

SERFF Tracking Number: HNVR-126395784 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: HO-AR-09751-03R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Filing at a Glance

Companies: Hanover American Insurance Company, Massachusetts Bay Insurance Company
Product Name: Homeowners SERFF Tr Num: HNVR-126395784 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed-Filed State Tr Num: EFT \$100
Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: HO-AR-09751-03R State Status: Fees verified and received
Combinations
Filing Type: Rate/Rule Reviewer(s): Becky Harrington, Betty Montesi
Authors: Eleanor Doherty, Kathryn Husson, Cheryl Richards, Susan Whitworth Disposition Date: 01/06/2010
Date Submitted: 12/01/2009 Disposition Status: Filed
Effective Date Requested (New): Effective Date (New):
Effective Date Requested (Renewal): 01/16/2010 Effective Date (Renewal): 01/16/2010

State Filing Description:

General Information

Project Name: Homeowners Status of Filing in Domicile:
Project Number: HO-AR-09751-03R Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 01/08/2010 Deemer Date:
State Status Changed: 12/04/2009 Submitted By: Eleanor Doherty
Created By: Eleanor Doherty
Corresponding Filing Tracking Number:
Filing Description:
Effective January 16, 2010 for renewal business, we are filing to make the following changes to our Hanover American and Massachusetts Bay Insurance Companies. The overall effect of these changes is +7.2%.

- 1) Implement wind/hail deductible credit caps.
- 2) Adjust all-peril deductible credit caps.
- 3) Adjust HO-3 base rates to achieve overall target rate change.

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More details of these changes can be found in the attached explanatory memorandum.

Company and Contact

Filing Contact Information

Eleanor Doherty, Product Specialist elfdoherty@hanover.com
 440 Lincoln Street 508-855-3251 [Phone]
 Worcester, MA 01653 508-855-4311 [FAX]

Filing Company Information

Hanover American Insurance Company	CoCode: 36064	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 04-3063898	

Massachusetts Bay Insurance Company	CoCode: 22306	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 04-2217600	

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Hanover American Insurance Company	\$100.00	12/01/2009	32385820
Massachusetts Bay Insurance Company	\$0.00	12/01/2009	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/06/2010	01/08/2010

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	01/06/2010	01/06/2010	Susan Whitworth	01/06/2010	01/06/2010
Pending Industry Response	Becky Harrington	01/04/2010	01/04/2010	Susan Whitworth	01/06/2010	01/06/2010
Pending Industry Response	Becky Harrington	12/16/2009	12/16/2009	Eleanor Doherty	12/22/2009	12/22/2009
Pending Industry Response	Becky Harrington	12/04/2009	12/04/2009	Eleanor Doherty	12/08/2009	12/10/2009

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Exhibit I	Susan Whitworth	01/06/2010	01/06/2010

Filing Notes

SERFF Tracking Number: *HNVR-126395784* *State:* *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* *State Tracking Number:* *EFT \$100*
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TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Subject	Note Type	Created By	Created On	Date Submitted
Rate Impact and Effective Dates	Note To Reviewer	Susan Whitworth	01/06/2010	01/06/2010
Rate Impact and effective dates	Note To Filer	Becky Harrington	01/06/2010	01/06/2010

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 Project Name/Number: Homeowners/HO-AR-09751-03R

Disposition

Disposition Date: 01/06/2010

Effective Date (New):

Effective Date (Renewal): 01/16/2010

Status: Filed

Comment: Waiting period for effective date waived

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):
Hanover American Insurance Company	15.400%	7.200%	\$288,822	4,824	\$4,011,423	13.950%	-20.560%
Massachusetts Bay Insurance Company	15.400%	7.200%	\$163,578	2,598	\$2,271,917	12.500%	-3.100%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	15.400%
Overall Percentage Rate Impact For This Filing	7.200%
Effect of Rate Filing-Written Premium Change For This Program	\$452,400
Effect of Rate Filing - Number of Policyholders Affected	7,422

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 Project Name/Number: Homeowners/HO-AR-09751-03R

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Memorandum & Exhibits	Filed	Yes
Supporting Document	Response to 12/4/09 objection.	Filed	Yes
Supporting Document	Response to 1/4/10 Objection	Filed	Yes
Supporting Document (revised)	Exhibit I	Filed	Yes
Supporting Document	Exhibit I		Yes
Supporting Document	Revised Exhibit I	Filed	Yes
Rate	MB-HA Manual	Filed	Yes
Rate	HO-3 Base Rates	Filed	Yes
Rate (revised)	Deductibles	Filed	Yes
Rate	Deductibles		Yes

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Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/06/2010

Submitted Date 01/06/2010

Respond By Date

Dear Eleanor Doherty,

This will acknowledge receipt of the response of today.

Objection 1

No Objections

Comment: We will allow you to cap deductible credits for those insureds wishing to change their deductible amounts.

Insureds currently with higher deductibles must not be affected by the change. In other words, \$25 is still too much of an additional premium. Please adjust the premiums of all those insureds listed under Exhibit 1.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 01/06/2010

Submitted Date 01/06/2010

Dear Becky Harrington,

Comments:

See our response below regarding your objection letter of today.

Response 1

Comments: Per your request, we will adjust all inforce policies so they are not impacted by the new wind/hail deductible credit caps. Please see the revised Exhibit I for a summary of the adjustments.

Related Objection 1

Comment:

We will allow you to cap deductible credits for those insureds wishing to change their deductible amounts.

Insureds currently with higher deductibles must not be affected by the change. In other words, \$25 is still too

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Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

much of an additional premium. Please adjust the premiums of all those insureds listed under Exhibit 1.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Revised Exhibit I

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your time and review.

Sincerely,

Cheryl Richards, Eleanor Doherty, Kathryn Husson, Susan Whitworth

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Company Tracking Number: HO-AR-09751-03R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/04/2010

Submitted Date 01/04/2010

Respond By Date

Dear Eleanor Doherty,

This will acknowledge receipt of the response dated 12/22/2009.

Objection 1

- Response to 12/4/09 objection. (Supporting Document)
- Deductibles, pgs 19-20 (Rate)

Comment: It is the Commissioner's opinion the impact of deductible credit capping to your current insureds is excessive and unacceptable. Most insureds choose a larger deductible as a means of cost savings, often as the result of suggestions from agents or companies. Inducing insureds to choose higher deductible amounts, then reducing the incentives appears unfair, especially to the degree in this filing. Please amend the deductible capping to apply to new business only.

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 01/06/2010

Submitted Date 01/06/2010

Dear Becky Harrington,

Comments:

Attached, please find our response and accompanying exhibit to your objection letter of January 4, 2010.

Response 1

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Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Comments: Please see our response and the accompanying exhibit below.

Related Objection 1

Applies To:

- Response to 12/4/09 objection. (Supporting Document)
- Deductibles, pgs 19-20 (Rate)

Comment:

It is the Commissioner's opinion the impact of deductible credit capping to your current insureds is excessive and unacceptable. Most insureds choose a larger deductible as a means of cost savings, often as the result of suggestions from agents or companies. Inducing insureds to choose higher deductible amounts, then reducing the incentives appears unfair, especially to the degree in this filing. Please amend the deductible capping to apply to new business only.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 1/4/10 Objection

Comment:

Satisfied -Name: Exhibit I

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your review of this filing.

Sincerely,

Cheryl Richards, Eleanor Doherty, Kathryn Husson, Susan Whitworth

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Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 12/16/2009
Submitted Date 12/16/2009
Respond By Date

Dear Eleanor Doherty,

This will acknowledge receipt of the captioned filing.

Objection 1

- Response to 12/4/09 objection. (Supporting Document)

Comment: Please identify the specific components of this filing that are affecting the increases for the 11 policies shown in the disruption analysis. Explain any additional contributing factors causing the increases.

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 12/22/2009
Submitted Date 12/22/2009

Dear Becky Harrington,

Comments:

The following is our response to your objection dated 12/16/09.

Response 1

Comments: Four of the 11 policies that we had indicated to receive increases over 15% were incorrectly assigned territories in our rerater. With this correction to our disruption calculation, these four policies will not be receiving increases over 15%. The overall rate impact remains at 7.2%.

The remaining seven policies are receiving increases over 15% because they have wind / hail deductible credits that are being capped with our implementation of caps in this filing.

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Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Related Objection 1

Applies To:

- Response to 12/4/09 objection. (Supporting Document)

Comment:

Please identify the specific components of this filing that are affecting the increases for the 11 policies shown in the disruption analysis. Explain any additional contributing factors causing the increases.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let us know if you have any additional questions.

Sincerely,

Cheryl Richards, Eleanor Doherty, Kathryn Husson, Susan Whitworth

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First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: HO-AR-09751-03R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/04/2009

Submitted Date 12/04/2009

Respond By Date

Dear Eleanor Doherty,

This will acknowledge receipt of the captioned filing.

Objection 1

- Deductibles, pgs 19-20 (Rate)

Comment: Page 20 appears to contain a typo. The second sentence reads "Moving to the right, both the factor". Is "both" correct?

Objection 2

No Objections

Comment: Please provide a breakdown on the number of insureds receiving greater than 15% increases.

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 12/08/2009

Submitted Date 12/10/2009

Dear Becky Harrington,

Comments:

The following is our response to your objection dated 12/4/2009.

Response 1

SERFF Tracking Number: HNV-126395784 State: Arkansas
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Company Tracking Number: HO-AR-09751-03R
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/HO-AR-09751-03R

Comments: Thank you for letting us know. Please see the amended page 20. The word has been revised to "select".

Related Objection 1

Applies To:

- Deductibles, pgs 19-20 (Rate)

Comment:

Page 20 appears to contain a typo. The second sentence reads "Moving to the right, both the factor". Is "both" correct?

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 #
Deductibles	pgs 19-20	Replacement	
<i>Previous Version</i>			
<i>Deductibles</i>	<i>pgs 19-20</i>	<i>Replacement</i>	

Response 2

Comments: Please see the exhibit attached as a supporting documentation item.

Related Objection 1

Comment:

Please provide a breakdown on the number of insureds receiving greater than 15% increases.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 12/4/09 objection.

Comment: Please see the attached file for the number of policies receiving an increase over 15%.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: *HNVR-126395784* *State:* *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Please let us know if you have any other questions.

Sincerely,
Cheryl Richards, Eleanor Doherty, Kathryn Husson, Susan Whitworth

SERFF Tracking Number: *HNVR-126395784* State: *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *EFT \$100*
Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Note To Reviewer

Created By:

Susan Whitworth on 01/06/2010 06:08 PM

Last Edited By:

Becky Harrington

Submitted On:

01/08/2010 07:33 AM

Subject:

Rate Impact and Effective Dates

Comments:

In response to your Note to Filer of today, the new maximum impact is 13.95%. The minimum remains at -20.56%. Note that there is no impact on the overall effect.

Thank you for the waiver as we do wish to keep the filed effective date.

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Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Note To Filer

Created By:

Becky Harrington on 01/06/2010 03:15 PM

Last Edited By:

Becky Harrington

Submitted On:

01/08/2010 07:33 AM

Subject:

Rate Impact and effective dates

Comments:

Please amend the maximum/minimum rate impact percentages as necessary.

Does the effective date need to be changed? We will waive the 20-day waiting period on this one if you wish to keep that date.

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Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*

Amendment Letter

Submitted Date: 01/06/2010

Comments:

Please review the attached Exhibit I relating to our response and disregard the previous one sent. Thank you.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Exhibit I

Comment: Attached is a revised Exhibit I. Please disregard the previous document sent.
Adjusted Wind Hail Caps for 1-4-2010 Objection.pdf

SERFF Tracking Number: HNVR-126395784 State: Arkansas
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 Product Name: Homeowners
 Project Name/Number: Homeowners/HO-AR-09751-03R

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/15/2010
Filing Method of Last Filing: File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Hanover American Insurance Company	15.400%	7.200%	\$288,822	4,824	\$4,011,423	47.490%	-20.560%
Massachusetts Bay Insurance Company	15.400%	7.200%	\$163,578	2,598	\$2,271,917	12.500%	-3.100%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 15.400%
Overall Percentage Rate Impact For This Filing: 7.200%
Effect of Rate Filing - Written Premium Change For This Program: \$452,400

<i>SERFF Tracking Number:</i>	<i>HNVR-126395784</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Hanover American Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>HO-AR-09751-03R</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Homeowners/HO-AR-09751-03R</i>		
Effect of Rate Filing - Number of Policyholders Affected:			7422

SERFF Tracking Number: *HNVR-126395784* State: *Arkansas*
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 Project Name/Number: *Homeowners/HO-AR-09751-03R*

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 01/06/2010	MB-HA Manual	Cover	Replacement	AR HO MB-HA Manual Cover 01.16.10RB.pdf
Filed 01/06/2010	HO-3 Base Rates	RS-1 to RS-5	Replacement	AR HO MB-HA Manual RS-1-5 01.16.10RB.pdf
Filed 01/06/2010	Deductibles	pgs 19-20	Replacement	AR HO MB-HA Final pgs 19-20 01.16.10RB.pdf

MASS BAY/HANOVER AMERICAN

ARKANSAS HOMEOWNERS

ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rating StructureRS-1– RS-5
State Pages - Rating Rules 19, 20

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- Implemented credit caps on wind/hail deductibles
- Revised all-peril deductible credit caps

EFFECTIVE DATE: 01/16/2010 Renewal

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
31	001	621	559
	002	691	622
	003	760	684
	004	828	745
	005	1146	1031
	006	1727	1554
	007	2485	2237
	008	864	778
	009	932	839
	010	1349	1214
	011	2831	2548
37	012	649	584
	013	722	650
	014	794	715
	015	866	779
	016	1198	1078
	017	1805	1625
	018	2597	2337
	019	903	813
	020	974	877
	021	1410	1269
	022	2959	2663
42	023	670	603
	024	745	671
	025	820	738
	026	894	805
	027	1237	1113
	028	1863	1677
	029	2681	2413
	030	932	839
	031	1005	905
	032	1456	1310
	033	3055	2750

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
49	034	491	442
	035	546	491
	036	601	541
	037	655	590
	038	906	815
	039	1365	1229
	040	1965	1769
	041	683	615
	042	737	663
	043	1067	960
	044	2238	2014
50	045	891	802
	046	991	892
	047	1091	982
	048	1189	1070
	049	1645	1481
	050	2478	2230
	051	3566	3209
	052	1239	1115
	053	1337	1203
	054	1936	1742
	055	4062	3656
51	056	920	828
	057	1023	921
	058	1126	1013
	059	1227	1104
	060	1698	1528
	061	2559	2303
	062	3682	3314
	063	1280	1152
	064	1380	1242
	065	1999	1799
	066	4194	3775

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
52	089	565	509
	090	628	565
	091	692	623
	092	754	679
	093	1043	939
	094	1571	1414
	095	2261	2035
	096	786	707
	097	848	763
	098	1228	1105
	099	2576	2318
53	100	594	535
	101	661	595
	102	727	654
	103	792	713
	104	1097	987
	105	1652	1487
	106	2377	2139
	107	826	743
	108	891	802
	109	1291	1162
	110	2708	2437
54	067	990	891
	068	1101	991
	069	1212	1091
	070	1321	1189
	071	1828	1645
	072	2753	2478
	073	3962	3566
	074	1377	1239
	075	1485	1337
	076	2151	1936
	077	4513	4062

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
55	111	583	525
	112	648	583
	113	714	643
	114	778	700
	115	1076	968
	116	1621	1459
	117	2333	2100
	118	811	730
	119	875	788
	120	1267	1140
	121	2658	2392
56	122	600	540
	123	667	600
	124	734	661
	125	800	720
	126	1108	997
	127	1669	1502
	128	2401	2161
	129	835	752
	130	900	810
	131	1304	1174
	132	2735	2462
61	155	652	587
	156	725	653
	157	798	718
	158	870	783
	159	1204	1084
	160	1813	1632
	161	2609	2348
	162	907	816
	163	978	880
	164	1417	1275
	165	2972	2675

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
62	078	491	442
	079	546	491
	080	601	541
	081	655	590
	082	906	815
	083	1365	1229
	084	1965	1769
	085	683	615
	086	737	663
	087	1067	960
	088	2238	2014
63	133	583	525
	134	648	583
	135	714	643
	136	778	700
	137	1076	968
	138	1621	1459
	139	2333	2100
	140	811	730
	141	875	788
	142	1267	1140
	143	2658	2392
64	144	907	816
	145	1009	908
	146	1110	999
	147	1210	1089
	148	1674	1507
	149	2522	2270
	150	3630	3267
	151	1262	1136
	152	1361	1225
	153	1971	1774
	154	4135	3722

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
65	166	686	617
	167	763	687
	168	840	756
	169	915	824
	170	1266	1139
	171	1908	1717
	172	2745	2471
	173	954	859
	174	1029	926
	175	1491	1342
	176	3127	2814
66	210	860	774
	211	956	860
	212	1053	948
	213	1147	1032
	214	1588	1429
	215	2392	2153
	216	3442	3098
	217	1196	1076
	218	1290	1161
	219	1869	1682
	220	3921	3529
67	232	674	607
	233	749	674
	234	825	743
	235	899	809
	236	1244	1120
	237	1874	1687
	238	2697	2427
	239	938	844
	240	1011	910
	241	1465	1319
	242	3073	2766

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
68	243	732	659
	244	814	733
	245	896	806
	246	976	878
	247	1351	1216
	248	2036	1832
	249	2929	2636
	250	1018	916
	251	1098	988
	252	1591	1432
	253	3337	3003
69	254	864	778
	255	961	865
	256	1058	952
	257	1153	1038
	258	1595	1436
	259	2403	2163
	260	3458	3112
	261	1202	1082
	262	1296	1166
	263	1877	1689
	264	3939	3545
70	276	611	550
	277	679	611
	278	748	673
	279	815	734
	280	1128	1015
	281	1699	1529
	282	2445	2201
	283	850	765
	284	917	825
	285	1328	1195
	286	2786	2507

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
71	287	788	709
	288	876	788
	289	965	869
	290	1051	946
	291	1455	1310
	292	2191	1972
	293	3154	2839
	294	1096	986
	295	1182	1064
	296	1712	1541
	297	3592	3233
72	221	688	619
	222	765	689
	223	842	758
	224	918	826
	225	1270	1143
	226	1913	1722
	227	2753	2478
	228	957	861
	229	1032	929
	230	1495	1346
	231	3137	2823
73	265	636	572
	266	707	636
	267	778	700
	268	848	763
	269	1174	1057
	270	1769	1592
	271	2545	2291
	272	885	797
	273	954	859
	274	1382	1244
	275	2900	2610

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
74	177	783	705
	178	871	784
	179	958	862
	180	1045	941
	181	1445	1301
	182	2178	1960
	183	3134	2821
	184	1089	980
	185	1175	1058
	186	1701	1531
	187	3570	3213
75	199	878	790
	200	976	878
	201	1075	968
	202	1171	1054
	203	1621	1459
	204	2442	2198
	205	3514	3163
	206	1221	1099
	207	1317	1185
	208	1908	1717
	209	4003	3603
76	188	714	643
	189	794	715
	190	874	787
	191	952	857
	192	1318	1186
	193	1986	1787
	194	2857	2571
	195	993	894
	196	1071	964
	197	1552	1397
	198	3255	2930

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

8. STATE PAGES – RATING RULES

8.14 DEDUCTIBLES-ALL PERILS

(HO-00-02 is only available for policies written prior to 04/30/2007)

- a. All Homeowners Forms are subject to a \$250 flat deductible applicable to any loss under Section I of the policy. This loss deductible applies to each occurrence. The rates shown in this manual include that deductible.
- b. Optional Lower Deductible:

FORM HO-00-03 - May be endorsed to provide a \$100 deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

FORMS HO-00-04 or HO-00-06 - May be endorsed to provide a \$100 deductible with a \$250 Special Theft Deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

- c. Optional Higher Deductibles:

ALL FORMS

Deductibles	\$500	\$1,000	\$2,500	\$5,000
Percentage	13%	22%	31%	42%
Max. Credit	\$160	\$305	\$525	\$900

The reduced premium shall be computed by applying the deductible percentage of credit to the premium developed from the Basic Premium Chart.

8.15 WINDSTORM OR HAIL DEDUCTIBLE – HO-03-12

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007)

There are two optional deductibles applicable to the perils of Windstorm or Hail. They are:

- 1. Percentage deductibles in the amounts of 1%, 2% or 5% of the Coverage A limit of liability. The deductible amount is determined by applying the percentage amount to the Coverage A limit of liability. Attach Endorsement HO-03-12.

Note: The percentage deductible must exceed the amount of the deductible applicable to All Other Section I perils. For example, if the Coverage A value is \$100,000 and a \$2,500 Section deductible is selected, a 1% or 2% Windstorm or Hail Deductible option cannot be chosen.

- 2. Fixed dollar deductibles for Windstorm or Hail in the amounts of \$1,000, \$2,000 or \$5,000.

The premium for these deductible options shall be developed by applying the factors listed on the next page to the base premium.

Note: The fixed dollar deductible must equal or exceed the normal policy deductible.

8. STATE PAGES – RATING RULES

8.15 WINDSTORM OR HAIL DEDUCTIBLE – HO-03-12 (continued)

Select a normal policy deductible from the left hand column. Moving to the right, select the factor under the appropriate Wind/Hail deductible column and multiply by the base premium. This premium reflects the total premium for the selected Windstorm & Hail deductible and the normal Section I deductible.

WIND/HAIL DEDUCTIBLE

ALL OTHER PERILS DEDUCTIBLE	1% WIND/HAIL		2% WIND/HAIL		5 % WIND/HAIL	
	DED	MAX CREDIT	DED	MAX CREDIT	DED	MAX CREDIT
\$100	1.15	0	1.13	0	1.09	0
\$250	0.96	0	0.94	0	0.91	0
\$500	0.85	0	0.84	0	0.81	0
\$1,000	0.76	\$250	0.75	\$325	0.73	\$500
\$2,500	0.67	\$675	0.66	\$725	0.64	\$800
\$5,000	0.56	\$1,050	0.55	\$1,125	0.54	\$1,150

ALL OTHER PERILS DEDUCTIBLE	\$1,000 WIND/HAIL		\$2,000 WIND/HAIL		\$5,000 WIND/HAIL	
	DED	MAX CREDIT	DED	MAX CREDIT	DED	MAX CREDIT
\$100	1.15	0	1.13	0	1.09	0
\$250	0.96	0	0.94	0	0.91	0
\$500	0.85	\$100	0.84	0	0.81	\$275
\$1,000	N/A	0	0.75	\$325	0.73	\$400
\$2,500	N/A	0	N/A	0	0.64	\$700
\$5,000	N/A	0	N/A	0	N/A	0

8.16-8.17 RESERVED FOR FUTURE USE

8.18 PERSONAL PROPERTY

1. Increased Limit

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007) - The limit of liability for Coverage C may be increased. The additional charge shall be \$2.00 for each \$1,000 increase.

2. Reduction in Limit

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007.) - The limit of liability for Coverage C may be reduced to an amount not less than 40% of the limit of Coverage A at a credit of \$1.00 for each \$1,000 reduction.

SERFF Tracking Number: HNVN-126395784 State: Arkansas
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: HO-AR-09751-03R
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Homeowners/HO-AR-09751-03R

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Form RF-2 Loss Costs Only (not for workers' compensation) Bypass Reason: Not applicable to this filing. Comments:		
Satisfied - Item: H-1 Homeowners Abstract Comments: Attachments: AR INS DEPT H-1_Han_Am.pdf AR INS DEPT H-1_Mass_Bay.pdf	Filed	01/08/2010
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey Comments: I've included both the excel and .pdf versions of the forms so they can be viewed in SERFF. Attachments: HPSC Hanover American Final.xls HPSC Mass Bay Final.xls HPSC Hanover American.pdf HPSC Mass Bay.pdf	Filed	01/08/2010
Satisfied - Item: NAIC loss cost data entry document Comments: Attachments: AR RF-1 HanAmer.pdf	Filed	01/08/2010

SERFF Tracking Number: HNVN-126395784 State: Arkansas
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: HO-AR-09751-03R
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Homeowners/HO-AR-09751-03R
 AR RF-1 MB.pdf

Item Status: Filed **Status Date:** 01/06/2010
Satisfied - Item: Actuarial Memorandum & Exhibits
Comments:
Attachments:
 AR Home Memo 20100116 v2.pdf
 Actuarial Support.pdf

Item Status: Filed **Status Date:** 01/06/2010
Satisfied - Item: Response to 12/4/09 objection.
Comments:
 Please see the attached file for the number of policies receiving an increase over 15%.
Attachment:
 Obj 2 - Policies Receiving Increase over 15 Percent.pdf

Item Status: Filed **Status Date:** 01/06/2010
Satisfied - Item: Response to 1/4/10 Objection
Comments:
Attachment:
 Response to 1-4-2010 AR Home MB & HA Objection.pdf

Item Status: Filed **Status Date:** 01/06/2010
Satisfied - Item: Exhibit I
Comments:
 Attached is a revised Exhibit I. Please disregard the previous document sent.
Attachment:
 Adjusted Wind Hail Caps for 1-4-2010 Objection.pdf

Item Status: **Status Date:**

SERFF Tracking Number: *HNVR-126395784* State: *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *EFT \$100*
Company Tracking Number: *HO-AR-09751-03R*
TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *Homeowners*
Project Name/Number: *Homeowners/HO-AR-09751-03R*
Satisfied - Item: Revised Exhibit I Filed 01/06/2010
Comments:
Attachment:
Revised Exhibit I.pdf

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Hanover American Insurance Company
NAIC # (including group #) 0088-36064

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

Not applicable.

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

For our companies already being used, a cost estimator has been required since 1985 on all new submissions. The Boeckh value guide is distributed to our agents; however we will accept cost estimators from other sources.

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.

We require between 80 – 100% of the estimated replacement to be written. However, when guaranteed dwelling replacement cost is written the dwelling must be insured at 100% of the replacement cost.

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

Inflation guard endorsement 231-0600 is currently used on all policies. The endorsement tells the insured that the Company will increase coverage at each renewal as determined by an appraisal firm.

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

a. Fire Extinguisher	0 %
b. Burglar Alarm	5 – 10 %
c. Smoke Alarm	2 %
d. Insured who has both homeowners and auto with your company	15 %
e. Deadbolt Locks	0 %
f. Window or Door Locks	0 %
g. Other (specify)	

Combination of fire extinguisher, smoke alarm, and deadbolt locks **5 %**
Approved automatic sprinkler **5-10 %** Non-Smoke discount **1 %**
Loss Free Credit 3 years **5 %** Loss Free Credit 4 years **5 %** Loss Free Credit 5+ years **10 %** New home discount **3-25 %** Deductible credits **13-42 %**

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
No

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

Form	Premium Volume
HO - 3	\$3,999,528
HO - 6	\$11,895

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

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

If yes, state the surcharge **N/A**

Does the surcharge apply to conventional fire places? **N/A**

If yes, state the surcharge **N/A**

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



Signature

Eleanor Doherty

Printed Name

PL Product Specialist

Title

508-855-3251

Telephone Number

elfdoherty@hanover.com

Email address

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Massachusetts Bay Insurance Company
NAIC # (including group #) 0088-22306

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

Not applicable.

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

For our companies already being used, a cost estimator has been required since 1985 on all new submissions. The Boeckh value guide is distributed to our agents; however we will accept cost estimators from other sources.

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.

We require between 80 – 100% of the estimated replacement to be written. However, when guaranteed dwelling replacement cost is written the dwelling must be insured at 100% of the replacement cost.

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

Inflation guard endorsement 231-0600 is currently used on all policies. The endorsement tells the insured that the Company will increase coverage at each renewal as determined by an appraisal firm.

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

a. Fire Extinguisher	0 %
b. Burglar Alarm	5 – 10 %
c. Smoke Alarm	2 %
d. Insured who has both homeowners and auto with your company	15 %
e. Deadbolt Locks	0 %
f. Window or Door Locks	0 %
g. Other (specify)	

Combination of fire extinguisher, smoke alarm, and deadbolt locks **5 %**
Approved automatic sprinkler **5-10 %** Non-Smoke discount **1 %**
Loss Free Credit 3 years **5 %** Loss Free Credit 4 years **5 %** Loss Free Credit 5+ years **10 %** New home discount **3-25 %** Deductible credits **13-42 %**

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
No

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

Form	Premium Volume
HO - 3	\$2,241,995
HO - 6	\$29,922

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

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

If yes, state the surcharge **N/A**

Does the surcharge apply to conventional fire places? **N/A**

If yes, state the surcharge **N/A**

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



Signature

Eleanor Doherty

Printed Name

PL Product Specialist

Title

508-855-3251

Telephone Number

elfdoherty@hanover.com

Email address

NAIC Number: 36064
 Company Name: Hanover American Insurance Company
 Contact Person: Eleanor Doherty
 Telephone No.: 508-855-3251
 Email Address: elfdoherty@hanover.com
 Effective Date: January 16, 2010

**Homeowners Premium Comparison Survey Form
 FORM HP3S - 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	\$491.00	\$545.00	\$577.00	\$643.00	\$833.00	\$926.00	\$763.00	\$848.00	\$763.00	\$848.00	\$724.00	\$805.00	\$728.00	\$808.00	\$525.00	\$584.00	\$542.00	\$602.00
	\$120,000	\$553.00	\$614.00	\$650.00	\$724.00	\$939.00	\$1,043.00	\$860.00	\$956.00	\$860.00	\$956.00	\$816.00	\$907.00	\$820.00	\$910.00	\$591.00	\$658.00	\$610.00	\$679.00
	\$160,000	\$692.00	\$768.00	\$813.00	\$905.00	\$1,189.00	\$1,339.00	\$1,076.00	\$1,214.00	\$1,076.00	\$1,214.00	\$1,020.00	\$1,144.00	\$1,025.00	\$1,148.00	\$739.00	\$822.00	\$763.00	\$848.00
6	\$80,000	\$601.00	\$682.00	\$707.00	\$804.00	\$1,020.00	\$1,171.00	\$934.00	\$1,062.00	\$934.00	\$1,062.00	\$887.00	\$1,007.00	\$890.00	\$1,011.00	\$643.00	\$730.00	\$662.00	\$753.00
	\$120,000	\$677.00	\$768.00	\$797.00	\$905.00	\$1,160.00	\$1,339.00	\$1,053.00	\$1,215.00	\$1,053.00	\$1,215.00	\$999.00	\$1,144.00	\$1,002.00	\$1,149.00	\$724.00	\$822.00	\$746.00	\$848.00
	\$160,000	\$846.00	\$960.00	\$996.00	\$1,141.00	\$1,491.00	\$1,715.00	\$1,353.00	\$1,559.00	\$1,353.00	\$1,559.00	\$1,276.00	\$1,471.00	\$1,280.00	\$1,477.00	\$905.00	\$1,028.00	\$933.00	\$1,061.00
9	\$80,000	\$1,408.00	\$2,096.00	\$1,686.00	\$2,497.00	\$2,503.00	\$3,672.00	\$2,280.00	\$3,351.00	\$2,280.00	\$3,351.00	\$2,155.00	\$3,172.00	\$2,165.00	\$3,185.00	\$1,517.00	\$2,254.00	\$1,569.00	\$2,329.00
	\$120,000	\$1,606.00	\$2,381.00	\$1,920.00	\$2,833.00	\$2,840.00	\$4,157.00	\$2,588.00	\$3,795.00	\$2,588.00	\$3,795.00	\$2,448.00	\$3,594.00	\$2,459.00	\$3,608.00	\$1,729.00	\$2,559.00	\$1,788.00	\$2,644.00
	\$160,000	\$2,048.00	\$3,017.00	\$2,440.00	\$3,582.00	\$3,591.00	\$5,237.00	\$3,276.00	\$4,785.00	\$3,276.00	\$4,785.00	\$3,101.00	\$4,533.00	\$3,114.00	\$4,551.00	\$2,202.00	\$3,240.00	\$2,275.00	\$3,346.00

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

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

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

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

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher	<input type="text" value="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="5-10"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="2"/> %	\$1,000 Deductible	<input type="text" value="22"/> %
		Other (specify)	
		Non-Smoke	<input type="text" value="1"/> %
		Maximum Credit Allowed	<input type="text" value="45"/> %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

	Zone	Brick	Frame
	Highest Risk	\$ <input type="text" value="1.4"/>	\$ <input type="text" value="0.61"/>
	Lowest Risk	\$ <input type="text" value="1.02"/>	\$ <input type="text" value="0.37"/>

NAIC Number: 22306
 Company Name: Massachusetts Bay Insurance Company
 Contact Person: Eleanor Doherty
 Telephone No.: 508-855-3251
 Email Address: elidoherty@hanover.com
 Effective Date: January 16, 2010

**Homeowners Premium Comparison Survey Form
 FORM HP3S - 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	\$545.00	\$606.00	\$642.00	\$714.00	\$926.00	\$1,029.00	\$848.00	\$943.00	\$848.00	\$943.00	\$804.00	\$895.00	\$808.00	\$898.00	\$583.00	\$648.00	\$601.00	\$669.00
	\$120,000	\$614.00	\$683.00	\$723.00	\$804.00	\$1,043.00	\$1,172.00	\$956.00	\$1,062.00	\$956.00	\$1,062.00	\$906.00	\$1,008.00	\$910.00	\$1,012.00	\$656.00	\$730.00	\$678.00	\$753.00
	\$160,000	\$768.00	\$854.00	\$904.00	\$1,005.00	\$1,339.00	\$1,506.00	\$1,214.00	\$1,367.00	\$1,214.00	\$1,367.00	\$1,142.00	\$1,289.00	\$1,148.00	\$1,294.00	\$821.00	\$913.00	\$847.00	\$942.00
6	\$80,000	\$667.00	\$758.00	\$786.00	\$892.00	\$1,142.00	\$1,319.00	\$1,038.00	\$1,196.00	\$1,038.00	\$1,196.00	\$985.00	\$1,127.00	\$989.00	\$1,131.00	\$714.00	\$811.00	\$736.00	\$836.00
	\$120,000	\$751.00	\$854.00	\$885.00	\$1,005.00	\$1,307.00	\$1,507.00	\$1,184.00	\$1,367.00	\$1,184.00	\$1,367.00	\$1,115.00	\$1,290.00	\$1,120.00	\$1,295.00	\$804.00	\$914.00	\$829.00	\$942.00
	\$160,000	\$939.00	\$1,067.00	\$1,112.00	\$1,285.00	\$1,674.00	\$1,924.00	\$1,521.00	\$1,750.00	\$1,521.00	\$1,750.00	\$1,435.00	\$1,653.00	\$1,441.00	\$1,659.00	\$1,005.00	\$1,153.00	\$1,037.00	\$1,194.00
9	\$80,000	\$1,582.00	\$2,346.00	\$1,891.00	\$2,792.00	\$2,799.00	\$4,098.00	\$2,551.00	\$3,741.00	\$2,551.00	\$3,741.00	\$2,412.00	\$3,542.00	\$2,423.00	\$3,557.00	\$1,703.00	\$2,522.00	\$1,761.00	\$2,605.00
	\$120,000	\$1,802.00	\$2,663.00	\$2,151.00	\$3,166.00	\$3,173.00	\$4,636.00	\$2,893.00	\$4,234.00	\$2,893.00	\$4,234.00	\$2,737.00	\$4,010.00	\$2,749.00	\$4,027.00	\$1,939.00	\$2,861.00	\$2,004.00	\$2,955.00
	\$160,000	\$2,293.00	\$3,370.00	\$2,729.00	\$3,999.00	\$4,008.00	\$5,837.00	\$3,658.00	\$5,334.00	\$3,658.00	\$5,334.00	\$3,462.00	\$5,054.00	\$3,478.00	\$5,075.00	\$2,464.00	\$3,617.00	\$2,546.00	\$3,735.00

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

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

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

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

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	5-10 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	22 %
		Other (specify)	
		Non-Smoke	1 %
		Maximum Credit Allowed	40 %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

Zone	Brick	Frame
Highest Risk	\$ 1.4	\$ 0.61
Lowest Risk	\$ 1.02	\$ 0.37

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

1.	This filing transmittal is part of Company Tracking #	HO AR 09751-03R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover American Insurance Company	B.	0088-36064

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

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)
HO 2,3	15.8%	7.2%				
HO 4	N/A	N/A				
HO 6	-2.8%	0.0%				
TOTAL OVERALL EFFECT	15.4%	7.2%				

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
2005	1,466	5.2%	11/1/2005	\$943	\$220	23.4%	217.1%
2006	2,024	2.2%	7/1/2006	\$1,273	\$894	70.2%	95.0%
2007	2,830	4.0%	7/15/2007	\$1,895	\$859	45.3%	33.3%
2008	4,136	3.0%	5/05/2008	\$2,595	\$2,338	90.1%	138.5%
2009 (as of 10/2009)	4,825	5.0%	6/04/2009	\$3,050	\$3,378	110.8%	132.4%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	26.2%
B. General Expense	11.4%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	4.3%
E. Other (explain)	0.0%
F. TOTAL	44.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 47.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
10. -20.6% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

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

1.	This filing transmittal is part of Company Tracking #	HO AR 09751-03R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Massachusetts Bay Insurance Company	B.	0088-22306

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

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)
HO 2,3	15.8%	7.2%				
HO 4	N/A	N/A				
HO 6	-2.8%	0.0%				
TOTAL OVERALL EFFECT	15.4%	7.2%				

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
2005	4,630	5.7%	11/1/2005	\$3,249	\$926	28.5%	106.1%
2006	3,817	2.0%	7/1/2006	\$3,105	\$4,997	160.9%	69.2%
2007	3,373	4.8%	7/15/2007	\$2,751	\$883	32.1%	34.5%
2008	2,868	3.0%	5/05/2008	\$2,399	\$2,182	90.9%	55.8%
2009 (as of 10/2009)	2,600	5.0%	6/04/2009	\$1,900	\$2,038	107.2%	54.6%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	26.2%
B. General Expense	11.4%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	4.3%
E. Other (explain)	0.0%
F. TOTAL	44.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. -3.1% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
10. 12.5% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

EXPLANATORY MEMORANDUM
ARKANSAS HOMEOWNERS
Hanover American Insurance Company
Mass Bay Insurance Company
Effective 01/16/2010 for Renewal Business

Summary of Proposed Changes

- 1) +7.2% overall rate change for all forms combined.
- 2) Implement wind/hail deductible credit caps and adjust factors.
- 3) Adjust all-peril deductible credit caps.
- 4) Adjust base rates to achieve overall target rate change.

Overall Rate Change

Based on the data through the 3rd quarter of 2009, the overall indicated change is +15.4% (*Exhibit 1*). We propose an overall increase of 7.2%.

The change by form is included in the chart below:

Form	Proposed Rate Effect
Owners (HO-2/HO-3)	+7.2%
Condo (HO-6)	0.0%
All Forms Combined	+7.2%

For more details refer to *Exhibit A*.

Wind/Hail Deductible Credit Caps

We are implementing credit caps on our wind / hail deductibles. The rate impact associated with this change is 0.0%. See *Exhibit B* for the proposed caps.

All-Peril Deductible Credit Caps

We are changing our all-peril deductible credit caps. The rate impact associated with this change is -0.5%. See *Exhibit C* for the proposed caps.

Base Rate Change

We are increasing base rates for owners. The rate impact associated with this change is 7.7%.

Overall Indication Description

General Philosophy: Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or Hanover countrywide/regional data may be used in its place.

Overall Indication: The following is a detailed explanation of the indication calculation shown in *Exhibit 1*. The overall indicated rate increase is +15.4%.

Description of Actuarial Calculations:

Data

The underlying experience is that of the Hanover Insurance Companies. Experience for the most recently available five year review period is on a calendar/accident year basis, as reported under ISO's Personal Lines Statistical Plan (PLSP).

On-Level Premiums

Reported premiums are adjusted to current rate level by using the parallelogram method. During the five-year experience period, the following rate changes took place:

Rate Change History	
11/01/05	+6.0%
07/01/06	+2.0%
07/15/07	+5.0%
05/05/08	+3.0%
06/04/2009	+5.0%

Premium Trend

The current rate level earned premium and average adjusted earned premium are developed for each of the past 6 accident years, shown in *Exhibit 3*. Earned house years are used as the exposure base. The fitted premium trend is an exponential fit of the average adjusted earned premium of the past 5 years.

Losses

Actual incurred losses for accident years ending 9/30/05 to 9/30/09 as of 9/30/09 are shown in row 7 of *Exhibit 2*. Non-hurricane catastrophe losses are displayed and removed in rows 8 and 9 of *Exhibit 2*. A non-hurricane catastrophe load is added in later.

Loss Development

Arkansas' data was used to select loss development factors and countrywide data is used to select condo and tenant loss development factors (*Exhibit 4*). Loss development factors are applied to generate the Estimated Ultimate Incurred Loss (*row 11, Exhibit 2*).

Loss Trend Selections

Loss trend selections (*Exhibit 5*) were made after reviewing Arkansas, ISO industry and Hanover loss data.

Non-Hurricane Catastrophe Losses

Based on most up to date catastrophe model information, a non-hurricane catastrophe load of 24.7% is established for Arkansas (*row 20b, Exhibit 2*).

Five-Year Projected Loss and LAE ratio

The 5-Year Projected Loss and LAE ratio results from using the standard 10%, 15%, 20%, 25%, and 30% weights by accident year (*row 18, Exhibit 2*).

Credibility

We use classic credibility. The full credibility standard during the five-year experience period is 40,000 exposures for Owners; 25,000 exposures for Condo & Tenant.

Permissible Loss Ratio

Exhibit 6 shows selected expense provisions. Prospective Arkansas Homeowners commission rates were selected. Countrywide General and Other Acquisition expenses were the finest detail available. Expected Arkansas Taxes, Licenses, & Fees were calculated based on ISO's expense circular.

Arkansas
Homeowners - All Companies Combined
Rate Indication for Rates Effective 1/16/10 - Summary Exhibit

	Selected Retrospective Annual Loss Trend	Selected Prospective Annual Loss Trend	Selected Retrospective Annual Premium Trend	Selected Prospective Annual Premium Trend	Underwriting Profit Provision	Non-CAT Target Loss & ALAE Ratio	Modeled Cats Loss & ALAE Ratio	Indication	Proposed Overall Rate Change	9/2009 E. Premium At Current Rates (000)
Homeowners	5.0%	4.5%	0.0%	0.0%	5.2%	29.5%	24.7%	15.8%	7.2%	6,682
Condo	3.0%	2.5%	7.0%	5.0%	8.2%	25.4%	25.8%	-2.8%	0.0%	42
Tenant	5.0%	4.0%	5.0%	3.5%	8.2%	25.4%	25.8%	-6.4%	0.0%	64
Condo and Tenant	4.2%	3.4%	5.8%	4.1%	8.2%	25.4%	25.8%	-5.0%	0.0%	106
Total	5.0%	4.5%	0.1%	0.1%	5.3%	29.4%	24.7%	15.4%	7.2%	6,788

Arkansas Homeowners - All Companies Combined
Homeowners Form Rate Indication for Rates Effective 1/16/10
Dollars in Thousands

		Accident Year Ending:				
		09/30/2005	09/30/2006	09/30/2007	09/30/2008	09/30/2009
1a	Earned Premium	5,141	5,274	5,372	5,797	6,356
1b	Endorsement Premium	230	231	229	235	273
2	Current Rate Level Factor - Owners	1.260	1.193	1.137	1.094	1.054
3 = (1a-1b)-(2) + 1b	Premium at CRL	6,420	6,249	6,077	6,320	6,682
4a	Annual Premium Trend - Retrospective	0.0%	0.0%	0.0%	0.0%	0.0%
5a	Premium Trend Factor - Retrospective	1.000	1.000	1.000	1.000	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	6,420	6,249	6,077	6,320	6,682
7	Incurred Loss Evaluated @ 9/30/09	1,591	7,493	2,283	5,496	5,563
8	Catastrophe Incurred Losses	73	4,787	493	3,516	3,425
9	Non-Cat Incurred Losses	1,518	2,706	1,790	1,980	2,138
10	Loss Development Factor:	1.001	1.001	1.004	1.010	1.074
11 = 9-10	Est. Ultimate Incurred Loss Non-Cat	1,519	2,710	1,798	2,001	2,297
12a	Est. Annual Loss Trend - Retrospective	5.0%	5.0%	5.0%	5.0%	5.0%
13a	Loss Trend Factor - Retrospective	1.216	1.158	1.103	1.050	1.000
12b	Est. Annual Loss Trend - Prospective	4.5%	4.5%	4.5%	4.5%	4.5%
13b	Loss Trend Factor - Prospective	1.082	1.082	1.082	1.082	1.082
14 = 13a-12b-11	Trended Incurred Losses	1,999	3,396	2,145	2,274	2,485
15	ALAE (% of Loss)	3.1%	3.1%	3.1%	3.1%	3.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	2,061	3,503	2,213	2,345	2,564
17 = 16÷6	Projected Loss & ALAE Ratio	32.1%	56.0%	36.4%	37.1%	38.4%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					39.7%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					24.7%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of					29.5%
						94.8%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.036
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.082
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					25.6%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					31.9%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					31.7%
24a	Earned House Years	7,492	7,136	6,799	7,129	7,852
24b	Credibility					95.4%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					39.3%
26 =	Indicated Rate Change					15.8%
	(25+22a+22b+23a) / (1-23b)-1					

Arkansas Homeowners - All Companies Combined
Condominium Form Rate Indication for Rates Effective 1/16/10
Dollars in Thousands

		Accident Year Ending:				
		<u>09/30/05</u>	<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>
1	Earned Premium	23	23	23	29	42
2	Current Rate Level Factor	1.034	0.991	0.959	0.999	1.003
3 = 1-2	Premium at CRL	24	23	22	29	42
4a	Annual Premium Trend - Retrospective	7.0%	7.0%	7.0%	7.0%	7.0%
5a	Premium Trend Factor - Retrospective	1.311	1.225	1.145	1.070	1.000
4b	Annual Premium Trend - Prospective	5.0%	5.0%	5.0%	5.0%	5.0%
5b	Premium Trend Factor - Prospective	1.092	1.092	1.092	1.092	1.092
6 = 3-5a-5b	Trended Premium	34	31	28	34	46
7	Incurred Loss Evaluated @ 9/30/09	7	4	23	0	5
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	7	4	23	0	5
10	Loss Development Factor:	1.001	0.988	0.987	0.982	1.098
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	7	4	23	0	6
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	2.5%	2.5%	2.5%	2.5%	2.5%
13b	Loss Trend Factor - Prospective	1.045	1.045	1.045	1.045	1.045
14 = 13a-12b-11	Trended Incurred Losses	8	5	25	0	6
15	ALAE (% of Loss)	7.7%	7.7%	7.7%	7.7%	7.7%
16 = (1.00 +15)-14	Trended Loss & ALAE	9	5	27	0	7
17 = 16÷6	Projected Loss & ALAE Ratio	25.8%	15.8%	99.1%	0.0%	14.2%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					29.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					25.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	91.8%				25.4%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					0.949
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					0.958
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					24.5%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					24.3%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					34.7%
24a	Earned House Years	63	57	55	67	83
24b	Credibility					11.4%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					24.8%
26 =	Indicated Rate Change					-2.8%
(25+22a+22b+23a) / (1-23b)-1						

Arkansas Homeowners - All Companies Combined
Tenant Form Rate Indication for Rates Effective 1/16/10
Dollars in Thousands

		Accident Year Ending:				
		<u>09/30/05</u>	<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>
1	Earned Premium	63	62	59	62	63
2	Current Rate Level Factor	1.069	1.036	1.032	1.031	1.006
3 = 1-2	Premium at CRL	67	64	61	64	64
4a	Annual Premium Trend - Retrospective	5.0%	5.0%	5.0%	5.0%	5.0%
5a	Premium Trend Factor - Retrospective	1.216	1.158	1.103	1.050	1.000
4b	Annual Premium Trend - Prospective	3.5%	3.5%	3.5%	3.5%	3.5%
5b	Premium Trend Factor - Prospective	1.064	1.064	1.064	1.064	1.064
6 = 3-5a-5b	Trended Premium	87	79	71	72	68
7	Incurred Loss Evaluated @ 9/30/09	1	19	2	3	0
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	1	19	2	3	0
10	Loss Development Factor:	0.998	0.996	1.000	0.976	1.024
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	1	19	2	2	0
12a	Est. Annual Loss Trend - Retrospective	5.0%	5.0%	5.0%	5.0%	5.0%
13a	Loss Trend Factor - Retrospective	1.216	1.158	1.103	1.050	1.000
12b	Est. Annual Loss Trend - Prospective	4.0%	4.0%	4.0%	4.0%	4.0%
13b	Loss Trend Factor - Prospective	1.073	1.073	1.073	1.073	1.073
14 = 13a-12b-11	Trended Incurred Losses	2	24	3	3	0
15	ALAE (% of Loss)	7.7%	7.7%	7.7%	7.7%	7.7%
16 = (1.00 +15)-14	Trended Loss & ALAE	2	26	3	3	0
17 = 16÷6	Projected Loss & ALAE Ratio	1.9%	32.8%	4.1%	4.2%	0.0%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					7.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					25.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of		91.8%			25.4%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					0.974
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.009
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					25.2%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					25.6%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					34.7%
24a	Earned House Years	219	206	194	188	186
24b	Credibility					19.9%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					21.9%
26 =	Indicated Rate Change					-6.4%
(25+22a+22b+23a) / (1-23b)-1						

HO Premium Trend Analysis (Average On-Level Premium Method)
State AR

Earned Premium at Current Rate Level

AY-QTR Ending	OWN	CON	TEN
2005Q3	5,949,606	23,948	67,327
2005Q4	5,914,280	25,577	67,306
2006Q1	5,876,850	26,320	66,797
2006Q2	5,837,757	24,761	65,732
2006Q3	5,786,416	23,249	64,416
2006Q4	5,715,054	21,521	63,244
2007Q1	5,650,264	20,648	62,358
2007Q2	5,616,750	21,522	61,582
2007Q3	5,620,080	22,183	60,902
2007Q4	5,666,002	23,476	60,251
2008Q1	5,736,497	24,962	60,801
2008Q2	5,808,765	27,075	62,907
2008Q3	5,847,794	29,268	64,360
2008Q4	5,884,392	32,260	65,559
2009Q1	5,931,228	35,412	64,428
2009Q2	6,004,949	38,900	63,656
2009Q3	6,157,253	42,402	63,872

Earned House Years

AY-QTR Ending	OWN	CON	TEN
2005Q3	7,492	63	219
2005Q4	7,413	65	216
2006Q1	7,324	65	215
2006Q2	7,239	61	210
2006Q3	7,136	57	206
2006Q4	7,013	54	202
2007Q1	6,905	52	198
2007Q2	6,831	53	196
2007Q3	6,799	55	194
2007Q4	6,832	58	192
2008Q1	6,904	61	190
2008Q2	7,006	65	190
2008Q3	7,129	67	188
2008Q4	7,263	70	186
2009Q1	7,421	74	183
2009Q2	7,605	77	183
2009Q3	7,852	83	186

Average Earned Premium at Current Rate Level

AY-QTR Ending	OWN	CON	TEN
2005Q3	794	379	308
2005Q4	798	395	311
2006Q1	802	405	311
2006Q2	806	406	313
2006Q3	811	405	312
2006Q4	815	398	314
2007Q1	818	397	315
2007Q2	822	403	315
2007Q3	827	403	314
2007Q4	829	407	314
2008Q1	831	410	320
2008Q2	829	418	331
2008Q3	820	437	342
2008Q4	810	458	352
2009Q1	799	481	351
2009Q2	790	502	349
2009Q3	784	512	344

Year Over Year

Latest 4 Quarters	OWN	CON	TEN
2006Q3	2.1%	6.8%	1.4%
2007Q3	1.9%	-0.4%	0.5%
2008Q3	-0.8%	8.2%	9.0%
2009Q3	-4.4%	17.3%	0.5%

Latest 4 Year	-0.3%	7.8%	2.8%
Latest 3 Year	-1.1%	8.1%	3.2%
Latest 2 Year	-2.6%	12.7%	4.6%

Fitted Annual Premium Trend*

4 Year Trend	0.0%	6.3%	3.6%
3 Year Trend	-1.1%	9.0%	4.7%
2 Year Trend	-3.0%	14.3%	6.4%
1 Year Trend	-4.5%	17.9%	0.0%

* Log Fit

Selected Trends

Retrospective	0.0%	7.0%	5.0%
Prospective	0.0%	5.0%	3.5%

Hanover Property and Casualty Insurance Companies

AR

Homeowners - Owners Form + Sewer/Sump Endorsement, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr.	Actual Data as of:									
	<u>12 mos.</u>	<u>24 mos.</u>	<u>36 mos.</u>	<u>48 mos.</u>	<u>60 mos.</u>	<u>72 mos.</u>	<u>84 mos.</u>	<u>96 mos.</u>	<u>108 mos.</u>	<u>120 mos.</u>
200009	677,535	767,529	770,038	770,438	792,938	792,938	792,938	792,938	792,938	792,938
200109	1,024,441	1,009,938	1,019,136	1,018,136	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297
200209	1,606,519	1,687,847	1,704,043	1,704,060	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889
200309	1,777,532	2,236,704	2,215,728	2,213,028	2,216,450	2,220,205	2,220,205	2,220,205	2,220,205	2,220,205
200409	1,562,985	1,568,542	1,575,104	1,594,104	1,596,725	1,609,174	1,609,174	1,609,174	1,609,174	1,609,174
200509	1,469,412	1,497,577	1,501,151	1,505,490	1,505,490	1,505,490	1,505,490	1,505,490	1,505,490	1,505,490
200609	3,311,901	2,671,602	2,666,241	2,692,040	2,692,040	2,692,040	2,692,040	2,692,040	2,692,040	2,692,040
200709	1,550,516	1,733,586	1,782,169	1,782,169	1,782,169	1,782,169	1,782,169	1,782,169	1,782,169	1,782,169
200809	1,648,553	1,969,802	1,969,802	1,969,802	1,969,802	1,969,802	1,969,802	1,969,802	1,969,802	1,969,802
200909	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295	4,435,295

Acc. Yr.	Link Ratios									
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-Ult.</u>
200009	1.133	1.003	1.001	1.029	1.000	1.000	1.000	1.000	1.000	1.000
200109	0.986	1.009	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000
200209	1.051	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200309	1.258	0.991	0.999	1.002	1.002	1.000	1.000	1.000	1.000	1.000
200409	1.004	1.004	1.012	1.002	1.008	1.000	1.000	1.000	1.000	1.000
200509	1.019	1.002	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200609	0.807	0.998	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200709	1.118	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200809	1.195	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200909	1.195	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Method	Average Link Ratios									
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-120</u>	<u>120-Ult.</u>
3-yr	1.040	1.009	1.008	1.001	1.003	1.000	1.000	1.000	1.000	1.000
5-yr	1.028	1.005	1.005	1.001	1.002	1.000	1.000	1.000	1.000	1.000
all-yr	1.063	1.006	1.003	1.006	1.002	1.000	1.000	1.000	1.000	1.000
all-yr wtd.	1.035	1.005	1.004	1.003	1.002	1.000	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.047	1.002	1.004	1.001	1.001	#N/A	#N/A	#N/A	#N/A	#N/A
SELECTED	1.063	1.006	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000
ULTIMATE	1.074	1.010	1.004	1.001	1.001	1.000	1.000	1.000	1.000	1.000

Hanover Property and Casualty Insurance Companies

Countrywide

Homeowners - Condos Form, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr. Ending	Actual Data as of:									
	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.	72 mos.	84 mos.	96 mos.	108 mos.	120 mos.
200009	1,945,226	2,255,858	2,271,917	2,277,374	2,203,122	2,229,689	2,208,022	2,208,022	2,210,522	2,210,522
200109	2,104,699	2,290,605	2,276,108	2,347,391	2,350,232	2,327,173	2,322,420	2,322,420	2,322,420	
200209	1,883,085	2,047,554	2,048,312	2,083,783	2,108,683	2,108,673	2,165,573	2,165,573		
200309	2,805,165	2,990,722	3,002,556	3,017,288	3,025,532	3,033,032	3,033,032			
200409	3,633,891	3,996,819	3,889,374	3,784,099	3,764,638	3,761,606				
200509	3,882,134	5,057,254	4,845,339	4,850,673	4,576,852					
200609	3,896,564	4,374,377	4,468,730	4,423,766						
200709	4,607,066	5,209,730	5,252,882							
200809	6,007,463	6,112,875								
200909	5,824,472									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200009	1.160	1.007	1.002	0.967	1.012	0.990	1.000	1.001	1.000	1.000
200109	1.088	0.994	1.031	1.001	0.990	0.998	1.000	1.000		
200209	1.087	1.000	1.017	1.012	1.000	1.027	1.000			
200309	1.066	1.004	1.005	1.003	1.002	1.000				
200409	1.100	0.973	0.973	0.995	0.999					
200509	1.303	0.958	1.001	0.944						
200609	1.123	1.022	0.990							
200709	1.131	1.008								
200809	1.018									
200909										

Method	Average Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
3-yr	1.090	0.996	0.988	0.980	1.001	1.008	1.000	1.001	1.000	1.000
5-yr	1.135	0.993	0.997	0.991	1.001	1.004	1.000	1.001	1.000	1.000
all-yr	1.119	0.996	1.003	0.987	1.001	1.004	1.000	1.001	1.000	1.000
all-yr wtd.	1.116	0.994	0.999	0.982	1.001	1.003	1.000	1.001	1.000	1.000
5-yr x/ hi,low	1.118	0.995	0.999	1.000	1.001	#N/A	#N/A	#N/A	#N/A	#N/A
SELECTED	1.118	0.995	0.999	0.987	1.001	1.000	1.000	1.001	1.000	1.000
ULTIMATE	1.098	0.982	0.987	0.988	1.001	1.001	1.001	1.001	1.000	1.000

Hanover Property and Casualty Insurance Companies

Countrywide

Homeowners - Tenants Form, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr. Ending	Actual Data as of:									
	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.	72 mos.	84 mos.	96 mos.	108 mos.	120 mos.
200009	5,181,747	5,493,427	5,369,884	5,375,256	5,381,223	5,391,223	5,380,840	5,380,840	5,380,840	5,365,840
200109	5,183,588	5,847,926	5,825,016	5,877,921	5,914,194	5,925,379	5,965,470	5,949,210	5,949,110	
200209	5,305,152	5,622,447	5,519,522	5,723,494	5,683,203	5,685,983	5,685,983	5,685,983		
200309	4,499,044	4,553,955	4,590,397	4,543,584	4,535,218	4,529,057	4,594,057			
200409	3,178,254	3,629,017	3,469,353	3,526,077	3,461,333	3,452,953				
200509	1,815,813	1,848,522	1,853,873	1,733,574	1,739,482					
200609	2,686,586	2,507,013	2,250,211	2,262,576						
200709	2,118,129	1,982,429	1,925,012							
200809	2,642,116	3,048,698								
200909	2,540,200									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200009	1.060	0.978	1.001	1.001	1.002	0.998	1.000	1.000	0.997	1.000
200109	1.128	0.996	1.009	1.006	1.002	1.007	0.997	1.000		
200209	1.060	0.982	1.037	0.993	1.000	1.000	1.000			
200309	1.012	1.008	0.990	0.998	0.999	1.014				
200409	1.142	0.956	1.016	0.982	0.998					
200509	1.018	1.003	0.935	1.003						
200609	0.933	0.898	1.005							
200709	0.936	0.971								
200809	1.154									
200909										

Method	Average Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
3-yr	1.008	0.957	0.986	0.994	0.999	1.007	0.999	1.000	0.997	1.000
5-yr	1.037	0.967	0.997	0.996	1.000	1.005	0.999	1.000	0.997	1.000
all-yr	1.049	0.974	0.999	0.997	1.000	1.005	0.999	1.000	0.997	1.000
all-yr wtd.	1.059	0.978	1.006	0.998	1.000	1.004	0.999	1.000	0.997	1.000
5-yr x/ hi,low	1.032	0.977	1.004	0.998	1.000	#N/A	#N/A	#N/A	#N/A	#N/A
SELECTED	1.049	0.977	1.004	0.998	1.000	1.000	1.000	1.000	0.997	1.000
ULTIMATE	1.024	0.976	1.000	0.996	0.998	0.997	0.997	0.997	0.997	1.000

**ARKANSAS
HOMEOWNERS - OWNERS FORMS**

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-05	4.48%	5.64%	-20.5%
9-05	4.32%	5.28%	-18.1%
12-05	4.84%	5.57%	-13.1%
3-06	11.84%	6.69%	77.0%
6-06	17.74%	9.57%	85.4%
9-06	19.32%	10.00%	93.2%
12-06	19.32%	9.92%	94.7%
3-07	13.22%	9.10%	45.3%
6-07	7.85%	6.45%	21.7%
9-07	6.16%	5.92%	4.1%
12-07	5.97%	5.63%	6.0%
3-08	8.52%	7.88%	8.0%
6-08	13.42%	14.85%	-9.6%
9-08	15.36%	16.32%	-5.9%
12-08	16.62%	17.79%	-6.6%
3-09	18.47%	21.83%	-15.4%
6-09	15.99%	16.72%	-4.4%
9-09	15.68%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	19.1%	33.6%
3 Years	9.2%	33.9%
2 Years	75.7%	104.8%
Latest Year	0.1%	23.5%

Selected Trends
Retrospective 4.0%
Prospective 4.0%

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-05	5,424	5,045	7.5%
9-05	5,189	5,263	-1.4%
12-05	3,930	5,471	-28.2%
3-06	3,803	5,513	-31.0%
6-06	4,395	5,690	-22.8%
9-06	4,688	5,675	-17.4%
12-06	5,057	5,793	-12.7%
3-07	5,562	5,889	-5.6%
6-07	5,985	6,066	-1.3%
9-07	5,635	6,426	-12.3%
12-07	4,798	6,530	-26.5%
3-08	4,843	5,904	-18.0%
6-08	4,268	6,176	-30.9%
9-08	4,583	6,338	-27.7%
12-08	4,654	6,453	-27.9%
3-09	4,460	5,703	-21.8%
6-09	4,995	5,571	-10.3%
9-09	5,334		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	2.0%	3.8%
3 Years	-3.2%	1.1%
2 Years	-1.2%	-4.3%
Latest Year	16.1%	-11.7%

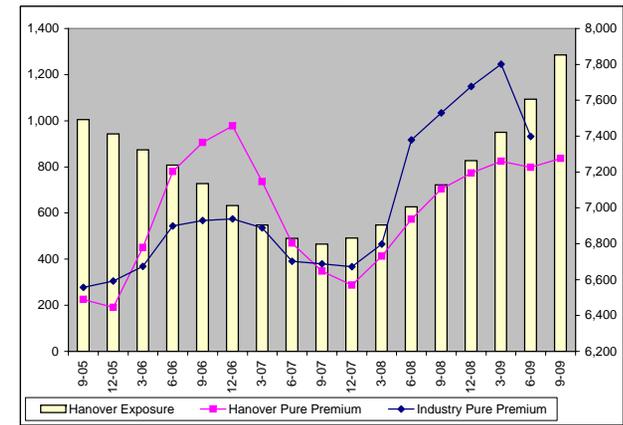
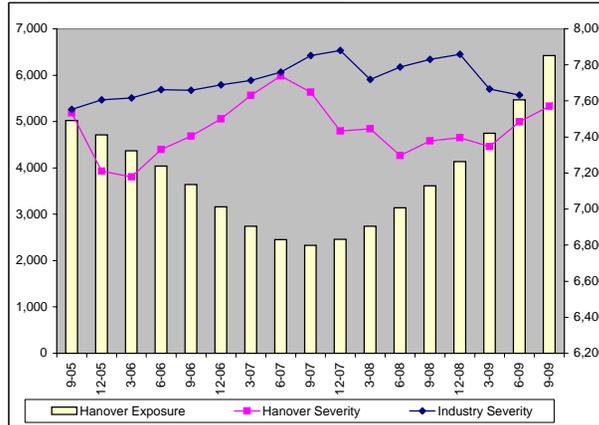
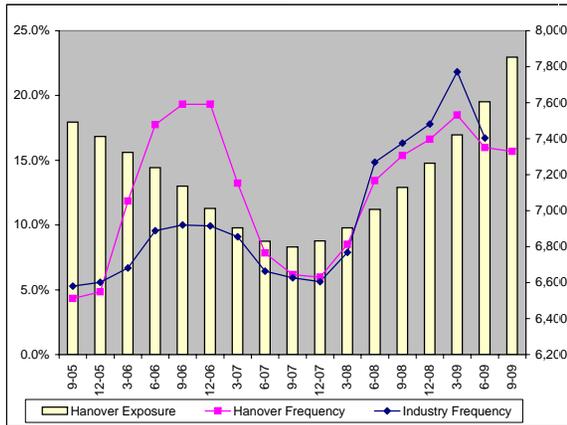
Selected Trends
Retrospective 1.0%
Prospective 0.5%

PURE PREMIUM TREND

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-05	243	284	-14.5%
9-05	224	278	-19.2%
12-05	190	305	-37.6%
3-06	450	369	22.1%
6-06	780	544	43.2%
9-06	906	568	59.6%
12-06	977	575	70.0%
3-07	735	536	37.2%
6-07	470	391	20.1%
9-07	347	380	-8.7%
12-07	287	368	-22.1%
3-08	412	465	-11.4%
6-08	573	917	-37.6%
9-08	704	1,034	-31.9%
12-08	773	1,148	-32.6%
3-09	824	1,245	-33.8%
6-09	799	931	-14.3%
9-09	836		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	21.5%	38.7%
3 Years	5.8%	35.4%
2 Years	73.6%	96.1%
Latest Year	16.2%	9.0%

Selected Trends
Retrospective 5.0%
Prospective 4.5%



**SOUTHERN
HOMEOWNERS - CONDO FORM**

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-05	8.52%	3.49%	144.0%
9-05	10.65%	3.51%	203.8%
12-05	10.50%	4.62%	127.5%
3-06	10.78%	4.94%	118.4%
6-06	10.10%	4.96%	103.7%
9-06	7.92%	4.93%	60.6%
12-06	5.65%	3.91%	44.6%
3-07	4.36%	3.59%	21.3%
6-07	4.44%	3.51%	26.6%
9-07	4.51%	3.45%	30.8%
12-07	3.51%	3.45%	1.9%
3-08	3.51%	3.40%	3.1%
6-08	3.55%	3.43%	3.4%
9-08	3.64%	3.64%	-0.1%
12-08	4.71%	4.34%	8.4%
3-09	4.69%	4.56%	3.0%
6-09	4.92%	4.68%	5.2%
9-09	4.90%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-22.1%	-0.6%
3 Years	-7.4%	-0.7%
2 Years	15.9%	18.3%
Latest Year	29.2%	40.0%

Selected Trends
Retrospective 2.0%
Prospective 1.5%

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-05	4,365	3,387	28.9%
9-05	4,023	3,877	3.8%
12-05	3,731	3,901	-4.4%
3-06	4,156	4,133	0.6%
6-06	3,850	4,319	-10.9%
9-06	4,285	4,211	1.8%
12-06	4,712	4,531	4.0%
3-07	3,747	4,370	-14.3%
6-07	3,309	4,344	-23.8%
9-07	3,419	4,387	-22.1%
12-07	3,952	4,345	-9.0%
3-08	4,198	4,389	-4.3%
6-08	4,643	4,314	7.6%
9-08	4,182	4,186	-0.1%
12-08	3,792	4,261	-11.0%
3-09	4,429	4,379	1.1%
6-09	4,281	4,421	-3.2%
9-09	4,118		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	1.7%	3.6%
3 Years	2.0%	-0.1%
2 Years	6.1%	-0.1%
Latest Year	3.7%	3.8%

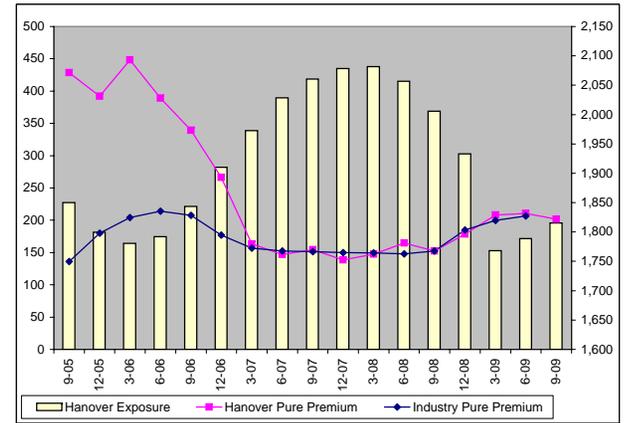
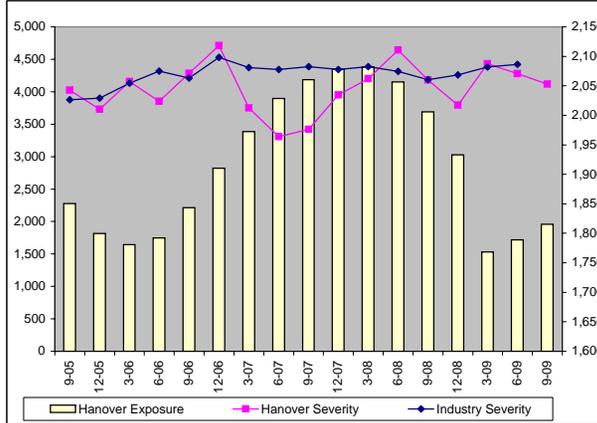
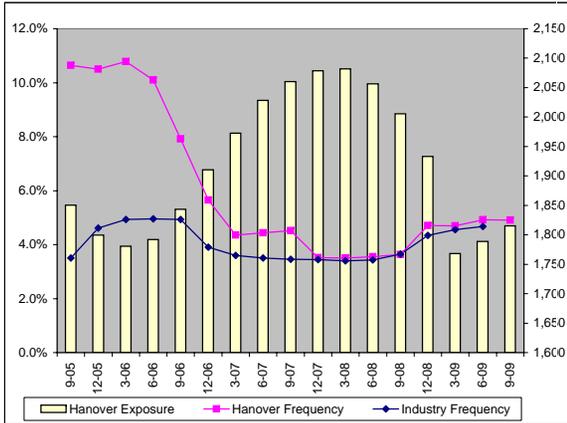
Selected Trends
Retrospective 1.0%
Prospective 1.0%

PURE PREMIUM TREND

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-05	372	118	214.4%
9-05	428	136	215.2%
12-05	392	180	117.6%
3-06	448	204	119.6%
6-06	389	214	81.6%
9-06	339	208	63.4%
12-06	266	177	50.3%
3-07	163	157	4.0%
6-07	147	152	-3.6%
9-07	154	151	1.9%
12-07	139	150	-7.3%
3-08	147	149	-1.4%
6-08	165	148	11.2%
9-08	152	152	-0.2%
12-08	178	185	-3.5%
3-09	208	200	4.2%
6-09	211	207	1.9%
9-09	202		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-20.8%	3.0%
3 Years	-5.5%	-0.9%
2 Years	22.9%	18.1%
Latest Year	33.9%	45.4%

Selected Trends
Retrospective 3.0%
Prospective 2.5%



**SOUTHERN
HOMEOWNERS - TENANTS FORM**

FREQUENCY TREND

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-05	1.32%	2.23%	-40.8%
9-05	2.89%	2.29%	26.5%
12-05	5.14%	3.25%	58.4%
3-06	5.95%	3.51%	69.5%
6-06	6.18%	3.53%	75.1%
9-06	4.60%	3.52%	30.7%
12-06	2.44%	2.64%	-7.4%
3-07	1.74%	2.44%	-28.6%
6-07	1.54%	2.47%	-37.5%
9-07	1.50%	2.45%	-38.8%
12-07	1.34%	2.49%	-46.3%
3-08	1.67%	2.45%	-31.7%
6-08	1.85%	2.44%	-24.0%
9-08	1.87%	2.65%	-29.5%
12-08	2.43%	3.10%	-21.7%
3-09	2.13%	3.11%	-31.6%
6-09	2.10%	3.12%	-32.8%
9-09	2.20%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-20.9%	0.5%
3 Years	-4.9%	-1.0%
2 Years	27.4%	15.6%
Latest Year	7.6%	30.2%

Selected Trends
Retrospective 5.0%
Prospective 4.0%

SEVERITY TREND

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-05	5,369	3,329	61.3%
9-05	2,078	3,926	-47.1%
12-05	3,395	3,652	-7.0%
3-06	3,422	3,752	-8.8%
6-06	3,983	3,815	4.4%
9-06	5,748	3,456	66.3%
12-06	6,188	3,569	73.4%
3-07	8,908	3,413	161.0%
6-07	8,587	3,309	159.5%
9-07	5,674	3,386	67.6%
12-07	6,047	3,340	81.0%
3-08	3,542	3,356	5.5%
6-08	2,787	3,421	-18.5%
9-08	2,676	3,237	-17.3%
12-08	2,624	3,254	-19.4%
3-09	2,512	3,280	-23.4%
6-09	2,302	3,244	-29.0%
9-09	2,481		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-11.9%	-3.4%
3 Years	-36.8%	-3.7%
2 Years	-37.1%	-1.7%
Latest Year	-10.7%	-3.6%

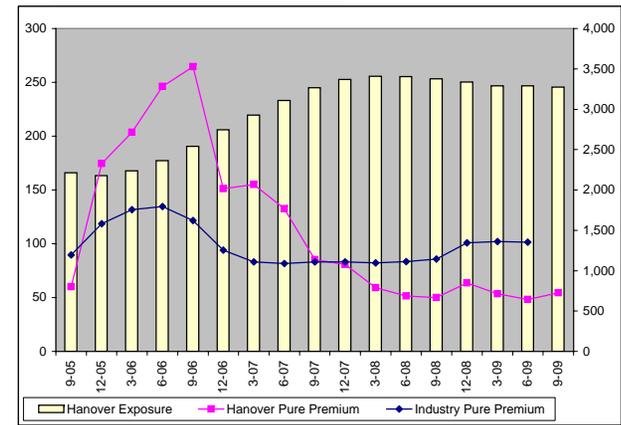
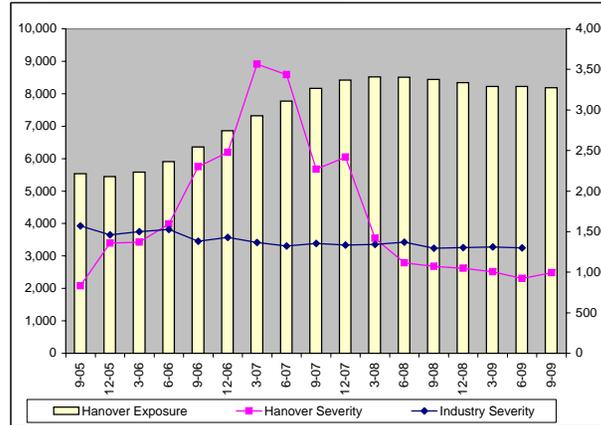
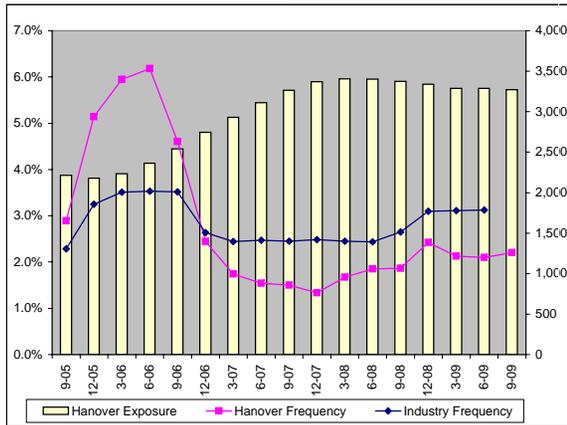
Selected Trends
Retrospective 0.0%
Prospective 0.0%

PURE PREMIUM TREND

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-05	71	74	-4.5%
9-05	60	90	-33.1%
12-05	175	119	47.2%
3-06	204	132	54.6%
6-06	246	135	82.9%
9-06	265	122	117.5%
12-06	151	94	60.6%
3-07	155	83	86.3%
6-07	133	82	62.3%
9-07	85	83	2.5%
12-07	81	83	-2.8%
3-08	59	82	-28.0%
6-08	52	83	-38.1%
9-08	50	86	-41.7%
12-08	64	101	-36.9%
3-09	53	102	-47.6%
6-09	48	101	-52.3%
9-09	55		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-30.3%	-3.0%
3 Years	-39.9%	-4.7%
2 Years	-19.8%	13.6%
Latest Year	-3.9%	25.4%

Selected Trends
Retrospective 5.0%
Prospective 4.0%



Arkansas Homeowners Development of Target Loss & ALAE Ratio

Owners Form							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commission	15.0%	15.0%	15.0%	15.0%	15.0%	0%	100%
Contingent Commission					2.8%	0%	100%
General & Other Acq.	10.7%	11.9%	11.7%	11.4%	11.4%	50%	50%
Taxes, Licenses, and Fees					3.0%	0%	100%
ULAE/Premium	6.7%	5.9%	6.9%	6.5%	6.5%	100%	0%
Profit and Contingency					4.3%	0%	100%
CAT Load					24.0%	100%	0%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						38.1%	
Total Variable Expense							30.8%
Total Expenses					68.9%		
Target Loss & ALAE Ratio					31.1%		
ALAE/Loss	5.1%	2.2%	2.1%	3.1%	3.1%		

Arkansas Homeowners Development of Target Loss & ALAE Ratio

Condo & Tenants Form							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commission	15.0%	15.0%	15.0%	15.0%	15.0%	0%	100%
Contingent Commission					2.8%	0%	100%
General & Other Acq.	10.7%	11.9%	11.7%	11.4%	11.4%	50%	50%
Taxes, Licenses, and Fees					3.0%	0%	100%
ULAE/Premium	6.7%	5.9%	6.9%	6.5%	6.5%	100%	0%
Profit and Contingency					8.2%	0%	100%
CAT Load					24.0%	100%	0%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						38.1%	
Total Variable Expense							34.7%
Total Expenses					72.8%		
Target Loss & ALAE Ratio					27.2%		
ALAE/Loss	2.4%	0.6%	20.2%	7.7%	7.7%		

The Hanover Insurance Group
Mass Bay and Hanover American Companies
Rates Effective 01/16/2010 - Renewals
Rate Impact by Form

Form	Policy Count	Current Written Premium	On-Level Written Premium	Base Rate	Deductible	Total Changes
C	66	41,626	41,817	0.0%	0.0%	0.0%
O	7,356	6,076,549	6,241,523	7.7%	-0.5%	7.2%
T	-	-	-	0.0%	0.0%	0.0%
Total	7,422	6,118,175	6,283,340	7.7%	-0.5%	7.2%

The Hanover Insurance Group
Mass Bay and Hanover American Companies
Rates Effective 01/16/2010 - Renewals
Wind/Hail Deductible Factors and Credit Caps

All-Peril Deductible	Wind / Hail Deductible	
	1%	
	Current Factor	Proposed Factor
1000	0.77	0.76
5000	0.57	0.56

All-Peril Deductible	Wind / Hail Deductible					
	1%	2%	5%	\$1,000	\$2,000	\$5,000
	Proposed Cap	Proposed Cap	Proposed Cap	Proposed Cap	Proposed Cap	Proposed Cap
100						
250						
500				100		275
1000	250	325	500		325	400
2500	675	725	800			700
5000	1050	1125	1150			

**The Hanover Insurance Group
Mass Bay and Hanover American Companies
Rates Effective 01/16/2010 - Renewals
All-Peril Deductible Credit Caps**

Deductible	Current Cap	Proposed Cap
100		
250		
500	160	160
1000	290	305
2500	410	525
5000	610	900

State of ARKANSAS
Homeowners - All Forms Combined
Hanover American & Mass Bay Companies
Rates Effective 01/16/2010 Renewal
Disruption Analysis - Policies Receiving an Increase over 15%

Percent Range	Policy Count	Average Premium	Average \$ Change	Average % Change
[15%, 20%)	6	1299	234	18.0%
[20%, 25%)	2	1559	331	21.2%
[25%, 30%)	0	-	-	-
[30%, 35%)	0	-	-	-
[35%, 40%)	1	2282	877	38.4%
[40%, 45%)	1	2182	906	41.5%
[45%, 50%)	1	1712	813	47.5%
Total	11	1553	424	27.3%

Response to Objection 1 from 1/4/2010:

In response to your objection dated 1/4/2010, we are submitting some additional information and a proposal to address the concerns raised.

The filing under review is for the Massachusetts Bay Insurance Company and The Hanover American Insurance Company only. These two companies were closed for new business at the time we introduced the new Homeowners program in The Hanover Insurance Company in 2009. Our intent in filing wind/hail deductible premium credit caps in these “closed” companies was to eliminate excessive premium crediting when these deductibles are purchased by in-force customers. As previously conveyed, very few customers purchase wind/hail deductibles today overall and a small subset of policies, 16 to be exact, are impacted at all by the proposed new deductible premium caps.

Per your conversation with Kellie Thibodeau this morning, we propose to the following steps to address the concerns raised in your Objection dated 1/4/2010.

- 1) Mitigate the impact of the filed deductible cap on inforce policies with impact greater than \$25 by endorsing the policies with the appropriate premium credit in advance of their renewal. This credit would then remain on the policy indefinitely.

Please see Exhibit I for a list of the policies impacted by these wind/hail credit caps, the amount of credit necessary to offset the impact of the new wind/hail caps to no more than \$25, and our proposed action.

- 2) Implement the Wind/Hail Deductible premium credit caps as filed in order to appropriately cap the credit for any in-force customer who elects a wind/hail deductible, thereby changing their policy conditions.

Using this approach would allow us to “grandfather” the current premium credit on the policies for customers who have previously elected a wind/hail deductible while allowing us to appropriately cap the amount of credit for any in-force customer newly purchasing a wind/hail deductible.

We believe taking the above actions will address the fair concern you have raised, but please let us know if you have any further questions or concerns. You can call Kellie Thibodeau at (508) 855-2982 to discuss this further in order to expedite our mutual review.

Thank you for your assistance.

**Arkansas Homeowners
Mass Bay and Hanover American
Rates Effective 01/16/2010**

Exhibit I

Policies Capped in Our Original Filing

Pol ID	Effective Date	All Peril Deductible Selection	Wind Hail Deductible Selection	Dollar Credit Necessary to Offset the Wind Hail Deductible Premium Credit Cap	Action	Amount of Endorsement*
HST -0855522-0002	20090915	500	1000	\$ (31)	Endorse to apply credit	\$ (6)
HST -2621638-0001	20090301	1000	2000	\$ (711)	Endorse to apply credit	\$ (686)
HST -2897716-0001	20090416	500	1000	\$ (25)	Process "as is" given low impact	n/a
HST -4172452-0001	20091006	1000	2%	\$ (11)	Process "as is" given low impact	n/a
HST -4651290-0000	20081216	500	1000	\$ (412)	Endorse to apply credit	\$ (387)
HST -4854324-0000	20090120	500	1000	\$ (3)	Process "as is" given low impact	n/a
HST -5058680-0000	20090221	2500	5000	\$ (637)	Endorse to apply credit	\$ (612)
HST -5096961-0000	20090222	500	1000	\$ (37)	Endorse to apply credit	\$ (12)
HST -5331950-0000	20090415	1000	2000	\$ (657)	Endorse to apply credit	\$ (632)
HST -5534842-0000	20090607	500	1000	\$ (201)	Endorse to apply credit	\$ (176)
HST -5589004-0000	20090522	500	1000	\$ (284)	Endorse to apply credit	\$ (259)
HST -5602622-0000	20090529	500	1000	\$ (178)	Endorse to apply credit	\$ (153)
HST -5746133-0000	20090618	500	1000	\$ (65)	Endorse to apply credit	\$ (40)
HST -6575960-0009	20090815	1000	2000	\$ (77)	Endorse to apply credit	\$ (52)
HVT -4902968-0000	20090301	1000	1%	\$ (43)	Endorse to apply credit	\$ (18)

* Capping increase at \$25.

**Arkansas Homeowners
Mass Bay and Hanover American
Rates Effective 01/16/2010**

Exhibit I rev

Policies Capped in Our Original Filing

Pol ID	Effective Date	All Peril Deductible Selection	Wind Hail Deductible Selection	Dollar Credit Necessary to Offset the Wind Hail Deductible Premium Credit Cap	Amount of Endorsement
HST -0855522-0002	20090915	500	1000	\$ (31)	\$ (31)
HST -2621638-0001	20090301	1000	2000	\$ (711)	\$ (711)
HST -2897716-0001	20090416	500	1000	\$ (25)	\$ (25)
HST -4172452-0001	20091006	1000	2%	\$ (11)	\$ (11)
HST -4651290-0000	20081216	500	1000	\$ (412)	\$ (412)
HST -4854324-0000	20090120	500	1000	\$ (3)	\$ (3)
HST -5058680-0000	20090221	2500	5000	\$ (637)	\$ (637)
HST -5096961-0000	20090222	500	1000	\$ (37)	\$ (37)
HST -5331950-0000	20090415	1000	2000	\$ (657)	\$ (657)
HST -5534842-0000	20090607	500	1000	\$ (201)	\$ (201)
HST -5589004-0000	20090522	500	1000	\$ (284)	\$ (284)
HST -5602622-0000	20090529	500	1000	\$ (178)	\$ (178)
HST -5746133-0000	20090618	500	1000	\$ (65)	\$ (65)
HST -6575960-0009	20090815	1000	2000	\$ (77)	\$ (77)
HVT -4902968-0000	20090301	1000	1%	\$ (43)	\$ (43)

SERFF Tracking Number: *HNVR-126395784* State: *Arkansas*
 First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *EFT \$100*
 Company Tracking Number: *HO-AR-09751-03R*
 TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*
 Product Name: *Homeowners*
 Project Name/Number: *Homeowners/HO-AR-09751-03R*

Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/25/2009	Rate and Rule	Deductibles	12/08/2009	AR HO MB-HA Manual pgs 19-20 01.16.10RB.pdf (Superseded)
01/06/2010	Supporting Document	Exhibit I	01/06/2010	Adjusted Wind Hail Caps for 1-4-2010 Objection.pdf (Superseded)

8. STATE PAGES – RATING RULES

8.14 DEDUCTIBLES-ALL PERILS

(HO-00-02 is only available for policies written prior to 04/30/2007)

- a. All Homeowners Forms are subject to a \$250 flat deductible applicable to any loss under Section I of the policy. This loss deductible applies to each occurrence. The rates shown in this manual include that deductible.
- b. Optional Lower Deductible:

FORM HO-00-03 - May be endorsed to provide a \$100 deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

FORMS HO-00-04 or HO-00-06 - May be endorsed to provide a \$100 deductible with a \$250 Special Theft Deductible at an additional charge of 20% of the basic \$250 premium. The minimum additional premium shall be \$20.00.

- c. Optional Higher Deductibles:

ALL FORMS

Deductibles	\$500	\$1,000	\$2,500	\$5,000
Percentage	13%	22%	31%	42%
Max. Credit	\$160	\$305	\$525	\$900

The reduced premium shall be computed by applying the deductible percentage of credit to the premium developed from the Basic Premium Chart.

8.15 WINDSTORM OR HAIL DEDUCTIBLE – HO-03-12

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007)

There are two optional deductibles applicable to the perils of Windstorm or Hail. They are:

- 1. Percentage deductibles in the amounts of 1%, 2% or 5% of the Coverage A limit of liability. The deductible amount is determined by applying the percentage amount to the Coverage A limit of liability. Attach Endorsement HO-03-12.

Note: The percentage deductible must exceed the amount of the deductible applicable to All Other Section I perils. For example, if the Coverage A value is \$100,000 and a \$2,500 Section deductible is selected, a 1% or 2% Windstorm or Hail Deductible option cannot be chosen.

- 2. Fixed dollar deductibles for Windstorm or Hail in the amounts of \$1,000, \$2,000 or \$5,000.

The premium for these deductible options shall be developed by applying the factors listed on the next page to the base premium.

Note: The fixed dollar deductible must equal or exceed the normal policy deductible.

8. STATE PAGES – RATING RULES

8.15 WINDSTORM OR HAIL DEDUCTIBLE – HO-03-12 (continued)

Select a normal policy deductible from the left hand column. Moving to the right, both the factor under the appropriate Wind/Hail deductible column and multiply by the base premium. This premium reflects the total premium for the selected Windstorm & Hail deductible and the normal Section I deductible.

WIND/HAIL DEDUCTIBLE

ALL OTHER PERILS DEDUCTIBLE	1% WIND/HAIL		2% WIND/HAIL		5 % WIND/HAIL	
	DED	MAX CREDIT	DED	MAX CREDIT	DED	MAX CREDIT
\$100	1.15	0	1.13	0	1.09	0
\$250	0.96	0	0.94	0	0.91	0
\$500	0.85	0	0.84	0	0.81	0
\$1,000	0.76	\$250	0.75	\$325	0.73	\$500
\$2,500	0.67	\$675	0.66	\$725	0.64	\$800
\$5,000	0.56	\$1,050	0.55	\$1,125	0.54	\$1,150

ALL OTHER PERILS DEDUCTIBLE	\$1,000 WIND/HAIL		\$2,000 WIND/HAIL		\$5,000 WIND/HAIL	
	DED	MAX CREDIT	DED	MAX CREDIT	DED	MAX CREDIT
\$100	1.15	0	1.13	0	1.09	0
\$250	0.96	0	0.94	0	0.91	0
\$500	0.85	\$100	0.84	0	0.81	\$275
\$1,000	N/A	0	0.75	\$325	0.73	\$400
\$2,500	N/A	0	N/A	0	0.64	\$700
\$5,000	N/A	0	N/A	0	N/A	0

8.16-8.17 RESERVED FOR FUTURE USE

8.18 PERSONAL PROPERTY

1. Increased Limit

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007) - The limit of liability for Coverage C may be increased. The additional charge shall be \$2.00 for each \$1,000 increase.

2. Reduction in Limit

FORM HO-00-03 (HO-00-02 is only available for policies written prior to 04/30/2007.) - The limit of liability for Coverage C may be reduced to an amount not less than 40% of the limit of Coverage A at a credit of \$1.00 for each \$1,000 reduction.

**Arkansas Homeowners
Mass Bay and Hanover American
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Exhibit I

Policies Capped in Our Original Filing

Pol ID	Effective Date	All Peril Deductible Selection	Wind Hail Deductible Selection	Dollar Credit Necessary to Offset the Wind Hail Deductible Premium Credit Cap	Action	Amount of Endorsement*
HST -0855522-0002	20090915	500	1000	\$ (31)	Endorse to apply credit	\$ (6)
HST -2621638-0001	20090301	1000	2000	\$ (711)	Endorse to apply credit	\$ (686)
HST -2897716-0001	20090416	500	1000	\$ (25)	Process "as is" given low impact	n/a
HST -4172452-0001	20091006	1000	2%	\$ (11)	Process "as is" given low impact	n/a
HST -4651290-0000	20081216	500	1000	\$ (412)	Endorse to apply credit	\$ (387)
HST -4854324-0000	20090120	500	1000	\$ (3)	Process "as is" given low impact	n/a
HST -5058680-0000	20090221	2500	5000	\$ (637)	Endorse to apply credit	\$ (612)
HST -5096961-0000	20090222	500	1000	\$ (37)	Endorse to apply credit	\$ (12)
HST -5331950-0000	20090415	1000	2000	\$ (657)	Endorse to apply credit	\$ (632)
HST -5534842-0000	20090607	500	1000	\$ (201)	Endorse to apply credit	\$ (176)
HST -5589004-0000	20090522	500	1000	\$ (284)	Endorse to apply credit	\$ (259)
HST -5602622-0000	20090529	500	1000	\$ (178)	Endorse to apply credit	\$ (153)
HST -5746133-0000	20090618	500	1000	\$ (65)	Endorse to apply credit	\$ (40)
HST -6575960-0009	20090815	1000	2000	\$ (77)	Endorse to apply credit	\$ (52)
HVT -4902968-0000	20090301	1000	1%	\$ (43)	Endorse to apply credit	\$ (18)

* Capping increase at \$25.

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Original Proposal

Wind / Hail Deductible												
All-Peril Deductible	1%		2%		5%		\$1,000		\$2,000		\$5,000	
	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap
100	1.15		1.13		1.09		1.15		1.13		1.09	
250	0.96		0.94		0.91		0.96	100	0.94		0.91	125
500	0.85	250	0.84	275	0.81	300	0.85	275	0.84	275	0.81	300
1000	0.76	450	0.75	475	0.73	500			0.75	600	0.73	500
2500	0.67	825	0.66	850	0.64	900					0.64	1100
5000	0.56	1875	0.55	1925	0.54	1950						

Modified so that no renewals are affected by caps

Wind / Hail Deductible												
All-Peril Deductible	1%		2%		5%		\$1,000		\$2,000		\$5,000	
	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap	Factor	Proposed Cap
100	1.15		1.13		1.09		1.15		1.13		1.09	
250	0.96		0.94		0.91		0.96	100	0.94		0.91	125
500	0.85	250	0.84	275	0.81	300	0.85	687	0.84	275	0.81	300
1000	0.76	493	0.75	486	0.73	500			0.75	1311	0.73	500
2500	0.67	825	0.66	850	0.64	900					0.64	1737
5000	0.56	1875	0.55	1925	0.54	1950						