

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Filing at a Glance

Company: American Modern Select Insurance Company

Product Name: DP-1 and DP-3 Programs (085) SERFF Tr Num: AMMH-126153189 State: Arkansas

TOI: 30.1 Dwelling Fire/Personal Liability

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 30.1000 Dwelling Fire/Personal Liability

Co Tr Num: 20071226-14

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Becky Harrington, Brittany Yielding

Author: Jessica Housley

Disposition Date: 07/06/2009

Date Submitted: 05/19/2009

Disposition Status: Filed

Effective Date Requested (New): 09/15/2009

Effective Date (New): 09/15/2009

Effective Date Requested (Renewal): 09/15/2009

Effective Date (Renewal):

09/15/2009

State Filing Description:

General Information

Project Name: DP-1 and DP-3 Programs (085) rate/rule filing

Status of Filing in Domicile:

Project Number: 20071226-14

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/06/2009

Deemer Date:

State Status Changed: 05/20/2009

Corresponding Filing Tracking Number: 20090420-01

Filing Description:

American Modern Select Insurance Company is submitting a rate and rule filing for its DP-1 and DP-3 Programs.

Company and Contact

Filing Contact Information

Jessi Housley, Filing Analyst

jhoulesy@amig.com

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

7000 Midland Blvd. (800) 759-9008 [Phone]
Amelia, OH 45102 (513) 947-4820[FAX]

Filing Company Information

American Modern Select Insurance Company CoCode: 38652 State of Domicile: Ohio
7000 Midland Blvd. Group Code: 361 Company Type: Property/Casualty
Amelia, OH 45102 Group Name: State ID Number:
(513) 759-9008 ext. [Phone] FEIN Number: 38-2342976

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: \$100 per independent rate filing
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Modern Select Insurance Company	\$100.00	05/19/2009	27987403

SERFF Tracking Number: AMMH-126153189 State: Arkansas
 Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20071226-14
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: DP-1 and DP-3 Programs (085)
 Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/06/2009	07/06/2009

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	06/24/2009	06/24/2009	Jessica Housley	07/06/2009	07/06/2009
Pending Industry Response	Becky Harrington	06/08/2009	06/08/2009	Jessica Housley	06/17/2009	06/17/2009
Pending Industry Response	Becky Harrington	05/27/2009	05/27/2009	Jessica Housley	06/05/2009	06/08/2009
Pending Industry Response	Becky Harrington	05/20/2009	05/20/2009	Jessica Housley	05/26/2009	05/26/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Deductibles	Note To Filer	Becky Harrington	05/27/2009	05/27/2009

SERFF Tracking Number: AMMH-126153189 State: Arkansas
 Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20071226-14
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: DP-1 and DP-3 Programs (085)
 Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Disposition

Disposition Date: 07/06/2009
 Effective Date (New): 09/15/2009
 Effective Date (Renewal): 09/15/2009
 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):
American Modern Select Insurance Company	%	2.250%	\$21,293	1,021	\$851,710	70.730%	-15.000%

SERFF Tracking Number: AMMH-126153189 State: Arkansas
 Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20071226-14
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: DP-1 and DP-3 Programs (085)
 Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Indications	Filed	Yes
Supporting Document	explanatory	Filed	Yes
Supporting Document	Insurance Score exhibits	Filed	Yes
Rate (revised)	Arkansas DP-1 and DP-3 Programs Manual	Filed	Yes
Rate	Arkansas DP-1 and DP-3 Programs Manual		Yes
Rate	Arkansas DP-1 and DP-3 Programs Manual		Yes

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/24/2009

Submitted Date 06/24/2009

Respond By Date

Dear Jessi Housley,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment: Please provide a revised data entry document and HPCS (if applicable).

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 07/06/2009

Submitted Date 07/06/2009

Dear Becky Harrington,

Comments:

Following is our response to your objection letter.

Response 1

Comments: As this is a filing for DP-1 and DP-3, the HO premium comparison survey is not applicable for this filing.

We have revised and attached the NAIC Lost Cost Data Entry Document. The indications for the DP-1 program shown on this rate filing abstract are based on 3Q 2008 information and our loss experience has worsened since then, so an updated indication would be higher than the 6.5% shown.

Related Objection 1

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment:

Please provide a revised data entry document and HPCS (if applicable).

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Jessica Housley

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/08/2009
Submitted Date 06/08/2009

Respond By Date

Dear Jessi Housley,

This will acknowledge receipt of the response.

Objection 1

No Objections

Comment: Do you anticipate making changes to this filing or submit another at a later date?

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 06/17/2009
Submitted Date 06/17/2009

Dear Becky Harrington,

Comments:

Following is our response to your objection letter.

Response 1

Comments: We have revised our rates for Owner and Seasonal for both the DP-1 and DP-3 programs. See pages R-3 and R-4 of the attached revised manual.

Impacts have changed as follows:

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Overall Impact: 2.25%

Written Premium Change: \$21,293

Maximum Change: 70.73%

Minimum Change: -15.00%

We have also corrected page R-10 under Optional Deductibles to say "The Wind/Hail Deductible credit will only apply if the All Other Peril Deductible is less than \$1,000" (rather than \$2,500).

Related Objection 1

Comment:

Do you anticipate making changes to this filing or submit another at a later date?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas DP-1 and DP-3 Programs Manual		Replacement	
Previous Version			
Arkansas DP-1 and DP-3 Programs Manual		Replacement	
Arkansas DP-1 and DP-3 Programs Manual		Replacement	

Thank you.

Sincerely,
Jessica Housley

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/27/2009

Submitted Date 05/27/2009

Respond By Date

Dear Jessi Housley,

This will acknowledge receipt of the response dated 5/26/2009.

Objection 1

- Arkansas DP-1 and DP-3 Programs Manual (Rate)

Comment: The deductible rule must be revised to show wind/hail deductibles as optional.

Reference was made to Auto-Owners' July 2005 filing. A copy of their rule page that was accepted is attached, in addition to the current page from their updated filing AOIC-126066608. Both show base all peril deductibles with optional wind/hail deductibles.

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

AUTO-OWNERS INSURANCE COMPANY
AUTO-OWNERS LIFE INSURANCE COMPANY
HOME-OWNERS INSURANCE COMPANY
OWNERS INSURANCE COMPANY
PROPERTY-OWNERS INSURANCE COMPANY
SOUTHERN-OWNERS INSURANCE COMPANY



June 17, 2005

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

P. O. BOX 30660, LANSING, MICHIGAN 48909-8160 • 517-323-1200
FAX 517-323-8796
WWW.AUTO-OWNERS.COM

ATTN: Ms. Becky Harrington
Certified Analyst, Property and Casualty Division

AUTO-OWNERS INSURANCE COMPANY
INDEPENDENT HOMEOWNERS PROGRAM
RATE AND RULE FILING
FILING ID NO.: AOHO050905
Original Filing Dated: May 9, 2005

RECEIVED
JUN 22 2005
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Dear Ms. Harrington,

In response to your letter dated May 25, 2005, we submit the following responses and revisions to the Independent Homeowners Program for Auto-Owners Insurance Company of Lansing, Michigan.

1. In compliance with Subchapter 4 of Chapter 67 we are sending actual model information. We are using the Fair, Isaac InScore 3.0 Preferred Auto Insurance Score model (InScore 3.0 PA 0702). Included is model documentation from Fair, Isaac as support, shown as Exhibits A – D. Please direct questions regarding the Insurance Score model to Eddy Lo of Fair, Isaac at (415) 491-7153 or eddylo@fairisaac.com.

Also included is the Insurance Score consumer notice, which is sent out with every new business policy and all renewals thereafter. Please see Exhibits E and F for these notices.

In addition, our Insurance Score relativities have been modified based on new premium neutral targets. The original targets submitted contained corrupted data. Please see page AOUQZ062. The development of these Insurance Score targets is submitted as Exhibit G. The "*current target relativities*" used in the development of our "*written premium neutral relativities*" are the result of an analysis of our June 2004 Insurance Score data. All of the Insurance Score relativities were developed independently within each age group and therefore there is no double counting of this risk characteristic.

2. To clarify, a higher Insurance Score does equate to a better rate and lower premium.
3. After review of bulletin 10-2002, it appears that the department is not permitting exclusion of coverage. Forms 17594, 17595, 17596, and 17784 listed on page AOUQZ020 do not exclude coverage; they provide a limitation of the Coverage A amount.
4. The deductible options have been modified so that insureds no longer have a mandatory wind/hail deductible; instead they can choose the option of having one. Please see page AOUQZ066 for this change.

AID/P&C JUL 12 2005

DEDUCTIBLE OPTIONS

Deductibles apply to all Section I losses unless stated otherwise. The following options are available.

Deductible	Discount/Charge			
	Form 3 and Premier Plus - All non-hail resistive roofs over 10 years old	Form 3 and Premier Plus - All hail resistive roofs and all other roof types (excluding wood) 10 years old or less	Form 6	Form 4
\$50 Flat	N/A	N/A	+29%	+29%
\$50 AOP/\$500 Wind/Hail	N/A	+32%	N/A	N/A
\$50 AOP/\$1000 Wind/Hail	+31%	+31%	N/A	N/A
\$50 Flat/\$250 Theft	N/A	N/A	+23%	+23%
\$50 AOP/\$250 Theft/ \$500 Wind/Hail	N/A	+25%	N/A	N/A
\$50 AOP/\$250 Theft/ \$1000 Wind/Hail	+24%	+24%	N/A	N/A
\$100 Flat	N/A	N/A	+16%	+16%
\$100 AOP/\$500 Wind/Hail	N/A	+18%	N/A	N/A
\$100 AOP/\$1000 Wind/Hail	+17%	+17%	N/A	N/A
\$100 Flat/\$250 Theft	N/A	N/A	+12%	+12%
\$100 AOP/\$250 Theft/ \$500 Wind/Hail	N/A	+14%	N/A	N/A
\$100 AOP/\$250 Theft/ \$1000 Wind/Hail	+13%	+13%	N/A	N/A
\$250 Flat	N/A	N/A	Base	Base
\$250 AOP/\$500 Wind/Hail	N/A	+6%	N/A	N/A
\$250 AOP/\$1000 Wind/Hail	+4%	+4%	N/A	N/A
\$500 Flat	Base	Base	-7%	-7%
\$500 AOP/\$1000 Wind/Hail	-2%	-2%	N/A	N/A
\$500 AOP/\$2000 Wind/Hail	-7%	-7%	N/A	N/A
\$1000 Flat	-12%	-12%	-14%	-14%
\$1000 AOP/\$2000 Wind/Hail	-15%	-15%	N/A	N/A
\$2,500 flat	-17%	-17%	-15%	-15%
\$5,000 flat	-20%	-20%	-18%	-18%

For higher deductible options, refer to your underwriting branch.

The deductible is shown on the policy Declarations.

AID/P&C JUL 12 2005

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
--------------------	--	-----------------

DEDUCTIBLE OPTIONS

Deductible	All non-hail resistive roofs over 10 years old	All hail resistive roofs and all other roof types 10 years old or less	Contents Only and Condominium Policies
\$250 Flat	N/A	N/A	+6%
\$250 All Other Perils/ \$500 Wind/Hail	N/A	+2%	N/A
\$250 All Other Perils/ \$1000 Wind/Hail	+1%	+1%	N/A
\$500 Flat	Base	Base	Base
\$500 All Other Perils/ \$1000 Wind/Hail	-4%	-4%	N/A
\$500 All Other Perils/ \$2000 Wind/Hail	-5%	-5%	N/A
\$1000 Flat	-7%	-7%	-7%
\$1000 All Other Perils/ \$2000 Wind/Hail	-10%	-10%	N/A
\$2500 Flat	-11%	-11%	-11%
\$5000 Flat	-14%	-14%	-14%

The rates and relativities are based upon the use of a \$500 flat deductible to all perils. The deductible does not apply to Additional Living Expense or **Loss of Rents**.

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/05/2009
Submitted Date 06/08/2009

Dear Becky Harrington,

Comments:

Following is our response to your objection letter.

Response 1

Comments: We have been made aware of the departmental policy against a mandatory wind and hail deductible higher than the all other peril deductible. The deductible was proposed to manage the large number of wind and hail claims and the high loss amounts incurred in the program as a result of wind and hail loss in the state. As a result, if we are unable to have a higher mandatory wind and hail deductible in place, we will be obligated to increase rates to mitigate our wind and hail loss experience. We will need to revise our original proposed rate changes in order to take these wind and hail losses into proper consideration.

Related Objection 1

Applies To:

- Arkansas DP-1 and DP-3 Programs Manual (Rate)

Comment:

The deductible rule must be revised to show wind/hail deductibles as optional.

Reference was made to Auto-Owners' July 2005 filing. A copy of their rule page that was accepted is attached, in addition to the current page from their updated filing AOIC-126066608. Both show base all peril deductibles with optional wind/hail deductibles.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
--------------	------------------	-------------	-------------------------

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Arkansas DP-1 and DP-3 Replacement
Programs Manual
Previous Version
Arkansas DP-1 and DP-3 Replacement
Programs Manual

SERFF Tracking Number: *AMMH-126153189* *State:* *Arkansas*
Filing Company: *American Modern Select Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *20071226-14*
TOI: *30.1 Dwelling Fire/Personal Liability* *Sub-TOI:* *30.1000 Dwelling Fire/Personal Liability*
Product Name: *DP-1 and DP-3 Programs (085)*
Project Name/Number: *DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14*

Attached is the revised manual.

Sincerely,
Jessica Housley

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/20/2009

Submitted Date 05/20/2009

Respond By Date

Dear Jessi Housley,

This will acknowledge receipt of the captioned filing.

Objection 1

- explanatory (Supporting Document)

Comment: Provide supporting documentation for the changes to the insurance score relativities.

Objection 2

- Arkansas DP-1 and DP-3 Programs Manual (Rate)

Comment: Mandatory wind/hail deductibles in amounts greater than the policy all other peril deductible are not permitted.

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 05/26/2009

Submitted Date 05/26/2009

Dear Becky Harrington,

Comments:

Following is our response to your objection letter.

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Response 1

Comments: We have created the attached exhibits to address your concerns and questions. The first exhibit shows supporting documentation for the changes to the insurance score relativities. The changes were based upon a countrywide study designed to evaluate our experience in the insurance scored programs and develop corresponding indicated relativities that are more appropriate than our current relativities. The second exhibit shows the detail of our policy distribution for Arkansas Owner and Seasonal Occupied risks in the DP-1 and DP-3 programs that would be impacted by the insurance score changes. The percent difference between the current and proposed relativities are also illustrated, indicating the portion of the market that will receive a better rate. Some policies will receive a better rate as a result of the adjustments to the insurance score relativities, while other policies will see no change in their rate. No policies will see a rate increase due to the adjustments to the insurance score relativities.

Related Objection 1

Applies To:

- explanatory (Supporting Document)

Comment:

Provide supporting documentation for the changes to the insurance score relativities.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Insurance Score exhibits

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: We have been made aware of your objection to a mandatory wind and hail deductible in an amount greater than the policy all other perils deductible. However, several competitors have implemented underwriting guidelines that result in mandatory wind and hail deductibles in amounts greater than the policy all other peril deductible.

An Auto-Owners filing with an edition date of July 1, 2005, allows for a mandatory wind and hail deductible greater than the all other perils deductible through underwriting restrictions. According to the filing, "all hail resistive roofs and all other roof types 10 years old or less" have a base deductible of \$500 all other perils and \$1,000 wind and hail. All other acceptable deductible options for this group are either surcharged or discounted. To the best of our knowledge, the deductible options available under the Auto-Owners program have not been revised.

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Related Objection 1

Applies To:

- Arkansas DP-1 and DP-3 Programs Manual (Rate)

Comment:

Mandatory wind/hail deductibles in amounts greater than the policy all other peril deductible are not permitted.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Jessica Housley

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Note To Filer

Created By:

Becky Harrington on 05/27/2009 09:24 AM

Last Edited By:

Becky Harrington

Submitted On:

07/06/2009 10:56 AM

Subject:

Deductibles

Comments:

Please provide a copy of the deductible information you referenced in your response of 5/26/2009.

Companies are required to follow their filed rates and rules. We appreciate knowing if a company is operating contrary to their filings. Underwriting guidelines are not required to be filed, however, we can request them if any impropriety is suspected.

SERFF Tracking Number: AMMH-126153189 State: Arkansas
 Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20071226-14
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: DP-1 and DP-3 Programs (085)
 Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -0.100%
Effective Date of Last Rate Revision: 12/01/2007
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Modern Select Insurance Company	%	1.940%	\$16,559	1,021	\$851,710	66.640%	-15.080%

SERFF Tracking Number: AMMH-126153189 State: Arkansas
 Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 20071226-14
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: DP-1 and DP-3 Programs (085)
 Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Arkansas DP-1 and DP-3 Programs Manual		Replacement	AR085DW09 rvsd3.pdf

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

GENERAL RULES

1. **DEFINITIONS**

- A. **Dwelling** – a structure containing not more than 4 dwelling units or more than 3 stories.
- B. **Owner Occupied Dwelling** – a dwelling used as the insured’s primary residence.
- C. **Vacant/Unoccupied Dwelling** – a dwelling or manufactured home that is unoccupied and/or being held for sale, whether or not the contents have been removed.
- D. **Seasonal Dwelling** - a dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis by the insured and his (her) immediate family.
- E. **Rental Dwelling** – a dwelling that is rented to others for residential purposes. Insurance is written to cover the interest of the owner of a rented dwelling.
- F. **Single Building**
 - a. All buildings or sections of buildings which communicate through unprotected openings.
 - b. Buildings which are separated by a space shall be considered separate buildings.
 - c. Buildings or sections of buildings which are separated by an eight (8) inch masonry party wall which pierces or rises to the underside of the roof shall be considered separate buildings. Communication between buildings through masonry party walls described above shall be protected by at least a Class “A” Fire Door installed in a masonry wall section.
- G. **Construction Types** – The three different construction types are defined below.
 - a. **Frame (1)** - Exterior walls of wood or other combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports. Aluminum or plastic siding over frame.
 - b. **Masonry Veneer (2)** - Exterior wall of combustible construction veneered with masonry materials. Rated as masonry.
 - c. **Masonry (3)** - Exterior walls constructed of masonry materials such as adobe, brick, concrete, concrete block, stone, tile or similar materials or non-combustible materials on non-combustible supports.
- H. **Public Fire Protection**
 Except in areas otherwise classified, all dwellings within the corporate limits shall take the fire protection classification of the municipality. All dwellings located outside of the corporate limits of a municipality shall be considered as unprotected, unless the fire protection in the district in which the dwelling is located is specifically classified.
- I. **Supplemental Heating Device**
 Wood, coal, or pellet burning stoves, space heaters, fireplace inserts or any other heating device that is not centralized.

2. **POLICY FORMS**

Coverage will be written on the Dwelling Property - Basic Form or the Dwelling Property – Special Form contained within this filing, which will consist of:

- A. Policy form, plus,
- B. Declaration page, plus
- C. Required endorsements, if any

3. **POLICY TERM**

- A. **Owner, Seasonal and Rental Dwelling Programs:**
 All premiums and rates contained in the Rate Section of this manual are annual. An Owner, Seasonal or Rental Dwelling Policy must be issued for a term of one year only.
- B. **Vacant Dwelling Program:**
 All premiums and rates contained in the Rate Section of this manual are for either a three, six, or twelve month term.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

4. CHANGES

- A. All changes requiring adjustments of premium shall be computed pro rata.
- B. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived. If there is a decrease in coverage requested by the company, the full return premium will be refunded to the Insured.

5. TRANSFER OR ASSIGNMENT

Subject to the rules of this manual and any necessary adjustment of premium, a dwelling policy may be endorsed to effect transfer to another location within the same state; or assignment from one insured to another in the event of transfer of title of the dwelling.

6. CANCELLATION

If a policy or form of coverage is cancelled or reduced at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

7. MINIMUM WRITTEN AND EARNED PREMIUM

No policy shall be written for less than the minimum written and earned premium shown on the rate pages.

8. WHOLE DOLLAR PREMIUM

The premium shall be rounded to the nearest whole dollar separately for each coverage provided by the policy.

A premium of \$.50 or more shall be rounded up to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements and cancellations.

9. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Programs including changes due to reclassification of community or district, shall be made in accordance with the following procedures. The revision shall apply to any policy or endorsement with the effective date of the renewal of the policy or anniversary date of annual installment policy.

10. DEDUCTIBLES

Coverages may be subject to the application of deductibles as shown on the rate pages.

11. INSPECTION FEE (Z1)

A \$35.00 inspection fee will apply to all new business policies. This premium is fully earned.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

ELIGIBILITY AND COVERAGES

I. DP-1 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures - Increase Optional
- (3) Coverage C - Personal Property - Optional
- (4) Coverage D - Fair Rental Value - Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Improvements, Alterations and Additions (Reduces Coverage C)
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value (Reduces Coverage A)
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (3) Vandalism or Malicious Mischief – Optional
- (4) Terrorism (Rental Risks)

E. Optional Coverages

The policy may be written to include:

- (1) Additional Living Expense (not available on Seasonal or Rental)
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Residence Burglary (not available on Seasonal)
- (6) Short Term Rental
- (7) Structure Endorsement (Seasonal only)
- (8) Vacancy Permission
- (9) Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- F. Liability Coverages - Owner Occupied - Optional
- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
 - (2) Coverage M – Medical Payments to Others
 - (3) Additional Coverages
Automatically included when liability coverage is purchased.
 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others
- G. Liability Coverages – Rental and Seasonal - Optional
- (1) Premises Liability
 - (2) Premises Medical Payments
 - (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

II. DP-3 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling (All Risk unless otherwise excluded)
- (2) Coverage B - Other Structures (All Risk unless otherwise excluded) - Increase Optional
- (3) Coverage C - Personal Property (Named Perils) - Optional
- (4) Coverage D - Fair Rental Value (Rental Program) – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A
- (2) Debris Removal
- (3) Improvements, Alterations and Additions
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value and Additional Living Expense
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Trees, Shrubs and Other Plants
- (9) Fire Department Service Charge
- (10) Collapse
- (11) Glass or Safety Glazing Material
- (12) Vandalism & Malicious Mischief
- (13) Terrorism (Rental Program)

D. Optional Coverages

The policy may be written to include:

- (1) ACV Loss Settlement Endorsement
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Personal Property Replacement Cost
- (6) Residence Burglary (not available on Seasonal)
- (7) Roof Exclusion
- (8) Short Term Rental
- (9) Vacancy Permission

E. Liability Coverages - Owner Occupied - Optional

- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
- (2) Coverage M – Medical Payments to Others
- (3) Additional Coverages

Automatically included when liability coverage is purchased.

 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others

F. Liability Coverages – Rental and Seasonal - Optional

- (1) Premises Liability
- (2) Premises Medical Payments
- (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

III. Vacant Program

A. Eligible Risks

- (1) Vacant/Unoccupied dwellings
- (2) Vacant/Unoccupied Manufactured housing

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Rental Value (Reduces Coverage A)
- (4) Reasonable Repairs
- (5) Property Removed
- (6) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (4) Vandalism or Malicious Mischief - Optional

E. Optional Coverages

The policy may be written to include:

- (1) Builder's Risk
- (2) Other Structures Exclusion
- (3) Windstorm and Hail Buy-Back for Antennas

F. Liability Coverages - Optional

- (1) Premises Liability
- (2) Premises Medical Payments

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

RATE SECTION

TERRITORY DEFINITION

Territory 60
Remainder of State

Territory 61
Benton
Carroll
Clark
Crawford
Faulkner
Franklin
Garland
Hot Spring
Madison
Newton
Saline
Washington

Territory 62
Desha
Johnson
Lee
Miller
Mississippi
Poinsett
White
Remainder of Pulaski County
Remainder of Jefferson County

Territory 63
City of N. Little Rock
City of Little Rock
City of Pine Bluff

Territory 64
Clay
Crittenden
Cross
Jackson

DEDUCTIBLES

DP-1 and DP-3 Programs (Owner Occupied, Rental Occupied and Seasonal Occupied)

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$500 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

Vacant Dwelling Program

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$500 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

BASE PREMIUM COMPUTATION

(Does not apply to Vacant)

1. Determine the value of the Dwelling = Dwelling limit. (round up to an even thousand)
2. Multiply the Flat Base Rate, Coverage Relativity, Territory Relativity, UVRC Relativity that corresponds to the Dwelling Limit, Protection Class Relativity and Insurance Score Relativity.
(Base Rate * Coverage Relativity * Territory Relativity * UVRC Relativity * Protection Class Relativity * Insurance Score Relativity) = Sub Total 1 (round to the nearest penny)
3. Multiply Sub Total 1 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 1 * Total Risk Code percentage) = Hold 1 (round to the nearest penny)
4. Add Sub Total 1 and Hold 1.
(Sub Total 1 + Hold 1) = Sub Total 2 (round to the nearest whole dollar)

*UVRC is defined as Unit Value Relativity Curve.

VACANT – BASE PREMIUM COMPUTATION

1. Determine the value of the Dwelling.
2. Round the Dwelling Limit up to the nearest hundred, and divide by 100.
(Adjusted Dwelling Limit/100 = Sub Total 1)
3. Multiply Sub Total 1 by the Rate per \$100 of Coverage.
(Sub Total 1 * Rate per \$100 of Coverage = Sub Total 2)
4. Multiply Sub Total 2 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 2 * Total Risk Code Percentage) = Hold 1 (round to the nearest penny)
5. Add Sub Total 2 and Hold 1.
(Sub Total 2 + Hold 1) = Total (round to the nearest whole dollar)

SPECIAL PREMIUM COMPUTATION FOR OPTIONAL DEDUCTIBLE

1. Determine the applicable Deductible percentage as defined by the option chosen.
(if the deductible credit or surcharge is a flat dollar amount, this special premium computation does not apply)
2. Multiply the Deductible percentage by Sub Total 1 (Sub Total 2 for Vacant).
(Deductible percent * Sub Total 1 (or 2) = Coverage Premium. (round to the nearest whole dollar)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-1 Program (4V1/4V2/4V3)

Fire & Extended Coverage

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V1	\$187.52	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V2	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V3	\$184.12	N/A	N/A	\$100.00	\$5,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table				
60	61	62	63	64
1.00	.90	2.30	2.65	1.60

Protection Class Table									
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30

Construction Type Relativity Table	
Frame	Masonry
1.00	0.90

Owner and Seasonal Occupied Insurance Score Relativity Table	
Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

Rental Occupied Insurance Score Relativity Table	
Score	Factor
1-569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-3 Program (407/408/409)

Frame Construction

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
407	\$210.60	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
408	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
409	\$198.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table

60	61	62	63	64
1.00	.90	1.60	1.65	1.50

Protection Class Table

Class	Factor								
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30

Construction Type Relativity Table

Frame	Masonry
1.00	0.90

**Owner and Seasonal Occupied
Insurance Score Relativity Table**

Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

**Rental Occupied
Insurance Score Relativity Table**

Score	Factor
1 – 569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-1 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC
\$5,000	1.200	\$54,000	3.529	\$103,000	6.665
\$6,000	1.220	\$55,000	3.593	\$104,000	6.729
\$7,000	1.240	\$56,000	3.657	\$105,000	6.793
\$8,000	1.260	\$57,000	3.721	\$106,000	6.857
\$9,000	1.280	\$58,000	3.785	\$107,000	6.921
\$10,000	1.300	\$59,000	3.849	\$108,000	6.985
\$11,000	1.320	\$60,000	3.913	\$109,000	7.049
\$12,000	1.340	\$61,000	3.977	\$110,000	7.113
\$13,000	1.360	\$62,000	4.041	\$111,000	7.177
\$14,000	1.380	\$63,000	4.105	\$112,000	7.241
\$15,000	1.400	\$64,000	4.169	\$113,000	7.305
\$16,000	1.420	\$65,000	4.233	\$114,000	7.369
\$17,000	1.440	\$66,000	4.297	\$115,000	7.433
\$18,000	1.460	\$67,000	4.361	\$116,000	7.497
\$19,000	1.480	\$68,000	4.425	\$117,000	7.561
\$20,000	1.500	\$69,000	4.489	\$118,000	7.625
\$21,000	1.560	\$70,000	4.553	\$119,000	7.689
\$22,000	1.620	\$71,000	4.617	\$120,000	7.753
\$23,000	1.680	\$72,000	4.681	\$121,000	7.817
\$24,000	1.740	\$73,000	4.745	\$122,000	7.881
\$25,000	1.800	\$74,000	4.809	\$123,000	7.945
\$26,000	1.860	\$75,000	4.873	\$124,000	8.009
\$27,000	1.920	\$76,000	4.937	\$125,000	8.073
\$28,000	1.980	\$77,000	5.001	\$126,000	8.137
\$29,000	2.040	\$78,000	5.065	\$127,000	8.201
\$30,000	2.100	\$79,000	5.129	\$128,000	8.265
\$31,000	2.160	\$80,000	5.193	\$129,000	8.329
\$32,000	2.220	\$81,000	5.257	\$130,000	8.393
\$33,000	2.280	\$82,000	5.321	\$131,000	8.457
\$34,000	2.340	\$83,000	5.385	\$132,000	8.521
\$35,000	2.400	\$84,000	5.449	\$133,000	8.585
\$36,000	2.460	\$85,000	5.513	\$134,000	8.649
\$37,000	2.520	\$86,000	5.577	\$135,000	8.713
\$38,000	2.580	\$87,000	5.641	\$136,000	8.777
\$39,000	2.640	\$88,000	5.705	\$137,000	8.841
\$40,000	2.700	\$89,000	5.769	\$138,000	8.905
\$41,000	2.760	\$90,000	5.833	\$139,000	8.969
\$42,000	2.820	\$91,000	5.897	\$140,000	9.003
\$43,000	2.880	\$92,000	5.961	\$141,000	9.097
\$44,000	2.940	\$93,000	6.025	\$142,000	9.161
\$45,000	3.000	\$94,000	6.089	\$143,000	9.225
\$46,000	3.060	\$95,000	6.153	\$144,000	9.289
\$47,000	3.120	\$96,000	6.217	\$145,000	9.353
\$48,000	3.180	\$97,000	6.281	\$146,000	9.417
\$49,000	3.240	\$98,000	6.345	\$147,000	9.481
\$50,000	3.273	\$99,000	6.409	\$148,000	9.545
\$51,000	3.337	\$100,000	6.473	\$149,000	9.609
\$52,000	3.401	\$101,000	6.537	\$150,000	9.673
\$53,000	3.465	\$102,000	6.601	Add'l \$1,000:	0.064

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-5	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>
\$50,000	3.450	\$84,000	5.062	\$118,000	6.759
\$51,000	3.496	\$85,000	5.110	\$119,000	6.809
\$52,000	3.542	\$86,000	5.159	\$120,000	6.859
\$53,000	3.588	\$87,000	5.209	\$121,000	6.909
\$54,000	3.634	\$88,000	5.259	\$122,000	6.959
\$55,000	3.680	\$89,000	5.309	\$123,000	7.009
\$56,000	3.726	\$90,000	5.359	\$124,000	7.059
\$57,000	3.772	\$91,000	5.409	\$125,000	7.109
\$58,000	3.818	\$92,000	5.459	\$126,000	7.159
\$59,000	3.864	\$93,000	5.509	\$127,000	7.209
\$60,000	3.910	\$94,000	5.559	\$128,000	7.259
\$61,000	3.958	\$95,000	5.609	\$129,000	7.309
\$62,000	4.006	\$96,000	5.659	\$130,000	7.359
\$63,000	4.054	\$97,000	5.709	\$131,000	7.409
\$64,000	4.102	\$98,000	5.759	\$132,000	7.459
\$65,000	4.150	\$99,000	5.809	\$133,000	7.509
\$66,000	4.198	\$100,000	5.859	\$134,000	7.559
\$67,000	4.246	\$101,000	5.909	\$135,000	7.609
\$68,000	4.294	\$102,000	5.959	\$136,000	7.659
\$69,000	4.342	\$103,000	6.009	\$137,000	7.709
\$70,000	4.390	\$104,000	6.059	\$138,000	7.759
\$71,000	4.438	\$105,000	6.109	\$139,000	7.809
\$72,000	4.486	\$106,000	6.159	\$140,000	7.859
\$73,000	4.534	\$107,000	6.209	\$141,000	7.909
\$74,000	4.582	\$108,000	6.259	\$142,000	7.959
\$75,000	4.630	\$109,000	6.309	\$143,000	8.009
\$76,000	4.678	\$110,000	6.359	\$144,000	8.059
\$77,000	4.726	\$111,000	6.409	\$145,000	8.109
\$78,000	4.774	\$112,000	6.459	\$146,000	8.159
\$79,000	4.822	\$113,000	6.509	\$147,000	8.209
\$80,000	4.870	\$114,000	6.559	\$148,000	8.259
\$81,000	4.918	\$115,000	6.609	\$149,000	8.309
\$82,000	4.966	\$116,000	6.659	\$150,000	8.359
\$83,000	5.014	\$117,000	6.709	Add'l \$1,000:	0.050

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-6	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

VACANT DWELLING Program (324/325/334/335/354/355)

Fire and Extended Coverage

Construction Types -- Frame and Masonry

(354/355 - 12 Month) (334/335 - 6 Month) (324/325 - 3 Month)

Premium is pro-rated in the 3 and 6 Month Vacant Program.

12 Month Rate

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

Vacant Personal Property Rates

(784/785 – 12 Month) (774/775 – 6 Month) (744/745 – 3 Month)

12 Month Rate (Premium is pro-rated in the 3 and 6 Month Vacant Program)

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-7	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

LIABILITY SECTION

1. Personal Liability - Basic Premiums

(a) Limit of Liability - - optional

MEDICAL PAYMENTS	\$500 EACH PERSON/\$25,000 EACH OCCURRENCE
PROPERTY OF OTHERS	\$500 EACH OCCURRENCE
ANIMAL LIABILITY	\$10,000

(b) Premium - To include Personal Liability coverage on Owner Occupied dwellings, add the following premium: (K3)

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

2. Premises Liability - Dwellings Rented to Others, Seasonal and Vacant Dwellings (L2)

To provide coverage for Premises Liability, the following premiums apply:

(a) Dwelling Premises Liability

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

The premiums include premises medical payments of \$500 each person, \$25,000 each occurrence.

Premium is pro-rated in the 3 and 6 Month Vacant Program.

3. Medical Payments – Personal Liability and Premises Liability (BA)

To increase the Medical Payments coverage, add the following additional premium:

<u>Medical Payments</u>	<u>Rate</u>
\$1,000/\$25,000	\$5.00

4. Animal Liability Exclusion (LE)

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person. Not available on policies without Personal Liability Coverage.

Rate: \$3.00 credit per home, per year.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-8	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 LOSS SETTLEMENT OPTIONS

1. Replacement Cost (Settlement Option 02)
Policy Form S2002 - Dwelling Property - Special Form

No additional premium associated with this option (Factor of 1.00)

2. Actual Cash Value (Settlement Option 01)
Actual Cash Value Loss Settlement Option may be endorsed on the DP3 policy. This endorsement will change the loss settlement provision from replacement cost to actual cash value. Home must be insured to 100% Market Value. Use Endorsement SDO00 - Actual Cash Value Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

3. Agreed Value Modified Functional Replacement Cost (Settlement Option 04)
Agreed Value Modified Functional Replacement Cost may be endorsed onto a DP3 policy. This endorsement will allow a home to be insured to market value (agreed value), and settle partial losses at functional replacement up to the policy limit. Use Endorsement DPY03 - Agreed Value Modified Functional Replacement Cost Loss Settlement.

Rate: 4% of base premium (Factor of 1.04)

4. Modified Functional Replacement Cost (Settlement Option 03)
Modified Functional Replacement Cost may be endorsed onto a DP3 policy. Modified Functional Replacement Cost will replace materials with common constructed materials. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. Home must be insured to 100% replacement cost. Use Endorsement DPF00 - Modified Functional Replacement Cost Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-9	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

MISCELLANEOUS SURCHARGES AND SUPPLEMENTAL COVERAGES

1. Miscellaneous Surcharges (Applicable to Coverage A only)

A. Multiple Family Surcharge

For dwellings containing multiple families, the following surcharges apply. Does not apply to the Vacant Program.

Number of Families	Risk Code	Surcharge
1	27	Base
2	28	Base
3	29	1.50
4	43	1.50

2. Supplemental Coverages

A. Additional Living Expense (46)

To provide Additional Living Expense for owner occupied dwellings in the DP-1 Program, not to exceed 20% of Coverage A.

Rate: \$5.00 per \$1,000 of coverage

B. Optional Deductible

The deductible may be changed by applying the following credit or surcharge to Coverage A, B, and C base premiums, prior to all other surcharges and discounts: For 3- and 6- month policies, the credit will be pro-rated and applied to each policy term. The change in deductible does not apply to the \$500 deductible for Vandalism and Malicious Mischief.

Wind & Hail Deductible Options* (WH)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Credit</u>	<u>Deductible</u>	<u>Credit</u>
\$500	Included	\$500	Included
\$1,000	5%	\$1,000	5%

All Other Peril Deductible* (H8)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Premium</u>	<u>Deductible</u>	<u>Premium</u>
\$500	Included	\$500	Included
\$1,000	(5%)	\$1,000	(5%)
\$2,500	(10%)		
\$5,000	(15%)		

*Wind and Hail Deductible cannot be lower than the All Other Perils Deductible. The Wind/Hail Deductible credit will only apply if the All Other Peril Deductible is less than \$1,000.

*If the All Other Perils and Wind and Hail Deductible differ, the larger deductible will apply to Wind and Hail.

C. Dwelling Property Basic Form Windstorm and Hail Buy-Back for Antennas (PK)

Rate: \$5.00

Premium is pro-rated in the 3 and 6 month Vacant Programs.

D. Other Structures (A1)

To provide coverage for Other Structures, add the following additional premium. Not available if "Dwelling Property Other Structures Exclusion" Endorsement is attached to the policy.

For each additional \$1,000, add: \$ 6.50

Premium is pro-rated in the 3 and 6 month Vacant Programs.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-10	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

E. Other Structures Exclusion (AZ)

To remove coverage for Other Structures located at the insured location, subtract the following:

Rate: \$3.00 credit per home, per year.

Premium is pro-rated in the 3 and 6 month Vacant Programs.

F. Residence Burglary (B1)

To provide coverage for residence burglary on owner occupied or rental residences, add the following additional premium:

Rate: \$30.00 per \$1,000

G. Supplemental Heating Device (H2)

For dwellings equipped with a Supplemental Heating Device, the following surcharge applies:

Rate: \$50.00

H. Vandalism or Malicious Mischief (B2)

To provide coverage on owner occupied, rental, or seasonal residences in the DP-1 Program or Vacant Dwelling Program, add the following additional premium.

Rate: \$7.00 per \$1,000 A \$500 deductible will apply

Premium is pro-rated in the 3 and 6 month Vacant Programs.

I. Personal Property (product codes 7M1/7M2/7M3 for DP-1, 7O7/7O8/7O9 for DP-3)

To provide Personal Property Coverage for Owner, Rental and Seasonal residences, add the following rate per \$1,000 of coverage:

Rate: \$5.00 per \$1,000 of coverage

Minimum Value: \$1,000

J. Fair Rental Value or Loss of Rents (49)

To provide coverage for Fair Rental Value or Loss of Rents on Owner, Seasonal or Rental residences add the following additional premium.

Rate: \$7.00 per \$1,000

K. Protective Device Credits

For protective devices present on the dwelling premises, the following credit will apply to Coverage A premium not to exceed 10%.

For Central Station Fire and Smoke (72) or Burglar Alarm (73), apply a 5% credit (10% for both)
For Remote Station Fire and Smoke (E4) or Burglar Alarm (E5), apply a 2% credit (4% for both); and
For Dead Bolts, Smoke Alarm **and** Fire Extinguisher (D6), apply a 5% credit.

L. Personal Property Replacement Cost (Add On BK)

To provide Personal Property Replacement Cost in the DP-3 Program, add the following additional premium:

Rate: \$3.00 per \$1,000

Limit of coverage must be equal to Coverage C

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-11	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- M. Vacancy Permission Endorsement (Add On VS)
For a home that is temporarily vacant in the Owner, Rental or Seasonal program, add the following surcharge:

DP-1 Rate per \$100:

PC 1-8 \$1.06
PC 9-10 \$1.70

DP-3 Rate per \$100:

PC 1-8 \$1.15
PC 9-10 \$1.85

- N. Occasional Rental Endorsement (Add On PP)
To provide coverage for occasional rental on Owner or Seasonal residences, add the following additional premium:

Rate: 15% of Coverage A

- O. Short Term Rental (Risk Code ST)
To provide coverage for short term rental (less than 3 months) of Rental properties, add the following additional premium:

Rate: \$40.00

- P. Structure Endorsement (Risk Code OS -Other Structure or SB - Boat Slip)
Provides Coverage A on the seasonal structure. Only available under the Seasonal DP-1 program. Does not apply to Other Structures Coverage B.

Rated same as Seasonal DP-1 program

- Q. Roof Exclusion (Risk Code 9N)
To exclude coverage for the roof for the DP-3 program, subtract the following:

Rate: \$10.00 credit per home, per year

- R. Builder's Risk Renovation and / or New Construction Coverage (SX)
A Vacant policy may be endorsed to cover homes while undergoing renovation or final construction. The following surcharge will apply to the base premium:

Rate: 5%

3. Minimum Written and Earned Premium

- A. Owner Occupied, Seasonal, Rental and Vacant Dwellings

Minimum Written and Earned Premium: \$100.00

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-12	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

FORM SECTION

POLICY AND DECLARATION PAGE

<u>Form Number</u>	<u>Title</u>
S2001 (07/88)	Dwelling Property – Basic Form
S2002 (07/88)	Dwelling Property – Special Form
0110-4269 (5/92)	Declaration Page
EQ DECLN 03 (03/00)	Application Supplement – Declination of Residential Earthquake Coverage

OPTIONAL AND MANDATORY ENDORSEMENTS BY PROGRAM

Owner Occupied Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
72677 (02/06)	Additional Living Expense (DP-1 only)
73182 (05/99)	Animal Liability Exclusion
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY03 (06/09)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Seasonal Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY03 (06/09)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Mandatory When Personal Liability is Purchased (available on Owner Occupied Dwellings)

S2005 (07/88)	Personal Liability Policy
73183 (05/06)	Special Limit for Animal Liability
73184 (05/99)	Business, Commercial or Farming Enterprise Exclusion
73185 (05/99)	Home Day Care Exclusion
73186 (03/00)	Lead Contamination Exclusion
DLB00 (02/00)	Assault and Battery Exclusion
DLE00 (03/00)	Punitive or Exemplary Damages Exclusion
SDP03 (11/01)	Total Pollution Exclusion - Arkansas
SLM00 (06/02)	Personal Liability Mold Exclusions
SLS00 (08/06)	Swimming Pool Slide and Diving Board Exclusion

Rental Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY03 (06/09)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)
SDY00 (02/08)	Cap on Losses from Certified Acts of Terrorism

Vacant Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
DBR00 (10/08)	Builders Risk Renovation and/or New Construction Coverage
SD800 (03/07)	Other Structures Exclusion
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71884 (05/06)	Permitted Vacancy Clause
73339 (07/02)	Condemnation Endorsement
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion

Mandatory when Premises Liability is Purchased (available on the Rental, Seasonal and Vacant Dwellings)

PL003 (01/06)	Premises Liability Insurance - Arkansas
73253 (03/00)	Premises Liability Lead Poisoning Exclusion
PLM00 (04/02)	Premises Liability Mold Exclusions
PLS00 (08/06)	Premises Liability Swimming Pool Slide and Diving Board Exclusion
PLY00 (02/08)	Premises Liability Cap on Losses from Certified Acts of Terrorism (Rental Only)

FORMS NOT REQUIRED TO BE FILED

IN614 (09/06)	Important Notice to Policyholders – Flood and Earthquake Exclusion
SDN30 (02/08)	Notice to Policyholders - Provisions of Terrorism Coverage (Rental Dwellings)
D1D3APP-AR INS (06/08)	Arkansas Dwelling Application
D1D3APP-AR INS ML (06/08)	Arkansas Dwelling Application

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-3	9/15/09	4/20/09

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Supporting Document Schedules

		Review Status:	
Satisfied -Name:	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	07/06/2009
Comments:			
Attachment:	Form RF2.pdf		
Satisfied -Name:	H-1 Homeowners Abstract	Filed	07/06/2009
Comments:			
Attachment:	F503AR Homeowners abstract.pdf		
Satisfied -Name:	HPCS-Homeowners Premium Comparison Survey	Filed	07/06/2009
Comments:			
Attachment:	HO premium comparison survey.pdf		
Satisfied -Name:	NAIC loss cost data entry document	Filed	07/06/2009
Comments:			
Attachment:	FORM RF-1 Rate Filing Abstract rvsd.pdf		
Satisfied -Name:	Indications	Filed	07/06/2009
Comments:			
Attachments:	DP1 Indications.pdf DP3 Indications.pdf		

SERFF Tracking Number: AMMH-126153189 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

Review Status:
Satisfied -Name: explanatory Filed 07/06/2009
Comments:
Attachment:
Explanatory - rates.pdf

Review Status:
Satisfied -Name: Insurance Score exhibits Filed 07/06/2009
Comments:
Attachment:
AR 085 Ins Score Detail.pdf

FORM RF2-Reference filing abstract NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	20071226-14
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	20090420-01

- Loss Cost Reference Filing** _____ **Independent Rate Filing**
(Advisory Org, & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: _____

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

(Check One):

- Without Modification (factor = 1.000)
- With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) _____

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

		Selected Provisions
A.	Total Production Expense	%
B.	General Expense	%
C.	Taxes, Licenses & Fee	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	%
E.	Other (explain)	%
F.	Total	%

5.	A.	Expected Loss Ratio: $ELR = 100\% - 4F = A$	%
	B.	ELR in Decimal Form =	
6.		Company Formula Loss Cost Multiplier (3B/5B)	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	
8.		Rate Level Change for the coverage(s) to which this page applies	

ARKANSAS INSURANCE DEPARTMENT
HOMEOWNERS ABSTRACT

FORM H-1
Rev. 4/96

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 American Modern Select Insurance Company

NAIC No. 23469 GROUP No. 361

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

N/A

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.

N/A

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.

N/A

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

N/A

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

a. Fire Extinguisher	<u>5</u> %
b. Burglar Alarm	<u>5</u> %
c. Smoke Alarm	<u>5</u> %
d. Insured who has both homeowners and auto with your company	<u>N/A</u> %
e. Deadbolt Locks	<u>5</u> %
f. Window or Door Locks	<u>N/A</u> %
g. Other (Specify)	<u>N/A</u> %
_____	_____ %
_____	_____ %

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

N/A
If so, state areas and explain reason for not writing _____

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

<u>FORM</u>	<u>PREMIUM VOLUME</u>
DP-1 & DP-3	Current Premium in the program is \$851,710
_____	_____
_____	_____
_____	_____

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

9. Is there a surcharge on risks with wood heat? Yes
If yes, state surcharge \$50.00
Does the surcharge apply to conventional fire places? No
If yes, state surcharge _____

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

Jessi Housley

Signature

Filing Analyst

Title

(800) 759-9008 x6830

Telephone Number

NAIC Number: 38652
 Company Name: American Modern Select Insurance Company
 Contact Person: Jessi Housley
 Telephone No.: (800) 759-9008 x6830
 Email Address: jhousley@amiq.com
 Effective Date: 9/15/09

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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

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

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

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

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

Fire Extinguisher _____%
 Burglar Alarm _____%
 Smoke Alarm _____%
 Deadbolt Lock _____%
 Window Locks _____%
 \$1,000 Deductible _____%
 Other (specify) _____%
 Maximum Credit Allowed _____%

EARTHQUAKE INSURANCE

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

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

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

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20071226-14
----	---	-------------

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

Company Name		Company NAIC Number	
3.	A. American Modern Select Insurance Company	B.	38652

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. 30.1 Dwelling Fire/Personal Liability	B.	30.1000 Dwelling Fire/Personal Liability

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
DP-1	6.50%	7.12%					
DP-3	11.7%	6.08%					
DP-1 Vacant	NA	-10.78%					
TOTAL OVERALL EFFECT		2.25%					

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	437	n/a	n/a	146	35	.239	.628
2007	799	-0.10%	12/1/2007	544	270	.496	.384
2008	1033	n/a	n/a	755	740	.979	.525

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	.257
B. General Expense	.127
C. Taxes, License & Fees	.035
D. Underwriting Profit & Contingencies	.067
E. Other (Reinsurance)	.006
F. TOTAL	.492

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 70.73% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 64
10. -15.08% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): Territory 61

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
DP-1 Program

State: Arkansas
SOB: All Channels
Terr: Statewide

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
9/30/04	0	1.000	0	1.000	0	0		
9/30/05	0	1.000	0	1.000	0	0		
9/30/06	21,382	1.005	21,489	1.027	22,065	38		
9/30/07	157,748	1.005	158,537	1.022	161,979	267		
9/30/08	269,947	1.003	270,837	1.017	275,337	458		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
9/30/04	0	0	1.235	0	0.926	1.000	1.039
9/30/05	0	0	1.235	0	0.936	1.001	1.039
9/30/06	31,073	0	1.235	38,375	0.945	0.996	1.039
9/30/07	108,068	0	1.235	133,463	0.955	0.997	1.039
9/30/08	348,027	199,449	1.235	183,494	0.964	1.033	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
9/30/04	0	0.000	0.00	0
9/30/05	0	0.000	0.00	0
9/30/06	37,537	1.701	0.05	2
9/30/07	132,047	0.815	0.35	5
9/30/08	189,887	0.690	0.60	91

Weighted Experience Loss+LAE Ratio	0.782
Permissible Loss+LAE Ratio	0.510
Loss Ratio Trend Factor	1.000
Trended Permissible Loss+LAE Ratio used as Complement of Credibility	0.510
Credibility (Square Root Rule, Full Credibility = 50000 Earned Exposures)	0.123
Credibility-Weighted Loss+LAE Ratio	<u>0.544</u>
Credibility-Weighted Indicated Rate Level Change	6.5%

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
State: Arkansas

Exhibit 1
Page 2

Complement of Credibility Calculation

(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.510
(2) Hurricane Load (capped at)	0.000
(3) Non-Hurricane Permissible	0.510
(4) Proposed Renewal Effective Date	2/1/2009
(5) Effective Date of Current Rates	12/15/2007
(6) Time Period in Years {(4) - (5)}/365 (Capped at 2 years)	1.13
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	0.9%
(8) Ann Loss Trend (Exhibit 6)	-2.0%
(9) Ann Loss Ratio Trend {[1 + (8)] / [1 + (7)]} - 1	-2.9%
(10) Selected Trend Factor (minimum = 1.000)	1.000
(11) Trended Permissible Loss+LAE Ratio (1) x (10)	0.510

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication

Exhibit 2

Program: DP-1
State: Arkansas
SOB: All Channels

Accident Year	(1) Earned Premium	(2) Rate Level Adj Factor	(3) Curr Level Earned Premium (1)x(2)	(4) Premium Trend Factor	(5) Trended Current Level Earned Premium (3)x(4)	(6) Earned Exposures	(7)	(8)	(9)	(10) Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	(11) Loss+ALAE Trend Factor	(12) Incurred Loss+ALAE Development Factor	(13) ULAE Factor
9/30/04	0	1.000	0	1.037	0	0			1.235	0	0.926	1.000	1.039
9/30/05	0	1.000	0	1.032	0	0			1.235	0	0.936	1.001	1.039
9/30/06	21,382	1.005	21,489	1.027	22,065	38			1.235	38,375	0.945	0.996	1.039
9/30/07	157,748	1.005	158,537	1.022	161,979	267			1.235	133,463	0.955	0.997	1.039
9/30/08	269,947	1.003	270,837	1.017	275,337	458			1.235	183,494	0.964	1.033	1.039
Accident Year	(14) Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	(15) Adjusted Loss+LAE Ratio (14)/(5)	(16) Accident Year Weight	(17) Reported Claim Counts									
9/30/04	0	0.000	0.00	0									
9/30/05	0	0.000	0.00	0									
9/30/06	37,537	1.701	0.10	2									
9/30/07	132,047	0.815	0.35	5									
9/30/08	189,887	0.690	0.55	91									

Weighted Experience Loss+LAE Ratio: **0.835**

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Exhibit 3

Rate Change History and Rate Level Adjustment Factors

	Rate Changes by Program
Renewal Effective Date	DP-1
12/15/2007	0.50%

	Rate Level Adjustment Factors
Acc Yr Ending	DP-1
9/30/04	1.000
9/30/05	1.000
9/30/06	1.005
9/30/07	1.005
9/30/08	1.003

American Modern Select Insurance Company
Current Level Earned Premium Trends
Arkansas SITE BUILT DWELLING DP-1
Arkansas DWELLING FIRE DP-1 Program Data
New & Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Current Level		Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
	Earned Premium	Earned Exposures						
2003-3	0	0	0					
2003-4	0	0	0					
2004-1	0	0	0					
2004-2	0	0	0					
2004-3	0	0	0					
2004-4	0	0	0					
2005-1	0	0	0					
2005-2	0	0	0					
2005-3	0	0	0					
2005-4	0	0	0					
2006-1	0	0	0					
2006-2	5,779	11	544					
2006-3	21,489	38	573				579	
2006-4	47,598	81	585				582	
2007-1	81,987	141	580				585	
2007-2	121,698	207	589				588	
2007-3	158,571	267	593				591	588
2007-4	190,758	323	591				595	592
2008-1	223,420	374	598				598	597
2008-2	251,177	417	602				601	601
2008-3	276,957	458	605				604	606

SITE BUILT DWELLING DP-1		Trend
20 point		N/A
16 point		N/A
12 point		N/A
8 point		2.2%
4 point		3.1%
Historical Selected		0.5%
Prospective Selected		1.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2004	3/30/2004	8/14/2008	4.375	8/14/2008	2/1/2010	1.468	1.037
9/30/2005	3/30/2005	8/14/2008	3.376	8/14/2008	2/1/2010	1.468	1.032
9/30/2006	3/30/2006	8/14/2008	2.376	8/14/2008	2/1/2010	1.468	1.027
9/30/2007	3/30/2007	8/14/2008	1.377	8/14/2008	2/1/2010	1.468	1.022
9/30/2008	3/30/2008	8/14/2008	0.375	8/14/2008	2/1/2010	1.468	1.017

American Modern Insurance Group

(Using American Modern Insurance Group Data)

Dwelling Average Catastrophe Factor

ALL Dwelling Programs

Arkansas

Accident Year Ending	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)	(5) Capped Catastrophe Ratio **
9/30/1990	9,960	62,454	52,495	0.190	0.190
9/30/1991	11,525	195,181	183,655	0.063	0.063
9/30/1992	16,508	117,470	100,962	0.164	0.164
9/30/1993	0	198,825	198,825	0.000	0.000
9/30/1994	4,407	333,386	328,980	0.013	0.013
9/30/1995	7,956	276,778	268,822	0.030	0.030
9/30/1996	18,236	166,970	148,734	0.123	0.123
9/30/1997	50,599	220,629	170,029	0.298	0.298
9/30/1998	3,260	218,777	215,518	0.015	0.015
9/30/1999	171,098	258,348	87,250	1.961	1.345
9/30/2000	3,191	93,351	90,161	0.035	0.035
9/30/2001	5,375	113,689	108,313	0.050	0.050
9/30/2002	10,735	121,307	110,572	0.097	0.097
9/30/2003	9,670	859,793	850,123	0.011	0.011
9/30/2004	45,640	408,969	363,328	0.126	0.126
9/30/2005	11,814	398,083	386,269	0.031	0.031
9/30/2006	55,718	356,839	301,121	0.185	0.185
9/30/2007	3,198	516,811	513,613	0.006	0.006
9/30/2008	963,966	1,549,019	585,054	1.648	1.345

Capped Average: 0.235

Selected Catastrophe Factor: 1.235

** Catastrophe Ratio capped at: 1.345 and the excess is spread over 50 years.

American Modern Select Insurance Company
Frequency, Severity and Pure Premium Trends
 Arkansas **SITE BUILT DWELLING DP-1**
 Arkansas **DWELLING FIRE DP-1 Program Data**
 New & Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Ultimate			Average Ultimate Incurred	Severity:					Ultimate Claim Cnts Per 100 EE	Frequency:				
	Reported Claim Counts	Ultimate Incurred Loss+LAE	Earned Exposures		20 point	16 point	12 point	8 point	4 point		20 point	16 point	12 point	8 point	4 point
					Fitted	Fitted	Fitted	Fitted	Fitted		Fitted	Fitted	Fitted	Fitted	Fitted
2003-3	0	0	0	0						0.00					
2003-4	0	0	0	0						0.00					
2004-1	0	0	0	0						0.00					
2004-2	0	0	0	0						0.00					
2004-3	0	0	0	0						0.00					
2004-4	0	0	0	0						0.00					
2005-1	0	0	0	0						0.00					
2005-2	0	0	0	0						0.00					
2005-3	0	0	0	0						0.00					
2005-4	0	0	0	0						0.00					
2006-1	0	0	0	0						0.00					
2006-2	0	0	11	0						0.00					
2006-3	2	32,495	38	16,208				19,814		5.34			3.27		
2006-4	3	33,721	81	11,204				17,695		3.70			3.34		
2007-1	4	60,929	141	15,170				15,803		2.84			3.41		
2007-2	6	124,008	207	20,550				14,113		2.92			3.48		
2007-3	5	111,645	267	22,143				12,604	27,776	1.89			3.55	1.79	
2007-4	8	170,503	323	20,950				11,256	15,458	2.52			3.62	2.77	
2008-1	16	152,069	374	9,243				10,052	8,602	4.40			3.70	4.30	
2008-2	28	116,496	417	4,124				8,977	4,787	6.77			3.78	6.67	
2008-3	36	160,808	458	4,468				8,017	2,664	7.86			3.86	10.34	

Accident Period 12 Mo End Year-Qtr	Pure Prem:					
	Ult Inc'd per EE	20 point	16 point	12 point	8 point	4 point
		Fitted	Fitted	Fitted	Fitted	Fitted
2003-3	0.0					
2003-4	0.0					
2004-1	0.0					
2004-2	0.0					
2004-3	0.0					
2004-4	0.0					
2005-1	0.0					
2005-2	0.0					
2005-3	0.0					
2005-4	0.0					
2006-1	0.0					
2006-2	0.0					
2006-3	866.0				648.0	
2006-4	414.7				590.7	
2007-1	431.2				538.5	
2007-2	600.4				490.9	
2007-3	417.6				447.5	496.1
2007-4	528.5				408.0	428.2
2008-1	406.8				371.9	369.7
2008-2	279.1				339.0	319.1
2008-3	351.4				309.1	275.5

SITE BUILT DWELLING DP-1	Severity	Frequency	Pure Premium Trend
20 point			N/A
16 point			N/A
12 point			N/A
8 point	-36.4%	8.6%	-30.9%
4 point	-90.4%	479.0%	-44.5%
Historical Selected	-1.0%	0.0%	-1.0%
Prospective Selected	-3.0%	1.0%	-2.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2004	3/30/2004	5/15/2008	4.126	5/15/2008	2/1/2010	1.717	0.926
9/30/2005	3/30/2005	5/15/2008	3.127	5/15/2008	2/1/2010	1.717	0.936
9/30/2006	3/30/2006	5/15/2008	2.127	5/15/2008	2/1/2010	1.717	0.945
9/30/2007	3/30/2007	5/15/2008	1.128	5/15/2008	2/1/2010	1.717	0.955
9/30/2008	3/30/2008	5/15/2008	0.126	5/15/2008	2/1/2010	1.717	0.964

American Modern Select Insurance Company
Incurred Loss & ALAE Development Factors
Arkansas SITE BUILT DWELLING
Countrywide Consolidated AMIG Data

Indicated Incurred Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to Ult
Wtd Averages																			
All Qtrs	1.040	0.999	0.997	1.014	1.000	0.996	0.999	1.004	1.000	0.994	0.994	1.004	0.995	1.003	1.000	0.991	0.997	0.999	1.000
4 Point	1.096	1.003	0.989	0.992	1.006	0.995	0.991	1.002	1.001	0.992	0.988	0.998	0.994	1.002	1.000	0.991	0.997	0.999	1.000
8 Point	1.066	1.002	0.999	1.015	0.999	0.998	0.999	1.008	0.999	0.994	0.994	1.004							
12 Point	1.052	1.003	0.997	1.017	0.998	0.996	0.999	1.004											
Avg (4,8)	1.081	1.002	0.994	1.003	1.002	0.996	0.995	1.005	1.000	0.993	0.991	1.001							
Arithmetic Averages																			
All Qtrs	1.043	0.997	1.000	1.013	0.999	0.996	0.999	1.002	0.996	0.996	0.998	1.005	0.995	1.004	1.000	0.991	0.996	0.999	1.000
4 Point	1.094	1.004	0.987	0.992	1.006	0.995	0.990	1.003	0.993	0.996	0.993	0.998	0.994	1.002	1.000	0.991	0.996	0.999	1.000
8 Point	1.061	1.006	0.997	1.015	0.999	0.997	0.999	1.004	0.995	0.997	0.998	1.005							
12 Point	1.059	1.000	1.001	1.016	0.998	0.995	0.999	1.002											
8 Pt H/L	1.062	1.001	0.999	1.012	1.000	0.996	0.998	1.004	0.996	0.996	0.999	1.000							
12 Pt H/L	1.059	0.999	1.002	1.014	1.000	0.996	0.999	1.001											
Geometric Averages																			
All Qtrs	1.041	0.997	1.000	1.013	0.999	0.996	0.999	1.002	0.996	0.996	0.998	1.005	0.995	1.004	1.000	0.991	0.996	0.999	1.000
4 Point	1.094	1.004	0.987	0.992	1.006	0.995	0.990	1.003	0.993	0.995	0.993	0.998	0.994	1.002	1.000	0.991	0.996	0.999	1.000
8 Point	1.060	1.006	0.997	1.014	0.999	0.997	0.999	1.004	0.995	0.997	0.998	1.005							
12 Point	1.058	0.999	1.000	1.016	0.998	0.995	0.999	1.002											

Selected Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to Ult
Age-to-Age Factors	1.090	0.997	1.006	1.000	1.000	1.002	1.001	1.003	0.997	0.997	0.996	1.001	0.999	0.999	1.000	1.000	1.002	1.000	1.000	1.000
	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult
Quarterly Age-to-Ult Factors	1.091	1.001	1.004	0.998	0.999	0.998	0.997	0.995	0.992	0.995	0.997	1.001	1.000	1.001	1.001	1.001	1.002	1.000	1.000	1.000
	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult			
Wtd Annual Age-to-Ult Factors	1.033	1.001	1.000	0.998	0.997	0.995	0.995	0.995	0.996	0.999	1.000	1.000	1.001	1.001	1.001	1.001	1.000			

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Exhibit 8

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

Consolidated American Modern Insurance Group Data

Calendar Year	2007	2006	2005
ULAE Incurred	14,037,802	15,194,970	13,597,575
Adjusted Loss+ALAE Incurred	358,439,989	307,266,292	469,391,596
Ratio to Incurred Loss+ALAE	3.9%	4.9%	2.9%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Modern Select Insurance Company

Exhibit 9

State: Arkansas

Product: **SB / DP-1**

Determination of Permissible Loss Ratio

	Calendar Year			Budget	Selected
	2005	2006	2007	2008	
(1) Pre-Paid Commissions	N/A	18.4%	17.5%		17.9%
(1a) Contingent Commissions	0.2%	1.3%	1.3%	3.0%	3.0%
(2) Other Acquisition Expense (Consolidated AMIG)	4.9%	5.1%	5.0%	5.4%	5.2%
(3) General Expense (Consolidated AMIG)	13.0%	12.9%	13.4%	12.0%	12.7%
(4) Taxes, Licenses and Fees	N/A	2.8%	2.8%		2.8%
(6) Reinsurance Expense (Consolidated AMIG)		0.6%	0.8%	0.6%	0.6%
(7) Total Expense					42.2%

Profit Loading Provision

(8a) After Tax Return on Equity Goal	16.5%
(8b) Target Premium to Surplus Ratio	2.3:1
(8c) After Tax Return on Premium [(8a)/(8b)]	7.2%
(8d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)	2.8%
(8e) After Tax Return Needed from Underwriting Profit [(8c)-(8d)]	4.4%
(8f) Before Tax Return Needed from Underwriting Profit [(8e)/(1.000-0.35)]	6.7%
(8) Selected Profit Loading Provision	6.7%

(9) Total Expenses and Profit Provision [(7) + (8)]	49.0%
(10) Permissible Loss+LAE Ratio [1.000 - (9)]	51.0%

Data applied to calculate commission ratio:

	Calendar Year		
	2005	2006	2007
AMSArkansas SB / DP-1 Written Premium	0	233,160	513,108
AMSArkansas SB / DP-1 Paid Commission	0	42,786	90,006

Data applied to calculate taxes, licenses and fees:

	Calendar Year		
	2005	2006	2007
AMSArkansas Earned Premium from all Lines of AS	0	381,382	848,581
AMSArkansas Taxes, licenses, and fees from all Lines of AS	1,712	10,652	23,675

Estimated Investment Earnings on Unearned Premium and Loss Reserve:

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2007	\$224,210,504
(2) Mean Unearned Premium Reserve Ratio	48.2%
(3) Mean Unearned Premium Reserve (1) x (2)	\$108,170,137
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	20.9%
(b) 50% of Other Acquisition	2.6%
(c) 50% of General Expenses	6.3%
(d) Taxes, Licenses, and Fees	2.8%
(e) Reinsurance Expense	0.6%
(f) Subtotal	33.3%
(g) Federal Taxes Payable	7.0%
(4T) Total Deductions	40.3%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$64,585,557

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$135,447,087
(b) Direct Unearned Premium 2007 (All Lines)	\$440,086,104
(c) Ratio (a) / (b)	30.8%
(d) Direct Unearned Premium 2007 (ASLOB 1 & 2.1 Fire and Allied Lines)	\$120,083,661
(2) Delayed Remission (1c) x (1d)	\$36,958,636

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	51.0%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$114,405,164
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2007 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	37.7%
(b) 2006 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	54.9%
(c) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	36.6%
(d) Average of Mean Loss Reserve to Incurred Loss Ratios $1/3 \times [(a) + (b) + (c)]$	43.1%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$47,216,020

D. Net Subject to Investment

(A.5) - (B.2) + (C.4)

\$74,842,941

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)]

4.6%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1)]

1.5%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)]

3.5%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	20.8%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	2.8%

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2005-2007 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$50,596,371	42.4%	35.0%	14.9%
- Tax Exempt Municipal	\$43,486,112	36.5%	5.3%	1.9%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired after 1987	\$19,466,238	16.3%	14.2%	2.3%
Short-Term Investments	\$5,694,684	4.8%	35.0%	1.7%
Total	\$119,243,405	100.0%		20.8%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2008 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
Twelve Year Average	4.8%
Latest Six Year Average	4.6%
Latest Year	4.6%
Projected 2008 (12 Year Trend)	4.4%
Projected 2008 (6 Year Trend)	4.3%

Selected 2008 Rate of Return

Before Tax	4.6%
After Tax [(1-0.208) x 4.6%]	3.6%

General:

The purpose of this report is to evaluate the rate level adequacy of the Site Built Dwelling product in this state. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods.

Assumptions & Methodologies:

1. On Exhibits 1 and 2, we show the overall rate indication for the SITE BUILT DWELLING product. We describe the data adjustments used in these exhibits in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by program and then trended, using the factors described below:
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned equally throughout experience quarters, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes affecting the experience period and the resulting Rate Level Adjustment Factors.
 - (b) The Premium Trend Factor projects the current level premium in our experience period to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to 5 years (20 groups of rolling four quarters) current level average premiums by program for the state. Historical and a prospective premium trend factors are selected for each program. The historical factor is applied using a time period from the midpoint of the experience period to the ending date of the last experience period. The prospective factor is applied from the ending date of the last experience period to the midpoint of the time the rates are anticipated to be in effect.
3. We adjust incurred losses using the factors described below.
 - (a) Catastrophic Losses (including alae). Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average. Our methodology is based on the relative stability of non-catastrophe losses, and we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.

- (b) The Loss+ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting an exponential curve to 5 years (20 groups of rolling 4 quarters) of frequency and severity trends. We select historical and prospective frequency and severity trends. These are multiplied together to obtain the pure premium trend. We use company and state specific data to develop the frequency, severity and pure premiums shown on Exhibit 6.
 - (c) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group countrywide Site Built Dwelling losses. We calculate quarterly factors and weight them together using the incurred losses to get annual numbers. See Exhibit 7.
 - (d) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.
4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 50,000 exposures as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.
5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 11, pages 1-3, shows the computation of return on investment income. Exhibit 11, page 4 is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for SITE BUILT DWELLING written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by the average of the last two years unearned premiums for American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on American Modern Select Insurance Company statewide data as shown on the permissible loss ratio exhibit.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average agent's balances as a percentage of Direct Unearned Premium **2007** (All Lines).

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

The Expected Mean Loss Reserves include an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is $(.12 \times .35 = .042)$, and the appropriate adjustment is .958 $(1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2005-2007 for American Modern Insurance Group.

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
DP-3 Program

State: Arkansas
SOB: All Channels
Terr: Statewide

	(1)	(2)	(3)	(4)	(5)	(6)		
			Curr Level		Trended			
Accident	Earned	Rate	Earned	Premium	Current Level	Earned		
Year	Premium	Level Adj	Premium	Trend	Premium	Premium	Earned	
		Factor	(1)x(2)	Factor	(3)x(4)		Exposures	
9/30/04	0	1.000	0	1.000	0	0		
9/30/05	0	1.000	0	1.000	0	0		
9/30/06	10,700	1.005	10,753	0.974	10,470	10		
9/30/07	89,816	1.005	90,265	0.979	88,331	86		
9/30/08	119,946	1.003	120,351	0.984	118,365	123		
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Accident	Incurred	Catastrophe	Catastrophe	Cat Adjusted	Loss+ALAE	Incurred	ULAE	
Year	Loss+ALAE	Loss+ALAE	Factor	Loss+ALAE	Trend	Loss+ALAE	Factor	
				{{(7)-(8)}x(9)}	Factor	Development	Factor	
9/30/04	0	0	1.235	0	0.989	1.000	1.039	
9/30/05	0	0	1.235	0	0.999	1.001	1.039	
9/30/06	0	0	1.235	0	1.010	0.996	1.039	
9/30/07	78,329	0	1.235	96,736	1.020	0.997	1.039	
9/30/08	223,207	110,137	1.235	139,641	1.031	1.033	1.039	
	(14)		(15)	(16)	(17)			
Accident	Trended		Adjusted	Accident	Reported			
Year	Adjusted		Loss+LAE	Year	Claim			
	Incurred		Ratio	Weight	Counts			
	Loss+LAE		(14)/(5)					
9/30/04	0		0.000	0.00	0			
9/30/05	0		0.000	0.00	0			
9/30/06	0		0.000	0.05	0			
9/30/07	102,224		1.157	0.35	11			
9/30/08	154,549		1.306	0.60	26			

Weighted Experience Loss+LAE Ratio	1.191
Permissible Loss+LAE Ratio	0.512
Loss Ratio Trend Factor	1.032
Trended Permissible Loss+LAE Ratio used as Complement of Credibility	0.528
Credibility (Square Root Rule, Full Credibility = 50000 Earned Exposures)	0.066
Credibility-Weighted Loss+LAE Ratio	<u>0.571</u>
Credibility-Weighted Indicated Rate Level Change	<u>11.7%</u>

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
State: **Arkansas**

Exhibit 1
Page 2

Complement of Credibility Calculation

(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.512
(2) Hurricane Load (capped at)	0.000
(3) Non-Hurricane Permissible	0.512
(4) Proposed Renewal Effective Date	2/1/2009
(5) Effective Date of Current Rates	12/15/2007
(6) Time Period in Years $\{(4) - (5)\}/365$ (Capped at 2 years)	1.13
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	-0.9%
(8) Ann Loss Trend (Exhibit 6)	1.9%
(9) Ann Loss Ratio Trend $\{[1 + (8)] / [1 + (7)]\} - 1$	2.8%
(10) Selected Trend Factor (minimum = 1.000)	1.032
(11) Trended Permissible Loss+LAE Ratio (1) x (10)	0.528

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication

Exhibit 2

Program: DP-3
State: Arkansas
SOB: All Channels

	(1)	(2)	(3)	(4)	(5)	(6)		
Accident Year	Earned Premium	Rate Level Adj Factor	Curr Level Earned Premium (1)x(2)	Premium Trend Factor	Trended Current Level Earned Premium (3)x(4)	Earned Exposures		
9/30/04	0	1.000	0	0.964	0	0		
9/30/05	0	1.000	0	0.969	0	0		
9/30/06	10,700	1.005	10,753	0.974	10,470	10		
9/30/07	89,816	1.005	90,265	0.979	88,331	86		
9/30/08	119,946	1.003	120,351	0.984	118,365	123		

	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year	Incurred Loss+ALAE	Catastrophe Loss+ALAE	Catastrophe Factor	Cat Adjusted Incurred Loss+ALAE {(7)-(8)}x(9)	Loss+ALAE Trend Factor	Incurred Loss+ALAE Development Factor	ULAE Factor
9/30/04	0	0	1.235	0	0.989	1.000	1.039
9/30/05	0	0	1.235	0	0.999	1.001	1.039
9/30/06	0	0	1.235	0	1.010	0.996	1.039
9/30/07	78,329	0	1.235	96,736	1.020	0.997	1.039
9/30/08	223,207	110,137	1.235	139,641	1.031	1.033	1.039

	(14)	(15)	(16)	(17)
Accident Year	Trended Adjusted Incurred Loss+LAE Prod{(10):(13)}	Adjusted Loss+LAE Ratio (14)/(5)	Accident Year Weight	Reported Claim Counts
9/30/04	0	0.000	0.00	0
9/30/05	0	0.000	0.00	0
9/30/06	0	0.000	0.10	0
9/30/07	102,224	1.157	0.35	11
9/30/08	154,549	1.306	0.55	26

Weighted Experience Loss+LAE Ratio: **1.123**

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Exhibit 3

Rate Change History and Rate Level Adjustment Factors

	Rate Changes by Program
Renewal Effective Date	DP-3
12/15/2007	0.50%

	Rate Level Adjustment Factors
Acc Yr Ending	DP-3
9/30/04	1.000
9/30/05	1.000
9/30/06	1.005
9/30/07	1.005
9/30/08	1.003

American Modern Select Insurance Company

Current Level Earned Premium Trends

Arkansas SITE BUILT DWELLING DP-3

Arkansas DWELLING FIRE DP-3 Program Data

New & Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Current Level		Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
	Earned Premium	Earned Exposures						
2003-3	0	0	0					
2003-4	0	0	0					
2004-1	0	0	0					
2004-2	0	0	0					
2004-3	0	0	0					
2004-4	0	0	0					
2005-1	0	0	0					
2005-2	0	0	0					
2005-3	0	0	0					
2005-4	0	0	0					
2006-1	0	0	0					
2006-2	2,235	2	1,034					
2006-3	10,753	10	1,077				1,092	
2006-4	25,621	24	1,073				1,079	
2007-1	46,326	44	1,057				1,066	
2007-2	71,117	67	1,061				1,053	
2007-3	90,275	86	1,048				1,041	1,052
2007-4	104,327	101	1,035				1,029	1,035
2008-1	113,855	111	1,022				1,017	1,018
2008-2	117,286	118	998				1,004	1,002
2008-3	121,925	123	988				993	986

SITE BUILT DWELLING DP-3	Trend
20 point	N/A
16 point	N/A
12 point	N/A
8 point	-4.6%
4 point	-6.3%
Historical Selected	-0.5%
Prospective Selected	-1.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2004	3/30/2004	8/14/2008	4.375	8/14/2008	2/1/2010	1.468	0.964
9/30/2005	3/30/2005	8/14/2008	3.376	8/14/2008	2/1/2010	1.468	0.969
9/30/2006	3/30/2006	8/14/2008	2.376	8/14/2008	2/1/2010	1.468	0.974
9/30/2007	3/30/2007	8/14/2008	1.377	8/14/2008	2/1/2010	1.468	0.979
9/30/2008	3/30/2008	8/14/2008	0.375	8/14/2008	2/1/2010	1.468	0.984

American Modern Insurance Group

Exhibit 5

(Using American Modern Insurance Group Data)

Dwelling Average Catastrophe Factor

ALL Dwelling Programs

Arkansas

Accident Year Ending	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)	(5) Capped Catastrophe Ratio **
9/30/1990	9,960	62,454	52,495	0.190	0.190
9/30/1991	11,525	195,181	183,655	0.063	0.063
9/30/1992	16,508	117,470	100,962	0.164	0.164
9/30/1993	0	198,825	198,825	0.000	0.000
9/30/1994	4,407	333,386	328,980	0.013	0.013
9/30/1995	7,956	276,778	268,822	0.030	0.030
9/30/1996	18,236	166,970	148,734	0.123	0.123
9/30/1997	50,599	220,629	170,029	0.298	0.298
9/30/1998	3,260	218,777	215,518	0.015	0.015
9/30/1999	171,098	258,348	87,250	1.961	1.345
9/30/2000	3,191	93,351	90,161	0.035	0.035
9/30/2001	5,375	113,689	108,313	0.050	0.050
9/30/2002	10,735	121,307	110,572	0.097	0.097
9/30/2003	9,670	859,793	850,123	0.011	0.011
9/30/2004	45,640	408,969	363,328	0.126	0.126
9/30/2005	11,814	398,083	386,269	0.031	0.031
9/30/2006	55,718	356,839	301,121	0.185	0.185
9/30/2007	3,198	516,811	513,613	0.006	0.006
9/30/2008	963,966	1,549,019	585,054	1.648	1.345

Capped Average: 0.235

Selected Catastrophe Factor: 1.235

** Catastrophe Ratio capped at: 1.345 and the excess is spread over 50 years.

American Modern Insurance Group
Frequency, Severity and Pure Premium Trends
Countrywide SITE BUILT DWELLING DP-3
Countrywide Consolidated AMIG DWELLING FIRE DP-3 Program Data
 New & Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Ultimate Reported			Severity:						Frequency:					
	Claim Counts	Ultimate Incurred Loss+LAE	Earned Exposures	Average	20 point	16 point	12 point	8 point	4 point	Ultimate	20 point	16 point	12 point	8 point	4 point
				Ultimate Incurred	Fitted	Fitted	Fitted	Fitted	Fitted	Claim Cnts Per 100 EE	Fitted	Fitted	Fitted	Fitted	Fitted
2003-3	391	2,134,021	9,895	5,458	13,309					3.95	2.94				
2003-4	332	2,449,700	9,457	7,379	13,125					3.51	2.95				
2004-1	304	1,904,830	9,166	6,266	12,944					3.32	2.96				
2004-2	251	6,736,289	9,135	26,838	12,765					2.75	2.97				
2004-3	254	6,912,122	9,357	27,213	12,589	19,999				2.71	2.98	2.55			
2004-4	257	7,052,468	9,717	27,442	12,415	18,768				2.64	2.99	2.61			
2005-1	275	7,507,906	9,989	27,301	12,244	17,612				2.75	3.00	2.66			
2005-2	285	2,681,150	10,155	9,407	12,075	16,528				2.81	3.02	2.71			
2005-3	277	2,766,406	10,235	9,985	11,908	15,511	11,850			2.71	3.03	2.77	2.61		
2005-4	273	2,184,334	10,262	7,997	11,744	14,556	11,579			2.66	3.04	2.82	2.69		
2006-1	276	2,978,962	10,277	10,781	11,581	13,660	11,315			2.69	3.05	2.88	2.76		
2006-2	280	3,595,626	10,303	12,821	11,421	12,819	11,056			2.72	3.06	2.94	2.85		
2006-3	311	4,429,723	10,394	14,261	11,264	12,030	10,803	15,016		2.99	3.07	3.00	2.93	2.98	
2006-4	320	5,136,630	10,640	16,057	11,108	11,289	10,557	13,568		3.01	3.08	3.06	3.01	3.06	
2007-1	359	4,472,307	11,124	12,472	10,955	10,594	10,315	12,259		3.22	3.09	3.12	3.10	3.13	
2007-2	387	3,966,373	11,803	10,241	10,804	9,942	10,080	11,077		3.28	3.11	3.19	3.19	3.21	
2007-3	402	3,539,749	12,574	8,798	10,654	9,330	9,849	10,008	8,918	3.20	3.12	3.25	3.28	3.30	3.18
2007-4	441	3,897,089	13,441	8,840	10,507	8,756	9,624	9,043	8,622	3.28	3.13	3.32	3.38	3.38	3.32
2008-1	498	4,114,317	14,348	8,258	10,362	8,217	9,404	8,171	8,335	3.47	3.14	3.39	3.48	3.47	3.47
2008-2	558	4,484,968	15,360	8,042	10,219	7,711	9,189	7,383	8,058	3.63	3.15	3.46	3.58	3.55	3.62
2008-3	670	5,935,871	16,653	8,857	10,078	7,236	8,979	6,671	7,791	4.02	3.16	3.53	3.68	3.64	3.78

Accident Period 12 Mo End Year-Qtr	Pure Prem:					
	Ult Inc'd per EE	20 point	16 point	12 point	8 point	4 point
		Fitted	Fitted	Fitted	Fitted	Fitted
2003-3	215.7	391.3				
2003-4	259.0	387.3				
2004-1	207.8	383.3				
2004-2	737.4	379.4				
2004-3	738.7	375.5	510.5			
2004-4	725.8	371.7	488.9			
2005-1	751.6	367.9	468.2			
2005-2	264.0	364.2	448.3			
2005-3	270.3	360.4	429.3	309.4		
2005-4	212.9	356.8	411.1	311.1		
2006-1	289.9	353.1	393.7	312.8		
2006-2	349.0	349.5	377.0	314.6		
2006-3	426.2	346.0	361.0	316.3	447.5	
2006-4	482.8	342.4	345.7	318.0	414.7	
2007-1	402.0	338.9	331.0	319.8	384.2	
2007-2	336.1	335.5	317.0	321.5	356.0	
2007-3	281.5	332.0	303.6	323.3	329.8	283.3
2007-4	289.9	328.7	290.7	325.0	305.6	286.1
2008-1	286.8	325.3	278.4	326.8	283.1	288.9
2008-2	292.0	322.0	266.6	328.6	262.3	291.8
2008-3	356.4	318.7	255.3	330.4	243.1	294.7

SITE BUILT DWELLING DP-3	Severity	Frequency	Pure Premium Trend
20 point	-5.4%	1.5%	-4.0%
16 point	-22.4%	8.4%	-15.9%
12 point	-8.8%	12.1%	2.2%
8 point	-33.3%	10.6%	-26.3%
4 point	-12.6%	19.1%	4.0%
Historical Selected	-2.0%	1.0%	-1.0%
Prospective Selected	-3.0%	5.0%	1.9%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2004	3/30/2004	5/15/2008	4.126	5/15/2008	2/1/2010	1.717	0.989
9/30/2005	3/30/2005	5/15/2008	3.127	5/15/2008	2/1/2010	1.717	0.999
9/30/2006	3/30/2006	5/15/2008	2.127	5/15/2008	2/1/2010	1.717	1.010
9/30/2007	3/30/2007	5/15/2008	1.128	5/15/2008	2/1/2010	1.717	1.020
9/30/2008	3/30/2008	5/15/2008	0.126	5/15/2008	2/1/2010	1.717	1.031

American Modern Select Insurance Company

Incurred Loss & ALAE Development Factors

Arkansas SITE BUILT DWELLING

Countrywide Consolidated AMIG Data

Indicated Incurred Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to Ult
Wtd Averages																			
All Qtrs	1.040	0.999	0.997	1.014	1.000	0.996	0.999	1.004	1.000	0.994	0.994	1.004	0.995	1.003	1.000	0.991	0.997	0.999	1.000
4 Point	1.096	1.003	0.989	0.992	1.006	0.995	0.991	1.002	1.001	0.992	0.988	0.998	0.994	1.002	1.000	0.991			
8 Point	1.066	1.002	0.999	1.015	0.999	0.998	0.999	1.008	0.999	0.994	0.994	1.004							
12 Point	1.052	1.003	0.997	1.017	0.998	0.996	0.999	1.004											
Avg (4,8)	1.081	1.002	0.994	1.003	1.002	0.996	0.995	1.005	1.000	0.993	0.991	1.001							
Arithmetic Averages																			
All Qtrs	1.043	0.997	1.000	1.013	0.999	0.996	0.999	1.002	0.996	0.996	0.998	1.005	0.995	1.004	1.000	0.991	0.996	0.999	1.000
4 Point	1.094	1.004	0.987	0.992	1.006	0.995	0.990	1.003	0.993	0.996	0.993	0.998	0.994	1.002	1.000	0.991			
8 Point	1.061	1.006	0.997	1.015	0.999	0.997	0.999	1.004	0.995	0.997	0.998	1.005							
12 Point	1.059	1.000	1.001	1.016	0.998	0.995	0.999	1.002											
8 Pt H/L	1.062	1.001	0.999	1.012	1.000	0.996	0.998	1.004	0.996	0.996	0.999	1.000							
12 Pt H/L	1.059	0.999	1.002	1.014	1.000	0.996	0.999	1.001											
Geometric Averages																			
All Qtrs	1.041	0.997	1.000	1.013	0.999	0.996	0.999	1.002	0.996	0.996	0.998	1.005	0.995	1.004	1.000	0.991	0.996	0.999	1.000
4 Point	1.094	1.004	0.987	0.992	1.006	0.995	0.990	1.003	0.993	0.995	0.993	0.998	0.994	1.002	1.000	0.991			
8 Point	1.060	1.006	0.997	1.014	0.999	0.997	0.999	1.004	0.995	0.997	0.998	1.005							
12 Point	1.058	0.999	1.000	1.016	0.998	0.995	0.999	1.002											

Selected Factors

Age-to-Age Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to Ult
	1.090	0.997	1.006	1.000	1.000	1.002	1.001	1.003	0.997	0.997	0.996	1.001	0.999	0.999	1.000	1.000	1.002	1.000	1.000	1.000
Quarterly Age-to-Ult Factors	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult
	1.091	1.001	1.004	0.998	0.999	0.998	0.997	0.995	0.992	0.995	0.997	1.001	1.000	1.001	1.001	1.001	1.002	1.000	1.000	1.000
Wtd Annual Age-to-Ult Factors	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult			
	1.033	1.001	1.000	0.998	0.997	0.995	0.995	0.995	0.996	0.999	1.000	1.000	1.001	1.001	1.001	1.001	1.000			

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Exhibit 8

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

Consolidated American Modern Insurance Group Data

Calendar Year	2007	2006	2005
ULAE Incurred	14,037,802	15,194,970	13,597,575
Adjusted Loss+ALAE Incurred	358,439,989	307,266,292	469,391,596
Ratio to Incurred Loss+ALAE	3.9%	4.9%	2.9%
3 Year Average	3.9%		

Selected ULAE Factor: **1.039**

American Modern Select Insurance Company

Exhibit 9

State: Arkansas

Product: SB / DP-3

Determination of Permissible Loss Ratio

	Calendar Year			Budget	Selected
	2005	2006	2007	2008	
(1) Pre-Paid Commissions	N/A	17.6%	17.6%		17.6%
(1a) Contingent Commissions	0.2%	1.3%	1.3%	3.0%	3.0%
(2) Other Acquisition Expense (Consolidated AMIG)	4.9%	5.5%	5.3%	5.4%	5.4%
(3) General Expense (Consolidated AMIG)	13.0%	12.9%	13.4%	12.0%	12.7%
(4) Taxes, Licenses and Fees	N/A	2.8%	2.8%		2.8%
(6) Reinsurance Expense (Consolidated AMIG)		1.4%	0.9%	0.7%	0.7%
(7) Total Expense					42.1%

Profit Loading Provision

(8a) After Tax Return on Equity Goal		16.5%
(8b) Target Premium to Surplus Ratio		2.3:1
(8c) After Tax Return on Premium [(8a)/(8b)]		7.2%
(8d) After Tax Return Generated by Investment Income (Exhibit 10, Page 1)		2.8%
(8e) After Tax Return Needed from Underwriting Profit [(8c)-(8d)]		4.4%
(8f) Before Tax Return Needed from Underwriting Profit [(8e)/(1.000-0.35)]		6.7%
(8) Selected Profit Loading Provision		6.7%
(9) Total Expenses and Profit Provision [(7) + (8)]		48.8%
(10) Permissible Loss+LAE Ratio [1.000 - (9)]		51.2%

Data applied to calculate commission ratio:

	Calendar Year		
	2005	2006	2007
AMSArkansas SB / DP-3 Written Premium	0	78,073	115,237
AMSArkansas SB / DP-3 Paid Commission	0	13,775	20,235

Data applied to calculate taxes, licenses and fees:

	Calendar Year		
	2005	2006	2007
AMSArkansas Earned Premium from all Lines of AS	0	381,382	848,581
AMSArkansas Taxes, licenses, and fees from all Lines of AS	1,712	10,652	23,675

Estimated Investment Earnings on Unearned Premium and Loss Reserve:

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2007	\$224,210,504
(2) Mean Unearned Premium Reserve Ratio	48.2%
(3) Mean Unearned Premium Reserve (1) x (2)	\$108,170,137
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	20.6%
(b) 50% of Other Acquisition	2.7%
(c) 50% of General Expenses	6.3%
(d) Taxes, Licenses, and Fees	2.8%
(e) Reinsurance Expense	0.7%
(f) Subtotal	33.1%
(g) Federal Taxes Payable	7.0%
(4T) Total Deductions	40.1%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$64,807,016

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$135,447,087
(b) Direct Unearned Premium 2007 (All Lines)	\$440,086,104
(c) Ratio (a) / (b)	30.8%
(d) Direct Unearned Premium 2007 (ASLOB 1 & 2.1 Fire and Allied Lines)	\$120,083,661
(2) Delayed Remission (1c) x (1d)	\$36,958,636

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	51.2%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$114,697,295
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2007 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	37.7%
(b) 2006 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	54.9%
(c) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	36.6%
(d) Average of Mean Loss Reserve to Incurred Loss Ratios $1/3 \times [(a) + (b) + (c)]$	43.1%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$47,336,584

D. Net Subject to Investment

(A.5) - (B.2) + (C.4)

\$75,184,965

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)]

4.6%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1)]

1.5%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)]

3.5%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	20.8%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	2.8%

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2005-2007 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$50,596,371	42.4%	35.0%	14.9%
- Tax Exempt Municipal	\$43,486,112	36.5%	5.3%	1.9%
Stocks				
- Acquired prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired after 1987	\$19,466,238	16.3%	14.2%	2.3%
Short-Term Investments	\$5,694,684	4.8%	35.0%	1.7%
Total	\$119,243,405	100.0%		20.8%

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2008 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
Twelve Year Average	4.8%
Latest Six Year Average	4.6%
Latest Year	4.6%
Projected 2008 (12 Year Trend)	4.4%
Projected 2008 (6 Year Trend)	4.3%

Selected 2008 Rate of Return

Before Tax	4.6%
After Tax [(1-0.208) x 4.6%]	3.6%

General:

The purpose of this report is to evaluate the rate level adequacy of the Site Built Dwelling product in this state. In this evaluation we take historical premiums and losses from our 'experience period' and project them into the future 'effective period'—our estimate of the time period that our proposed rates will be in effect. The trending methodologies used to do this are described below. In general, the data is organized by accident date into "12-month rolling" accident periods.

Assumptions & Methodologies:

1. On Exhibits 1 and 2, we show the overall rate indication for the SITE BUILT DWELLING product. We describe the data adjustments used in these exhibits in the succeeding paragraphs.
2. Earned premiums are adjusted to the current rate levels by program and then trended, using the factors described below:
 - (a) The Rate Level Adjustment Factors take into account any approved rate changes that have an impact upon the experience period. Our model assumes that premium is earned equally throughout experience quarters, and we use each program's average term length in measuring the rate in which premium is earned. By applying these factors to past premium, the adjustment reflects the amount of premium that would have been earned during the given year at our current rate level. On Exhibit 3 we show the rate changes affecting the experience period and the resulting Rate Level Adjustment Factors.
 - (b) The Premium Trend Factor projects the current level premium in our experience period to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to 5 years (20 groups of rolling four quarters) current level average premiums by program for the state. Historical and a prospective premium trend factors are selected for each program. The historical factor is applied using a time period from the midpoint of the experience period to the ending date of the last experience period. The prospective factor is applied from the ending date of the last experience period to the midpoint of the time the rates are anticipated to be in effect.
3. We adjust incurred losses using the factors described below.
 - (a) Catastrophic Losses (including alae). Because of the unpredictability of large loss events, we use the experience from a longer time period to control our reaction to these types of losses. We rely on ISO to identify catastrophes; and they define them as events that cause at least \$25 million of loss to the insurance industry. Our adjustment involves removing such losses and applying an historical average. Our methodology is based on the relative stability of non-catastrophe losses, and we use these losses as a base for our calculation. We calculate a ratio of catastrophe losses to non-catastrophe losses from the historical data and add unity to get the catastrophe factor. By removing actual catastrophe losses and applying this factor to the non-catastrophe losses, we get incurred losses indicative of normal catastrophe activity for our experience period. Exhibit 5 shows the historical data and calculations used in this process.

- (b) The Loss+ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting an exponential curve to 5 years (20 groups of rolling 4 quarters) of frequency and severity trends. We select historical and prospective frequency and severity trends. These are multiplied together to obtain the pure premium trend. We use countrywide consolidated AMIG data to develop the frequency, severity and pure premiums shown on Exhibit 6.
- (c) Accident year incurred losses (including alae) are used in the rate indication; therefore, losses for each year may not be fully developed. The loss+alae development factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group countrywide Site Built Dwelling losses. We calculate quarterly factors and weight them together using the incurred losses to get annual numbers. See Exhibit 7.
- (d) We apply a "ulae factor" to the incurred loss+alae data to get incurred loss+lae. The calculation of this factor is shown on Exhibit 8.

4. We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 50,000 exposures as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.

5. Return on investment income is computed with the Clifford/Sterling Formula and is accounted for in the permissible loss+lae ratio. Exhibit 9 shows the calculation of the permissible loss+lae ratio and Exhibit 11, pages 1-3, shows the computation of return on investment income. Exhibit 11, page 4 is a line by line explanation of the investment income calculation. Our profit provision is based upon a 16.5% target rate of return on equity.

Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for SITE BUILT DWELLING written by American Modern Insurance Group for the latest accident year.

Line A-3

The mean unearned premium reserve is determined by the average of the last two years unearned premiums for American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large part of other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on American Modern Select Insurance Company statewide data as shown on the permissible loss ratio exhibit.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary because the delay in collection and remission of premium to the companies beyond effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Line B-1(c)

Average agent's balances as a percentage of Direct Unearned Premium 2007 (All Lines).

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses. This ratio is based on countrywide data for American Modern Insurance Group.

Line C-4

The Expected Mean Loss Reserves include an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. The estimated reserve discount is 12%, the federal taxes payable (% of reserves) is $(.12 \times .35 = .042)$, and the appropriate adjustment is .958 $(1.00 - .042 = .958)$. The 12% is based on all company data provided by the A.M. Best Company.

Line E

This rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2005-2007 for American Modern Insurance Group.

**Explanatory Memorandum
American Modern Select Insurance Company
Arkansas**

American Modern Select Insurance Company presents a rate and rule filing for our DP-1 and DP-3 Programs.

Rates/Rules

General Rules:

- The definitions for Dwelling and Vacant/Unoccupied Dwelling have been revised.
- We have added a definition for Owner Occupied Dwelling.
- Under Policy Term, we have updated the Vacant Dwelling Program to include the twelve month term.
- The Inspection Fee rule has been further clarified by adding the stipulation "This premium is fully earned."

Eligibility:

- We have added the following Optional Coverages to the DP-1 program.
 - Builders Risk (Vacant only)
 - Occasional Rental (Owner and Seasonal only)
 - Structure Endorsement (Seasonal only)
 - Short Term Rental (Rental only)
 - Vacancy Permission (Owner, Rental and Seasonal)
- We have added the following Optional Coverages to the DP-3 program.
 - Occasional Rental (Owner and Seasonal only)
 - Personal Property Replacement Cost (Owner, Rental and Seasonal)
 - Roof Exclusion (Owner, Rental and Seasonal)
 - Short Term Rental (Rental only)
 - Vacancy Permission (Owner, Rental and Seasonal)

Territories:

- We have created a new Territory 64 consisting of Clay, Crittenden, Cross, and Jackson counties.
- Sebastian county has been moved from Territory 61 to Territory 60.
- Franklin and Newton counties have been moved from Territory 60 to Territory 61.

Deductibles:

- We are increasing the base Wind/Hail deductible from \$500 to \$1,000.

Rates/Factors:

- We have revised the Base Rates for both the DP-1 and DP-3 Owner and Seasonal programs.
- The Minimum Rate Value has been decreased to \$5,000 for the DP-1 Seasonal program.
- We have added relativities for Territory 64.
- We have revised the relativity for Territory 62 in the DP-3 program.
- We have created a Construction Relativity table rather than listing Frame and Masonry rates separately.

- We have revised the Insurance Score relativities for both the DP-1 and DP-3 Owner and Seasonal programs.
- The UVRC has been revised for both the DP-1 and DP-3 programs.
- We have decreased the Vacant dwelling rate in Protection Class 1 - 8.
- Vacant personal property rates have been added at the rate as dwelling.

DP-3 Loss Settlement Options:

- A Loss Settlement Options page has been added for the DP-3 program including:
 - Full Repair Cost
 - Actual Cash Value
 - Agreed Value Modified Functional Replacement Cost
 - Modified Functional Replacement Cost

Miscellaneous Surcharges and Supplemental Coverages section:

- Under Optional Deductible, we have revised the Wind/Hail base deductible to \$1,000 and added an optional \$2,500 deductible for a credit.
- The rate for Other Structures has been increased.
- We have added Personal Property Replacement Cost for the DP-3 program.
- We have added Vacancy Permission coverage for DP-1 and DP-3 dwellings.
- We have added Occasional Rental coverage for DP-1 and DP-3 Owner-Occupied and Seasonal dwellings.
- We have added Short Term Rental coverage for DP-1 and DP-3 Rental dwellings.
- We have added a Structures Endorsement for DP-1 Seasonal dwellings.
- We have added a Roof Exclusion for the DP-3 program.
- Builders Risk coverage has been added to the Vacant program.

A companion form filing will be submitted under Company Filing Number 20090420-01.

The overall impact of this filing is 1.94%.

We request effective dates of September 15, 2009, for both New Business and Renewals.

**American Modern Select Insurance Company
Dwelling Program**

**Countrywide AMIG Group - Insurance Score Relativities
Summary of Retroactive Study
Policy Years 2001 to 2003**

Owner Occupied / Seasonal

Insurance Score*	Exposures	Earned Premium	Incurred Claims	Incurred Losses	Loss Ratio	Frequency	Severity	Loss Cost	Indicated Loss Cost Relativity	Indicated Frequency Relativity	Original CW Relativity	Previous Selected Relativity	Selected Relativity
1-479	7,061	2,371,542	818	3,027,437	127.7%	11.59	3,701	\$428.76	1.84	1.62	1.94	1.94	1.649
480-509	9,086	3,175,171	895	3,384,443	106.6%	9.85	3,782	\$372.51	1.60	1.38	1.94	1.75	1.487
510-539	15,879	5,412,868	1,408	6,535,380	120.7%	8.87	4,642	\$411.57	1.77	1.24	1.94	1.50	1.275
540-559	14,512	5,201,489	1,240	3,639,521	70.0%	8.54	2,935	\$250.80	1.08	1.20	1.50	1.40	1.190
560-589	20,403	7,471,483	1,608	6,521,432	87.3%	7.88	4,056	\$319.64	1.37	1.10	1.30	1.30	1.105
590-650	36,986	13,079,502	2,641	8,603,858	65.8%	7.14	3,258	\$232.63	1.00	1.00	1.00	1.00	1.000
650+	71,219	24,197,296	3,746	10,336,662	42.7%	5.26	2,759	\$145.14	0.62	0.74	0.85	0.92	0.782
0, Thin & No Hit	21,128	11,209,541	2,263	5,970,232	53.3%	10.71	2,638	\$282.58	1.21	1.50	1.00	1.00	1.000

* Choice Point Homeowners Attract Model

No hit - Defined as when there is no record of the applicant

Thin - Defined as when there is not enough data on the credit record to calculate a valid insurance score

These changes do not increase any insureds relativity, it only decreases them.

Arkansas Distribution Study for Insurance Score Relativity Adjustment

Providing a better rate for 50.55% of the Market

	decreased rate
	increased rate
	no change

Providing a better rate for 66.67% of the Market

	decreased rate
	increased rate
	no change

DP-1 Owner and Seasonal

Score Range	Current	Proposed	AMIG Distribution*	AMIG Distribution*	% Difference
<= 469	1.94	1.649	0.00%	0	-15%
> 469, <= 479	1.94	1.649	1.10%	2	-15%
> 479, <= 499	1.75	1.487	0.00%	0	-15%
> 499, <= 509	1.75	1.487	0.55%	1	-15%
> 509, <= 519	1.50	1.275	0.55%	1	-15%
> 519, <= 529	1.50	1.275	1.65%	3	-15%
> 529, <= 539	1.50	1.275	1.65%	3	-15%
> 539, <= 549	1.40	1.190	0.00%	0	-15%
> 549, <= 559	1.40	1.190	1.65%	3	-15%
> 559, <= 569	1.30	1.105	1.65%	3	-15%
> 569, <= 579	1.30	1.105	1.10%	2	-15%
> 579, <= 589	1.30	1.105	1.10%	2	-15%
> 589, <= 599	1.00	1.000	2.75%	5	0%
> 599, <= 609	1.00	1.000	3.30%	6	0%
> 609, <= 619	1.00	1.000	2.75%	5	0%
> 619, <= 629	1.00	1.000	3.85%	7	0%
> 629, <= 639	1.00	1.000	2.75%	5	0%
> 639, <= 649	1.00	1.000	2.20%	4	0%
> 649, <= 659	1.00	1.000	3.30%	6	0%
> 659, <= 669	1.00	1.000	2.20%	4	0%
> 669, <= 679	1.00	1.000	2.75%	5	0%
> 679, <= 689	1.00	1.000	4.95%	9	0%
> 689, <= 699	1.00	1.000	3.30%	6	0%
> 699, <= 709	1.00	1.000	2.20%	4	0%
> 709, <= 719	0.92	0.782	3.85%	7	-15%
> 719, <= 724	0.92	0.782	0.55%	1	-15%
> 724, <= 734	0.92	0.782	1.65%	3	-15%
> 734, <= 744	0.92	0.782	2.20%	4	-15%
> 744, <= 754	0.85	0.722	3.30%	6	-15%
> 754, <= 764	0.85	0.722	2.75%	5	-15%
> 764, <= 774	0.85	0.722	2.20%	4	-15%
> 774, <= 784	0.85	0.722	2.20%	4	-15%
> 784, <= 794	0.85	0.722	0.55%	1	-15%
> 794, <= 804	0.85	0.722	2.20%	4	-15%
> 804, <= 814	0.85	0.722	2.20%	4	-15%
> 814, <= 824	0.85	0.722	2.75%	5	-15%
> 824, <= 834	0.85	0.722	0.55%	1	-15%
> 834, <= 844	0.85	0.722	2.75%	5	-15%
> 844, <= 854	0.85	0.722	2.75%	5	-15%
> 854, <= 864	0.85	0.722	1.65%	3	-15%
> 864, <= 874	0.85	0.722	0.55%	1	-15%
> 874, <= 884	0.85	0.722	1.10%	2	-15%
> 884, <= 894	0.85	0.722	1.10%	2	-15%
> 894, <= 904	0.85	0.722	1.10%	2	-15%
> 904, <= 914	0.85	0.722	0.55%	1	-15%
> 914, <= 924	0.85	0.722	0.00%	0	-15%
> 924, <= 944	0.85	0.722	0.55%	1	-15%
> 944, <= 974	0.85	0.722	0.00%	0	-15%
> 974, <= 997	0.85	0.722	0.55%	1	-15%
>= 998	1.00	1.000	13.19%	24	0%

DP-3 Owner and Seasonal

Score Range	Current	Proposed	AMIG Distribution*	AMIG Distribution*	% Difference
<= 469	1.94	1.649	0.00%	0	-15%
> 469, <= 479	1.94	1.649	0.00%	0	-15%
> 479, <= 499	1.75	1.487	3.33%	1	-15%
> 499, <= 509	1.75	1.487	0.00%	0	-15%
> 509, <= 519	1.50	1.275	0.00%	0	-15%
> 519, <= 529	1.50	1.275	0.00%	0	-15%
> 529, <= 539	1.50	1.275	0.00%	0	-15%
> 539, <= 549	1.40	1.190	3.33%	1	-15%
> 549, <= 559	1.40	1.190	0.00%	0	-15%
> 559, <= 569	1.30	1.105	0.00%	0	-15%
> 569, <= 579	1.30	1.105	3.33%	1	-15%
> 579, <= 589	1.30	1.105	3.33%	1	-15%
> 589, <= 599	1.00	1.000	0.00%	0	0%
> 599, <= 609	1.00	1.000	6.67%	2	0%
> 609, <= 619	1.00	1.000	0.00%	0	0%
> 619, <= 629	1.00	1.000	0.00%	0	0%
> 629, <= 639	1.00	1.000	0.00%	0	0%
> 639, <= 649	1.00	1.000	0.00%	0	0%
> 649, <= 659	1.00	1.000	10.00%	3	0%
> 659, <= 669	1.00	1.000	0.00%	0	0%
> 669, <= 679	1.00	1.000	3.33%	1	0%
> 679, <= 689	1.00	1.000	3.33%	1	0%
> 689, <= 699	1.00	1.000	0.00%	0	0%
> 699, <= 709	1.00	1.000	6.67%	2	0%
> 709, <= 719	0.92	0.782	10.00%	3	-15%
> 719, <= 724	0.92	0.782	0.00%	0	-15%
> 724, <= 734	0.92	0.782	0.00%	0	-15%
> 734, <= 744	0.92	0.782	6.67%	2	-15%
> 744, <= 754	0.85	0.722	3.33%	1	-15%
> 754, <= 764	0.85	0.722	6.67%	2	-15%
> 764, <= 774	0.85	0.722	0.00%	0	-15%
> 774, <= 784	0.85	0.722	0.00%	0	-15%
> 784, <= 794	0.85	0.722	3.33%	1	-15%
> 794, <= 804	0.85	0.722	3.33%	1	-15%
> 804, <= 814	0.85	0.722	0.00%	0	-15%
> 814, <= 824	0.85	0.722	3.33%	1	-15%
> 824, <= 834	0.85	0.722	3.33%	1	-15%
> 834, <= 844	0.85	0.722	3.33%	1	-15%
> 844, <= 854	0.85	0.722	3.33%	1	-15%
> 854, <= 864	0.85	0.722	0.00%	0	-15%
> 864, <= 874	0.85	0.722	0.00%	0	-15%
> 874, <= 884	0.85	0.722	6.67%	2	-15%
> 884, <= 894	0.85	0.722	0.00%	0	-15%
> 894, <= 904	0.85	0.722	0.00%	0	-15%
> 904, <= 914	0.85	0.722	0.00%	0	-15%
> 914, <= 924	0.85	0.722	0.00%	0	-15%
> 924, <= 944	0.85	0.722	0.00%	0	-15%
> 944, <= 974	0.85	0.722	0.00%	0	-15%
> 974, <= 997	0.85	0.722	0.00%	0	-15%
>= 998	1.00	1.000	3.33%	1	0%

*Distribution of current policies in Arkansas as of 3Q 2008

SERFF Tracking Number: AMMH-126153189 *State:* Arkansas
Filing Company: American Modern Select Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: 20071226-14
TOI: 30.1 Dwelling Fire/Personal Liability *Sub-TOI:* 30.1000 Dwelling Fire/Personal Liability
Product Name: DP-1 and DP-3 Programs (085)
Project Name/Number: DP-1 and DP-3 Programs (085) rate/rule filing/20071226-14

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
05/14/2009	Rate and Rule	Arkansas DP-1 and DP-3 Programs Manual	06/08/2009	AR085DW09 rvsd.pdf
No original date	Rate and Rule	Arkansas DP-1 and DP-3 Programs Manual	05/14/2009	AR085DW09.pdf
No original date	Supporting Document	NAIC loss cost data entry document	05/14/2009	FORM RF-1 Rate Filing Abstract.pdf

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

GENERAL RULES

1. **DEFINITIONS**

- A. **Dwelling** – a structure containing not more than 4 dwelling units or more than 3 stories.
- B. **Owner Occupied Dwelling** – a dwelling used as the insured’s primary residence.
- C. **Vacant/Unoccupied Dwelling** – a dwelling or manufactured home that is unoccupied and/or being held for sale, whether or not the contents have been removed.
- D. **Seasonal Dwelling** - a dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis by the insured and his (her) immediate family.
- E. **Rental Dwelling** – a dwelling that is rented to others for residential purposes. Insurance is written to cover the interest of the owner of a rented dwelling.
- F. **Single Building**
 - a. All buildings or sections of buildings which communicate through unprotected openings.
 - b. Buildings which are separated by a space shall be considered separate buildings.
 - c. Buildings or sections of buildings which are separated by an eight (8) inch masonry party wall which pierces or rises to the underside of the roof shall be considered separate buildings. Communication between buildings through masonry party walls described above shall be protected by at least a Class “A” Fire Door installed in a masonry wall section.
- G. **Construction Types** – The three different construction types are defined below.
 - a. **Frame (1)** - Exterior walls of wood or other combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports. Aluminum or plastic siding over frame.
 - b. **Masonry Veneer (2)** - Exterior wall of combustible construction veneered with masonry materials. Rated as masonry.
 - c. **Masonry (3)** - Exterior walls constructed of masonry materials such as adobe, brick, concrete, concrete block, stone, tile or similar materials or non-combustible materials on non-combustible supports.
- H. **Public Fire Protection**
 Except in areas otherwise classified, all dwellings within the corporate limits shall take the fire protection classification of the municipality. All dwellings located outside of the corporate limits of a municipality shall be considered as unprotected, unless the fire protection in the district in which the dwelling is located is specifically classified.
- I. **Supplemental Heating Device**
 Wood, coal, or pellet burning stoves, space heaters, fireplace inserts or any other heating device that is not centralized.

2. **POLICY FORMS**

Coverage will be written on the Dwelling Property - Basic Form or the Dwelling Property – Special Form contained within this filing, which will consist of:

- A. Policy form, plus,
- B. Declaration page, plus
- C. Required endorsements, if any

3. **POLICY TERM**

- A. **Owner, Seasonal and Rental Dwelling Programs:**
 All premiums and rates contained in the Rate Section of this manual are annual. An Owner, Seasonal or Rental Dwelling Policy must be issued for a term of one year only.
- B. **Vacant Dwelling Program:**
 All premiums and rates contained in the Rate Section of this manual are for either a three, six, or twelve month term.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

4. CHANGES

- A. All changes requiring adjustments of premium shall be computed pro rata.
- B. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived. If there is a decrease in coverage requested by the company, the full return premium will be refunded to the Insured.

5. TRANSFER OR ASSIGNMENT

Subject to the rules of this manual and any necessary adjustment of premium, a dwelling policy may be endorsed to effect transfer to another location within the same state; or assignment from one insured to another in the event of transfer of title of the dwelling.

6. CANCELLATION

If a policy or form of coverage is cancelled or reduced at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

7. MINIMUM WRITTEN AND EARNED PREMIUM

No policy shall be written for less than the minimum written and earned premium shown on the rate pages.

8. WHOLE DOLLAR PREMIUM

The premium shall be rounded to the nearest whole dollar separately for each coverage provided by the policy.

A premium of \$.50 or more shall be rounded up to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements and cancellations.

9. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Programs including changes due to reclassification of community or district, shall be made in accordance with the following procedures. The revision shall apply to any policy or endorsement with the effective date of the renewal of the policy or anniversary date of annual installment policy.

10. DEDUCTIBLES

Coverages may be subject to the application of deductibles as shown on the rate pages.

11. INSPECTION FEE (Z1)

A \$35.00 inspection fee will apply to all new business policies. This premium is fully earned.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

ELIGIBILITY AND COVERAGES

I. DP-1 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures - Increase Optional
- (3) Coverage C - Personal Property - Optional
- (4) Coverage D - Fair Rental Value - Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Improvements, Alterations and Additions (Reduces Coverage C)
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value (Reduces Coverage A)
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (3) Vandalism or Malicious Mischief – Optional
- (4) Terrorism (Rental Risks)

E. Optional Coverages

The policy may be written to include:

- (1) Additional Living Expense (not available on Seasonal or Rental)
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Residence Burglary (not available on Seasonal)
- (6) Short Term Rental
- (7) Structure Endorsement (Seasonal only)
- (8) Vacancy Permission
- (9) Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- F. Liability Coverages - Owner Occupied - Optional
- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
 - (2) Coverage M – Medical Payments to Others
 - (3) Additional Coverages
Automatically included when liability coverage is purchased.
 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others
- G. Liability Coverages – Rental and Seasonal - Optional
- (1) Premises Liability
 - (2) Premises Medical Payments
 - (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

II. DP-3 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling (All Risk unless otherwise excluded)
- (2) Coverage B - Other Structures (All Risk unless otherwise excluded) - Increase Optional
- (3) Coverage C - Personal Property (Named Perils) - Optional
- (4) Coverage D - Fair Rental Value (Rental Program) – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A
- (2) Debris Removal
- (3) Improvements, Alterations and Additions
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value and Additional Living Expense
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Trees, Shrubs and Other Plants
- (9) Fire Department Service Charge
- (10) Collapse
- (11) Glass or Safety Glazing Material
- (12) Vandalism & Malicious Mischief
- (13) Terrorism (Rental Program)

D. Optional Coverages

The policy may be written to include:

- (1) ACV Loss Settlement Endorsement
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Personal Property Replacement Cost
- (6) Residence Burglary (not available on Seasonal)
- (7) Roof Exclusion
- (8) Short Term Rental
- (9) Vacancy Permission

E. Liability Coverages - Owner Occupied - Optional

- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
- (2) Coverage M – Medical Payments to Others
- (3) Additional Coverages

Automatically included when liability coverage is purchased.

 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others

F. Liability Coverages – Rental and Seasonal - Optional

- (1) Premises Liability
- (2) Premises Medical Payments
- (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

III. Vacant Program

A. Eligible Risks

- (1) Vacant/Unoccupied dwellings
- (2) Vacant/Unoccupied Manufactured housing

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Rental Value (Reduces Coverage A)
- (4) Reasonable Repairs
- (5) Property Removed
- (6) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion

- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption

- (4) Vandalism or Malicious Mischief - Optional

E. Optional Coverages

The policy may be written to include:

- (1) Builder's Risk
- (2) Other Structures Exclusion
- (3) Windstorm and Hail Buy-Back for Antennas

F. Liability Coverages - Optional

- (1) Premises Liability
- (2) Premises Medical Payments

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

RATE SECTION

TERRITORY DEFINITION

Territory 60

Remainder of State

Territory 61

Benton
Carroll
Clark
Crawford
Faulkner
Franklin
Garland
Hot Spring
Madison
Newton
Saline
Washington

Territory 62

Desha
Johnson
Lee
Miller
Mississippi
Poinsett
White
Remainder of Pulaski County
Remainder of Jefferson County

Territory 63

City of N. Little Rock
City of Little Rock
City of Pine Bluff

Territory 64

Clay
Crittenden
Cross
Jackson

DEDUCTIBLES

DP-1 and DP-3 Programs (Owner Occupied, Rental Occupied and Seasonal Occupied)

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$500 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

Vacant Dwelling Program

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$500 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

BASE PREMIUM COMPUTATION

(Does not apply to Vacant)

1. Determine the value of the Dwelling = Dwelling limit. (round up to an even thousand)
2. Multiply the Flat Base Rate, Coverage Relativity, Territory Relativity, UVRC Relativity that corresponds to the Dwelling Limit, Protection Class Relativity and Insurance Score Relativity.
(Base Rate * Coverage Relativity * Territory Relativity * UVRC Relativity * Protection Class Relativity * Insurance Score Relativity) = Sub Total 1 (round to the nearest penny)
3. Multiply Sub Total 1 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 1 * Total Risk Code percentage) = Hold 1 (round to the nearest penny)
4. Add Sub Total 1 and Hold 1.
(Sub Total 1 + Hold 1) = Sub Total 2 (round to the nearest whole dollar)

*UVRC is defined as Unit Value Relativity Curve.

VACANT – BASE PREMIUM COMPUTATION

1. Determine the value of the Dwelling.
2. Round the Dwelling Limit up to the nearest hundred, and divide by 100.
(Adjusted Dwelling Limit/100 = Sub Total 1)
3. Multiply Sub Total 1 by the Rate per \$100 of Coverage.
(Sub Total 1 * Rate per \$100 of Coverage = Sub Total 2)
4. Multiply Sub Total 2 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 2 * Total Risk Code Percentage) = Hold 1 (round to the nearest penny)
5. Add Sub Total 2 and Hold 1.
(Sub Total 2 + Hold 1) = Total (round to the nearest whole dollar)

SPECIAL PREMIUM COMPUTATION FOR OPTIONAL DEDUCTIBLE

1. Determine the applicable Deductible percentage as defined by the option chosen.
(if the deductible credit or surcharge is a flat dollar amount, this special premium computation does not apply)
2. Multiply the Deductible percentage by Sub Total 1 (Sub Total 2 for Vacant).
(Deductible percent * Sub Total 1 (or 2) = Coverage Premium. (round to the nearest whole dollar)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-1 Program (4V1/4V2/4V3)

Fire & Extended Coverage

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V1	\$184.11	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V2	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V3	\$180.70	N/A	N/A	\$100.00	\$5,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table				
60	61	62	63	64
1.00	.90	2.30	2.65	1.60

Protection Class Table									
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30

Construction Type Relativity Table	
Frame	Masonry
1.00	0.90

Owner and Seasonal Occupied Insurance Score Relativity Table	
Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

Rental Occupied Insurance Score Relativity Table	
Score	Factor
1-569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-3 Program (407/408/409)

Frame Construction

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
407	\$207.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
408	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
409	\$194.40	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table

60	61	62	63	64
1.00	.90	1.60	1.65	1.50

Protection Class Table

Class	Factor								
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30

Construction Type Relativity Table

Frame	Masonry
1.00	0.90

**Owner and Seasonal Occupied
Insurance Score Relativity Table**

Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

**Rental Occupied
Insurance Score Relativity Table**

Score	Factor
1 – 569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-1 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC
\$5,000	1.200	\$54,000	3.529	\$103,000	6.665
\$6,000	1.220	\$55,000	3.593	\$104,000	6.729
\$7,000	1.240	\$56,000	3.657	\$105,000	6.793
\$8,000	1.260	\$57,000	3.721	\$106,000	6.857
\$9,000	1.280	\$58,000	3.785	\$107,000	6.921
\$10,000	1.300	\$59,000	3.849	\$108,000	6.985
\$11,000	1.320	\$60,000	3.913	\$109,000	7.049
\$12,000	1.340	\$61,000	3.977	\$110,000	7.113
\$13,000	1.360	\$62,000	4.041	\$111,000	7.177
\$14,000	1.380	\$63,000	4.105	\$112,000	7.241
\$15,000	1.400	\$64,000	4.169	\$113,000	7.305
\$16,000	1.420	\$65,000	4.233	\$114,000	7.369
\$17,000	1.440	\$66,000	4.297	\$115,000	7.433
\$18,000	1.460	\$67,000	4.361	\$116,000	7.497
\$19,000	1.480	\$68,000	4.425	\$117,000	7.561
\$20,000	1.500	\$69,000	4.489	\$118,000	7.625
\$21,000	1.560	\$70,000	4.553	\$119,000	7.689
\$22,000	1.620	\$71,000	4.617	\$120,000	7.753
\$23,000	1.680	\$72,000	4.681	\$121,000	7.817
\$24,000	1.740	\$73,000	4.745	\$122,000	7.881
\$25,000	1.800	\$74,000	4.809	\$123,000	7.945
\$26,000	1.860	\$75,000	4.873	\$124,000	8.009
\$27,000	1.920	\$76,000	4.937	\$125,000	8.073
\$28,000	1.980	\$77,000	5.001	\$126,000	8.137
\$29,000	2.040	\$78,000	5.065	\$127,000	8.201
\$30,000	2.100	\$79,000	5.129	\$128,000	8.265
\$31,000	2.160	\$80,000	5.193	\$129,000	8.329
\$32,000	2.220	\$81,000	5.257	\$130,000	8.393
\$33,000	2.280	\$82,000	5.321	\$131,000	8.457
\$34,000	2.340	\$83,000	5.385	\$132,000	8.521
\$35,000	2.400	\$84,000	5.449	\$133,000	8.585
\$36,000	2.460	\$85,000	5.513	\$134,000	8.649
\$37,000	2.520	\$86,000	5.577	\$135,000	8.713
\$38,000	2.580	\$87,000	5.641	\$136,000	8.777
\$39,000	2.640	\$88,000	5.705	\$137,000	8.841
\$40,000	2.700	\$89,000	5.769	\$138,000	8.905
\$41,000	2.760	\$90,000	5.833	\$139,000	8.969
\$42,000	2.820	\$91,000	5.897	\$140,000	9.003
\$43,000	2.880	\$92,000	5.961	\$141,000	9.097
\$44,000	2.940	\$93,000	6.025	\$142,000	9.161
\$45,000	3.000	\$94,000	6.089	\$143,000	9.225
\$46,000	3.060	\$95,000	6.153	\$144,000	9.289
\$47,000	3.120	\$96,000	6.217	\$145,000	9.353
\$48,000	3.180	\$97,000	6.281	\$146,000	9.417
\$49,000	3.240	\$98,000	6.345	\$147,000	9.481
\$50,000	3.273	\$99,000	6.409	\$148,000	9.545
\$51,000	3.337	\$100,000	6.473	\$149,000	9.609
\$52,000	3.401	\$101,000	6.537	\$150,000	9.673
\$53,000	3.465	\$102,000	6.601	Add'l \$1,000:	0.064

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-5	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>
\$50,000	3.450	\$84,000	5.062	\$118,000	6.759
\$51,000	3.496	\$85,000	5.110	\$119,000	6.809
\$52,000	3.542	\$86,000	5.159	\$120,000	6.859
\$53,000	3.588	\$87,000	5.209	\$121,000	6.909
\$54,000	3.634	\$88,000	5.259	\$122,000	6.959
\$55,000	3.680	\$89,000	5.309	\$123,000	7.009
\$56,000	3.726	\$90,000	5.359	\$124,000	7.059
\$57,000	3.772	\$91,000	5.409	\$125,000	7.109
\$58,000	3.818	\$92,000	5.459	\$126,000	7.159
\$59,000	3.864	\$93,000	5.509	\$127,000	7.209
\$60,000	3.910	\$94,000	5.559	\$128,000	7.259
\$61,000	3.958	\$95,000	5.609	\$129,000	7.309
\$62,000	4.006	\$96,000	5.659	\$130,000	7.359
\$63,000	4.054	\$97,000	5.709	\$131,000	7.409
\$64,000	4.102	\$98,000	5.759	\$132,000	7.459
\$65,000	4.150	\$99,000	5.809	\$133,000	7.509
\$66,000	4.198	\$100,000	5.859	\$134,000	7.559
\$67,000	4.246	\$101,000	5.909	\$135,000	7.609
\$68,000	4.294	\$102,000	5.959	\$136,000	7.659
\$69,000	4.342	\$103,000	6.009	\$137,000	7.709
\$70,000	4.390	\$104,000	6.059	\$138,000	7.759
\$71,000	4.438	\$105,000	6.109	\$139,000	7.809
\$72,000	4.486	\$106,000	6.159	\$140,000	7.859
\$73,000	4.534	\$107,000	6.209	\$141,000	7.909
\$74,000	4.582	\$108,000	6.259	\$142,000	7.959
\$75,000	4.630	\$109,000	6.309	\$143,000	8.009
\$76,000	4.678	\$110,000	6.359	\$144,000	8.059
\$77,000	4.726	\$111,000	6.409	\$145,000	8.109
\$78,000	4.774	\$112,000	6.459	\$146,000	8.159
\$79,000	4.822	\$113,000	6.509	\$147,000	8.209
\$80,000	4.870	\$114,000	6.559	\$148,000	8.259
\$81,000	4.918	\$115,000	6.609	\$149,000	8.309
\$82,000	4.966	\$116,000	6.659	\$150,000	8.359
\$83,000	5.014	\$117,000	6.709	Add'l \$1,000:	0.050

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-6	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

VACANT DWELLING Program (324/325/334/335/354/355)

Fire and Extended Coverage

Construction Types -- Frame and Masonry

(354/355 - 12 Month) (334/335 - 6 Month) (324/325 - 3 Month)

Premium is pro-rated in the 3 and 6 Month Vacant Program.

12 Month Rate

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

Vacant Personal Property Rates

(784/785 – 12 Month) (774/775 – 6 Month) (744/745 – 3 Month)

12 Month Rate (Premium is pro-rated in the 3 and 6 Month Vacant Program)

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-7	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

LIABILITY SECTION

1. Personal Liability - Basic Premiums

(a) Limit of Liability - - optional

MEDICAL PAYMENTS	\$500 EACH PERSON/\$25,000 EACH OCCURRENCE
PROPERTY OF OTHERS	\$500 EACH OCCURRENCE
ANIMAL LIABILITY	\$10,000

(b) Premium - To include Personal Liability coverage on Owner Occupied dwellings, add the following premium: (K3)

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

2. Premises Liability - Dwellings Rented to Others, Seasonal and Vacant Dwellings (L2)

To provide coverage for Premises Liability, the following premiums apply:

(a) Dwelling Premises Liability

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

The premiums include premises medical payments of \$500 each person, \$25,000 each occurrence.

Premium is pro-rated in the 3 and 6 Month Vacant Program.

3. Medical Payments – Personal Liability and Premises Liability (BA)

To increase the Medical Payments coverage, add the following additional premium:

<u>Medical Payments</u>	<u>Rate</u>
\$1,000/\$25,000	\$5.00

4. Animal Liability Exclusion (LE)

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person. Not available on policies without Personal Liability Coverage.

Rate: \$3.00 credit per home, per year.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-8	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 LOSS SETTLEMENT OPTIONS

1. Replacement Cost (Settlement Option 02)
Policy Form S2002 - Dwelling Property - Special Form

No additional premium associated with this option (Factor of 1.00)

2. Actual Cash Value (Settlement Option 01)
Actual Cash Value Loss Settlement Option may be endorsed on the DP3 policy. This endorsement will change the loss settlement provision from replacement cost to actual cash value. Home must be insured to 100% Market Value. Use Endorsement SDO00 - Actual Cash Value Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

3. Agreed Value Modified Functional Replacement Cost (Settlement Option 04)
Agreed Value Modified Functional Replacement Cost may be endorsed onto a DP3 policy. This endorsement will allow a home to be insured to market value (agreed value), and settle partial losses at functional replacement up to the policy limit. Use Endorsement DPY00 - Agreed Value Modified Functional Replacement Cost Loss Settlement.

Rate: 4% of base premium (Factor of 1.04)

4. Modified Functional Replacement Cost (Settlement Option 03)
Modified Functional Replacement Cost may be endorsed onto a DP3 policy. Modified Functional Replacement Cost will replace materials with common constructed materials. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. Home must be insured to 100% replacement cost. Use Endorsement DPF00 - Modified Functional Replacement Cost Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-9	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

MISCELLANEOUS SURCHARGES AND SUPPLEMENTAL COVERAGES

1. Miscellaneous Surcharges (Applicable to Coverage A only)

A. Multiple Family Surcharge

For dwellings containing multiple families, the following surcharges apply. Does not apply to the Vacant Program.

Number of Families	Risk Code	Surcharge
1	27	Base
2	28	Base
3	29	1.50
4	43	1.50

2. Supplemental Coverages

A. Additional Living Expense (46)

To provide Additional Living Expense for owner occupied dwellings in the DP-1 Program, not to exceed 20% of Coverage A.

Rate: \$5.00 per \$1,000 of coverage

B. Optional Deductible

The deductible may be changed by applying the following credit or surcharge to Coverage A, B, and C base premiums, prior to all other surcharges and discounts: For 3- and 6- month policies, the credit will be pro-rated and applied to each policy term. The change in deductible does not apply to the \$500 deductible for Vandalism and Malicious Mischief.

Wind & Hail Deductible Options* (WH)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Credit</u>	<u>Deductible</u>	<u>Credit</u>
\$500	Included	\$500	Included
\$1,000	5%	\$1,000	5%

All Other Peril Deductible* (H8)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Premium</u>	<u>Deductible</u>	<u>Premium</u>
\$500	Included	\$500	Included
\$1,000	(5%)	\$1,000	(5%)
\$2,500	(10%)		
\$5,000	(15%)		

*Wind and Hail Deductible cannot be lower than the All Other Perils Deductible. The Wind/Hail Deductible credit will only apply if the All Other Peril Deductible is less than \$2,500.

*If the All Other Perils and Wind and Hail Deductible differ, the larger deductible will apply to Wind and Hail.

C. Dwelling Property Basic Form Windstorm and Hail Buy-Back for Antennas (PK)

Rate: \$5.00

Premium is pro-rated in the 3 and 6 month Vacant Programs.

D. Other Structures (A1)

To provide coverage for Other Structures, add the following additional premium. Not available if "Dwelling Property Other Structures Exclusion" Endorsement is attached to the policy.

For each additional \$1,000, add: \$ 6.50

Premium is pro-rated in the 3 and 6 month Vacant Programs.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-10	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

E. Other Structures Exclusion (AZ)

To remove coverage for Other Structures located at the insured location, subtract the following:

Rate: \$3.00 credit per home, per year.

Premium is pro-rated in the 3 and 6 month Vacant Programs.

F. Residence Burglary (B1)

To provide coverage for residence burglary on owner occupied or rental residences, add the following additional premium:

Rate: \$30.00 per \$1,000

G. Supplemental Heating Device (H2)

For dwellings equipped with a Supplemental Heating Device, the following surcharge applies:

Rate: \$50.00

H. Vandalism or Malicious Mischief (B2)

To provide coverage on owner occupied, rental, or seasonal residences in the DP-1 Program or Vacant Dwelling Program, add the following additional premium.

Rate: \$7.00 per \$1,000 A \$500 deductible will apply

Premium is pro-rated in the 3 and 6 month Vacant Programs.

I. Personal Property (product codes 7M1/7M2/7M3 for DP-1, 7O7/7O8/7O9 for DP-3)

To provide Personal Property Coverage for Owner, Rental and Seasonal residences, add the following rate per \$1,000 of coverage:

Rate: \$5.00 per \$1,000 of coverage

Minimum Value: \$1,000

J. Fair Rental Value or Loss of Rents (49)

To provide coverage for Fair Rental Value or Loss of Rents on Owner, Seasonal or Rental residences add the following additional premium.

Rate: \$7.00 per \$1,000

K. Protective Device Credits

For protective devices present on the dwelling premises, the following credit will apply to Coverage A premium not to exceed 10%.

For Central Station Fire and Smoke (72) or Burglar Alarm (73), apply a 5% credit (10% for both)
For Remote Station Fire and Smoke (E4) or Burglar Alarm (E5), apply a 2% credit (4% for both); and
For Dead Bolts, Smoke Alarm **and** Fire Extinguisher (D6), apply a 5% credit.

L. Personal Property Replacement Cost (Add On BK)

To provide Personal Property Replacement Cost in the DP-3 Program, add the following additional premium:

Rate: \$3.00 per \$1,000

Limit of coverage must be equal to Coverage C

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-11	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- M. Vacancy Permission Endorsement (Add On VS)
For a home that is temporarily vacant in the Owner, Rental or Seasonal program, add the following surcharge:

DP-1 Rate per \$100:

PC 1-8 \$1.06
PC 9-10 \$1.70

DP-3 Rate per \$100:

PC 1-8 \$1.15
PC 9-10 \$1.85

- N. Occasional Rental Endorsement (Add On PP)
To provide coverage for occasional rental on Owner or Seasonal residences, add the following additional premium:

Rate: 15% of Coverage A

- O. Short Term Rental (Risk Code ST)
To provide coverage for short term rental (less than 3 months) of Rental properties, add the following additional premium:

Rate: \$40.00

- P. Structure Endorsement (Risk Code OS -Other Structure or SB - Boat Slip)
Provides Coverage A on the seasonal structure. Only available under the Seasonal DP-1 program. Does not apply to Other Structures Coverage B.

Rated same as Seasonal DP-1 program

- Q. Roof Exclusion (Risk Code 9N)
To exclude coverage for the roof for the DP-3 program, subtract the following:

Rate: \$10.00 credit per home, per year

- R. Builder's Risk Renovation and / or New Construction Coverage (SX)
A Vacant policy may be endorsed to cover homes while undergoing renovation or final construction. The following surcharge will apply to the base premium:

Rate: 5%

3. Minimum Written and Earned Premium

- A. Owner Occupied, Seasonal, Rental and Vacant Dwellings

Minimum Written and Earned Premium: \$100.00

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-12	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

FORM SECTION

POLICY AND DECLARATION PAGE

<u>Form Number</u>	<u>Title</u>
S2001 (07/88)	Dwelling Property – Basic Form
S2002 (07/88)	Dwelling Property – Special Form
0110-4269 (5/92)	Declaration Page
EQ DECLN 03 (03/00)	Application Supplement – Declination of Residential Earthquake Coverage

OPTIONAL AND MANDATORY ENDORSEMENTS BY PROGRAM

Owner Occupied Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
72677 (02/06)	Additional Living Expense (DP-1 only)
73182 (05/99)	Animal Liability Exclusion
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Seasonal Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Mandatory When Personal Liability is Purchased (available on Owner Occupied Dwellings)

S2005 (07/88)	Personal Liability Policy
73183 (05/06)	Special Limit for Animal Liability
73184 (05/99)	Business, Commercial or Farming Enterprise Exclusion
73185 (05/99)	Home Day Care Exclusion
73186 (03/00)	Lead Contamination Exclusion
DLB00 (02/00)	Assault and Battery Exclusion
DLE00 (03/00)	Punitive or Exemplary Damages Exclusion
SDP03 (11/01)	Total Pollution Exclusion - Arkansas
SLM00 (06/02)	Personal Liability Mold Exclusions
SLS00 (08/06)	Swimming Pool Slide and Diving Board Exclusion

Rental Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
D3W00 (01/08)	Water Damage Endorsement (DP-3 only)
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SD503 (05/09)	Water Damage Sublimit Endorsement - Arkansas (DP-3 only)
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)
SDY00 (02/08)	Cap on Losses from Certified Acts of Terrorism

Vacant Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
DBR00 (10/08)	Builders Risk Renovation and/or New Construction Coverage
SD800 (03/07)	Other Structures Exclusion
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71884 (05/06)	Permitted Vacancy Clause
73339 (07/02)	Condemnation Endorsement
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion

Mandatory when Premises Liability is Purchased (available on the Rental, Seasonal and Vacant Dwellings)

PL003 (01/06)	Premises Liability Insurance - Arkansas
73253 (03/00)	Premises Liability Lead Poisoning Exclusion
PLM00 (04/02)	Premises Liability Mold Exclusions
PLS00 (08/06)	Premises Liability Swimming Pool Slide and Diving Board Exclusion
PLY00 (02/08)	Premises Liability Cap on Losses from Certified Acts of Terrorism (Rental Only)

FORMS NOT REQUIRED TO BE FILED

IN614 (09/06)	Important Notice to Policyholders – Flood and Earthquake Exclusion
SDN30 (02/08)	Notice to Policyholders - Provisions of Terrorism Coverage (Rental Dwellings)
D1D3APP-AR INS (06/08)	Arkansas Dwelling Application
D1D3APP-AR INS ML (06/08)	Arkansas Dwelling Application

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

GENERAL RULES

1. DEFINITIONS

- A. Dwelling – a structure containing not more than 4 dwelling units or more than 3 stories.
- B. Owner Occupied Dwelling – a dwelling used as the insured’s primary residence.
- C. Vacant/Unoccupied Dwelling – a dwelling or manufactured home that is unoccupied and/or being held for sale, whether or not the contents have been removed.
- D. Seasonal Dwelling - a dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis by the insured and his (her) immediate family.
- E. Rental Dwelling – a dwelling that is rented to others for residential purposes. Insurance is written to cover the interest of the owner of a rented dwelling.
- F. Single Building
 - a. All buildings or sections of buildings which communicate through unprotected openings.
 - b. Buildings which are separated by a space shall be considered separate buildings.
 - c. Buildings or sections of buildings which are separated by an eight (8) inch masonry party wall which pierces or rises to the underside of the roof shall be considered separate buildings. Communication between buildings through masonry party walls described above shall be protected by at least a Class “A” Fire Door installed in a masonry wall section.
- G. Construction Types – The three different construction types are defined below.
 - a. Frame (1) - Exterior walls of wood or other combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports. Aluminum or plastic siding over frame.
 - b. Masonry Veneer (2) - Exterior wall of combustible construction veneered with masonry materials. Rated as masonry.
 - c. Masonry (3) - Exterior walls constructed of masonry materials such as adobe, brick, concrete, concrete block, stone, tile or similar materials or non-combustible materials on non-combustible supports.
- H. Public Fire Protection
Except in areas otherwise classified, all dwellings within the corporate limits shall take the fire protection classification of the municipality. All dwellings located outside of the corporate limits of a municipality shall be considered as unprotected, unless the fire protection in the district in which the dwelling is located is specifically classified.
- I. Supplemental Heating Device
Wood, coal, or pellet burning stoves, space heaters, fireplace inserts or any other heating device that is not centralized.

2. POLICY FORMS

Coverage will be written on the Dwelling Property - Basic Form or the Dwelling Property – Special Form contained within this filing, which will consist of:

- A. Policy form, plus,
- B. Declaration page, plus
- C. Required endorsements, if any

3. POLICY TERM

- A. Owner, Seasonal and Rental Dwelling Programs:
All premiums and rates contained in the Rate Section of this manual are annual. An Owner, Seasonal or Rental Dwelling Policy must be issued for a term of one year only.
- B. Vacant Dwelling Program:
All premiums and rates contained in the Rate Section of this manual are for either a three, six, or twelve month term.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

4. CHANGES

- A. All changes requiring adjustments of premium shall be computed pro rata.
- B. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived. If there is a decrease in coverage requested by the company, the full return premium will be refunded to the Insured.

5. TRANSFER OR ASSIGNMENT

Subject to the rules of this manual and any necessary adjustment of premium, a dwelling policy may be endorsed to effect transfer to another location within the same state; or assignment from one insured to another in the event of transfer of title of the dwelling.

6. CANCELLATION

If a policy or form of coverage is cancelled or reduced at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

7. MINIMUM WRITTEN AND EARNED PREMIUM

No policy shall be written for less than the minimum written and earned premium shown on the rate pages.

8. WHOLE DOLLAR PREMIUM

The premium shall be rounded to the nearest whole dollar separately for each coverage provided by the policy.

A premium of \$.50 or more shall be rounded up to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements and cancellations.

9. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Programs including changes due to reclassification of community or district, shall be made in accordance with the following procedures. The revision shall apply to any policy or endorsement with the effective date of the renewal of the policy or anniversary date of annual installment policy.

10. DEDUCTIBLES

Coverages may be subject to the application of deductibles as shown on the rate pages.

11. INSPECTION FEE (Z1)

A \$35.00 inspection fee will apply to all new business policies. This premium is fully earned.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	G-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

ELIGIBILITY AND COVERAGES

I. DP-1 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures - Increase Optional
- (3) Coverage C - Personal Property - Optional
- (4) Coverage D - Fair Rental Value - Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Improvements, Alterations and Additions (Reduces Coverage C)
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value (Reduces Coverage A)
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (3) Vandalism or Malicious Mischief – Optional (Owner Occupied and Rental Risks)
- (4) Terrorism (Rental Risks)

E. Optional Coverages

The policy may be written to include:

- (1) Additional Living Expense (not available on Seasonal or Rental)
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Residence Burglary (not available on Seasonal)
- (6) Short Term Rental
- (7) Structure Endorsement (Seasonal only)
- (8) Vacancy Permission
- (9) Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- F. Liability Coverages - Owner Occupied - Optional
- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
 - (2) Coverage M – Medical Payments to Others
 - (3) Additional Coverages
Automatically included when liability coverage is purchased.
 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others
- G. Liability Coverages – Rental and Seasonal - Optional
- (1) Premises Liability
 - (2) Premises Medical Payments
 - (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

II. DP-3 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling (All Risk unless otherwise excluded)
- (2) Coverage B - Other Structures (All Risk unless otherwise excluded) - Increase Optional
- (3) Coverage C - Personal Property (Named Perils) - Optional
- (4) Coverage D - Fair Rental Value (Rental Program) – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A
- (2) Debris Removal
- (3) Improvements, Alterations and Additions
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value and Additional Living Expense
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Trees, Shrubs and Other Plants
- (9) Fire Department Service Charge
- (10) Collapse
- (11) Glass or Safety Glazing Material
- (12) Vandalism & Malicious Mischief
- (13) Terrorism (Rental Program)

D. Optional Coverages

The policy may be written to include:

- (1) ACV Loss Settlement Endorsement
- (2) Fair Rental Value or Loss of Rents
- (3) Occasional Rental Endorsement (Owner and Seasonal)
- (4) Other Structures Exclusion
- (5) Personal Property Replacement Cost
- (6) Residence Burglary (not available on Seasonal)
- (7) Roof Exclusion
- (8) Short Term Rental
- (9) Vacancy Permission

E. Liability Coverages - Owner Occupied - Optional

- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
- (2) Coverage M – Medical Payments to Others
- (3) Additional Coverages

Automatically included when liability coverage is purchased.

 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others

F. Liability Coverages – Rental and Seasonal - Optional

- (1) Premises Liability
- (2) Premises Medical Payments
- (3) Terrorism (Rental Only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

III. Vacant Program

A. Eligible Risks

- (1) Vacant/Unoccupied dwellings
- (2) Vacant/Unoccupied Manufactured housing

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Rental Value (Reduces Coverage A)
- (4) Reasonable Repairs
- (5) Property Removed
- (6) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion

- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption

- (4) Vandalism or Malicious Mischief - Optional

E. Optional Coverages

The policy may be written to include:

- (1) Builder's Risk
- (2) Other Structures Exclusion
- (3) Windstorm and Hail Buy-Back for Antennas

F. Liability Coverages - Optional

- (1) Premises Liability
- (2) Premises Medical Payments

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	E-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

RATE SECTION

TERRITORY DEFINITION

Territory 60
Remainder of State

Territory 61
Benton
Carroll
Clark
Crawford
Faulkner
Franklin
Garland
Hot Spring
Madison
Newton
Saline
Washington

Territory 62
Desha
Johnson
Lee
Miller
Mississippi
Poinsett
White
Remainder of Pulaski County
Remainder of Jefferson County

Territory 63
City of N. Little Rock
City of Little Rock
City of Pine Bluff

Territory 64
Clay
Crittenden
Cross
Jackson

DEDUCTIBLES

DP-1 and DP-3 Programs (Owner Occupied, Rental Occupied and Seasonal Occupied)

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$1,000 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

Vacant Dwelling Program

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 All Other Perils deductible and a \$1,000 Wind and Hail Deductible. The deductibles are applicable per home, per loss occurrence.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

BASE PREMIUM COMPUTATION

(Does not apply to Vacant)

1. Determine the value of the Dwelling = Dwelling limit. (round up to an even thousand)
2. Multiply the Flat Base Rate, Coverage Relativity, Territory Relativity, UVRC Relativity that corresponds to the Dwelling Limit, Protection Class Relativity and Insurance Score Relativity.
(Base Rate * Coverage Relativity * Territory Relativity * UVRC Relativity * Protection Class Relativity * Insurance Score Relativity) = Sub Total 1 (round to the nearest penny)
3. Multiply Sub Total 1 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 1 * Total Risk Code percentage) = Hold 1 (round to the nearest penny)
4. Add Sub Total 1 and Hold 1.
(Sub Total 1 + Hold 1) = Sub Total 2 (round to the nearest whole dollar)

*UVRC is defined as Unit Value Relativity Curve.

VACANT – BASE PREMIUM COMPUTATION

1. Determine the value of the Dwelling.
2. Round the Dwelling Limit up to the nearest hundred, and divide by 100.
(Adjusted Dwelling Limit/100 = Sub Total 1)
3. Multiply Sub Total 1 by the Rate per \$100 of Coverage.
(Sub Total 1 * Rate per \$100 of Coverage = Sub Total 2)
4. Multiply Sub Total 2 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
(Sub Total 2 * Total Risk Code Percentage) = Hold 1 (round to the nearest penny)
5. Add Sub Total 2 and Hold 1.
(Sub Total 2 + Hold 1) = Total (round to the nearest whole dollar)

SPECIAL PREMIUM COMPUTATION FOR OPTIONAL DEDUCTIBLE

1. Determine the applicable Deductible percentage as defined by the option chosen.
(if the deductible credit or surcharge is a flat dollar amount, this special premium computation does not apply)
2. Multiply the Deductible percentage by Sub Total 1 (Sub Total 2 for Vacant).
(Deductible percent * Sub Total 1 (or 2) = Coverage Premium. (round to the nearest whole dollar)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-1 Program (4V1/4V2/4V3)

Fire & Extended Coverage

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V1	\$184.11	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V2	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	NEW	1.00	\$500
4V3	\$180.70	N/A	N/A	\$100.00	\$5,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table				
60	61	62	63	64
1.00	.90	2.30	2.65	1.60

Protection Class Table									
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30

Construction Type Relativity Table	
Frame	Masonry
1.00	0.90

Owner and Seasonal Occupied Insurance Score Relativity Table	
Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

Rental Occupied Insurance Score Relativity Table	
Score	Factor
1-569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-3	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

OWNER OCCUPIED, RENTAL OCCUPIED, and SEASONAL OCCUPIED

DP-3 Program (407/408/409)

Frame Construction

Product	Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
407	\$207.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
408	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500
409	\$194.40	N/A	N/A	\$100.00	\$50,000	\$1,000	NEW	1.00	\$500

Territory Relativity Table

60	61	62	63	64
1.00	.90	1.60	1.65	1.50

Protection Class Table

Class	Factor								
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30

Construction Type Relativity Table

Frame	Masonry
1.00	0.90

**Owner and Seasonal Occupied
Insurance Score Relativity Table**

Score	Factor
1-479	1.649
480-509	1.487
510-539	1.275
540-559	1.190
560-589	1.105
0, 590- 709 & no hit/thin	1.000
710-744	0.782
745-997	0.722

**Rental Occupied
Insurance Score Relativity Table**

Score	Factor
1 – 569	1.15
570-599	1.10
600-619	1.05
0, 620- 649 & no hit/thin	1.00
650-689	0.90
690-734	0.85
735-997	0.80

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-4	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-1 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC	Dwelling Value	DP-1 UVRC
\$5,000	1.200	\$54,000	3.529	\$103,000	6.665
\$6,000	1.220	\$55,000	3.593	\$104,000	6.729
\$7,000	1.240	\$56,000	3.657	\$105,000	6.793
\$8,000	1.260	\$57,000	3.721	\$106,000	6.857
\$9,000	1.280	\$58,000	3.785	\$107,000	6.921
\$10,000	1.300	\$59,000	3.849	\$108,000	6.985
\$11,000	1.320	\$60,000	3.913	\$109,000	7.049
\$12,000	1.340	\$61,000	3.977	\$110,000	7.113
\$13,000	1.360	\$62,000	4.041	\$111,000	7.177
\$14,000	1.380	\$63,000	4.105	\$112,000	7.241
\$15,000	1.400	\$64,000	4.169	\$113,000	7.305
\$16,000	1.420	\$65,000	4.233	\$114,000	7.369
\$17,000	1.440	\$66,000	4.297	\$115,000	7.433
\$18,000	1.460	\$67,000	4.361	\$116,000	7.497
\$19,000	1.480	\$68,000	4.425	\$117,000	7.561
\$20,000	1.500	\$69,000	4.489	\$118,000	7.625
\$21,000	1.560	\$70,000	4.553	\$119,000	7.689
\$22,000	1.620	\$71,000	4.617	\$120,000	7.753
\$23,000	1.680	\$72,000	4.681	\$121,000	7.817
\$24,000	1.740	\$73,000	4.745	\$122,000	7.881
\$25,000	1.800	\$74,000	4.809	\$123,000	7.945
\$26,000	1.860	\$75,000	4.873	\$124,000	8.009
\$27,000	1.920	\$76,000	4.937	\$125,000	8.073
\$28,000	1.980	\$77,000	5.001	\$126,000	8.137
\$29,000	2.040	\$78,000	5.065	\$127,000	8.201
\$30,000	2.100	\$79,000	5.129	\$128,000	8.265
\$31,000	2.160	\$80,000	5.193	\$129,000	8.329
\$32,000	2.220	\$81,000	5.257	\$130,000	8.393
\$33,000	2.280	\$82,000	5.321	\$131,000	8.457
\$34,000	2.340	\$83,000	5.385	\$132,000	8.521
\$35,000	2.400	\$84,000	5.449	\$133,000	8.585
\$36,000	2.460	\$85,000	5.513	\$134,000	8.649
\$37,000	2.520	\$86,000	5.577	\$135,000	8.713
\$38,000	2.580	\$87,000	5.641	\$136,000	8.777
\$39,000	2.640	\$88,000	5.705	\$137,000	8.841
\$40,000	2.700	\$89,000	5.769	\$138,000	8.905
\$41,000	2.760	\$90,000	5.833	\$139,000	8.969
\$42,000	2.820	\$91,000	5.897	\$140,000	9.003
\$43,000	2.880	\$92,000	5.961	\$141,000	9.097
\$44,000	2.940	\$93,000	6.025	\$142,000	9.161
\$45,000	3.000	\$94,000	6.089	\$143,000	9.225
\$46,000	3.060	\$95,000	6.153	\$144,000	9.289
\$47,000	3.120	\$96,000	6.217	\$145,000	9.353
\$48,000	3.180	\$97,000	6.281	\$146,000	9.417
\$49,000	3.240	\$98,000	6.345	\$147,000	9.481
\$50,000	3.273	\$99,000	6.409	\$148,000	9.545
\$51,000	3.337	\$100,000	6.473	\$149,000	9.609
\$52,000	3.401	\$101,000	6.537	\$150,000	9.673
\$53,000	3.465	\$102,000	6.601	Add'l \$1,000:	0.064

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-5	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>	<u>Dwelling Value</u>	<u>DP-3 UVRC</u>
\$50,000	3.450	\$84,000	5.062	\$118,000	6.759
\$51,000	3.496	\$85,000	5.110	\$119,000	6.809
\$52,000	3.542	\$86,000	5.159	\$120,000	6.859
\$53,000	3.588	\$87,000	5.209	\$121,000	6.909
\$54,000	3.634	\$88,000	5.259	\$122,000	6.959
\$55,000	3.680	\$89,000	5.309	\$123,000	7.009
\$56,000	3.726	\$90,000	5.359	\$124,000	7.059
\$57,000	3.772	\$91,000	5.409	\$125,000	7.109
\$58,000	3.818	\$92,000	5.459	\$126,000	7.159
\$59,000	3.864	\$93,000	5.509	\$127,000	7.209
\$60,000	3.910	\$94,000	5.559	\$128,000	7.259
\$61,000	3.958	\$95,000	5.609	\$129,000	7.309
\$62,000	4.006	\$96,000	5.659	\$130,000	7.359
\$63,000	4.054	\$97,000	5.709	\$131,000	7.409
\$64,000	4.102	\$98,000	5.759	\$132,000	7.459
\$65,000	4.150	\$99,000	5.809	\$133,000	7.509
\$66,000	4.198	\$100,000	5.859	\$134,000	7.559
\$67,000	4.246	\$101,000	5.909	\$135,000	7.609
\$68,000	4.294	\$102,000	5.959	\$136,000	7.659
\$69,000	4.342	\$103,000	6.009	\$137,000	7.709
\$70,000	4.390	\$104,000	6.059	\$138,000	7.759
\$71,000	4.438	\$105,000	6.109	\$139,000	7.809
\$72,000	4.486	\$106,000	6.159	\$140,000	7.859
\$73,000	4.534	\$107,000	6.209	\$141,000	7.909
\$74,000	4.582	\$108,000	6.259	\$142,000	7.959
\$75,000	4.630	\$109,000	6.309	\$143,000	8.009
\$76,000	4.678	\$110,000	6.359	\$144,000	8.059
\$77,000	4.726	\$111,000	6.409	\$145,000	8.109
\$78,000	4.774	\$112,000	6.459	\$146,000	8.159
\$79,000	4.822	\$113,000	6.509	\$147,000	8.209
\$80,000	4.870	\$114,000	6.559	\$148,000	8.259
\$81,000	4.918	\$115,000	6.609	\$149,000	8.309
\$82,000	4.966	\$116,000	6.659	\$150,000	8.359
\$83,000	5.014	\$117,000	6.709	Add'l \$1,000:	0.050

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-6	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

VACANT DWELLING Program (324/325/334/335/354/355)

Fire and Extended Coverage

Construction Types -- Frame and Masonry

(354/355 - 12 Month) (334/335 - 6 Month) (324/325 - 3 Month)

Premium is pro-rated in the 3 and 6 Month Vacant Program.

12 Month Rate

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

Vacant Personal Property Rates

(784/785 – 12 Month) (774/775 – 6 Month) (744/745 – 3 Month)

12 Month Rate (Premium is pro-rated in the 3 and 6 Month Vacant Program)

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 - 8</u>	<u>9 - 10</u>
Rate:	\$1.36	\$2.40

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-7	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

LIABILITY SECTION

1. Personal Liability - Basic Premiums

(a) Limit of Liability - - optional

MEDICAL PAYMENTS	\$500 EACH PERSON/\$25,000 EACH OCCURRENCE
PROPERTY OF OTHERS	\$500 EACH OCCURRENCE
ANIMAL LIABILITY	\$10,000

(b) Premium - To include Personal Liability coverage on Owner Occupied dwellings, add the following premium: (K3)

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

2. Premises Liability - Dwellings Rented to Others, Seasonal and Vacant Dwellings (L2)

To provide coverage for Premises Liability, the following premiums apply:

(a) Dwelling Premises Liability

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

The premiums include premises medical payments of \$500 each person, \$25,000 each occurrence.

Premium is pro-rated in the 3 and 6 Month Vacant Program.

3. Medical Payments – Personal Liability and Premises Liability (BA)

To increase the Medical Payments coverage, add the following additional premium:

<u>Medical Payments</u>	<u>Rate</u>
\$1,000/\$25,000	\$5.00

4. Animal Liability Exclusion (LE)

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person. Not available on policies without Personal Liability Coverage.

Rate: \$3.00 credit per home, per year.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-8	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

DP-3 LOSS SETTLEMENT OPTIONS

1. Replacement Cost (Settlement Option 02)
Policy Form S2002 - Dwelling Property - Special Form

No additional premium associated with this option (Factor of 1.00)

2. Actual Cash Value (Settlement Option 01)
Actual Cash Value Loss Settlement Option may be endorsed on the DP3 policy. This endorsement will change the loss settlement provision from replacement cost to actual cash value. Home must be insured to 100% Market Value. Use Endorsement SDO00 - Actual Cash Value Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

3. Agreed Value Modified Functional Replacement Cost (Settlement Option 04)
Agreed Value Modified Functional Replacement Cost may be endorsed onto a DP3 policy. This endorsement will allow a home to be insured to market value (agreed value), and settle partial losses at functional replacement up to the policy limit. Use Endorsement DPY00 - Agreed Value Modified Functional Replacement Cost Loss Settlement.

Rate: 4% of base premium (Factor of 1.04)

4. Modified Functional Replacement Cost (Settlement Option 03)
Modified Functional Replacement Cost may be endorsed onto a DP3 policy. Modified Functional Replacement Cost will replace materials with common constructed materials. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. Home must be insured to 100% replacement cost. Use Endorsement DPF00 - Modified Functional Replacement Cost Loss Settlement.

No additional premium associated with this option (Factor of 1.00)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-9	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

MISCELLANEOUS SURCHARGES AND SUPPLEMENTAL COVERAGES

1. Miscellaneous Surcharges (Applicable to Coverage A only)

A. Multiple Family Surcharge

For dwellings containing multiple families, the following surcharges apply. Does not apply to the Vacant Program.

Number of Families	Risk Code	Surcharge
1	27	Base
2	28	Base
3	29	1.50
4	43	1.50

2. Supplemental Coverages

A. Additional Living Expense (46)

To provide Additional Living Expense for owner occupied dwellings in the DP-1 Program, not to exceed 20% of Coverage A.

Rate: \$5.00 per \$1,000 of coverage

B. Optional Deductible

The deductible may be changed by applying the following credit or surcharge to Coverage A, B, and C base premiums, prior to all other surcharges and discounts: For 3- and 6- month policies, the credit will be pro-rated and applied to each policy term. The change in deductible does not apply to the \$500 deductible for Vandalism and Malicious Mischief.

Wind & Hail Deductible Options* (WH)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Credit</u>	<u>Deductible</u>	<u>Credit</u>
\$1,000	Included	\$1,000	Included
\$2,500	5%	\$2,500	5%

All Other Peril Deductible* (H8)

Dwelling 1 & 3 Programs		3, 6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Premium</u>	<u>Deductible</u>	<u>Premium</u>
\$500	Included	\$500	Included
\$1,000	(5%)	\$1,000	(5%)
\$2,500	(10%)		
\$5,000	(15%)		

*Wind and Hail Deductible cannot be lower than the All Other Perils Deductible. The Wind/Hail Deductible credit will only apply if the All Other Peril Deductible is less than \$2,500.

*If the All Other Perils and Wind and Hail Deductible differ, the larger deductible will apply to Wind and Hail.

C. Dwelling Property Basic Form Windstorm and Hail Buy-Back for Antennas (PK)

Rate: \$5.00

Premium is pro-rated in the 3 and 6 month Vacant Programs.

D. Other Structures (A1)

To provide coverage for Other Structures, add the following additional premium. Not available if "Dwelling Property Other Structures Exclusion" Endorsement is attached to the policy.

For each additional \$1,000, add: \$ 6.50

Premium is pro-rated in the 3 and 6 month Vacant Programs.

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-10	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

E. Other Structures Exclusion (AZ)

To remove coverage for Other Structures located at the insured location, subtract the following:

Rate: \$3.00 credit per home, per year.

Premium is pro-rated in the 3 and 6 month Vacant Programs.

F. Residence Burglary (B1)

To provide coverage for residence burglary on owner occupied or rental residences, add the following additional premium:

Rate: \$30.00 per \$1,000

G. Supplemental Heating Device (H2)

For dwellings equipped with a Supplemental Heating Device, the following surcharge applies:

Rate: \$50.00

H. Vandalism or Malicious Mischief (B2)

To provide coverage on owner occupied, rental, or seasonal residences in the DP-1 Program or Vacant Dwelling Program, add the following additional premium.

Rate: \$7.00 per \$1,000 A \$500 deductible will apply

Premium is pro-rated in the 3 and 6 month Vacant Programs.

I. Personal Property (product codes 7M1/7M2/7M3 for DP-1, 7O7/7O8/7O9 for DP-3)

To provide Personal Property Coverage for Owner, Rental and Seasonal residences, add the following rate per \$1,000 of coverage:

Rate: \$5.00 per \$1,000 of coverage

Minimum Value: \$1,000

J. Fair Rental Value or Loss of Rents (49)

To provide coverage for Fair Rental Value or Loss of Rents on Owner, Seasonal or Rental residences add the following additional premium.

Rate: \$7.00 per \$1,000

K. Protective Device Credits

For protective devices present on the dwelling premises, the following credit will apply to Coverage A premium not to exceed 10%.

For Central Station Fire and Smoke (72) or Burglar Alarm (73), apply a 5% credit (10% for both)
For Remote Station Fire and Smoke (E4) or Burglar Alarm (E5), apply a 2% credit (4% for both); and
For Dead Bolts, Smoke Alarm **and** Fire Extinguisher (D6), apply a 5% credit.

L. Personal Property Replacement Cost (Add On BK)

To provide Personal Property Replacement Cost in the DP-3 Program, add the following additional premium:

Rate: \$3.00 per \$1,000

Limit of coverage must be equal to Coverage C

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-11	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

- M. Vacancy Permission Endorsement (Add On VS)
For a home that is temporarily vacant in the Owner, Rental or Seasonal program, add the following surcharge:

DP-1 Rate per \$100:

PC 1-8 \$1.06
PC 9-10 \$1.70

DP-3 Rate per \$100:

PC 1-8 \$1.15
PC 9-10 \$1.85

- N. Occasional Rental Endorsement (Add On PP)
To provide coverage for occasional rental on Owner or Seasonal residences, add the following additional premium:

Rate: 15% of Coverage A

- O. Short Term Rental (Risk Code ST)
To provide coverage for short term rental (less than 3 months) of Rental properties, add the following additional premium:

Rate: \$40.00

- P. Structure Endorsement (Risk Code OS -Other Structure or SB - Boat Slip)
Provides Coverage A on the seasonal structure. Only available under the Seasonal DP-1 program. Does not apply to Other Structures Coverage B.

Rated same as Seasonal DP-1 program

- Q. Roof Exclusion (Risk Code 9N)
To exclude coverage for the roof for the DP-3 program, subtract the following:

Rate: \$10.00 credit per home, per year

- R. Builder's Risk Renovation and / or New Construction Coverage (SX)
A Vacant policy may be endorsed to cover homes while undergoing renovation or final construction. The following surcharge will apply to the base premium:

Rate: 5%

3. Minimum Written and Earned Premium

- A. Owner Occupied, Seasonal, Rental and Vacant Dwellings

Minimum Written and Earned Premium: \$100.00

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	R-12	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

FORM SECTION

POLICY AND DECLARATION PAGE

<u>Form Number</u>	<u>Title</u>
S2001 (07/88)	Dwelling Property – Basic Form
S2002 (07/88)	Dwelling Property – Special Form
0110-4269 (5/92)	Declaration Page
EQ DECLN 03 (03/00)	Application Supplement – Declination of Residential Earthquake Coverage

OPTIONAL AND MANDATORY ENDORSEMENTS BY PROGRAM

Owner Occupied Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
72677 (02/06)	Additional Living Expense (DP-1 only)
73182 (05/99)	Animal Liability Exclusion
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Seasonal Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-1	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)

Mandatory When Personal Liability is Purchased (available on Owner Occupied Dwellings)

S2005 (07/88)	Personal Liability Policy
73183 (05/06)	Special Limit for Animal Liability
73184 (05/99)	Business, Commercial or Farming Enterprise Exclusion
73185 (05/99)	Home Day Care Exclusion
73186 (03/00)	Lead Contamination Exclusion
DLB00 (02/00)	Assault and Battery Exclusion
DLE00 (03/00)	Punitive or Exemplary Damages Exclusion
SDP03 (11/01)	Total Pollution Exclusion - Arkansas
SLM00 (06/02)	Personal Liability Mold Exclusions
SLS00 (08/06)	Swimming Pool Slide and Diving Board Exclusion

Rental Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
71884 (05/06)	Permitted Vacancy Clause (DP-1 only)
73187 (02/08)	Roof Exclusion (DP-3 only)
D3884 (02/09)	Permitted Vacancy Clause (DP-3 only)
DF001 (01/09)	Residence Burglary
DPB00 (06/08)	Structure Endorsement (DP-1 only)
DPF00 (01/08)	Modified Functional Replacement Cost (DP-3 only)
DPY00 (11/08)	Agreed Value Modified Functional Replacement Cost (DP-3 only)
SD800 (03/07)	Other Structures Exclusion (DP-1 only)
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SDO00 (04/05)	Actual Cash Value Loss Settlement Endorsement (DP-3 only)
SFR00 (10/05)	Personal Property Replacement Cost (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (12/06)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
DPV00 (11/05)	Vandalism or Malicious Mischief Exclusion (DP-3 only)
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion (DP-1)
SDY00 (02/08)	Cap on Losses from Certified Acts of Terrorism

Vacant Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
DBR00 (10/08)	Builders Risk Renovation and/or New Construction Coverage
SD800 (03/07)	Other Structures Exclusion
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-2	9/15/09	4/20/09

**ARKANSAS
AMERICAN MODERN SELECT INSURANCE COMPANY
DP-1 and DP-3 PROGRAMS**

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71884 (05/06)	Permitted Vacancy Clause
73339 (07/02)	Condemnation Endorsement
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Criminal Acts Exclusion

Mandatory when Premises Liability is Purchased (available on the Rental, Seasonal and Vacant Dwellings)

PL003 (01/06)	Premises Liability Insurance - Arkansas
73253 (03/00)	Premises Liability Lead Poisoning Exclusion
PLM00 (04/02)	Premises Liability Mold Exclusions
PLS00 (08/06)	Premises Liability Swimming Pool Slide and Diving Board Exclusion
PLY00 (02/08)	Premises Liability Cap on Losses from Certified Acts of Terrorism (Rental Only)

FORMS NOT REQUIRED TO BE FILED

IN614 (09/06)	Important Notice to Policyholders – Flood and Earthquake Exclusion
SDN30 (02/08)	Notice to Policyholders - Provisions of Terrorism Coverage (Rental Dwellings)
D1D3APP-AR INS (06/08)	Arkansas Dwelling Application
D1D3APP-AR INS ML (06/08)	Arkansas Dwelling Application

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-3	9/15/09	4/20/09

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **20071226-14**

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

		Company Name		Company NAIC Number
3.	A.	American Modern Select Insurance Company	B.	38652

		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.	30.1 Dwelling Fire/Personal Liability	B.	30.1000 Dwelling Fire/Personal Liability

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
DP-1	6.50%	6.52%					
DP-3	11.7%	5.60%					
DP-1 Vacant	NA	-10.78%					
TOTAL OVERALL EFFECT		1.94%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	437	n/a	n/a	146	35	.239	.628
2007	799	-0.10%	12/1/2007	544	270	.496	.384
2008	1033	n/a	n/a	755	740	.979	.525

7.

Expense Constants	Selected Provisions
A. Total Production Expense	.257
B. General Expense	.127
C. Taxes, License & Fees	.035
D. Underwriting Profit & Contingencies	.067
E. Other (Reinsurance)	.006
F. TOTAL	.492

8. N Apply Lost Cost Factors to Future filings? (Y or N)
 9. 66.64% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 64
 10. -15.08% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): Territory 61