

<i>SERFF Tracking Number:</i>	<i>LBRM-126148581</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Safeco Insurance Company of America</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>PL-09-NHC-AR</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Rate Revision/PL-09-NHC-AR</i>		

Filing at a Glance

Company: Safeco Insurance Company of America

Product Name: Homeowners	SERFF Tr Num: LBRM-126148581	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 04.0003 Owner Occupied Homeowners	Co Tr Num: PL-09-NHC-AR	State Status: Fees verified and received
Filing Type: Rate	Co Status:	Reviewer(s): Becky Harrington, Brittany Yielding
	Author: Sandy Jackson	Disposition Date: 05/27/2009
	Date Submitted: 05/20/2009	Disposition Status: Filed
Effective Date Requested (New): 07/23/2009		Effective Date (New): 07/23/2009
Effective Date Requested (Renewal): 09/01/2009		Effective Date (Renewal): 09/01/2009

State Filing Description:

vacancy endorsement

General Information

Project Name: Rate Revision	Status of Filing in Domicile:
Project Number: PL-09-NHC-AR	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/27/2009	
State Status Changed: 05/22/2009	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

We are making a number of revisions to our Arkansas Homeowners Program that include modifications to the base contract, changes to existing optional coverages, and the introduction of new optional coverages. This filing addresses the rate component of these changes. All form changes have been submitted under separate cover.

The overall impact of this change is 6.8%. The evaluation of overall change, Exhibit 1, summarizes the impact of this

SERFF Tracking Number: LBRM-126148581 *State:* Arkansas
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revision. In order to mitigate the dislocation for some of our existing customers with this change, we are including a basic premium rate change cap on our current policies in force. The minimum basic premium rate change is 0% and the maximum basic premium rate change is 25%. Optional coverages are not included in the cap and maybe allow for higher and lower rate changes overall. The overall felt dislocation distribution can be seen in Exhibit 5.

The major elements of our filing are outlined below:

Rating Algorithm

With this change, we are introducing a new base homeowners contract and modifying the relativities within our rating algorithm (Please see Exhibit 6). The affected components are detailed below.

Base Unities

We will be eliminating Forms 33 and 35 for New Business and will be introducing Form 30 as the replacement. This will serve as our base contract. Exhibit 7 details the new base unities for this policy form.

Coverage C

Within Form 30 the base level for coverage C is now 50% of coverage A. Exhibit 11 reflects the new relativities for increased levels of coverage C.

Full Value Personal Property

The relativity for Full Value Personal Property coverage has changed. See Exhibit 12.

Coverage E

New liability coverage rates are detailed in Exhibit 13.

Number of Units (# of Families)

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We have updated our relativities associated with this variable. See Exhibit 14 for detail.

Safeco Essential, Safeco New Quality-Plus, and Safeco Optimum

In addition to the base contract (Form 30 Essential), policyholders can choose from two new levels of enhanced coverage which we are calling Safeco New Quality-Plus & Safeco Optimum. Exhibit 8 reflects the proposed increased unities associated with these two new coverage upgrade options.

Additional Interest

Policyholders will be able to select Section I only or Section I and Section II coverage. There will be a rate impact for those choosing to add Section II coverage. Please see Exhibit 25 for the proposed rate table associated with this coverage choice.

Extended Dwelling Coverage

This coverage was previously included in our core contract. With the introduction of Form 30, it is now an optional coverage available at 25% or 50% of coverage A. Exhibit 11 outlines the proposed rates associated with these coverage options.

Incidental Farming

We have revised our rating structure based on the liability exposure presented. Exhibit 22 details our revised rates.

Outboard Motor

See Exhibit 24 for revised rates.

Equipment Breakdown Coverage

This is a new optional coverage. A flat dollar rate will apply when this coverage is selected. This coverage will have its own internal deductible of \$500. This coverage shall only be available for Form 30. It is not available for Condos or Renters. Please see Exhibit 20 for the proposed rate table associated with this coverage option.

Personal Injury Coverage

This is a new optional coverage. This coverage is removed from our core contract and will now be offered as an

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optional coverage. A flat dollar rate will apply when this coverage is selected. Please see Exhibit 21.

Sewer/Sump Coverage

We will be moving this coverage to include two choices for our policyholders. One choice will provide full building/personal property coverage as we provide today. The other choice will limit coverage to the building and certain specified personal property. Please see Exhibit 19 for the proposed rate tables associated with this coverage.

Valuable Articles Package

This is replacing our Scheduled Personal Property endorsement with a new form that allows policyholders to combine scheduled and unscheduled items. Exhibit 28 details the proposed rates.

Home Business Package

This option will package coverage for business use of other structures, unscheduled business property, business merchandise, and business liability. We currently offer these coverages individually. This practice will be discontinued. A minimum base limit for property will be included with increased limits available on a per \$1,000 basis. Charge for other structures will be factor based. The liability charge will be based on policy liability limit. Please see Exhibit 26 for additional detail.

Short Term Vacancy Endorsement

This is a new optional coverage. It will be added to extend the number of days acceptable for vacancy. It will be rated as a factor applied to the basic premium. Please see Exhibit 27 for the proposed rates.

Company and Contact

Filing Contact Information

Jeffrey Estes, Sr Director, Product Management Jeffrey.Estes@safeco.com
 Safeco Plaza (636) 825-8240 [Phone]
 Seattle, WA 98185 (206) 473-6730[FAX]

Filing Company Information

Safeco Insurance Company of America	CoCode: 24740	State of Domicile: Washington
Safeco Plaza	Group Code: 111	Company Type: Property and Casualty
Suite 2800		
Seattle, WA 98185	Group Name: Liberty Mutual Group	State ID Number:
(206) 545-5000 ext. [Phone]	FEIN Number: 91-0742148	

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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Safeco Insurance Company of America	\$100.00	05/20/2009	28019577

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	05/27/2009	05/27/2009

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	05/22/2009	05/22/2009	Sandy Jackson	05/27/2009	05/27/2009

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Disposition

Disposition Date: 05/27/2009
 Effective Date (New): 07/23/2009
 Effective Date (Renewal): 09/01/2009
 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):
Safeco Insurance Company of America	14.900%	6.800%	\$529,005	6,391	\$7,816,297	61.000%	-4.000%

SERFF Tracking Number: LBRM-126148581 State: Arkansas
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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)		Yes
Supporting Document	Objection 1 Reponse	Filed	Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Additional Supporting Documents	Filed	Yes
Supporting Document	Objection 2 Response	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/22/2009

Submitted Date 05/22/2009

Respond By Date

Dear Jeffrey Estes,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Companies may not change the form in any way or include formulas. Please re-submit on our form without the addition of the deductible comment. Please show notations in the comment section of the supporting document.

Objection 2

No Objections

Comment: Arkansas does not allow mandatory wind/hail percentage deductibles or mandatory wind/hail deductibles in amounts greater than the policy deductible. These may be offered as an option for the insured to choose. I am unable to determine compliance without manual pages.

Please provide all manual pages.

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 05/27/2009

Submitted Date 05/27/2009

SERFF Tracking Number: LBRM-126148581 State: Arkansas
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Product Name: Homeowners
Project Name/Number: Rate Revision/PL-09-NHC-AR

Dear Becky Harrington,

Comments:

Dear Ms. Harrington,

We are in receipt of your objection letter dated May 22, 2009 with regard to our above referenced filing. Please find our responses italicized below the objection.

Response 1

Comments: Please see the attached survey forms and transmittal document. As stated in the transmittal document, Safeco does not offer a \$500 deductible so all risks calculated in the homeowners survey form were done so using a \$1000 deductible.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Companies may not change the form in any way or include formulas. Please re-submit on our form without the addition of the deductible comment. Please show notations in the comment section of the supporting document.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment: Please see the revised forms

Satisfied -Name: Objection 1 Reponse

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see the attached manual. To clarify, we have made no changes to our minimum deductible requirements. Our minimum all-perils deductible is \$1,000. The purchase of a wind/hail deductible is strictly optional.

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Project Name/Number: Rate Revision/PL-09-NHC-AR

Related Objection 1

Comment:

Arkansas does not allow mandatory wind/hail percentage deductibles or mandatory wind/hail deductibles in amounts greater than the policy deductible. These may be offered as an option for the insured to choose. I am unable to determine compliance without manual pages.

Please provide all manual pages.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection 2 Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Respectfully submitted,

Jeff Estes
Sr. Director, Product Management
314.909.4867
FAX: 888.268.8840
Jeffrey.Estes@safeco.com
JE/sj

Sincerely,
Sandy Jackson

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 Company Tracking Number: PL-09-NHC-AR
 TOI: 04.0 Homeowners
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State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 04.0003 Owner Occupied Homeowners

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	1.900%
Effective Date of Last Rate Revision:	06/12/2008
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Safeco Insurance Company of America	14.900%	6.800%	\$529,005	6,391	\$7,816,297	61.000%	-4.000%

SERFF Tracking Number: LBRM-126148581 State: Arkansas
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Supporting Document Schedules

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey	Review Status: Filed	05/27/2009
Comments: Please see the revised forms		
Attachments: HO Survey FORM HPCS.pdf HO Survey FORM HPCS.xls		
Satisfied -Name: Objection 1 Reponse	Review Status: Filed	05/27/2009
Comments:		
Attachment: ARPCTD-1_Transmittal.pdf		
Satisfied -Name: H-1 Homeowners Abstract	Review Status: Filed	05/27/2009
Comments:		
Attachment: _ARFORMH1_Abtract.pdf		
Satisfied -Name: NAIC loss cost data entry document	Review Status: Filed	05/27/2009
Comments:		
Attachment: loss_cost_data_entry.pdf		
Satisfied -Name: Additional Supporting Documents	Review Status: Filed	05/27/2009
Comments:		
Attachments: LM NHC Filing Letter - AR 2.pdf		

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_ARCO_Certificate of Compliance.pdf

Exh 1 - Evaluation of Change (3).pdf

Exh 2 - Indication (2).pdf

Exh 2 cont -- Weather Trends AR.pdf

Exh 3-4 AR_May 09 Home Inv Inc.pdf

Exh 5 - Dislocation_distr.pdf

Exh 6-29 NHC_Filing Exhibits.pdf

SERFF Tracking Number: LBRM-126148581 State: Arkansas
Filing Company: Safeco Insurance Company of America State Tracking Number: EFT \$100
Company Tracking Number: PL-09-NHC-AR
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: Homeowners
Project Name/Number: Rate Revision/PL-09-NHC-AR

Satisfied -Name: Objection 2 Response **Review Status:** Filed 05/27/2009
Comments:
Attachment:
ARNHC_manual.pdf

NAIC Number: 111-24740
 Company Name: Safeco Insurance Company of America
 Contact Person: Jeff Estes
 Telephone No.: 314.909.4867
 Email Address: jeffery_estes@safeco.com
 Effective Date: 23-Jul-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	\$384.00	\$427.00	\$409.00	\$455.00	\$434.00	\$482.00	\$489.00	\$544.00	\$484.00	\$537.00	\$435.00	\$483.00	\$467.00	\$519.00	\$423.00	\$469.00	\$423.00	\$469.00
	\$120,000	\$501.00	\$557.00	\$534.00	\$593.00	\$567.00	\$629.00	\$639.00	\$710.00	\$632.00	\$701.00	\$568.00	\$631.00	\$610.00	\$678.00	\$551.00	\$612.00	\$551.00	\$612.00
	\$160,000	\$619.00	\$688.00	\$659.00	\$732.00	\$698.00	\$775.00	\$788.00	\$877.00	\$779.00	\$865.00	\$699.00	\$778.00	\$752.00	\$835.00	\$679.00	\$755.00	\$679.00	\$755.00
6	\$80,000	\$388.00	\$427.00	\$414.00	\$455.00	\$438.00	\$482.00	\$496.00	\$544.00	\$489.00	\$537.00	\$440.00	\$483.00	\$472.00	\$519.00	\$427.00	\$469.00	\$427.00	\$469.00
	\$120,000	\$507.00	\$557.00	\$540.00	\$593.00	\$571.00	\$629.00	\$647.00	\$710.00	\$638.00	\$701.00	\$574.00	\$631.00	\$616.00	\$678.00	\$557.00	\$612.00	\$557.00	\$612.00
	\$160,000	\$626.00	\$688.00	\$666.00	\$732.00	\$705.00	\$775.00	\$798.00	\$877.00	\$787.00	\$865.00	\$708.00	\$778.00	\$761.00	\$835.00	\$688.00	\$755.00	\$688.00	\$755.00
9	\$80,000	\$951.00	\$1,055.00	\$1,013.00	\$1,123.00	\$1,074.00	\$1,189.00	\$1,212.00	\$1,345.00	\$1,198.00	\$1,328.00	\$1,077.00	\$1,193.00	\$1,157.00	\$1,282.00	\$1,045.00	\$1,159.00	\$1,045.00	\$1,159.00
	\$120,000	\$1,241.00	\$1,377.00	\$1,323.00	\$1,465.00	\$1,401.00	\$1,552.00	\$1,583.00	\$1,755.00	\$1,563.00	\$1,733.00	\$1,406.00	\$1,557.00	\$1,509.00	\$1,673.00	\$1,364.00	\$1,511.00	\$1,364.00	\$1,511.00
	\$160,000	\$1,627.00	\$1,699.00	\$1,631.00	\$1,808.00	\$1,728.00	\$1,914.00	\$1,951.00	\$2,165.00	\$1,927.00	\$2,138.00	\$1,733.00	\$1,921.00	\$1,861.00	\$2,064.00	\$1,682.00	\$1,864.00	\$1,682.00	\$1,864.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

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

**SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:
 HO3 and HO4 only**

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	2 %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	CovA Dependent %
		Other (specify)	
		Umbrella Credit	2 %
		Account Credit	15 %
		Newer Home Credit	2-30 %
		Renewal Credit	3-15 %
		Sprinkler Credit	4.7 %
		Maximum Credit Allowed	n/a %

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this cov
 ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? (yes or no)
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

Zone	Brick	Frame
Highest Risk	\$ n/a	\$ n/a
Lowest Risk	\$ n/a	\$ n/a

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use Only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Liberty Mutual Group	24740

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Safeco Insurance Company of America	WA	111-24740	91-0742148	

5. Company Tracking Number	PL-09-NHC_AR
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Jeff Estes	Sr. Director, Product Management	314.909.4867	888.268.8840	Jeffrey.Estes@Safeco.com

7. Signature of authorized filer	
----------------------------------	---

8. Please print name of authorized filer	Jeff Estes
--	------------

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	4.0000 Homeowners
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Safeco New Home Contract
13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 07/23/2009 Renewal: 09/01/2009

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	05/20/2009
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	PL-09-NHC_AR
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Please note that in regards to the homeowners survey form, Safeco does not offer a \$500 deductible and so all risks were computed using a \$1000 deductible.

22.	<p>Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]</p> <p>Check #: Amount: \$100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>
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*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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 Safeco Insurance Company of America

NAIC # (including group #) 24740-111

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

We have mapped our inforce book of business to the new MSB cost estimator that we have adopted. We have used all the dwelling information that has been provided about each policy. If there was any missing data, MSB’s database filled in the missing data based on address, original year of construction, construction style, number of stories, total living area, and dwelling type.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

We contract with the Marshall Swift Boeckh Co. (MSB) to estimate dwelling values for the purpose of making sure that they are insured 100% to replacement value. Use of MSB estimates is the prevailing method throughout the industry. We have recently adopted a new MSB estimator RCT (Residential Component Technology) that has been in effect for new business in Arkansas since November of 2007.

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.

Customers are required to have the dwelling insured 100% to value. Dwelling value is determined using the Marshall Swift Boeckh Co. Cost estimator as described above.

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

We will be running every policy through MSB’s cost estimator (RCT) upon renewal. They determine inflationary cost increases on a three digit zip-code basis.

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

a. Fire Extinguisher	<u>0</u>	%
b. Burglar Alarm	<u>2</u>	%
c. Smoke Alarm	<u>0</u>	%
d. Insured who has both homeowners and auto with your company	<u>15</u>	%
e. Deadbolt Locks	<u>0</u>	%
f. Window or Door Locks	<u>0</u>	%
g. Other (specify)		
Newer Home Credit	2-30	%
Renewal Credit	3-15	%
Umbrella Credit	2	%
<u>Sprinkler Credit</u>	<u>4,7</u>	%

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
Homeowners Form 30	\$7,004,861
Condominium Form 85 (Enhanced Protection Condo)	\$17,001
Condominium Form 88 (Quality Plus Condo)	\$306,061
Renters Form 4	\$488,374

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

9. Is there a surcharge on risks with wood heat? No

If yes, state the surcharge _____

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge _____

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



Signature

Jeff Estes

Printed Name

Sr. Director, Product Management

Title

314.909.4867

Telephone Number

Jeffrey.Estes@safeco.com

Email Address

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	PL-09-NHC_AR
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
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	Company Name		Company NAIC Number
3.	A.	Safeco Insurance Company of America	B. 111-24740

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	4.0 - Homeowners	B.	4.0003 - Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
	Homeowners	14.9	6.8					
	TOTAL OVERALL EFFECT							

6.	5 Year History		Rate Change History					
	Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
	2008	7384	1.9%	6/12/08	\$6366	\$6678	104.9%	65.4
	2007	6976	-2.6%	7/12/07	\$5892	\$2658	45.1%	51.4
	2006	6606	N/A		\$5492	\$2672	48.7%	45.4
	2005	6416	-2.5%	8/18/05	\$5436	\$2321	42.7%	39.4
	2004	6424	11.2%	2/26/04	\$5292	\$1510	28.5%	43.2

7.	Expense Constants	Selected Provisions
	A. Total Production Expense	16.55
	B. General Expense	6.75
	C. Taxes, License & Fees	3.54
	D. Underwriting Profit & Contingencies	10.85
	E. Other (catastrophe reinsurance)	.10
	F. TOTAL	37.79

- 8.** N/A Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 61% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** -4% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

May 20, 2009

Ms. Becky Harrington, Certified Forms Analyst
Arkansas Insurance Dept.
1200 West Third Street
Little Rock, AR 72201-1904

Safeco Insurance Company of America 111-24740
Independent Homeowners Program
Rate and Rule Revision

Effective Dates: July 23, 2009 – New Business
September 1, 2009 – Renewal Business

Filing Number: PL-09-NHC_AR
SERFF Number: LBRM-126148581

We are making a number of revisions to our Arkansas Homeowners Program that include modifications to the base contract, changes to existing optional coverages, and the introduction of new optional coverages. This filing addresses the rate component of these changes. All form changes have been submitted under separate cover.

The overall impact of this change is 6.8%. The evaluation of overall change, Exhibit 1, summarizes the impact of this revision. In order to mitigate the dislocation for some of our existing customers with this change, we are including a basic premium rate change cap on our current policies in force. The minimum basic premium rate change is 0% and the maximum basic premium rate change is 25%. Optional coverages are not included in the cap and maybe allow for higher and lower rate changes overall. The overall felt dislocation distribution can be seen in Exhibit 5.

The major elements of our filing are outlined below:

Rating Algorithm

With this change, we are introducing a new base homeowners contract and modifying the relativities within our rating algorithm (Please see Exhibit 6). The affected components are detailed below.

Base Unities

We will be eliminating Forms 33 and 35 for New Business and will be introducing Form 30 as the replacement. This will serve as our base contract. Exhibit 7 details the new base unities for this policy form.

Coverage C

Within Form 30 the base level for coverage C is now 50% of coverage A. Exhibit 11 reflects the new relativities for increased levels of coverage C.

Full Value Personal Property

The relativity for Full Value Personal Property coverage has changed. See Exhibit 12.

Coverage E

New liability coverage rates are detailed in Exhibit 13.

Number of Units (# of Families)

We have updated our relativities associated with this variable. See Exhibit 14 for detail.

Safeco Essential, Safeco New Quality-Plus, and Safeco Optimum

In addition to the base contract (Form 30 Essential), policyholders can choose from two new levels of enhanced coverage which we are calling Safeco New Quality-Plus & Safeco Optimum. Exhibit 8 reflects the proposed increased unities associated with these two new coverage upgrade options.

Additional Interest

Policyholders will be able to select Section I only or Section I and Section II coverage. There will be a rate impact for those choosing to add Section II coverage. Please see Exhibit 25 for the proposed rate table associated with this coverage choice.

Extended Dwelling Coverage

This coverage was previously included in our core contract. With the introduction of Form 30, it is now an optional coverage available at 25% or 50% of coverage A. Exhibit 11 outlines the proposed rates associated with these coverage options.

Incidental Farming

We have revised our rating structure based on the liability exposure presented. Exhibit 22 details our revised rates.

Outboard Motor

See Exhibit 24 for revised rates.

Equipment Breakdown Coverage

This is a new optional coverage. A flat dollar rate will apply when this coverage is selected. This coverage will have its own internal deductible of \$500. This coverage shall only be available for Form 30. It is not available for Condos or Renters. Please see Exhibit 20 for the proposed rate table associated with this coverage option.

Personal Injury Coverage

This is a new optional coverage. This coverage is removed from our core contract and will now be offered as an optional coverage. A flat dollar rate will apply when this coverage is selected. Please see Exhibit 21.

Sewer/Sump Coverage

We will be moving this coverage to include two choices for our policyholders. One choice will provide full building/personal property coverage as we provide today. The other choice will limit coverage to the building and certain specified personal property. Please see Exhibit 19 for the proposed rate tables associated with this coverage.

Valuable Articles Package

This is replacing our Scheduled Personal Property endorsement with a new form that allows policyholders to combine scheduled and unscheduled items. Exhibit 28 details the proposed rates.

Home Business Package

This option will package coverage for business use of other structures, unscheduled business property, business merchandise, and business liability. We currently offer these coverages individually. This practice will be discontinued. A minimum base limit for property will be included with increased limits available on a per \$1,000 basis. Charge for other structures will be factor based. The liability charge will be based on policy liability limit. Please see Exhibit 26 for additional detail.

Short Term Vacancy Endorsement

This is a new optional coverage. It will be added to extend the number of days acceptable for vacancy. It will be rated as a factor applied to the basic premium. Please see Exhibit 27 for the proposed rates.

We appreciate your review of this filing and look forward to your timely approval. Please feel free to contact me with any questions or concerns.

Sincerely,



Jeff Estes
Sr. Director, Product Management
314.909.4867
FAX: 888.268.8840
Jeffrey.Estes@safeco.com
JE/sj

ARKANSAS CERTIFICATE OF COMPLIANCE

(You may print or type the information required by this form)

FORM SELF CERT



I, Jeff Estes, Sr. Director, Product Management of
(Name) *(Title of Authorized Officer)*
Safeco Insurance Company of America
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:
 - a. Arkansas Code Annotated;
 - b. Arkansas Rules and Regulations;
 - c. Arkansas Insurance Bulletins, Directives and Orders;
 - d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
 - e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against

the company.

3. Pursuant to Ark. Code Ann. §23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? *(Yes or No)* ► Yes

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number PL-09-NHC AR

Signature of Authorized Officer ►

Name of Authorized Officer ► Jeff Estes

Title of Authorized Officer ► Sr. Director, Product Management

Email address of Authorized Officer ► Jeffrey.Estes@Safeco.com

Telephone # of Authorized Officer ► 314.909.4867 Date ► 05/15/2009

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us AID PC SelfCert (4/30/03)

Exhibit 1

Evaluation of Overall Change
Capped (25%, 0%)
 SAFECO Insurance Companies
 Arkansas

Form	Basic Premium	Percent of Change	Dollars of Change
30	\$8,627,278	4.2%	\$361,479
88	\$211,513	0.0%	\$0
85	\$13,520	0.0%	\$0
4	\$421,950	0.0%	\$0
TOTAL	\$9,274,261	3.9%	\$361,479

Form	Credits	Percent of Change	Dollars of Change
30	-\$1,547,132	6.0%	-\$93,262
88	\$35,828	0.0%	\$0
85	\$2,496	0.0%	\$0
4	\$43,672	0.0%	\$0
TOTAL	-\$1,465,136	6.4%	-\$93,262

Form	Miscellaneous Premium	Percent of Change	Dollars of Change
30	-\$75,285	-346.4%	\$260,788
88	\$58,720	0.0%	\$0
85	\$985	0.0%	\$0
4	\$22,752	0.0%	\$0
TOTAL	\$7,172	3636.2%	\$260,788

Form	Total Premium	Percent of Change	Dollars of Change
30	\$7,004,861	7.6%	\$529,005
88	\$306,061	0.0%	\$0
85	\$17,001	0.0%	\$0
4	\$488,374	0.0%	\$0
TOTAL	\$7,816,297	6.8%	\$529,005

Exhibit 2
Rate Level Indications
Regular Homes, Quality Plus Homes, Optimum Protection Homes, & Enhanced Protection Homes
SAFECO Insurance Companies
ARKANSAS
For Prospective Business Written 07/01/2009 to 07/01/2010

Fiscal Year Ending (1)	Earned Premium (2)	Earned Premium at Current Rate Level (3)	Premium Trend (4)	Earned Premium at Current Rate Level (incl. Premium Trend) (5) = (3) * (4)	Leveled Accident Year Non-Weather Losses (6)	Non-Weather Loss Cost Trend (7)	Projected Non-Weather Losses (8) = (6) * (7)	Projected Non-Weather Loss Ratio (9) = 100 *(8) / (5)	Weights
12/31/2004	5,082,134	5,148,699	1.162	5,982,553	1,370,693	1.689	2,314,458	38.7%	10.0%
12/31/2005	5,208,272	4,892,585	1.212	5,928,549	1,909,222	1.556	2,971,110	50.1%	15.0%
12/31/2006	5,222,064	5,024,784	1.205	6,054,918	1,486,122	1.458	2,167,104	35.8%	20.0%
12/31/2007	5,582,100	5,501,763	1.163	6,400,543	2,322,021	1.325	3,076,332	48.1%	25.0%
12/31/2008	6,016,043	6,084,880	1.119	6,808,813	2,710,280	1.201	3,255,520	47.8%	30.0%
							<u>Non-Hurricane</u>	<u>Hurricane</u>	<u>Total</u>
				(10.1) Projected Non-Weather Loss Ratio = Weighted Average of Column (9)			44.9%	N/A	
				(10.2) Projected Weather Loss Ratio			21.8%	0.0%	
				(11.1) Non- Hurricane Projected Loss Ratio = (10.2) + (10.1)			66.7%		
				(11.2) Hurricane Projected Loss Ratio = (10.2)				0.0%	
				(12) Credibility Weighted Loss Ratio = (11.1)*(16) + [1 - (16)]*[(15) - (11.2)] + (11.2)					61.0%
				(13) Projected AE Ratio to Losses					17.3%
				(14.1) Projected Fixed Expense Ratio					5.7%
				(14.2) Projected Variable Expense Ratio (Excluding Profit Provision)					21.9%
				(14.3) Profit Provision					10.8%
				(15) Permissible Loss Ratio = [1 - (14.1) - (14.2) - (14.3)] / [1 + (13)]					52.5%
				(16) Credibility of Experience Period w/ Full Credibility = 80,000 Earned House Years					60.1%
				(17) Indicated Rate Level Change = [(12)*(1 + (13)) + (14.1)] / [1 - (14.2) - (14.3)] - 1					14.9%

**Exhibit 2-A, Page 1
Weather Loss Ratio**

**SAFECO Insurance Companies
Regular Homes, Quality Plus Homes, Optimum Protection Homes, & Enhanced Protection Homes
Arkansas**

YTD	Actual			Frequency Projection Factor*	Severity Projection Factor*	Projected		Projected Pure Premium
	Frequency per 100 EHY	Developed Severity	Loss Cost			Frequency per 100 EHY	Projected Severity	
12/80	5.71	1,144	65.36	0.401	5.743	2.29	6,572	150.53
12/81	3.71	649	24.05	0.413	5.418	1.53	3,515	53.88
12/82	5.87	1,388	81.42	0.426	5.112	2.50	7,093	177.37
12/83	12.03	1,666	200.47	0.439	4.822	5.29	8,036	424.76
12/84	5.51	1,170	64.45	0.453	4.549	2.49	5,324	132.82
12/85	3.04	3,349	101.92	0.467	4.292	1.42	14,374	204.28
12/86	3.54	820	28.98	0.481	4.049	1.70	3,319	56.50
12/87	3.03	1,076	32.63	0.496	3.820	1.50	4,111	61.86
12/88	5.59	1,056	59.09	0.512	3.604	2.86	3,807	108.95
12/89	12.01	2,121	254.75	0.527	3.400	6.33	7,211	456.82
12/90	5.93	1,857	110.03	0.544	3.207	3.22	5,954	191.90
12/91	6.86	1,797	123.31	0.561	3.026	3.85	5,437	209.16
12/92	8.73	1,989	173.68	0.578	2.854	5.05	5,677	286.51
12/93	4.10	1,816	74.38	0.596	2.693	2.44	4,889	119.33
12/94	7.62	2,447	186.43	0.614	2.540	4.68	6,216	290.91
12/95	5.05	2,822	142.43	0.633	2.397	3.20	6,763	216.16
12/96	17.09	3,656	624.87	0.653	2.261	11.16	8,266	922.31
12/97	3.72	2,169	80.74	0.673	2.133	2.51	4,626	115.90
12/98	4.10	2,573	105.61	0.694	2.012	2.85	5,178	147.45
12/99	9.71	2,867	278.40	0.715	1.898	6.95	5,442	378.02
12/00	7.06	2,340	165.21	0.737	1.791	5.21	4,190	218.18
12/01	14.00	1,988	278.27	0.760	1.689	10.64	3,359	357.41
12/02	4.88	3,309	161.63	0.784	1.594	3.83	5,275	201.90
12/03	3.91	3,726	145.82	0.808	1.504	3.16	5,603	177.16
12/04	1.99	2,679	53.19	0.833	1.419	1.65	3,800	62.85
12/05	1.62	4,495	72.87	0.859	1.338	1.39	6,016	83.75
12/06	3.23	5,629	181.70	0.885	1.262	2.86	7,106	203.08
12/07	1.32	3,504	46.11	0.913	1.191	1.20	4,173	50.12
12/08	9.25	7,544	697.52	0.941	1.124	8.70	8,476	737.42
Average								234.39

(A) Selected Weather Pure Premium	235.00
(B) YE 12/31/08 ARKANSAS Earned House Years	6,304
(C) YE 12/31/08 ARKANSAS Projected Current Level Earned Premium	6,808,813
(D) Weather Loss Ratio = (A) x (B) / (C)	21.8%

*Weather Trend Factors are calculated on page 2 of this Exhibit.

**Exhibit 2-A, Page 2
Weather Loss Trend - State Data**

**SAFECO Insurance Companies
Regular Homes, Quality Plus Homes, Optimum Protection Homes, & Enhanced Protection Homes
Arkansas
Weather**

<u>YTD</u>	<u>Frequency</u>	<u>Severity</u>	<u>Loss Cost</u>
12/80	5.71	649	37.06
12/81	3.71	1,388	51.44
12/82	5.87	1,666	97.78
12/83	12.03	1,170	140.79
12/84	5.51	1,867	102.82
12/85	3.04	820	24.95
12/86	3.54	1,076	38.05
12/87	3.03	1,056	32.03
12/88	5.59	2,121	118.66
12/89	12.01	1,857	222.97
12/90	5.93	1,783	105.67
12/91	6.86	1,942	133.26
12/92	8.73	1,816	158.57
12/93	4.10	2,447	100.23
12/94	7.62	2,600	198.09
12/95	5.05	3,271	165.08
12/96	17.09	2,103	359.48
12/97	3.72	2,376	88.45
12/98	4.10	2,786	114.34
12/99	9.71	2,096	203.54
12/00	7.06	1,988	140.39
12/01	14.00	3,309	463.17
12/02	4.88	3,369	164.54
12/03	3.91	2,679	104.83
12/04	1.99	3,939	78.21
12/05	1.62	5,548	89.95
12/06	3.23	3,504	113.11
12/07	1.32	6,320	83.18
Exponential Fits			
28 Point	-2.2%	5.7%	3.4%
16 Point	-8.8%	5.6%	-3.6%
Selected	-3.00%	6.00%	5.5%

Exhibit 3

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM

ARKANSAS

Development of Target Pre-Tax Underwriting Gain

Indicated (target) pre-tax underwriting gains by coverage can be calculated based on the Target Operating Ratios by deducting Investment Income from Policyholders' Funds. An estimate of the income potential realized in the insurance transaction can be calculated using a discounted cash flow model. Explanatory notes and supporting detail are provided in this Exhibit. The calculation of the pre-tax target underwriting gain is shown below:

	(1)	(2)	(3)	(4)
	Target	After Tax	Federal Income	Target
	After Tax	Investment	Tax Rate	Underwriting
	Operating	Ratio to	on	Gain
	Ratio	Policyholders'	Underwriting	[(1) - (2)]/
		Funds	Income	[1 - (3)]
Homeowners	7.68%	0.63%	35.00%	10.85%

Details of the estimated after-tax investment ratio to Policyholders' Funds are shown in the Investment Income Exhibit

EXHIBIT 4

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM

ARKANSAS

INVESTMENT INCOME EXHIBIT
Summary Page

Estimated investment income from policyholder funds is derived for the continuous homeowners program.
The after-tax results are as follows:

<u>Coverage</u>	<u>% of Earned Premium</u>
Continuous Homeowners Program	0.63%

The results are for the SAFECO Insurance Group and use the following state expenses:

<u>Expense Category</u>	<u>% of Expected Loss</u>	<u>% of Earned Premium</u>
Expected Loss		52.39
Expected AE	17.32	9.07
Commission		16.55
Tax		3.54
General Expense		7.49
Reinsurance/Assessment		0.10
Underwriting Profit		10.85

The results assume adequate rate levels exist. To the extent that rates are not at adequate levels, the investment income estimate may need to be adjusted. The underwriting profit provision listed above includes a consideration for investment income. Estimated investment income from policyholder funds is derived from a discounted cash model that calculates earnings from the net cash flow on the policy. The investment income estimate is equivalent to income earned from loss reserves and unearned premium reserves.

The following is an index to this Exhibit:

Pages 2, 3, and 4	Explanatory Notes
Page 5	Discounted Cash Flow Analysis Expected Investment Income from Policyholder Funds
Page 6	Premium Inflows from Premium Pay Plan Distribution
Pages 7 and 8	Loss Payment Pattern
Page 9	Timing of Federal Income Taxes
Page 10	Expected Investment Income from Supporting Surplus

Explanatory Notes

Estimated investment income from policyholder funds is calculated using a discounted cash flow model. Cash flows arising from transactions associated with a block of policies with the same effective date are composed of an inflow of premium payments and outflows of loss, expense, and federal income tax payments. The cash flows are discounted to the middle of the period for which the proposed rates are to be effective (generally, 180 days past inception date). The resulting discounted value of the net cash flow when compared with the undiscounted value yields the net investment income associated with the insurance transaction.

Page 5

Page 5 displays the timing of payments associated with the continuous homeowners program.

- Column (1) Premiums are received generally at the time due. The bulk are received within five days of the effective date, with advance payments judged to offset late payments. Additionally, there are a number of premium payment plans which allow for premium payments to be spread over the policy term. Premium flows associated with these plans are described on page 6.
- Column (2) Commission is generally paid on or near the policy effective date, at the end of the month in which the policy becomes effective. Therefore, 50% of the commission is assumed paid at day 0 and 50% at day 30.
- Column (3) Premium taxes are assumed to be paid quarterly, approximately 90 days after policies are effective.
- Column (4) Some general expenses, such as expenses associated with the processing of endorsements or expenses associated with statistical reporting to Bureaus, are paid during the policy term. A significant portion of general expenses are paid prior to a policy becoming effective. Examples are policy rating, marketing expenses and and some underwriting expenses. It is assumed that, on the average, general expenses are paid at policy inception.
- Column (5) Reinsurance and projected Assessment expenses are assumed to be paid quarterly, beginning 90 days after policies are effective.
- Column (6) The expected timing of loss payments is based on an analysis of historical paid loss. The derivation of the loss payment pattern is shown on pages 7 and 8.
- Column (7) The expected timing of AE payments is consistent with the allocation assumption of a fixed ratio of AE expense to pure loss uniformly spread over all subsequent months and years.
- Column (8) Federal income taxes attributable to underwriting income are shown. Income taxes attributable to investment income are reflected in the discount factors in column (10) and discussed later. The provisions of the Tax Reform Act of 1986, including the Revenue Offset provision which taxes the change in the unearned premium reserve and the Reserve Discounting provision, are reflected in determining the expected timing of income tax payments. The calculations of the expected income tax payments are shown on page 9.

EXHIBIT 4

Page 5 - CONTINUED

Column (9) Col. (9) = Col. (1) - Col.(2) - Col. (3) - Col. (4) - Col. (5)
- Col.(6) - Col.(7) - Col.(8)

Column (10) The discount factors reflect the after-tax investment income earned between the time the payments are made and the time premiums are earned (which is on the average the midpoint of the policy term or day 180). The investment rate of return used is determined by examining the latest new money rates available and the current investment strategy for cash inflows. Page 10 provides details on the after-tax rate chosen net of investment expenses.

Column (11) Col. (9) x Col. (10).

Column (12) Cumulative total of Column (11). Premium collected on the policy remains available for investment as long as the cumulative net cash flow is positive.

Column (13) Col. (9) x Col. (10) when Col. (12) > zero, Col. (9) otherwise.

Page 6

Page 6 displays the underlying statistics and derivation of the premium inflows used in Page 5. The top portion of the exhibit shows premium collection patterns for the four payment plans: checkless, monthly, budget, and full pay. The bottom portion of the exhibit shows the distribution by plan and derives the overall distribution by month.

The following assumptions are made in general regarding premium collection:

1. Premiums are billed upon due date.
2. Percentage of premiums booked under various billing programs follow distribution by policies in force. Average earned premium does not differ substantially between programs.
3. Book of business composed of 80% renewals, 20% new business. This affects only the monthly payment plan. In the first year, the policyholder is billed two months worth of premium in the first installment and in the fifth month (one month's worth of advance premium upon renewal). This is reflected in the 20% additional premium at 0 days, and 80% of one month's premium at -30 days.
4. The costs of the billing systems for the different payment plans are captured by appropriate finance charges.

Columns 1 through 4 assume a policy written for \$120.

Column 9 is the sum of Columns 5 through 8 and shows the distribution of overall premium over the entire policy term.

Explanatory Notes

Page 6 - CONTINUED

Column 10 shows the same distribution for a policy written for \$100. This is the distribution used in page 5.

Pages 7 and 8

Pages 7 and 8 display the underlying statistics and the derivation of the loss pay-out used in the exhibit. Paid loss development (including adjustment expense for liability sublines) for all coverages countrywide are displayed. Page 7 shows accident quarter development evaluated at quarterly intervals from 3 months through 24 months over the last four years, the age-to-age factors over the same period, and the selected loss development factors and cumulations. Page 8 shows accident quarter development evaluated at yearly intervals from 24 months to 120 months, the corresponding age-to-age factors, and the selected and cumulated loss development factors. The bottom of page 8 shows the derivation of the loss payout based on the above.

Column (2) shows the cumulative LDFs.

Column (3) shows the reciprocals of Column (2), and represents the cumulative payout of the accident quarter.

Column (4) shows the incremental change in Column (3).

Columns (5), (6), (7), and (8) represent one policy period of twelve months equal to 4 successive accident quarters.

Column (9) is the average of Columns (5) - (8) and is the final result. The quarterly pay-out for the first two years is spread uniformly to the days from policy inception date. For example, the first quarter pay-out is weighted one-sixth to 0 days, one-third to 30 days, one-third to 60 days, and one-sixth to 90 days, with similar distributions for the second through the fourth quarter pay-outs. The quarterly pay-outs for the second year are distributed one-half to the beginning of the interval and one-half to the end.

Page 9

Notes for this exhibit showing the timing of federal income tax on underwriting appear on the page itself.

Page 10

Notes for the above explaining the investment rate of return on policyholder funds appear on the page itself.

EXHIBIT 4
 SAFECO INSURANCE COMPANY OF AMERICA
 CONTINUOUS HOMEOWNERS PROGRAM
 ARKANSAS

Discounted Cash Flow: Expected Investment Income from Policyholder Funds

Discounted cash flow analysis per \$100 of premium

Days from Inception <u>Date</u>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Premium <u>Received</u>	Comm.	Premium <u>Tax</u>	General <u>Expense</u>	Reins./ Assess. <u>Expense</u>	Paid <u>Loss</u>	AE	Federal Income <u>Tax</u>	Total Cash <u>Flow</u>	Discount <u>Factor</u>	Discounted Cash <u>Flow</u>	Cumulative Discounted <u>Cash Flow</u>	Discounted Cash Flow- <u>PH Funds</u>
-30	\$ 0.33								0.33	1.0069	0.33	0.33	0.33
0	71.01	8.28		7.49		0.81	0.14		54.28	1.0059	54.60	54.93	54.60
30	2.09	8.27				1.62	0.28		(8.08)	1.0049	(8.12)	46.82	(8.12)
60	2.09					1.62	0.28		0.20	1.0039	0.20	47.01	0.20
90	5.11		3.54		0.03	2.31	0.40	(0.96)	(0.20)	1.0029	(0.20)	46.81	(0.20)
120	2.09					2.99	0.52		(1.42)	1.0020	(1.42)	45.39	(1.42)
150	2.09					2.99	0.52		(1.42)	1.0010	(1.42)	43.97	(1.42)
180	2.09				0.03	3.24	0.56	1.67	(3.40)	1.0000	(3.40)	40.57	(3.40)
210	5.11					3.49	0.60		1.02	0.9990	1.02	41.59	1.02
240	2.09					3.49	0.60		(2.00)	0.9980	(2.00)	39.60	(2.00)
270	2.09				0.03	3.62	0.63	1.65	(3.82)	0.9971	(3.81)	35.79	(3.81)
300	2.09					3.75	0.65		(2.30)	0.9961	(2.29)	33.49	(2.29)
330	1.68					3.75	0.65		(2.71)	0.9951	(2.70)	30.80	(2.70)
<u>360</u>					<u>0.03</u>	<u>5.32</u>	<u>0.92</u>	<u>1.63</u>	<u>(7.89)</u>	<u>0.9942</u>	<u>(7.84)</u>	<u>22.96</u>	<u>(7.84)</u>
Year 1	\$100.00	16.55	3.54	7.49	0.10	38.98	6.75	3.98	22.60		22.96	22.96	22.96
PAYMENTS DURING THE SECOND YEAR													
<u>Day</u>													
90						4.99	0.86	(0.06)	(5.80)	0.9912	(5.75)	17.21	(5.75)
180						2.46	0.43	(0.03)	(2.86)	0.9883	(2.83)	14.38	(2.83)
210						2.04	0.35	(0.02)	(2.37)	0.9874	(2.34)	12.04	(2.34)
<u>360</u>						<u>1.12</u>	<u>0.19</u>	<u>(0.01)</u>	<u>(1.31)</u>	<u>0.9826</u>	<u>(1.28)</u>	<u>10.75</u>	<u>(1.28)</u>
Year 2						10.62	1.84	(0.12)	(12.34)		(12.20)	10.75	(12.20)
PAYMENTS DURING SUBSEQUENT YEARS													
<u>Year</u>													
3						1.19	0.21	(0.01)	(1.39)	0.9711	(1.35)	9.41	(1.35)
4						1.00	0.17	(0.01)	(1.16)	0.9598	(1.11)	8.30	(1.11)
5						0.30	0.05	(0.00)	(0.34)	0.9486	(0.33)	7.97	(0.33)
6						0.09	0.01	(0.00)	(0.10)	0.9375	(0.09)	7.88	(0.09)
7						0.05	0.01	(0.00)	(0.06)	0.9266	(0.06)	7.82	(0.06)
8						0.06	0.01	(0.00)	(0.07)	0.9158	(0.06)	7.76	(0.06)
9						0.05	0.01	(0.00)	(0.05)	0.9051	(0.05)	7.71	(0.05)
<u>10</u>						<u>0.06</u>	<u>0.01</u>	<u>(0.00)</u>	<u>(0.07)</u>	<u>0.8945</u>	<u>(0.06)</u>	<u>7.64</u>	<u>(0.06)</u>
Total	100.00	16.55	3.54	7.49	0.10	52.39	9.07	3.83	7.01		7.64	7.64	7.64

(14) Undiscounted cash flow (After-tax U/W profit) - Total col. (9)

7.01

(15) Discounted cash flow (After-tax operating return)- Total col. (13)

7.64

(16) Investment income from policyholder funds as a percent of premium ((15) - (14))/ 100

0.63%

EXHIBIT 4
 SAFECO INSURANCE COMPANY OF AMERICA
 CONTINUOUS HOMEOWNERS PROGRAM
 ARKANSAS
 Premium Inflows From Premium Pay Plan Distribution

Days from Inception	(1) Checkless Pay Plan	(2) Monthly Pay Plan	(3) Budget Pay Plan	(4) Full Payment
-30	-	8.00	-	-
0	10.00	12.00	40.00	120.00
30	10.00	10.00	-	-
60	10.00	10.00	-	-
90	10.00	10.00	40.00	-
120	10.00	10.00	-	-
150	10.00	10.00	-	-
180	10.00	10.00	-	-
210	10.00	10.00	40.00	-
240	10.00	10.00	-	-
270	10.00	10.00	-	-
300	10.00	10.00	-	-
330	10.00	-	-	-
Premium from policy:	\$120.00	\$120.00	\$120.00	\$120.00

Weighted for pay plan distribution:

Days from Inception	(5) Checkless Pay Plan (1) x 0.202	(6) Monthly Pay Plan (2) x 0.0493	(7) Budget Pay Plan (3) x 0.0906	(8) Full Payment (4) x 0.6581	(9) All Plans	(10) (9) x \$100/120
-30	-	0.39	-	-	0.39	0.33
0	2.02	0.59	3.62	78.97	85.21	71.01
30	2.02	0.49	-	-	2.51	2.09
60	2.02	0.49	-	-	2.51	2.09
90	2.02	0.49	3.62	-	6.14	5.11
120	2.02	0.49	-	-	2.51	2.09
150	2.02	0.49	-	-	2.51	2.09
180	2.02	0.49	-	-	2.51	2.09
210	2.02	0.49	3.62	-	6.14	5.11
240	2.02	0.49	-	-	2.51	2.09
270	2.02	0.49	-	-	2.51	2.09
300	2.02	0.49	-	-	2.51	2.09
330	2.02	-	-	-	2.02	1.68
	\$ 24.24	\$ 5.92	\$ 10.87	\$ 78.97	\$120.00	\$ 100.00

See page 3 of explanatory notes for assumptions used in the above analysis.

EXHIBIT 4
 SAFECO INSURANCE COMPANY OF AMERICA
 CONTINUOUS HOMEOWNERS PROGRAM
 ARKANSAS
 Loss Payment Pattern

ACC. QT.	PAID LOSS MONTHS OF DEVELOPMENT							
	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>
Mar-2005	22,739	43,037	50,031	53,728	56,346	57,560	58,269	58,654
Jun-2005	21,338	38,714	45,006	47,094	48,730	49,913	50,781	52,168
Sep-2005	35,338	63,339	73,798	79,790	85,115	88,198	91,210	92,063
Dec-2005	31,058	59,216	71,209	76,021	78,311	80,947	82,354	83,244
Mar-2006	29,976	61,408	71,057	76,546	79,278	81,644	83,261	83,685
Jun-2006	35,185	61,183	73,442	79,425	84,019	85,884	87,349	88,792
Sep-2006	31,123	52,808	59,891	63,833	66,931	68,907	70,018	70,939
Dec-2006	31,698	69,225	80,287	87,237	90,299	92,003	92,728	93,697
Mar-2007	35,789	62,754	74,009	80,084	83,845	86,904	88,915	90,018
Jun-2007	31,950	62,296	74,481	79,785	83,099	85,297	87,078	
Sep-2007	36,200	62,626	71,105	76,888	80,255	82,120		
Dec-2007	42,863	73,438	84,365	90,708	95,040			
Mar-2008	47,880	79,289	91,395	96,746				
Jun-2008	55,108	100,897	116,907					
Sep-2008	73,711	147,445						
Dec-2008	29,457							

ACC. QT.	AGE-TO-AGE FACTORS						
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>
Mar-05	1.893	1.163	1.074	1.049	1.022	1.012	1.007
Jun-05	1.814	1.163	1.046	1.035	1.024	1.017	1.027
Sep-05	1.792	1.165	1.081	1.067	1.036	1.034	1.009
Dec-05	1.907	1.203	1.068	1.030	1.034	1.017	1.011
Mar-06	2.049	1.157	1.077	1.036	1.030	1.020	1.005
Jun-06	1.739	1.200	1.081	1.058	1.022	1.017	1.017
Sep-06	1.697	1.134	1.066	1.049	1.030	1.016	1.013
Dec-06	2.184	1.160	1.087	1.035	1.019	1.008	1.010
Mar-07	1.753	1.179	1.082	1.047	1.036	1.023	1.012
Jun-07	1.950	1.196	1.071	1.042	1.026	1.021	
Sep-07	1.730	1.135	1.081	1.044	1.023		
Dec-07	1.713	1.149	1.075	1.048			
Mar-08	1.656	1.153	1.059				
Jun-08	1.831	1.159					
Sep-08	2.000						

	DEVELOPMENT PERIOD							
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-36
SIMPLE AVERAGE	1.8472	1.1653	1.0730	1.0448	1.0275	1.0186	1.0124	
5 QT VOLUME-WTD.AVG	1.8130	1.1577	1.0730	1.0430	1.0267	1.0169	1.0115	
10-PT EXCLUDING HI-LO	1.8017	1.1609	1.0752	1.0447	1.0282	1.0180	1.0113	
SELECTED	1.8500	1.1655	1.0733	1.0449	1.0283	1.0194	1.0123	1.0310
CUMULATIVE PAID	2.6980	1.4584	1.2513	1.1658	1.1157	1.0850	1.0644	1.0514
CUMULATIVE % PAID	37.06%	68.57%	79.92%	85.78%	89.63%	92.17%	93.95%	95.11%
INCREMENTAL % PAID	37.06%	31.50%	11.35%	5.86%	3.85%	2.54%	1.78%	1.16%

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS
Loss Payment Pattern

ACC. QT. <u>ENDING</u>	MONTHS OF DEVELOPMENT							
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Mar-1999	96,112	98,331	99,806	100,099	100,334	100,519	100,562	100,768
Mar-2000	116,819	119,941	120,968	121,304	121,441	121,468	121,768	121,790
Mar-2001	143,285	146,879	149,884	150,466	150,583	150,591	150,610	
Mar-2002	114,441	116,796	117,715	117,330	117,653	117,693		
Mar-2003	78,406	82,317	82,994	83,575	83,731			
Mar-2004	67,087	68,528	69,523	69,452				
Mar-2005	58,654	61,442	62,436					
Mar-2006	83,685	85,638						
Mar-2007	90,018							

ACC. QT. <u>ENDING</u>	AGE-TO-AGE FACTORS							
	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
Mar-1999	1.023	1.015	1.003	1.002	1.002	1.000	1.002	
Mar-2000	1.027	1.009	1.003	1.001	1.000	1.002	1.000	
Mar-2001	1.025	1.020	1.004	1.001	1.000	1.000		
Mar-2002	1.021	1.008	0.997	1.003	1.000			
Mar-2003	1.050	1.008	1.007	1.002				
Mar-2004	1.021	1.015	0.999					
Mar-2005	1.048	1.016						
Mar-2006	1.023							

	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-ULT
SIMPLE AVERAGE	1.0297	1.0130	1.0021	1.0018	1.0006	1.0010	1.0011	
5-QTR WEIGHTED AVG	1.0309	1.0138	1.0019	1.0017	1.0006			
3-QTR SIMPLE AVERAGE	1.0308	1.0130	1.0009	1.0018	1.0002	1.0010		
SELECTED	1.0310	1.0130	1.0014	1.0018	1.0006	1.0014	1.0006	1.0009
CUMULATIVE PAID	1.0514	1.0198	1.0067	1.0053	1.0035	1.0029	1.0015	1.0009
CUMULATIVE % PAID	95.11%	98.06%	99.33%	99.47%	99.65%	99.71%	99.85%	99.91%
INCREMENTAL % PAID	1.16%	2.95%	1.27%	0.14%	0.18%	0.06%	0.14%	0.06%

PAID LOSS PAYMENT PATTERN

(1) MOS. OF <u>DEV.</u>	(2) Cum'l Paid <u>LDL</u>	(3) Cum'l % Paid Loss <u>1 / (2)</u>	(4) Increment % of Paid Loss	(5) 1ST ACC. <u>QTR.</u>	(6) 2ND ACC. <u>QTR.</u>	(7) 3RD ACC. <u>QTR.</u>	(8) 4TH ACC. <u>QTR.</u>	(9) POL. <u>TERM</u>
3	2.6980	37.06%	37.06%	37.06%	0.00%	0.00%	0.00%	9.27%
6	1.4584	68.57%	31.50%	31.50%	37.06%	0.00%	0.00%	17.14%
9	1.2513	79.92%	11.35%	11.35%	31.50%	37.06%	0.00%	19.98%
12	1.1658	85.78%	5.86%	5.86%	11.35%	31.50%	37.06%	21.44%
15	1.1157	89.63%	3.85%	3.85%	5.86%	11.35%	31.50%	13.14%
18	1.0850	92.17%	2.54%	2.54%	3.85%	5.86%	11.35%	5.90%
21	1.0644	93.95%	1.78%	1.78%	2.54%	3.85%	5.86%	3.51%
24	1.0514	95.11%	1.16%	1.16%	2.65%	4.90%	8.46%	4.29%
36	1.0198	98.06%	2.95%	2.95%	2.50%	2.05%	1.61%	2.28%
48	1.0067	99.33%	1.27%	1.27%	1.69%	2.11%	2.53%	1.90%
60	1.0053	99.47%	0.14%	0.14%	0.42%	0.71%	0.99%	0.56%
72	1.0035	99.65%	0.18%	0.18%	0.17%	0.16%	0.15%	0.16%
84	1.0029	99.71%	0.06%	0.06%	0.09%	0.12%	0.15%	0.10%
96	1.0015	99.85%	0.14%	0.14%	0.12%	0.10%	0.08%	0.11%
108	1.0009	99.91%	0.06%	0.06%	0.08%	0.10%	0.12%	0.09%
120	1.0000	100.00%	0.09%	0.09%	0.08%	0.07%	0.07%	0.08%
				0.00%	0.02%	0.04%	0.07%	0.03%
				100.00%	100.00%	100.00%	100.00%	100.00%

SAFECO INSURANCE COMPANY OF AMERICA
CONTINUOUS HOMEOWNERS PROGRAM
ARKANSAS

Timing of Federal Income Tax on Underwriting Income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Cum'l Written Premium	Cum'l Earned Premium	Ending UEP Reserve	Cum'l Incurred Expense	Cum'l Incurred Loss + AE	Incremntl Paid Loss + AE	Cum'l Paid Loss + AE	Cum'l Loss + AE Reserve	IRS Reserve Discount Factor	Discounted Loss + AE Reserve	Cum'l U/W Income (IRS)	Incremntl U/W Income (IRS)	20% of Change in UEP Reserve	Total Fed'l Income Tax on U/W Income
0	100.00													
1	100.00	25.00	75.00	27.59	15.37	7.45	7.45	7.91	0.97	7.70	(17.74)	(17.74)	15.00	(0.96)
2	100.00	50.00	50.00	27.59	30.73	10.83	18.28	12.45	0.97	12.11	(7.98)	9.76	(5.00)	1.67
3	100.00	75.00	25.00	27.59	46.10	12.43	30.71	15.39	0.97	14.97	1.73	9.71	(5.00)	1.65
4	100.00	100.00	0.00	27.59	61.47	15.02	45.73	15.73	0.97	15.30	11.38	9.64	(5.00)	1.63
5	100.00	100.00	0.00	27.59	61.47	5.85	51.58	9.88	0.97	9.61	11.22	(0.16)	0.00	(0.06)
6	100.00	100.00	0.00	27.59	61.47	2.89	54.48	6.99	0.97	6.80	11.14	(0.08)	0.00	(0.03)
7	100.00	100.00	0.00	27.59	61.47	2.40	56.87	4.59	0.97	4.47	11.07	(0.07)	0.00	(0.02)
8	100.00	100.00	0.00	27.59	61.47	1.32	58.19	3.27	0.97	3.18	11.04	(0.04)	0.00	(0.01)
<u>Year</u>														
3	100.00	100.00	0.00	27.59	61.47	1.40	59.59	1.87	0.97	1.82	11.00	(0.04)	0.00	(0.01)
4	100.00	100.00	0.00	27.59	61.47	1.17	60.76	0.70	0.97	0.68	10.97	(0.03)	0.00	(0.01)
5	100.00	100.00	0.00	27.59	61.47	0.35	61.11	0.36	0.97	0.35	10.96	(0.01)	0.00	(0.00)
6	100.00	100.00	0.00	27.59	61.47	0.10	61.21	0.26	0.97	0.25	10.95	(0.00)	0.00	(0.00)
7	100.00	100.00	0.00	27.59	61.47	0.06	61.27	0.19	0.97	0.19	10.95	(0.00)	0.00	(0.00)
8	100.00	100.00	0.00	27.59	61.47	0.07	61.34	0.12	0.97	0.12	10.95	(0.00)	0.00	(0.00)
9	100.00	100.00	0.00	27.59	61.47	0.06	61.40	0.07	0.97	0.07	10.95	(0.00)	0.00	(0.00)
10	100.00	100.00	0.00	27.59	61.47	<u>0.07</u>	<u>61.47</u>	0.00	0.97	0.00	10.95	<u>(0.00)</u>	<u>0.00</u>	<u>(0.00)</u>
TOTAL						61.47	61.47					10.95	0.00	3.83

Col. Notes :

- (1) Premium is booked at policy inception.
- (2) Premium is earned pro rata over policy term.
- (3) Col. (1) - Col.(2)
- (4) Commission and premium tax are incurred when premi booked. General expense is incurred as paid.
- (5) Loss and AE are incurred pro rata over policy term.
- (6) Based on loss payment pattern, see pages 5, 7, and 8.
- (7) Col. (6) accumulated.
- (8) Col. (5) - Col. (7)
- (9) IRS loss reserve discount factor.
- (10) Col. (8) X Col. (9)
- (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
- (12) Change in Col. (11).
- (13) 20% of change in Col. (3)
- (14) 35% X (Col. (12) + Col. (13))

EXHIBIT 4
 SAFECO INSURANCE COMPANY OF AMERICA
 CONTINUOUS HOMEOWNERS PROGRAM
 ARKANSAS
 Expected Investment Income from Policyholders' Funds

The investment rate of return used in this analysis reflects the risk-free investment income earned from the investment of premiums written during the period that the proposed rates will be in effect. Displayed below are the auction average yields on 3-month and 1-year U.S. T-bills and average yields using constant maturities on U.S. Treasury Notes and Bonds:

<u>Quarter</u>	<u>U.S. T-bills</u>		<u>U.S. Treasury Bonds</u>		<u>(and Treasury Notes)</u>	
	<u>3 Month</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Mar-08	2.09%	2.10%	2.02%	2.17%	2.75%	3.66%
Jun-08	1.65%	2.07%	2.42%	2.67%	3.16%	3.89%
Sep-08	1.52%	2.12%	2.36%	2.63%	3.11%	3.86%
<u>Dec-08</u>	<u>0.30%</u>	<u>0.99%</u>	<u>1.21%</u>	<u>1.48%</u>	<u>2.18%</u>	<u>3.25%</u>
4 Qtr. Avg.	1.39%	1.82%	2.00%	2.24%	2.80%	3.67%

SOURCE: Federal Reserve Statistical Release H.15, released weekly, Selected Interest Rates.

Note: If data for 1-Year T-Bills is unavailable, the discount rate for 1-Year T-Bonds is used

The average yield of the most recent two quarters on a 1-year T-Bill is used in the discounted cash flow analysis.

After-tax rate of return on investment income equals:

$$1.82\% \times (1 - 0.35) \% = 1.18\%$$

where 35% = tax rate on 1-year T-bills

Exhibit 5
Overall Felt Dislocation Distribution
Capped (25%,0%) - Overall 6.8% Rate Change

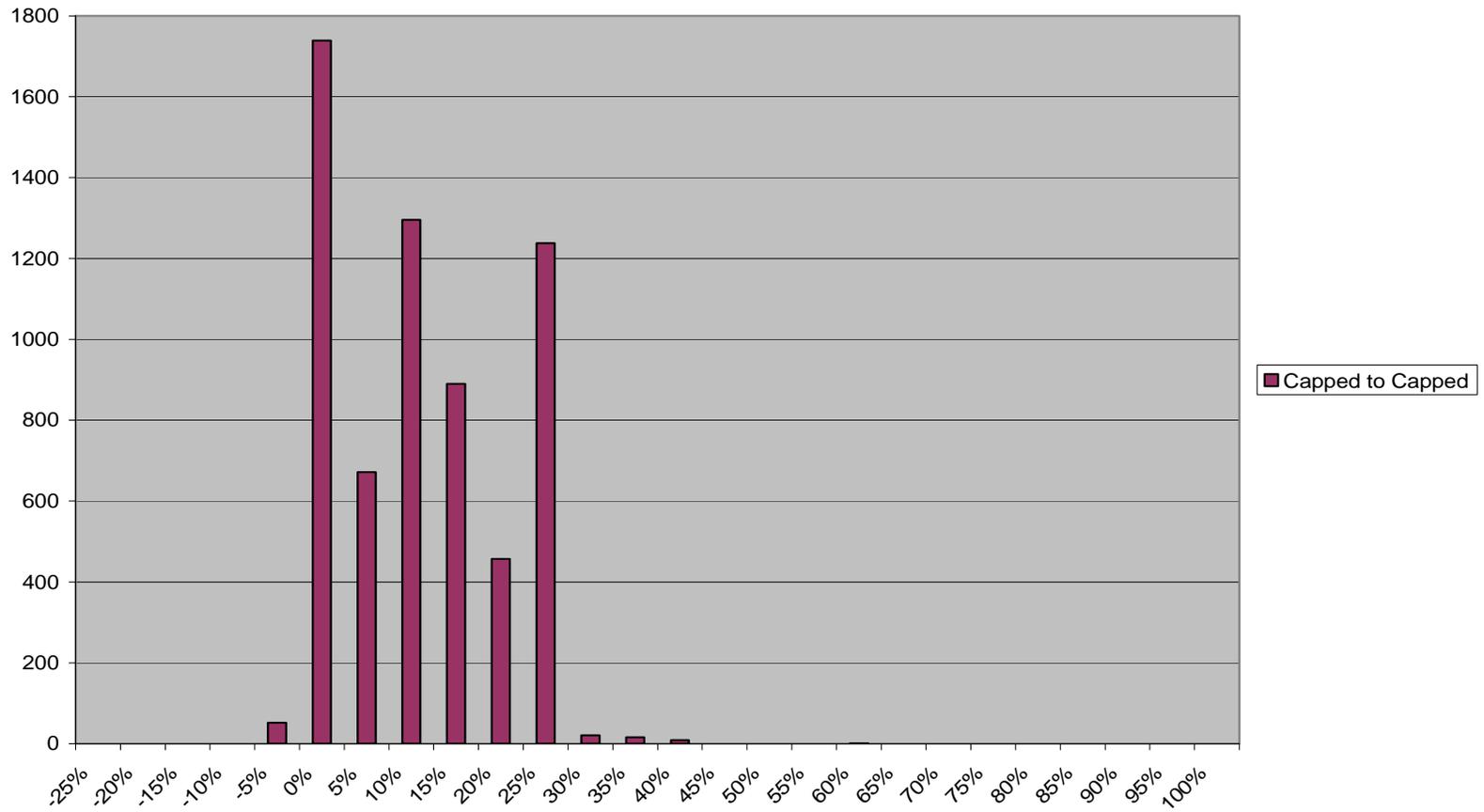


Exhibit 6
Proposed Rating Algorithm
Safeco Insurance Companies

Form 30
Arkansas

<u>Current Rating Formula</u> All Forms
(1) Base Unity x
(2) Market Relativity (round)
(3) PC Relativity (round) x
(4) PA Relativity (round) x
(5) \$ Add-On (if applicable) x
(6) 1
+
(6A) FVPP % Factor
+
(6B) EDC % Factor
x
(7) Form Relativity (round)
x
(8) Deductible Relativity (round)
x
(9) Optimum Protection Package
=
Basic Premium (round)
+
(10) Additional or Reduced Cov B
+
(11) Additional or Reduced Cov C
+
(12) Optional Coverages
=
Total Premium (round)
-
(13) Discounts
=
Final Premium (round)
FVPP = Full Value on Personal Property
EDC = Extended Dwelling Coverage

<u>Proposed Rating Formula</u> All Forms
(1) Base Unity +
(2) Policy Level Unity (Essential, New Quality Plus, Optimum)
x
(3) Territory Relativity
x
(4) Coverage Modification Adjustment =
(4A) Additional or Reduced Cov C Rel Select Appropriate Relativity
(4B) Replacement Cost Contents Relativity, Multiply to step 4A
(4C) Extended Dwelling Coverage Factor Select Factor and Add to Step 4B
(4D) Additional or Reduced Cov B Select Factor and Add to Step 4C
x
(5) Market Relativity
x
(6) Protection Class Relativity
x
(7) Policy Amount Relativity
x
(8) Number of Families Relativity
x
(9) Secondary Home Relativity
x
(10) Deductible Relativity = 1 +
(10A) All Other Peril Deductible Select Appropriate Factor
(10B) Wind/Hail or Hurricane Deductible Select Factor and Add to Step 10A
=
Basic Premium (round)
+
Optional Coverages (If whole dollar amount add to base premium. If factor, multiply to base premium and add result to base premium)
+/-
Discount/Surcharges (Multiply factor to base premium then add/subtract calculated amount to base premium)
=
Total Premium (round)
x
Account Credit Factor (Multiply factor to total premium and add amount to final premium)
x
Umbrella Credit Factor (Multiply factor to total premium and add amount to final premium)
=
Adjusted Total Premium (round)
+
Fixed Underwriting Premium
x
Variable Underwriting Premium
=
Final Premium (round)

Exhibit 7
Proposed Base Unity Changes
Safeco Insurance Companies
Form 30
Arkansas

Current	
Territory	Base Unity
32	\$507
100	\$486
110	\$501
111	\$516
112	\$469
113	\$467
116	\$504
118	\$455
119	\$499
120	\$620
121	\$529
122	\$522
123	\$506
124	\$508
125	\$538
126	\$514
127	\$628
128	\$579

*Proposed
Base Unity
\$553

* Under our current home contract our base unities are varied by territory. Under the proposed rating algorithm, we will have a single base unity that will be varied by a territorial relativity applied in step 3 of the calculation (please see Exhibit 8).

Exhibit 8
Proposed Policy Level Unity
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Policy Level	Policy Unity
Essential	\$0
New Quality-Plus	\$7
Optimum	\$17

Exhibit 9
Proposed Territorial Relativities
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Territory	Relativity
32	1.047
100	0.965
110	1.000
111	1.000
112	0.950
113	0.950
116	0.970
118	0.910
119	1.000
120	1.107
121	1.070
122	1.030
123	1.000
124	1.000
125	1.060
126	1.027
127	1.160
128	1.146

*Under our current home contract we do not have relativities. Under the current rating algorithm we base unities by territory (please see Exhibit 6).

Exhibit 10
Proposed Coverage B Factor
Safeco Insurance Companies
Form 30
Arkansas

Current

Increase/Decrease Amount	Selected Factor
-10.0%	-0.125
-5.0%	-0.060
0.0%	0.000
5.0%	0.060
10.0%	0.120
15.0%	0.170
20.0%	0.220
25.0%	0.270
30.0%	0.320
35.0%	0.370
40.0%	0.420
45.0%	0.460
50.0%	0.500
55.0%	0.550
60.0%	0.590
65.0%	0.630
70.0%	0.670
75.0%	0.700
80.0%	0.740

Standard Amount Included - 10% of Cov A

Proposed

Increase/Decrease Amount	Selected Factor
-10.0%	-0.063
-5.0%	-0.030
0.0%	0.000
5.0%	0.030
10.0%	0.060
15.0%	0.085
20.0%	0.110
25.0%	0.135
30.0%	0.160
35.0%	0.185
40.0%	0.210
45.0%	0.230
50.0%	0.250
55.0%	0.275
60.0%	0.295
65.0%	0.315
70.0%	0.335
75.0%	0.350
80.0%	0.370

Standard Amount Included - 10% of Cov A

Coverage B: Relativities above the table amounts

Increase the Coverage B/A relativity at a fixed rate for each 5% increase

Use Curve through: 80.0%
 Increment: 5%
 Relativity Increase: 0.035

Additional or Reduced Cov B is calculated by taking the percent of Cov B to Cov A.

If that amount is the standard amount included in the policy (i.e. 10%), then there is no additional or reduced premium calculated. If the amount is not the standard then find the percent difference and use the following lookup tables by form to determine the factor to use.

Exhibit 11
Proposed Coverage C Relativity
Safeco Insurance Companies
Form 30
Arkansas

Current

Increase/Decrease Amount	Selected Relativity
-45.0%	0.820
-40.0%	0.835
-35.0%	0.858
-30.0%	0.880
-25.0%	0.895
-20.0%	0.918
-15.0%	0.940
-10.0%	0.955
-5.0%	0.978
0.0%	1.000
5.0%	1.030
10.0%	1.045
15.0%	1.068
20.0%	1.098
25.0%	1.120
30.0%	1.150

Standard Amount Included - 75% of Cov A

Proposed

Increase/Decrease Amount	Selected Relativity
-45.0%	0.865
-40.0%	0.880
-35.0%	0.895
-30.0%	0.910
-25.0%	0.925
-20.0%	0.940
-15.0%	0.955
-10.0%	0.970
-5.0%	0.985
0.0%	1.000
5.0%	1.015
10.0%	1.030
15.0%	1.045
20.0%	1.060
25.0%	1.075
30.0%	1.090

Standard Amount Included - 50% of Cov A

Coverage C: Relativities above the table amounts

Increase the Coverage C/A relativity at a fixed rate for each 5% increase

Use Curve through: 30.0%
 Increment: 5%
 Relativity Increase: 0.015

Additional or Reduced Cov C is calculated by taking the percent of Cov C to Cov A.

If that amount is the standard amount included in the policy (i.e. 50%), then there is no additional or reduced premium calculated. If the amount is not the standard then find the percent difference and use the following lookup tables by form to determine the factor used to adjust the base premium. Take difference between calculated amount and original base premium and add or subtract to Total Premium as appropriate (i.e. whether or not it is an addition or reduction of coverage)

Exhibit 12
Proposed Replacement Cost Contents Relativity
Safeco Insurance Companies
Form 30
Arkansas

Current

Replacement Cost Contents	Relativity
No	1.00
Yes	1.15

Proposed

Replacement Cost Contents	Relativity
No	1.00
Yes	1.04

Exhibit 13
Proposed Extended Dwelling Coverage
Safeco Insurance Companies
Form 30
Arkansas

Current

Additional Cov A Percent	Factor
No	1.00
25%	1.03
50%	1.04

Proposed

Additional Cov A Percent	Factor
No	0.00
25%	0.03
50%	0.04

Exhibit 14
Proposed Number Of Families
Safeco Insurance Companies
Form 30
Arkansas

Current

Number Of Families	Relativity
0,1,2	1.00
Other	1.25

Proposed

Number Of Families	Relativity
0,1,2	1.00
Other	1.36

Exhibit 15

Proposed Secondary Home Relativity

Safeco Insurance Companies

Form 30

Arkansas

Proposed

Secondary Home?	Relativity
No	1.00
Yes	1.06

Exhibit 16
Proposed Liability (Cov E) Premium
Safeco Insurance Companies
Form 30
Arkansas

Current

Occupant Status = Primary					
Number Of Families	Liability (Cov E)			Grandfathered	
	\$100,000	\$300,000	\$500,000	\$ 1,000,000	\$ 1,500,000
0,1,2	\$0	\$10	\$15	\$24	\$28
3	\$26	\$36	\$50	\$70	\$80
4	\$39	\$54	\$75	\$105	\$120

Occupant Status = Secondary					
Number Of Families	Liability (Cov E)			Grandfathered	
	\$100,000	\$300,000	\$500,000	\$ 1,000,000	\$ 1,500,000
All	\$13	\$18	\$25	\$35	\$40

Proposed

Occupant Status = Primary					
Number Of Families	Liability (Cov E)			Grandfathered	
	\$100,000	\$300,000	\$500,000	\$ 1,000,000	\$ 1,500,000
0,1,2	Base	\$20	\$34	\$56	\$77
3	\$16	\$56	\$84	\$128	\$170
Other	\$32	\$92	\$134	\$200	\$263

Occupant Status = Secondary					
Number Of Families	Liability (Cov E)			Grandfathered	
	\$100,000	\$300,000	\$500,000	\$ 1,000,000	\$ 1,500,000
0,1,2	Base	\$20	\$34	\$56	\$77
3	\$16	\$56	\$84	\$128	\$170
Other	\$32	\$92	\$134	\$200	\$263

Exhibit 17
Proposed Loss Assessment
Safeco Insurance Companies
Form 30
Arkansas

Current

Aggregate Limit Per Unit	Premium
\$1,000	\$5
\$10,000	\$10
\$15,000	\$15
\$50,000	\$20

Proposed

Form	\$500	\$ 1,000	\$ 3,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 50,000
Essential	Base	\$5	\$7	\$9	\$12	\$14	\$19
New Quality-Plus	N/A	N/A	Base	\$2	\$5	\$7	\$12
Optimum	N/A	N/A	N/A	Base	\$3	\$5	\$10

Exhibit 18
Proposed Building Ordinance Cov A
Safeco Insurance Companies
Form 30
Arkansas

Current

Ordinance Coverage Cov A Percentage	Relativities		Minimum
	QPH	EPH	
10	Base	N/A	N/A
20	0.03	Base	\$5
50	0.08	0.08	\$15

Proposed

Ordinance Coverage Cov A Percentage	Factor	Minimum
10	Base	N/A
20	0.03	\$5
50	0.08	\$15

Exhibit 19
Proposed Water backup
Safeco Insurance Companies
Form 30
Arkansas

Current

	Building & Listed Items	Building & Contents
rate per \$1,000 of coverage	N/A	\$12

Proposed

Limit	Building & Listed Items	Building & Contents
\$ 5,000	\$41	\$46
\$ 10,000	\$74	\$84
\$ 15,000	\$101	\$116
\$ 20,000	\$125	\$146
\$ 25,000	\$147	\$174
\$ 30,000	\$166	\$200
\$ 35,000	\$184	\$226
\$ 40,000	\$200	\$250
\$ 45,000	\$215	\$274
\$ 50,000	\$229	\$298

Exhibit 20
Proposed Equipment Breakdown
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Form	Add-on Premium
All	\$24

Exhibit 21
Proposed Personal Offense Coverage
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Liability	Premium
\$ 100,000	\$4
\$ 300,000	\$8
\$ 500,000	\$11
Grandfathered Values	
\$ 1,000,000	\$16
\$ 1,500,000	\$21

Exhibit 22
Proposed Incidental Farm Coverage
Safeco Insurance Companies
Form 30
Arkansas

Current

.15 factor applied to base premium

*Max \$500 Premium

Proposed

Liability	Premium
\$ 100,000	\$40
\$ 300,000	\$91
\$ 500,000	\$124
Grandfathered	
\$ 1,000,000	\$180
\$ 1,500,000	\$232

Exhibit 23

Proposed Theft of Building Materials

Safeco Insurance Companies

Form 30

Arkansas

Current

Rate Per Policy
\$120

Proposed

Limit	Premium
\$ 5,000	\$30
\$ 10,000	\$34
\$ 15,000	\$37
\$ 20,000	\$40
\$ 25,000	\$43
\$ 50,000	\$57
\$ 75,000	\$69
\$100,000	\$82

Exhibit 24
Proposed Outboard Motor Liability
Safeco Insurance Companies
Form 30
Arkansas

Current

Liability	Premium
\$ 100,000	\$33
\$ 300,000	\$49
\$ 500,000	\$66
Grandfathered	
\$ 1,000,000	\$85
\$ 1,500,000	\$96

Proposed

Liability	Premium
\$ 100,000	\$65
\$ 300,000	\$79
\$ 500,000	\$96
Grandfathered	
\$ 1,000,000	\$114

Exhibit 25
Proposed Additional Interest
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Section I - Property coverage	
Liability	Premium
\$ 100,000	\$0
\$ 300,000	\$0
\$ 500,000	\$0

Section II - Liability coverage	
Liability	Premium
\$ 100,000	\$1
\$ 300,000	\$2
\$ 500,000	\$3
Grandfathered	
\$ 1,000,000	\$4
\$ 1,500,000	\$5

Exhibit 26
Proposed Home Business Package
Safeco Insurance Companies
Form 30
Arkansas

	Business Property Limit					
Liability Limit	\$ 1,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000
\$ 100,000	\$ 21	\$ 26	\$ 32	\$ 38	\$ 44	\$ 50
\$ 300,000	\$ 25	\$ 30	\$ 36	\$ 42	\$ 48	\$ 54
\$ 500,000	\$ 29	\$ 34	\$ 40	\$ 46	\$ 52	\$ 58
* \$ 1,000,000	\$ 41	\$ 46	\$ 52	\$ 58	\$ 64	\$ 70
* \$ 1,500,000	\$ 45	\$ 50	\$ 56	\$ 62	\$ 68	\$ 74

* grandfathered limits

Exhibit 27
Proposed Short Term Vacancy
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Vacant?	Factor
No	0.00
Yes	0.06

Exhibit 28
Proposed Valuable Articles Package
Safeco Insurance Companies
Form 30
Arkansas

Valuable Articles - Group

Unscheduled Fine Arts			
Limit Per Item	Aggregate	with breakage Premium	without breakage Premium
\$5,000	\$5,000	\$16	\$8
\$5,000	\$10,000	\$27	\$14
\$5,000	\$15,000	\$36	\$18
\$5,000	\$20,000	\$44	\$22
\$5,000	\$25,000	\$51	\$26
\$5,000	\$30,000	\$59	\$29
\$5,000	\$35,000	\$66	\$33
\$5,000	\$40,000	\$75	\$37
\$5,000	\$45,000	\$80	\$40
\$5,000	\$50,000	\$86	\$43

Unscheduled Cameras		
Limit Per Item	Aggregate	Premium
\$5,000	\$5,000	\$53
\$5,000	\$10,000	\$91
\$5,000	\$15,000	\$120
\$5,000	\$20,000	\$147
\$5,000	\$25,000	\$171
\$5,000	\$30,000	\$196
\$5,000	\$35,000	\$219
\$5,000	\$40,000	\$249
\$5,000	\$45,000	\$268
\$5,000	\$50,000	\$287

Unscheduled Furs		
Limit Per Item	Aggregate	Premium
\$5,000	\$5,000	\$21
\$5,000	\$10,000	\$36
\$5,000	\$15,000	\$48
\$5,000	\$20,000	\$59
\$5,000	\$25,000	\$68
\$5,000	\$30,000	\$78
\$5,000	\$35,000	\$88
\$5,000	\$40,000	\$100
\$5,000	\$45,000	\$107
\$5,000	\$50,000	\$115

Unscheduled Jewelry		
Limit Per Item	Aggregate	Premium
\$5,000	\$5,000	\$48
\$5,000	\$10,000	\$82
\$5,000	\$15,000	\$108
\$5,000	\$20,000	\$132
\$5,000	\$25,000	\$154
\$5,000	\$30,000	\$176
\$5,000	\$35,000	\$197
\$5,000	\$40,000	\$224
\$5,000	\$45,000	\$241
\$5,000	\$50,000	\$258

Unscheduled Silverware		
Limit Per Item	Aggregate	Premium
\$5,000	\$5,000	\$19
\$5,000	\$10,000	\$32
\$5,000	\$15,000	\$42
\$5,000	\$20,000	\$51
\$5,000	\$25,000	\$60
\$5,000	\$30,000	\$68
\$5,000	\$35,000	\$77
\$5,000	\$40,000	\$87
\$5,000	\$45,000	\$94
\$5,000	\$50,000	\$100

Valuable Articles - Itemized

Category	Premium
Scheduled Fine Arts Premium per 100	\$0.15
Scheduled Fine Arts W/Brk Premium per 100	\$0.30
Scheduled Cellular and Other Mobile Communication Equipment Premium per 100	\$3.50
Scheduled Cameras, Guns, Stamp and Coin Collections, Comics and Trading Cards Premium per 100	\$1.00
Scheduled Furs, Musical Instruments and Property Not Otherwise Classified (Including Electronic Systems) Premium per 100	\$0.40
Scheduled Jewelry In-vault Factor Premium per 100	\$0.20
Scheduled Valued Jewelry Premium per 100	\$0.90
Scheduled Computer and Media Equipment Premium per 100	\$0.75
Scheduled Silverware Premium per 100	\$0.35
Scheduled Farm Personal Property Premium per 100	\$0.67

Exhibit 29
Proposed Variable Premium
Safeco Insurance Companies
Form 30
Arkansas

Proposed

Policy Level	Factor
Essential	-0.045
New Quality-Plus	0.00
Optimum	0.00

Arkansas

Homeowners Product Guide (Form 30 Only)



Safeco Insurance Company of America



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What's New

Effective Date of New and Revised Material Updates

Companies and Copyrights

Eligibility and Rules

Eligibility

Levels of Coverage

- Safeco Essential™
- Safeco New Quality-Plus™
- Safeco Optimum™

Basic Coverage Limits

Basic Premium Definition

Description of Coverage

Policy Period

Changes on Policies

Cancellation of Insurance

Agent File Documentation

Premium Revisions

Secondary Dwellings

Temporary Binder

Fire Protection Rating Plan

Construction Definitions

Deductibles

Coverage A (Dwelling) Deductibles

Increased Limits

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Section II – Liability Coverages

Additional Policy Coverages

Decreased Limits

Section I – Property Coverages

Optional Coverages

Additional Interests

Earthquake Coverage

Equipment Breakdown Coverage

Escape of Water from a Sump, Sump Pump or Drain on the Residence Premises (Building and Specified Contents)

Escape of Water from a Sump, Sump Pump or Drain on The Residence Premises (Building and Contents)

Extended Dwelling Coverage

Home Business Package

Home Day Care Services Coverage

Identity Recovery Coverage

Incidental Farm Coverage

Landlord's Furnishings

Outboard Motor Liability – 50 hp and Over

Personal Offense Coverage

Personal Property Replacement Cost

Refrigerated Products Coverage

Short Term Vacancy Coverage

Special Personal Property Coverage

Theft of Building Materials

Valuable Articles Coverage

Discounts

Umbrella Discount

Package Auto Discount

Burglar Alarm Discount

Newer Home Discount

Renewal Discount

Sprinkler Discount

Employee Discount

Company Only content is displayed in grey.

What's New

Effective Date of New and Revised Material

07/23/09 New Business • 09/01/09 Renewal Business

Updates

New Home Contract Enhancements

Revised Optional Coverages 16

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Companies and Copyrights

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Eligibility and Rules

Eligibility

Only those coverages provided for in these rules may be endorsed onto a policy. A homeowners policy may be issued:

- For dwellings and premises that are well maintained and occupied
- To an owner and/or occupant of a dwelling which is used exclusively for private residential purposes and contains not more than four units.

Special Notes

- A policy will not be issued on property situated on premises used for farming purposes unless farming conducted thereon is only incidental to the occupancy of the premises as a dwelling and farming is not the occupation of your customer.
- A policy will not be issued on dwellings that are vacant, unoccupied or under construction.
- When a three- or four-unit dwelling is occupied by joint owners, each occupying a separate unit, a

homeowners policy providing building coverage may be issued only to one of the joint owner and/or occupants of the dwelling. The policy may be endorsed to cover the interest of the other joint owner(s) in the building(s) and to cover premises liability.

- A signature and/or photograph may be required to issue a policy.

Levels of Coverage

A customer may purchase only one level of coverage. Changing to a different level of coverage can be requested and processed at anytime during a policy period.

Three levels of coverage are available. They are:

Safeco Essential™

Safeco Essential provides coverage for the customer who wishes to select a policy that provides the coverages necessary to protect their basic homeowners insurance needs.

Features of this level of coverage include:

- \$500 in coverage for internal coverages typically limited in a homeowners policy. Internal limits include Special Limits of Liability Coverage C - Personal Property not otherwise described below, Property Damage to Others, Credit Card, Forgery Coverage and Loss Assessment.
- \$500 limit in coverage for certain motorized vehicles exposures.
- \$250 in coverage for money.
- \$500 in coverage for tapes, records, etc.
- \$3,000 in coverage for watercraft, including their trailers and furnishings.
- \$3,000 in coverage for trailers not used with watercraft.
- \$3,000 in coverage for business property located on premises. This limit also includes a sub-limit of \$1,000 for business property located off premises.
- \$5,000 in coverage for rugs and tapestries, not including wall to wall carpet.

- \$5,000 in coverage for land stabilization.
- Criminal conviction reward of \$2,500/\$5,000.
- Arson reward of \$25,000.
- The per day limit of lost wages is \$200.

Safeco New Quality-Plus™

Safeco New Quality-Plus includes all of the benefits provided at the Safeco Essential level. In addition, coverage is broadened as follows:

- Internal coverages limit is increased to \$3,000 for those coverages limited to \$500 in the Safeco Essential policy.
- Coverage for certain motorized vehicles exposures are increased to \$3,000.
- Golf carts are added and limited to \$7,500. Coverage is expanded to include collision for golf carts.
- Under Debris Removal, the aggregate limit for trees is increased to \$1,000. The per tree limit remains at \$500.

- Additional coverage is added for the re-keying of locks for all exterior doors following a covered theft loss.
- The per day limit of lost wages is \$250.

Safeco Optimum™

Safeco Optimum includes all of the benefits provided at the Safeco Essential and Safeco New Quality-Plus levels. In addition, coverage is broadened as follows:

- Internal coverages limit is increased to \$5,000 for those coverages limited to \$500 in the Safeco Essential policy.
- Coverage for money is increased to \$1,000.
- Coverage for rugs and tapestries is increased to \$10,000.
- Coverage for land stabilization is increased to \$10,000.
- Coverage for certain motorized vehicles exposures are increased to \$5,000.

- Debris removal not only includes the increased coverage for trees, but also removes the restriction that requires a fallen tree to damage covered property.
- Locks coverage is expanded to include keys that are lost as well as stolen. Also included is the cost to replace and reprogram garage door transmitters.
- \$500 in coverage is included for refrigerated products lost or damaged due to a covered loss.
- Kidnap/Ransom Negotiation Expenses is included with a limit of \$50,000.
- Pair or Set clause is expanded to provide reimbursement for entire set when one is damaged.
- The per day limit of lost wages is \$500.

Non-manufactured Homes

A Homeowners policy may be issued:

- For dwellings and premises that are well maintained
- To an owner/occupant of a dwelling which is used exclusively for private residential purposes and

contains not more than two units and with not more than two roomers or boarders per family

Optional Coverages

Once a customer chooses the level of coverage for their policy, Safeco also offers a full line of optional coverages.

Note: Please refer to the Form 30 policy and optional coverage forms for detailed coverage information.

Basic Coverage Limits

Section I – Property Coverages

Coverage A – Dwelling

Coverage A limits should reflect an amount that will allow the customer to rebuild their existing dwelling. The Coverage A amount is displayed on the declarations page.

Coverage B – Other Structures

Coverage B	
Form 30	10% of Cov. A

For additional or lower amounts of Coverage B, refer to the **Increased Limits** or **Decreased Limits** section.

Coverage C – Personal Property

Coverage C	
Form 30	50% of Cov. A

For additional or lower amounts of Coverage C, refer to the **Increased Limits** or **Decreased Limits** section.

Coverage D – Loss of Use

For all forms, loss of use coverage is included for the shortest time to repair or replace the damage. This time period may not exceed 24 months.

Coverage D	
Form 30	20% of Cov. A

Section II – Liability Coverages

Coverage E – Personal Liability

Coverage E (each occurrence)	
Form 30	\$100,000

For higher limits of Coverage E, refer to the **Increased Limits** section.

Coverage F – Medical Payments to Others

Coverage F (each person)	
Form 30	\$1,000

For higher limits of Coverage F, refer to the **Increased Limits** section.

Basic Premium Definition

Basic premium is defined as the premium charged for the coverages outlined in the description of coverage and basic coverage limits sections for each form, after applying the appropriate deductible credit or debit. It does not include credits or debits for **Increased Limits** or **Decreased Limits** (except for changes to Cov. B and Cov. C limits), **Optional Coverages** or **Discounts**.

Description of Coverage

The following is a general description of the coverage provided.

Section I – Property Coverages

Form 30 covers the dwelling (Coverage A) and other structures (Coverage B) against risk of physical loss (with certain exceptions). Personal property

(Coverage C) is covered on a named perils basis. Loss of use (Coverage D) is provided when loss from a covered peril is sustained.

Section II – Liability Coverages

Coverages include personal liability (Coverage E) and medical payments to others (Coverage F).

Additional Coverages***Building Ordinance or Law Coverage – Section I coverage only***

This is included at 10 percent of Coverage A and may not be eliminated.

For higher limits of Building Ordinance or Law, refer to the **Increased Limits** section.

Loss Assessment Coverage – Section I and II coverage

This is included in Form 30 based on the selected policy level

Policy Level	Loss Assessment
Essential	\$500
New Quality-Plus	\$3,000
Optimum	\$5,000

For higher limits of Loss Assessment, refer to the **Increased Limits** section.

Volunteer America Coverage – Section I and II coverage

Coverage is extended to provide additional Coverage C and Section II coverages for customers employed in volunteer activities.

Policy Period

The policy period will be one year.

Changes on Policies

Coverages and limits (above the minimum) may be increased or decreased, added or deleted, during the term of the policy by selecting Policy Change on Safeco Now[®] and submitting a change request to us. Additional or return premium will be computed on a pro rata basis. Amounts of \$3 or less will be waived.

Cancellation of Insurance

It is not permissible to cancel any of the mandatory coverages unless the entire policy is canceled. For Form 30, Coverages A, B, C, D, E and F are mandatory.

Return premium will be computed on a pro rata basis. Amounts of \$3 or less will be waived.

Agent File Documentation

- Agents should maintain relevant file documentation for ten (10) years after policy expiration.
- This includes, but is not limited to signed applications, photographs and statutorily required forms, such as waivers, coverage declinations, or exclusions.
- The records can be scanned or imaged and stored electronically.

Premium Revisions

Premium revisions will be made in accordance with the following procedures:

- The effective date of such revisions will be as announced by the company
- Changes made under the following provisions may be made effective only on the inception or renewal date of the policy:

New Business

If the premium is decreased, a policy issued prior to the effective date of the premium change with an inception date on or after the effective date of the change may be endorsed to the new premium.

Renewal Business

If the premium is decreased, a policy on which an extension certificate has been issued prior to the effective date of the premium change with a renewal date on or after the effective date of the change may be endorsed to the new premium.

Secondary Dwellings

If your customer owns another dwelling in addition to their primary residence, it is eligible for homeowners coverage but must be insured on a separate policy. Policies should be identified as such.

Temporary Binder

Temporary binder forms may not be used for binding homeowners insurance. New customers may be bound only by using an application form.

Fire Protection Rating Plan

A primary dwelling that is:

- Located within five miles travel distance of a recognized Fire Department that will respond

- Located within 1,000 feet of a public fire hydrant or the responding Fire Department will transport water to use in fighting the fire at the site
- Not located in a severe brush or forest area, may be rated Protection Class 9

Please submit a completed Homeowners Credits Statement with the application or endorsement.

For statistical gathering purposes the letter “A” should be included after the protection class on all policies rated under this plan (Example: 9A).

Construction Definitions

Masonry – A dwelling with walls of masonry or masonry veneered construction.

Frame – A dwelling with walls of frame, or metal-sheathed or stuccoed frame construction, or with walls of metal or metal lath and plaster on combustible supports.

Mixed – A dwelling will be classed as frame construction when the wall area of frame construction (including gables) exceeds 33.33 percent of the total wall area.

Deductibles

Coverage A (Dwelling) Deductibles

The following deductibles are available in Arkansas:

All Other Perils (AOP) Deductibles:

\$500*, \$750*, \$1,000, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500

*Only available when windstorm or hail deductible is selected.

Optional Windstorm or Hail Deductibles:

\$1,000, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500

1%, 2%, 5%

All Other Perils (AOP) Deductibles

Policy Amount	AOP Deductibles			
	\$1,000	\$2,500	\$5,000	\$7,500
\$ 5,000	-0.047	-0.138	-0.22	-0.271
50,000	-0.047	-0.138	-0.22	-0.271
75,000	-0.045	-0.133	-0.213	-0.263
100,000	-0.044	-0.13	-0.208	-0.258
125,000	-0.043	-0.127	-0.205	-0.254
150,000	-0.042	-0.125	-0.202	-0.25
175,000	-0.041	-0.124	-0.199	-0.248
200,000	-0.041	-0.122	-0.197	-0.245
250,000	-0.04	-0.119	-0.194	-0.241
300,000	-0.039	-0.117	-0.191	-0.238
400,000	-0.037	-0.114	-0.186	-0.233
500,000	-0.036	-0.111	-0.183	-0.229
760,000	-0.035	-0.107	-0.177	-0.222
1,000,000	-0.033	-0.104	-0.172	-0.217

Windstorm or Hail Deductible

Policy Amount	W/H Deductibles		
	\$1,000	\$2,500	\$5,000
\$ 5,000	-0.08	-0.256	-0.319
50,000	-0.08	-0.256	-0.319
75,000	-0.056	-0.205	-0.301
100,000	-0.038	-0.159	-0.282
125,000	-0.033	-0.129	-0.263
150,000	-0.028	-0.12	-0.237
175,000	-0.024	-0.111	-0.213
200,000	-0.021	-0.103	-0.194
250,000	-0.02	-0.089	-0.165
300,000	-0.019	-0.078	-0.157
400,000	-0.018	-0.061	-0.141
500,000	-0.017	-0.048	-0.127
760,000	-0.015	-0.044	-0.095
1,000,000	-0.013	-0.041	-0.069

Increased Limits

Section I – Property Coverages

Coverage B and Coverage C

Increased limits for Coverage B and Coverage C may be selected.

Section II – Liability Coverages

Coverage E – Personal Liability

For an additional premium, increased limits for personal liability (Coverage E) of \$300,000 or \$500,000 may be selected.

Liability coverage may be provided for secondary dwellings owned and occupied by the named insured, but not insured with us.

Occupant Status = Primary			
Liability (Cov E)			
Limit	Number of Families		
	1 or 2	3	Other
\$100,000	Base	\$16	\$32
\$300,000	\$20	\$56	\$92
\$500,000	\$34	\$84	\$134
\$1,000,000	\$56	\$128	\$200
\$1,500,000	\$77	\$170	\$263

Occupant Status = Secondary			
Liability (Cov E)			
Limit	Number of Families		
	1 or 2	3	Other
\$100,000	Base	\$16	\$32
\$300,000	\$20	\$56	\$92
\$500,000	\$34	\$84	\$134
\$1,000,000	\$56	\$128	\$200
\$1,500,000	\$77	\$170	\$263

Coverage F – Medical Payments to Others

For an additional premium, increased limits of liability may be provided for medical payments to others (Coverage F) at the following aggregate limits:

Limits	Premiums
\$1,000	Base
\$2,000	\$7
\$3,000	\$12
\$4,000	\$15
\$5,000	\$18
\$10,000	\$20

Additional Policy Coverages**Increased Building Ordinance or Law Coverage**

For an additional premium, the basic limit of 10 percent for building ordinance or law coverage can be increased to an aggregate of 20 or 50 percent.

Calculate the premium by multiplying the **Basic premium** by the following factor.

Aggregate Limit	Factor	Minimum
10% of Coverage A	Base	N/A
20% of Coverage A	.03	\$5
50% of Coverage A	.08	\$15

Loss Assessment Coverage

For an additional premium, increased limits may be purchased for loss assessment at the following aggregate limits:

Limits	Policy Level		
	Essential	New Quality-Plus	Optimum
\$500	Base	N/A	N/A
\$1,000	\$5	N/A	N/A
\$3,000	\$7	Base	N/A
\$5,000	\$9	\$2	Base
\$10,000	\$12	\$5	\$3
\$15,000	\$14	\$7	\$5
\$50,000	\$19	\$12	\$10

Decreased Limits

Section I – Property Coverages

Decreased limits for Coverage B and Coverage C may be provided.

Coverage B – Other Structures

Coverage B may be reduced below the Basic Coverage Limit (as displayed in the Eligibility and Rules section), or eliminated entirely.

Coverage C – Personal Property

Primary Dwellings

Customers with three-unit or four-unit dwellings may reduce their Coverage C limits to a level lower than the **Basic Coverage Limit** (as displayed in the Eligibility and Rules section), subject to a minimum of 20 percent.

Customers with one-unit or two-unit dwellings have a **Basic Coverage Limit** (as displayed in the Eligibility and Rules section) for Coverage C which may not be reduced further.

Secondary Dwellings

Customers with secondary dwellings may reduce their Coverage C limits to a level lower than the **Basic Coverage Limit** (as displayed in the Eligibility and Rules section), subject to a minimum of 20 percent.

Optional Coverages

Additional Interests

Section I – Property Coverage

For no additional premium, Section I – Property Coverage may be extended to additional interests other than the named insured.

Section II – Liability Coverage

For an additional premium, Section II – Liability Coverage may be extended to additional interests other than the named insured. Interest types eligible for this extension of coverage include: LLC, Trust, Estate, etc. The limit of liability must be the same as the personal liability (Coverage E) limit.

Section II – Liability Coverage	
Limit of Liability	Premium
\$100, 000	\$1
\$300, 000	\$2
\$500, 000	\$3

Note: Interests that apply to both Section I – Property Coverages and Section II – Liability Coverages will be charged in accordance with the chart above.

Earthquake Coverage

Option EE is not available for any new business policy or as a new endorsement for in-force dwelling or condominium customers who previously did not have this coverage. The following coverage details only pertain to in-force customers who have dwellings or condominiums that meet age and construction requirements listed below.

Note: The Declination of Residential Earthquake Coverage must be completed. Each application contains this declination as required by the Arkansas Earthquake Authority Act.

Earthquake damage coverage may be extended to frame and masonry veneer dwellings. A deductible of 15 percent, 20 percent or 25 percent of the policy limit may be selected in any earthquake zone. A deductible of 10 percent of the policy limit may be selected only in earthquake zone 5. The deductible shall apply separately to the amount of insurance for Coverages A, B and C.

Age and Construction Requirements

Dwellings and Condominiums must have an original construction date of 1960 or newer.

Dwellings and Condominiums with solid masonry construction are not eligible for coverage.

Zones by County

Zone 2: Crittendon, Cross, Lee, Mississippi, Monroe, Poinsett, St. Francis,

Zone 3: Arkansas, Clay, Craighead, Greene, Jackson, Lawrence, Phillips, Prairie, Woodruff

Zone 4: Chicot, Desha, Independence, Lincoln, Lonoke, Randolph, Sharp, White,

Zone 5: Ashley, Baxter, Benton, Boone, Bradley, Calhoun, Carroll, Clark, Cleburne, Cleveland, Columbia, Conway, Crawford, Dallas, Drew, Faulkner, Franklin, Fulton, Garland, Grant, Hempstead, Hot Spring, Howard, Izard, Jefferson, Johnson, Lafayette, Little River, Logan, Madison, Marion, Miller, Montgomery, Nevada, Newton, Ouachita, Perry, Pike, Polk,

Pope, Pulaski, Saline, Scott, Searcy, Sebastian, Sevier, Stone, Union, Van Buren, Washington, Yell.

Zone	Coverage A		
	Frame*	Masonry Veneer†	Masonry‡
10% Deductible – Rates per \$1,000			
5	.57	1.00	2.00
15% Deductible – Rates per \$1,000			
2	1.43	2.48	4.95
3	.60	1.00	2.00
4 & 5	.40	.70	1.40
20% Deductible – Rates per \$1,000			
2	.93	1.63	3.25
3	.39	.65	1.30
4 & 5	.28	.48	.93
25% Deductible – Rates per \$1,000			
2	.55	.95	1.93
3	.23	.39	.78
4 & 5	.15	.28	.55

* Rate aluminum and plastic siding as frame construction.

† Rate log as masonry veneer.

‡ Rate superior and concrete block construction as masonry.

Zone	Increased Coverage C Limits	
	Coverage C	
10% Deductible – Rates per \$1,000		
5		.40
15% Deductible – Rates per \$1,000		
2		.95
3		.40
4 and 5		.28
20% Deductible – Rates per \$1,000		
2		.63
3		.26
4 and 5		.18
25% Deductible – Rates per \$1,000		
2		.38
3		.16
4 and 5		.10

If increased limits of Coverage B have been purchased, no additional charge for this coverage will be made.

The Declination of Residential Earthquake Coverage must be completed. Each application contains the necessary declination as required by the Arkansas Earthquake Authority Act.

The applicant's signature is required should they choose not to purchase earthquake coverage in any form.

No Earthquake coverage may be bound for 10 days following an earthquake in excess of 6.0 on the Richter scale.

Equipment Breakdown Coverage

Coverage may be provided for accidental direct physical loss to your covered property located on the residence premises caused by equipment breakdown, up to a limit of \$50,000; and subject to a \$500 deductible.

Rate per Policy
\$24

Escape of Water from a Sump, Sump Pump or Drain on the Residence Premises (Building and Specified Contents)

Coverage may be provided for a loss caused by water which backs up through, or overflows from, a sewer, drain, sump, sump pump, or any system on the residence premises designated to remove subsurface water from the foundation area. This coverage does not apply if the loss is flood induced. The maximum amount of coverage available is \$50,000.

This coverage is for the Building and the following specified items:

- Clothes washers and dryers
- Refrigeration units, not including contents
- Cooking ovens and ranges
- Dishwashers
- Build-ins such as furnace, carpet, A/C, etc.

Limit	Premium
\$5,000	\$41
\$10,000	\$74
\$15,000	\$101
\$20,000	\$125
\$25,000	\$147
\$30,000	\$166
\$35,000	\$184
\$40,000	\$200
\$45,000	\$215
\$50,000	\$229

Escape of Water from a Sump, Sump Pump or Drain on The Residence Premises (Building and Contents)

Coverage may be provided for a loss caused by water which backs up through, or overflows from, a sewer, drain, sump, sump pump, or any system on the residence premises designated to remove subsurface water from the foundation area. This coverage does not apply if the loss is flood induced. The selected coverage limit applies to any property covered under Section 1 of the policy. The maximum amount of coverage available is \$50,000.

Limit	Premium
\$5,000	\$46
\$10,000	\$84
\$15,000	\$116
\$20,000	\$146
\$25,000	\$174
\$30,000	\$200
\$35,000	\$226
\$40,000	\$250
\$45,000	\$274
\$50,000	\$298

Extended Dwelling Coverage

Extended Dwelling Coverage provides up to an additional 25 percent or 50 percent of the dwelling coverage amount should repair or replacement exceed the original dwelling coverage amount displayed on the declarations page.

A full inspection may be required based on the type of construction and the replacement value of the home.

Additional Cov A Percent	Factor
25%	.03
50%	.04

Extended Dwelling Coverage premium will be calculated and displayed as a single item on the declarations page and is a separate amount of insurance.

Home Business Package

The Safeco Home Business Package bundles coverages for the home-based business customer. This includes coverage for business personal property and business merchandise. In addition, coverage is also extended to other structures on the residence premises used for a home-based business. Last, on-premises liability coverage is also provided at the limit of liability for the residence premises. The limit of liability must be the same as the personal liability (Coverage E) limit.

This option may be purchased for the following limits of business property:

Business Property Limit						
Liability Limit	\$1,000	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
\$100,000	\$21	\$26	\$32	\$38	\$44	\$50
\$300,000	\$25	\$30	\$36	\$42	\$48	\$54
\$500,000	\$29	\$34	\$40	\$46	\$52	\$58
\$1,000,000	\$41	\$46	\$52	\$58	\$64	\$70
\$1,500,000	\$45	\$50	\$56	\$62	\$68	\$74

Home Day Care Services Coverage

Liability coverage may be provided for home day care services at the residence premises for up to three persons. Home Day Care does not include care for medical purposes.

The limit of liability must be the same as the personal liability (Coverage E) limit.

Limit of Liability	Premium
\$100,000	\$100
\$300,000	\$133
\$500,000	\$149
\$1,000,000	\$171
\$1,500,000	\$186

Identity Recovery Coverage

Coverage may be provided for expenses related to identity recovery, subject to an annual aggregate limit of \$25,000 per customer. Lost wages and expenses for child or elder care are covered, subject to a sub-limit of \$250 per day, \$5,000 total. Help-line assistance and case management services are provided at no additional charge for customers with this endorsement.

Rate per Policy

\$12

Incidental Farm Coverage

The policy may be extended to provide coverage for certain exposures presented by eligible incidental or “hobby” farming.

Additional coverage offered by this option includes:

Section I – Property Coverages

– Coverage B is extended to include other structures used for farming

- \$10,000 coverage is provided for farm personal property
- \$1,000 animal collision coverage is provided (\$5,000 aggregate)

Section II – Liability Coverages

- Liability coverage is extended to incidental farming
- Medical payments coverage is extended to farm employees injured in the course of their employment
- Chemical Drift coverage with a limit of \$25,000 is provided

Additional farm personal property may be scheduled. See [Valuable Articles–Itemized–Farm Personal Property](#).

Eligibility

A risk that is otherwise eligible for a homeowners policy and that has farming operations incidental to a typical residential situation is eligible for this option. Photographs of all structures on the premises are required.

Submit on a non-bound basis:

- Risks with more than 10 acres
- Risks with more than three horses
- Risks with employees or seasonal help

The following exposures are ineligible:

- Breeding, boarding, or training of non-owned horses
- Providing grazing land for non-owned horses
- Horse shows on premises
- Horses (owned or non-owned) used for racing, rental or riding lessons

Liability	Premium
\$100,000	\$40
\$300,000	\$91
\$500,000	\$124
\$1,000,000	\$180
\$1,500,000	\$232

Landlord's Furnishings

Coverage may be extended to provide \$5,000 personal property coverage for certain landlord's furnishings, on a named peril basis, located on the residence premises and rented to others.

Rate per policy
\$20

Outboard Motor Liability – 50 hp and Over

Coverage may be provided for an outboard motor or combination of outboard motors of 50 or more total horsepower by indicating, on the application or endorsement, the number and power of such motors, the length of hull they are mounted on and the ages of all operators of these hulls.

Limit of Liability	Premium
\$100,000	\$65
\$300,000	\$79
\$500,000	\$96
\$1,000,000	\$114

Availability of this option is subject to our watercraft underwriting guidelines. This option is not available to motors mounted to hulls insured for physical damage on a separate watercraft insurance policy.

Personal Offense Coverage

Liability coverage may be provided for injury arising out of personal offenses such as false arrest, detention, imprisonment or malicious prosecution; libel, slander or defamation of character; or invasion of privacy, wrongful eviction or wrongful entry.

The limit of liability must be the same as the personal liability limit.

Limit of Liability	Premium
\$100,000	\$4
\$300,000	\$8
\$500,000	\$11
\$1,000,000	\$16
\$1,500,000	\$21

Personal Property Replacement Cost

Personal Property (Coverage C) is extended on a replacement cost basis to most items of personal property.

Factor
1.04

Refrigerated Products Coverage

Coverage may be provided for loss to covered property stored in freezers/refrigerators up to \$500, subject to a \$100 deductible.

Rate per policy
\$12

Short Term Vacancy Coverage

Coverage may be extended to provide short term vacancy coverage to the dwelling; up to 120 consecutive days.

Calculate the short term vacancy premium by multiplying the Coverage A **Basic Premium** by 6 percent.

Special Personal Property Coverage

Coverage C may be extended to include additional risks of physical loss (with certain exceptions).

Calculate the Special Personal Property premium by applying 8 percent to the Coverage A **Basic Premium**. The minimum premium is \$25.

Theft of Building Materials

Coverage may be provided for theft of building materials or supplies due to remodeling, re-construction, renovation or repair.

Limit	Premium
\$5,000	\$30
\$10,000	\$34
\$15,000	\$37
\$20,000	\$40
\$25,000	\$43
\$50,000	\$57
\$75,000	\$69
\$100,000	\$82

Valuable Articles Coverage

There are two options for insuring valuable articles:

Grouped (Unscheduled) Coverage

Grouped (or Unscheduled) Coverage provides protection for pieces without the need to specifically schedule each individual item. Group coverage is subject to a \$500 deductible per occurrence and a maximum per item limit of \$5,000. Covered losses are settled on a replacement cost basis. Five classes of property are eligible.

Fine Arts

“**Fine Arts**” includes paintings, rugs, tapestry, wall hangings, statuary, sculpture, ceramics, porcelain, china, glass, crystal, objects made from marble or similar items of a collectible nature. For purposes of this coverage, ***fine arts*** does not include silverware, goldware or pewterware.

Limit		Premium	
Per Item	Aggregate	with breakage	without breakage
\$5,000	\$5,000	\$16	\$8
\$5,000	\$10,000	\$27	\$14
\$5,000	\$15,000	\$36	\$18
\$5,000	\$20,000	\$44	\$22
\$5,000	\$25,000	\$51	\$26
\$5,000	\$30,000	\$59	\$29
\$5,000	\$35,000	\$66	\$33
\$5,000	\$40,000	\$75	\$37
\$5,000	\$45,000	\$80	\$40
\$5,000	\$50,000	\$86	\$43

Cameras

Per Item	Limit	
	Aggregate	Premium
\$5,000	\$5,000	\$53
\$5,000	\$10,000	\$91
\$5,000	\$15,000	\$120
\$5,000	\$20,000	\$147
\$5,000	\$25,000	\$171
\$5,000	\$30,000	\$196
\$5,000	\$35,000	\$219
\$5,000	\$40,000	\$249
\$5,000	\$45,000	\$268
\$5,000	\$50,000	\$287

Furs

Per Item	Limit	
	Aggregate	Premium
\$5,000	\$5,000	\$21
\$5,000	\$10,000	\$36
\$5,000	\$15,000	\$48
\$5,000	\$20,000	\$59
\$5,000	\$25,000	\$68
\$5,000	\$30,000	\$78
\$5,000	\$35,000	\$88
\$5,000	\$40,000	\$100
\$5,000	\$45,000	\$107
\$5,000	\$50,000	\$115

Jewelry

Per Item	Limit	
	Aggregate	Premium
\$5,000	\$5,000	\$48
\$5,000	\$10,000	\$82
\$5,000	\$15,000	\$108
\$5,000	\$20,000	\$132
\$5,000	\$25,000	\$154
\$5,000	\$30,000	\$176
\$5,000	\$35,000	\$197
\$5,000	\$40,000	\$224
\$5,000	\$45,000	\$241
\$5,000	\$50,000	\$258

Silverware

Per Item	Limit	
	Aggregate	Premium
\$5,000	\$5,000	\$19
\$5,000	\$10,000	\$32
\$5,000	\$15,000	\$42
\$5,000	\$20,000	\$51
\$5,000	\$25,000	\$60
\$5,000	\$30,000	\$68
\$5,000	\$35,000	\$77
\$5,000	\$40,000	\$87
\$5,000	\$45,000	\$94
\$5,000	\$50,000	\$100

Itemized (Scheduled) Coverage

Itemized (Scheduled) Coverage provides protection for pieces specifically scheduled and described in the policy. There is no deductible and the item is insured for its agreed value. Coverage losses are settled on an agreed value basis.

The following classes of personal property, owned by the policy holder, may be scheduled. Give complete descriptions on a scheduled personal property endorsement.

Fine Arts

“**Fine Arts**” includes paintings, rugs, tapestry, wall hangings, statuary, sculpture, ceramics, porcelain, china, glass, crystal, objects made from marble or similar items of a collectible nature. For purposes of this coverage, ***fine arts*** does not include silverware, goldware or pewterware.

Rate per \$100
\$0.15

Fine Arts with Breakage Coverage

For an additional premium, loss caused by breakage of fine art is covered.

Rate per \$100
\$0.30

Cellular Phones and Other Mobile Communication Equipment

Rate per \$100
\$3.50

Cameras, Guns, Stamp and Coin Collections, Comics and Trading Cards

Rate per \$100
\$1.00

Furs, Musical Instruments and Property Not Otherwise Classified (Including Electronic Systems)

Rate per \$100
\$0.40

Computer and Media Equipment

Rate per \$100
\$0.75

Silverware

Rate per \$100
\$0.35

Valued Jewelry

Losses will be settled on the basis of the amount shown on the Valuable Article Schedule.

Rate per \$100
\$0.90

In-vault Jewelry

Jewelry items that are described in the policy as “in-vault” must be kept in a bank vault. There is no coverage for these items while they are out of the vault, unless we agree in advance to cover them. Use the rates displayed below to determine the applicable premium.

Rate per \$100
\$0.20

Farm Personal Property

Available only with Incidental Farming Coverage. A \$250 deductible applies.

Rate per \$100
\$0.67

Discounts

We offer several credits in the homeowners program which are calculated on the basic premium (except for the account credit and umbrella credit which applies to the total premium for the policy). Please refer to the definition of **Basic Premium** in the eligibility and rules section.

Umbrella Discount

If the insured has a personal lines umbrella policy with us, a 2 percent premium credit will apply.

This credit will apply to total premium for the policy and is available for homeowners Form 30 only. The credit will be discontinued if the umbrella policy lapses.

Package Auto Discount

If the customer has a personal lines auto policy with us, a 15 percent premium credit will apply. Named non-owner auto policies do not qualify.

This credit will apply to the total premium for the policy and is available for all policy forms. The credit will be discontinued if the auto policy lapses.

Burglar Alarm Discount

Customers are eligible for a premium credit for the installation of an approved and properly maintained burglar alarm system as follows:

Type of System	Credits
	Form 30
Local alarm system	2%
Police station alarm system	2%
Central station alarm system	2%

Definitions

- Local burglar alarm system is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud-sounding device attached to an outside wall of the residence premises. Disturbance of the protective devices or unauthorized entry automatically causes the sounding device to

operate until it is stopped by key control, exhaustion of the power supply or by a timing element set for a definite period of operation.

- Police station burglar alarm system is one in which a local alarm system with supplementary direct circuit or transmitting equipment is connected to constantly attended receiving equipment at a police station.
- Central station burglar alarm system is one in which the operation of circuits and devices are signaled automatically to, recorded in, maintained and supervised from a central station having trained operators and guards who will, upon receipt of a signal, take required action.

Apply the credit to the **Basic Premium** and round to the nearest dollar.

Newer Home Discount

Dwellings are eligible for a premium credit if they are less than seven years old. The available credits are shown below and are applied to the **Basic Premium**.

Credit Classification	0	1	2	3	4	5	6	7+
Credit Percentage	30%	26%	22%	14%	8%	5%	2%	0%

Renewal Discount

A credit will be applied to the **Basic Premium** for homeowners renewals, if your customer's primary residence or contents has been continuously insured in one of our personal lines homeowners markets for a minimum of three years.

The amount of the credit applied will be based on the following schedule:

Number of Years	0-2	3	4	5	6	7	8+
Credits	0%	3%	4%	5%	9%	12%	15%

The renewal credit will also apply to any secondary location policy also insured with us.

Eligibility and amount of credit are determined by the primary residence policy.

Sprinkler Discount

Customers are eligible for a premium credit for fire sprinkler systems that have been both installed and maintained in accordance with nationally accepted fire sprinkler standards as follows:

Type of Sprinkler System	Credit Percentage
Automatic sprinkler in all areas except attic, bathrooms, closets and attached structure area that are protected by a fire detector.	4%
Automatic sprinkler in all areas including attics, bathrooms, closets and attached structure.	7%

Apply the credit to the **Basic Premium**. Round to the nearest dollar.

Employee Discount

Eligible persons are employees of Liberty Mutual or its subsidiaries, their spouses, domestic partners, grandparents, parents, aunts, uncles, nieces, nephews, siblings, children, and family members in the household.

All other underwriting standards and provisions apply.

This discount only applies to policies sold through Emerald City Insurance.

SERFF Tracking Number: LBRM-126148581 State: Arkansas
 Filing Company: Safeco Insurance Company of America State Tracking Number: EFT \$100
 Company Tracking Number: PL-09-NHC-AR
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: Homeowners
 Project Name/Number: Rate Revision/PL-09-NHC-AR

Superseded Attachments

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

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Supporting Document	HPCS-Homeowners Premium Comparison Survey	05/12/2009	HO Survey FORM ARHPCS.pdf HO Survey FORM ARHPCS.xls

		%	WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$		\$	
<i>Maximum Credit Allowed</i>		%		Lowest Risk	\$		\$	

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