

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
Company Tracking Number: HO AR03843AIR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Filing at a Glance

Company: American Bankers Insurance Company of Florida

Product Name: Renters Insurance	SERFF Tr Num: ASPX-G126762149	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed-Filed	State Tr Num: EFT \$150
Sub-TOI: 04.0004 Tenant Homeowners	Co Tr Num: HO AR03843AIR01	State Status: Fees verified and received
Filing Type: Rate/Rule	Author: SPI AssurantPC	Reviewer(s): Becky Harrington, Betty Montesi, Nancy Horton
	Date Submitted: 11/10/2010	Disposition Date: 12/08/2010
Effective Date Requested (New): 02/01/2011		Disposition Status: Filed
Effective Date Requested (Renewal): 03/01/2011		Effective Date (New): 02/01/2011
		Effective Date (Renewal): 03/01/2011

State Filing Description:

General Information

Project Name: Renters Insurance	Status of Filing in Domicile:
Project Number: HO AR03843AIR01	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 12/08/2010	Deemer Date:
State Status Changed: 11/10/2010	Submitted By: SPI AssurantPC
Created By: SPI AssurantPC	
Corresponding Filing Tracking Number:	
Filing Description:	
November 10, 2010	

Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Project Name/Number: Renters Insurance/HO AR03843AIR01
Attention: Property and Casualty Division

Re: AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

NAIC# 0019-10111 FEIN# 59-0593886

Line of business: 4.0 Homeowners

Renters Insurance Program

Company Filing Number: RFN HO AR03843AIR01

RATE and RULE FILING (for approval)

RP-AR pgs 1 through 6 (edition 10/10) State Exception Pages- AR

GR#RFN#AI edition 05/09 General Rules

Related Filing Documents

Actuarial Memorandum and Exhibits

Form H-1 Homeowners Abstract

Form RF-1 Rate Filing Abstract

Homeowners Premium Comparison Survey Form

Dear Examiner:

American Bankers Insurance Company of Florida would like to make the following changes to our Renters Insurance Program in the state of Arkansas.

1. We are withdrawing the Extension of Liability Coverage - Waterbeds. Water damage liability is now provided in our new policy.
2. The Accidental Death, Dismemberment and Loss of Sight Coverage is being withdrawn. There are no policies currently in force with this coverage selected.
3. For rating purposes, we are segregating the state into two territories based on our experience. The base rates are being increased by 28.2 % in territory 1 and 20.0% in territory 2. The territorial definitions and rates are listed on our State Exception Pages and exhibits 10 and 19.
4. We are adding an optional Identity Fraud Expense Coverage which provides \$15,000 of coverage for expenses incurred by an insured as a result of any one identity fraud discovered during the policy period.
5. We are adding an exclusion for any liability arising out of the activity of domestic pets or domestic animals owned by

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or in the care, custody or control of the insured once an insured has had an animal liability loss under the policy.

6. We are proposing a Type of Dwelling Surcharge of 10% for Single Family Homes and 15% for Mobile homes. We have been experiencing high loss ratios for these dwelling types.

7. We are also proposing a 5% credit for customers who select coverage via the Internet. This will, of course, apply to new business only.

8. A 5% credit will also be applied for customers who have not had a loss in the last 3 years prior to policy inception and renewal. Losses due to natural causes are not considered.

9. Our billing fee is being increased from \$2 to \$5 based on increased expenses. The increased fee will apply to new business only.

10. Currently there are no policies in force for property coverage limits below \$5,000 so we will no longer offer limits below this amount.

11. We are proposing a 10% credit for policyholders whose property management company or landlord requires that they purchase insurance.

12. We are increasing the Involuntary Unemployment Insurance coverage rates.

Our state exception pages RP-AR-1 through RP-AR-6 (edition 10/10) are attached showing the above listed and the following changes. These pages replace RP-AR-1 through RP-AR-5 (edition 08/06).

- A few of our forms were amended so the edition dates of the form numbers were updated on the Forms List of the State Exception Page RP-AR-1.
- Territorial Definitions were added to page RP-AR-2 and the premiums are listed on the same page.
- For clarification purposes, we listed the Loss of Use coverage limit under Section I - Property Protection on page RP-AR-2.
- On page RP-AR-5 under item 1. Installment Payment Option, changed the \$2.00 installment fee to \$5.00 for new business. In the first paragraph regarding the Continuous Renewal Plan, changed "per payment" to "per policy term" for clarification.

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· On Page RP-AR-6 an EXCEPTIONS TO GENERAL RULES section was added to amend General Rule 7. Loss Free Credit (changed to clarify we will only count paid losses). Under General Rule 11. Cancellation or Reductions in Limits of Liability or Coverages, we removed the sentence "The policy fee, if applicable, is fully earned". A rule has also been added regarding the Mandatory Insurance Requirement Credit,

· On RP-AR-1 added page numbers to the Forms List.

The General Rules GR#RFN#AI (edition 05/09) have been updated and will replace the older edition GR#RFN#AI (edition 09/05) as follows:

- Added Item 7. Credits to list the Loss Free Credit and Internet Credit.
- Under item 8. Limits of Liability, the minimum limit was changed from \$4,000 to \$5,000. Changed any reference to "Property Protection" to "Personal Property". Also, replaced Additional Living Expenses with Loss of Use.
- Under item 10.B., in the second to last paragraph, changed "plus a per payment charge" to "plus a per policy term charge" for clarification.
- Under item 11. Cancellation or Reductions in Limits of Liability or Coverages, we added: "The policy fee, if applicable, is fully earned". Please note that this sentence is removed via the State Exception Page RP-AR-6 under EXCEPTIONS TO GENERAL RULES since we do not apply a policy fee in Arkansas. GR#RFN#AI are our standard General Rules that are used in all states so we cannot make changes directly to the General Rules pages.

Our requested effective dates are February 1, 2011 for new business and March 1, 2011 for renewal business. We intend to file these changes in our state of domicile, Florida.

Thank you for your time and attention to this submission. If you have any questions, please feel free to contact me at 800-852-2244 extension 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,
Tanya Robotham
Senior Contract Compliance Analyst

Company and Contact

Filing Contact Information

Tanya Robotham, Contract Compliance Analyst Tanya.Robotham@assurant.com
11222 Quail Roost Drive 305-253-2244 [Phone] 33363 [Ext]
Miami, FL 33157 305-256-7108 [FAX]

Filing Company Information

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
 Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
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 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01
 American Bankers Insurance Company of Florida CoCode: 10111 State of Domicile: Florida
 11222 Quail Roost Dr Group Code: 19 Company Type:
 Miami, FL 33157 Group Name: Assurant, Inc. Group State ID Number:
 (305) 253-2244 ext. [Phone] FEIN Number: 59-0593886

Filing Fees

Fee Required? Yes
 Fee Amount: \$150.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Bankers Insurance Company of Florida	\$150.00	11/10/2010	41746888

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	12/08/2010	12/08/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	11/19/2010	11/19/2010	SPI AssurantPC	12/07/2010	12/07/2010
Pending Industry Response	Becky Harrington	11/12/2010	11/12/2010	SPI AssurantPC	11/17/2010	11/17/2010

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Disposition

Disposition Date: 12/08/2010
 Effective Date (New): 02/01/2011
 Effective Date (Renewal): 03/01/2011
 Status: Filed
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Bankers Insurance Company of Florida	51.300%	11.800%	\$	524	\$128,650	20.000%	-9.000%

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 Project Name/Number: Renters Insurance/HO AR03843AIR01

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	Form RF1 Rate Filing Abstract revised	Filed	Yes
Supporting Document	Rate Filing Abstract		Yes
Supporting Document (revised)	Actuarial Memorandum revised	Filed	Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Cover letter	Filed	Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	General Rules - changes	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document (revised)	Actuarial Supporting Exhibits revised	Filed	Yes
Supporting Document	Actuarial Exhibits		Yes
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
Supporting Document	State Exception Pages - changes	Filed	Yes
Supporting Document	Actuarial support for \$4 billing fee	Filed	Yes
Supporting Document	Objection response letter 11/17/10	Filed	Yes
Supporting Document	Rate Rule Schedule revised	Filed	Yes
Supporting Document	Objection response letter 120710	Filed	Yes
Rate (revised)	State Exception Pages - Arkansas	Filed	Yes
Rate	State Exception Pages - Arkansas		Yes
Rate	State Exception Pages - Arkansas		Yes
Rate	General Rules	Filed	Yes

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Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 11/19/2010

Submitted Date 11/19/2010

Respond By Date

Dear Tanya Robotham,

This will acknowledge receipt of the recent response.

Objection 1

Comment: Commissioner Bradford has reviewed the requested increase. Per his request, please revise the filing to cap individual increase to no more than 20%.

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

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/07/2010
Submitted Date 12/07/2010

Dear Becky Harrington,

Comments:

Response to objection letter dated 11/19/10

Response 1

Comments:

-Based on Commissioner Bradford's request, we lowered the base rates in each territory. We also removed the Type of Dwelling Surcharge and Loss Free Credit. As a result, the largest increase to any policyholder is 20%. Please see the attached updated Actuarial memorandum and supporting exhibits. The Rate Filing abstract, Homeowners Survey Form and Rate Rule Schedule were also updated.

-On the State Exception Page RP-AR-2, we amended the base rates to reflect the rates in exhibit 10. On pages RP-AR-5 and RP-AR-6 we removed reference to the Type of Dwelling Surcharge and Loss Free Credit.

Our requested effective dates remain February 1, 2011 for new business and March 1, 2011 for renewal business.

Thank you for your time and attention to this submission. If you have any questions, please feel free to contact me at 800-852-2244 extension 33363 or via email at Tanya.Robotham@assurant.com.

Related Objection 1

Comment:

Commissioner Bradford has reviewed the requested increase. Per his request, please revise the filing to cap individual increase to no more than 20%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01

Satisfied -Name: Form RF1 Rate Filing Abstract revised

Comment:

Satisfied -Name: Actuarial Memorandum revised

Comment:

Satisfied -Name: Actuarial Supporting Exhibits revised

Comment:

Satisfied -Name: Rate Rule Schedule revised

Comment:

Satisfied -Name: Objection response letter 120710

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
State Exception Pages - Arkansas	RP-AR	Replacement	
Previous Version			
State Exception Pages - Arkansas	RP-AR	Replacement	
State Exception Pages - Arkansas	RP-AR	Replacement	

Sincerely,
 SPI AssurantPC

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Project Name/Number: Renters Insurance/HO AR03843AIR01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 11/12/2010

Submitted Date 11/12/2010

Respond By Date

Dear Tanya Robotham,

This will acknowledge receipt of the captioned filing.

Objection 1

- Actuarial Memorandum (Supporting Document)

Comment: Provide supporting data for the increased billing fee.

Objection 2

- Cover letter (Supporting Document)

Comment: Explain why the billing fee is increased for new business only.

Objection 3

Comment: Explain how it was determined whether an insured was required by the landlord or building management to purchase coverage.

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

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/17/2010
Submitted Date 11/17/2010

Dear Becky Harrington,

Comments:

Response to objection letter dated 11/12/10

Response 1

Comments: We are changing our billing fee to \$4.00 instead of \$5.00. Please see the attached actuarial memorandum providing the support.

Related Objection 1

Applies To:

- Actuarial Memorandum (Supporting Document)

Comment:

Provide supporting data for the increased billing fee.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Actuarial support for \$4 billing fee

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: The billing fee is not being increased for new business only. The increase will also apply to renewal business. The statement in our cover letter dated November 10, 2010 was incorrect. The instructions on the state exception page RP-AR-5 are correct.

Related Objection 1

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Company Tracking Number: HO AR03843AIR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Applies To:

- Cover letter (Supporting Document)

Comment:

Explain why the billing fee is increased for new business only.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection response letter 11/17/10

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
State Exception Pages - Arkansas	RP-AR	Replacement	
Previous Version			
State Exception Pages - Arkansas	RP-AR	Replacement	

Response 3

Comments: In our application, we ask if the applicant's lease contract requires all residents at the property to carry renters insurance.

Related Objection 1

Comment:

Explain how it was determined whether an insured was required by the landlord or building management to purchase coverage.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking Number: ASPX-G126762149 *State:* Arkansas
Filing Company: American Bankers Insurance Company of *State Tracking Number:* EFT \$150
Florida
Company Tracking Number: HO AR03843AIR01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0004 Tenant Homeowners
Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

No Rate/Rule Schedule items changed.

Our requested effective dates remain February 1, 2011 for new business and March 1, 2011 for renewal business.

Sincerely,
SPI AssurantPC

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 6.000%
Effective Date of Last Rate Revision: 04/01/2007
Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Bankers Insurance Company of Florida	51.300%	15.500%	\$19,941	524	\$128,650	40.600%	-6.600%

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
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Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed 12/08/2010	State Exception Pages - Arkansas	RP-AR	Replacement	R7_MSEP_RP-AR1010.PDF
Filed 12/08/2010	General Rules	GR#RFN#AI	Replacement	R7_GNRP_GR#RFN#AI0509_rev4General Rules.PDF

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

FORMS

<u>Form Number</u>	<u>Description</u>	<u>Page Number</u>
Standard Forms		
AJ8850PC-0307.....	Renters Insurance Policy	
AB4450DC-0509.....	Renters Policy Declarations (manual)	
A2083-0684.....	Computer Declarations	
N1504-1104.....	Consumer Notice	
N8043-0303.....	Notice to Policyholders – New Insureds Only	
N8044-0303.....	Notice to Policyholders – Existing Insureds Only	
Mandatory Endorsements		
AB4536EC-1010.....	Mandatory Amendatory Endorsement – Arkansas	
Optional Endorsements		
AB4442EC-0509.....	Scheduled Personal Property Endorsement.....	3
AB4443EC-1105.....	Change Endorsement	
AB4720EC-0307.....	Personal Property Replacement Cost Endorsement.....	3
AB4721EC-0805.....	Burglary Limitation Endorsement	3
AJ9083EC-0509.....	Involuntary Unemployment Insurance Endorsement.....	4
AB5087EC-0805.....	Water Backup of Sewers or Drains Endorsement	4
AJ9854EPC-0708.....	Identity Fraud Expense Coverage Endorsement.....	4
AB1015EPC-0609.....	Animal Liability Exclusion Endorsement.....	4
AJ8305EC-0509.....	Continuous Renewal Endorsement	5

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

TERRITORIAL DEFINITIONS

Territory 1

Jefferson
Pulaski

Territory 2

The remainder of the state.

RATES

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

Section I			<u>Annual Premium</u>	
Limit of Liability			<u>Territory 1</u>	<u>Territory 2</u>
(includes \$25,000/\$500				
Personal Liability)				
5,000 - 5,999			95	95
6,000 - 6,999			106	106
7,000 - 7,999			115	115
8,000 - 8,999			126	126
9,000 - 9,999			136	136
10,000 - 10,999			145	145
11,000 - 11,999			155	155
12,000 - 12,999			164	164
13,000 - 13,999			174	174
14,000 - 14,999			182	182
15,000 - 15,999			192	192
16,000 - 16,999			200	200
17,000 - 17,999			209	209
18,000 - 18,999			218	218
19,000 - 19,999			227	227
20,000 - 20,999			234	234
21,000 - 21,999			242	242
22,000 - 22,999			251	251
23,000 - 23,999			259	259
24,000 - 24,999			266	266
Each Additional \$1,000 or Part Thereof			6.00	6.00

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Optional Coverages

1. Scheduled Personal Property Coverage

A. Jewelry

Annual rate per \$100 or part thereof: \$2.75

B. Other Eligible Property

Annual rate per \$100 or part thereof: \$2.50

Attach Endorsement AB4442EC-0509

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

Limits of Liability			
<u>Personal Liability</u>	<u>Medical Payments to Others</u>	<u>Damage to Property of Others</u>	<u>Annual Premium</u>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

Attach Endorsement AJ9083EC-0509.

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It should be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 4% for the \$250 deductible and 10% for the \$500 deductible, then round to the nearest whole dollar.

5. Internet Credit

For customers who purchase this insurance via the internet, a 5% credit will apply to the total annual premium, excluding any billing fees and policy fees. This applies to new business only.

6. Mandatory Insurance Requirement Credit

For customers whose property management company or landlord requires them to purchase this insurance, a 10% credit will apply to the total annual premium, excluding any billing fees and policy fees.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

EXCEPTIONS TO THE GENERAL RULES

Under General Rule 7. Credits, the Loss Free Credit is deleted in its entirety.

The following is added to General Rule 7. Credits:

Mandatory Insurance Requirement Credit – A credit will apply to the total annual premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:

11. Cancellation or Reduction in Limits of Liability or Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA RENTERS INSURANCE PROGRAM

GENERAL RULES

1. General

The Renters Insurance Program provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and rates governing the writing of the Renters Policy.

2. Description of Coverage

Following is a description of the coverage provided by the Renters Policy forms. The policy should be consulted for exact contract conditions.

A. Section I - Property Coverages

(1) Coverages: Personal Property

Loss of Use

Additional Coverages:

Debris Removal

Reasonable Repairs

Trees, Shrubs and Other Plants

Fire Department Service Charge

Property Removed

Credit Card, Fund Transfer Card,

Forgery and Counterfeit Money

Loss Assessment

Collapse

Glass or Safety Glazing Material

Building Additions and Alterations

(2) Form: Tenant's Coverage Form - Covers personal property, including the insured person's interest in building additions and alterations, and loss of use against loss by:

Fire or lightning

Windstorm or hail

Explosion

Riot or civil commotion

Aircraft

Vehicles

Smoke

Vandalism or malicious

mischief

Theft

Falling Objects

Weight of ice, snow

or sleet

Accidental discharge or overflow
of water or steam

Sudden and accidental tearing apart,
cracking, burning or bulging

of a heating, air conditioning
system or water heating system

Freezing

Sudden and accidental damage from
artificially generated electrical

current

Volcanic Eruption

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA RENTERS INSURANCE PROGRAM

GENERAL RULES (Continued)

2. B. Section II - Liability Coverages

Coverages:

Personal Liability Coverage - Covers payment on behalf of any insured person of all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

Medical Payments to Others Coverage - Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

Additional Coverages:

Claim Expenses
First Aid Expenses
Damage to Property of Others
Loss Assessment

3. Eligibility

A Renters Policy may be issued only to:

- (1) the tenant (non-owner) of a dwelling or an apartment situated in any building; or
- (2) the owner-occupant of a dwelling, cooperative unit or of a building containing an apartment who is not otherwise eligible for a Homeowner's Policy solely because the dwelling contains more than two families and/or more than two boarders or roomers per family

provided the residence premises occupied by the insured is used for residential purpose

4. Mandatory Coverages

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Renters Policy.

5. Deductibles

Deductible options, if any, are shown in the Rates section of the State Exception Pages.

6. Optional Coverages

For optional Section I and II Coverages, refer to the Rates section of the State Exception Pages

7. Credits

Loss Free Credit – A credit will be applied to the policy premium if the applicant has not incurred any losses for 3 years prior to the coverage effective date. Losses due to natural causes will not be considered for purposes of granting this credit. For Renewal business, policies will be evaluated 45 days prior to the policy effective date for eligibility of credit. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

This credit only applies to annual term policies.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA RENTERS INSURANCE PROGRAM

GENERAL RULES (Continued)

Internet Credit - A credit will apply to the total annual premium if the policy is purchased via the internet. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

8. Limits of Liability

A. The limits of liability required under the Renters Policy are as follows:

Section I	
Personal Property Coverage	- \$5,000 minimum limit
Loss of Use	- 20% of limit on Personal Property Coverage
Section II	
Personal Liability Coverage	- \$25,000 each occurrence
Medical Payments to Other Coverage	- \$500 each person

B. The limit of liability for Personal Property and Personal Liability coverages may be increased.

The limits of liability for Personal Property and Personal Liability coverages may be increased or decreased at the request of the insured.

9. Mid-Term Changes

Requests for endorsements or changes to the policy must be made in writing by the insured or by a legal representative of the insured.

For mid-term changes, the Change Endorsement is available.

10. Policy Period and Renewal Plan

A. Policy Period

The Renters Policy may be written for a period of:

- (1) one year, or
- (2) two years prepaid at two times the annual premium, or
- (3) three years prepaid at three times the annual premium.

B. Continuous Renewal Plan – (Not available in NJ and PA)

- (1) A Renters Policy may be written under the Renewal Plan for a term of one, two, three or six months. The policy may be continued for successive terms upon payment of the required premium to the Company on or before the inception date of each successive term.

The Continuous Renewal Plan box must be checked on the Declarations Page.

- (2) The continuation premium shall be based upon the premiums in effect on renewal date. The then current editions of the applicable forms and endorsements must be made a part of the policy.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

RENTERS INSURANCE PROGRAM

GENERAL RULES (Continued)

The premium for a one, two, three or six month term shall be pro rata of the annual premium, rounded in accordance with the Whole Dollar Premium Rule, plus a per policy term charge, as specified in the Rates section of this manual.

Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

11. Cancellation or Reductions in Limits of Liability or Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis. The policy fee, if applicable, is fully earned.

12. Manual Premium Revision

A manual premium revision, meaning any revision of premium applicable to the Renters Policy Program, shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. When an existing Renters Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.
- D. If a policy is canceled and rewritten to take advantage of a reduction in premium, the earned premium shall be calculated on a pro rata basis.
- E. Unless otherwise provided at the time the premium revision becomes effective, the current forms and endorsements must apply to all items of the policy to which the premium revision applies.

13. Transfer or Assignment

Subject to all the rules of this manual, any necessary adjustment of premium and the specific permission of the Company, a Renters Policy may be endorsed to effect transfer to another location within the same state.

14. Restriction of Individual Policies

If a Renters Policy would not be issued because of unusual circumstances or exposure, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the Company.

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
 Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
 Company Tracking Number: HO AR03843AIR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey	Filed	12/08/2010

Comments:

Attachments:

R7_TRNFM_120710_HO Survey FORM HPCS Revised.PDF
 R7_TRNFM_120710_HO Survey FORM HPCS Revised.XLS

	Item Status:	Status Date:
Satisfied - Item: Form RF1 Rate Filing Abstract revised	Filed	12/08/2010

Comments:

Attachment:

R7_TRNFM_120710_Form RF1 Rate filing abstract Revised.PDF

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum revised	Filed	12/08/2010

Comments:

Attachment:
 R7_ACTPKG_120710_Memo revised- AR.PDF

	Item Status:	Status Date:
Satisfied - Item: Cover letter	Filed	12/08/2010

Comments:

Attachment:
 R7_GENFL_111010.PDF

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
 Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
 Company Tracking Number: HO AR03843AIR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01

	Item Status:	Status Date:
Satisfied - Item: H-1 Homeowners Abstract	Filed	12/08/2010
Comments:		
Attachment: R7_TRNFM_111010_Form H1Homeowners abstract.PDF		

	Item Status:	Status Date:
Satisfied - Item: General Rules - changes	Filed	12/08/2010
Comments: Highlighted changes		
Attachment: R7_ATTEX_111010_GR#RFN#AI0905 General Rules .PDF		

	Item Status:	Status Date:
Bypassed - Item: NAIC loss cost data entry document	Filed	12/08/2010
Bypass Reason: N/A - not a loss costs filing		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Supporting Exhibits revised	Filed	12/08/2010
Comments:		
Attachments: R7_ACTPKG_120710_AR Supporting Exhibits revised.PDF R7_ACTPKG_120710_AR Supporting Exhibits revised.XLS		

	Item Status:	Status Date:
Bypassed - Item: Form RF-2 Loss Costs Only (not for	Filed	12/08/2010

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
 Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
 Company Tracking Number: HO AR03843AIR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01
 workers' compensation)
Bypass Reason: N/A - Not a loss costs filing.
Comments:

	Item Status:	Status
		Date:
Satisfied - Item: State Exception Pages - changes	Filed	12/08/2010
Comments:		
Attachment:		
R7_ATTEX_111010_RPAR1010 State Exception Pages.PDF		

	Item Status:	Status
		Date:
Satisfied - Item: Actuarial support for \$4 billing fee	Filed	12/08/2010
Comments:		
Attachment:		
R7_ACTPKG_111710_Objection response.PDF		

	Item Status:	Status
		Date:
Satisfied - Item: Objection response letter 11/17/10	Filed	12/08/2010
Comments:		
Attachment:		
R7_OBJDOI_111710.PDF		

	Item Status:	Status
		Date:
Satisfied - Item: Rate Rule Schedule revised	Filed	12/08/2010
Comments:		
Attachment:		
R7_TRNFM_120710_Rate Rule Schedule Revised.PDF		

Item Status:	Status
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SERFF Tracking Number: ASPX-G126762149 State: Arkansas
Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
Company Tracking Number: HO AR03843AIR01
TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
Product Name: Renters Insurance
Project Name/Number: Renters Insurance/HO AR03843AIR01

Satisfied - Item: Objection response letter 120710

Filed

Date:
12/08/2010

Comments:

Attachment:

R7_OBJDOI_120710.PDF

NAIC Number: 10111
 Company Name: American Bankers Insurance Company of Florida
 Contact Person: Tanya Robotham
 Telephone No.: 800-852-2244 X33363
 Email Address: tanya.robatham@assurant.com
 Effective Date: 2/1/11 New Business; 3/1/11 Renewal Business

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00
	\$15,000	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00
	\$25,000	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00
6	\$5,000	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00
	\$15,000	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00
	\$25,000	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00
9	\$5,000	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00
	\$15,000	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00	\$173.00
	\$25,000	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00

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	N/A	%	Window Locks	N/A	%
Smoke Alarm	N/A	%	\$1,000 Deductible	N/A	%
	Other (specify)				
	N/A	%			%
	Maximum Credit Allowed				

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	no	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	N/A	%	
	Zone	Brick	Frame
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$ N/A	\$ N/A
	Lowest Risk	\$ N/A	\$ N/A

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

1.	This filing transmittal is part of Company Tracking #	RFN HO AR03843AIR01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. American Bankers Insurance Company of Florida	B.	0019-10111

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.	04.0004 Tenant Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Insurance	+ 52.0%	+ 11.8%	51.7%	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT	+ 52.0%	+ 11.8%	51.7%	N/A	N/A	N/A	N/A

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
2009	524	none		128	153	119.1%	41.9%
2008	461	none		99	141	142.9%	36.5%
2007	321	6.0%	5/1/2007	68	54	-78.6%	32.3%
2006	284	none		59	206	347.3%	28.7%
2005	247	none		42	52	124.4%	41.4%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	34.0%
B. General Expense	4.3%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.0%
E. Other (explain)	0%
F. TOTAL	48.3%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 20% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 1 & 2
10. -9% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): Territory 1 & 2

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

RENTERS INSURANCE PROGRAM

Arkansas

ACTUARIAL MEMORANDUM

American Bankers Insurance Company of Florida would like to file the following modifications to its existing Renters Insurance program in the state of Arkansas. This includes several enhancements and refinements designed to make the program more appealing to our insureds and more competitive in the industry.

The overall rate level effect of all proposed changes/enhancements is +11.8%, whereas the indication based on our experience is +51.3%.

Territories/Base Rate Changes (Exhibit 9-11, 19)

We are proposing to divide the state into two territories to help monitor the rating structure. We would like to propose an increase of 17% to the base rates in Territory 1 and 17% in Territory 2. The indication is 28.3% in Territory 1 and 40.6% in Territory 2. The overall statewide impact of the changes is 17.0%, compared with an indicated 49.5% statewide base rate increase.

Internet Credit (Exhibit 13)

We are proposing a 5% credit for customers who purchase coverage through the Internet (new business only), based on our savings. The estimated impact of this change is -1.5%.

Mandatory Requirement of Insurance Credit (Exhibit 14)

We are proposing a credit of 10% for policyholders if their property management company or landlord requires them to purchase the insurance. The estimated impact of this change is -2.1%.

Involuntary Unemployment Insurance Endorsement (Exhibit 15-1, 15-2, & 15-3)

We are proposing rate changes to the Involuntary Unemployment Insurance (IUI) endorsement. We have updated the analysis with actual IUI experience under Renters Insurance Program offered by ABIC. The rates below are derived from the countrywide IUI experience. The estimated impact of this change is 0.05%.

Identity Fraud Expense Coverage (Exhibit 16)

Current: Not Available

Proposed: \$15,000 of coverage for \$35, with a \$100 deductible.

The rates for this endorsement are based on competitor information and ISO loss cost. The competitor offers \$10,000 of coverage for \$40 and pays \$50 for expenses, up to a total of \$1,000. Our program is offering this insurance with \$15,000 of coverage and will pay \$200 per day, up to a total of \$5,000. This is in line with the coverage offered by ISO.

Other Modifications

Going forward, we will not be offering coverage for Waterbed Liability. Currently there are no policies in force selecting this coverage.

There are currently no policies in force at the \$4,000 limit. We will no longer have this limit as an option.

We will be removing the Accidental Death & Dismemberment. Currently there are no policies in force selecting this coverage.

We are increasing our installment fee to \$4 in order to cover the increase in expenses. Please refer to Exhibit 18 for the support.

Supporting Exhibits

Exhibit 1: Rate Indication

Exhibit 2: Development of Loss Adjustment Expense

Exhibit 3: Development of Current Cost Factor and Trend Factor

Exhibit 4&5: Derivation of Credibility

Exhibit 6: Expense Provision

Exhibit 7&8: Underwriting Profit Provision

Exhibit 9: Rate Indication by Territory

Exhibit 10: Proposed Rates by Territory

Exhibit 11: Rate Level Effect by Territory

Exhibit 12: Overall Rate Level Effect

Exhibit 13: Internet Credit

Exhibit 14: Mandatory Requirement of Insurance Credit

Exhibit 15: Development and Rate Level Effect of IUI Endorsement Rate Change

Exhibit 16: Identity Fraud Expense Coverage Rates

Exhibit 17: Territory Definition

Exhibit 18: Installment Fee



ASSURANT

**American Bankers Insurance
Company of Florida**

11222 Quail Roost Drive
Miami, FL 33157-6596
T 305.253.2244 F 305.252.6987

November 10, 2010

www.assurant.com

Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Attention: Property and Casualty Division

Re: **AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**
NAIC# 0019-10111 FEIN# 59-0593886
Line of business: 4.0 Homeowners
Renters Insurance Program
Company Filing Number: RFN HO AR03843AIR01

RATE and RULE FILING (for approval)

RP-AR pgs 1 through 6 (edition 10/10) State Exception Pages- AR
GR#RFN#AI edition 05/09 General Rules

Related Filing Documents

Actuarial Memorandum and Exhibits
Form H-1 Homeowners Abstract
Form RF-1 Rate Filing Abstract
Homeowners Premium Comparison Survey Form

Dear Examiner:

American Bankers Insurance Company of Florida would like to make the following changes to our Renters Insurance Program in the state of Arkansas.

1. We are withdrawing the Extension of Liability Coverage - Waterbeds. Water damage liability is now provided in our new policy.
2. The Accidental Death, Dismemberment and Loss of Sight Coverage is being withdrawn. There are no policies currently in force with this coverage selected.
3. For rating purposes, we are segregating the state into two territories based on our experience. The base rates are being increased by 28.2 % in territory 1 and 20.0% in territory 2. The territorial definitions and rates are listed on our State Exception Pages and exhibits 10 and 19.

4. We are adding an optional Identity Fraud Expense Coverage which provides \$15,000 of coverage for expenses incurred by an insured as a result of any one identity fraud discovered during the policy period.
5. We are adding an exclusion for any liability arising out of the activity of domestic pets or domestic animals owned by or in the care, custody or control of the insured once an insured has had an animal liability loss under the policy.
6. We are proposing a Type of Dwelling Surcharge of 10% for Single Family Homes and 15% for Mobile homes. We have been experiencing high loss ratios for these dwelling types.
7. We are also proposing a 5% credit for customers who select coverage via the Internet. This will, of course, apply to new business only.
8. A 5% credit will also be applied for customers who have not had a loss in the last 3 years prior to policy inception and renewal. Losses due to natural causes are not considered.
9. Our billing fee is being increased from \$2 to \$5 based on increased expenses. The increased fee will apply to new business only.
10. Currently there are no policies in force for property coverage limits below \$5,000 so we will no longer offer limits below this amount.
11. We are proposing a 10% credit for policyholders whose property management company or landlord requires that they purchase insurance.
12. We are increasing the Involuntary Unemployment Insurance coverage rates.

Our state exception pages RP-AR-1 through RP-AR-6 (edition 10/10) are attached showing the above listed and the following changes. These pages replace RP-AR-1 through RP-AR-5 (edition 08/06).

- A few of our forms were amended so the edition dates of the form numbers were updated on the Forms List of the State Exception Page RP-AR-1.
- Territorial Definitions were added to page RP-AR-2 and the premiums are listed on the same page.
- For clarification purposes, we listed the Loss of Use coverage limit under Section I – Property Protection on page RP-AR-2.

- On page RP-AR-5 under item 1. Installment Payment Option, changed the \$2.00 installment fee to \$5.00 for new business. In the first paragraph regarding the Continuous Renewal Plan, changed "per payment" to "per policy term" for clarification.
- On Page RP-AR-6 an EXCEPTIONS TO GENERAL RULES section was added to amend General Rule 7. Loss Free Credit (changed to clarify we will only count paid losses). Under General Rule 11. Cancellation or Reductions in Limits of Liability or Coverages, we removed the sentence "The policy fee, if applicable, is fully earned". A rule has also been added regarding the Mandatory Insurance Requirement Credit,
- On RP-AR-1 added page numbers to the Forms List.

The General Rules GR#RFN#AI (edition 05/09) have been updated and will replace the older edition GR#RFN#AI (edition 09/05) as follows:

- Added Item 7. Credits to list the Loss Free Credit and Internet Credit.
- Under item 8. Limits of Liability, the minimum limit was changed from \$4,000 to \$5,000. Changed any reference to "Property Protection" to "Personal Property". Also, replaced Additional Living Expenses with Loss of Use.
- Under item 10.B., in the second to last paragraph, changed "plus a per payment charge" to "plus a per policy term charge" for clarification.
- Under item 11. Cancellation or Reductions in Limits of Liability or Coverages, we added: "The policy fee, if applicable, is fully earned". Please note that this sentence is removed via the State Exception Page RP-AR-6 under EXCEPTIONS TO GENERAL RULES since we do not apply a policy fee in Arkansas. GR#RFN#AI are our standard General Rules that are used in all states so we cannot make changes directly to the General Rules pages.

Our requested effective dates are February 1, 2011 for new business and March 1, 2011 for renewal business. We intend to file these changes in our state of domicile, Florida.

Thank you for your time and attention to this submission. If you have any questions, please feel free to contact me at 800-852-2244 extension 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,



Tanya Robotham
Senior Contract Compliance Analyst
State Filings Department
American Bankers Insurance Company of Florida
cc: RFN ARAI_R7

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 American Bankers Insurance Company of Florida
NAIC # (including group #) 0019-10111

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.
None
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.
Not applicable
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
Not applicable
5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	<i>N/A</i>	%
b. Burglar Alarm	<i>N/A</i>	%
c. Smoke Alarm	<i>N/A</i>	%
d. Insured who has both homeowners and auto with your company	<i>N/A</i>	%
e. Deadbolt Locks	<i>N/A</i>	%
f. Window or Door Locks	<i>N/A</i>	%
g. Other (specify)	<i>N/A</i>	%
	<i>N/A</i>	%
	<i>N/A</i>	%
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
	<i>written premium in calendar year 2009</i>
<i>AD9113DE-0691</i>	<i>\$33,831</i>
<i>HO-4</i>	<i>\$128,650</i>
<i>MHO-3 & 4</i>	<i>\$2,689,693</i>

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 *Not applicable*

Does the surcharge apply to conventional fire places? *No*

If yes, state the surcharge *Not applicable*

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



Signature

Tanya Robotham

Printed Name

Senior Contract Compliance Analyst

Title

800-852-2244 X33363

Telephone Number

Tanya.robatham@assurant.com

Email address

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

GENERAL RULES

1. General

The Renters Insurance Program provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and rates governing the writing of the Renters Policy.

2. Description of Coverage

Following is a description of the coverage provided by the Renters Policy forms. The policy should be consulted for exact contract conditions.

A. Section I - Property Coverages

(1) Coverages: Personal Property

Loss of Use

Additional Coverages:

Debris Removal

Reasonable Repairs

Trees, Shrubs and Other Plants

Fire Department Service Charge

Property Removed

Credit Card, Fund Transfer Card,

Forgery and Counterfeit Money

Loss Assessment

Collapse

Glass or Safety Glazing Material

Building Additions and Alterations

(2) Form: Tenant's Coverage Form - Covers personal property, including the insured person's interest in building additions and alterations, and loss of use against loss by:

Fire or lightning

Windstorm or hail

Explosion

Riot or civil commotion

Aircraft

Vehicles

Smoke

Vandalism or malicious mischief

Theft

Falling Objects

Weight of ice, snow or sleet

Accidental discharge or overflow of water or steam

Sudden and accidental tearing apart, cracking, burning or bulging

of a heating, air conditioning system or water heating system

Freezing

Sudden and accidental damage from artificially generated electrical current

Volcanic Eruption

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

GENERAL RULES (Continued)

2. B. Section II - Liability Coverages

Coverages:

Personal Liability Coverage - Covers payment on behalf of any insured person of all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

Medical Payments to Others Coverage - Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

Additional Coverages:

Claim Expenses
First Aid Expenses
Damage to Property of Others
Loss Assessment

3. **Eligibility**

A Renters Policy may be issued only to:

- (1) the tenant (non-owner) of a dwelling or an apartment situated in any building; or
- (2) the owner-occupant of a dwelling, cooperative unit or of a building containing an apartment who is not otherwise eligible for a Homeowner's Policy solely because the dwelling contains more than two families and/or more than two boarders or roomers per family

provided the residence premises occupied by the insured is used for residential purpose

4. **Mandatory Coverages**

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Renters Policy.

5. **Deductibles**

Deductible options, if any, are shown in the Rates section of the State Exception Pages.

6. **Optional Coverages**

For optional Section I and II Coverages, refer to the Rates section of the State Exception Pages

7. **Credits**

Loss Free Credit – A credit will be applied to the policy premium if the applicant has not incurred any losses for 3 years prior to the coverage effective date. Losses due to natural causes will not be considered for purposes of granting this credit. For Renewal business, policies will be evaluated 45 days prior to the policy effective date for eligibility of credit. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

This credit only applies to annual term policies.

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

GENERAL RULES (Continued)

Internet Credit - A credit will apply to the total annual premium if the policy is purchased via the internet. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

8. Limits of Liability

A. The limits of liability required under the Renters Policy are as follows:

Section I	
Personal Property Coverage	- \$5,000 minimum limit
Loss of Use	- 20% of limit on Personal Property Coverage
Section II	
Personal Liability Coverage	- \$25,000 each occurrence
Medical Payments to Other Coverage	- \$500 each person

B. The limit of liability for Personal Property and Personal Liability coverages may be increased.

The limits of liability for Personal Property and Personal Liability coverages may be increased or decreased at the request of the insured.

9. Mid-Term Changes

Requests for endorsements or changes to the policy must be made in writing by the insured or by a legal representative of the insured.

For mid-term changes, the Change Endorsement is available.

10. Policy Period and Renewal Plan

A. Policy Period

The Renters Policy may be written for a period of:

- (1) one year, or
- (2) two years prepaid at two times the annual premium, or
- (3) three years prepaid at three times the annual premium.

B. Continuous Renewal Plan – (Not available in NJ and PA)

- (1) A Renters Policy may be written under the Renewal Plan for a term of one, two, three or six months. The policy may be continued for successive terms upon payment of the required premium to the Company on or before the inception date of each successive term.

The Continuous Renewal Plan box must be checked on the Declarations Page.

- (2) The continuation premium shall be based upon the premiums in effect on renewal date. The then current editions of the applicable forms and endorsements must be made a part of the policy.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

RENTERS INSURANCE PROGRAM

GENERAL RULES (Continued)

The premium for a one, two, three or six month term shall be pro rata of the annual premium, rounded in accordance with the Whole Dollar Premium Rule, plus a per policy term charge, as specified in the Rates section of this manual.

Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

11. Cancellation or Reductions in Limits of Liability or Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis. The policy fee, if applicable, is fully earned.

12. Manual Premium Revision

A manual premium revision, meaning any revision of premium applicable to the Renters Policy Program, shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. When an existing Renters Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.
- D. If a policy is canceled and rewritten to take advantage of a reduction in premium, the earned premium shall be calculated on a pro rata basis.
- E. Unless otherwise provided at the time the premium revision becomes effective, the current forms and endorsements must apply to all items of the policy to which the premium revision applies.

13. Transfer or Assignment

Subject to all the rules of this manual, any necessary adjustment of premium and the specific permission of the Company, a Renters Policy may be endorsed to effect transfer to another location within the same state.

14. Restriction of Individual Policies

If a Renters Policy would not be issued because of unusual circumstances or exposure, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the Company.

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

Arkansas

	(1)	(2)	(3)	(4)	(5)
Calendar Year	Written Premium	Earned Premium	Earned Premium at Current Level	Incurred Losses	Loss Adj. Expense Factor
2005	52,957	41,653	41,901	51,824	0.19
2006	65,702	59,358	59,710	206,125	0.19
2007	79,197	68,792	69,063	(54,086)	0.19
2008	117,458	98,825	98,836	141,211	0.19
2009	<u>128,650</u>	<u>128,330</u>	<u>128,330</u>	<u>152,779</u>	0.19
Total	443,963	396,959	397,840	497,854	

	(6)	(7)	(8)	(9)	(10)
Calendar Year	Excess Wind Factor	Current Cost Factor	Trend Factor	Modified Losses (4)*[1+(5)]*(6)*(7)*(8)	Trended Loss Ratio (9)/(3)
2005	1.000	1.049	1.025	66,284	158.2%
2006	1.000	1.038	1.025	261,041	437.2%
2007	1.000	0.973	1.025	(64,174)	-92.9%
2008	1.000	1.021	1.025	175,908	178.0%
2009	1.000	1.000	1.025	<u>186,352</u>	<u>145.2%</u>
Total				625,410	157.2%

(11) 5-Year Loss Ratio	157.2%
(12) Credibility	25.1%
(13) Credibility-Weighted Loss Ratio [(11) x (12) + [1 - (12)] x (14)]	78.2%
(14) Permissible Loss & LAE Ratio	51.7%
(15) Fixed Expenses	11.4%
(16) Variable Expenses	36.9%
(17) Indicated Rate Level Change [(13)/(14) - 1]	51.3%

Note that the incurred loss is the paid loss in that calendar year plus the change in case and ibnr during the calendar year. Since there was a claim had \$149k case reserve in 2006 and settled with \$35k payment in 2007, causing 2007 incurred loss to be negative.

American Bankers Insurance Company of Florida
Renters Insurance Program

COUNTRYWIDE EXPERIENCE

Development of Loss Adjustment Expense (000's)

Calendar Year	(1) Defense & Cost Containment Expenses Incurred	(2) Adjusting & Other Expenses Incurred	(3)=(1)+(2) Loss Adjustment Expense	(4) Incurred Losses	(5)= (3)/(4) LAE Factor
2005	632	12,273	12,905	65,996	0.196
2006	635	8,750	9,385	34,620	0.271
2007	959	4,641	5,600	34,022	0.165
2008	824	7,757	8,581	56,181	0.153
2009	300	9,909	10,209	55,388	0.184
Total & Avg			46,680	246,207	0.190
Selected					0.190

Notes: Selected (5) to Exhibit 1, Column 5.

Source: IEE Part III, Line 4.0 (Homeowners Multiple Peril)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
COUNTRYWIDE**

Standard for Full Credibility

(1) Total Paid Losses 2005-2009 (Excluding Hurricane Losses)	45,506,544
(2) Total Paid Claims 2005-2009 (Excluding Hurricane Claims)	16,566
(3) Average Paid Claim Severity = (1)÷(2)	2,747
(4) Average Premium per Policy	186
(5) Fixed Expense Loading (from Exhibit 6)	11.4%
(6) Variable Expense Loading (from Exhibit 6)	36.9%
(7) Trend Factor (from Exhibit 3)	1.025
(8) Trending from	7/1/2007
(9) Trending to	10/1/2011
(10) Trending period = [(9) - (8)] / 365.25	4.25
(11) Loss Adjustment Expense Factor (from Exhibit 2)	0.190
(12) Full Credibility Constant - Claims	1,082
(13) Indicated Full Credibility Constant - Premium = (12)x{((3)+(4)x(5))x(7)^(10)x[1+(11)]} / [1-(6)]	6,275,466
(14) Selected Full Credibility Constant - Premium	6,300,000

American Bankers Insurance Company of Florida
Renters Insurance Program

Arkansas

Derivation of Credibility

(1)	Amount of Earned Premium for Full Credibility	\$	6,300,000
(2)	Amount of Earned Premium in Arkansas from 2005-2009:	\$	397,840
(3)	Arkansas Credibility = Sqrt [(2) / (1)] (to Exhibit 1, Item 12)		25.1%

American Bankers Insurance Company of Florida
Renters Insurance Program

Expense Exhibit

Expense Component (a)	2005		2006		2007		2008		2009		5 Yr Avg	Selected Provision
	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%		
(1) Written Premium	109,703		109,720		118,067		136,856		144,718			
(2) Earned Premium	101,342		113,818		119,560		137,455		144,803			
(3) Commissions & Brokerage (W)	33,391	30.4%	30,583	27.9%	33,858	28.7%	33,294	24.3%	33,673	23.3%	26.9%	26.9%
(4) Other Acquisition Expenses (E)	8,554	8.4%	7,988	7.0%	8,503	7.1%	8,419	6.1%	9,520	6.6%	7.1%	7.1%
(5) General Expenses (E)	4,271	4.2%	3,699	3.2%	4,119	3.4%	6,634	4.8%	8,510	5.9%	4.3%	4.3%
(6) Taxes, Licenses & Fees (W)	2,669	2.4%	1,686	1.5%	2,743	2.3%	3,840	2.8%	4,218	2.9%	2.4%	3.00%
(7) Underwriting Profit Provision												7.0%
(8) Total Expenses, Taxes & Profit												48.3%
Permissible Loss Ratio (to Exhibit 1, Item 14)												51.7%

Source Notes:

- (a) Insurance Expense Exhibit, Part III, Line 4.0 - Commissions & Brokerage Fees, Other Acquisition Expenses and General Expenses, Taxes, Licenses & Fees.
The selected Taxes, Licenses & Fees is the actual percentage in Arkansas

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

COUNTRYWIDE

Derivation of Underwriting Profit Provision

(1)	Target After-Tax Rate of Return on Surplus	15.0%
(2)	Ratio of Written Premium to Surplus	1.77
(3)	Expected Investment Income on Reserves as a % of Premium	1.8%
(4)	Expected Investment Income on Reserves as a % of Surplus = (3) x (2)	3.2%
(5)	Expected Investment Income on Surplus as a % of Surplus	4.3%
(6)	Total Expected Investment Income as a % of Surplus = (4) + (5)	7.5%
(7)	Federal Income Tax on Investment Income as a % of Surplus = (6) x 31.5%	2.4%
(8)	After-Tax Investment Income on Surplus = (6) - (7)	5.1%
(9)	Target After-Tax Underwriting Profit as a % of Surplus = (1) - (8)	9.9%
(10)	Target After-Tax Underwriting Profit as a % of Premium = (9) / (2)	5.6%
(11)	Target Pre-Tax Underwriting Profit as a % of Premium = (10) / {1-35%}	8.6%
(12)	Selected Pre-Tax Underwriting Profit as a % of Premium	7.0%

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

COUNTRYWIDE

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A.	Unearned Premium Reserve	
	1. Direct Earned Premium	\$144,803,243
	2. Mean Unearned Premium Reserve	\$78,142,678
	3. Percentage Total of Prepaid Expense	
	a. Commission and Brokerage	26.92%
	b. Taxes, Licenses and Fees	3.00%
	c. 50% of Other Acquisition Expense	3.53%
	d. 50% of General Expense	<u>2.16%</u>
	e. Total	35.61%
	4. Dollar Total of Prepaid Expense (A2) × (A3e)	\$27,822,781
	5. Subject to Investment (A2) - (A4)	\$50,319,897
B.	Delayed Remission of Premium	\$10,991,316
C.	Expected Loss and Loss Adjustment Reserve	
	1. Direct Earned Premium (A1)	\$144,803,243
	x (Expected Loss and Loss Adjustment Ratio)	51.7%
	2. Expected Incurred Loss and Loss Adjustment	\$74,872,833
	x (Reserve to Incurred Ratio)	30.5%
	3. Expected Loss and Loss Adjustment Reserve	\$22,836,214
D.	Net Subject to Investment (A5) - (B) + (C3)	\$62,164,796
E.	Average Rate of Return on Invested Assets	4.3%
F.	Investment Earnings on Net Subject to Investment (D) × (E)	\$2,650,984
G.	Ratio of Investment Earnings to Earned Premium (F) ÷ (A1)	1.8%

**American Bankers Insurance Company of Florida
Renters Insurance Program**

Rate Indication - by Territory

(11) Permissible Loss Ratio	51.7%
(12) LAE	19.0%
(13) Trend Factor	2.5%
(14) Current Cost Factor	0.973
(15) EP Current Factor	1.002

Arkansas - 2005 to 2009

Territory	(1) Written Premium*	(2) Earned Premium*	(3) Earned Premium @ Current Level [(2)x(15)]	(4) Incurred Losses*	(5) Modified Losses {(4)x[1+(12)]x[1+(13)]x(14)}	(6) Adjusted Loss Ratio [(5)/(3)]	(7) % of Premium	(8) Credibility	(9) Credibility Weighted Loss Ratio [(8)x(6)+(1-8)x(11)]	(10) Indicated Rate Change [(9)/(11)-1]
1	160,437	143,173	143,491	179,856	213,405	148.7%	38.1%	15.1%	66.3%	28.3%
2	260,133	234,571	235,092	317,998	377,316	160.5%	61.9%	19.3%	72.7%	40.6%
Total	420,570	377,745	378,583	497,854	590,721	156.0%	100%	24.5%	77.3%	49.5%

* Note that the written premiums and earned permiums are the premiums for basic coverages only. The incurred losses are from the basic coverages only as well.

American Bankers Insurance Company of Florida
Renters Insurance Program
Arkansas

Current and Proposed Rates

Limit of Liability	<u>Current</u> <u>Premium</u>	<u>Proposed</u> <u>Premium in</u> <u>Territory 1</u>	<u>Proposed</u> <u>Premium in</u> <u>Territory 2</u>
\$4,000 - \$4,999	71	---	---
\$5,000 - \$5,999	79	95	95
\$6,000 - \$6,999	88	106	106
\$7,000 - \$7,999	96	115	115
\$8,000 - \$8,999	105	126	126
\$9,000 - \$9,999	113	136	136
\$10,000 - \$10,999	121	145	145
\$11,000 - \$11,999	129	155	155
\$12,000 - \$12,999	137	164	164
\$13,000 - \$13,999	145	174	174
\$14,000 - \$14,999	152	182	182
\$15,000 - \$15,999	160	192	192
\$16,000 - \$16,999	167	200	200
\$17,000 - \$17,999	174	209	209
\$18,000 - \$18,999	182	218	218
\$19,000 - \$19,999	189	227	227
\$20,000 - \$20,999	195	234	234
\$21,000 - \$21,999	202	242	242
\$22,000 - \$22,999	209	251	251
\$23,000 - \$23,999	216	259	259
\$24,000 - \$24,999	222	266	266
Each add'l 1,000 or Part Thereof	6.66	6.00	6.00

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
Arkansas
Base Rate Change

Territory 1

(1) Limit	(2) Written Premium	(3) Earned Premium	(4) Current Rate	(5) Proposed Rate	(6)=(5)/(4)-1 Base Rate % Change	(7)=(2)x(6) Change to Written Premium*
5	2,025	1,810	79	95	20%	410
6	217	146	88	106	20%	44
7	460	501	96	115	20%	91
8	515	304	105	126	20%	103
10	7,048	7,436	121	145	20%	1,398
12	377	234	137	164	20%	74
13	283	102	145	174	20%	57
15	3,782	2,828	160	192	20%	756
18	213	213	182	218	20%	42
20	14,387	13,438	195	234	20%	2,877
25	3,586	3,291	229	272	19%	680
26	79	79	235	278	18%	14
27	206	206	242	284	17%	36
30	8,919	8,054	262	302	15%	1,363
31	315	197	269	308	15%	46
33	330	261	282	320	13%	45
35	383	642	295	332	12%	48
36	459	385	302	338	12%	55
37	386	145	309	344	11%	44
40	796	632	329	362	10%	81
42	400	83	342	374	9%	38
45	848	106	362	392	8%	71
50	2,531	3,724	395	422	7%	172
Total	48,546	44,818			17%	8,545

Territory 2

(1) Limit	(2) Written Premium	(3) Earned Premium	(4) Current Rate	(5) Proposed Rate	(6)=(5)/(4)-1 Base Rate % Change	(7)=(2)x(6) Change to Written Premium*
5	3,401	3,396	79	95	20%	689
6	192	437	88	106	20%	39
7	245	255	96	115	20%	49
8	159	131	105	126	20%	32
10	10,385	11,207	121	145	20%	2,060
11	129	5	129	155	20%	26
12	371	213	137	164	20%	73
15	2,986	3,279	160	192	20%	597
16	208	165	167	200	20%	41
17	-76	76	174	209	20%	-15
18	465	465	182	218	20%	92
20	18,743	18,100	195	234	20%	3,749
21	214	352	202	242	20%	42
22	0	0	209	251	20%	0
23	304	304	216	259	20%	60
25	3,868	5,509	229	272	19%	733
26	0	0	235	278	18%	0
27	-31	57	242	284	17%	-5
28	116	116	249	290	17%	19
30	14,532	16,579	262	302	15%	2,221
32	63	376	275	314	14%	9
35	2,456	2,852	295	332	12%	306
40	3,355	2,550	329	362	10%	341
41	391	81	335	368	10%	38
45	499	1,119	362	392	8%	42
50	7,872	6,580	395	422	7%	535
Total	70,846	74,206			17%	11,772

Grand Total (All Territories Combined)

	119,392	119,024			17.0%	20,317
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American Bankers Insurance Company of Florida
Renters Insurance Program

Arkansas

Rate Level Effect of Proposed Base Rate Change

	Territory 1	Territory 2	Total
(1) Written Premium for all Coverages	\$52,331	\$76,319	\$128,650
(2) Indicated Base Rate Change (Exhibit 9, column 10)	28.3%	40.6%	49.5%
(3) Proposed Base Change * (Exhibit 11, column 7)	17%	17%	17.0%
(4) Change in Written Premium (Exhibit 11, column 9)	8,545	11,772	\$20,317

Rate Level Effect of All Proposed Changes

	(A) % change	(B) \$ change
(5) Base Rate Change	15.8%	20,317
(6) 5% Internet Registration Credit	-1.5%	
(7) 10% Mandatory Requirement of Insurance Credit	-2.1%	
(8) Involuntary Unemployment Insurance Endorsement Rate Change	0.0%	
(10) Total Effect = $[1+(5)] \times [1+(6)] \times [1+(7)] \times [1+(8)] - 1$	11.8%	15,140

Note: This percentage change is in terms of basic coverage premium instead of all coverages premium.

(5A) = (5B) / (1)

(5B) = (4) Total

(6A) = Exhibit 13, item 6

(7A) = Exhibit 14, item 13

(8A) = Exhibit 15-3, item 13

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program

Arkansas

Internet Registration Credit

	Total
1) Average Premium in AR	\$244
2) Expense to administer policy	\$11.53
3) Indicated Internet Registration Credit	-4.7%
4) Selected Credit	-5.0%
5) % of New Policies Signing up on Internet	30%
6) % Impact [(4)x(5)]	-1.5%
7) 2009 Written Premium	128,650
8) Estimated Impact to Premium	-1,930

**American Bankers Insurance Company of Florida
Renters Insurance Program**

Mandatory Requirement of Insurance Credit

Countrywide - 2006 to 2009

(A) Permissible Loss Ratio	51.7%
(B) LAE	0.19
(C) Trend Factor	2.5%
(D) Average CCF	97.3%
(E) Current Level Factor	1.002

Mandatory Requirement of Insurance Credit

Mandatory Requirement of Insurance	(1) Written Premium	(2) Earned Premium	(3) Earned Premium Current Level [(2)x(E)]	(4) Incurred Losses	(5) Modified Losses (4)x[1+(B)]x[1+(C)]x(D)	(6) Adjusted Loss Ratio [(5)/(3)]	(7) % of Premium	(8) Credibility	(9) Credibility Weighted LR [(6)*(8)+(1-(8))*(11)]
no	96,414,465	85,168,131	85,357,078	39,571,234	46,952,631	55.0%	65.2%	100.0%	55.0% A
yes	51,529,562	45,686,717	45,788,073	15,834,285	18,787,925	41.0%	34.8%	100.0%	41.0% B
Total	147,944,028	130,854,848	131,145,151	55,405,519	65,740,555	50.1%	100.0%	100.0%	50.1%
							(10) indicated credit		-25%
							(11) selected credit		-10%

Overall Rate Level Effect Due to Mandatory Requirement of Insurance Credit

Mandatory Requirement of Insurance	(10) Distribution of Premium in AR	(11) Mandatory Insurance Credit	(12) =(10)x(11) Change to Earned Premium
no	79.5%	0.0%	0.0%
yes	20.5%	-10.0%	-2.1%
(13) Rate Impact			-2.1%

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program
Involuntary Unemployment Insurance Endorsement
Arkansas

Rate Development - 1

Coverage	Year	Earned Exposures (1)	Incurred Losses (2)	Claim Counts (3)	Pure Premium (4)	Permissible Loss Ratio (5)	Indicated Rate (6)	Credibility Factor (7)	Credibility Weighted Rate (8)	Selected Rate (9)	Selected Annual Rate (per \$100 of monthly benefit amount) (10)
IUI endorsement (Single Coverage, maximum # of benefits = 2)	2007	645	11,804	11	18.30	51.7%	35	10.1%	71		
	2008	5,261	152,201	142	28.93	51.7%	56	36.2%	68		
	2009	16,041	713,970	619	44.51	51.7%	86	75.6%	83		
	Total	21,947	877,975	772	40.00	51.7%	77	84.5%	77	75	15

Note:

(1), (2) & (3) are from the countrywide experience of Renters Insurance Program - Involuntary Unemployment Insurance endorsement, Single coverage and maximum # benefits

(4) = (2) / (1)

(5) is from Exhibit 1

(6) = (4) / (5)

(7) = Minimum of (1, square root of (3) / 1082).

(8) = (7) x (6) + [1 - (7)] x countrywide rate. We use countrywide rate as the complement of credibility weighted rate. The countrywide rate is \$15 x 500 / 100 = \$75, where \$15 is the rate for Single Coverage and 2 benefits (per \$100 of monthly benefit amount), which has been filed and approved in Alabama, California, Colorado, DC, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New York, Ohio, South Carolina, Texas, Tennessee, Virginia and Washington. And since most policyholders chose \$500 as the monthly benefit amount, the complement used in (8) is \$15 x 500 / 100 = \$75.

(10) = (9) / 5, to convert the rate from \$500 to \$100 monthly benefit.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program
Involuntary Unemployment Insurance Endorsement
Arkansas

	Maximum # Benefits	Arkansas Current Rate				Arkansas - Proposed Rate		
		Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	(5) Calculated	(6) Selected	(7) Selected
a	2	\$ 13.80	1.00	\$ 27.60	2.00	\$15.00	\$ 15.00	\$30.00
b	3	\$ 19.20	1.40	\$ 38.40	2.00	\$21.00	\$ 21.00	\$42.00
c	6	\$ 31.20	2.30	\$ 62.40	2.00	\$34.50	\$ 34.20	\$68.40

Notes:

(1) & (3) Arkansas Current Rates

(2) is the relativity of each rate in terms of the base rate showing in row a.

(4) = (3) / (1)

(5)a = Column (10) in Exhibit 17-1, (5)b & (5)c = (5)a x (2)

(7) = (6) x 2

American Bankers Insurance Company of Florida
Renters Insurance Program

Rate Level Effect of
Involuntary Unemployment Insurance Endorsement Rate Change

Arkansas

Single Coverage

Maximum # Benefits	(1) Current Rates	(2) Proposed Rates	(3) = (2)/(1)-1 Percentage Change	(4) 2009 Written Premium for Endorsement	(5)=(3)x(4) Change in Premium
2	13.80	15.00	8.7%	700	61
3	19.20	21.00	9.4%	-	0
6	31.20	34.20	9.6%	-	0
<i>Total</i>					61

Joint Coverage

Maximum # Benefits	(6) Current Rates	(7) Proposed Rates	(8) = (7)/(6)-1 Percentage Change	(9) 2009 Written Premium for Endorsement	(10)=(8)x(9) Change in Premium
2	27.60	30.00	8.7%	-	0
3	38.40	42.00	9.4%	-	0
6	62.40	68.40	9.6%	-	0
<i>Total</i>					0

(11)	Σ(2009 Written Premium for Arkansas)	128,650
(12)	Σ(Total Change in IUI Written Premium) = (5)Total + (10)Total	61
(13)	Rate Level Effect = (12)/(11)	0.05%

**American Bankers Insurance Company of Florida
Renters Insurance Program
Arkansas**

Identity Fraud Expense Coverage

(1)	(2)	(3)	(5)
Limit	Competitor Premium	ISO Premium	Selected Premium
\$10,000	\$40	N/A	N/A
\$15,000	N/A	\$30	\$35

Note: Competitor information is based on a filing from American Southern Home. The ISO premium is based on a \$15 loss cost and a 52% permissible loss ratio. Additionally, we will offer \$200 per day for expenses, total not to exceed \$5,000. This is the same coverage offered by ISO. American Southern Home only offers \$50 per day, up to a total of \$1,000. We have selected our premium to be in between that of ISO and our competitor.

**American Bankers Insurance Company of Florida
Renters Insurance Program**

**Arkansas
Territory Definitions**

Territory 1	Territory 2
Jefferson Pulaski	Rest of the State

American Bankers Insurance Company of Florida
Renters Insurance Program
Arkansas

Installment Fee	
Cost of Stamp per Invoice	\$ 0.36
Cost of Cancellation Notices	\$ 0.77
Cost of other notices (Reinstatement Notices/ Reg E Letter)	\$ 0.20
Bank Charges	\$ 0.35
Authorization Costs (Credit Card/ACH)	\$ 0.78
Cost of Handling/Labor/Printing/Imaging/Systems	\$ 1.56
Total Cost	\$ 4.02
Selected Installment Fee	\$ 4.00

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

FORMS

Form Number	Description	Page Number
Standard Forms		
AJ8850PC-0307	Renters Insurance Policy	
AB4450DC-0509	Renters Policy Declarations (manual)	
A2083-0684	Computer Declarations	
N1504-1104	Consumer Notice	
N8043-0303	Notice to Policyholders – New Insureds Only	
N8044-0303	Notice to Policyholders – Existing Insureds Only	
Mandatory Endorsements		
AB4536EC-1010	Mandatory Amendatory Endorsement – Arkansas	
Optional Endorsements		
AB4442EC-0509	Scheduled Personal Property Endorsement	3
AB4443EC-1105	Change Endorsement	
AB4720EC-0307	Personal Property Replacement Cost Endorsement	3
AB4721EC-0805	Burglary Limitation Endorsement	3
AJ9083EC-0509	Involuntary Unemployment Insurance Endorsement	4
AB5087EC-0805	Water Backup of Sewers or Drains Endorsement	4
AJ9854EPC-0708	Identity Fraud Expense Coverage Endorsement	4
AB1015EPC-0609	Animal Liability Exclusion Endorsement	4
AJ8305EC-0509	Continuous Renewal Endorsement	5

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

TERRITORIAL DEFINITIONS

Territory 1

Jefferson
Pulaski

Territory 2

The remainder of the state.

RATES

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

Section I Limit of Liability (includes \$25,000/\$500 Personal Liability)	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
5,000 - 5,999	101	108
6,000 - 6,999	113	120
7,000 - 7,999	123	131
8,000 - 8,999	135	144
9,000 - 9,999	145	155
10,000 - 10,999	155	166
11,000 - 11,999	166	173
12,000 - 12,999	176	179
13,000 - 13,999	186	186
14,000 - 14,999	195	193
15,000 - 15,999	205	199
16,000 - 16,999	214	206
17,000 - 17,999	223	212
18,000 - 18,999	234	219
19,000 - 19,999	243	226
20,000 - 20,999	250	232
21,000 - 21,999	259	239
22,000 - 22,999	268	246
23,000 - 23,999	277	252
24,000 - 24,999	285	259
Each Additional \$1,000 or Part Thereof	8.55	6.64

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Optional Coverages

1. Scheduled Personal Property Coverage

A. Jewelry

Annual rate per \$100 or part thereof: \$2.75

B. Other Eligible Property

Annual rate per \$100 or part thereof: \$2.50

Attach Endorsement AB4442EC-0509

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

Limits of Liability			
<u>Personal Liability</u>	<u>Medical Payments to Others</u>	<u>Damage to Property of Others</u>	<u>Annual Premium</u>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

Attach Endorsement AJ9083EC-0509.

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It should be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$5.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 4% for the \$250 deductible and 10% for the \$500 deductible, then round to the nearest whole dollar.

5. Type of Dwelling Surcharge

Based on the type of dwelling, the following surcharges will apply to the total annual premium, excluding any billing fees.

Type of Dwelling	Surcharge
Mobile Homes	15%
Single Family Homes	10%

6. Internet Credit

For customers who purchase this insurance via the internet, a 5% credit will apply to the total annual premium, excluding any billing fees and policy fees. This applies to new business only.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
STATE EXCEPTION PAGE
ARKANSAS

RATES (Continued)

Other Rating Provisions

7. Loss Free Credit

For customers who have not incurred any losses during the three (3) years prior to the coverage effective date, a 5% credit will apply to the total annual premium, excluding any billing fees. However, policies that have been in force for less than three (3) years prior to the implementation of this credit and that have not incurred any losses since the inception date of the policy will also be eligible to receive this credit at renewal. Losses due to natural causes will not be considered for purposes of granting this credit.

8. Mandatory Insurance Requirement Credit

For customers whose property management company or landlord requires them to purchase this insurance, a 10% credit will apply to the total annual premium, excluding any billing fees and policy fees.

EXCEPTIONS TO THE GENERAL RULES

Under General Rule 7. Credits, the Loss Free Credit is deleted and replaced by the following:

Loss Free Credit – A credit will be applied to the policy premium if the applicant has not incurred any paid losses for 3 years prior to the coverage effective date. Losses due to natural causes will not be considered for purposes of granting this credit. For Renewal business, policies will be evaluated 45 days prior to the policy effective date for eligibility of credit. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

This credit only applies to annual term policies.

The following is added to General Rule 7. Credits:

Mandatory Insurance Requirement Credit – A credit will apply to the total annual premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:

11. Cancellation or Reduction in Limits of Liability or Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM

Arkansas

Interrogatory Response

Objection 1 - Provide supporting data for the increased billing fee.

We are changing the Installment Fee to \$4.00 from \$5.00. Please refer to the exhibit below for the support.

Installment Fee	
Cost of Stamp per Invoice	\$ 0.36
Cost of Cancellation Notices	\$ 0.77
Cost of other notices (Reinstatement Notices/ Reg E Letter)	\$ 0.20
Bank Charges	\$ 0.35
Authorization Costs (Credit Card/ACH)	\$ 0.78
Cost of Handling/Labor/Printing/Imaging/Systems	<u>\$ 1.56</u>
Total Cost	\$ 4.02
Selected Installment Fee	\$ 4.00



ASSURANT

**American Bankers Insurance
Company of Florida**

11222 Quail Roost Drive
Miami, FL 33157-6596
T 305.253.2244 F 305.252.6987

November 17, 2010

www.assurant.com

Becky Harrington
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Re: **AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**
NAIC# 0019-10111 FEIN# 59-0593886
Line of business: 4.0 Homeowners
Renters Insurance Program
Company Filing Number: RFN HO AR03843AIR01
SERF Filing Number: ASPX-G126762149

RATE and RULE FILING (for approval)

**RP-AR pgs 1 through 6 (edition 10/10) State Exception Pages- AR
GR#RFN#AI edition 05/09 General Rules**

Dear Ms. Harrington:

The following is our response to your objection letter dated November 12, 2010:

Objection 1 – Provide supporting data for the increased billing fee.

We are changing our billing fee to \$4.00 instead of \$5.00. Please see the attached actuarial memorandum providing the support.

Objection 2 – Explain why the billing fee is increased for new business only.

The billing fee is not being increased for new business only. The increase will also apply to renewal business. The statement in our cover letter dated November 10, 2010 was incorrect. The instructions on the state exception page RP-AR-5 are correct.

Objection 3 – Explain how it was determined whether an insured was required by the landlord or building management to purchase coverage.

In our application, we ask if the applicant's lease contract requires all residents at the property to carry renters insurance.

Arkansas Department of Insurance

November 17, 2010

Page 2

Our requested effective dates remain February 1, 2011 for new business and March 1, 2011 for renewal business.

Thank you for your time and attention to this submission. If you have any questions, please feel free to contact me at 800-852-2244 extension 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,

A handwritten signature in black ink that reads "Tanya Robotham". The signature is written in a cursive style with a long horizontal line extending to the right.

Tanya Robotham
Senior Contract Compliance Analyst
State Filings Department
American Bankers Insurance Company of Florida

cc: RFN ARAI_R7

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	RFN HO AR03843AIR01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	RFN HO AR03843AIF01
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior approval
-----------	--	----------------

4a.	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)
American Bankers Insurance Company of Florida	0	0	0	0	0	0	0
	+51.3%	+11.8%	\$18,501	524	\$128,650	+20%	- 9%

4b.	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

5. Overall Rate Information (Complete for Multiple Company Filings only)		
		COMPANY USE STATE USE
5a.	Overall percentage rate indication(when applicable)	
5b.	Overall percentage rate impact for this filing	
5c.	Effect of Rate Filing – Written premium change for this program	
5d.	Effect of Rate Filing - Number of policyholders affected	

6.	Overall percentage of last rate revision	+6.0%
7.	Effective Date of last rate revision	4/1/2007 for new & 5/1/2007 for renewal
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	State Exception Pages RP-AR edition 10/10	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	General Rules GR#RFN#AI edition 05/09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



ASSURANT

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www.assurant.com

December 7, 2010

Becky Harrington
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Re: **AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**
NAIC# 0019-10111 FEIN# 59-0593886
Line of business: 4.0 Homeowners
Renters Insurance Program
Company Filing Number: RFN HO AR03843AIR01
SERF Filing Number: ASPX-G126762149

RATE and RULE FILING (for approval)

**RP-AR pgs 1 through 6 (edition 10/10) State Exception Pages- AR
GR#RFN#AI edition 05/09 General Rules**

Dear Ms. Harrington:

The following is our response to your objection letter dated November 19, 2010:

Objection 1

Comments: Commissioner Bradford has reviewed the requested increase. Per his request, please revise the filing to cap individual increase to no more than 20%.

- Based on Commissioner Bradford's request, we lowered the base rates in each territory. We also removed the Type of Dwelling Surcharge and Loss Free Credit. As a result, the largest increase to any policyholder is 20%. Please see the attached updated Actuarial memorandum and supporting exhibits. The Rate Filing abstract, Homeowners Survey Form and Rate Rule Schedule were also updated.
- On the State Exception Page RP-AR-2, we amended the base rates to reflect the rates in exhibit 10. On pages RP-AR-5 and RP-AR-6 we removed reference to the Type of Dwelling Surcharge and Loss Free Credit.

Arkansas Department of Insurance
December 7, 2010
Page 2

Our requested effective dates remain February 1, 2011 for new business and March 1, 2011 for renewal business.

Thank you for your time and attention to this submission. If you have any questions, please feel free to contact me at 800-852-2244 extension 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,

A handwritten signature in black ink that reads "Tanya Robotham". The signature is written in a cursive style with a long horizontal line extending to the right.

Tanya Robotham
Senior Contract Compliance Analyst
State Filings Department
American Bankers Insurance Company of Florida

cc: RFN ARAI_R7

SERFF Tracking Number: ASPX-G126762149 State: Arkansas
 Filing Company: American Bankers Insurance Company of Florida State Tracking Number: EFT \$150
 Company Tracking Number: HO AR03843AIR01
 TOI: 04.0 Homeowners Sub-TOI: 04.0004 Tenant Homeowners
 Product Name: Renters Insurance
 Project Name/Number: Renters Insurance/HO AR03843AIR01

Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/17/2010	Rate and Rule	State Exception Pages - Arkansas	12/07/2010	R7_MSEP_RP-AR1010.PDF (Superseded)
11/10/2010	Rate and Rule	State Exception Pages - Arkansas	11/17/2010	R7_MSEP_RP-AR1010.PDF (Superseded)
11/10/2010	Supporting Document	HPCS-Homeowners Premium Comparison Survey	12/07/2010	R7_TRNFM_111010_HO Survey FORM HPCS.PDF (Superseded) R7_TRNFM_111010_HO Survey FORM HPCS.XLS (Superseded)
11/10/2010	Supporting Document	Rate Filing Abstract	12/07/2010	R7_TRNFM_111010_Form RF1 Rate filing abstract.PDF (Superseded)
11/10/2010	Supporting Document	Actuarial Memorandum	12/07/2010	R7_ACTPKG_110110_Memo - AR.PDF (Superseded)
11/10/2010	Supporting Document	Actuarial Exhibits	12/07/2010	R7_ACTPKG_110110_AR Supporting Exhibits send.PDF (Superseded) R7_ACTPKG_110110_AR Supporting Exhibits send.XLS (Superseded)

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FORMS

<u>Form Number</u>	<u>Description</u>	<u>Page Number</u>
Standard Forms		
AJ8850PC-0307	Renters Insurance Policy	
AB4450DC-0509	Renters Policy Declarations (manual)	
A2083-0684	Computer Declarations	
N1504-1104	Consumer Notice	
N8043-0303	Notice to Policyholders – New Insureds Only	
N8044-0303	Notice to Policyholders – Existing Insureds Only	
Mandatory Endorsements		
AB4536EC-1010	Mandatory Amendatory Endorsement – Arkansas	
Optional Endorsements		
AB4442EC-0509	Scheduled Personal Property Endorsement	3
AB4443EC-1105	Change Endorsement	
AB4720EC-0307	Personal Property Replacement Cost Endorsement	3
AB4721EC-0805	Burglary Limitation Endorsement	3
AJ9083EC-0509	Involuntary Unemployment Insurance Endorsement	4
AB5087EC-0805	Water Backup of Sewers or Drains Endorsement	4
AJ9854EPC-0708	Identity Fraud Expense Coverage Endorsement	4
AB1015EPC-0609	Animal Liability Exclusion Endorsement	4
AJ8305EC-0509	Continuous Renewal Endorsement	5

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ARKANSAS

TERRITORIAL DEFINITIONS

Territory 1

Jefferson
Pulaski

Territory 2

The remainder of the state.

RATES

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

Section I Limit of Liability (includes \$25,000/\$500 Personal Liability)	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
5,000 - 5,999	101	108
6,000 - 6,999	113	120
7,000 - 7,999	123	131
8,000 - 8,999	135	144
9,000 - 9,999	145	155
10,000 - 10,999	155	166
11,000 - 11,999	166	173
12,000 - 12,999	176	179
13,000 - 13,999	186	186
14,000 - 14,999	195	193
15,000 - 15,999	205	199
16,000 - 16,999	214	206
17,000 - 17,999	223	212
18,000 - 18,999	234	219
19,000 - 19,999	243	226
20,000 - 20,999	250	232
21,000 - 21,999	259	239
22,000 - 22,999	268	246
23,000 - 23,999	277	252
24,000 - 24,999	285	259
Each Additional \$1,000 or Part Thereof	8.55	6.64

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
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ARKANSAS

RATES (Continued)

Optional Coverages

1. Scheduled Personal Property Coverage

A. Jewelry

Annual rate per \$100 or part thereof: \$2.75

B. Other Eligible Property

Annual rate per \$100 or part thereof: \$2.50

Attach Endorsement AB4442EC-0509

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

Limits of Liability			
<u>Personal Liability</u>	<u>Medical Payments to Others</u>	<u>Damage to Property of Others</u>	<u>Annual Premium</u>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
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ARKANSAS

RATES (Continued)

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

Attach Endorsement AJ9083EC-0509.

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It should be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

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RENTERS INSURANCE PROGRAM
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RATES (Continued)

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 4% for the \$250 deductible and 10% for the \$500 deductible, then round to the nearest whole dollar.

5. Type of Dwelling Surcharge

Based on the type of dwelling, the following surcharges will apply to the total annual premium, excluding any billing fees.

<u>Type of Dwelling</u>	<u>Surcharge</u>
Mobile Homes	15%
Single Family Homes	10%

6. Internet Credit

For customers who purchase this insurance via the internet, a 5% credit will apply to the total annual premium, excluding any billing fees and policy fees. This applies to new business only.

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RATES (Continued)

Other Rating Provisions

7. Loss Free Credit

For customers who have not incurred any losses during the three (3) years prior to the coverage effective date, a 5% credit will apply to the total annual premium, excluding any billing fees. However, policies that have been in force for less than three (3) years prior to the implementation of this credit and that have not incurred any losses since the inception date of the policy will also be eligible to receive this credit at renewal. Losses due to natural causes will not be considered for purposes of granting this credit.

8. Mandatory Insurance Requirement Credit

For customers whose property management company or landlord requires them to purchase this insurance, a 10% credit will apply to the total annual premium, excluding any billing fees and policy fees.

EXCEPTIONS TO THE GENERAL RULES

Under General Rule 7. Credits, the Loss Free Credit is deleted and replaced by the following:

Loss Free Credit – A credit will be applied to the policy premium if the applicant has not incurred any paid losses for 3 years prior to the coverage effective date. Losses due to natural causes will not be considered for purposes of granting this credit. For Renewal business, policies will be evaluated 45 days prior to the policy effective date for eligibility of credit. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

This credit only applies to annual term policies.

The following is added to General Rule 7. Credits:

Mandatory Insurance Requirement Credit – A credit will apply to the total annual premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:

11. Cancellation or Reduction in Limits of Liability or Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

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Personal Liability Coverage - \$25,000 each occurrence

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Section I			<u>Annual Premium</u>	
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(includes \$25,000/\$500				
<u>Personal Liability</u>)				
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8,000	-	8,999	135	144
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10,000	-	10,999	155	166
11,000	-	11,999	166	173
12,000	-	12,999	176	179
13,000	-	13,999	186	186
14,000	-	14,999	195	193
15,000	-	15,999	205	199
16,000	-	16,999	214	206
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Each Additional \$1,000				
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RATES (Continued)

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RATES (Continued)

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A \$250 deductible applies to this coverage.

Annual Premium:\$15

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Annual Policies billed using an installment plan will assess a \$5.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 4% for the \$250 deductible and 10% for the \$500 deductible, then round to the nearest whole dollar.

5. Type of Dwelling Surcharge

Based on the type of dwelling, the following surcharges will apply to the total annual premium, excluding any billing fees.

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RATES (Continued)

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If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

NAIC Number: 10111
 Company Name: American Bankers Insurance Company of Florida
 Contact Person: Tanya Robotham
 Telephone No.: 800-852-2244 X33363
 Email Address: tanya.robtham@assurant.com
 Effective Date: 2/1/11 New Business, 3/1/11 Renewal Business

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$91.00	\$91.00
	\$15,000	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$185.00	\$185.00
	\$25,000	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$264.00	\$264.00
6	\$5,000	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$91.00	\$91.00
	\$15,000	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$185.00	\$185.00
	\$25,000	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$264.00	\$264.00
9	\$5,000	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$91.00	\$91.00
	\$15,000	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$185.00	\$185.00
	\$25,000	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$239.00	\$264.00	\$264.00

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	N/A	%	Window Locks	N/A	%
Smoke Alarm	N/A	%	\$1,000 Deductible	N/A	%
			Other (specify)		%
			N/A		%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	no	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	N/A	%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk	Brick Frame \$ N/A \$ N/A

Maximum Credit Allowed	%	Lowest Risk	\$ N/A	\$ N/A
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I

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

1.	This filing transmittal is part of Company Tracking #	RFN HO AR03843AIR01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. American Bankers Insurance Company of Florida	B.	0019-10111

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.	04.0004 Tenant Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Renters Insurance	+ 52.0%	+ 15.5%	51.7%	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT	+ 52.0%	+ 15.5%	51.7%	N/A	N/A	N/A	N/A

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
2009	524	none		128	153	119.1%	41.9%
2008	461	none		99	141	142.9%	36.5%
2007	321	6.0%	5/1/2007	68	54	-78.6%	32.3%
2006	284	none		59	206	347.3%	28.7%
2005	247	none		42	52	124.4%	41.4%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	34.0%
B. General Expense	4.3%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	7.0%
E. Other (explain)	0%
F. TOTAL	48.3%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 40.6% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 1
10. -6.6% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): Territory 2

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

RENTERS INSURANCE PROGRAM

Arkansas

ACTUARIAL MEMORANDUM

American Bankers Insurance Company of Florida would like to file the following modifications to its existing Renters Insurance program in the state of Arkansas. This includes several enhancements and refinements designed to make the program more appealing to our insureds and more competitive in the industry.

The overall rate level effect of all proposed changes/enhancements is +15.5%, whereas the indication based on our experience is +51.3%.

Territories/Base Rate Changes (Exhibit 9-11, 19)

We are proposing to divide the state into two territories to create a more adequate rating structure. We would like to propose an increase of 28.2% to the base rates in Territory 1 and 20.0% in Territory 2. The indication is 28.3% in Territory 1 and 40.6% in Territory 2. The overall statewide impact of the changes is 23.4%, compared with an indicated 49.5% statewide base rate increase.

Loss Free Credit (Exhibit 13)

We are proposing a 5% credit for individuals who have not had any non-weather related loss in the last three years. The impact of this change is -4.9%.

Type of Dwelling Surcharge (Exhibit 14)

We are proposing a surcharge of 10% and 15% for Single Family Homes and Mobilehomes, respectively. These surcharges were established due to high loss ratios for these dwelling types. The overall impact of this change is 3.4%.

Internet Credit (Exhibit 15)

We are proposing a 5% credit for customers who purchase coverage through the Internet (new business only), based on our savings. The estimated impact of this change is -1.5%.

Mandatory Requirement of Insurance Credit (Exhibit 16)

We are proposing a credit of 10% for policyholders if their property management company or landlord requires them to purchase the insurance. The estimated impact of this change is -2.1%.

Involuntary Unemployment Insurance Endorsement (Exhibit 17-1, 17-2, & 17-3)

We are proposing rate changes to the Involuntary Unemployment Insurance (IUI) endorsement. We have updated the analysis with actual IUI experience under Renters Insurance Program offered by ABIC. The rates below are derived from the countrywide IUI experience. The estimated impact of this change is 0.05%.

Identity Fraud Expense Coverage (Exhibit 18)

Current: Not Available

Proposed: \$15,000 of coverage for \$35, with a \$100 deductible.

The rates for this endorsement are based on competitor information and ISO loss cost. The competitor offers \$10,000 of coverage for \$40 and pays \$50 for expenses, up to a total of \$1,000. Our program is offering this insurance with \$15,000 of coverage and will pay \$200 per day, up to a total of \$5,000. This is in line with the coverage offered by ISO.

Other Modifications

Going forward, we will not be offering coverage for Waterbed Liability. Currently there are no policies in force selecting this coverage.

There are currently no policies in force at the \$4,000 limit. We will no longer have this limit as an option.

We will be removing the Accidental Death & Dismemberment. Currently there are no policies in force selecting this coverage.

We are increasing our billing fee to \$5 in order to cover the increase in expenses.

Supporting Exhibits

Exhibit 1: Rate Indication

Exhibit 2: Development of Loss Adjustment Expense

Exhibit 3: Development of Current Cost Factor and Trend Factor

Exhibit 4&5: Derivation of Credibility

Exhibit 6: Expense Provision

Exhibit 7&8: Underwriting Profit Provision

Exhibit 9: Rate Indication by Territory

Exhibit 10: Proposed Rates by Territory

Exhibit 11: Rate Level Effect by Territory

Exhibit 12: Overall Rate Level Effect

Exhibit 13: Loss Free Credit

Exhibit 14: Dwelling Surcharge

Exhibit 15: Internet Credit

Exhibit 16: Mandatory Requirement of Insurance Credit

Exhibit 17: Development and Rate Level Effect of IUI Endorsement Rate Change

Exhibit 18: Identity Fraud Expense Coverage Rates

Exhibit 19: Territory Definition

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

Arkansas

	(1)	(2)	(3)	(4)	(5)
Calendar Year	Written Premium	Earned Premium	Earned Premium at Current Level	Incurred Losses	Loss Adj. Expense Factor
2005	52,957	41,653	41,901	51,824	0.19
2006	65,702	59,358	59,710	206,125	0.19
2007	79,197	68,792	69,063	(54,086)	0.19
2008	117,458	98,825	98,836	141,211	0.19
2009	<u>128,650</u>	<u>128,330</u>	<u>128,330</u>	<u>152,779</u>	0.19
Total	443,963	396,959	397,840	497,854	

	(6)	(7)	(8)	(9)	(10)
Calendar Year	Excess Wind Factor	Current Cost Factor	Trend Factor	Modified Losses (4)*[1+(5)]*(6)*(7)/(8)	Trended Loss Ratio (9)/(3)
2005	1.000	1.049	1.025	66,284	158.2%
2006	1.000	1.038	1.025	261,041	437.2%
2007	1.000	0.973	1.025	(64,174)	-92.9%
2008	1.000	1.021	1.025	175,908	178.0%
2009	1.000	1.000	1.025	<u>186,352</u>	<u>145.2%</u>
Total				625,410	157.2%

(11) 5-Year Loss Ratio	157.2%
(12) Credibility	25.1%
(13) Credibility-Weighted Loss Ratio [(11) x (12) + [1 - (12)] x (14)]	78.2%
(14) Permissible Loss & LAE Ratio	51.7%
(15) Fixed Expenses	11.4%
(16) Variable Expenses	36.9%
(17) Indicated Rate Level Change [(13)/(14) - 1]	51.3%

Note that the incurred loss is the paid loss in that calendar year plus the change in case and ibnr during the calendar year. Since there was a claim had \$149k case reserve in 2006 and settled with \$35k payment in 2007, causing 2007 incurred loss to be negative.

American Bankers Insurance Company of Florida
Renters Insurance Program

COUNTRYWIDE EXPERIENCE

Development of Loss Adjustment Expense (000's)

Calendar Year	(1) Defense & Cost Containment Expenses Incurred	(2) Adjusting & Other Expenses Incurred	(3)=(1)+(2) Loss Adjustment Expense	(4) Incurred Losses	(5)= (3)/(4) LAE Factor
2005	632	12,273	12,905	65,996	0.196
2006	635	8,750	9,385	34,620	0.271
2007	959	4,641	5,600	34,022	0.165
2008	824	7,757	8,581	56,181	0.153
2009	300	9,909	10,209	55,388	0.184
Total & Avg			46,680	246,207	0.190
Selected					0.190

Notes: Selected (5) to Exhibit 1, Column 5.

Source: IEE Part III, Line 4.0 (Homeowners Multiple Peril)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
COUNTRYWIDE**

Standard for Full Credibility

(1) Total Paid Losses 2005-2009 (Excluding Hurricane Losses)	45,506,544
(2) Total Paid Claims 2005-2009 (Excluding Hurricane Claims)	16,566
(3) Average Paid Claim Severity = (1)÷(2)	2,747
(4) Average Premium per Policy	186
(5) Fixed Expense Loading (from Exhibit 6)	11.4%
(6) Variable Expense Loading (from Exhibit 6)	36.9%
(7) Trend Factor (from Exhibit 3)	1.025
(8) Trending from	7/1/2007
(9) Trending to	10/1/2011
(10) Trending period = [(9) - (8)] / 365.25	4.25
(11) Loss Adjustment Expense Factor (from Exhibit 2)	0.190
(12) Full Credibility Constant - Claims	1,082
(13) Indicated Full Credibility Constant - Premium = (12)x{((3)+(4)x(5))x(7)^(10)x[1+(11)]} / [1-(6)]	6,275,466
(14) Selected Full Credibility Constant - Premium	6,300,000

American Bankers Insurance Company of Florida
Renters Insurance Program

Arkansas

Derivation of Credibility

(1)	Amount of Earned Premium for Full Credibility	\$	6,300,000
(2)	Amount of Earned Premium in Arkansas from 2005-2009:	\$	397,840
(3)	Arkansas Credibility = Sqrt [(2) / (1)] (to Exhibit 1, Item 12)		25.1%

American Bankers Insurance Company of Florida
Renters Insurance Program

Expense Exhibit

Expense Component (a)	2005		2006		2007		2008		2009		5 Yr Avg	Selected Provision
	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%		
(1) Written Premium	109,703		109,720		118,067		136,856		144,718			
(2) Earned Premium	101,342		113,818		119,560		137,455		144,803			
(3) Commissions & Brokerage (W)	33,391	30.4%	30,583	27.9%	33,858	28.7%	33,294	24.3%	33,673	23.3%	26.9%	26.9%
(4) Other Acquisition Expenses (E)	8,554	8.4%	7,988	7.0%	8,503	7.1%	8,419	6.1%	9,520	6.6%	7.1%	7.1%
(5) General Expenses (E)	4,271	4.2%	3,699	3.2%	4,119	3.4%	6,634	4.8%	8,510	5.9%	4.3%	4.3%
(6) Taxes, Licenses & Fees (W)	2,669	2.4%	1,686	1.5%	2,743	2.3%	3,840	2.8%	4,218	2.9%	2.4%	3.00%
(7) Underwriting Profit Provision												7.0%
(8) Total Expenses, Taxes & Profit												48.3%
Permissible Loss Ratio (to Exhibit 1, Item 14)												51.7%

Source Notes:

- (a) Insurance Expense Exhibit, Part III, Line 4.0 - Commissions & Brokerage Fees, Other Acquisition Expenses and General Expenses, Taxes, Licenses & Fees.
The selected Taxes, Licenses & Fees is the actual percentage in Arkansas

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

COUNTRYWIDE

Derivation of Underwriting Profit Provision

(1)	Target After-Tax Rate of Return on Surplus	15.0%
(2)	Ratio of Written Premium to Surplus	1.77
(3)	Expected Investment Income on Reserves as a % of Premium	1.8%
(4)	Expected Investment Income on Reserves as a % of Surplus = (3) x (2)	3.2%
(5)	Expected Investment Income on Surplus as a % of Surplus	4.3%
(6)	Total Expected Investment Income as a % of Surplus = (4) + (5)	7.5%
(7)	Federal Income Tax on Investment Income as a % of Surplus = (6) x 31.5%	2.4%
(8)	After-Tax Investment Income on Surplus = (6) - (7)	5.1%
(9)	Target After-Tax Underwriting Profit as a % of Surplus = (1) - (8)	9.9%
(10)	Target After-Tax Underwriting Profit as a % of Premium = (9) / (2)	5.6%
(11)	Target Pre-Tax Underwriting Profit as a % of Premium = (10) / {1-35%}	8.6%
(12)	Selected Pre-Tax Underwriting Profit as a % of Premium	7.0%

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM**

COUNTRYWIDE

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A.	Unearned Premium Reserve	
	1. Direct Earned Premium	\$144,803,243
	2. Mean Unearned Premium Reserve	\$78,142,678
	3. Percentage Total of Prepaid Expense	
	a. Commission and Brokerage	26.92%
	b. Taxes, Licenses and Fees	3.00%
	c. 50% of Other Acquisition Expense	3.53%
	d. 50% of General Expense	<u>2.16%</u>
	e. Total	35.61%
	4. Dollar Total of Prepaid Expense (A2) × (A3e)	\$27,822,781
	5. Subject to Investment (A2) - (A4)	\$50,319,897
B.	Delayed Remission of Premium	\$10,991,316
C.	Expected Loss and Loss Adjustment Reserve	
	1. Direct Earned Premium (A1)	\$144,803,243
	x (Expected Loss and Loss Adjustment Ratio)	51.7%
	2. Expected Incurred Loss and Loss Adjustment	\$74,872,833
	x (Reserve to Incurred Ratio)	30.5%
	3. Expected Loss and Loss Adjustment Reserve	\$22,836,214
D.	Net Subject to Investment (A5) - (B) + (C3)	\$62,164,796
E.	Average Rate of Return on Invested Assets	4.3%
F.	Investment Earnings on Net Subject to Investment (D) × (E)	\$2,650,984
G.	Ratio of Investment Earnings to Earned Premium (F) ÷ (A1)	1.8%

**American Bankers Insurance Company of Florida
Renters Insurance Program**

Rate Indication - by Territory

(11) Permissible Loss Ratio	51.7%
(12) LAE	19.0%
(13) Trend Factor	2.5%
(14) Current Cost Factor	0.973
(15) EP Current Factor	1.002

Arkansas - 2005 to 2009

Territory	(1) Written Premium*	(2) Earned Premium*	(3) Earned Premium @ Current Level [(2)x(15)]	(4) Incurred Losses*	(5) Modified Losses {(4)x[1+(12)]x[1+(13)]x(14)}	(6) Adjusted Loss Ratio [(5)/(3)]	(7) % of Premium	(8) Credibility	(9) Credibility Weighted Loss Ratio [(8)x(6)+(1-8)x(11)]	(10) Indicated Rate Change [(9)/(11)-1]
1	160,437	143,173	143,491	179,856	213,405	148.7%	38.1%	15.1%	66.3%	28.3%
2	260,133	234,571	235,092	317,998	377,316	160.5%	61.9%	19.3%	72.7%	40.6%
Total	420,570	377,745	378,583	497,854	590,721	156.0%	100%	24.5%	77.3%	49.5%

* Note that the written premiums and earned permiums are the premiums for basic coverages only. The incurred losses are from the basic coverages only as well.

American Bankers Insurance Company of Florida
Renters Insurance Program
Arkansas

Current and Proposed Rates

Limit of Liability	<u>Current</u> <u>Premium</u>	<u>Proposed</u> <u>Premium in</u> <u>Territory 1</u>	<u>Proposed</u> <u>Premium in</u> <u>Territory 2</u>
\$4,000 - \$4,999	71	---	---
\$5,000 - \$5,999	79	101	108
\$6,000 - \$6,999	88	113	120
\$7,000 - \$7,999	96	123	131
\$8,000 - \$8,999	105	135	144
\$9,000 - \$9,999	113	145	155
\$10,000 - \$10,999	121	155	166
\$11,000 - \$11,999	129	166	173
\$12,000 - \$12,999	137	176	179
\$13,000 - \$13,999	145	186	186
\$14,000 - \$14,999	152	195	193
\$15,000 - \$15,999	160	205	199
\$16,000 - \$16,999	167	214	206
\$17,000 - \$17,999	174	223	212
\$18,000 - \$18,999	182	234	219
\$19,000 - \$19,999	189	243	226
\$20,000 - \$20,999	195	250	232
\$21,000 - \$21,999	202	259	239
\$22,000 - \$22,999	209	268	246
\$23,000 - \$23,999	216	277	252
\$24,000 - \$24,999	222	285	259
Each add'l 1,000 or Part Thereof	6.66	8.55	6.64

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
RENTERS INSURANCE PROGRAM
Arkansas
Base Rate Change

Territory 1

(1) Limit	(2) Written Premium	(3) Earned Premium	(4) Current Rate	(5) Proposed Rate	(6)=(5)x95% Proposed Rate with 5% Lossfree Credit*	(7)=(5)/(4)-1 Base Rate % Change	(8)=(6)/(4)-1 Base Rate % Change w. Loss Free Credit	(9)=(2)x(7) Change to Written Premium*
5	2,025	1,810	79	101	96	27.8%	21.5%	564
6	217	146	88	113	107	28.4%	21.6%	62
7	460	501	96	123	117	28.1%	21.9%	129
8	515	304	105	135	128	28.6%	21.9%	147
10	7,048	7,436	121	155	147	28.1%	21.5%	1,981
12	377	234	137	176	167	28.5%	21.9%	107
13	283	102	145	186	177	28.3%	22.1%	80
15	3,782	2,828	160	205	195	28.1%	21.9%	1,064
18	213	213	182	234	222	28.6%	22.0%	61
20	14,387	13,438	195	250	238	28.2%	22.1%	4,058
25	3,586	3,291	229	294	279	28.6%	22.0%	1,025
26	79	79	235	302	287	28.3%	22.0%	23
27	206	206	242	311	295	28.5%	21.9%	59
30	8,919	8,054	262	336	319	28.3%	21.8%	2,521
31	315	197	269	345	328	28.4%	22.1%	90
33	330	261	282	362	344	28.4%	22.0%	94
35	383	642	295	379	360	28.4%	21.9%	109
36	459	385	302	388	369	28.5%	22.2%	131
37	386	145	309	396	376	28.3%	21.8%	109
40	796	632	329	422	401	28.4%	22.0%	226
42	400	83	342	439	417	28.4%	22.0%	114
45	848	106	362	465	442	28.5%	22.1%	242
50	2,531	3,724	395	507	482	28.3%	22.0%	716
Total	48,546	44,818				28.2%	21.9%	13,709

Territory 2

(1) Limit	(2) Written Premium	(3) Earned Premium	(4) Current Rate	(5) Proposed Rate	(6)=(5)x95% Proposed Rate with 5% Lossfree Credit*	(7)=(5)/(4)-1 Base Rate % Change	(8)=(6)/(4)-1 Base Rate % Change w. Loss Free Credit	(9)=(2)x(7) Change to Written Premium*
5	3,401	3,396	79	108	103	36.7%	30.4%	1,249
6	192	437	88	120	114	36.4%	29.7%	70
7	245	255	96	131	124	36.5%	29.3%	89
8	159	131	105	144	137	37.1%	30.6%	59
10	10,385	11,207	121	166	158	37.2%	30.7%	3,862
11	129	5	129	173	164	34.1%	27.3%	44
12	371	213	137	179	170	30.7%	24.2%	114
15	2,986	3,279	160	199	189	24.4%	18.3%	728
16	208	165	167	206	196	23.4%	17.5%	49
17	-76	76	174	212	201	21.8%	15.6%	-17
18	465	465	182	219	208	20.3%	14.4%	95
20	18,743	18,100	195	232	220	19.0%	12.9%	3,556
21	214	352	202	239	227	18.3%	12.5%	39
22	0	0	209	246	234	17.7%	12.1%	0
23	304	304	216	252	239	16.7%	10.8%	51
25	3,868	5,509	229	266	253	16.3%	10.8%	632
26	0	0	235	272	258	15.6%	9.8%	0
27	-31	57	242	279	265	15.3%	9.6%	-5
28	116	116	249	286	272	15.0%	9.5%	17
30	14,532	16,579	262	299	284	14.1%	8.5%	2,055
32	63	376	275	312	296	13.3%	7.6%	8
35	2,456	2,852	295	332	315	12.4%	6.8%	306
40	3,355	2,550	329	365	347	11.1%	5.7%	372
41	391	81	335	372	353	11.0%	5.4%	43
45	499	1,119	362	398	378	10.0%	4.6%	50
50	7,872	6,580	395	432	410	9.3%	3.9%	734
Total	70,846	74,206				20.0%	14.1%	14,199

Grand Total (All Territories Combined)

119,392	119,024					23.4%	17.3%	27,908
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* Note that 98% policyholders will be qualified for the loss free credit.

American Bankers Insurance Company of Florida
Renters Insurance Program

Arkansas

Rate Level Effect of Proposed Base Rate Change

	Territory 1	Territory 2	Total
(1) Written Premium for all Coverages	\$52,331	\$76,319	\$128,650
(2) Indicated Base Rate Change (Exhibit 9, column 10)	28.3%	40.6%	49.5%
(3) Proposed Base Change * (Exhibit 11, column 7)	28.2%	20.0%	23.4%
(4) Change in Written Premium (Exhibit 11, column 9)	13,709	14,199	\$27,908

Rate Level Effect of All Proposed Changes

	(A) % change	(B) \$ change
(5) Base Rate Change	21.7%	27,908
(6) 5% Loss Free Credit	-4.9%	
(7) Dwelling Surcharge(15% MH, 10% SFH, 0% Apt)	3.4%	
(8) 5% Internet Registration Credit	-1.5%	
(9) 10% Mandatory Requirement of Insurance Credit	-2.1%	
(10) Involuntary Unemployment Insurance Endorsement Rate Change	0.05%	
(11) Total Effect = [1+(5)] x [1+(6)] x [1+(7)] x [1+(8)] x [1+ (9)] x [1+ (10)]-1	15.5%	19,877

Note: This percentage change is in terms of basic coverage premium instead of all coverages premium.

(5A) = (5B) / (1)

(5B) = (4) Total

(6A) = Exhibit 13, item 15

(7A) = Exhibit 14, item 3

(8A) = Exhibit 15, item 6

(9A) = Exhibit 16, item 13

(10A) = Exhibit 17-3, item 13

American Bankers Insurance Company of Florida

Renters Insurance Program

Loss Free Credit

(1) Number of Insureds with Multiple Claims - Countrywide 2005 - 2009	657
(2) Number of Insureds with 1 Claim - Countrywide 2005 - 2009	18,364
(3) Total Claimants [(1) + (2)]	19,021
(4) Total Claims	19,732
(5) Average Severity*	\$3,565
(6) Frequency for those who have a claim [(1)/(3)]	3.45%
(7) Expected Loss for Claims from Insureds w/multiple claims [(1)X(5)]	2,342,450
(8) Average Time Between Claims	0.75
(9) Expected Premium from those w/ Claim [(3)X(8)X\$186]	2,653,430
(10) Expected Loss Ratio [(7)/(9)]	88.3%
(11) Permissible Loss Ratio	51.7%
(12) Indicated Claims Charge	70.7%
(13) Selected Loss Free Credit [used on Exhibit 11]	-5.0%
(14) % WP Having No Claims in Last 3 Years	98%
(15) % Impact [(13)x(14)]	-4.9%

*Includes 19% LAE factor, 2.5% trend factor

**American Bankers Insurance Company of Florida
Renters Insurance Program**

Dwelling Pricing

Countrywide Data 06/2008- 03/2010. Includes new policies only.

	# of New Policies	# of Claims	Earned Premium	Loss Amount Paid	% of Business	Frequency	Severity	Loss Ratio	Permissible Loss Ratio	Credibility	Credibility Weighted LR	Indicated Rate Change	Selected in All Territories
APARTMENT	729,240	7,351	66,515,976	20,480,109	80%	1.0%	2,786	30.8%	51.7%	100%	30.8%	-40.5%	0.0%
SFH	73,876	1,294	9,405,535	5,959,413	8%	1.8%	4,605	63.4%	51.7%	100%	63.4%	22.5%	10.0%
MANUFACTURED	7,579	145	926,135	1,145,129	1%	1.9%	7,897	123.6%	51.7%	37%	78.0%	50.9%	15.0%
Other	98,936	870	11,933,023	2,908,494	11%	0.9%	3,343	24.4%	51.7%	90%	27.2%	-47.4%	0.0%
Grand Total	909,631	9,660	88,780,669	30,493,145	100%	1.1%	3,157	34.3%	51.7%		51.7%		
LAE		19%											

Overall Rate Level Effect Due to Dwelling Surcharge

Dwelling Type	(1) Percentage of Business by Dwelling in AR	(2) Dwelling Surcharge	(3) Change to Earned Premium
Apartment	57.1%	0.0%	0.0%
Single Family Home	25.9%	10.0%	2.6%
Mobilehome	5.1%	15.0%	0.8%
Other	11.9%	0.0%	0.0%
Overall Rate Impact			3.4%

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program

Arkansas

Internet Registration Credit

1) Average Premium in AR	\$244
2) Expense to administer policy	\$11.53
3) Indicated Internet Registration Credit	-4.7%
4) Selected Credit	-5.0%
5) % of New Policies Signing up on Internet	30%
6) % Impact [(4)x(5)]	-1.5%
7) 2009 Written Premium	128,650
8) Estimated Impact to Premium	-1,930

**American Bankers Insurance Company of Florida
Renters Insurance Program**

Mandatory Requirement of Insurance Credit

Countrywide - 2006 to 2009

(A) Permissible Loss Ratio	51.7%
(B) LAE	0.19
(C) Trend Factor	2.5%
(D) Average CCF	97.3%
(E) Current Level Factor	1.002

Mandatory Requirement of Insurance Credit

Mandatory Requirement of Insurance	(1) Written Premium	(2) Earned Premium	(3) Earned Premium Current Level [(2)x(E)]	(4) Incurred Losses	(5) Modified Losses (4)x[1+(B)]x[1+(C)]x(D)	(6) Adjusted Loss Ratio [(5)/(3)]	(7) % of Premium	(8) Credibility	(9) Credibility Weighted LR [(6)*(8)+(1-(8))*(11)]
no	96,414,465	85,168,131	85,357,078	39,571,234	46,952,631	55.0%	65.2%	100.0%	55.0% A
yes	51,529,562	45,686,717	45,788,073	15,834,285	18,787,925	41.0%	34.8%	100.0%	41.0% B
Total	147,944,028	130,854,848	131,145,151	55,405,519	65,740,555	50.1%	100.0%	100.0%	50.1%
							(10) indicated credit		-25%
							(11) selected credit		-10%

Overall Rate Level Effect Due to Mandatory Requirement of Insurance Credit

Mandatory Requirement of Insurance	(10) Distribution of Premium in AR	(11) Mandatory Insurance Credit	(12) =(10)x(11) Change to Earned Premium
no	79.5%	0.0%	0.0%
yes	20.5%	-10.0%	-2.1%
(13) Rate Impact			-2.1%

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program
Involuntary Unemployment Insurance Endorsement
Arkansas

Rate Development - 1

Coverage	Year	Earned Exposures (1)	Incurred Losses (2)	Claim Counts (3)	Pure Premium (4)	Permissible Loss Ratio (5)	Indicated Rate (6)	Credibility Factor (7)	Credibility Weighted Rate (8)	Selected Rate (9)	Selected Annual Rate (per \$100 of monthly benefit amount) (10)
IUI endorsement (Single Coverage, maximum # of benefits = 2)	2007	645	11,804	11	18.30	51.7%	35	10.1%	71		
	2008	5,261	152,201	142	28.93	51.7%	56	36.2%	68		
	2009	16,041	713,970	619	44.51	51.7%	86	75.6%	83		
	Total	21,947	877,975	772	40.00	51.7%	77	84.5%	77	75	15

Note:

(1), (2) & (3) are from the countrywide experience of Renters Insurance Program - Involuntary Unemployment Insurance endorsement, Single coverage and maximum # benefits=2.

(4) = (2) / (1)

(5) is from Exhibit 1

(6) = (4) / (5)

(7) = Minimum of (1, square root of (3) / 1082).

(8) = (7) x (6) + [1 - (7)] x countrywide rate. We use countrywide rate as the complement of credibility weighted rate. The countrywide rate is $\$15 \times 500 / 100 = \75 , where \$15 is the rate for Single Coverage and 2 benefits (per \$100 of monthly benefit amount), which has been filed and approved in Alabama, California, Colorado, DC, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New York, Ohio, South Carolina, Texas, Tennessee, Virginia and Washington. And since most policyholders chose \$500 as the monthly benefit amount, the complement used in (8) is $\$15 \times 500 / 100 = \75 .

(10) = (9) / 5, to convert the rate from \$500 to \$100 monthly benefit.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
Renters Insurance Program
Involuntary Unemployment Insurance Endorsement
Arkansas

	Maximum # Benefits	Arkansas Current Rate				Arkansas - Proposed Rate		
		Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)		Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
		(1)	(2)	(3)	(4)	(5) Calculated	(6) Selected	(7) Selected
a	2	\$ 13.80	1.00	\$ 27.60	2.00	\$15.00	\$ 15.00	\$30.00
b	3	\$ 19.20	1.40	\$ 38.40	2.00	\$21.00	\$ 21.00	\$42.00
c	6	\$ 31.20	2.30	\$ 62.40	2.00	\$34.50	\$ 34.20	\$68.40

Notes:

(1) & (3) Arkansas Current Rates

(2) is the relativity of each rate in terms of the base rate showing in row a.

(4) = (3) / (1)

(5)a = Column (10) in Exhibit 17-1, (5)b & (5)c = (5)a x (2)

(7) = (6) x 2

American Bankers Insurance Company of Florida
Renters Insurance Program

Rate Level Effect of
Involuntary Unemployment Insurance Endorsement Rate Change

Arkansas

Single Coverage

Maximum # Benefits	(1) Current Rates	(2) Proposed Rates	(3) = (2)/(1)-1 Percentage Change	(4) 2009 Written Premium for Endorsement	(5)=(3)x(4) Change in Premium
2	13.80	15.00	8.7%	700	61
3	19.20	21.00	9.4%	-	0
6	31.20	34.20	9.6%	-	0
<i>Total</i>					61

Joint Coverage

Maximum # Benefits	(6) Current Rates	(7) Proposed Rates	(8) = (7)/(6)-1 Percentage Change	(9) 2009 Written Premium for Endorsement	(10)=(8)x(9) Change in Premium
2	27.60	30.00	8.7%	-	0
3	38.40	42.00	9.4%	-	0
6	62.40	68.40	9.6%	-	0
<i>Total</i>					0

(11)	Σ(2009 Written Premium for Arkansas)	128,650
(12)	Σ(Total Change in IUI Written Premium) = (5)Total + (10)Total	61
(13)	Rate Level Effect = (12)/(11)	0.05%

**American Bankers Insurance Company of Florida
Renters Insurance Program
Arkansas**

Identity Fraud Expense Coverage

(1)	(2)	(3)	(5)
Limit	Competitor Premium	ISO Premium	Selected Premium
\$10,000	\$40	N/A	N/A
\$15,000	N/A	\$30	\$35

Note: Competitor information is based on a filing from American Southern Home. The ISO premium is based on a \$15 loss cost and a 52% permissible loss ratio. Additionally, we will offer \$200 per day for expenses, total not to exceed \$5,000. This is the same coverage offered by ISO. American Southern Home only offers \$50 per day, up to a total of \$1,000. We have selected our premium to be in between that of ISO and our competitor.

**American Bankers Insurance Company of Florida
Renters Insurance Program**

**Arkansas
Territory Definitions**

Territory 1	Territory 2
Jefferson Pulaski	Rest of the State