

SERFF Tracking Number: HRMN-126436576 State: Arkansas
First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: AR RR H041510
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR RR H041510/AR RR H041510

Filing at a Glance

Companies: Horace Mann Insurance Company, Teachers Insurance Company

Product Name: AR Homeowner Rate and Rule SERFF Tr Num: HRMN-126436576 State: Arkansas

Filing

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num: EFT \$100

Sub-TOI: 04.0003 Owner Occupied

Co Tr Num: AR RR H041510

State Status: Fees verified and received

Homeowners

Filing Type: Rate/Rule

Reviewer(s): Becky Harrington, Betty Montesi

Author: Mindy Ballard

Disposition Date: 01/06/2010

Date Submitted: 12/31/2009

Disposition Status: Filed

Effective Date Requested (New): 04/15/2010

Effective Date (New): 04/15/2010

Effective Date Requested (Renewal): 04/15/2010

Effective Date (Renewal):

04/15/2010

State Filing Description:

General Information

Project Name: AR RR H041510

Status of Filing in Domicile: Not Filed

Project Number: AR RR H041510

Domicile Status Comments: N/A

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 01/06/2010

State Status Changed: 01/04/2010

Deemer Date:

Created By: Mindy Ballard

Submitted By: Mindy Ballard

Corresponding Filing Tracking Number: N/A

Filing Description:

December 31, 2009

Arkansas Insurance Department

Property & Casualty Division

1200 West Third Street

Little Rock, AR 72201-1904

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Attention: Jay Bradford
Commissioner of Insurance

Re: Horace Mann Insurance Company NAIC #300-22578 Fein #59-1027412
Teachers Insurance Company NAIC #300-22683 Fein #23-1742051
Homeowner Program
Rate and Rule Filing
Company Filing Number: AR RR H041510

Dear Commissioner Bradford,

Horace Mann Insurance Company and Teachers Insurance Company submit for your review the above noted homeowner rate and rule filing. The overall effect of this filing is +11.9%. It is the judgment of the Actuarial Department as well as of management that these rates are neither excessive, inadequate, nor unfairly discriminatory.

The effective date of this filing is April 15, 2010.

If I can be of further service or if additional information is needed, please do not hesitate to call me toll free at 877-272-0040 option 9, option 3. If you prefer e-mail, my address is melinda.ballard@horacemann.com. Thank you for your attention to this matter.

Sincerely,

Melinda Ballard
Implementation Analyst
Property and Casualty Division
Horace Mann Insurance Company
Teachers Insurance Company

Company and Contact

Filing Contact Information

Melinda Ballard, Actuarial Analyst I
1 Horace Mann Plaza
Springfield, IL 62715

ballarm1@mail.horacemann.com
217-789-2500 [Phone] 8505 [Ext]
217-535-7171 [FAX]

Filing Company Information

SERFF Tracking Number: HRMN-126436576 State: Arkansas
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Horace Mann Insurance Company CoCode: 22578 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 59-1027412

Teachers Insurance Company CoCode: 22683 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 23-1742051

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 filing fee for this submission.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Horace Mann Insurance Company	\$100.00	12/31/2009	33201134
Teachers Insurance Company	\$0.00	12/31/2009	

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 Project Name/Number: AR RR H041510/AR RR H041510

Correspondence Summary

Dispositions

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

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	01/04/2010	01/04/2010	Mindy Ballard	01/06/2010	01/06/2010

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 Project Name/Number: AR RR H041510/AR RR H041510

Disposition

Disposition Date: 01/06/2010
 Effective Date (New): 04/15/2010
 Effective Date (Renewal): 04/15/2010
 Status: Filed
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Horace Mann Insurance Company	24.800%	12.800%	\$11,831	74	\$92,432	23.670%	-2.540%
Teachers Insurance Company	24.800%	11.300%	\$18,321	149	\$162,129	18.710%	-2.870%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	24.800%
Overall Percentage Rate Impact For This Filing	11.900%
Effect of Rate Filing-Written Premium Change For This Program	\$30,152
Effect of Rate Filing - Number of Policyholders Affected	223

SERFF Tracking Number: HRMN-126436576 State: Arkansas
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 Company Tracking Number: AR RR H041510
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 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR RR H041510/AR RR H041510

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 (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	AR Homeowner Rate and Rule Filing	Filed	Yes
Supporting Document	Response to the 01-04-10 Objection Letter	Filed	Yes
Rate	HMIC Premium Pages	Filed	Yes
Rate	TIC Premium Pages	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes

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Project Name/Number: AR RR H041510/AR RR H041510

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/04/2010

Submitted Date 01/04/2010

Respond By Date

Dear Melinda Ballard,

This will acknowledge receipt of the captioned filing.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: Form RF-1 is required with all rate change filings.

Objection 2

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment: Please revise your indications using historical AR wind losses instead of modeled losses.

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 to the objection letter dated 1/4/10.

Response 1

Comments: Attached please find our response to the 1/4/10 objection letter.

Related Objection 1

SERFF Tracking Number: HRMN-126436576 State: Arkansas
First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: AR RR H041510
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR RR H041510/AR RR H041510

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

Form RF-1 is required with all rate change filings.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment: In response to the objection letter dated 1/4/10, the RF-1 forms have been attached. One form is for HMIC and the second form is for TIC.

Satisfied -Name: Response to the 01-04-10 Objection Letter

Comment: Attached please find our response to the objection letter dated 01-04-10. The objection also requested that we complete a RF-1 form. We have completed a RF-1 form for HMIC and one for TIC. These forms have been attached to the NAIC Loss Cost Data Entry Document requirement. Please see above.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Attached please find our response to the 1/4/10 objection letter.

Related Objection 1

Applies To:

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment:

Please revise your indications using historical AR wind losses instead of modeled losses.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment: In response to the objection letter dated 1/4/10, the RF-1 forms have been attached. One form is for HMIC and the second form is for TIC.

Satisfied -Name: Response to the 01-04-10 Objection Letter

Comment: Attached please find our response to the objection letter dated 01-04-10. The objection also requested that we complete a RF-1 form. We have completed a RF-1 form for HMIC and one for TIC. These forms have been attached to the NAIC Loss Cost Data Entry Document requirement. Please see above.

SERFF Tracking Number: *HRMN-126436576* *State:* *Arkansas*
First Filing Company: *Horace Mann Insurance Company, ...* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *AR RR H041510*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0003 Owner Occupied Homeowners*
Product Name: *AR Homeowner Rate and Rule Filing*
Project Name/Number: *AR RR H041510/AR RR H041510*

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any further questions or concerns, please contact me. Have a good day.

Mindy Ballard
Implementation Analyst

Sincerely,
Mindy Ballard

SERFF Tracking Number: HRMN-126436576
 First Filing Company: Horace Mann Insurance Company, ...
 Company Tracking Number: AR RR H041510
 TOI: 04.0 Homeowners
 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR RR H041510/AR RR H041510

State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 04.0003 Owner Occupied Homeowners

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 6.000%
Effective Date of Last Rate Revision: 04/15/2009
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Horace Mann Insurance Company	24.800%	12.800%	\$11,831	74	\$92,432	23.670%	-2.540%
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Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 24.800%
Overall Percentage Rate Impact For This Filing: 11.900%
Effect of Rate Filing - Written Premium Change For This Program: \$30,152

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State: Arkansas
State Tracking Number: EFT \$100
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Effect of Rate Filing - Number of Policyholders Affected: 223

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 Project Name/Number: AR RR H041510/AR RR H041510

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed 01/06/2010	HMIC Premium Pages	Pages 1-2	Replacement	EFT \$100 (HRMN-125926833)	HMIC Premium Pages.pdf
Filed 01/06/2010	TIC Premium Pages	Pages 1-2	Replacement	EFT \$100 (HRMN-125926833)	TIC Premium Pages.pdf
Filed 01/06/2010	Homeowner Rules Manual	Index, Pages 1-2	Replacement	EFT \$100 (HRMN-125926833)	Index, Pages 1-2.pdf
Filed 01/06/2010	Homeowner Rules Manual	Pages 7 & 8, Rules 4.1.7-4.1.19	Replacement	EFT \$100 (HRMN-125926833)	Page 7 & Page 8, Rules 4.1.7-4.1.19.pdf
Filed 01/06/2010	Homeowner Rules Manual	Page 9, Rule 4.5	Replacement	EFT \$100 (HRMN-125926833)	Page 9, Rule 4.5.pdf
Filed 01/06/2010	Homeowner Rules Manual	Page 10, Rules 5.1 & 5.2	Replacement	EFT \$100 (HRMN-125926833)	Page 10, Rules 5.1 & 5.2.pdf
Filed 01/06/2010	Homeowner Rules Manual	Page 12, Rules 6.12 & 7.2.1	Replacement	EFT \$100 (HRMN-125926833)	Page 12, Rules 6.12 & 7.2.1.pdf
Filed 01/06/2010	Homeowner State Rate Pages	Page HR-1, Rule 5.0	Replacement	EFT \$100 (HRMN-125926833)	Page HR-1, Rule 5.0.pdf
Filed 01/06/2010	Homeowner State Rate Pages	Page HR-3, Rule 6.12	Replacement	EFT \$100 (HRMN-125926833)	Page HR-3, Rule 6.12.pdf

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Filed 01/06/2010 Homeowner State Page HR-4, RuleReplacement EFT \$100 (HRMN- Page HR-4, Rule
Rate Pages 7.2 125926833) 7.2.pdf

Filed 01/06/2010 Homeowner State Page HR-7, RuleReplacement EFT \$100 (HRMN- Page HR-7, Rule
Rate Pages 8.1 125926833) 8.1.pdf

Horace Mann Insurance Company - 04

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,548
14 *	2,896
44	1,586
51	1,440
60	1,055
63	1,265
65	1,573
67	1,145
68	1,148
70	1,601
71	1,571
72	1,339
73	1,292
74	1,573
75	1,292

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	2.00
8	F	2.50
9	M	2.50
9	F	2.90
10	M	4.50
10	F	5.00

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.407
30,000	0.411
35,000	0.416
40,000	0.421
45,000	0.425
50,000	0.430
55,000	0.464
60,000	0.471
65,000	0.486
70,000	0.506
75,000	0.525
80,000	0.557
85,000	0.590
90,000	0.623
95,000	0.644
100,000	0.664
105,000	0.695
110,000	0.725
115,000	0.760
120,000	0.794
125,000	0.829
130,000	0.863
135,000	0.899
140,000	0.934
145,000	0.967
150,000	1.000
155,000	1.030
160,000	1.060
165,000	1.093
170,000	1.125
175,000	1.157
180,000	1.190
185,000	1.223
190,000	1.256
195,000	1.289
200,000	1.322
205,000	1.354
210,000	1.387
215,000	1.419
220,000	1.452
225,000	1.485
230,000	1.518
235,000	1.550
240,000	1.583
245,000	1.615
250,000	1.648
Each Add'l	
5,000	0.035

***Note: Territory 14
can only be written in
Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
	Base Rate
Territory	1-4
13	146
14 *	204
44	146
51	146
60	146
63	146
65	146
67	146
68	146
70	146
71	146
72	146
73	146
74	158
75	146

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8	
Condo Discount	Territories
20%	All

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14 can only be written in Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage A amount, Column 6 and find corresponding Coverage A Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage A Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Teachers Insurance Company - 08

State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils

Form 3 Annual Premiums
\$100,000/1,000 Liability Limits

Column 1	Column 2
Territory	Base Rate
13	1,125
14 *	2,141
44	1,141
51	1,048
60	754
63	920
65	1,145
67	829
68	849
70	1,145
71	1,141
72	972
73	944
74	1,130
75	938

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	2.00
8	F	2.50
9	M	2.50
9	F	2.90
10	M	4.50
10	F	5.00

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.407
30,000	0.411
35,000	0.416
40,000	0.421
45,000	0.425
50,000	0.430
55,000	0.464
60,000	0.471
65,000	0.486
70,000	0.506
75,000	0.525
80,000	0.557
85,000	0.590
90,000	0.623
95,000	0.644
100,000	0.664
105,000	0.695
110,000	0.725
115,000	0.760
120,000	0.794
125,000	0.829
130,000	0.863
135,000	0.899
140,000	0.934
145,000	0.967
150,000	1.000
155,000	1.030
160,000	1.060
165,000	1.093
170,000	1.125
175,000	1.157
180,000	1.190
185,000	1.223
190,000	1.256
195,000	1.289
200,000	1.322
205,000	1.354
210,000	1.387
215,000	1.419
220,000	1.452
225,000	1.485
230,000	1.518
235,000	1.550
240,000	1.583
245,000	1.615
250,000	1.648
Each Add'l	
5,000	0.035

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
	Base Rate
Territory	1-4
13	131
14 *	184
44	131
51	131
60	131
63	131
65	135
67	131
68	131
70	131
71	156
72	131
73	131
74	131
75	131

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

Column 8
Condo Discount Territories
35% All

***Note: Territory 14 can only be written in Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage A amount, Column 6 and find corresponding Coverage A Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage A Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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TEACHERS INSURANCE COMPANY
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RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** If Actual Cash Value policy, increase 4.1.1 as shown in rate pages.
- 4.1.4** The condominium discount is applied to 4.1.3 (if applicable).
- 4.1.5** The premium from 4.1.3 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.6** The proper charge or credit for deductible is applied to the premium from 4.1.5. (This is the basic premium.)
- 4.1.7** The Year of Construction Factor is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.
- 4.1.8** The Protective Device Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.9** The Multi-Line Discount is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.10** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.
- 4.1.11** The Federal Flood Insurance Program Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.12** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

4.1.13 The charge for replacement cost on contents is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.14 The Roof Surfacing Surcharge is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.15 The Woodburning Device Surcharge is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.16 Apply credit or charge for Modified Replacement Cost as stated in rate pages to premium from 4.1.14 (if applicable).

4.1.17 Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.

4.1.18 Apply the credit level factor to the premium from 4.1.18.

4.1.19 Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

4.3.1 Three or four family dwellings

4.3.2 All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.

4.3.3 All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.

4.3.4 Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

4.4.1 The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
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4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

| 4.5 Reserved for Future Use

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

4.8 Payment Plans

A payment plan is available if:

a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	None

b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

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RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

<u>Deductible Amounts</u>	
<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 500
1,000	750
1,500	1,000
2,500	1,500
5,000	2,500
1% of Coverage A	5,000
Base deductible - \$750	Base deductible \$500

5.2 Reserved for Future Use

5.3 Wind and Hail Deductible – Forms 1, 2, 3

When a policy is issued with a \$1,000 deductible, the deductible amount that applies to wind and hail losses may be increased to 1% of the Coverage A amount. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Modified Replacement Cost - Coverages A and B - Forms 1, 2, 3

The policy may be endorsed to provide replacement cost coverage when the amount of insurance is less than 80% of the replacement value of the dwelling. The premium is developed from the State Rate Pages.

Attach Endorsement HM-256

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

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Reinstatement: if a policy is reinstated, the number of consecutive years with us which applied at the time of cancellation or nonrenewal will be used, provided the policy was reinstated within twelve months. The period of time away from us does not count.

B. Number of qualified paid claims in the last three years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last three years (ending three months prior to the current renewal effective date). A qualified claim is considered to be any non-weather, non-catastrophe, or non-mine subsidence related claim which results in a paid loss during this three year period. The following are NOT considered qualified claims: losses which only have payments under Medical Payments coverage; losses which occurred prior to the named insured's current tenure with us; or losses for which subrogation payments have been received.

6.12 NEA Member Discount – All Forms

A discount to the basic policy premium will be allowed if the named insured is a member of the National Education Association and can be verified by the National Education Association membership list.

RULE 7. OPTIONAL SECTION I PROPERTY COVERAGES

7.1 Earthquake

Earthquake coverage may be provided at the additional premium shown in the State Rate Pages. The limits for Earthquake coverage are percentages of the current Coverage A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses and 10% for Coverage D losses.

A deductible of 10%, 15% or 25%, subject to a minimum of \$250, will apply separately per occurrence to loss under Coverages A, B and C. There is no deductible for loss under Coverage D. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-P06AR1 (10-96)

7.2 Inflation Guard Coverage

7.2.1 Inflation Protection Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices, provided the dwelling is insured for 100% of its present replacement cost.

Attach Endorsement CC-H06025

7.2.2 Constant Value Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06022

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER STATE RATE PAGES**

RULE

2.1.4 Actual Cash Value
Increase the basic policy premium by 35%.

4.2 Changes in Liability Limits

	Limits*					Each Add'l \$500 of Med Payments
	(1)	(2)	(3)	(4)	(5)	
Described Residence						
1 or 2 Family	\$-7	\$-3	\$-1	\$10	\$18	\$ 1
4.3.1 3 Family	12	14	16	19	21	1
4 Family	14	16	18	21	23	1
4.3.2 Additional Residence Premises Occupied By Insured	4	4	6	8	8	1
4.3.3 Residence Employees	4	4	6	8	8	1

*Liability/Med Payments
(1) \$ 25,000/\$500
(2) 50,000/ 500
(3) 100,000/ 500
(4) 200,000/ 500
(5) 300,000/ 500

4.6 Row and Townhouses - Class Rated
Family Units in Fire Division: 1-2 3-4 5-8
Increase Basic Premium by: - 10% 25%

4.8 Installment Fees

<u>Payment Plan</u>	<u>Fee per Installment</u>	<u>Total</u>
Full Pay	None	None
Two Pay	\$2.00(1 installment)	\$ 2.00
Three Pay	\$3.00(2 installments)	\$ 6.00
Four Pay	\$4.00(3 installments)	\$12.00

4.9 Non-Sufficient Funds

The service charge for non-sufficient funds will be \$25 per occurrence.

5.0 Deductible Options	% of Credit	
	HM-1,2,3	HM-4,6
\$ 500	--	*
750	*	12%
1,000	6%	24%
1,000/1% W & H	11%	--
1% of Coverage A#	16%	--
1,500	21%	30%
2,500	33%	37%
5,000	40%	49%

*See Basic Policy Premiums
#Subject to a \$100,000 minimum Coverage A
Show Deductible on Declarations Page

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6.9 Roof Surfacing Surcharge

A 10% surcharge applies.

6.10 Credit Level Rating - Forms 1, 2, 3

<u>Level</u>	<u>Factor</u>
1	0.79
2	0.83
3	0.92
4	1.00
5	1.68
6	0.83
7	1.90
8	1.90
9	0.83

6.11 Claim Record/Persistency Rating Plan - All Forms

The basic premium will be adjusted according to the following:

<u>Consecutive years Insured with us</u>	<u>Number of qualified paid claims in the last three years.</u>				
	0	1	2	3	4+
0-2	0%	+5%	+35%	+55%	+85%
3-5	0	+5	+35	+55	+85
6-8	-5	0	+30	+55	+85
9+	-5	0	+20	+55	+85

6.12 NEA Member Discount – All Forms

A 5% discount applies.

7.1 Earthquake

	<u>Rates per \$1,000 of Insurance*</u>					
	<u>10% Deductible</u>		<u>15% Deductible</u>		<u>25% Deductible</u>	
	<u>FRAME</u>	<u>ALL OTHERS</u>	<u>FRAME</u>	<u>ALL OTHERS</u>	<u>FRAME</u>	<u>ALL OTHERS</u>
ZONE A						
HM-1,2,3			\$0.45	\$0.90	\$0.32	\$0.64
HM-4			\$0.27	\$0.27	\$0.19	\$0.19
ZONE B						
HM-1,2,3	\$0.22	\$0.44	\$0.18	\$0.36	\$0.13	\$0.26
HM-4	\$0.13	\$0.13	\$0.10	\$0.10	\$0.07	\$0.07

Attach CC-P06AR1

The minimum premium for this endorsement is \$25.00.

* Coverage for masonry veneer is optional - refer to endorsement. If the special exclusion applies, rate as "frame". If not, rate as "all others".

Zone A: Clay, Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Phillips, Poinsett and St. Francis Counties

Zone B: Remainder of State

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TEACHERS INSURANCE COMPANY
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		<u>Rates Per \$1,000 of Insurance</u>		
7.3	Private Structures			
	7.3.1 Increased Limit		\$4.00	
	Attach HM-48			
	7.3.2 Rented to Others		\$6.00	
	Attach ML-40			
7.4	Personal Property			
	7.4.1 Increased Limit		\$.50	
	Show Limit on Declarations Page			
	7.4.2 Reduced Limit		\$.50 Credit	
	Show limit on Declarations Page			
	7.4.3 In Rental Units		\$9.00	
	Attach ML-152			
7.5	Replacement Value - Personal Property			
	Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:			
	HM-3	8%	-	Minimum Charge \$20
	HM-4	15%	\$500 deductible or greater	Minimum Charge \$15
	HM-4	35%	Less than \$500 deductible	Minimum Charge \$20
	Attach HM-55			
		<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
7.6	Motorized Vehicles	\$1,000	\$6.00	None
	Attach ML-65			
7.7	Additional Living Costs & Loss of Rent	\$1,000	\$4.00	None
	Show Limit on Declarations Page			
7.8	Tenant's Improvements	\$1,000	\$4.00	None
	Attach ML-30			
7.9	Fire Dept. Service Charge	\$ 100	\$2.00	\$ 500
	Attach ML-30			

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HOMEOWNER STATE RATE PAGES**

7.17.2 Unit Rental to Others

Charge 25% of the Basic Policy premium

Attach ML-33

7.17.3 Loss Assessment Coverages

<u>Limit of Liability</u>	<u>Premium</u>
1 st \$ 1,000	\$10
Next 4,000	6
Next 5,000	4
Each Add'l 5,000 (up to \$50,000)	2

Attach ML-50

7.19 Water Damage (Sewers and Drains) \$24

	Limits*					Each Add'l \$500 of Med Payments
	(1)	(2)	(3)	(4)	(5)	
8.1 Additional Residence Premises Rented to Others						
1 Family	22	27	32	36	40	1
2 Family	38	41	44	51	57	1
Attach ML-70						
8.3 Waterbed Liability (does not include Med Payments)	16	18	20	22	24	-
Attach ML-209						
8.4 Office, Professional, Private School or Studio Occupancy						
On Premises	12	16	16	20	20	4
Instruction Only	2	2	2	4	4	1
Off Premises	10	12	14	16	18	1

This charge applies for each such exposure.

Attach ML-42

* Liability/Med Payments
 (1) \$ 25,000/500
 (2) 50,000/500
 (3) 100,000/500
 (4) 200,000/500
 (5) 300,000/500

SERFF Tracking Number: HRMN-126436576 State: Arkansas
 First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: AR RR H041510
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR RR H041510/AR RR H041510

Supporting Document Schedules

	Item Status:	Status Date:
<p>Bypassed - Item: Form RF-2 Loss Costs Only (not for workers' compensation)</p> <p>Bypass Reason: Not applicable.</p> <p>Comments:</p>		
<p>Satisfied - Item: H-1 Homeowners Abstract</p> <p>Comments:</p> <p>Attachments: AR HO Abstract - HMIC.pdf AR HO Abstract - TIC.pdf</p>	Filed	01/06/2010
<p>Satisfied - Item: HPCS-Homeowners Premium Comparison Survey</p> <p>Comments: We do not offer \$500 deductible for form 3 (homeowners) in Arkansas. Therefore, we used our minimum deductible of \$750 to complete the survey table for form 3.</p> <p>Attachments: AR HO Survey FORM HPCS - HMIC.xls AR HO Survey FORM HPCS - TIC.xls</p>	Filed	01/06/2010
<p>Satisfied - Item: NAIC loss cost data entry document</p> <p>Comments: In response to the objection letter dated 1/4/10, the RF-1 forms have been attached. One form is for HMIC and the second form is for TIC.</p> <p>Attachments:</p>	Filed	01/06/2010

SERFF Tracking Number: HRMN-126436576 State: Arkansas
 First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: AR RR H041510
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR RR H041510/AR RR H041510
 RF-1 Horace Mann Insurance Company.pdf
 RF-1 Teachers Insurance Company.pdf

		Item Status:	Status Date:
Satisfied - Item:	AR Homeowner Rate and Rule Filing	Filed	01/06/2010

Comments:

Attachment:

AR Homeowner Rate and Rule Filing.pdf

		Item Status:	Status Date:
Satisfied - Item:	Response to the 01-04-10 Objection Letter	Filed	01/06/2010

Comments:

Attached please find our response to the objection letter dated 01-04-10. The objection also requested that we complete a RF-1 form. We have completed a RF-1 form for HMIC and one for TIC. These forms have been attached to the NAIC Loss Cost Data Entry Document requirement. Please see above.

Attachments:

Response letter 01 04 10.pdf
 Revised Indication.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 Horace Mann Insurance Company
 NAIC # (including group #) 300-22578

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
 None
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.
 We use a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.
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 a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
 Yes, we use an optional Inflation Guard endorsement, which increases the Coverage A amount each year by a factor based on building cost indices. Currently, our factor is 6.0%.
5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	n/a	%
b. Burglar Alarm	5	%
c. Smoke Alarm	5	%
d. Insured who has both homeowners and auto with your company	5-12	%
e. Deadbolt Locks	n/a	%
f. Window or Door Locks	n/a	%
g. Other (specify)		%
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.
 None
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
Homeowner Forms 1,2,3	\$90,928
Tenant & Condominium Forms 4,6	\$1,504

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? Yes
If yes, state the surcharge 6%
Does the surcharge apply to conventional fire No
places?
If yes, state the surcharge N/A

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



Signature

Soojin Yang

Printed Name

Senior Actuary

Title

217-789-2500 ext 5432

Telephone Number

Soojin.Yang@horacemann.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 Teachers Insurance Company
 NAIC # (including group #) 300-22683

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

None

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

We use a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.

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 a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.

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

Yes, we use an optional Inflation Guard endorsement, which increases the Coverage A amount each year by a factor based on building cost indices. Currently, our factor is 6.0%.

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

a. Fire Extinguisher	n/a	%
b. Burglar Alarm	5	%
c. Smoke Alarm	5	%
d. Insured who has both homeowners and auto with your company	5-12	%
e. Deadbolt Locks	n/a	%
f. Window or Door Locks	n/a	%
g. Other (specify)		%

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.

None

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

Form	Premium Volume
Homeowner Forms 1,2,3	\$160,225
Tenant & Condominium Forms 4,6	\$1,904

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? Yes
If yes, state the surcharge 6%
Does the surcharge apply to conventional fire No
places?
If yes, state the surcharge N/A

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



Signature
Soojin Yang
Printed Name
Senior Actuary
Title
217-789-2500 ext 5432
Telephone Number
Soojin.Yang@horacemann.com
Email address

NAIC Number: 22578
 Company Name: Horace Mann Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 877-272-0040 options 9 and 3 (toll free)
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 4/15/2010

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

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904

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

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

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	\$588.00	\$647.00	\$588.00	\$647.00	\$892.00	\$981.00	\$875.00	\$963.00	\$892.00	\$981.00	\$705.00	\$776.00	\$705.00	\$776.00	\$638.00	\$702.00	\$862.00	\$948.00
	\$120,000	\$838.00	\$922.00	\$838.00	\$922.00	\$1,271.00	\$1,398.00	\$1,247.00	\$1,372.00	\$1,271.00	\$1,398.00	\$1,004.00	\$1,104.00	\$1,004.00	\$1,104.00	\$909.00	\$1,000.00	\$1,229.00	\$1,352.00
	\$160,000	\$1,118.00	\$1,230.00	\$1,118.00	\$1,230.00	\$1,697.00	\$1,867.00	\$1,665.00	\$1,832.00	\$1,697.00	\$1,867.00	\$1,341.00	\$1,475.00	\$1,341.00	\$1,475.00	\$1,214.00	\$1,335.00	\$1,641.00	\$1,805.00
6	\$80,000	\$694.00	\$770.00	\$694.00	\$770.00	\$1,053.00	\$1,169.00	\$1,033.00	\$1,146.00	\$1,053.00	\$1,169.00	\$832.00	\$924.00	\$832.00	\$924.00	\$753.00	\$836.00	\$1,017.00	\$1,129.00
	\$120,000	\$989.00	\$1,098.00	\$989.00	\$1,098.00	\$1,500.00	\$1,665.00	\$1,471.00	\$1,634.00	\$1,500.00	\$1,665.00	\$1,185.00	\$1,315.00	\$1,185.00	\$1,315.00	\$1,073.00	\$1,191.00	\$1,450.00	\$1,610.00
	\$160,000	\$1,319.00	\$1,465.00	\$1,319.00	\$1,465.00	\$2,002.00	\$2,223.00	\$1,965.00	\$2,181.00	\$2,002.00	\$2,223.00	\$1,582.00	\$1,757.00	\$1,582.00	\$1,757.00	\$1,433.00	\$1,590.00	\$1,936.00	\$2,150.00
9	\$80,000	\$1,470.00	\$1,705.00	\$1,470.00	\$1,705.00	\$2,230.00	\$2,587.00	\$2,188.00	\$2,538.00	\$2,230.00	\$2,587.00	\$1,763.00	\$2,045.00	\$1,763.00	\$2,045.00	\$1,595.00	\$1,850.00	\$2,155.00	\$2,500.00
	\$120,000	\$2,095.00	\$2,430.00	\$2,095.00	\$2,430.00	\$3,178.00	\$3,686.00	\$3,118.00	\$3,616.00	\$3,178.00	\$3,686.00	\$2,510.00	\$2,912.00	\$2,510.00	\$2,912.00	\$2,273.00	\$2,636.00	\$3,073.00	\$3,564.00
	\$160,000	\$2,795.00	\$3,242.00	\$2,795.00	\$3,242.00	\$4,243.00	\$4,921.00	\$4,163.00	\$4,829.00	\$4,243.00	\$4,921.00	\$3,353.00	\$3,889.00	\$3,353.00	\$3,889.00	\$3,035.00	\$3,521.00	\$4,103.00	\$4,759.00

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	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00
	\$15,000	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
	\$25,000	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00	\$201.00
6	\$5,000	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00
	\$15,000	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00	\$161.00
	\$25,000	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00	\$221.00
9	\$5,000	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00
	\$15,000	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00
	\$25,000	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00	\$382.00

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	n/a	%	Deadbolt Lock	n/a	%
Burglar Alarm	5	%	Window Locks	n/a	%
Smoke Alarm	5	%	\$1,000 Deductible	6	%
			Other (specify)		

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	yes	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	10-25	%

Zone Brick Frame

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR RR H041510
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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	Company Name		Company NAIC Number
3.	A.	Horace Mann Insurance Company	B. 300-22578

	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.	04.0 Homeowners	B. 04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Forms 1,2,3	+33.4%	+12.8%					
Form 4 (Tenant & Condo)	+33.4%	+12.6%					
TOTAL OVERALL EFFECT	+33.4%	+12.8%					

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	121	+9.3%	04/15/04	128	8	6.4%	62.3%
2006	100	+0.2%	7/15/05	106	45	42.5%	95.0%
2007	91	-	-	100	22	22.0%	45.5%
2008	87	-	-	98	271	277.8%	59.9%
2009	76	+7.7%	4/15/09	88	26	29.6%	54.0%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	+7.7%
B. General Expense	+8.7%
C. Taxes, License & Fees	+3.0%
D. Underwriting Profit & Contingencies	+15.0%
E. Other (Reinsurance)	+2.3%
F. TOTAL	+36.7%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. +23.67% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ Territory 65 _____
10. -2.54% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ Territory 14 _____

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR RR H041510
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number		
3.	A.	Teachers Insurance Company	B.	300-22683

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.	04.0 Homeowners	B.	04.0003 Owner Occupied Homeowners

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Forms 1,2,3	+33.4%	+11.4%					
Form 4 (Tenant & Condo)	+33.4%	+7.9%					
TOTAL OVERALL EFFECT	+33.4%	+11.3%					

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	237	+9.3%	04/15/04	200	20	10.0%	251.2%
2006	207	+0%	7/15/05	184	222	120.7%	148.9%
2007	191	-	-	177	17	9.6%	34.8%
2008	175	-	-	166	85	51.3%	52.8%
2009	161	+5.0%	4/15/09	162	298	184.0%	62.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	+7.7%
B. General Expense	+8.7%
C. Taxes, License & Fees	+3.0%
D. Underwriting Profit & Contingencies	+15.0%
E. Other (Reinsurance)	+2.3%
F. TOTAL	+36.7%

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

9. +18.71% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ Territory 65 _____

10. -2.87% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ Territory 63 _____

Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Memorandum

Horace Mann Insurance Company and Teachers Insurance Company submit for your review this Homeowners Rate filing for Arkansas. The overall premium effect of this revision is +11.9% as calculated in Exhibit I.

In Exhibit II, Page 1, you will find our five-year experience and indication calculation of +24.8%. An explanation of our indication calculation can be found in Exhibit II, Page 2.

Exhibit III shows our premium trend calculation, which accounts for shifts in the distribution of various rating characteristics such as increased Coverage A amounts and deductible changes. The on-level factors used in the calculation of our premium trend are also included in this Exhibit. The method for our premium trend calculation is taken from the article “An Introduction to Premium Trend”. A copy of the article can be provided upon request.

Our adjusted losses are derived by first subtracting our wind losses, developing our losses to an ultimate settlement basis, and applying our loss cost factor. We then finish the derivation by loading our average annual wind losses, applying our trend factor, and loading our loss adjustment expenses. The trend factor projects losses into the future using a Pure Premium trend as described and calculated in Exhibit IV.

Our individual years’ loss ratios are then weighted based on equal weights of 20% to arrive at the five-year loss ratio. This loss ratio is then credibility weighted with our trended permissible loss ratio and compared to our permissible loss ratio, calculated in Exhibit V, to arrive at our final indication.

We are making the following changes with this filing:

- 1) **Base Rate Revisions** – We are revising our base rates for all forms. These revisions can be found in Exhibit VI.
- 2) **Deductible Factors** –We are eliminating the \$250 deductible in Forms 4 & 6. The affected policies will be rolled to the \$500 deductible. Only 2 policies will be affected. The premium effect of this change is shown in Exhibit VII.

- 3) **ML-70 Rates** – We are revising our rates for Liability Coverage of additional residences rented to others. The revised rates are shown in Exhibit VIII.
- 4) **NEA Member Discount** – We are introducing an NEA Member discount. The new factors and effects are shown in Exhibit IX. The NEA member Discount rule 6.12 is added in the rule page.
- 5) **Inflation Guard Discount** – We are eliminating the Inflation Guard discount. The effects are shown in Exhibit X, and the proposed change to the Inflation Guard rule 7.2.1 is attached.
- 6) **Other Homeowner Rules Change** – We are removing Rule 4.5 Specifically Rated Dwellings. No policies will be affected.

Our revised manual pages are attached at the end of the filing. A histogram summarizing the impacts is attached as Exhibit XI. The above changes will become effective on 4/15/2010 for new and renewal business.

**Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Table of Contents**

Premium Effects.....	Exhibit I
Indication	Exhibit II
Premium Adjustment Factor Calculation and On-levels	Exhibit III
Loss Trend Calculation	Exhibit IV
Permissible Loss Ratio Calculation	Exhibit V
Base Rate Exhibit.....	Exhibit VI
Deductible Exhibit	Exhibit VII
ML- 70 Exhibit	Exhibit VIII
NEA Discount Exhibit	Exhibit IX
Inflation Guard Discount Exhibit.....	Exhibit X
Histogram.....	Exhibit XI
Revised Manual Pages	

**Horace Mann Insurance Company
Arkansas
Premium Effects by Form**

Current Territory			
	1, 2, & 3	4 & 6	Total
13	11.5%	17.8%	12.4%
14	9.3%	-2.5%	7.9%
44	14.5%	0.0%	14.5%
51	9.1%	0.0%	9.1%
60	14.6%	0.0%	14.6%
63	11.6%	0.0%	11.6%
65	14.3%	23.7%	14.6%
67	14.4%	0.0%	14.4%
68	15.0%	0.0%	15.0%
70	12.1%	0.0%	12.1%
71	13.8%	0.0%	13.8%
72	0.0%	0.0%	0.0%
73	14.2%	0.0%	14.2%
74	8.3%	0.0%	8.3%
75	0.0%	0.0%	0.0%

12.8%	12.6%	12.8%
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**Teachers Insurance Company
Arkansas
Premium Effects by Form**

Current Territory			
	1, 2, & 3	4 & 6	Total
13	12.1%	0.0%	12.1%
14	11.1%	0.0%	11.1%
44	7.4%	0.0%	7.4%
51	7.1%	0.0%	7.1%
60	11.3%	16.1%	11.4%
63	11.5%	-2.9%	10.4%
65	13.2%	18.7%	13.3%
67	11.6%	0.0%	11.6%
68	11.9%	16.4%	12.0%
70	9.6%	0.0%	9.6%
71	11.6%	0.0%	11.6%
72	13.2%	0.0%	13.2%
73	13.4%	0.0%	13.4%
74	9.8%	10.1%	9.9%
75	11.0%	0.0%	11.0%

11.4%	7.9%	11.3%
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**Combined Companies
Arkansas
Premium Effects by Form**

Current Territory			
	1, 2, & 3	4 & 6	Total
13	11.9%	17.8%	12.2%
14	9.9%	-2.5%	9.0%
44	9.7%	0.0%	9.7%
51	7.8%	0.0%	7.8%
60	12.5%	16.1%	12.5%
63	11.6%	-2.9%	11.0%
65	13.7%	21.3%	13.8%
67	13.0%	0.0%	13.0%
68	12.5%	16.4%	12.6%
70	10.2%	0.0%	10.2%
71	12.1%	0.0%	12.1%
72	13.2%	0.0%	13.2%
73	13.9%	0.0%	13.9%
74	8.6%	10.1%	8.6%
75	11.0%	0.0%	11.0%
	11.9%	10.0%	11.9%

Horace Mann and Teachers Combined Companies
ARKANSAS
Homeowner Indicated Rate Level Adjustment - Benfield Blanch Wind Model

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Premium Trend Factors	Adjusted Earned Premium (1)
6/30/2005	\$328,283	\$28,229	0.086	1.284	\$421,403
6/30/2006	\$289,912	\$267,253	0.922	1.246	\$361,370
6/30/2007	\$277,453	\$39,124	0.141	1.196	\$331,943
6/30/2008	\$263,257	\$356,186	1.353	1.171	\$308,401
6/30/2009	\$250,367	\$324,478	1.296	1.114	\$278,973
Totals:	\$1,409,272	\$1,015,270	0.720		\$1,702,090

Year Ending	Wind Losses	Avg Annual Wind Losses	Loss Development Factors	Loss Trend Factor	Current Cost Factors
6/30/2005	\$13,232	\$69,534	1.005	1.252	1.110
6/30/2006	\$129,898	\$59,628	1.008	1.252	1.081
6/30/2007	\$28,909	\$54,772	1.018	1.252	1.051
6/30/2008	\$196,116	\$50,888	1.052	1.252	1.028
6/30/2009	\$54,061	\$46,032	1.147	1.252	1.004
Totals:	\$422,216	\$280,854			

Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (2)	Adjusted Loss and LAE Ratio	Weight
6/30/2005	\$107,974	\$19,867	\$127,841	0.303	0.20
6/30/2006	\$261,972	\$48,203	\$310,175	0.858	0.20
6/30/2007	\$82,237	\$15,132	\$97,369	0.293	0.20
6/30/2008	\$280,371	\$51,588	\$331,960	1.076	0.20
6/30/2009	\$447,401	\$82,322	\$529,722	1.899	0.20
Totals:	\$1,179,955	\$217,112	\$1,397,067	0.886	1.00

Five Year Weighted Adjusted Loss Ratio (3)	0.886
Permissible Loss Ratio (4)	0.633
Complement of Credibility (5)	0.731
Credibility Factor (6)	0.381
Credibility Weighted Loss Ratio (7)	0.790
Indicated Rate Level Adjustment (8)	24.8%

- (1) Adjusted to current rate level by premium trend adjustment factors.
(2) Adjusted for loss development, trend, modeled wind and LAE.
(3) Using standard weights of 0.20, 0.20, 0.20, 0.20 & 0.20 applied to adjusted loss ratios for the experience period.
(4) Calculated from budgeted expense allocations and reinsurance load.
(5) Trended Permissible Loss Ratio as calculated in our "Compliment of Credibility".
(6) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.
(7) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula (5 Year Average Loss Ratio & LAE * Credibility Factor) + (Compliment of Credibility * (1 - Credibility Factor))
(8) Calculating by the formula $IRLA = (CLR / PLR) - 1$, where IRLA is the indicated rate level adjustment, CLR is the credibility weighted loss ratio and PLR is the permissible loss ratio.

Supplementary Page to the ARKANSAS Homeowners Rate Indication
Horace Mann and Teachers Combined Companies

1) Premium Trend Adjustment Factors

These factors were applied to each fiscal year's earned premiums to bring them up to current rate level and to account for distributional shifts.

2) Current Cost Factors

The current cost factors are developed using Housing C.P.I. Indices from Conning & Company's Insurance Trends. This brings the loss experience up to the level of the latest quarter of experience.

3) Current Cost Trend

The cost trend was calculated using the latest Fast Track Data for the state. This cost trend was defined to be the pure premium trend by form. The losses were then trended from the midpoint of the latest quarter of experience to one year past the proposed average effective date of the rate change. The loss trend was then applied the incurred losses.

4) Average Annual Wind Loss Procedure

The wind losses are calculated based on the Benfield Blanch model. These expected wind losses are included as a load to our other than wind losses.

5) Permissible Loss Ratio (PLR)

The Permissible Loss Ratio is calculated using the complement of our Budgeted Expense Ratio. The Budgeted Expense Ratio is developed after reviewing our latest

three years expense ratios derived from the Insurance Expense Exhibits. This expense ratio includes a 15.0% Profit and Contingency Loading. The Permissible Loss Ratio also includes an offset for Investment Income.

6) Credibility Procedures

First, the adjusted fiscal accident year loss ratios are credibility weighted using a 20-20-20-20-20 weighting scheme to get the Actual Loss Ratio (ALR).

The credibility assigned to the ALR is assigned using the formula: $Z = (1.5 * AEP) / (AEP + \$5,000,000)$ where Z is the credibility factor and AEP is 5 years total of Adjusted Earned Premium. The data is assumed to be fully credible if there is \$10 million in adjusted earned premiums over the experience period. The formula for the credibility weighted loss ratio is $CWLR = (ALR)(Z) + (PLR)(T)(1 - Z)$.

7) Indicated Rate Level Adjustment (IRLA)

The Indicated Rate Level Adjustment is calculated using the ratio of the CWLR to the PLR expressed as a percentage. The formula is: $IRLA = (CWLR / PLR) - 1$.

Horace Mann and Teachers Combined Companies
ARKANSAS
Premium Adjustment Factor Calculation

	(1)	(2)	(3)	(4)	(5)	(6)
Year Ending	Exposures	Earned Premium	Average Premium @ CRL	Total Premium Trend Factor	On level Factor	Total Premium Adjustment Factor
06/30/2005	358	\$328,283	\$999	1.179	1.089	1.284
06/30/2006	307	\$289,912	\$1,001	1.176	1.060	1.247
06/30/2007	282	\$277,453	\$1,043	1.129	1.060	1.197
06/30/2008	262	\$263,257	\$1,065	1.105	1.060	1.171
06/30/2009	237	\$250,367	\$1,118	1.053	1.059	1.115

Earned Premiums at current rate level are projected to 10/15/2010 using an annual rate of change of 2.9%.

Combined Companies
ARKANSAS
On-Level Factors

Experience Year Ending	On-Level Factor
6/30/2005	1.089
6/30/2006	1.060
6/30/2007	1.060
6/30/2008	1.060
6/30/2009	1.059

Renewal Effective Date	Forms Combined Effect
4/15/2004	9.3%
7/15/2005	0.0%
4/15/2009	6.0%

Horace Mann and Teachers Combined Companies
ARKANSAS
Severity Calculation

Form	Distribution Weight	ARKANSAS Adjusted* Severity Change	ARKANSAS Selected Severity Change	Countrywide Severity Change	Countrywide Selected Severity Change	Credibility Weight Change	Selected Severity Change
1, 2, 3	97.6%	10.8%	10.8%	8.6%	8.5%	9.3%	9.2%
4 & 6	2.4%	-0.6%	-0.6%	3.4%	3.5%	2.7%	
Total	100.0%	10.5%	10.5%	8.5%	8.4%	9.2%	

Frequency Calculation

Form	Distribution Weight	ARKANSAS Adjusted* Frequency Change	ARKANSAS Selected Frequency Change	Countrywide Frequency Change	Countrywide Selected Frequency Change	Credibility Weight Change	Selected Frequency Change
1, 2, 3	97.6%	-4.8%	3.7%	-5.8%	2.0%	3.0%	3.0%
4 & 6	2.4%	-4.5%	4.0%	-4.1%	0.5%	2.2%	
Total	100.0%	-4.8%	3.7%	-5.8%	2.0%	3.0%	

Form	Selected Severity Change	Selected Frequency Change	Selected Pure Premium Change
Total	9.2%	3.0%	12.4%

Loss Trend Factor Calculation

$(1.124 \wedge 1.918) =$	1.252
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Year Ending	Current Cost Factors
6/30/2005	1.110
6/30/2006	1.081
6/30/2007	1.051
6/30/2008	1.028
6/30/2009	1.004

Notes:

- (1) The assumed average effective date is approximately six months after the proposed effective date of 04/15/2010
- (2) The loss trend factor projects losses from the midpoint of the latest quarter of the ISO trend experience.
- (3) Losses are trended to 12 months after proposed effective date using ISO Homeowner Fast Track Data.
- (4) Current cost factors are obtained from Conning and Company Insurance Trends.

*ARKANSAS Frequency and ARKANSAS Severity are Adjusted for outliers.

Horace Mann\Teachers Insurance Companies Combined
Arkansas
Expense Exhibit
Homeowners
(\$ x1000)

	2006		2007		2008	
	\$	%	\$	%	\$	%
Direct Written Premiums	139,608		147,490		147,329	
Direct Earned Premiums	138,233		143,702		146,530	
Direct Commissions (W)	9,484	6.8%	9,904	6.7%	9,010	6.1%
Other Acquisition Expenses (E)	5,701	4.1%	6,641	4.6%	7,949	5.4%
General Expenses (E)	12,028	8.7%	11,952	8.3%	11,520	7.9%
Taxes, Licenses & Fees (W)	3,548	2.5%	4,000	2.7%	3,931	2.7%
		22.2%		22.4%		22.1%

Anticipated 2009 Permissible Loss Ratio

Commissions	2.9%
Other Acquisition Expenses	4.7%
General Expenses	8.7%
Taxes, Licenses & Fees	3.0%
Reinsurance Expense	2.3%
Underwriting Profit & Contingencies	<u>15.0%</u>
Total Expenses & Profit	36.7%
Permissible Loss Ratio	63.3%

NOTE: Captions designated by (W) are ratioed to written premiums; those by (E) are ratioed to earned premiums.

Horace Mann Insurance Company
Arkansas
Form 3
Base Rate Analysis

Current Territory	Exposure Weight	Current Base Rate	Proposed Base Rate	Base Rate Effect	Endorsement Premium Effect	All other rating variables effect	Rating Premium Effect
13	0.043	1420	1548	9.0%	0.3%	1.9%	11.5%
14	0.014	2657	2896	9.0%	0.0%	0.3%	9.3%
44	0.014	1455	1586	9.0%	0.0%	5.0%	14.5%
51	0.014	1321	1440	9.0%	0.0%	0.1%	9.1%
60	0.243	968	1055	9.0%	0.1%	5.1%	14.6%
63	0.129	1161	1265	9.0%	0.1%	2.4%	11.6%
65	0.100	1443	1573	9.0%	0.0%	4.9%	14.3%
67	0.086	1050	1145	9.0%	0.0%	4.9%	14.4%
68	0.071	1053	1148	9.0%	0.0%	5.5%	15.0%
70	0.086	1469	1601	9.0%	0.0%	2.8%	12.1%
71	0.043	1441	1571	9.0%	0.0%	4.4%	13.8%
72	0.000	1228	1339	9.0%	0.0%	-8.3%	0.0%
73	0.086	1185	1292	9.0%	0.0%	4.7%	14.2%
74	0.071	1443	1573	9.0%	0.0%	-0.6%	8.3%
75	0.000	1185	1292	9.0%	0.0%	-8.3%	0.0%
Totals:	1.000	1225	1335	9.0%	0.0%	3.4%	12.8%

Current Base: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits, Credit Discount Level 4
Proposed Base: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits, Credit Discount Level 4

Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Teachers Insurance Company
Arkansas
Form 3
Base Rate Analysis

Current Territory	Exposure Weight	Current Base Rate	Proposed Base Rate	Base Rate Effect	Endorsement Premium Effect	All other rating variables effect	Rating Premium Effect
13	0.035	1051	1125	7.0%	0.2%	4.5%	12.1%
14	0.007	2001	2141	7.0%	0.0%	3.8%	11.1%
44	0.007	1066	1141	7.0%	0.0%	0.3%	7.4%
51	0.014	979	1048	7.0%	0.0%	0.1%	7.1%
60	0.236	705	754	7.0%	0.0%	4.1%	11.3%
63	0.063	860	920	7.0%	0.2%	4.0%	11.5%
65	0.090	1070	1145	7.0%	0.2%	5.6%	13.2%
67	0.056	775	829	7.0%	0.0%	4.4%	11.6%
68	0.167	793	849	7.1%	0.1%	4.4%	11.9%
70	0.132	1070	1145	7.0%	0.1%	2.4%	9.6%
71	0.132	1066	1141	7.0%	0.8%	3.5%	11.6%
72	0.021	908	972	7.0%	0.0%	5.8%	13.2%
73	0.021	882	944	7.0%	0.3%	5.7%	13.4%
74	0.014	1056	1130	7.0%	0.0%	2.6%	9.8%
75	0.007	877	938	7.0%	0.0%	3.8%	11.0%
Totals:	1.000	903	967	7.0%	0.2%	3.9%	11.4%

Current Base: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits, Credit Discount Level 4
Proposed Base: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits, Credit Discount Level 4

Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Horace Mann Insurance Company
Arkansas
Form 4
Base Rate Analysis

Current Territory	Exposure Weight	Current Base Rate	Re-Based Current Base Rate	Proposed Base Rate	Base Rate Effect	Endorsement Premium Effect	All other rating variables effect	Rating Premium Effect
13	0.500	150	123	146	18.7%	0.0%	-0.8%	17.8%
14	0.250	209	171	204	19.0%	0.0%	-18.1%	-2.5%
44	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
51	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
60	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
63	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
65	0.250	150	123	146	18.7%	7.3%	-2.9%	23.7%
67	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
68	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
70	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
71	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
72	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
73	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
74	0.000	162	133	158	18.9%	0.0%	-15.9%	0.0%
75	0.000	150	123	146	18.7%	0.0%	-15.8%	0.0%
Totals:	1.000	165	135	161	18.8%	1.5%	-6.6%	12.6%

Current Base: \$15,000 Covg. A, \$250 Flat Deductible, Masonry, Protection Class 1-4, \$100,000/1,000 Liability Limits
Proposed Base: \$15,000 Covg. A, \$500 Flat Deductible, Masonry, Protection Class 1-4, \$100,000/1,000 Liability Limits

Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Teachers Insurance Company
Arkansas
Form 4
Base Rate Analysis

Current Territory	Exposure Weight	Current Base Rate	Re-Based Current Base Rate	Proposed Base Rate	Base Rate Effect	Endorsement Premium Effect	All other rating variables effect	Rating Premium Effect
13	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
14	0.000	189	155	184	18.7%	0.0%	-15.8%	0.0%
44	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
51	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
60	0.200	135	111	131	18.3%	0.0%	-1.9%	16.1%
63	0.200	135	111	131	18.3%	0.0%	-17.9%	-2.9%
65	0.200	139	114	135	18.4%	0.0%	0.2%	18.7%
67	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
68	0.200	135	111	131	18.3%	0.0%	-1.6%	16.4%
70	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
71	0.000	161	132	156	18.2%	0.0%	-15.4%	0.0%
72	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
73	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
74	0.200	135	111	131	18.3%	0.0%	-7.0%	10.1%
75	0.000	135	111	131	18.3%	0.0%	-15.5%	0.0%
Totals:	1.000	136	111	132	18.4%	0.0%	-8.8%	7.9%

Current Base: \$15,000 Covg. A, \$250 Flat Deductible, Masonry, Protection Class 1-4, \$100,000/1,000 Liability Limits
Proposed Base: \$15,000 Covg. A, \$500 Flat Deductible, Masonry, Protection Class 1-4, \$100,000/1,000 Liability Limits

Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Horace Mann Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Rebased Relativity	Select Relativity	% Change
\$750 Flat	0.743	1.00	1.00	1.00	0.0%
\$1,000 Flat	0.171	0.94	0.94	0.94	0.0%
\$1000 Flat / 1 % Wind & Hail	0.000	0.89	0.89	0.89	0.0%
1% of Coverage A ¹	0.000	0.84	0.84	0.84	0.0%
\$1,500 Flat	0.057	0.79	0.79	0.79	0.0%
\$2,500 Flat	0.014	0.67	0.67	0.67	0.0%
\$5,000 Flat	0.014	0.60	0.60	0.60	0.0%
Total	1.000	0.97	0.97	0.97	0.0%

¹ Minimum \$100,000 Coverage A required.

**Homeowners - Forms 4 & 6
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Rebased Relativity	Select Relativity	% Change
\$250 Flat	0.250	1.00	1.22	1.00	-18.0%
\$250 Flat / \$500 Theft	0.000	0.95	1.16	1.00	-13.7%
\$500 Flat	0.250	0.82	1.00	1.00	0.0%
\$750 Flat	0.000	0.72	0.88	0.88	0.0%
\$1,000 Flat	0.500	0.62	0.76	0.76	0.0%
\$1,500 Flat	0.000	0.57	0.70	0.70	0.0%
\$2,500 Flat	0.000	0.52	0.63	0.63	0.0%
\$5,000 Flat	0.000	0.42	0.51	0.51	0.0%
Total	1.000	0.77	0.93	0.88	-5.9%

**Teachers Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Rebased Relativity	Select Relativity	% Change
\$750 Flat	0.625	1.00	1.00	1.00	0.0%
\$1,000 Flat	0.278	0.94	0.94	0.94	0.0%
\$1000 Flat / 1 % Wind & Hail	0.000	0.89	0.89	0.89	0.0%
1% of Coverage A1	0.028	0.84	0.84	0.84	0.0%
\$1,500 Flat	0.028	0.79	0.79	0.79	0.0%
\$2,500 Flat	0.035	0.67	0.67	0.67	0.0%
\$5,000 Flat	0.007	0.60	0.60	0.60	0.0%
Total	1.000	0.96	0.96	0.96	0.0%

¹ Minimum \$100,000 Coverage A required.

**Homeowners - Forms 4 & 6
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Rebased Relativity	Select Relativity	% Change
\$250 Flat	0.200	1.00	1.22	1.00	-18.0%
\$250 Flat / \$500 Theft	0.000	0.95	1.16	1.00	-13.7%
\$500 Flat	0.800	0.82	1.00	1.00	0.0%
\$750 Flat	0.000	0.72	0.88	0.88	0.0%
\$1,000 Flat	0.000	0.62	0.76	0.76	0.0%
\$1,500 Flat	0.000	0.57	0.70	0.70	0.0%
\$2,500 Flat	0.000	0.52	0.63	0.63	0.0%
\$5,000 Flat	0.000	0.42	0.51	0.51	0.0%
Total	1.000	0.86	1.04	1.00	-4.2%

Additional Residences Rented to Others - Liability Coverage

Arkansas
ML-70

<u>Type</u>	<u>Limit</u>	<u>Current</u>	<u>Indication</u>	<u>Proposed</u>	<u>% Change</u>
1 family	\$25,000/\$500	\$13.0	\$22.0	\$22.0	69.2%
	\$50,000/\$500	\$14.0	\$27.0	\$27.0	92.9%
	\$100,000/\$500	\$15.0	\$32.0	\$32.0	113.3%
	\$200,000/\$500	\$17.0	\$36.0	\$36.0	111.8%
	\$300,000/\$500	\$18.0	\$40.0	\$40.0	122.2%
	Each Add'l \$500	\$1.0	\$1.0	\$1.0	0.0%
2 family	\$25,000/\$500	\$21.0	\$38.0	\$38.0	81.0%
	\$50,000/\$500	\$22.0	\$41.0	\$41.0	86.4%
	\$100,000/\$500	\$23.0	\$44.0	\$44.0	91.3%
	\$200,000/\$500	\$29.0	\$51.0	\$51.0	75.9%
	\$300,000/\$500	\$30.0	\$57.0	\$57.0	90.0%
	Each Add'l \$500	\$1.0	\$1.0	\$1.0	0.0%

**Horace Mann Insurance Company
Arkansas**

**All Forms
NEA Member Discount**

Current Status	Exposure Weight	Current Factor	Proposed Factor	Effect
Member	0.149	1.00	0.95	-5.0%
Non-Member	0.851	1.00	1.00	0.0%
Totals	1.000	1.000	0.993	-0.7%

Teachers Insurance Company

**All Forms
NEA Member Discount**

Current Status	Exposure Weight	Current Factor	Proposed Factor	Effect
Member	0.235	1.00	0.95	-5.0%
Non-Member	0.765	1.00	1.00	0.0%
Totals	1.000	1.000	0.988	-1.2%

**Horace Mann Insurance Company
Arkansas**

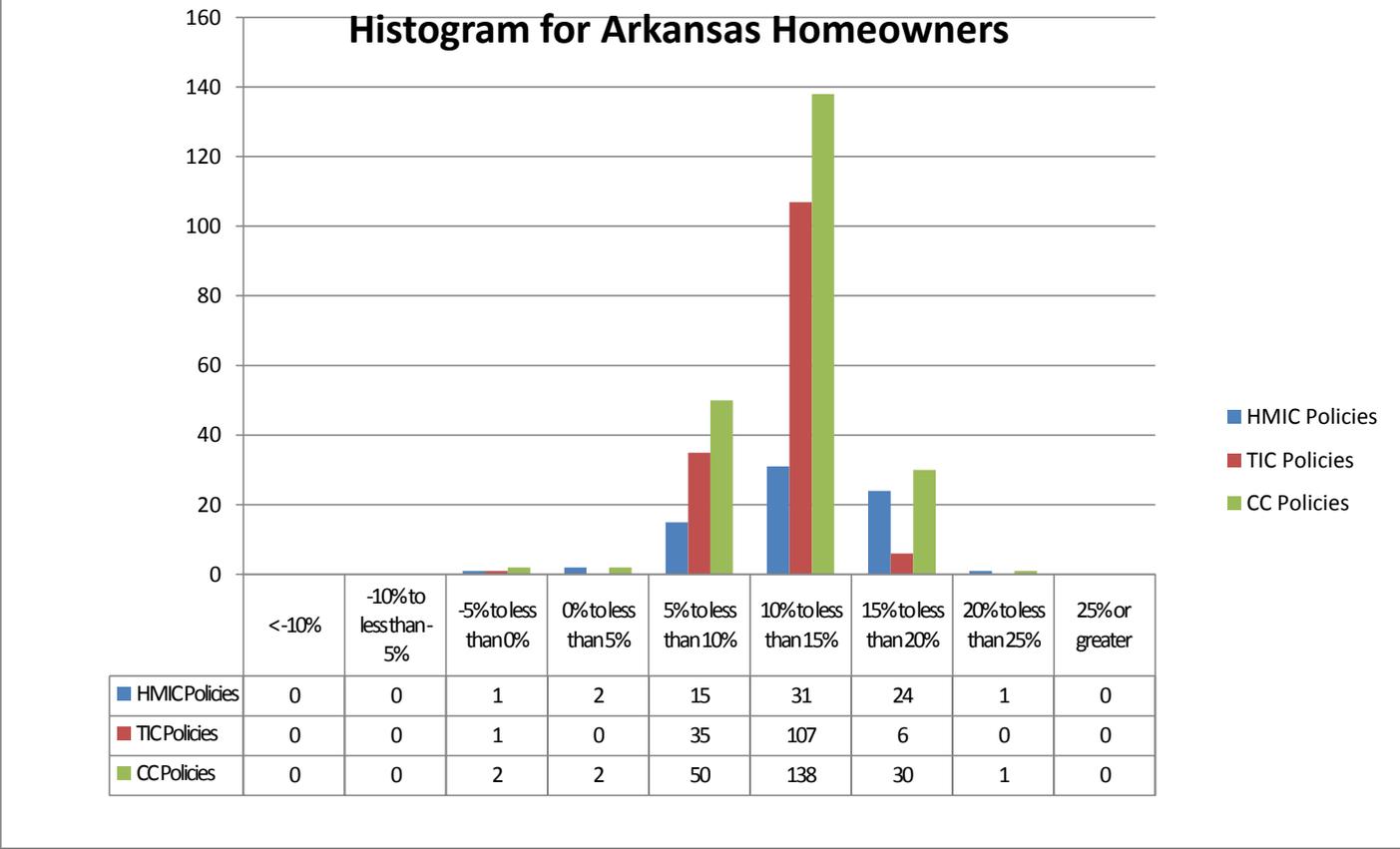
**Homeowners - Forms 1, 2 & 3
Inflation Guard Discount**

Current Status	Exposure Weight	Current Factor	Proposed Factor	Effect
Discount	0.886	0.95	1.00	5.3%
No Disocunt	0.114	1.00	1.00	0.0%
Totals	1.000	0.956	1.000	4.6%

Teachers Insurance Company

**Homeowners - Forms 1, 2 & 3
Inflation Guard Discount**

Current Status	Exposure Weight	Current Factor	Proposed Factor	Effect
Discount	1.000	0.95	1.00	5.3%
No Disocunt	0.000	1.00	1.00	0.0%
Totals	1.000	0.950	1.000	5.3%



Horace Mann Insurance Company - 04

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,548
14 *	2,896
44	1,586
51	1,440
60	1,055
63	1,265
65	1,573
67	1,145
68	1,148
70	1,601
71	1,571
72	1,339
73	1,292
74	1,573
75	1,292

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	2.00
8	F	2.50
9	M	2.50
9	F	2.90
10	M	4.50
10	F	5.00

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.407
30,000	0.411
35,000	0.416
40,000	0.421
45,000	0.425
50,000	0.430
55,000	0.464
60,000	0.471
65,000	0.486
70,000	0.506
75,000	0.525
80,000	0.557
85,000	0.590
90,000	0.623
95,000	0.644
100,000	0.664
105,000	0.695
110,000	0.725
115,000	0.760
120,000	0.794
125,000	0.829
130,000	0.863
135,000	0.899
140,000	0.934
145,000	0.967
150,000	1.000
155,000	1.030
160,000	1.060
165,000	1.093
170,000	1.125
175,000	1.157
180,000	1.190
185,000	1.223
190,000	1.256
195,000	1.289
200,000	1.322
205,000	1.354
210,000	1.387
215,000	1.419
220,000	1.452
225,000	1.485
230,000	1.518
235,000	1.550
240,000	1.583
245,000	1.615
250,000	1.648
Each Add'l	
5,000	0.035

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
	Base Rate
Territory	1-4
13	146
14 *	204
44	146
51	146
60	146
63	146
65	146
67	146
68	146
70	146
71	146
72	146
73	146
74	158
75	146

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8	
Condo Discount	Territories
20%	All

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14 can only be written in Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage A amount, Column 6 and find corresponding Coverage A Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage A Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Teachers Insurance Company - 08

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Form 3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,125
14 *	2,141
44	1,141
51	1,048
60	754
63	920
65	1,145
67	829
68	849
70	1,145
71	1,141
72	972
73	944
74	1,130
75	938

Column 3	Column 4	Column 5	
Protection Class See Rate Derivation Page			
1-3	M	1.00	1.050
1-3	F	1.10	1.155
4-5	M	1.04	1.092
4-5	F	1.18	1.239
6	M	1.18	1.239
6	F	1.31	1.376
7	M	1.32	1.386
7	F	1.46	1.533
8	M	2.00	2.100
8	F	2.50	2.625
9	M	2.50	2.625
9	F	2.90	3.045
10	M	4.50	4.725
10	F	5.00	5.250

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.407
30,000	0.411
35,000	0.416
40,000	0.421
45,000	0.425
50,000	0.430
55,000	0.464
60,000	0.471
65,000	0.486
70,000	0.506
75,000	0.525
80,000	0.557
85,000	0.590
90,000	0.623
95,000	0.644
100,000	0.664
105,000	0.695
110,000	0.725
115,000	0.760
120,000	0.794
125,000	0.829
130,000	0.863
135,000	0.899
140,000	0.934
145,000	0.967
150,000	1.000
155,000	1.030
160,000	1.060
165,000	1.093
170,000	1.125
175,000	1.157
180,000	1.190
185,000	1.223
190,000	1.256
195,000	1.289
200,000	1.322
205,000	1.354
210,000	1.387
215,000	1.419
220,000	1.452
225,000	1.485
230,000	1.518
235,000	1.550
240,000	1.583
245,000	1.615
250,000	1.648
Each Add'l	
5,000	0.035

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
	Base Rate
Territory	1-4
13	131
14 *	184
44	131
51	131
60	131
63	131
65	135
67	131
68	131
70	131
71	156
72	131
73	131
74	131
75	131

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8
Condo Discount Territories
35% All

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14 can only be written in Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage A amount, Column 6 and find corresponding Coverage A Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage A Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2010

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

INDEX

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Replacement Cost		
Coverages A and B (Modified)	10	6.1
Personal Property	14	7.5
Restriction of Coverage	6	3.6
Roof Surfacing Surcharge	11	6.9
Row and Townhouses	9	4.6
Scheduled Personal Property	15	7.10
Seasonal Dwellings	3	1.6
Secondary Locations	18	9.0
Survivor's Waiver of Premium	19	10.1
Tenant's Improvements	14	7.8
Transfer of Policy	6	3.5
Waterbed Liability	17	8.3
Watercraft	18	8.5
Water Damage (Sewers & Drains)	17	7.19
Woodburning Device Surcharge	10	6.3
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**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES**

RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** If Actual Cash Value policy, increase 4.1.1 as shown in rate pages.
- 4.1.4** The condominium discount is applied to 4.1.3 (if applicable).
- 4.1.5** The premium from 4.1.3 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.6** The proper charge or credit for deductible is applied to the premium from 4.1.5. (This is the basic premium.)
- 4.1.7** The Year of Construction Factor is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.
- 4.1.8** The Protective Device Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.9** The Multi-Line Discount is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.10** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.
- 4.1.11** The Federal Flood Insurance Program Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.
- 4.1.12** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.17 premium.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES**

4.1.13 The charge for replacement cost on contents is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.14 The Roof Surfacing Surcharge is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.15 The Woodburning Device Surcharge is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.17 premium.

4.1.16 Apply credit or charge for Modified Replacement Cost as stated in rate pages to premium from 4.1.14 (if applicable).

4.1.17 Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.

4.1.18 Apply the credit level factor to the premium from 4.1.18.

4.1.19 Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

4.3.1 Three or four family dwellings

4.3.2 All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.

4.3.3 All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.

4.3.4 Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

4.4.1 The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

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ARKANSAS
HOMEOWNER RULES**

4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

| 4.5 Reserved for Future Use

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

4.8 Payment Plans

A payment plan is available if:

a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	None

b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

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RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

<u>Deductible Amounts</u>	
<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 500
1,000	750
1,500	1,000
2,500	1,500
5,000	2,500
1% of Coverage A	5,000
Base deductible - \$750	Base deductible \$500

5.2 Reserved for Future Use

5.3 Wind and Hail Deductible – Forms 1, 2, 3

When a policy is issued with a \$1,000 deductible, the deductible amount that applies to wind and hail losses may be increased to 1% of the Coverage A amount. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Modified Replacement Cost - Coverages A and B - Forms 1, 2, 3

The policy may be endorsed to provide replacement cost coverage when the amount of insurance is less than 80% of the replacement value of the dwelling. The premium is developed from the State Rate Pages.

Attach Endorsement HM-256

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

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Reinstatement: if a policy is reinstated, the number of consecutive years with us which applied at the time of cancellation or nonrenewal will be used, provided the policy was reinstated within twelve months. The period of time away from us does not count.

B. Number of qualified paid claims in the last three years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last three years (ending three months prior to the current renewal effective date). A qualified claim is considered to be any non-weather, non-catastrophe, or non-mine subsidence related claim which results in a paid loss during this three year period. The following are NOT considered qualified claims: losses which only have payments under Medical Payments coverage; losses which occurred prior to the named insured's current tenure with us; or losses for which subrogation payments have been received.

6.12 NEA Member Discount – All Forms

A discount to the basic policy premium will be allowed if the named insured is a member of the National Education Association and can be verified by the National Education Association membership list.

RULE 7. OPTIONAL SECTION I PROPERTY COVERAGES

7.1 Earthquake

Earthquake coverage may be provided at the additional premium shown in the State Rate Pages. The limits for Earthquake coverage are percentages of the current Coverage A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses and 10% for Coverage D losses.

A deductible of 10%, 15% or 25%, subject to a minimum of \$250, will apply separately per occurrence to loss under Coverages A, B and C. There is no deductible for loss under Coverage D. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-P06AR1 (10-96)

7.2 Inflation Guard Coverage

7.2.1 Inflation Protection Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices, provided the dwelling is insured for 100% of its present replacement cost.

Attach Endorsement CC-H06025

7.2.2 Constant Value Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06022

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

RULE

2.1.4 Actual Cash Value
Increase the basic policy premium by 35%.

4.2 Changes in Liability Limits

		Limits*					Each Add'l \$500 of Med Payments
Described Residence		(1)	(2)	(3)	(4)	(5)	
4.3.1	1 or 2 Family	\$-7	\$-3	\$-1	\$10	\$18	\$ 1
	3 Family	12	14	16	19	21	1
	4 Family	14	16	18	21	23	1
4.3.2	Additional Residence Premises Occupied By Insured	4	4	6	8	8	1
4.3.3	Residence Employees	4	4	6	8	8	1

*Liability/Med Payments

- (1) \$ 25,000/\$500
- (2) 50,000/ 500
- (3) 100,000/ 500
- (4) 200,000/ 500
- (5) 300,000/ 500

4.6 Row and Townhouses - Class Rated

Family Units in Fire Division: 1-2 3-4 5-8
Increase Basic Premium by: - 10% 25%

4.8 Installment Fees

Payment Plan	Fee per Installment	Total
Full Pay	None	None
Two Pay	\$2.00(1 installment)	\$ 2.00
Three Pay	\$3.00(2 installments)	\$ 6.00
Four Pay	\$4.00(3 installments)	\$12.00

4.9 Non-Sufficient Funds

The service charge for non-sufficient funds will be \$25 per occurrence.

5.0 Deductible Options	% of Credit	
	HM-1,2,3	HM-4,6
\$ 500	--	*
750	*	12%
1,000	6%	24%
1,000/1% W & H	11%	--
1% of Coverage A#	16%	--
1,500	21%	30%
2,500	33%	37%
5,000	40%	49%

*See Basic Policy Premiums
#Subject to a \$100,000 minimum Coverage A
Show Deductible on Declarations Page

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

6.9 Roof Surfacing Surcharge

A 10% surcharge applies.

6.10 Credit Level Rating - Forms 1, 2, 3

<u>Level</u>	<u>Factor</u>
1	0.79
2	0.83
3	0.92
4	1.00
5	1.68
6	0.83
7	1.90
8	1.90
9	0.83

6.11 Claim Record/Persistency Rating Plan - All Forms

The basic premium will be adjusted according to the following:

<u>Consecutive years Insured with us</u>	<u>Number of qualified paid claims in the last three years.</u>				
	0	1	2	3	4+
0-2	0%	+5%	+35%	+55%	+85%
3-5	0	+5	+35	+55	+85
6-8	-5	0	+30	+55	+85
9+	-5	0	+20	+55	+85

6.12 NEA Member Discount – All Forms

A 5% discount applies.

7.1 Earthquake

	<u>Rates per \$1,000 of Insurance*</u>					
	<u>10% Deductible</u>		<u>15% Deductible</u>		<u>25% Deductible</u>	
	<u>FRAME</u>	<u>ALL OTHERS</u>	<u>FRAME</u>	<u>ALL OTHERS</u>	<u>FRAME</u>	<u>ALL OTHERS</u>
ZONE A						
HM-1,2,3			\$0.45	\$0.90	\$0.32	\$0.64
HM-4			\$0.27	\$0.27	\$0.19	\$0.19
ZONE B						
HM-1,2,3	\$0.22	\$0.44	\$0.18	\$0.36	\$0.13	\$0.26
HM-4	\$0.13	\$0.13	\$0.10	\$0.10	\$0.07	\$0.07

Attach CC-P06AR1

The minimum premium for this endorsement is \$25.00.

* Coverage for masonry veneer is optional - refer to endorsement. If the special exclusion applies, rate as "frame". If not, rate as "all others".

Zone A: Clay, Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Phillips, Poinsett and St. Francis Counties

Zone B: Remainder of State

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

		<u>Rates Per \$1,000 of Insurance</u>		
7.3	Private Structures			
	7.3.1 Increased Limit		\$4.00	
	Attach HM-48			
	7.3.2 Rented to Others		\$6.00	
	Attach ML-40			
7.4	Personal Property			
	7.4.1 Increased Limit		\$.50	
	Show Limit on Declarations Page			
	7.4.2 Reduced Limit		\$.50 Credit	
	Show limit on Declarations Page			
	7.4.3 In Rental Units		\$9.00	
	Attach ML-152			
7.5	Replacement Value - Personal Property			
	Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:			
	HM-3	8%	-	Minimum Charge \$20
	HM-4	15%	\$500 deductible or greater	Minimum Charge \$15
	HM-4	35%	Less than \$500 deductible	Minimum Charge \$20
	Attach HM-55			
		<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
7.6	Motorized Vehicles	\$1,000	\$6.00	None
	Attach ML-65			
7.7	Additional Living Costs & Loss of Rent	\$1,000	\$4.00	None
	Show Limit on Declarations Page			
7.8	Tenant's Improvements	\$1,000	\$4.00	None
	Attach ML-30			
7.9	Fire Dept. Service Charge	\$ 100	\$2.00	\$ 500
	Attach ML-30			

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

7.17.2 Unit Rental to Others

Charge 25% of the Basic Policy premium

Attach ML-33

7.17.3 Loss Assessment Coverages

<u>Limit of Liability</u>	<u>Premium</u>
1 st \$ 1,000	\$10
Next 4,000	6
Next 5,000	4
Each Add'l 5,000 (up to \$50,000)	2

Attach ML-50

7.19 Water Damage (Sewers and Drains) \$24

	Limits*					Each Add'l \$500 of Med Payments
	(1)	(2)	(3)	(4)	(5)	
8.1 Additional Residence Premises Rented to Others						
1 Family	22	27	32	36	40	1
2 Family	38	41	44	51	57	1
Attach ML-70						
8.3 Waterbed Liability (does not include Med Payments)	16	18	20	22	24	-
Attach ML-209						
8.4 Office, Professional, Private School or Studio Occupancy						
On Premises	12	16	16	20	20	4
Instruction Only	2	2	2	4	4	1
Off Premises	10	12	14	16	18	1

This charge applies for each such exposure.

Attach ML-42

* Liability/Med Payments
 (1) \$ 25,000/500
 (2) 50,000/500
 (3) 100,000/500
 (4) 200,000/500
 (5) 300,000/500

Horace Mann and Teachers Insurance Companies
Arkansas
Homeowners
Filing Supplement

In response to your Objection Letter of January 4, 2010, Horace Mann and Teachers Insurance Companies submit for your review this Rate Filing Supplement. I will address your concerns in order:

[Objection 1](#)

- NAIC loss cost data entry document (Supporting Document)
Comment: Form RF-1 is required with all rate change filings.

Answer: The supporting document is completed and submitted as RF-1 Horace Insurance Company and RF-1 Teachers Insurance Company.

[Objection 2](#)

- AR Homeowner Rate and Rule Filing (Supporting Document)
Comment: Please revise your indications using historical AR wind losses instead of modeled losses.

Answer: The supporting document is submitted as Revised Indication.

Horace Mann and Teachers Combined Companies
ARKANSAS
Homeowner Indicated Rate Level Adjustment - Benfield Blanch Wind Model

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Premium Trend Factors	Adjusted Earned Premium (1)
6/30/2005	\$328,283	\$28,229	0.086	1.284	\$421,403
6/30/2006	\$289,912	\$267,253	0.922	1.246	\$361,370
6/30/2007	\$277,453	\$39,124	0.141	1.196	\$331,943
6/30/2008	\$263,257	\$356,186	1.353	1.171	\$308,401
6/30/2009	\$250,367	\$324,478	1.296	1.114	\$278,973
Totals:	\$1,409,272	\$1,015,270	0.720		\$1,702,090

Year Ending	Actual Wind Losses	Loaded Wind Losses	Loss Development Factors	Loss Trend Factor	Current Cost Factors
6/30/2005	\$13,232	\$13,232	1.005	1.252	1.110
6/30/2006	\$129,898	\$129,898	1.008	1.252	1.081
6/30/2007	\$28,909	\$28,909	1.018	1.252	1.051
6/30/2008	\$196,116	\$196,116	1.052	1.252	1.028
6/30/2009	\$54,061	\$54,061	1.147	1.252	1.004

Totals:	\$422,216	\$422,216
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Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (2)	Adjusted Loss and LAE Ratio	Weight
6/30/2005	\$37,503	\$6,900	\$44,403	0.105	0.20
6/30/2006	\$349,927	\$64,387	\$414,314	1.147	0.20
6/30/2007	\$49,865	\$9,175	\$59,040	0.178	0.20
6/30/2008	\$462,150	\$85,036	\$547,185	1.774	0.20
6/30/2009	\$457,450	\$84,171	\$541,621	1.941	0.20
Totals:	\$1,356,894	\$249,669	\$1,606,563	1.029	1.00

Five Year Weighted Adjusted Loss Ratio (3)	1.029
Permissible Loss Ratio (4)	0.633
Complement of Credibility (5)	0.731
Credibility Factor (6)	0.381
Credibility Weighted Loss Ratio (7)	0.844
Indicated Rate Level Adjustment (8)	33.4%

(1) Adjusted to current rate level by premium trend adjustment factors.

(2) Adjusted for loss development, trend, modeled wind and LAE.

(3) Using standard weights of 0.20, 0.20, 0.20, 0.20 & 0.20 applied to adjusted loss ratios for the experience period.

(4) Calculated from budgeted expense allocations and reinsurance load.

(5) Trended Permissible Loss Ratio as calculated in our "Compliment of Credibility".

(6) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.

(7) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula (5 Year Average Loss Ratio & LAE * Credibility Factor) + (Compliment of Credibility * (1 - Credibility Factor))

(8) Calculating by the formula $IRLA = (CLR / PLR) - 1$, where IRLA is the indicated rate level adjustment, CLR is the credibility weighted loss ratio and PLR is the permissible loss ratio.

SERFF Tracking Number: HRMN-126436576 State: Arkansas
 First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: AR RR H041510
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR RR H041510/AR RR H041510

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)
12/30/2009		Supporting NAIC loss cost data entry document	01/06/2010	Document