwriting after-tax gain. Assuming a tax rate of 35%, the before-tax underwriting profit is 14.9% as a percentage of earned premium.

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Explanatory Notes of Calculation of Investment Income Adjustment Factors

A. Unearned Premium Reserve

1. Direct Earned Premium from page 14 of the annual statement for the calendar-year 2007.

| | |
|---|-------------------|
| 2. Direct Mean Unearned Premium Reserve | <u>Homeowners</u> |
| a. Direct unearned premium reserve as of 12/06 | 8,215,225 |
| b. Direct unearned premium reserve as of 12/07 | 7,156,684 |
| c. Direct mean unearned premium reserve (a + b)/2 | 7,685,955 |

3. Deduction for Prepaid Expenses: Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expense, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures, as shown.

4. Revenue Offset: The Internal Revenue Code allows only 80% of the change in unearned premium reserve as a deduction. The limitation of the deduction is accomplished through an adjustment to statutory income whereby 20% of the unearned premium reserve change is added to statutory income for tax purposes.

a. Homeowners: $.35 \times .20 \times (7156684 - 8215225) =$ (74,098)

5. Line (2) x (3E)

6. Net Subject to Investment (2)-(4)-(5)

B. Delayed Remission of Premium

1. Average Uncollected Balance: The ratio used is the countrywide mean premium and agents' balance in the course of collection as a percentage of earned premium. (Source: Annual Statement)

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>Total</u> |
|--|----------------|----------------|----------------|----------------|
| Premiums & agents' balance | 1,139,045,538 | 1,187,699,182 | 1,171,517,035 | 3,498,261,755 |
| Premiums, agents' balances, & installments booked but deferred and not yet due | 4,388,886,339 | 4,561,569,509 | 4,261,991,089 | 13,212,446,937 |
| Total | 5,527,931,877 | 5,749,268,691 | 5,433,508,124 | 16,710,708,692 |
| Earned Premium | 19,306,241,118 | 19,699,572,370 | 20,319,183,986 | 59,324,997,474 |
| Ratio | 28.6% | 29.2% | 26.7% | 28.2% |

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Calculation of Investment Income Adjustment Factors
Explanatory Notes of Calculation of Investment Income Adjustment Factors

C. Loss + LAE Reserve: Determined by multiplying the expected incurred Loss + LAE by the ratio of the direct mean Loss + LAE reserve to the direct incurred Loss + LAE. This countrywide ratio is determined as follows: (See Page 6)

1. Direct Earned Premium from Page 14 of the Annual Statement.

2. Permissible Incurred Loss + LAE = Expected Loss Ratio x Line C1 by line

3. Expected Mean Loss + LAE = ((Direct Mean Loss + LAE) / Direct Incurred Loss + LAE) x C2

| | <u>Homeowners</u> |
|--|-------------------|
| a. Direct Paid Loss + LAE for 2007 | 1,142,152,119 |
| b. Direct Loss + LAE Reserve as of 12/06 | 781,286,947 |
| c. Direct Loss + LAE Reserve as of 12/07 | 851,867,793 |
| d. Direct Incurred Loss + LAE = a - b + c | 1,212,732,964 |
| e. Direct Mean Loss + LAE Reserve = (b +c)/2 | 816,577,370 |
| f. State Reserve Ratio = e / d | 0.6733 |

4. Deduction for Federal Taxes (See Page 5)

5. Loss Reserve Subject to Investment = C3 - C4

D. Policyholders' Surplus (See Page 6)

E. Net Subject to Investment = A6 - B2 + C5 + D

F. Average Rate of Return (See Page 6)

G. Projected Investment Earnings = E x F

H. Before-Tax Return of Earned Premium = G / A1

I. Federal Income Tax Provision (See Page 6)

K. After-Tax Target Return on Earned Premium (See Page 6)

L. After-Tax Target Underwriting Profit = K - J

J. After-Tax Return on Earned Premium = (G - (G x I)) / Direct Earned Premium

M. Before-Tax Target Underwriting Profit = L / 0.35 (Assuming a tax rate of 35%)

ARKANSAS HOMEOWNERS

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Calculation of Investment Income Adjustment Factors
Deduction for Federal Taxes Payable on Loss Reserves

| Homeowner's (<i>Countrywide</i>) <u>Year of Loss</u> | Statutory Reserves (<i>Undiscounted</i>) | | Tax Reserves (<i>Discounted</i>) | |
|--|--|-------------|------------------------------------|-------------|
| | 2006 | 2007 | 2006 | 2007 |
| 1996 & Prior | 6,850,011 | 2,066,761 | 6,420,586 | 1,995,956 |
| 1997 | 1,868,797 | 969,850 | 1,658,286 | 886,370 |
| 1998 | 1,892,054 | 1,386,583 | 1,631,284 | 1,230,834 |
| 1999 | 2,293,854 | 517,765 | 1,948,870 | 446,504 |
| 2000 | 2,424,524 | 1,596,555 | 2,051,586 | 1,363,369 |
| 2001 | 4,595,996 | 2,813,249 | 3,973,183 | 2,385,984 |
| 2002 | 9,638,008 | 4,252,386 | 8,090,549 | 3,691,220 |
| 2003 | 17,935,425 | 7,954,199 | 15,863,507 | 6,762,183 |
| 2004 | 34,165,548 | 14,803,018 | 30,365,348 | 13,220,250 |
| 2005 | 208,277,800 | 204,496,172 | 187,090,533 | 183,329,591 |
| 2006 | 336,735,600 | 75,261,827 | 313,135,149 | 68,313,053 |
| 2007 | | 373,925,948 | | 349,514,566 |
| Total | 626,677,617 | 690,044,314 | 572,228,881 | 633,139,880 |
| | | | <u>2006</u> | <u>2007</u> |
| | | | 0.9131 | 0.9175 |
| Ratio of Discounted to Statutory Reserves: | | | | |
| Arkansas Liability Loss + ALAE Reserve as of 12/06 x 1.178 = | | | | 4,816,014 |
| Arkansas Liability Loss + ALAE Reserve as of 12/07 x 1.178 = | | | | 3,856,308 |
| Deduction for Federal Taxes Payable = | | | | 139,062 |
| .35 x [4816014 - 0 - (4816014 x 0.9175) + (0 x 0.9131)] = | | | | |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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Calculation of Investment Income Adjustment Factors
Surplus Allocation

| | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|----------------|----------------|----------------|
| 1. Year End Property Casualty Policyholder Surplus | 17,226,532,794 | 20,155,707,469 | 22,182,414,313 |
| 2. Net Written Premium | 19,289,915,748 | 20,061,740,575 | 20,411,528,208 |
| 3. Premium to Surplus Ratio | 1.12 | 1.00 | 0.92 |
| 4. Three Year Average | | | 1.01 |
| 5. Earned Premium | | | 14,657,794 |
| 6. Allocated Equity | | | 14,465,000 |
| 7. Target Return on Equity | | | 15.0% |
| 8. Return on Earned Premium | | | 14.8% |

The average rate of return is based on the two year average ratio of net investment income to invested assets.

Source: Annual Statement

| | <u>2006</u> | <u>2007</u> | <u>Total</u> |
|---------------------------------|----------------|----------------|-----------------|
| 1. Net Investment Income Earned | 3,119,291,151 | 3,470,191,686 | 6,589,482,837 |
| 2. Net Realized Capital Gains | (261,223,519) | (80,577,971) | (341,801,490) |
| 3. Invested Assets | 64,560,270,033 | 66,404,637,019 | 130,964,907,052 |
| 4. Ratio | 4.4% | 5.1% | 4.8% |

Federal Income Tax Provision

Detailed below is the calculation of the federal income tax rate on net investment income earned for The Travelers Property Casualty Corp. for 2007

| | (In Thousands) |
|--|----------------|
| 1. Statutory net investment income | 4,578,336 |
| 2. Tax exempt interest | (1,539,865) |
| 3. 70% Dividends received deduction | (11,877) |
| 4. 42% Dividends received deduction | (2,431) |
| 5. 15% Proration adj. on TEI | 232,149 |
| 6. Other Adjustments | 3,256,312 |
| 7. Taxable net investment income (1+2+3+4+5+6) | 1,139,709 |
| 8. Tax on net investment income (7 x .35) | 24.9% |
| 9. FIT rate on NII (8 / 1) | |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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Trended Ultimate Losses
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| Accident Year Ending 9/30 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------|------------|------------|------------|------------|
| (1) Earned Premium | 8,330,872 | 11,175,327 | 13,605,620 | 14,729,062 | 12,880,175 |
| (2) Earned Premium at Current Rates Factor | 1.251 | 1.211 | 1.137 | 1.111 | 1.044 |
| (3) Earned Premium at Current Rates (1) x (2) | 10,418,675 | 13,532,550 | 15,462,814 | 16,362,664 | 13,446,010 |
| (4) Premium Trend Factor | 1.179 | 1.142 | 1.107 | 1.074 | 1.043 |
| (5) Trended Earned Premium at Current Rates (3) x (4) | 12,285,559 | 15,454,175 | 17,118,691 | 17,577,535 | 14,028,191 |
| (6) Incurred Losses & ALAE | 3,560,570 | 6,787,571 | 9,947,307 | 7,059,461 | 10,167,313 |
| (7) Loss Development Factor | 1.000 | 1.001 | 1.001 | 1.001 | 1.087 |
| (8) Ultimate Losses & ALAE (6) x (7) | 3,560,570 | 6,792,273 | 9,954,197 | 7,064,351 | 11,054,939 |
| (9) Unallocated Factor + 1.000 | 1.178 | 1.178 | 1.178 | 1.178 | 1.178 |
| (10) Ultimate Losses & LAE (8) x (9) | 4,194,351 | 8,001,297 | 11,726,044 | 8,321,805 | 13,022,718 |
| (11) Loss Trend Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| (12) Trended Ultimate Losses & LAE (10) x (11) | 4,194,351 | 8,001,297 | 11,726,044 | 8,321,805 | 13,022,718 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Super Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 651 | 781 |
| 2 | 651 | 781 |
| 3 | 634 | 760 |
| 4 | 398 | 477 |
| 5 | 634 | 760 |
| 6 | 447 | 536 |
| 7 | 447 | 536 |
| 8 | 634 | 760 |
| 9 | 651 | 781 |
| 10 | 651 | 781 |
| 11 | 651 | 781 |
| 12 | 645 | 774 |
| 13 | 651 | 781 |
| 14 | 664 | 796 |
| 15 | 470 | 564 |
| 16 | 832 | 998 |
| 17 | 651 | 781 |
| 18 | 736 | 883 |
| 19 | 651 | 781 |
| 20 | 651 | 781 |
| 21 | 557 | 668 |
| 22 | 464 | 556 |
| 23 | 470 | 564 |
| 24 | 651 | 781 |
| 25 | 651 | 781 |
| 26 | 483 | 579 |
| 27 | 630 | 756 |
| 28 | 670 | 804 |
| 29 | 651 | 781 |
| 33 | 646 | 775 |
| 37 | 651 | 781 |
| 38 | 651 | 781 |
| 39 | 658 | 789 |
| 40 | 713 | 855 |
| 44 | 713 | 855 |
| 45 | 713 | 855 |
| 46 | 651 | 781 |
| 47 | 672 | 806 |
| 48 | 651 | 781 |
| 49 | 651 | 781 |
| 50 | 531 | 637 |
| 51 | 634 | 760 |
| 52 | 634 | 760 |
| 53 | 651 | 781 |
| 54 | 786 | 943 |
| 55 | 651 | 781 |
| 56 | 651 | 781 |
| 57 | 651 | 781 |
| 58 | 651 | 781 |
| 59 | 432 | 518 |
| 60 | 479 | 574 |
| 61 | 657 | 788 |
| 62 | 651 | 781 |
| 63 | 651 | 781 |
| 64 | 628 | 753 |

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Territory Base Rate Revisions
Dwelling - Super Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 651 | 781 |
| 66 | 651 | 781 |
| 67 | 507 | 608 |
| 68 | 645 | 774 |
| 69 | 675 | 810 |
| 70 | 458 | 549 |
| 71 | 645 | 774 |
| 72 | 651 | 781 |
| 73 | 649 | 778 |
| 74 | 651 | 781 |
| 75 | 651 | 781 |
| 76 | 651 | 781 |
| 77 | 447 | 536 |
| 78 | 537 | 644 |
| 79 | 405 | 486 |
| 80 | 625 | 750 |
| 81 | 651 | 781 |
| 82 | 651 | 781 |
| 83 | 515 | 618 |
| 84 | 515 | 618 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 853 | 1023 |
| 2 | 853 | 1023 |
| 3 | 830 | 996 |
| 4 | 520 | 624 |
| 5 | 830 | 996 |
| 6 | 586 | 703 |
| 7 | 586 | 703 |
| 8 | 830 | 996 |
| 9 | 853 | 1023 |
| 10 | 853 | 1023 |
| 11 | 853 | 1023 |
| 12 | 843 | 1011 |
| 13 | 853 | 1023 |
| 14 | 868 | 1041 |
| 15 | 615 | 738 |
| 16 | 1088 | 1305 |
| 17 | 853 | 1023 |
| 18 | 964 | 1156 |
| 19 | 853 | 1023 |
| 20 | 853 | 1023 |
| 21 | 729 | 874 |
| 22 | 608 | 729 |
| 23 | 615 | 738 |
| 24 | 853 | 1023 |
| 25 | 853 | 1023 |
| 26 | 633 | 759 |
| 27 | 825 | 990 |
| 28 | 876 | 1051 |
| 29 | 853 | 1023 |
| 33 | 845 | 1014 |
| 37 | 853 | 1023 |
| 38 | 853 | 1023 |
| 39 | 862 | 1034 |
| 40 | 932 | 1118 |
| 44 | 932 | 1118 |
| 45 | 932 | 1118 |
| 46 | 853 | 1023 |
| 47 | 879 | 1054 |
| 48 | 853 | 1023 |
| 49 | 853 | 1023 |
| 50 | 695 | 834 |
| 51 | 830 | 996 |
| 52 | 830 | 996 |
| 53 | 853 | 1023 |
| 54 | 1030 | 1236 |
| 55 | 853 | 1023 |
| 56 | 853 | 1023 |
| 57 | 853 | 1023 |
| 58 | 853 | 1023 |
| 59 | 566 | 679 |
| 60 | 627 | 752 |
| 61 | 861 | 1033 |
| 62 | 853 | 1023 |
| 63 | 853 | 1023 |
| 64 | 822 | 986 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Territory Base Rate Revisions
Dwelling - Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 853 | 1023 |
| 66 | 853 | 1023 |
| 67 | 664 | 796 |
| 68 | 843 | 1011 |
| 69 | 884 | 1060 |
| 70 | 600 | 720 |
| 71 | 843 | 1011 |
| 72 | 853 | 1023 |
| 73 | 849 | 1018 |
| 74 | 853 | 1023 |
| 75 | 853 | 1023 |
| 76 | 853 | 1023 |
| 77 | 586 | 703 |
| 78 | 701 | 841 |
| 79 | 530 | 636 |
| 80 | 819 | 982 |
| 81 | 853 | 1023 |
| 82 | 853 | 1023 |
| 83 | 674 | 808 |
| 84 | 674 | 808 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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Territory Base Rate Revisions
Dwelling - Regular

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 1031 | 1237 |
| 2 | 1031 | 1237 |
| 3 | 1004 | 1204 |
| 4 | 629 | 754 |
| 5 | 1004 | 1204 |
| 6 | 709 | 850 |
| 7 | 709 | 850 |
| 8 | 1004 | 1204 |
| 9 | 1031 | 1237 |
| 10 | 1031 | 1237 |
| 11 | 1031 | 1237 |
| 12 | 1020 | 1224 |
| 13 | 1031 | 1237 |
| 14 | 1050 | 1260 |
| 15 | 744 | 892 |
| 16 | 1315 | 1578 |
| 17 | 1031 | 1237 |
| 18 | 1164 | 1396 |
| 19 | 1031 | 1237 |
| 20 | 1031 | 1237 |
| 21 | 881 | 1057 |
| 22 | 734 | 880 |
| 23 | 744 | 892 |
| 24 | 1031 | 1237 |
| 25 | 1031 | 1237 |
| 26 | 764 | 916 |
| 27 | 999 | 1198 |
| 28 | 1058 | 1269 |
| 29 | 1031 | 1237 |
| 33 | 1022 | 1226 |
| 37 | 1031 | 1237 |
| 38 | 1031 | 1237 |
| 39 | 1043 | 1251 |
| 40 | 1127 | 1352 |
| 44 | 1127 | 1352 |
| 45 | 1127 | 1352 |
| 46 | 1031 | 1237 |
| 47 | 1063 | 1275 |
| 48 | 1031 | 1237 |
| 49 | 1031 | 1237 |
| 50 | 840 | 1008 |
| 51 | 1004 | 1204 |
| 52 | 1004 | 1204 |
| 53 | 1031 | 1237 |
| 54 | 1245 | 1494 |
| 55 | 1031 | 1237 |
| 56 | 1031 | 1237 |
| 57 | 1031 | 1237 |
| 58 | 1031 | 1237 |
| 59 | 684 | 820 |
| 60 | 758 | 909 |
| 61 | 1041 | 1249 |
| 62 | 1031 | 1237 |
| 63 | 1031 | 1237 |
| 64 | 994 | 1192 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Regular

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 1031 | 1237 |
| 66 | 1031 | 1237 |
| 67 | 802 | 962 |
| 68 | 1020 | 1224 |
| 69 | 1069 | 1282 |
| 70 | 725 | 870 |
| 71 | 1020 | 1224 |
| 72 | 1031 | 1237 |
| 73 | 1026 | 1231 |
| 74 | 1031 | 1237 |
| 75 | 1031 | 1237 |
| 76 | 1031 | 1237 |
| 77 | 709 | 850 |
| 78 | 849 | 1018 |
| 79 | 642 | 770 |
| 80 | 989 | 1186 |
| 81 | 1031 | 1237 |
| 82 | 1031 | 1237 |
| 83 | 815 | 978 |
| 84 | 815 | 978 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Near Standard

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 1547 | 1856 |
| 2 | 1547 | 1856 |
| 3 | 1506 | 1807 |
| 4 | 944 | 1132 |
| 5 | 1506 | 1807 |
| 6 | 1063 | 1275 |
| 7 | 1063 | 1275 |
| 8 | 1506 | 1807 |
| 9 | 1547 | 1856 |
| 10 | 1547 | 1856 |
| 11 | 1547 | 1856 |
| 12 | 1530 | 1836 |
| 13 | 1547 | 1856 |
| 14 | 1576 | 1891 |
| 15 | 1116 | 1339 |
| 16 | 1973 | 2367 |
| 17 | 1547 | 1856 |
| 18 | 1747 | 2096 |
| 19 | 1547 | 1856 |
| 20 | 1547 | 1856 |
| 21 | 1323 | 1587 |
| 22 | 1103 | 1323 |
| 23 | 1116 | 1339 |
| 24 | 1547 | 1856 |
| 25 | 1547 | 1856 |
| 26 | 1148 | 1377 |
| 27 | 1498 | 1797 |
| 28 | 1589 | 1906 |
| 29 | 1547 | 1856 |
| 33 | 1534 | 1840 |
| 37 | 1547 | 1856 |
| 38 | 1547 | 1856 |
| 39 | 1563 | 1875 |
| 40 | 1691 | 2029 |
| 44 | 1691 | 2029 |
| 45 | 1691 | 2029 |
| 46 | 1547 | 1856 |
| 47 | 1595 | 1914 |
| 48 | 1547 | 1856 |
| 49 | 1547 | 1856 |
| 50 | 1261 | 1513 |
| 51 | 1506 | 1807 |
| 52 | 1506 | 1807 |
| 53 | 1547 | 1856 |
| 54 | 1868 | 2241 |
| 55 | 1547 | 1856 |
| 56 | 1547 | 1856 |
| 57 | 1547 | 1856 |
| 58 | 1547 | 1856 |
| 59 | 1025 | 1230 |
| 60 | 1138 | 1365 |
| 61 | 1560 | 1872 |
| 62 | 1547 | 1856 |
| 63 | 1547 | 1856 |
| 64 | 1491 | 1789 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Near Standard

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 1547 | 1856 |
| 66 | 1547 | 1856 |
| 67 | 1203 | 1443 |
| 68 | 1530 | 1836 |
| 69 | 1602 | 1922 |
| 70 | 1087 | 1304 |
| 71 | 1530 | 1836 |
| 72 | 1547 | 1856 |
| 73 | 1540 | 1848 |
| 74 | 1547 | 1856 |
| 75 | 1547 | 1856 |
| 76 | 1547 | 1856 |
| 77 | 1063 | 1275 |
| 78 | 1274 | 1528 |
| 79 | 963 | 1155 |
| 80 | 1485 | 1782 |
| 81 | 1547 | 1856 |
| 82 | 1547 | 1856 |
| 83 | 1222 | 1466 |
| 84 | 1222 | 1466 |

ARKANSAS HOMEOWNERS

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Explanatory Memorandum

On a yearly basis we intend to review our Legacy book of business to address any need within our product. This memorandum presents a proposed rate level change of +19.93% for Arkansas Homeowners for all dwelling policies processed on or after May 1, 2009 and effective on or after June 20, 2009.

| Policy Form | Overall Change |
|-------------|----------------|
| Dwelling | 19.93% |

Indicated statewide rate level changes have been developed utilizing our normal rate making procedures using the latest available Travelers Homeowners experience in ARKANSAS, accident years 2004 through 2008. Exhibit I sets forth the determination of indicated statewide rate level change. Exhibit II shows our proposed expense provisions and Exhibit III shows our credibility table. The development of accident year losses to ultimate is shown in Exhibit IV. Exhibit V details our unallocated loss adjustment expense calculation. Losses were adjusted to a cost level anticipated under rates proposed to be effective June 20, 2009. The factors utilized to adjust the losses are developed in Exhibit VI. Premiums were adjusted to reflect current rates and increasing amounts of insurance as detailed in Exhibit VII. Exhibit VIII details our catastrophe losses and factor calculations and Exhibit IX details the calculation of Investment Income.

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
 THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
 THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Statewide Indicated Rate Level Change
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| AY Ending 09/30 | Earned House Years (1) | Trended EPCR (2) | Ultimate Trended L & LAE (3) | Incurred Claim Count (4) | AY Weights (5) | Rate Level Loss Ratio (6)=(3)/(2) |
|--|---------------------------------|------------------------|---------------------------------------|-----------------------------------|----------------------|--|
| 2004 | 11,746 | 12,305,089 | 4,194,351 | 580 | 0.20 | 0.341 |
| 2005 | 14,325 | 15,478,741 | 8,001,297 | 853 | 0.20 | 0.517 |
| 2006 | 16,447 | 17,145,903 | 11,726,044 | 1,078 | 0.20 | 0.684 |
| 2007 | 16,760 | 17,605,477 | 8,321,805 | 841 | 0.20 | 0.473 |
| 2008 | 13,223 | 14,050,490 | 13,022,718 | 903 | 0.20 | 0.927 |
| (7) Weighted Rate Level Loss Ratio | | | | | | 0.588 |
| (8) Non-Hurricane Cat. Adjusted Loss Ratio = (7) x WCLM | | | | | | 0.660 |
| (9) Permissible Loss Ratio | | | | | | 0.512 |
| (10) Indicated Rate Level Change = (8)/(9)-1 | | | | | | 28.78% |
| (11) State Credibility | | | | | | 1.00 |
| (12) Trended Permissible Loss Ratio | | | | | | 0.512 |
| (13) Credibility Weighted Rate Level Loss Ratio | | | | | | 0.660 |
| (14) Hurricane Loss Ratio | | | | | | 0.000 |
| (15) Earthquake Loss Ratio | | | | | | 0.000 |
| (16) Hurricane Provision | | | | | | 0.000 |
| (17) Total Cat. Adjusted Loss Ratio = (13) + (14) + (15) + (16) | | | | | | 0.660 |
| (18) Credibility Weighted Indicated Rate Level change = (17)/(9)-1 | | | | | | 28.78% |
| (19) Proposed Premium Level Change | | | | | | 19.93% |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Permissible Loss Ratio

HOMEOWNERS

| | |
|-----------------------------|---------|
| Commissions | 22.70% |
| General & Other Acquisition | 10.40% |
| Taxes, Licenses & Fees | 2.67% |
| Profit Provision | 13.00% |
| Subtotal | 48.77% |
| Permissible Loss Ratio | 51.23% |
| Total | 100.00% |

ARKANSAS HOMEOWNERS

Credibility Table

| <u>Claim Count</u> | <u>Credibility</u> |
|------------------------|--------------------|
| 0 | 0.00 |
| 3 | 0.05 |
| 11 | 0.10 |
| 43 | 0.20 |
| 97 | 0.30 |
| 173 | 0.40 |
| 271 | 0.50 |
| 390 | 0.60 |
| 530 | 0.70 |
| 692 | 0.80 |
| 876 | 0.90 |
| 1082 | 1.00 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Dwelling Policy Forms
Average Development Factors

Statewide

| | Development Period: | | | | | | | | |
|----------------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | 12 to 24 | 24 to 36 | 36 to 48 | 48 to 60 | 60 to 72 | 72 to 84 | 84 to 96 | 96 to 108 | 108 to 120 |
| ALL avg. | 1.052 | 1.005 | 1.005 | 0.997 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| All avg. excluding Hi/Lo | 1.062 | 1.001 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | | |
| 7 yr avg. | 1.090 | 1.003 | 1.005 | | | | | | |
| 7 yr. avg. excluding Hi/Lo | 1.079 | 0.999 | 1.002 | | | | | | |
| 5 yr avg. | 1.110 | 1.003 | 1.008 | 0.997 | 0.999 | | | | |
| 5 yr. avg. excluding Hi/Lo | 1.087 | 0.995 | 1.004 | 1.001 | 1.000 | | | | |
| 4 yr avg | 1.117 | 0.991 | 1.009 | 0.996 | 0.999 | 1.000 | | | |
| 4 yr. avg. excluding Hi/Lo | 1.089 | 0.991 | 1.003 | 1.001 | 1.000 | 1.000 | | | |
| 3 yr avg | 1.117 | 0.987 | 1.012 | 0.994 | 0.999 | 1.000 | 1.000 | | |
| 2 yr avg | 1.145 | 0.991 | 1.018 | 0.990 | 0.998 | 1.000 | 1.000 | 1.000 | |
| Latest | 1.061 | 0.982 | 1.006 | 0.976 | 0.996 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected LDF | 1.087 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulative LDF | 12 to Ult. | 24 to Ult. | 36 to Ult. | 48 to Ult. | 60 to Ult. | 72 to Ult. | 84 to Ult. | 96 to Ult. | 108 to Ult. |
| | 1.087 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Unallocated Loss Adjustment Expense

| HOMEOWNERS | | | |
|------------------|---------------|------------------------------|-------|
| Calendar Year | ULAE | Incurred Losses & ALAE | Ratio |
| 2005 | \$113,165,040 | \$636,067,737 | 0.178 |
| 2006 | \$163,486,696 | \$719,448,914 | 0.227 |
| 2007 | \$169,880,762 | \$1,029,327,958 | 0.165 |
| Mean | | | 0.187 |
| Selected | | | 0.178 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Loss Trend Factors
Dwelling Policy Forms
Frequency Trend
Exponential Fit

| Calendar Year Ending | Travelers Statewide | | | | Calendar Year Ending | Industry Fastrack Statewide | | | |
|---|---------------------|-------|-------|------------|----------------------------|-----------------------------|-------|-------|-------|
| | Actual | 20 PT | 12 PT | 6 PT | | Actual | 20 PT | 12 PT | 6 PT |
| 12/31/2003 | 6.29 | 5.59 | | | 09/30/2003 | 7.17 | 6.08 | | |
| 03/31/2004 | 6.12 | 5.61 | | | 12/31/2003 | 6.62 | 6.02 | | |
| 06/30/2004 | 6.07 | 5.64 | | | 03/31/2004 | 6.15 | 5.95 | | |
| 09/30/2004 | 5.02 | 5.67 | | | 06/30/2004 | 5.85 | 5.89 | | |
| 12/31/2004 | 5.15 | 5.69 | | | 09/30/2004 | 5.42 | 5.83 | | |
| 03/31/2005 | 5.10 | 5.72 | | | 12/31/2004 | 5.32 | 5.76 | | |
| 06/30/2005 | 5.39 | 5.75 | | | 03/31/2005 | 5.27 | 5.70 | | |
| 09/30/2005 | 5.72 | 5.78 | | | 06/30/2005 | 5.23 | 5.64 | | |
| 12/31/2005 | 5.85 | 5.80 | 5.93 | | 09/30/2005 | 5.16 | 5.58 | 5.32 | |
| 03/31/2006 | 6.22 | 5.83 | 5.95 | | 12/31/2005 | 5.16 | 5.52 | 5.31 | |
| 06/30/2006 | 6.01 | 5.86 | 5.96 | | 03/31/2006 | 5.24 | 5.46 | 5.30 | |
| 09/30/2006 | 6.29 | 5.89 | 5.98 | | 06/30/2006 | 5.47 | 5.40 | 5.29 | |
| 12/31/2006 | 6.26 | 5.92 | 6.00 | | 09/30/2006 | 5.54 | 5.35 | 5.28 | |
| 03/31/2007 | 5.98 | 5.94 | 6.02 | | 12/31/2006 | 5.42 | 5.29 | 5.27 | |
| 06/30/2007 | 6.02 | 5.97 | 6.04 | 5.33 | 03/31/2007 | 5.48 | 5.23 | 5.26 | 5.27 |
| 09/30/2007 | 5.45 | 6.00 | 6.05 | 5.57 | 06/30/2007 | 5.22 | 5.18 | 5.25 | 5.24 |
| 12/31/2007 | 5.24 | 6.03 | 6.07 | 5.82 | 09/30/2007 | 5.04 | 5.12 | 5.25 | 5.22 |
| 03/31/2008 | 5.35 | 6.06 | 6.09 | 6.09 | 12/31/2007 | 5.06 | 5.07 | 5.24 | 5.20 |
| 06/30/2008 | 6.71 | 6.09 | 6.11 | 6.36 | 03/31/2008 | 5.05 | 5.01 | 5.23 | 5.17 |
| 09/30/2008 | 7.21 | 6.12 | 6.13 | 6.65 | 06/30/2008 | 5.41 | 4.96 | 5.22 | 5.15 |
| Annual Rate of Change | | 1.9% | 1.2% | 19.3% | | | -4.2% | -0.7% | -1.8% |
| Coefficient of Determination (R2) | | 8.5% | 1.4% | 39.3% | | | 47.5% | 3.4% | 5.1% |
| Selected Annual Rate of Change | | | | 0.0% | | | | | |
| Projected Average Date of Loss for the Period the Proposed Rates will be in Effect | | | | 05/01/2010 | | | | | |

Factors To Adjust Data Based on a 05/01/2009 Effective Date

| Experience Period | Midpoint of Experience Period | Prospective Trend Period (months) | Frequency Factor | |
|----------------------|-------------------------------------|--|---------------------|---------------------------|
| | | | From | Midpoint to 05/01/2010 |
| 09/30/2004 | 03/31/2004 | 73.1 | | 1.000 |
| 09/30/2005 | 03/31/2005 | 61.1 | | 1.000 |
| 09/30/2006 | 03/31/2006 | 49.1 | | 1.000 |
| 09/30/2007 | 03/31/2007 | 37.1 | | 1.000 |
| 09/30/2008 | 03/31/2008 | 25.0 | | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Development of Loss Trend Factors
Dwelling Policy Forms
Severity Trend
Exponential Fit

| Calendar Year Ending | Travelers Statewide | | | | Calendar Year Ending | Industry Fastrack Statewide | | | |
|---|---------------------|--------|-------|------------|----------------------------|-----------------------------|-------|-------|-------|
| | Actual | 20 PT | 12 PT | 6 PT | | Actual | 20 PT | 12 PT | 6 PT |
| 12/31/2003 | 4,715 | 5,013 | | | 09/30/2003 | 4,542 | 4,393 | | |
| 03/31/2004 | 4,816 | 5,202 | | | 12/31/2003 | 4,494 | 4,500 | | |
| 06/30/2004 | 4,769 | 5,399 | | | 03/31/2004 | 4,531 | 4,609 | | |
| 09/30/2004 | 5,483 | 5,603 | | | 06/30/2004 | 4,666 | 4,721 | | |
| 12/31/2004 | 5,287 | 5,814 | | | 09/30/2004 | 4,682 | 4,836 | | |
| 03/31/2005 | 5,892 | 6,034 | | | 12/31/2004 | 4,822 | 4,954 | | |
| 06/30/2005 | 7,327 | 6,262 | | | 03/31/2005 | 5,090 | 5,074 | | |
| 09/30/2005 | 6,637 | 6,499 | | | 06/30/2005 | 5,178 | 5,197 | | |
| 12/31/2005 | 6,747 | 6,744 | 7,783 | | 09/30/2005 | 5,342 | 5,323 | 5,437 | |
| 03/31/2006 | 7,184 | 6,999 | 7,896 | | 12/31/2005 | 5,668 | 5,453 | 5,552 | |
| 06/30/2006 | 6,738 | 7,263 | 8,011 | | 03/31/2006 | 5,741 | 5,585 | 5,670 | |
| 09/30/2006 | 7,804 | 7,538 | 8,127 | | 06/30/2006 | 5,843 | 5,721 | 5,791 | |
| 12/31/2006 | 9,676 | 7,822 | 8,246 | | 09/30/2006 | 5,830 | 5,859 | 5,914 | |
| 03/31/2007 | 10,393 | 8,118 | 8,366 | | 12/31/2006 | 5,981 | 6,002 | 6,039 | |
| 06/30/2007 | 10,940 | 8,424 | 8,487 | 11,097 | 03/31/2007 | 6,079 | 6,148 | 6,168 | 6,136 |
| 09/30/2007 | 10,955 | 8,743 | 8,611 | 10,164 | 06/30/2007 | 6,236 | 6,297 | 6,299 | 6,279 |
| 12/31/2007 | 9,009 | 9,073 | 8,736 | 9,309 | 09/30/2007 | 6,586 | 6,450 | 6,432 | 6,425 |
| 03/31/2008 | 8,161 | 9,416 | 8,863 | 8,525 | 12/31/2007 | 6,601 | 6,606 | 6,569 | 6,575 |
| 06/30/2008 | 7,480 | 9,771 | 8,992 | 7,808 | 03/31/2008 | 6,676 | 6,767 | 6,708 | 6,729 |
| 09/30/2008 | 7,582 | 10,140 | 9,123 | 7,151 | 06/30/2008 | 6,855 | 6,931 | 6,851 | 6,886 |
| Annual Rate of Change | | 16.0% | 5.9% | -29.6% | | | 10.1% | 8.8% | 9.7% |
| Coefficient of Determination (R2) | | 66.1% | 8.2% | 90.6% | | | 98.2% | 96.7% | 91.7% |
| Selected Annual Rate of Change | | | | 0.0% | | | | | |
| Projected Average Date of Loss for the Period the Proposed Rates will be in Effect | | | | 05/01/2010 | | | | | |

Factors To Adjust Data Based on a 05/01/2009 Effective Date

| Experience Period | Midpoint of Experience Period | Prospective Trend Period (months) | Severity Factor | | Frequency x Severity Factor |
|----------------------|-------------------------------------|--|--------------------|---------------------------|--------------------------------|
| | | | From | Midpoint to 05/01/2010 | |
| 09/30/2004 | 03/31/2004 | 73.1 | | 1.000 | 1.000 |
| 09/30/2005 | 03/31/2005 | 61.1 | | 1.000 | 1.000 |
| 09/30/2006 | 03/31/2006 | 49.1 | | 1.000 | 1.000 |
| 09/30/2007 | 03/31/2007 | 37.1 | | 1.000 | 1.000 |
| 09/30/2008 | 03/31/2008 | 25.0 | | 1.000 | 1.000 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
 THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
 THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Average Premium Trend
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| Experience Period Ending: | Average Premium | Fitted Average Premium (Straight Line) |
|---|--------------------|--|
| 09/30/2004 | 886.99 | 894.72 |
| 09/30/2005 | 944.66 | 923.86 |
| 09/30/2006 | 940.17 | 952.99 |
| 09/30/2007 | 976.28 | 982.13 |
| 09/30/2008 | 1,016.85 | 1,011.26 |
| (1) Average Historical Annual Increment of Change: | | 29.13 |
| (2) Average Annual Increment of Change Tempered 0.75: | | 21.85 |
| (3) Selected Annual Increment of Change: | | 21.85 |
| Current Annual Rate = | 2.2% | |
| (4) Average Earned Date Underlying Proposed Rates: (Effective Date = 05/01/2009) | | 05/01/2010 |
| (5) Prospective Trend Period (months) (Midpoint of Experience Period to Average Earned Date) | | 25.0 |
| (6) Increment to Bring 09/30/2008 Average Premium to 05/01/2010: [(3) * [(5) / 12]] | | 45.46 |
| (7) Projected Average Premium at 05/01/2010: | | 1,056.72 |

CALCULATION OF PREMIUM TREND FACTORS

| Experience Period Ending: | Midpoint of Experience Period | Fitted Average Premium | Premium Trend Factors |
|---------------------------------|-------------------------------------|---------------------------|-----------------------------|
| 09/30/2004 | 03/31/2004 | 894.72 | 1.181 |
| 09/30/2005 | 03/31/2005 | 923.86 | 1.144 |
| 09/30/2006 | 03/31/2006 | 952.99 | 1.109 |
| 09/30/2007 | 03/31/2007 | 982.13 | 1.076 |
| 09/30/2008 | 03/31/2008 | 1,011.26 | 1.045 |

ARKANSAS HOMEOWNERS

Catastrophe Losses

Explanation of Catastrophe Losses

In an effort to avoid sharp fluctuations in our rate level adjustments and maintain a degree of stability, we have given catastrophe losses a special treatment in the ratemaking process.

Catastrophes are estimated separately by hurricane vs. non-hurricane losses.

Non-Hurricane Catastrophes:

The industry defines a catastrophe as an occurrence such as a hailstorm, windstorm, tornado, hurricane, etc., which results in property losses of \$25,000,000 or more.¹ Each catastrophe is accorded a serial number by the Insurance Services Office for identification purposes. This identification makes it possible for each insurance company to summarize the losses due to these types of occurrences in a particular year. One of our underlying assumptions in ratemaking is that past loss experience can be utilized as an indication of the future loss experience. While this is a reasonable assumption for regular property losses, we believe catastrophe losses are extraordinary events that will probably not re-occur with the same degree of frequency as regular losses. Therefore, we give such catastrophe losses special treatment.

We first eliminate all catastrophe losses from the five-year experience period leaving only non-cat losses in the experience. We develop the five-year indicated non-cat loss ratio by considering only these losses. To this non-cat loss ratio, the Catastrophe Loss Factor is applied to produce the indicated loss ratio including catastrophes.

Since catastrophes are rare events, it is necessary that the computation of the catastrophe loading be based upon a long period of experience. In determining the Catastrophe Loss Factor, we have utilized all of the Homeowners experience from 1966 - 2007. The Catastrophe Loss Factor is calculated by relating the catastrophe losses to the non-cat losses. Page 3 of this exhibit sets forth the actual calculation.

Hurricane Catastrophe Losses:

The Travelers utilizes hurricane modeling techniques to determine best estimates of exposure to loss. The model used is provided by a third party vendor, and gives resulting permissible losses specific to the current book of business.

Using the most recent exposure distribution, the average permissible loss ratio due to hurricanes for the state of Arkansas Homeowners is 4.2%. This loss ratio is added to the non-cat loss ratio adjusted for non-hurricane catastrophe losses to obtain the indicated total loss ratio.

1. \$25,000,000 of property losses as the definition of catastrophe has been in effect since January 1, 1997. The previous definition of \$5,000,000 of property losses was in use from January 1, 1982 to December 31, 1996. All previous catastrophes are defined as \$1,000,000 or more of property losses.

ARKANSAS HOMEOWNERS

All Companies Combined

Dwelling, Tenant & Condominium Policy Forms
Development of Weighted Catastrophe Loss Multiplier

| Calendar Year Ending 12/31 | Total Incurred Losses (2)+(3)+(4)+(5) | Hurricane Losses | Earthquake Losses | Other Cat. Losses | Non-Cat. Incurred Losses |
|-------------------------------------|---|---------------------|----------------------|----------------------|-----------------------------|
| | (1) | (2) | (3) | (4) | (5) |
| 1966 | 210,715 | 0 | 0 | 3,913 | 206,802 |
| 1967 | 267,765 | 0 | 0 | 20,977 | 246,788 |
| 1968 | 281,720 | 0 | 0 | 101,427 | 180,293 |
| 1969 | 286,716 | 0 | 0 | -404 | 287,120 |
| 1970 | 376,425 | 0 | 0 | 12,503 | 363,922 |
| 1971 | 415,374 | 0 | 0 | 24,141 | 391,233 |
| 1972 | 676,316 | 0 | 0 | 191,152 | 485,164 |
| 1973 | 578,880 | 0 | 0 | 182,109 | 396,771 |
| 1974 | 686,097 | 0 | 0 | 43,078 | 643,019 |
| 1975 | 1,090,266 | 0 | 0 | 354,884 | 735,382 |
| 1976 | 655,264 | 0 | 0 | 254,326 | 400,938 |
| 1977 | 628,267 | 0 | 0 | 12,435 | 615,832 |
| 1978 | 526,587 | 0 | 0 | 51,049 | 475,538 |
| 1979 | 549,086 | 0 | 0 | 64,241 | 484,845 |
| 1980 | 546,537 | 0 | 0 | 212,233 | 334,304 |
| 1981 | 867,611 | 0 | 0 | 95,268 | 772,343 |
| 1982 | 1,133,784 | 0 | 0 | 140,261 | 993,523 |
| 1983 | 1,729,237 | 0 | 0 | 247,317 | 1,481,920 |
| 1984 | 2,831,410 | 0 | 0 | 326,349 | 2,505,061 |
| 1985 | 4,459,262 | 0 | 0 | 134,592 | 4,324,670 |
| 1986 | 7,814,946 | 0 | 0 | 535,735 | 7,279,211 |
| 1987 | 6,636,713 | 0 | 0 | 341,826 | 6,294,887 |
| 1988 | 2,922,580 | 0 | 0 | 407,400 | 2,515,180 |
| 1989 | 3,399,560 | 0 | 0 | 1,055,941 | 2,343,619 |
| 1990 | 2,172,456 | 0 | 0 | 323,004 | 1,849,452 |

ARKANSAS HOMEOWNERS

All Companies Combined

Dwelling, Tenant & Condominium Policy Forms
Development of Weighted Catastrophe Loss Multiplier

| Calendar Year Ending 12/31 | Total Incurred Losses (2)+(3)+(4)+(5) | Hurricane Losses | Earthquake Losses | Other Cat. Losses | Non-Cat. Incurred Losses |
|-------------------------------------|--|---------------------|----------------------|----------------------|-----------------------------|
| | (1) | (2) | (3) | (4) | (5) |
| 1991 | 803,043 | 0 | 0 | 148,362 | 654,681 |
| 1992 | 297,724 | 0 | 0 | 11,533 | 286,191 |
| 1993 | 18,152 | 0 | 0 | 0 | 18,152 |
| 1994 | 33,681 | 0 | 0 | 0 | 33,681 |
| 1995 | 45,350 | 0 | 0 | 0 | 45,350 |
| 1996 | 16,622 | 0 | 0 | 3,250 | 13,372 |
| 1997 | 94,083 | 0 | 0 | 3,376 | 90,707 |
| 1998 | 140,013 | 0 | 0 | 21,130 | 118,883 |
| 1999 | 1,226,638 | 0 | 0 | 247,702 | 978,936 |
| 2000 | 667,848 | 0 | 0 | 85,139 | 582,709 |
| 2001 | 928,813 | 0 | 0 | 260,322 | 668,491 |
| 2002 | 1,322,681 | 0 | 0 | 120,703 | 1,201,978 |
| 2003 | 2,845,528 | 0 | 0 | 159,373 | 2,686,155 |
| 2004 | 4,007,483 | 0 | 0 | 301,816 | 3,705,667 |
| 2005 | 7,590,058 | 357,668 | 0 | 235,707 | 6,996,683 |
| 2006 | 12,961,298 | 127,285 | 0 | 1,737,918 | 11,096,095 |
| 2007 | 9,496,630 | 0 | 0 | 607,031 | 8,889,599 |
| Total | 84,239,219 | 484,953 | 0 | 9,079,119 | 74,675,147 |
| (6) | Ratio of Total "Other Cat." Losses to Total "Non-Cat." Losses: | | | | 0.122 |
| (7) | Weighted Catastrophe Loss Multiplier [WCLM = 1 + (6)]: | | | | 1.122 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Estimated Investment Earnings

| A. | <u>Unearned Premium Reserve</u> | <u>Homeowners</u> |
|----|--|-------------------|
| | 1. Direct Earned Premium | 14,657,794 |
| | 2. Direct Mean Unearned Premium Reserve <i>(See Page 3)</i> | 7,685,955 |
| | 3. Deduction for Prepaid Expenses | |
| | (A) Commissions | 0.2270 |
| | (B) Taxes, Licenses, and Fees | 0.0267 |
| | (C) Other Acquisition (50%) | 0.0188 |
| | (D) General (50%) | 0.0332 |
| | (E) Total | 0.3057 |
| | 4. Deduction for Federal Taxes <i>(See Page 3)</i> | (74,098) |
| | 5. Deduction for Prepaid Expenses in dollars <i>(See Page 3)</i> | 2,349,553 |
| | 6. Net Subject to Investment <i>(See Page 3)</i> | 5,410,500 |
| B. | <u>Delayed Remission of Premium</u> | |
| | 1. Average Agent's Balance <i>(See Page 3)</i> | 28.2% |
| | 2. Amount of Deduction <i>(See Page 3)</i> | 4,133,498 |
| C. | <u>Loss + LAE Reserve</u> | |
| | 1. Direct Earned Premium (A1) | 14,657,794 |
| | 2. Permissible Incurred Loss + LAE <i>(See Page 4)</i> | |
| | 0.5123 x (1) | 7,509,326 |
| | 3. Expected Mean Loss + LAE Reserve <i>(See Page 4)</i> | |
| | 0.6733 x (2) | 5,056,303 |
| | 4. Deduction for Federal Taxes <i>(See Page 5)</i> | 139,062 |
| | 5. Loss & Reserve Subject to Investment | 4,917,241 |
| D. | <u>Policyholders' Surplus</u> <i>(See Page 6)</i> | 14,465,000 |
| E. | <u>Net Subject to Investment</u> <i>(See Page 4)</i> | 20,659,243 |
| | (A6) - (B2) + (C5) + (D) | |
| F. | <u>Average Rate of Return</u> <i>(See Page 6)</i> | 4.8% |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Estimated Investment Earnings

| | <u>Homeowners</u> |
|---|-------------------|
| G. <u>Projected Investment Earnings</u> | 991,644 |
| H. <u>Before Tax Return on Earned Premium</u> | 6.8% |
| I. <u>Federal Income Tax Provision</u> (See Page 6) | 24.9% |
| J. <u>After-Tax Return on Earned Premium</u> | 5.1% |
| K. <u>After-Tax Target Return on Earned Premium</u> (See Page 6) | 14.8% |
| L. <u>After-Tax Target Underwriting Profit (% of EP)</u> | 9.7% |
| M. <u>Before-Tax Target Underwriting Profit (% of EP)</u> (Assuming a tax rate of 35%) | 14.9% |
| N. <u>Selected Before-Tax Target Underwriting Profit</u> | 13.0% |

The Surplus Allocation exhibit requires a 14.8% return on earned premium from underwriting and investment activities. Since the after-tax return on homeowners earned premium from investment income is 5.1%, the difference of 9.7% is the projected underwriting after-tax gain. Assuming a tax rate of 35%, the before-tax underwriting profit is 14.9% as a percentage of earned premium.

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Calculation of Investment Income Adjustment Factors
Explanatory Notes of Calculation of Investment Income Adjustment Factors

A. Unearned Premium Reserve

1. Direct Earned Premium from page 14 of the annual statement for the calendar-year 2007.

2. Direct Mean Unearned Premium Reserve

| | |
|---|--------------------------------|
| a. Direct unearned premium reserve as of 12/06 | <u>Homeowners</u> 8,215,225 |
| b. Direct unearned premium reserve as of 12/07 | 7,156,684 |
| c. Direct mean unearned premium reserve (a + b)/2 | 7,685,955 |

3. Deduction for Prepaid Expenses: Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expense, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures, as shown.

4. Revenue Offset: The Internal Revenue Code allows only 80% of the change in unearned premium reserve as a deduction. The limitation of the deduction is accomplished through an adjustment to statutory income whereby 20% of the unearned premium reserve change is added to statutory income for tax purposes.

a. Homeowners: $.35 \times .20 \times (7156684 - 8215225) =$ (74,098)

5. Line (2) x (3E)

6. Net Subject to Investment (2)-(4)-(5)

B. Delayed Remission of Premium

1. Average Uncollected Balance: The ratio used is the countrywide mean premium and agents' balance in the course of collection as a percentage of earned premium. (Source: Annual Statement)

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>Total</u> |
|--|----------------|----------------|----------------|----------------|
| Premiums & agents' balance | 1,139,045,538 | 1,187,699,182 | 1,171,517,035 | 3,498,261,755 |
| Premiums, agents' balances, & installments booked but deferred and not yet due | 4,388,886,339 | 4,561,569,509 | 4,261,991,089 | 13,212,446,937 |
| Total | 5,527,931,877 | 5,749,268,691 | 5,433,508,124 | 16,710,708,692 |
| Earned Premium | 19,306,241,118 | 19,699,572,370 | 20,319,183,986 | 59,324,997,474 |
| Ratio | 28.6% | 29.2% | 26.7% | 28.2% |

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Calculation of Investment Income Adjustment Factors
Explanatory Notes of Calculation of Investment Income Adjustment Factors

C. Loss + LAE Reserve: Determined by multiplying the expected incurred Loss + LAE by the ratio of the direct mean Loss + LAE reserve to the direct incurred Loss + LAE. This countrywide ratio is determined as follows: (See Page 6)

1. Direct Earned Premium from Page 14 of the Annual Statement.

2. Permissible Incurred Loss + LAE = Expected Loss Ratio x Line C1 by line

3. Expected Mean Loss + LAE = ((Direct Mean Loss + LAE) / Direct Incurred Loss + LAE) x C2

| | <u>Homeowners</u> |
|--|-------------------|
| a. Direct Paid Loss + LAE for 2007 | 1,142,152,119 |
| b. Direct Loss + LAE Reserve as of 12/06 | 781,286,947 |
| c. Direct Loss + LAE Reserve as of 12/07 | 851,867,793 |
| d. Direct Incurred Loss + LAE = a - b + c | 1,212,732,964 |
| e. Direct Mean Loss + LAE Reserve = (b +c)/2 | 816,577,370 |
| f. State Reserve Ratio = e / d | 0.6733 |

4. Deduction for Federal Taxes (See Page 5)

5. Loss Reserve Subject to Investment = C3 - C4

D. Policyholders' Surplus (See Page 6)

E. Net Subject to Investment = A6 - B2 + C5 + D

F. Average Rate of Return (See Page 6)

G. Projected Investment Earnings = E x F

H. Before-Tax Return of Earned Premium = G / A1

I. Federal Income Tax Provision (See Page 6)

K. After-Tax Target Return on Earned Premium (See Page 6)

L. After-Tax Target Underwriting Profit = K - J

J. After-Tax Return on Earned Premium = (G - (G x I)) / Direct Earned Premium

M. Before-Tax Target Underwriting Profit = L / 0.35 (Assuming a tax rate of 35%)

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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Calculation of Investment Income Adjustment Factors
Deduction for Federal Taxes Payable on Loss Reserves

| Homeowner's (<i>Countrywide</i>) | Statutory Reserves (<i>Undiscounted</i>) | | Tax Reserves (<i>Discounted</i>) | |
|--|--|-------------|------------------------------------|-------------|
| | 2006 | 2007 | 2006 | 2007 |
| <u>Year of Loss</u> | | | | |
| 1996 & Prior | 6,850,011 | 2,066,761 | 6,420,586 | 1,995,956 |
| 1997 | 1,868,797 | 969,850 | 1,658,286 | 886,370 |
| 1998 | 1,892,054 | 1,386,583 | 1,631,284 | 1,230,834 |
| 1999 | 2,293,854 | 517,765 | 1,948,870 | 446,504 |
| 2000 | 2,424,524 | 1,596,555 | 2,051,586 | 1,363,369 |
| 2001 | 4,595,996 | 2,813,249 | 3,973,183 | 2,385,984 |
| 2002 | 9,638,008 | 4,252,386 | 8,090,549 | 3,691,220 |
| 2003 | 17,935,425 | 7,954,199 | 15,863,507 | 6,762,183 |
| 2004 | 34,165,548 | 14,803,018 | 30,365,348 | 13,220,250 |
| 2005 | 208,277,800 | 204,496,172 | 187,090,533 | 183,329,591 |
| 2006 | 336,735,600 | 75,261,827 | 313,135,149 | 68,313,053 |
| 2007 | | 373,925,948 | | 349,514,566 |
| Total | 626,677,617 | 690,044,314 | 572,228,881 | 633,139,880 |
| | | | <u>2006</u> | <u>2007</u> |
| | | | 0.9131 | 0.9175 |
| Ratio of Discounted to Statutory Reserves: | | | | |
| Arkansas Liability Loss + ALAE Reserve as of 12/06 x 1.178 = | | | | 4,816,014 |
| Arkansas Liability Loss + ALAE Reserve as of 12/07 x 1.178 = | | | | 3,856,308 |
| Deduction for Federal Taxes Payable = | | | | 139,062 |
| .35 x [4816014 - 0 - (4816014 x 0.9175) + (0 x 0.9131)] = | | | | |

ARKANSAS HOMEOWNERS

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Calculation of Investment Income Adjustment Factors
Surplus Allocation

| | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|----------------|----------------|----------------|
| 1. Year End Property Casualty Policyholder Surplus | 17,226,532,794 | 20,155,707,469 | 22,182,414,313 |
| 2. Net Written Premium | 19,289,915,748 | 20,061,740,575 | 20,411,528,208 |
| 3. Premium to Surplus Ratio | 1.12 | 1.00 | 0.92 |
| 4. Three Year Average | | | 1.01 |
| 5. Earned Premium | | | 14,657,794 |
| 6. Allocated Equity | | | 14,465,000 |
| 7. Target Return on Equity | | | 15.0% |
| 8. Return on Earned Premium | | | 14.8% |

The average rate of return is based on the two year average ratio of net investment income to invested assets.

Source: Annual Statement

| | <u>2006</u> | <u>2007</u> | <u>Total</u> |
|---------------------------------|----------------|----------------|-----------------|
| 1. Net Investment Income Earned | 3,119,291,151 | 3,470,191,686 | 6,589,482,837 |
| 2. Net Realized Capital Gains | (261,223,519) | (80,577,971) | (341,801,490) |
| 3. Invested Assets | 64,560,270,033 | 66,404,637,019 | 130,964,907,052 |
| 4. Ratio | 4.4% | 5.1% | 4.8% |

Federal Income Tax Provision

Detailed below is the calculation of the federal income tax rate on net investment income earned for The Travelers Property Casualty Corp. for 2007

| | (In Thousands) |
|--|----------------|
| 1. Statutory net investment income | 4,578,336 |
| 2. Tax exempt interest | (1,539,865) |
| 3. 70% Dividends received deduction | (11,877) |
| 4. 42% Dividends received deduction | (2,431) |
| 5. 15% Proration adj. on TEI | 232,149 |
| 6. Other Adjustments | 3,256,312 |
| 7. Taxable net investment income (1+2+3+4+5+6) | 1,139,709 |
| 8. Tax on net investment income (7 x .35) | 24.9% |
| 9. FIT rate on NII (8 / 1) | |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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Trended Ultimate Losses
 Dwelling Policy Forms

Near Standard, Preferred, Regular, Super Preferred

| Accident Year Ending 9/30 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------|------------|------------|------------|------------|
| (1) Earned Premium | 8,330,872 | 11,175,327 | 13,605,620 | 14,729,062 | 12,880,175 |
| (2) Earned Premium at Current Rates Factor | 1.251 | 1.211 | 1.137 | 1.111 | 1.044 |
| (3) Earned Premium at Current Rates (1) x (2) | 10,418,675 | 13,532,550 | 15,462,814 | 16,362,664 | 13,446,010 |
| (4) Premium Trend Factor | 1.179 | 1.142 | 1.107 | 1.074 | 1.043 |
| (5) Trended Earned Premium at Current Rates (3) x (4) | 12,285,559 | 15,454,175 | 17,118,691 | 17,577,535 | 14,028,191 |
| (6) Incurred Losses & ALAE | 3,560,570 | 6,787,571 | 9,947,307 | 7,059,461 | 10,167,313 |
| (7) Loss Development Factor | 1.000 | 1.001 | 1.001 | 1.001 | 1.087 |
| (8) Ultimate Losses & ALAE (6) x (7) | 3,560,570 | 6,792,273 | 9,954,197 | 7,064,351 | 11,054,939 |
| (9) Unallocated Factor + 1.000 | 1.178 | 1.178 | 1.178 | 1.178 | 1.178 |
| (10) Ultimate Losses & LAE (8) x (9) | 4,194,351 | 8,001,297 | 11,726,044 | 8,321,805 | 13,022,718 |
| (11) Loss Trend Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| (12) Trended Ultimate Losses & LAE (10) x (11) | 4,194,351 | 8,001,297 | 11,726,044 | 8,321,805 | 13,022,718 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Super Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 651 | 781 |
| 2 | 651 | 781 |
| 3 | 634 | 760 |
| 4 | 398 | 477 |
| 5 | 634 | 760 |
| 6 | 447 | 536 |
| 7 | 447 | 536 |
| 8 | 634 | 760 |
| 9 | 651 | 781 |
| 10 | 651 | 781 |
| 11 | 651 | 781 |
| 12 | 645 | 774 |
| 13 | 651 | 781 |
| 14 | 664 | 796 |
| 15 | 470 | 564 |
| 16 | 832 | 998 |
| 17 | 651 | 781 |
| 18 | 736 | 883 |
| 19 | 651 | 781 |
| 20 | 651 | 781 |
| 21 | 557 | 668 |
| 22 | 464 | 556 |
| 23 | 470 | 564 |
| 24 | 651 | 781 |
| 25 | 651 | 781 |
| 26 | 483 | 579 |
| 27 | 630 | 756 |
| 28 | 670 | 804 |
| 29 | 651 | 781 |
| 33 | 646 | 775 |
| 37 | 651 | 781 |
| 38 | 651 | 781 |
| 39 | 658 | 789 |
| 40 | 713 | 855 |
| 44 | 713 | 855 |
| 45 | 713 | 855 |
| 46 | 651 | 781 |
| 47 | 672 | 806 |
| 48 | 651 | 781 |
| 49 | 651 | 781 |
| 50 | 531 | 637 |
| 51 | 634 | 760 |
| 52 | 634 | 760 |
| 53 | 651 | 781 |
| 54 | 786 | 943 |
| 55 | 651 | 781 |
| 56 | 651 | 781 |
| 57 | 651 | 781 |
| 58 | 651 | 781 |
| 59 | 432 | 518 |
| 60 | 479 | 574 |
| 61 | 657 | 788 |
| 62 | 651 | 781 |
| 63 | 651 | 781 |
| 64 | 628 | 753 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Super Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 651 | 781 |
| 66 | 651 | 781 |
| 67 | 507 | 608 |
| 68 | 645 | 774 |
| 69 | 675 | 810 |
| 70 | 458 | 549 |
| 71 | 645 | 774 |
| 72 | 651 | 781 |
| 73 | 649 | 778 |
| 74 | 651 | 781 |
| 75 | 651 | 781 |
| 76 | 651 | 781 |
| 77 | 447 | 536 |
| 78 | 537 | 644 |
| 79 | 405 | 486 |
| 80 | 625 | 750 |
| 81 | 651 | 781 |
| 82 | 651 | 781 |
| 83 | 515 | 618 |
| 84 | 515 | 618 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 853 | 1023 |
| 2 | 853 | 1023 |
| 3 | 830 | 996 |
| 4 | 520 | 624 |
| 5 | 830 | 996 |
| 6 | 586 | 703 |
| 7 | 586 | 703 |
| 8 | 830 | 996 |
| 9 | 853 | 1023 |
| 10 | 853 | 1023 |
| 11 | 853 | 1023 |
| 12 | 843 | 1011 |
| 13 | 853 | 1023 |
| 14 | 868 | 1041 |
| 15 | 615 | 738 |
| 16 | 1088 | 1305 |
| 17 | 853 | 1023 |
| 18 | 964 | 1156 |
| 19 | 853 | 1023 |
| 20 | 853 | 1023 |
| 21 | 729 | 874 |
| 22 | 608 | 729 |
| 23 | 615 | 738 |
| 24 | 853 | 1023 |
| 25 | 853 | 1023 |
| 26 | 633 | 759 |
| 27 | 825 | 990 |
| 28 | 876 | 1051 |
| 29 | 853 | 1023 |
| 33 | 845 | 1014 |
| 37 | 853 | 1023 |
| 38 | 853 | 1023 |
| 39 | 862 | 1034 |
| 40 | 932 | 1118 |
| 44 | 932 | 1118 |
| 45 | 932 | 1118 |
| 46 | 853 | 1023 |
| 47 | 879 | 1054 |
| 48 | 853 | 1023 |
| 49 | 853 | 1023 |
| 50 | 695 | 834 |
| 51 | 830 | 996 |
| 52 | 830 | 996 |
| 53 | 853 | 1023 |
| 54 | 1030 | 1236 |
| 55 | 853 | 1023 |
| 56 | 853 | 1023 |
| 57 | 853 | 1023 |
| 58 | 853 | 1023 |
| 59 | 566 | 679 |
| 60 | 627 | 752 |
| 61 | 861 | 1033 |
| 62 | 853 | 1023 |
| 63 | 853 | 1023 |
| 64 | 822 | 986 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARFORD, CONNECTICUT
THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Territory Base Rate Revisions
Dwelling - Preferred

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 853 | 1023 |
| 66 | 853 | 1023 |
| 67 | 664 | 796 |
| 68 | 843 | 1011 |
| 69 | 884 | 1060 |
| 70 | 600 | 720 |
| 71 | 843 | 1011 |
| 72 | 853 | 1023 |
| 73 | 849 | 1018 |
| 74 | 853 | 1023 |
| 75 | 853 | 1023 |
| 76 | 853 | 1023 |
| 77 | 586 | 703 |
| 78 | 701 | 841 |
| 79 | 530 | 636 |
| 80 | 819 | 982 |
| 81 | 853 | 1023 |
| 82 | 853 | 1023 |
| 83 | 674 | 808 |
| 84 | 674 | 808 |

ARKANSAS HOMEOWNERS

THE STANDARD FIRE INSURANCE COMPANY
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THE TRAVELERS INDEMNITY COMPANY OF AMERICA

Territory Base Rate Revisions
Dwelling - Regular

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 1031 | 1237 |
| 2 | 1031 | 1237 |
| 3 | 1004 | 1204 |
| 4 | 629 | 754 |
| 5 | 1004 | 1204 |
| 6 | 709 | 850 |
| 7 | 709 | 850 |
| 8 | 1004 | 1204 |
| 9 | 1031 | 1237 |
| 10 | 1031 | 1237 |
| 11 | 1031 | 1237 |
| 12 | 1020 | 1224 |
| 13 | 1031 | 1237 |
| 14 | 1050 | 1260 |
| 15 | 744 | 892 |
| 16 | 1315 | 1578 |
| 17 | 1031 | 1237 |
| 18 | 1164 | 1396 |
| 19 | 1031 | 1237 |
| 20 | 1031 | 1237 |
| 21 | 881 | 1057 |
| 22 | 734 | 880 |
| 23 | 744 | 892 |
| 24 | 1031 | 1237 |
| 25 | 1031 | 1237 |
| 26 | 764 | 916 |
| 27 | 999 | 1198 |
| 28 | 1058 | 1269 |
| 29 | 1031 | 1237 |
| 33 | 1022 | 1226 |
| 37 | 1031 | 1237 |
| 38 | 1031 | 1237 |
| 39 | 1043 | 1251 |
| 40 | 1127 | 1352 |
| 44 | 1127 | 1352 |
| 45 | 1127 | 1352 |
| 46 | 1031 | 1237 |
| 47 | 1063 | 1275 |
| 48 | 1031 | 1237 |
| 49 | 1031 | 1237 |
| 50 | 840 | 1008 |
| 51 | 1004 | 1204 |
| 52 | 1004 | 1204 |
| 53 | 1031 | 1237 |
| 54 | 1245 | 1494 |
| 55 | 1031 | 1237 |
| 56 | 1031 | 1237 |
| 57 | 1031 | 1237 |
| 58 | 1031 | 1237 |
| 59 | 684 | 820 |
| 60 | 758 | 909 |
| 61 | 1041 | 1249 |
| 62 | 1031 | 1237 |
| 63 | 1031 | 1237 |
| 64 | 994 | 1192 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Regular

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 1031 | 1237 |
| 66 | 1031 | 1237 |
| 67 | 802 | 962 |
| 68 | 1020 | 1224 |
| 69 | 1069 | 1282 |
| 70 | 725 | 870 |
| 71 | 1020 | 1224 |
| 72 | 1031 | 1237 |
| 73 | 1026 | 1231 |
| 74 | 1031 | 1237 |
| 75 | 1031 | 1237 |
| 76 | 1031 | 1237 |
| 77 | 709 | 850 |
| 78 | 849 | 1018 |
| 79 | 642 | 770 |
| 80 | 989 | 1186 |
| 81 | 1031 | 1237 |
| 82 | 1031 | 1237 |
| 83 | 815 | 978 |
| 84 | 815 | 978 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Near Standard

| Territory | Current | Proposed |
|-----------|---------|----------|
| 1 | 1547 | 1856 |
| 2 | 1547 | 1856 |
| 3 | 1506 | 1807 |
| 4 | 944 | 1132 |
| 5 | 1506 | 1807 |
| 6 | 1063 | 1275 |
| 7 | 1063 | 1275 |
| 8 | 1506 | 1807 |
| 9 | 1547 | 1856 |
| 10 | 1547 | 1856 |
| 11 | 1547 | 1856 |
| 12 | 1530 | 1836 |
| 13 | 1547 | 1856 |
| 14 | 1576 | 1891 |
| 15 | 1116 | 1339 |
| 16 | 1973 | 2367 |
| 17 | 1547 | 1856 |
| 18 | 1747 | 2096 |
| 19 | 1547 | 1856 |
| 20 | 1547 | 1856 |
| 21 | 1323 | 1587 |
| 22 | 1103 | 1323 |
| 23 | 1116 | 1339 |
| 24 | 1547 | 1856 |
| 25 | 1547 | 1856 |
| 26 | 1148 | 1377 |
| 27 | 1498 | 1797 |
| 28 | 1589 | 1906 |
| 29 | 1547 | 1856 |
| 33 | 1534 | 1840 |
| 37 | 1547 | 1856 |
| 38 | 1547 | 1856 |
| 39 | 1563 | 1875 |
| 40 | 1691 | 2029 |
| 44 | 1691 | 2029 |
| 45 | 1691 | 2029 |
| 46 | 1547 | 1856 |
| 47 | 1595 | 1914 |
| 48 | 1547 | 1856 |
| 49 | 1547 | 1856 |
| 50 | 1261 | 1513 |
| 51 | 1506 | 1807 |
| 52 | 1506 | 1807 |
| 53 | 1547 | 1856 |
| 54 | 1868 | 2241 |
| 55 | 1547 | 1856 |
| 56 | 1547 | 1856 |
| 57 | 1547 | 1856 |
| 58 | 1547 | 1856 |
| 59 | 1025 | 1230 |
| 60 | 1138 | 1365 |
| 61 | 1560 | 1872 |
| 62 | 1547 | 1856 |
| 63 | 1547 | 1856 |
| 64 | 1491 | 1789 |

ARKANSAS HOMEOWNERS

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Territory Base Rate Revisions
Dwelling - Near Standard

| Territory | Current | Proposed |
|-----------|---------|----------|
| 65 | 1547 | 1856 |
| 66 | 1547 | 1856 |
| 67 | 1203 | 1443 |
| 68 | 1530 | 1836 |
| 69 | 1602 | 1922 |
| 70 | 1087 | 1304 |
| 71 | 1530 | 1836 |
| 72 | 1547 | 1856 |
| 73 | 1540 | 1848 |
| 74 | 1547 | 1856 |
| 75 | 1547 | 1856 |
| 76 | 1547 | 1856 |
| 77 | 1063 | 1275 |
| 78 | 1274 | 1528 |
| 79 | 963 | 1155 |
| 80 | 1485 | 1782 |
| 81 | 1547 | 1856 |
| 82 | 1547 | 1856 |
| 83 | 1222 | 1466 |
| 84 | 1222 | 1466 |