

SERFF Tracking Number: SHEL-126927327 State: Arkansas
Filing Company: Shelter General Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 03G00210
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: PPA
Project Name/Number: Rooney/

Filing at a Glance

Company: Shelter General Insurance Company

Product Name: PPA

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto
(PPA)

Filing Type: Rate/Rule

SERFF Tr Num: SHEL-126927327 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: 03G00210

Authors: Brian Marcks, Sue
Burlingame

Date Submitted: 12/03/2010

State Tr Num: EFT \$100

State Status: Fees verified and
received

Reviewer(s): Alexa Grissom, Nancy
Horton

Disposition Date: 12/13/2010

Disposition Status: Filed

Effective Date Requested (New): 02/07/2011

Effective Date Requested (Renewal): 02/07/2011

State Filing Description:

Effective Date (New): 02/07/2011

Effective Date (Renewal):

General Information

Project Name: Rooney

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 12/13/2010

State Status Changed: 12/13/2010

Created By: Brian Marcks

Corresponding Filing Tracking Number:

Filing Description:

This filing consists of revised base rates for Liability, Medical Payments, Underinsured Motorists, Collision and Comprehensive coverages. Emergency Road Service rates have been revised. Cost Symbol factors have been revised for Utility / Camping Trailers. Model Year factors have been added. Collision deductible factors have been revised. The Comprehensive Utility / Camping Trailer factor has been revised. Passive Restraint Discount percentages have been revised. Editorial changes have been made to the General Rules Pages.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Brian Marcks

The overall effect of this filing is expected to be a revenue increase of 5.9% or \$285,001.

Company and Contact

SERFF Tracking Number: *SHEL-126927327* *State:* *Arkansas*
Filing Company: *Shelter General Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *03G00210*
TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0001 Private Passenger Auto (PPA)*
Product Name: *PPA*
Project Name/Number: *Rooney/*

Filing Contact Information

Brian Marcks, Coordinator of Insurance BCMarcks@shelterinsurance.com
 Department Affairs
 1817 West Broadway 573-214-4165 [Phone]
 Columbia, MO 65218 573-446-7317 [FAX]

Filing Company Information

Shelter General Insurance Company CoCode: 23361 State of Domicile: Missouri
 1817 West Broadway Group Code: Company Type:
 Columbia, MO 65218 Group Name: State ID Number:
 (573) 445-8441 ext. [Phone] FEIN Number: 43-6031499

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Shelter General Insurance Company	\$100.00	12/03/2010	42593110

SERFF Tracking Number: SHEL-126927327 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	12/13/2010	12/13/2010

SERFF Tracking Number: SHEL-126927327 State: Arkansas
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 Product Name: PPA
 Project Name/Number: Rooney/

Disposition

Disposition Date: 12/13/2010
 Effective Date (New): 02/07/2011
 Effective Date (Renewal):
 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):
Shelter General Insurance Company	6.800%	5.900%	\$285,001	5,881	\$4,854,484	17.500%	-19.000%

SERFF Tracking Number: SHEL-126927327 State: Arkansas
 Filing Company: Shelter General Insurance Company State Tracking Number: EFT \$100
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 Product Name: PPA
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Supporting Document	Rate Indications	Filed	Yes
Supporting Document	Histogram	Filed	Yes
Rate	Manual Pages	Filed	Yes

SERFF Tracking Number: SHEL-126927327
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 Company Tracking Number: 03G00210
 TOI: 19.0 Personal Auto
 Product Name: PPA
 Project Name/Number: Rooney/

State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	3.200%
Effective Date of Last Rate Revision:	12/29/2009
Filing Method of Last Filing:	File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Shelter General Insurance Company	6.800%	5.900%	\$285,001	5,881	\$4,854,484	17.500%	-19.000%

<i>SERFF Tracking Number:</i>	<i>SHEL-126927327</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Shelter General Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>03G00210</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>PPA</i>		
<i>Project Name/Number:</i>	<i>Rooney/</i>		

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 12/13/2010	Manual Pages	GR-20, GR-21,	Replacement	AR GR and R
		R-2, R-3, R-6, R-		pages.pdf
		7, R-10 and R-		
		18		

8. EXPERIENCE RATING PLAN (Cont.)

C. ACCIDENT SURCHARGE (Cont.)

- (d) The operator of the other vehicle involved in the accident was convicted of a moving traffic violation and the applicant or other operator of the insured vehicle was not convicted of a moving traffic violation in connection with the accident.
- (e) The accident occurred while the applicant or other operator of the insured vehicle was operating a vehicle of a type not eligible for this plan.
- (f) The applicant or insured is (1) determined to be 50% or less negligent or (2) if the company receives reimbursement regardless of the percentage of the loss that is paid to or on behalf of the insured.
- (g) The accident was as a result of the operation of a motor vehicle in response to an emergency if the applicant or other operator of the insured vehicle at the time of the accident was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad, or any other law enforcement agency.
- (h) In the event of a one car accident, Collision claims arising from natural causes and that are beyond the insured's control. "Natural cause" is defined as an act occasioned exclusively by the violence of nature where all human agency is excluded from creating or entering in the cause of the damage or injury.

The determination of the appropriate Rating Table, based on the number of chargeable accidents, and the relationship between Table 1 (manual premiums) and the other tables are shown below:

The premiums for Liability, Medical Payments and Collision coverages shall be subject to adjustment by the following Accident Table:

Accidents	Rating Table	Factor
0	1	1.00
1	2	1.40
2	3	2.00
3	4	3.00
4 or more	5	4.00

9. OTHER DISCOUNTS

A. SAFE DRIVER DISCOUNT

This discount applies to all private passenger automobiles, as defined in this manual, except those written under the Antique or Limited Use Classic Automobile Rule. This discount also applies to vehicles written under the Motor Home Rule.

A 15% Safe Driver Discount will apply to Shelter General policies:

- (1) which have been in force in either Shelter Mutual or Shelter General for at least 36 months, and
- (2) which have had no chargeable accidents (as defined in the Experience Rating Plan) within the 36-month period ending 30 days prior to the effective date of the renewal.

9. OTHER DISCOUNTS (Cont.)

A. SAFE DRIVER DISCOUNT (Cont.)

A 20% Safe Driver Discount will apply to Shelter General policies:

- (1) which have been in force in either Shelter Mutual or Shelter General for at least 72 months, and
- (2) which have had no chargeable accidents (as defined in the Experience Rating Plan) within the 72-month period ending 30 days prior to the effective date of renewal.

This discount will apply to the premiums for Liability, Medical Payments and Collision coverages.

The occurrence of the first chargeable accident under policies receiving either a 15% or 20% discount will result in the loss of the discount at the next renewal; however, the accident rating table increase that would normally result from the application of the Experience Rating Plan will be exempted.

The first otherwise chargeable accident that occurs after the policy has been in force 9 years will be “waived” and will not result in the loss of the 20% Safe Driver Discount. A subsequent chargeable accident within 9 years of the “waived” accident will result in the loss of the discount.

Policies previously in force with Shelter Mutual or Shelter General that were eligible for either a 15% or 20% Safe Driver Discount at the expiration date of the policy may be rewritten with the same 15% or 20% discount provided:

- (1) the policy is rewritten within 36 months, and
- (2) there have been no accidents determined to be the fault of the owner or any operator of the vehicle being insured since the expiration of the previous policy.

B. PASSIVE RESTRAINT DISCOUNT

The premium for Medical Payments coverage for a private passenger automobile shall be reduced by the following amount provided the automobile is equipped with a factory-installed air bag or other passive restraint system that meets Federal safety standards.

Passive Restraint System	Discount
Air Bag (Driver side only)	4%
Air Bag (Driver and passenger side)	6%
Air Bag and Automatic Seat Belts (Driver and passenger side)	8%

C. RESERVED FOR FUTURE USE

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
TERRITORIAL BASE RATES**

Premiums Shown in This Manual are for a Semi-Annual Policy Term Unless Otherwise Indicated

TERRITORY	BI/PD	MED	COLLISION	COMP	LOSS	CUSTOMIZATION	
	COVERAGE	COVERAGE	COVERAGE	COVERAGE	OF USE	COLL	COMP
	25/50/25	\$5,000	\$500 DED.	\$100 DED.	\$100	\$500 DED	\$100 DED
2	308	60	121	111	17	17	27
3	306	60	122	93	16	17	20
4	301	66	114	75	15	17	20
9	299	62	133	119	17	17	27
10	267	60	124	109	16	17	27
11	346	62	117	106	17	17	27
12	268	60	108	88	16	17	20
18	240	66	124	118	16	17	20
19	308	66	122	98	16	17	20
20	334	66	123	87	19	17	20
21	231	60	113	122	19	17	20
22	355	66	121	82	19	17	20
25	337	66	130	96	17	17	27
26	284	62	123	105	16	17	20
27	269	66	127	108	16	17	20
30	287	63	114	103	16	17	20
31	233	60	116	100	16	17	20
32	254	62	117	108	16	17	20
40	299	66	115	66	16	17	20
41	346	73	129	74	16	17	20
42	374	76	132	78	16	17	20

BASE RATES - ALL TERRITORIES	
COVERAGE	BASE RATE
Uninsured Motorists 25/50	12
Underinsured Motorists 25/50	20

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
ADDITIONAL COVERAGES AND RATING FACTORS**

GENERAL TIER PLACEMENT (RULE 4)						MOUNTED CAMPER UNITS (RULE 2.G)				
						Add the appropriate charges below, by coverage and deductible, to the applicable premiums for the vehicle. Use the factors shown on page R-7 for other deductible options.				
<u>Tier Code</u>	<u>BIPD Tier Factor</u>	<u>Med Tier Factor</u>	<u>UM Tier Factor</u>	<u>Coll Tier Factor</u>	<u>Comp Tier Factor</u>	<u>Rating Value</u>	<u>\$500 Ded. Collision</u>	<u>\$100 Ded. Comprehensive</u>		
5000	1.03	1.03	1.03	1.03	1.03	\$0 - 500	\$4	\$4		
6000	1.05	1.05	1.06	1.05	1.05	501 - 1,000	\$8	\$8		
9995	1.00	1.00	1.00	1.00	1.00	1,001 - 2,000	\$12	\$12		
9997	1.04	1.04	1.04	1.04	1.04	2,001 - 4,000	\$16	\$16		
						over 4,000	\$20	\$20		
EMERGENCY ROAD SERVICE (RULE 2.M)						UNINSURED MOTORIST PROPERTY DAMAGE (RULE 2.O)				
Available in multiples of \$10.00 per disablement.										
						<u>Limit</u>	<u>Premium</u>			
						\$10	\$2			
						\$20	\$3			
						\$30	\$5			
						\$40	\$6			
						\$50	\$8			
						\$60	\$9			
						\$70	\$11			
						\$80	\$12			
						\$90	\$14			
						\$100	\$15			
Each additional \$10 limit - Add \$1										
RESERVED FOR FUTURE USE						RENTAL REIMBURSEMENT (RULE 2.J)				
						<u>Limit per Day</u>				
						<u>Rate Classes</u>	\$20	\$30	\$40	\$50
						DB, DD, DF, DH, WA, WB, WC,	\$17	\$24	\$32	\$41
						WD, TR, T3, TX, T4, FF, F3, FG, F4				
						All other Rate Classes	\$11	\$16	\$22	\$27
						DISABILITY INDEMNITY (RULE 2.N)				
						<u>Weekly Limit</u>	<u>Premium</u>			
						\$140	\$5			
						ACCIDENTAL DEATH (RULE 2.K)				
						<u>Limit</u>	<u>Premium</u>			
						\$5,000	\$3			
						\$10,000	\$6			
						LOAN / LEASE GAP (RULE 2.P)				
						<u>Collision Factor</u>	<u>Comp Factor</u>			
						0.07	0.07			
RESERVED FOR FUTURE USE						RESERVED FOR FUTURE USE				

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILES AND Z2 TRAILERS
COST SYMBOL FACTORS**

Apply only to the coverages of Collision and Comprehensive as shown on the Premium Determination Charts.

Cost Symbol	PPA		Z2 Trailer		Cost Symbol	PPA		Z2 Trailer		Cost Symbol	PPA		Z2 Trailer	
	Coll.	Comp.	Coll.	Comp.		Coll.	Comp.	Coll.	Comp.		Coll.	Comp.		
1	0.33	0.30	0.25	0.35	34	1.81	1.98	1.56	2.72	67	2.66	3.57	2.55	5.36
2	0.33	0.30	0.25	0.35	35	1.84	2.03	1.59	2.80	68	2.69	3.61	2.58	5.44
3	0.38	0.35	0.29	0.40	36	1.87	2.09	1.62	2.88	69	2.72	3.65	2.61	5.52
4	0.49	0.41	0.38	0.47	37	1.90	2.15	1.65	2.96	70	2.75	3.69	2.64	5.60
5	0.60	0.48	0.46	0.61	38	1.92	2.20	1.68	3.04	71	2.77	3.73	2.67	5.68
6	0.70	0.65	0.55	0.83	39	1.94	2.25	1.71	3.12	72	2.79	3.77	2.70	5.76
7	0.79	0.71	0.62	0.90	40	1.96	2.30	1.74	3.20	73	2.82	3.82	2.73	5.84
8	0.85	0.84	0.67	1.17	41	1.98	2.35	1.77	3.28	74	2.84	3.86	2.76	5.92
9	0.93	0.94	0.73	1.31	42	2.00	2.41	1.80	3.36	75	2.87	3.90	2.79	6.00
10	1.00	1.00	0.79	1.39	43	2.02	2.46	1.83	3.44	76	2.90	3.95	2.82	6.08
11	1.07	1.08	0.84	1.50	44	2.05	2.52	1.86	3.52	77	2.94	3.99	2.85	6.16
12	1.15	1.13	0.91	1.57	45	2.07	2.57	1.89	3.60	78	2.96	4.03	2.88	6.24
13	1.18	1.17	0.93	1.63	46	2.10	2.63	1.92	3.68	79	2.98	4.07	2.91	6.32
14	1.21	1.23	0.95	1.71	47	2.13	2.68	1.95	3.76	80	3.01	4.11	2.94	6.40
15	1.26	1.26	0.99	1.75	48	2.16	2.73	1.98	3.84	81	3.04	4.15	2.97	6.48
16	1.31	1.30	1.03	1.81	49	2.19	2.78	2.01	3.92	82	3.07	4.19	3.00	6.56
17	1.35	1.33	1.06	1.85	50	2.22	2.83	2.04	4.00	83	3.09	4.24	3.03	6.64
18	1.37	1.35	1.08	1.88	51	2.25	2.88	2.07	4.08	84	3.12	4.29	3.06	6.72
19	1.40	1.37	1.10	1.90	52	2.27	2.92	2.10	4.16	85	3.15	4.33	3.09	6.80
20	1.43	1.39	1.18	1.94	53	2.29	2.97	2.13	4.24	86	3.17	4.37	3.12	6.88
21	1.47	1.41	1.21	1.96	54	2.31	3.01	2.16	4.32	87	3.19	4.41	3.15	6.96
22	1.51	1.43	1.24	1.99	55	2.34	3.06	2.19	4.40	88	3.22	4.45	3.18	7.04
23	1.55	1.46	1.28	2.03	56	2.37	3.10	2.22	4.48	89	3.24	4.50	3.21	7.12
24	1.58	1.50	1.30	2.09	57	2.40	3.14	2.25	4.56	90	3.27	4.54	3.24	7.20
25	1.61	1.54	1.33	2.12	58	2.43	3.18	2.28	4.64	91	3.30	4.59	3.27	7.28
26	1.63	1.59	1.35	2.15	59	2.46	3.22	2.31	4.72	92	3.33	4.63	3.30	7.36
27	1.66	1.64	1.37	2.20	60	2.49	3.26	2.34	4.80	93	3.35	4.67	3.33	7.44
28	1.68	1.68	1.39	2.24	61	2.51	3.30	2.37	4.88	94	3.38	4.72	3.36	7.52
29	1.70	1.73	1.41	2.32	62	2.53	3.34	2.40	4.96	95	3.41	4.76	3.39	7.60
30	1.72	1.78	1.44	2.40	63	2.56	3.39	2.43	5.04	96	3.45	4.83	3.42	7.68
31	1.74	1.83	1.47	2.48	64	2.59	3.43	2.46	5.12	97	3.49	4.90	3.45	7.76
32	1.76	1.88	1.50	2.56	65	2.62	3.48	2.49	5.20	98	3.53	4.97	3.48	7.84
33	1.78	1.93	1.53	2.64	66	2.64	3.52	2.52	5.28					

For PPA symbols greater than 98, multiply the symbol 95 factor by .012 for Collision and .015 for Comprehensive for each additional symbol.

For Z2 trailer symbols greater than 98, add .03 for each additional symbol for Collision coverage and add .08 for each additional symbol for Comprehensive coverage.

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE**

MODEL YEAR FACTORS

Apply only to the coverages of Collision and Comprehensive as shown in the Premium Determination Chart.

Model Year	Collision	Comprehensive
2013	2.37	2.40
2012	2.26	2.29
2011	2.15	2.18
2010	2.05	2.08
2009	1.95	1.98
2008	1.86	1.89
2007	1.77	1.80
2006	1.69	1.71
2005	1.61	1.63
2004	1.53	1.55
2003	1.46	1.48
2002	1.39	1.41
2001	1.32	1.34
2000	1.26	1.28
1999	1.20	1.22
1998 & Prior	1.09	1.17

Unless shown above, the premium for each subsequent model year shall be 5% above the premium for the preceding model year.

The current model year coincides with the current calendar year through September 30. Effective October 1 of each calendar year, the current model year increases by one year and the premiums for vehicles of the fourteenth preceding and earlier model years shall be adjusted to equal the premium for the thirteenth preceding model year.

DEDUCTIBLE FACTORS

COLLISION	
LIMIT	FACTOR
100	1.49
200	1.30
250	1.26
500	1.00
750	0.82
1,000	0.72
2,000	0.60

COMPREHENSIVE	
LIMIT	FACTOR
\$50	1.16
100	1.00
250	0.74
500	0.58
750	0.53
1,000	0.49
2,000	0.35

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
DISCOUNTS AND SURCHARGES**

<p>DRIVING RECORD ADJUSTMENT (RULE 8.A) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Points</u></th> <th style="text-align: center;"><u>Factor</u></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0-3</td><td style="text-align: center;">0.85</td></tr> <tr><td style="text-align: center;">4-6</td><td style="text-align: center;">1.00</td></tr> <tr><td style="text-align: center;">7-9</td><td style="text-align: center;">1.15</td></tr> <tr><td style="text-align: center;">10-12</td><td style="text-align: center;">1.35</td></tr> <tr><td style="text-align: center;">13-15</td><td style="text-align: center;">1.55</td></tr> <tr><td style="text-align: center;">16-18</td><td style="text-align: center;">1.75</td></tr> <tr><td style="text-align: center;">19-21</td><td style="text-align: center;">2.00</td></tr> <tr><td style="text-align: center;">22-24</td><td style="text-align: center;">2.30</td></tr> <tr><td style="text-align: center;">25-27</td><td style="text-align: center;">2.65</td></tr> <tr><td style="text-align: center;">28-34</td><td style="text-align: center;">3.05</td></tr> <tr><td style="text-align: center;">35-41</td><td style="text-align: center;">3.50</td></tr> <tr><td style="text-align: center;">42-48</td><td style="text-align: center;">4.00</td></tr> <tr><td style="text-align: center;">49+</td><td style="text-align: center;">4.50</td></tr> </tbody> </table> <p>Refer to the Violation Schedule and Driving Record Point Assignment Table in the General Rules pages of the manual.</p>	<u>Points</u>	<u>Factor</u>	0-3	0.85	4-6	1.00	7-9	1.15	10-12	1.35	13-15	1.55	16-18	1.75	19-21	2.00	22-24	2.30	25-27	2.65	28-34	3.05	35-41	3.50	42-48	4.00	49+	4.50	<p>SAFE DRIVER DISCOUNT (RULE 9.A) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">3 Years</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="text-align: center;">6 Years</td> <td style="text-align: center;">20%</td> </tr> </table> <hr/> <p>PASSIVE RESTRAINT DISCOUNT (RULE 9.B) Applies to the coverage of Med Pay.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">Air Bag - Driver Side Only</td> <td style="text-align: right;">4%</td> </tr> <tr> <td style="text-align: left;">Air Bag - Driver & Passenger Side</td> <td style="text-align: right;">6%</td> </tr> <tr> <td style="text-align: left;">Air Bag & Automatic Seat Belts (Driver & Passenger)</td> <td style="text-align: right;">8%</td> </tr> </table> <hr/> <p>COMPANION POLICY DISCOUNT (RULE 9.D) Applies to the coverages of BIPD, Med Pay, Coll & Comp.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">48 Plus Rate Classes</td> <td style="text-align: center;">5% or 10%</td> </tr> <tr> <td style="text-align: center;">All Other Rate Classes</td> <td style="text-align: center;">5%</td> </tr> </table> <hr/> <p>MOTOR VEHICLE ACCIDENT PREVENTION COURSE DISC. (RULE 9.E) Applies to the coverages of BIPD and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Qualified Operators 55 and Older</td> <td style="text-align: center;">10%</td> </tr> </table> <hr/> <p style="text-align: center;">RESERVED FOR FUTURE USE</p>	3 Years	15%	6 Years	20%	Air Bag - Driver Side Only	4%	Air Bag - Driver & Passenger Side	6%	Air Bag & Automatic Seat Belts (Driver & Passenger)	8%	48 Plus Rate Classes	5% or 10%	All Other Rate Classes	5%	Qualified Operators 55 and Older	10%
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<p>HABITUAL OFFENDER SURCHARGE (RULE 8.B) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">Surcharge for Excessive Violations</td> <td style="text-align: center;">25%</td> </tr> </table>	Surcharge for Excessive Violations	25%																																											
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<p>ACCIDENT SURCHARGE (RULE 8.C) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Accidents</u></th> <th style="text-align: center;"><u>Rating Table</u></th> <th style="text-align: center;"><u>Factor</u></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0</td><td style="text-align: center;">1</td><td style="text-align: center;">1.00</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">2</td><td style="text-align: center;">1.40</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">3</td><td style="text-align: center;">2.00</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">4</td><td style="text-align: center;">3.00</td></tr> <tr><td style="text-align: center;">4 or more</td><td style="text-align: center;">5</td><td style="text-align: center;">4.00</td></tr> </tbody> </table>	<u>Accidents</u>	<u>Rating Table</u>	<u>Factor</u>	0	1	1.00	1	2	1.40	2	3	2.00	3	4	3.00	4 or more	5	4.00																											
<u>Accidents</u>	<u>Rating Table</u>	<u>Factor</u>																																											
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**ARKANSAS
TRAILERS - CLASS Z2
PREMIUM DETERMINATION CHART
(Annual Premiums)**

Primary Coverages

Step	Description	Page	Round	BIPD	COLL	COMP
1	Territorial Base Rate*	R-2	\$	+	+	+
2	Tier*	R-3	\$	x	x	x
3	Optional Limit*	R-4 & 5	\$	x	x	x
4	Cost Symbol	R-6	\$		x	x
5	Model Year	R-7	\$		x	x
6	Deductible	R-7	\$		x	x
7	Rate Class¹	R-9 & 18	¢	x	x	x
8	Trailer Factor	R-18	¢	x	x	x
9	Policy Term	R-18	¢	x	x	x
Total Premium						

Additional Coverages

Step	Description	Page	Round	Customization		ERS
				Coll	Comp	
1	Territorial Base Rate	R-3	\$	+	+	+
2	Deductible	R-7	\$	x	x	
3	Policy Term	R-18	¢	x	x	x
Total Premium						

SUB-TOTAL PREMIUM FOR TERM (Sum of all Total Premiums for all coverages)	=
Term Fee	+
TOTAL PREMIUM FOR TERM	=

The Semi-Annual Premium determined from the above chart will be the Annual Premium for a Z2 Trailer.

* For Bodily Injury/Property Damage coverage, these factors are those of the towing unit.

¹ For Collision and Comprehensive coverages apply the B1 rate class factor.

For Bodily Injury/Property Damage coverage apply the towing unit rate class excluding Multi-Car and Good Student adjustments.

COVERAGE	TRAILER FACTOR
Liability	0.25
Collision	0.45
Comprehensive	1.23

POLICY TERM FACTORS

SEMI-ANNUAL TERM	
All Coverages	0.80

Quarterly Installment Fee \$12.50

SERFF Tracking Number: SHEL-126927327 State: Arkansas
 Filing Company: Shelter General Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 03G00210
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: PPA
 Project Name/Number: Rooney/

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	A-1 Private Passenger Auto Abstract	Filed	12/13/2010

Comments:

Please see attachment.

Attachment:

ARFORMA1 PPA Gen 12-2010.pdf

		Item Status:	Status Date:
Satisfied - Item:	APCS-Auto Premium Comparison Survey	Filed	12/13/2010

Comments:

Please see attachment.

Attachment:

General Premium Comparison.xls

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	12/13/2010

Comments:

Please see attachment.

Attachment:

ARRFARF1 PPA .pdf

		Item Status:	Status Date:
Bypassed - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	12/13/2010

Bypass Reason: This is an independent rate, rule filing.

Comments:

SERFF Tracking Number: SHEL-126927327

State: Arkansas

Filing Company: Shelter General Insurance Company

State Tracking Number: EFT \$100

Company Tracking Number: 03G00210

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Product Name: PPA

Project Name/Number: Rooney/

	Item Status:	Status Date:
Satisfied - Item: Explanatory Memorandum	Filed	12/13/2010
Comments: Please see attachments.		
Attachments: Explanatory Memo 12-2010.pdf Exhibit A - Rev Change.pdf Exhibits C thru I.pdf		

	Item Status:	Status Date:
Satisfied - Item: Rate Indications	Filed	12/13/2010
Comments: Please see attachment.		
Attachment: Exhibit B - Rate Indications.pdf		

	Item Status:	Status Date:
Satisfied - Item: Histogram	Filed	12/13/2010
Comments: Please see attachment.		
Attachment: Exhibit J - Histogram.pdf		

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE 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 private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Shelter General Insurance Company
 NAIC # (including group #) 23361

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? Yes No

If yes, list the areas: However, in order to provide service, we normally do not write business in areas where we do not have agent representation.

2. Do you furnish a market for young drivers? Yes No

3. Do you require collateral business to support a youthful driver? Yes No

4. Do you insure drivers with an international or foreign driver's license? Yes No

5. Specify the percentage you allow in credit or discounts for the following:

a. Driver over 55	<u>0</u> %
b. Good Student Discount	<u>1-25</u> %
c. Multi-car Discount	<u>3.4-23</u> %
d. Accident Free Discount*	<u>15/20</u> %

Please Specify Qualification for Discount:
15% for 3 years accident free and 20% for 6 years

e. Anti-Theft Discount 0 %

f. Other (specify) See Attached %

6. Do you have an installment payment plan for automobile insurance? Yes No

If so, what is the fee for installment payments? \$12.50

7. Does your company utilize a tiered rating plan? Yes No

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
<u>See Attached</u>	<u></u>	<u></u>

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

 Signature
 Brian Marcks
 Printed Name
 Coordinator of Insurance Department Affairs
 Title
 (573)214-4165
 Telephone Number
 BCMarcks@ShelterInsurance.com
 Email Address

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
A-1 Attachment**

5. Specify the percentage you allow in credit or discounts for the following:

(f) Other (specify)

Accident Prevention Course	10 %
Driver Training	8.5-10.5 %
Passive Restraint	4/6/8 %
Companion Policy / Life	5/10 %

7. Does your company utilize a tiered rating plan?

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference		Volume
	UM/UIM	All Other	
Tier 5000	1.03	1.03	\$3,230,198
Tier 6000	1.06	1.05	\$1,501,560
Tier 9995	1.00	1.00	\$46,510
Tier 9997	1.04	1.04	\$3,708

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 23361
Company Name: Shelter General Insurance Company
Contact Person: Brian Marcks
Telephone No.: 573-214-4165
Email Address: bcmarcks@shelterinsurance.com
Effective Date: 02/07/2011

Assumptions to Use:

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**
Uninsured motorist property and bodily injury equal to liability coverage
Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

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 compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	* 4/6/8	%
AUTO/HOMEOWNERS	5/10	%
GOOD STUDENT	1-25	%
ANTI-THEFT DEVICE	0	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.		%

*Included in 6 month quote.

Vehicle	Coverages	Gender	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
			Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female	Age		Male or Female	Male or Female
			18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
1999 Chevrolet Silverado 1500 2WD "LS" regular cab 119" WB	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		1,500.40	2,035.79	541.19	446.39	1,772.10	2,408.18	632.45	519.82	1,747.45	2,374.41	624.17	513.16	1,605.29	2,179.55	576.42	474.73	1,725.99	2,344.98	616.96	507.35
	100/300/50 Liability with Comprehensive and Collision		1,684.70	2,273.95	629.00	524.66	1,998.23	2,703.67	734.31	609.40	1,973.58	2,669.90	726.03	602.74	1,774.18	2,396.59	659.05	548.83	1,947.71	2,634.43	717.34	595.74
2003 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		1,814.96	2,466.94	646.85	531.40	2,131.98	2,901.45	753.34	617.08	2,090.50	2,844.61	739.40	605.87	1,989.52	2,706.19	705.49	578.58	2,071.37	2,818.37	732.98	600.69
	100/300/50 Liability with Comprehensive and Collision		1,999.26	2,705.10	734.66	609.67	2,358.11	3,196.94	855.20	706.66	2,316.63	3,140.10	841.26	695.45	2,158.41	2,923.23	788.12	652.68	2,293.09	3,107.82	833.36	689.08
2003 Honda Odyssey "EX"	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		1,865.72	2,536.52	663.90	545.12	2,182.36	2,970.50	770.26	630.70	2,142.69	2,916.14	756.93	619.98	2,046.89	2,784.82	724.76	594.08	2,126.14	2,893.45	751.38	615.50
	100/300/50 Liability with Comprehensive and Collision		2,050.02	2,774.68	751.71	623.39	2,408.49	3,265.99	872.12	720.28	2,368.82	3,211.63	858.79	709.56	2,215.78	3,001.86	807.39	668.18	2,347.86	3,182.90	851.76	703.89
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		1,685.46	2,289.44	603.35	496.40	1,976.32	2,688.10	701.05	575.01	1,946.76	2,647.59	691.12	567.02	1,831.27	2,489.28	652.33	535.81	1,924.25	2,616.73	683.56	560.93
	100/300/50 Liability with Comprehensive and Collision		1,869.76	2,527.60	691.16	574.67	2,202.45	2,983.59	802.91	664.59	2,172.89	2,943.08	792.98	656.60	2,000.16	2,706.32	734.96	609.91	2,145.97	2,906.18	783.94	649.32
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		2,090.54	2,844.66	739.42	605.88	2,439.67	3,323.19	856.69	700.24	2,371.77	3,230.14	833.88	681.89	2,333.34	3,177.45	820.98	671.50	2,364.55	3,220.23	831.46	679.93
	100/300/50 Liability with Comprehensive and Collision		2,274.84	3,082.82	827.23	684.15	2,665.80	3,618.68	958.55	789.82	2,597.90	3,525.63	935.74	771.47	2,502.23	3,394.49	903.61	745.60	2,586.27	3,509.68	931.84	768.32
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability		791.91	1,064.69	303.20	254.90	972.18	1,311.76	363.75	303.62	994.93	1,342.96	371.39	309.77	740.49	994.20	285.93	241.00	954.04	1,286.90	357.66	298.71
	Minimum Liability with Comprehensive and Collision		1,448.22	1,964.26	523.66	432.28	1,712.92	2,327.06	612.57	503.82	1,691.25	2,297.38	605.29	497.97	1,546.11	2,098.43	556.54	458.74	1,669.40	2,267.41	597.95	492.05
	100/300/50 Liability with Comprehensive and Collision		1,632.52	2,202.42	611.47	510.55	1,939.05	2,622.55	714.43	593.40	1,917.38	2,592.87	707.15	587.55	1,715.00	2,315.47	639.17	532.84	1,891.12	2,556.86	698.33	580.44

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

1.	This filing transmittal is part of Company Tracking #	03G00210
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. Shelter General Insurance Company	B.	23361

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
4.	A. 19.1 and 21.1	B.	19.1000 and 21.1000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
BI/PD	+8.0	+7.8					
Medical Payments	+18.5	+17.6					
UM / UIM	+4.8	+2.8					
Collision	+1.0	+0.7					
Comprehensive	+6.6	+6.6					
TOTAL OVERALL EFFECT	+6.8	+5.9					

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	5,881	+3.2	12-29-2009	5,189	3,364	64.8	65.3
2008	8,350	-5.3	3-22-2007	6,046	4,419	73.1	63.1
2007	9,191	-3.5	4-17-2005	6,603	3,437	52.1	62.5
2006	9,884	-0.2	11-19-2003	7,771	4,895	64.1	66.7
2005	10,875	+1.5	2-27-2003	8,569	5,281	61.6	83.2

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.5 / 15.5
B. General Expense	8.2 / 8.2
C. Taxes, Licenses & Fees	2.9 / 2.9
D. Underwriting Profit & Contingencies	0.9/4.2
E. Other (explain)	
F. TOTAL	28.5 / 30.8

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

9. +17.5 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____

10. -19.0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

SHELTER GENERAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
ARKANSAS
EXPLANATORY MEMORANDUM

Synopsis

This filing consists of revised base rates for Liability, Medical Payments, Underinsured Motorists, Collision and Comprehensive coverages. Emergency Road Service rates have been revised. Cost Symbol factors have been revised for Utility / Camping Trailers. Model Year factors have been added. Collision deductible factors have been revised. The Comprehensive Utility / Camping Trailer factor has been revised. Passive Restraint Discount percentages have been revised. Editorial changes have been made to the General Rules Pages.

The overall effect of this filing is expected to be a revenue increase of 5.9%, or approximately \$285,001, as shown on Exhibit A.

Private Passenger Base Rates

For Private Passenger Liability, Medical Payments, Underinsured Motorists, Collision and Comprehensive coverages, our proposed base rate changes for each coverage were selected based on our indicated statewide needs for each coverage, and the rate effect of the other changes being made in this filing. Please refer to Exhibit C.

Emergency Road Service

The Emergency Road Service rates have decreased for all limits. Please refer to Exhibit D.

Utility / Camping Trailers – Cost Symbols

The Utility / Camping Trailer Collision cost symbol factors have decreased and the Comprehensive factors increased. Presently, these trailers use the same cost symbol factors as private passenger auto. With these revised factors, a separate cost symbol table has been created. Please refer to Exhibit E.

Model Year Factors

Collision and Comprehensive coverage Model Year factors for 20011 through 2013 have been added. Please refer to Exhibit F.

Collision Deductible Factors

The factors for \$1000 and \$2000 Collision deductibles have increased. Please refer to Exhibit G

Utility / Camping Trailers – Class Z2 Factors

The Comprehensive coverage factor for Z2 rated trailers has decreased. Please refer to Exhibit H.

Passive Restraint Discount Factors

The Passive Restraint Discounts decreased. Please refer to Exhibit I.

Editorial Changes

The Safe Driver Discount, Rule 9.A., pages GR-20 and GR-21, has been corrected showing the applicable discount percentages.

Exhibits

Information in support of this filing is set forth in the following exhibits:

	<u>Exhibits</u>
Estimated Revenue Change	A
Development of Indicated Rate Level Change Using Accident Year Experience	B
PPA Base Rate Comparison	C
Emergency Road Service Rate Comparison	D
Utility / Camping Trailer Cost Symbol Factor Comparison	E
Model Year Relativity Factor Comparison	F
Collision Deductible Factor Comparison	G
Utility / Camping Trailers – Class Z2 Factor Comparison	H
Passive Restraint Discount Comparison	I
Rate Change Histogram	J

Arkansas General PPA Estimated Revenue Change by Coverage

Coverage	Annualized Policy Premium	Base Rate	Tier	Rate Class	Limit	Deductible	Model Year	Merit Table	Cost Symbol	Passive	Miscellaneous	Total % Change	Total \$ Change
Liability	2,597,769	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.8%	202,691
Medical Payments	215,058	-11.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.5%	0.0%	17.6%	37,956
UM	104,261	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
UIM	121,916	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	6,417
UMPD	144,930	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Subtotal:	3,183,934	5.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	7.8%	247,064
Coll	948,915	-1.1%	0.0%	0.0%	0.0%	1.3%	0.6%	0.0%	-0.1%	0.0%	0.0%	0.7%	6,324
Comp	559,444	6.1%	0.0%	-0.8%	0.0%	0.0%	0.6%	0.0%	0.5%	0.0%	0.0%	6.6%	36,740
Subtotal:	1,508,358	1.5%	0.0%	-0.3%	0.0%	0.8%	0.6%	0.0%	0.1%	0.0%	0.0%	2.9%	43,064
Total:	4,692,292	4.4%	0.0%	-0.1%	0.0%	0.3%	0.2%	0.0%	0.0%	1.2%	0.0%	6.2%	290,128
<u>Supplemental Coverages</u>													
Rental Reimbursement	24,090											0.0%	0
Emergency Roadside Service	23,212											-24.0%	-5,581
Accidental Death	42,382											0.0%	0
Motorcycles	72,508	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%			0.0%	0.6%	453
Grand Total	4,854,484	4.3%	0.0%	-0.1%	0.0%	0.3%	0.2%	0.0%	0.0%	1.2%	0.0%	5.9%	285,001

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
BASE RATE COMPARISON**

Exhibit C

BODILY INJURY - PROPERTY DAMAGE

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	277	308	11.2%
3	286	306	7.0%
4	281	301	7.1%
9	279	299	7.2%
10	249	267	7.2%
11	323	346	7.1%
12	250	268	7.2%
18	224	240	7.1%
19	277	308	11.2%
20	312	334	7.1%
21	216	231	6.9%
22	319	355	11.3%
25	315	337	7.0%
26	265	284	7.2%
27	251	269	7.2%
30	258	287	11.2%
31	218	233	6.9%
32	237	254	7.2%
40	279	299	7.2%
41	323	346	7.1%
42	349	374	7.2%

MEDICAL PAYMENTS

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	66	60	-9.1%
3	66	60	-9.1%
4	72	66	-8.3%
9	68	62	-8.8%
10	66	60	-9.1%
11	68	62	-8.8%
12	66	60	-9.1%
18	72	66	-8.3%
19	73	66	-9.6%
20	73	66	-9.6%
21	66	60	-9.1%
22	73	66	-9.6%
25	73	66	-9.6%
26	68	62	-8.8%
27	73	66	-9.6%
30	69	63	-8.7%
31	66	60	-9.1%
32	68	62	-8.8%
40	72	66	-8.3%
41	80	73	-8.8%
42	83	76	-8.4%

COLLISION

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	121	121	0.0%
3	124	122	-1.6%
4	115	114	-0.9%
9	134	133	-0.7%
10	125	124	-0.8%
11	118	117	-0.8%
12	111	108	-2.7%
18	128	124	-3.1%
19	121	122	0.8%
20	124	123	-0.8%
21	115	113	-1.7%
22	120	121	0.8%
25	131	130	-0.8%
26	125	123	-1.6%
27	130	127	-2.3%
30	115	114	-0.9%
31	117	116	-0.9%
32	117	117	0.0%
40	117	115	-1.7%
41	130	129	-0.8%
42	133	132	-0.8%

COMPREHENSIVE

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	105	111	5.7%
3	88	93	5.7%
4	71	75	5.6%
9	112	119	6.3%
10	103	109	5.8%
11	100	106	6.0%
12	83	88	6.0%
18	111	118	6.3%
19	92	98	6.5%
20	82	87	6.1%
21	115	122	6.1%
22	77	82	6.5%
25	91	96	5.5%
26	99	105	6.1%
27	102	108	5.9%
30	97	103	6.2%
31	94	100	6.4%
32	102	108	5.9%
40	62	66	6.5%
41	70	74	5.7%
42	74	78	5.4%

UNDERINSURED MOTORISTS

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
All	19	20	5.3%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
EMERGENCY ROAD SERVICE**

RATES COMPARISON

Limit	Current Factor	Proposed Factor	Percent Change
10	3	2	-33.3%
20	6	3	-50.0%
30	8	5	-37.5%
40	9	6	-33.3%
50	10	8	-20.0%
60	12	9	-25.0%
70	13	11	-15.4%
80	15	12	-20.0%
90	16	14	-12.5%
100	18	15	-16.7%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
Z2 TRAILER COST SYMBOL FACTOR COMPARISON**

Symbol	Collision		Percent Change	Comprehensive		Percent Change
	CUR	PRO		CUR	PRO	
1	0.33	0.25	-24.2%	0.30	0.35	16.7%
2	0.33	0.25	-24.2%	0.30	0.35	16.7%
3	0.38	0.29	-23.7%	0.35	0.40	14.3%
4	0.49	0.38	-22.4%	0.41	0.47	14.6%
5	0.60	0.46	-23.3%	0.48	0.61	27.1%
6	0.70	0.55	-21.4%	0.65	0.83	27.7%
7	0.79	0.62	-21.5%	0.71	0.90	26.8%
8	0.85	0.67	-21.2%	0.84	1.17	39.3%
9	0.93	0.73	-21.5%	0.94	1.31	39.4%
10	1.00	0.79	-21.0%	1.00	1.39	39.0%
11	1.07	0.84	-21.5%	1.08	1.50	38.9%
12	1.15	0.91	-20.9%	1.13	1.57	38.9%
13	1.18	0.93	-21.2%	1.17	1.63	39.3%
14	1.21	0.95	-21.5%	1.23	1.71	39.0%
15	1.26	0.99	-21.4%	1.26	1.75	38.9%
16	1.31	1.03	-21.4%	1.30	1.81	39.2%
17	1.35	1.06	-21.5%	1.33	1.85	39.1%
18	1.37	1.08	-21.2%	1.35	1.88	39.3%
19	1.40	1.10	-21.4%	1.37	1.90	38.7%
20	1.43	1.18	-17.5%	1.39	1.94	39.6%
21	1.47	1.21	-17.7%	1.41	1.96	39.0%
22	1.51	1.24	-17.9%	1.43	1.99	39.2%
23	1.55	1.28	-17.4%	1.46	2.03	39.0%
24	1.58	1.30	-17.7%	1.50	2.09	39.3%
25	1.61	1.33	-17.4%	1.54	2.12	37.7%
26	1.63	1.35	-17.2%	1.59	2.15	35.2%
27	1.66	1.37	-17.5%	1.64	2.20	34.1%
28	1.68	1.39	-17.3%	1.68	2.24	33.3%
29	1.70	1.41	-17.1%	1.73	2.32	34.1%
30	1.72	1.44	-16.3%	1.78	2.40	34.8%
31	1.74	1.47	-15.5%	1.83	2.48	35.5%
32	1.76	1.50	-14.8%	1.88	2.56	36.2%
33	1.78	1.53	-14.0%	1.93	2.64	36.8%
34	1.81	1.56	-13.8%	1.98	2.72	37.4%
35	1.84	1.59	-13.6%	2.03	2.80	37.9%
36	1.87	1.62	-13.4%	2.09	2.88	37.8%
37	1.90	1.65	-13.2%	2.15	2.96	37.7%
38	1.92	1.68	-12.5%	2.20	3.04	38.2%
39	1.94	1.71	-11.9%	2.25	3.12	38.7%
40	1.96	1.74	-11.2%	2.30	3.20	39.1%
41	1.98	1.77	-10.6%	2.35	3.28	39.6%
42	2.00	1.80	-10.0%	2.41	3.36	39.4%
43	2.02	1.83	-9.4%	2.46	3.44	39.8%
44	2.05	1.86	-9.3%	2.52	3.52	39.7%

45	2.07	1.89	-8.7%	2.57	3.60	40.1%
46	2.10	1.92	-8.6%	2.63	3.68	39.9%
47	2.13	1.95	-8.5%	2.68	3.76	40.3%
48	2.16	1.98	-8.3%	2.73	3.84	40.7%
49	2.19	2.01	-8.2%	2.78	3.92	41.0%
50	2.22	2.04	-8.1%	2.83	4.00	41.3%
51	2.25	2.07	-8.0%	2.88	4.08	41.7%
52	2.27	2.10	-7.5%	2.92	4.16	42.5%
53	2.29	2.13	-7.0%	2.97	4.24	42.8%
54	2.31	2.16	-6.5%	3.01	4.32	43.5%
55	2.34	2.19	-6.4%	3.06	4.40	43.8%
56	2.37	2.22	-6.3%	3.10	4.48	44.5%
57	2.40	2.25	-6.3%	3.14	4.56	45.2%
58	2.43	2.28	-6.2%	3.18	4.64	45.9%
59	2.46	2.31	-6.1%	3.22	4.72	46.6%
60	2.49	2.34	-6.0%	3.26	4.80	47.2%
61	2.51	2.37	-5.6%	3.30	4.88	47.9%
62	2.53	2.40	-5.1%	3.34	4.96	48.5%
63	2.56	2.43	-5.1%	3.39	5.04	48.7%
64	2.59	2.46	-5.0%	3.43	5.12	49.3%
65	2.62	2.49	-5.0%	3.48	5.20	49.4%
66	2.64	2.52	-4.5%	3.52	5.28	50.0%
67	2.66	2.55	-4.1%	3.57	5.36	50.1%
68	2.69	2.58	-4.1%	3.61	5.44	50.7%
69	2.72	2.61	-4.0%	3.65	5.52	51.2%
70	2.75	2.64	-4.0%	3.69	5.60	51.8%
71	2.77	2.67	-3.6%	3.73	5.68	52.3%
72	2.79	2.70	-3.2%	3.77	5.76	52.8%
73	2.82	2.73	-3.2%	3.82	5.84	52.9%
74	2.84	2.76	-2.8%	3.86	5.92	53.4%
75	2.87	2.79	-2.8%	3.90	6.00	53.8%
76	2.90	2.82	-2.8%	3.95	6.08	53.9%
77	2.94	2.85	-3.1%	3.99	6.16	54.4%
78	2.96	2.88	-2.7%	4.03	6.24	54.8%
79	2.98	2.91	-2.3%	4.07	6.32	55.3%
80	3.01	2.94	-2.3%	4.11	6.40	55.7%
81	3.04	2.97	-2.3%	4.15	6.48	56.1%
82	3.07	3.00	-2.3%	4.19	6.56	56.6%
83	3.09	3.03	-1.9%	4.24	6.64	56.6%
84	3.12	3.06	-1.9%	4.29	6.72	56.6%
85	3.15	3.09	-1.9%	4.33	6.80	57.0%
86	3.17	3.12	-1.6%	4.37	6.88	57.4%
87	3.19	3.15	-1.3%	4.41	6.96	57.8%
88	3.22	3.18	-1.2%	4.45	7.04	58.2%
89	3.24	3.21	-0.9%	4.50	7.12	58.2%
90	3.27	3.24	-0.9%	4.54	7.20	58.6%
91	3.30	3.27	-0.9%	4.59	7.28	58.6%
92	3.33	3.30	-0.9%	4.63	7.36	59.0%
93	3.35	3.33	-0.6%	4.67	7.44	59.3%
94	3.38	3.36	-0.6%	4.72	7.52	59.3%
95	3.41	3.39	-0.6%	4.76	7.60	59.7%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
MODEL YEAR RELATIVITY COMPARISON**

Exhibit F

COLLISION

<u>Model Year</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2013	2.37	2.37	New Factor
2012	2.26	2.29	New Factor
2011	2.15	2.18	New Factor
2010	2.05	2.05	0.0%
2009	1.95	1.95	0.0%
2008	1.86	1.86	0.0%
2007	1.77	1.77	0.0%
2006	1.69	1.69	0.0%
2005	1.61	1.61	0.0%
2004	1.53	1.53	0.0%
2003	1.46	1.46	0.0%
2002	1.39	1.39	0.0%
2001	1.32	1.32	0.0%
2000	1.26	1.26	0.0%
1999	1.20	1.20	0.0%
1998 & Prior	1.09	1.09	0.0%

COMPREHENSIVE

<u>Model Year</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2013	2.40	2.40	New Factor
2012	2.29	2.29	New Factor
2011	2.18	2.18	New Factor
2010	2.08	2.08	0.0%
2009	1.98	1.98	0.0%
2008	1.89	1.89	0.0%
2007	1.80	1.80	0.0%
2006	1.71	1.71	0.0%
2005	1.63	1.63	0.0%
2004	1.55	1.55	0.0%
2003	1.48	1.48	0.0%
2002	1.41	1.41	0.0%
2001	1.34	1.34	0.0%
2000	1.28	1.28	0.0%
1999	1.22	1.22	0.0%
1998 & Prior	1.17	1.17	0.0%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
DEDUCTIBLE RELATIVITY COMPARISON**

Exhibit G

COLLISION

<u>Deductible</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
100	1.49	1.49	0.0%
200	1.30	1.30	0.0%
250	1.26	1.26	0.0%
500	1.00	1.00	0.0%
750	.82	.82	0.0%
1000	.69	.72	4.3%
2000	.53	.60	13.2%

COMPREHENSIVE

<u>Deductible</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
50	1.16	1.16	0.0%
100	1.00	1.00	0.0%
250	.74	.74	0.0%
500	.58	.58	0.0%
750	.53	.53	0.0%
1000	.49	.49	0.0%
2000	.35	.35	0.0%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
Z2 TRAILERS**

Exhibit H

COVERAGE FACTOR COMPARISON

Coverage	Current Factor	Proposed Factor	Percent Change
Liability	.25	.25	0.0%
Collision	.45	.45	0.0%
Comprehensive	1.75	1.23	-29.7%

**SHELTER GENERAL AUTOMOBILE
ARKANSAS
PASSIVE RESTRAINT DISCOUNT**

Exhibit I

DISCOUNT FACTOR COMPARISON

<u>Discount Description</u>	<u>Shelter Current</u>	<u>Shelter Proposed</u>
Air Bag (Driver Side Only)	20%	4%
Air Bag (Driver and Passenger Side)	30%	6%
Air Bag and Automatic Belts (Both Sides)	40%	8%

Shelter General Insurance Company**Arkansas****Private Passenger Automobile****Explanatory Memorandum of Attached Exhibits Developing
Indicated Rate Level Change by Coverage****Exhibit B.I – Summary of Indicated Rate Level Change by Coverage**

This summary exhibit details the earned premium at current rates, the indicated rate level change and the indicated dollar need by coverage.

Exhibit B.II.a to B.II.e – Indicated Rate Level Change by Coverage

These exhibits show all calculations used to develop the indicated rate level change by coverage. Generally, accident year losses are adjusted to anticipated levels at the average loss date and fiscal year premiums are adjusted to current rates. The formula loss ratio is then compared to the expected loss ratio, after credibility, for indicated rate level change. All development of adjustment factors and expected loss ratios are detailed in subsequent exhibits.

Exhibit B.III.a to B.III.f – Projected Ultimate Accident Year Loss, Allocated LAE and Accident Year Claim Count

These exhibits show the development of fiscal accident year losses including allocated loss adjustment expense and fiscal accident year claims to an ultimate basis. All coverages are developed to 72 months.

Exhibit B.IV.a to B.IV.f – Development of Combined Trend and Projection Factor by Coverage

These exhibits display the calculation of factors to trend and project losses to the expected average loss date. The average policy is for a six-month term; therefore, the average loss date is nine months after the proposed effective date. These factors are applied to ultimate incurred loss and loss adjustment expense.

Exhibit B.V.a to B.V.e – Development of Earned Current Rate Level Factors by Coverage

These exhibits show the written effective dates and rate changes used to calculate current rate level factors on an earned basis. These factors are applied to fiscal year earned premium to bring past premiums to current rates. The method used to calculate the factors is commonly known as the "Parallelogram Method".

Exhibit B.VI – Development of Unallocated Loss Adjustment Factor

This exhibit shows the three-year average unallocated loss adjustment expense ratio for the latest available three years. These factors are applied to ultimate incurred loss and loss adjustment expense. Separate ratios are calculated for Liability excluding Property Damage, Property Damage Liability and Physical Damage.

Exhibit B.VII.a to B.VII.b – Calculation of Expected Loss Ratio

These exhibits show the calculation of expected loss ratio separately for Liability and Physical Damage. The development of expense ratios used in calculating the expected loss ratios are included.

Exhibit B.VIII.a – Calculation of Factor to Adjust Fixed Costs

This exhibit shows average consumer price indices for the last twenty quarters, which is considered in the selection of trend and projection factors. Exponential regression is used to fit 20, 12 and 6 point curves.

Shelter General Insurance Company

Exhibit B.I

Arkansas

Private Passenger Automobile

Summary of Indicated Rate Level Change by Coverage

Coverage	Fiscal Year Ending 9/30/2010 Earned Premium at Current Rates	Indicated Rate Level Change	
		in Percent	in Dollars
Combined Bodily Injury and Property Damage	\$2,589,595	8.0%	\$207,168
Medical Payments	\$221,637	18.5%	\$41,003
Uninsured/Underinsured Motorist	\$227,787	4.8%	\$10,934
Total Liability	\$3,039,020	8.5%	\$259,105
Collision	\$919,958	1.0%	\$9,200
Comprehensive	\$537,048	6.6%	\$35,445
Total Physical Damage	\$1,457,006	3.1%	\$44,645
Total	\$4,496,026	6.8%	\$303,750

Shelter General Insurance Company

Arkansas

Private Passenger Automobile

Combined Bodily Injury and Property Damage Indicated Rate Level Change

	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Combined BI and PD Earned Premiums	\$3,209,890	\$2,763,135	\$2,517,103
2. Current Rate Level Factor (Exhibit B.V)	1.0730	1.0730	1.0288
3. Premium at Current Rates	\$3,444,212	\$2,964,844	\$2,589,595
Bodily Injury Only			
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.a.1)	\$1,213,677	\$962,406	\$926,024
5. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.a)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.091	1.091	1.091
7. Trended Loss and Loss Adjustment Expense	\$1,479,574	\$1,139,023	\$1,064,141
Property Damage Only			
8. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.b.1)	\$1,010,603	\$973,897	\$868,347
9. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.b)	1.077	1.056	1.036
10. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.091	1.091	1.091
11. Trended Loss and Loss Adjustment Expense	\$1,187,796	\$1,122,129	\$980,998
12. Combined BI and PD Trended Loss and LAE	\$2,667,370	\$2,261,152	\$2,045,139
13. Formula Loss Ratio	77.4%	76.3%	79.0%
14. Experience Year Weight	10.0%	20.0%	70.0%
15. Weighted Formula Loss Ratio		78.3%	
16. Credibility		85.0%	
17. Trended Expected Loss Ratio (19. X 23. ** 1)		72.9%	
18. Credibility Weighted Formula Loss Ratio (15. X 16.) + (0.757 X (1 - 16.))		77.9%	
19. Expected Loss Ratio (Exhibit B.VII.a.1)		71.5%	
20. Indicated Rate Level Change for Variable Expenses (18. / 19.) - 1		9.0%	
21. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
22. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		12.7%	
23. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.02	
24. Trended Fixed Costs (22. X (23.** 1)		13.0%	
25. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((18. + 24.) / (1.000 - 21.)) - 1.000		8.0%	

The assumed effective date used is 04/01/2011.

Line 18. Complement of Credibility applied to Mutual Credibility Weighted Formula Loss Ratio.

Arkansas

Private Passenger Automobile

Medical Payments Indicated Rate Level Change

	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Earned Premium	\$230,080	\$197,595	\$197,169
2. Current Rate Level Factor (Exhibit B.V)	1.3550	1.3550	1.1241
3. Premium at Current Rates	\$311,758	\$267,741	\$221,637
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.c.1)	\$247,393	\$154,441	\$190,823
5. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.c)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.091	1.091	1.091
7. Trended Loss and Loss Adjustment Expense	\$301,593	\$182,784	\$219,285
8. Formula Loss Ratio	96.7%	68.3%	98.9%
9. Experience Year Weight	10.0%	20.0%	70.0%
10. Weighted Formula Loss Ratio		92.6%	
11. Credibility		60.0%	
12. Trended Expected Loss Ratio (14. X 18. ** 1)		72.9%	
13. Credibility Weighted Formula Loss Ratio (10. X 11.) + (0.78 X (1 - 11.))		86.8%	
14. Expected Loss Ratio (Exhibit B.VII.a.1)		71.5%	
15. Indicated Rate Level Change for Variable Expenses (13. / 14.) - 1		21.4%	
16. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
17. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		12.7%	
18. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.02	
19. Trended Fixed Costs (17. X (18.** 1)		13.0%	
20. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((13. + 19.) / (1.000 - 16.)) - 1.000		18.5%	

The assumed effective date used is 04/01/2011.

Arkansas

Private Passenger Automobile

Uninsured/Underinsured Motorist Indicated Rate Level Change

	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Earned Premium	\$336,990	\$293,548	\$243,626
2. Current Rate Level Factor (Exhibit B.V.c)	0.8570	0.8570	0.9350
3. Premium at Current Rates	\$288,800	\$251,571	\$227,787
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.d.1)	\$233,307	\$102,084	\$214,656
5. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.d)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.091	1.091	1.091
7. Trended Loss and Loss Adjustment Expense	\$284,421	\$120,818	\$246,671
8. Formula Loss Ratio	98.5%	48.0%	108.3%
9. Experience Year Weight	10.0%	20.0%	70.0%
10. Weighted Formula Loss Ratio		95.3%	
11. Credibility		25.0%	
12. Trended Expected Loss Ratio (14. X 18. ** 1)		72.9%	
13. Credibility Weighted Formula Loss Ratio (10. X 11.) + (0.685 X (1 - 11.))		75.2%	
14. Expected Loss Ratio (Exhibit B.VII.a.1)		71.5%	
15. Indicated Rate Level Change for Variable Expenses (13. / 14.) - 1		5.2%	
16. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
17. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		12.7%	
18. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.02	
19. Trended Fixed Costs (17. X (18.** 1)		13.0%	
20. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((13. + 19.) / (1.000 - 16.)) - 1.000		4.8%	

The assumed effective date used is 04/01/2011.

Shelter General Insurance Company

Exhibit B.II.d.1

Arkansas

Private Passenger Automobile

Collision Indicated Rate Level Change

	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Earned Premium	\$1,311,448	\$1,146,785	\$956,410
2. Current Rate Level Factor (Exhibit B.V)	0.9130	0.9130	0.9619
3. Model Year Symbol Drift Factor (Exhibit B.II.d.2)	1.2012	1.1439	1.0894
4. Trended Premium at Current Rates	\$1,438,259	\$1,197,680	\$1,002,202
5. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.e.1)	\$957,764	\$663,965	\$625,529
6. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.e)	1.077	1.056	1.036
7. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.090	1.090	1.090
8. Trended Loss and Loss Adjustment Expense	\$1,124,661	\$764,322	\$706,031
9. Formula Loss Ratio	78.2%	63.8%	70.4%
10. Experience Year Weight	10.0%	20.0%	70.0%
11. Weighted Formula Loss Ratio		69.9%	
12. Credibility		90.0%	
13. Trended Expected Loss Ratio (15. X 19. ** 1)		70.6%	
14. Credibility Weighted Formula Loss Ratio (11. X 12.) + (0.68 X (1 - 12.))		69.7%	
15. Expected Loss Ratio (Exhibit B.VII.b.1)		69.2%	
16. Indicated Rate Level Change for Variable Expenses (14. / 15.) - 1		0.7%	
17. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.b.1)		18.0%	
18. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.b.1)		12.8%	
19. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.02	
20. Trended Fixed Costs (18. X (19.** 1)		13.1%	
21. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((14. + 20.) / (1.000 - 17.)) - 1.000		1.0%	

The assumed effective date used is 04/01/2011.

**Shelter General Private Passenger Automobile
Calculation of Collision Model Year & Symbol Drift Premium Trend Factor**

Arkansas Calculation of Model Year Premium Trend Factor for Collision Coverage

Model Year	Distribution FYE 12/2007	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2008	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2009	X	Model Year Factor	=	Weighted Factor
2010	0.00		2.05		0.00	0.00		2.05		0.00	0.19		2.05		0.38
2009	0.00		1.95		0.00	0.24		1.95		0.47	2.66		1.95		5.19
2008	0.57		1.86		1.07	6.02		1.86		11.19	7.03		1.86		13.07
2007	6.77		1.77		11.98	9.05		1.77		16.03	10.18		1.77		18.01
2006	8.42		1.69		14.22	9.20		1.69		15.56	10.75		1.69		18.17
2005	9.77		1.61		15.74	10.23		1.61		16.47	10.58		1.61		17.04
2004	10.07		1.53		15.40	10.11		1.53		15.47	10.71		1.53		16.39
2003	9.87		1.46		14.41	10.06		1.46		14.69	9.60		1.46		14.01
2002	10.05		1.39		13.97	9.10		1.39		12.64	7.90		1.39		10.98
2001	10.66		1.32		14.07	9.54		1.32		12.59	8.31		1.32		10.97
2000	9.65		1.26		12.15	7.35		1.26		9.26	6.52		1.26		8.22
1999	6.25		1.20		7.50	5.20		1.20		6.24	4.41		1.20		5.29
1998	4.99		1.09		5.44	3.61		1.09		3.94	2.80		1.09		3.06
1997	3.67		1.00		3.67	3.35		1.00		3.35	2.69		1.00		2.69
Prior	9.27		1.00		9.27	6.94		1.00		6.94	5.67		1.00		5.67
	100.00				138.89	100.00				144.83	100.00				149.14
										% Change = 4.28					% Change = 2.98

Arkansas Calculation of Symbol Drift Premium Trend Factor for Collision Coverage

Cost Symbol	Distribution FYE 12/2007	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2008	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2009	X	Cost Symbol Factor	=	Weighted Factor
<8	0.71		0.00		0.00	0.53		0.00		0.00	0.47		0.00		0.00
8	1.94		0.85		1.65	1.57		0.85		1.34	1.11		0.85		0.94
9	1.64		0.93		1.52	1.33		0.93		1.24	1.23		0.93		1.14
10	2.75		1.00		2.75	2.32		1.00		2.32	1.89		1.00		1.89
11	2.74		1.07		2.93	2.04		1.07		2.18	1.64		1.07		1.75
12	3.33		1.15		3.82	3.37		1.15		3.88	3.12		1.15		3.59
13	4.60		1.18		5.42	3.92		1.18		4.63	4.03		1.18		4.75
14	4.99		1.21		6.03	5.31		1.21		6.43	4.97		1.21		6.01
15	6.27		1.26		7.89	5.51		1.26		6.95	5.52		1.26		6.96
16	6.46		1.31		8.46	5.64		1.31		7.39	5.54		1.31		7.26
17	6.38		1.35		8.62	6.15		1.35		8.31	5.30		1.35		7.16
18	6.56		1.37		8.99	6.64		1.37		9.10	6.52		1.37		8.93
19	6.66		1.40		9.33	7.24		1.40		10.14	6.63		1.40		9.28
20-21	9.75		1.43		13.95	10.16		1.43		14.53	10.54		1.43		15.07
22-24	12.21		1.55		18.92	12.49		1.55		19.36	13.21		1.55		20.47
25-29	12.74		1.66		21.15	14.39		1.66		23.89	14.94		1.66		24.80
30-34	6.04		1.74		10.51	6.56		1.74		11.42	7.59		1.74		13.21
35-39	2.62		1.90		4.98	2.69		1.90		5.12	3.37		1.90		6.40
40-44	0.82		2.00		1.63	1.10		2.00		2.19	1.07		2.00		2.14
>44	0.81		2.34		1.89	1.00		2.34		2.35	1.34		2.34		3.14
	100.00				140.45	100.00				142.76	100.00				144.87
										% Change = 1.65					% Change = 1.48

Selected Model Year Premium Trend Factor = **3.40%**
 Selected Symbol Drift Premium Trend Factor = **1.55%**
 Combined Premium Trend Factor = **5.0%**

Arkansas

Private Passenger Automobile

Comprehensive Indicated Rate Level Change

	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Earned Premium	\$686,970	\$595,948	\$529,090
2. Current Rate Level Factor (Exhibit B.V)	1.0370	1.0370	1.0150
3. Model Year Symbol Drift Factor (Exhibit B.II.e.2)	1.2102	1.1502	1.0932
4. Trended Premium at Current Rates	\$862,132	\$710,821	\$587,101
5. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.f.1)	\$963,140	\$434,617	\$361,191
6. Excess Loss (Exhibit B.II.e.3)	501,874	74,444	0
7. Incurred Less Excess	\$461,266	\$360,173	\$361,191
8. Excess Loss Factor (Exhibit B.II.e.3)	1.166	1.166	1.166
9. Factor to Trend and Project Losses to 1/1/2012 (Exhibit B.IV.f)	1.077	1.056	1.036
10. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.090	1.090	1.090
11. Trended Loss and Loss Adjustment Expense	\$631,558	\$483,438	\$475,349
12. Formula Loss Ratio	73.3%	68.0%	81.0%
13. Experience Year Weight	33.3%	33.3%	33.3%
14. Weighted Formula Loss Ratio		74.1%	
15. Credibility		95.0%	
16. Trended Expected Loss Ratio (18. X 22. ** 1)		70.6%	
17. Credibility Weighted Formula Loss Ratio (14. X 15.) + (0.78 X (1 - 15.))		74.3%	
18. Expected Loss Ratio (Exhibit B.VII.b.1)		69.2%	
19. Indicated Rate Level Change for Variable Expenses (17. / 18.) - 1		7.4%	
20. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.b.1)		18.0%	
21. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.b.1)		12.8%	
22. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.02	
23. Trended Fixed Costs (21. X (22.** 1)		13.1%	
24. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((17. + 23.) / (1.000 - 20.)) - 1.000		6.6%	

The assumed effective date used is 04/01/2011.

Shelter General Private Passenger Automobile Calculation of Comprehensive Model Year & Symbol Drift Premium Trend Factor

Arkansas Calculation of Model Year Premium Trend Factor for Comprehensive Coverage

Model Year	Distribution FYE 12/2007	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2008	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2009	X	Model Year Factor	=	Weighted Factor
2010	0.00		2.08		0.00	0.00		2.08		0.00	0.19		2.08		0.39
2009	0.00		1.98		0.00	0.24		1.98		0.47	2.64		1.98		5.22
2008	0.57		1.89		1.07	5.94		1.89		11.23	6.99		1.89		13.21
2007	6.70		1.80		12.06	8.97		1.80		16.15	10.11		1.80		18.19
2006	8.33		1.71		14.25	9.09		1.71		15.54	10.69		1.71		18.28
2005	9.68		1.63		15.78	10.13		1.63		16.52	10.52		1.63		17.14
2004	10.00		1.55		15.50	10.02		1.55		15.52	10.67		1.55		16.54
2003	9.78		1.48		14.48	9.95		1.48		14.72	9.51		1.48		14.07
2002	10.01		1.41		14.11	9.04		1.41		12.75	7.90		1.41		11.14
2001	10.58		1.34		14.17	9.47		1.34		12.69	8.31		1.34		11.14
2000	9.60		1.28		12.29	7.30		1.28		9.34	6.52		1.28		8.35
1999	6.31		1.22		7.70	5.30		1.22		6.47	4.51		1.22		5.50
1998	5.00		1.17		5.85	3.75		1.17		4.38	2.80		1.17		3.28
1997	3.68		1.11		4.09	3.44		1.11		3.82	2.72		1.11		3.02
Prior	9.76		1.11		10.84	7.36		1.11		8.17	5.94		1.11		6.59
	100.00				142.18	100.00				147.78	100.00				152.05
								% Change =		3.94			% Change =		2.89

Arkansas Calculation of Symbol Drift Premium Trend Factor for Comprehensive Coverage

Cost Symbol	Distribution FYE 12/2007	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2008	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2009	X	Cost Symbol Factor	=	Weighted Factor
<8	0.80		0.00		0.00	0.57		0.00		0.00	0.49		0.00		0.00
8	2.04		0.84		1.71	1.72		0.84		1.44	1.16		0.84		0.97
9	1.61		0.94		1.51	1.32		0.94		1.24	1.23		0.94		1.15
10	2.85		1.00		2.85	2.44		1.00		2.44	1.97		1.00		1.97
11	2.78		1.08		3.00	2.07		1.08		2.24	1.66		1.08		1.79
12	3.44		1.13		3.88	3.43		1.13		3.88	3.10		1.13		3.50
13	4.71		1.17		5.51	4.06		1.17		4.75	4.06		1.17		4.75
14	4.98		1.23		6.12	5.24		1.23		6.45	4.89		1.23		6.02
15	6.24		1.26		7.86	5.56		1.26		7.01	5.54		1.26		6.98
16	6.40		1.30		8.32	5.66		1.30		7.35	5.64		1.30		7.33
17	6.35		1.33		8.45	6.08		1.33		8.08	5.26		1.33		6.99
18	6.51		1.35		8.79	6.57		1.35		8.86	6.48		1.35		8.74
19	6.58		1.37		9.02	7.21		1.37		9.88	6.61		1.37		9.05
20-21	9.71		1.39		13.50	10.12		1.39		14.07	10.53		1.39		14.64
22-24	12.14		1.46		17.72	12.41		1.46		18.12	13.14		1.46		19.19
25-29	12.62		1.64		20.69	14.29		1.64		23.44	14.93		1.64		24.48
30-34	6.04		1.83		11.06	6.48		1.83		11.85	7.54		1.83		13.81
35-39	2.62		2.15		5.64	2.69		2.15		5.79	3.38		2.15		7.26
40-44	0.80		2.41		1.93	1.08		2.41		2.61	1.06		2.41		2.56
>44	0.80		3.06		2.45	0.99		3.06		3.04	1.33		3.06		4.07
	100.00				140.00	100.00				142.55	100.00				145.27
								% Change =		1.82			% Change =		1.91

Selected Model Year Premium Trend Factor = **3.25%**
 Selected Symbol Drift Premium Trend Factor = **1.90%**
 Combined Premium Trend Factor = **5.2%**

Shelter General Insurance Company

Exhibit B.II.e.3

Arkansas

Private Passenger Automobile - Comprehensive

Development of Excess Wind and Hail Loss Factor

Fiscal Accident Year	(1) Wind and Hail Loss	(2) Total Loss	(3) Wind/Non-Wind (1) / (2-1)	Rank	(4) If (3)>1.5xM then (3)-M	(5) Excess Wind Loss (2-1)x(4)	Total Loss Less Excess (2) - (5)
9/2001	186,309	1,086,466	0.2070	4	-		
9/2002	174,759	950,001	0.2254	6	-		
9/2003	163,491	588,119	0.3850	7	0.1643		
9/2004	102,241	575,665	0.2160	5	-		
9/2005	44,162	403,427	0.1229	2	-		
9/2006	175,612	573,781	0.4410	8	0.2203		
9/2007	31,039	442,750	0.0754	1	-		
9/2008	585,280	963,140	1.5489	10	1.3282	501,874	461,266
9/2009	139,555	434,617	0.4730	9	0.2523	74,444	360,173
9/2010	45,265	361,191	<u>0.1433</u>	3	-	0	361,191
			3.8379		1.9651		

Median (M) (Rank 5 + Rank 6) / 2	=	0.2207	Excess Factor	=	$\frac{1.0 + \text{Average Ratio}}{1.0 + \text{Average Ratio} - \text{Average Excess}}$
Median x 1.5	=	0.3311		=	$\frac{1.0 + 0.3838}{1.0 + 0.3838 - 0.1965}$
Average Wind to Non-Wind Ratio	=	0.3838		=	<u>1.166</u>
Average Excess Ratio	=	0.1965	Selected		<u>1.166</u>

**Shelter General Insurance Company
Private Passenger Auto - Bodily Injury Liability
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	4,380,579	10,597,357	13,285,612	14,362,871	14,913,298	15,316,763	15,348,207	15,388,819	15,420,407	15,433,730
9/30/2002	4,224,441	10,097,654	12,521,570	13,860,431	14,498,899	14,813,611	14,962,724	15,007,074	15,052,387	
9/30/2003	3,561,271	10,143,503	12,561,540	13,933,477	14,657,198	14,912,279	15,048,219	15,106,961		
9/30/2004	3,626,382	9,326,087	11,452,709	12,737,414	13,350,721	13,675,929	13,767,416			
9/30/2005	3,633,840	9,232,543	11,562,747	13,057,646	13,419,644	13,494,239				
9/30/2006	3,372,266	9,264,747	11,732,058	12,968,853	14,161,694					
9/30/2007	3,565,220	8,945,648	11,684,733	12,650,503						
9/30/2008	2,968,968	8,231,202	10,792,935							
9/30/2009	3,115,478	8,679,087								
9/30/2010	3,387,471									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	16,466,143	16,035,639	15,877,013	15,787,224	15,603,628	15,591,620	15,556,732	15,571,647	15,589,234	15,514,730
9/30/2002	15,803,900	15,317,294	14,727,299	14,969,257	15,018,446	15,095,589	15,087,724	15,099,074	15,057,387	
9/30/2003	15,771,916	14,684,415	14,573,685	15,278,099	15,174,007	15,222,779	15,165,219	15,166,961		
9/30/2004	15,204,887	13,351,096	13,747,114	13,826,257	13,997,721	14,134,722	14,012,909			
9/30/2005	14,832,378	13,372,460	13,344,359	13,644,869	13,542,644	13,560,239				
9/30/2006	15,637,088	13,713,971	14,135,211	14,424,504	14,792,845					
9/30/2007	15,231,371	13,533,597	13,940,687	13,945,210						
9/30/2008	13,220,580	11,864,845	12,437,735							
9/30/2009	13,481,128	12,748,587								
9/30/2010	16,197,061									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,617	1,750	1,783	1,796	1,799	1,800	1,800	1,800	1,807	1,808
9/30/2002	1,577	1,721	1,739	1,748	1,753	1,757	1,758	1,764	1,764	
9/30/2003	1,431	1,547	1,562	1,570	1,574	1,574	1,579	1,581		
9/30/2004	1,418	1,509	1,522	1,527	1,529	1,545	1,546			
9/30/2005	1,391	1,468	1,478	1,482	1,495	1,502				
9/30/2006	1,214	1,297	1,302	1,353	1,356					
9/30/2007	1,377	1,517	1,589	1,602						
9/30/2008	1,568	1,682	1,693							
9/30/2009	1,507	1,589								
9/30/2010	1,765									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Loss & ALAE (11) = (9) x (10)
				@60 (4)	@72 (5)	@84 (6)				
9/30/2001	15,514,730	1.0000	15,514,730	15,433,730	1,0000	15,433,730	15,514,730	1,808	1.0000	1,808
9/30/2002	15,057,387	1.0000	15,057,387	15,052,387	1.0000	15,052,387	15,057,387	1,764	1.0000	1,764
9/30/2003	15,166,961	1.0007	15,177,578	15,106,961	1.0025	15,144,728	15,177,578	1,581	1.0000	1,581
9/30/2004	14,012,909	0.9989	13,997,477	13,767,416	1.0045	13,829,439	13,997,477	1,546	1.0000	1,546
9/30/2005	13,560,239	0.9981	13,534,470	13,494,239	1.0116	13,651,272	13,534,470	1,502	1.0000	1,502
9/30/2006	14,792,845	0.9974	14,754,397	14,161,694	1.0282	14,561,448	14,754,397	1,356	1.0020	1,359
9/30/2007	13,945,210	1.0032	13,989,638	12,650,503	1.0785	13,643,671	13,989,638	1,602	1.0045	1,609
9/30/2008	12,437,735	1.0200	12,686,980	10,792,935	1.1889	12,832,233	12,686,980	1,693	1.0146	1,718
9/30/2009	12,748,587	1.0349	13,193,920	8,679,087	1.4877	12,912,137	13,193,920	1,589	1.0247	1,628
9/30/2010	16,197,061	0.9314	15,086,571	3,387,471	3.9425	13,355,050	15,086,571	1,765	1.0862	1,917
3-yr Total			40,967,472			39,099,420	40,967,472			
10-yr Total			142,993,147			140,416,093	142,993,147			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	879,762	1,628,373	1,939,723	2,163,711	2,311,086	2,321,108	2,324,201	2,325,560	2,325,560	2,325,588
9/30/2002	546,773	1,143,227	1,330,922	1,439,612	1,464,987	1,492,788	1,492,788	1,492,788	1,492,788	
9/30/2003	695,683	1,487,464	1,700,839	1,815,254	1,886,107	1,886,107	1,886,107	1,886,107	1,886,107	
9/30/2004	727,481	1,264,244	1,502,993	1,553,583	1,620,788	1,622,237	1,658,743			
9/30/2005	593,146	1,162,071	1,507,775	1,577,500	1,624,049	1,624,049				
9/30/2006	517,853	1,218,970	1,362,499	1,412,724	1,466,470					
9/30/2007	413,171	894,409	1,103,342	1,095,852						
9/30/2008	357,549	945,140	1,180,558							
9/30/2009	336,244	592,986								
9/30/2010	420,213									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	2,207,572	2,328,471	2,392,967	2,435,711	2,358,086	2,337,108	2,358,201	2,340,560	2,340,560	2,340,588
9/30/2002	1,843,702	1,596,727	1,511,422	1,490,612	1,484,987	1,492,788	1,492,788	1,492,788	1,492,788	
9/30/2003	2,239,304	1,866,464	1,862,839	1,916,739	1,902,107	1,902,107	1,902,107	1,886,107		
9/30/2004	2,007,721	1,631,528	1,663,993	1,627,883	1,656,788	1,699,237	1,658,743			
9/30/2005	1,730,071	1,630,515	1,660,275	1,626,500	1,643,049	1,624,049				
9/30/2006	1,813,205	1,517,083	1,476,499	1,475,724	1,510,470					
9/30/2007	1,418,190	1,232,316	1,135,342	1,114,852						
9/30/2008	1,521,096	1,279,240	1,218,558							
9/30/2009	1,097,304	982,986								
9/30/2010	1,074,803									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	244	257	262	264	264	264	264	264	265	265
9/30/2002	203	213	216	216	218	218	218	218	218	
9/30/2003	206	217	217	217	217	217	217			
9/30/2004	216	225	227	227	230	230				
9/30/2005	193	200	200	200	201	201				
9/30/2006	161	169	169	174	176					
9/30/2007	139	152	157	157						
9/30/2008	183	194	194							
9/30/2009	127	130								
9/30/2010	146									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Loss & ALAE (11) = (9) x (10)
				@60 (4)	@72 (5)	@84 (6)				
9/30/2001	2,340,588	1.0000	2,340,588	2,325,588	1.0000	2,325,588	2,340,588	265	1.0000	265
9/30/2002	1,492,788	1.0000	1,492,788	1,492,788	1.0000	1,492,788	1,492,788	218	1.0000	218
9/30/2003	1,886,107	1.0000	1,886,107	1,886,107	1.0000	1,886,107	1,886,107	217	1.0000	217
9/30/2004	1,658,743	1.0000	1,658,743	1,658,743	1.0005	1,659,572	1,658,743	230	1.0000	230
9/30/2005	1,624,049	1.0000	1,624,049	1,624,049	1.0055	1,632,985	1,624,049	201	1.0000	201
9/30/2006	1,510,470	1.0010	1,511,980	1,466,470	1.0095	1,480,437	1,511,980	176	1.0040	177
9/30/2007	1,114,852	1.0010	1,115,967	1,095,852	1.0449	1,145,010	1,115,967	157	1.0070	158
9/30/2008	1,218,558	0.9960	1,213,677	1,180,558	1.0971	1,295,191	1,213,677	194	1.0120	196
9/30/2009	982,986	0.9791	962,406	592,986	1.3385	793,690	962,406	130	1.0191	132
9/30/2010	1,074,803	0.8616	926,024	420,213	2.7438	1,153,002	926,024	146	1.0701	156
3-yr Total			3,102,107			3,241,883	3,102,107			
10-yr Total			14,732,328			14,864,369	14,732,328			

**Shelter General Insurance Company
Private Passenger Auto - Property Damage Liability
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)					
					@60	@72	@84	@96	@108	@120
9/30/2001	10,091,266	11,680,430	11,805,088	11,837,763	11,842,406	11,844,941	11,844,484	11,844,484	11,844,159	11,844,159
9/30/2002	10,065,432	11,693,369	11,849,336	11,862,058	11,906,483	11,918,957	11,922,181	11,924,319	11,924,319	
9/30/2003	9,359,059	10,969,101	11,050,090	11,106,668	11,107,724	11,108,672	11,108,745	11,111,135		
9/30/2004	8,906,092	10,319,636	10,488,227	10,514,043	10,558,060	10,564,442	10,570,203			
9/30/2005	9,352,170	10,819,881	10,847,485	10,880,780	10,895,152	10,906,875				
9/30/2006	8,874,453	10,356,933	10,440,849	10,468,535	10,466,469					
9/30/2007	9,322,731	11,038,121	11,135,947	11,156,930						
9/30/2008	9,795,643	11,245,249	11,255,837							
9/30/2009	9,741,242	11,157,068								
9/30/2010	10,554,388									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)					
					@60	@72	@84	@96	@108	@120
9/30/2001	11,571,594	11,815,771	11,868,696	11,867,203	11,855,906	11,848,441	11,844,484	11,844,484	11,844,159	11,844,159
9/30/2002	11,674,702	11,789,834	11,879,692	11,876,058	11,913,483	11,918,957	11,922,181	11,924,319	11,924,319	
9/30/2003	11,169,103	11,056,954	11,093,915	11,140,218	11,120,274	11,124,922	11,119,445	11,111,135		
9/30/2004	10,363,842	10,420,880	10,536,343	10,544,220	10,569,251	10,571,542	10,577,303			
9/30/2005	10,783,324	10,879,916	10,861,685	10,887,980	10,898,652	10,906,875				
9/30/2006	10,578,736	10,452,516	10,476,949	10,475,735	10,473,669					
9/30/2007	10,774,682	11,143,750	11,176,977	11,178,530						
9/30/2008	11,080,209	11,291,756	11,287,944							
9/30/2009	11,133,923	11,266,746								
9/30/2010	11,965,516									

Companywide Claims with Payment

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)					
					@60	@72	@84	@96	@108	@120
9/30/2001	6,014	6,283	6,312	6,320	6,322	6,324	6,324	6,324	6,324	6,324
9/30/2002	5,828	6,045	6,067	6,074	6,076	6,076	6,076	6,077	6,077	
9/30/2003	5,309	5,497	5,515	5,522	5,522	5,522	5,523	5,524		
9/30/2004	5,183	5,327	5,331	5,333	5,334	5,336	5,336			
9/30/2005	5,126	5,269	5,276	5,281	5,283	5,284				
9/30/2006	4,889	5,031	5,041	5,048	5,050					
9/30/2007	4,888	5,114	5,120	5,127						
9/30/2008	4,810	5,005	5,013							
9/30/2009	4,847	5,039								
9/30/2010	5,287									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2001	11,844,159	1.0000	11,844,159	11,844,159	1.0000	11,844,159	11,844,159	6,324	1.0000	6,324	6,324
9/30/2002	11,924,319	1.0000	11,924,319	11,924,319	1.0000	11,924,319	11,924,319	6,077	1.0000	6,077	6,077
9/30/2003	11,111,135	1.0000	11,111,135	11,111,135	1.0000	11,111,135	11,111,135	5,524	1.0000	5,524	5,524
9/30/2004	10,577,303	1.0000	10,577,303	10,570,203	1.0000	10,570,203	10,577,303	5,336	1.0000	5,336	5,336
9/30/2005	10,906,875	1.0000	10,906,875	10,906,875	1.0000	10,906,875	10,906,875	5,284	1.0000	5,284	5,284
9/30/2006	10,473,669	1.0001	10,474,716	10,466,469	1.0004	10,470,656	10,474,716	5,050	1.0002	5,051	5,051
9/30/2007	11,178,530	1.0010	11,189,710	11,156,930	1.0021	11,180,367	11,189,710	5,127	1.0005	5,130	5,130
9/30/2008	11,287,944	1.0029	11,320,702	11,255,837	1.0060	11,323,472	11,320,702	5,013	1.0015	5,021	5,021
9/30/2009	11,266,746	1.0062	11,336,731	11,157,068	1.0137	11,309,413	11,336,731	5,039	1.0029	5,054	5,054
9/30/2010	11,965,516	1.0205	12,210,807	10,554,388	1.1715	12,364,260	12,210,807	5,287	1.0370	5,483	5,483
3-yr Total			34,868,239			34,997,146	34,868,239				
10-yr Total			112,896,457			113,004,860	112,896,457				

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,675,397	1,834,621	1,837,568	1,837,533	1,841,158	1,841,473	1,841,017	1,841,017	1,840,692	1,840,692
9/30/2002	1,271,685	1,369,887	1,370,456	1,376,672	1,380,006	1,380,006	1,383,230	1,385,368	1,385,368	
9/30/2003	1,287,692	1,504,886	1,509,007	1,529,903	1,530,149	1,530,570	1,530,642			
9/30/2004	1,172,367	1,259,842	1,264,204	1,264,633	1,264,633	1,264,633	1,264,633			
9/30/2005	957,938	1,061,968	1,066,456	1,071,260	1,072,928	1,079,650				
9/30/2006	968,446	1,089,001	1,121,609	1,121,609	1,121,609					
9/30/2007	872,381	1,086,517	1,088,455	1,088,455						
9/30/2008	940,713	1,006,574	1,006,574							
9/30/2009	813,669	948,631								
9/30/2010	782,476									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,820,784	1,841,321	1,847,368	1,848,033	1,844,658	1,844,973	1,841,017	1,841,017	1,840,692	1,840,692
9/30/2002	1,377,275	1,376,487	1,370,456	1,376,672	1,380,006	1,380,006	1,383,230	1,385,368	1,385,368	
9/30/2003	1,486,245	1,504,886	1,516,007	1,536,903	1,537,249	1,537,670	1,534,142	1,530,642		
9/30/2004	1,299,220	1,260,156	1,264,204	1,264,633	1,264,633	1,268,133	1,268,133			
9/30/2005	1,118,447	1,076,068	1,069,956	1,074,760	1,076,428	1,079,650				
9/30/2006	1,123,774	1,089,001	1,121,609	1,121,609	1,121,609					
9/30/2007	977,157	1,090,117	1,088,455	1,092,055						
9/30/2008	1,020,541	1,010,174	1,006,574							
9/30/2009	935,439	966,631								
9/30/2010	857,581									

Arkansas Claims with Payment

Fiscal Year-End	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	857	885	890	892	892	892	892	892	892	892
9/30/2002	722	741	743	745	745	745	745	745	745	
9/30/2003	655	667	668	668	668	668	668	668		
9/30/2004	624	639	640	640	640	641	641			
9/30/2005	576	589	590	590	591	591				
9/30/2006	532	540	541	541	541					
9/30/2007	456	470	472	473						
9/30/2008	407	418	418							
9/30/2009	345	358								
9/30/2010	343									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2001	1,840,692	1.0000	1,840,692	1,840,692	1.0000	1,840,692	1,840,692	892	1.0000	892	892
9/30/2002	1,385,368	1.0000	1,385,368	1,385,368	1.0000	1,385,368	1,385,368	745	1.0000	745	745
9/30/2003	1,530,642	1.0000	1,530,642	1,530,642	1.0000	1,530,642	1,530,642	668	1.0000	668	668
9/30/2004	1,268,133	1.0000	1,268,133	1,264,633	1.0000	1,264,633	1,268,133	641	1.0000	641	641
9/30/2005	1,079,650	0.9995	1,079,110	1,079,650	1.0000	1,079,650	1,079,110	591	1.0000	591	591
9/30/2006	1,121,609	1.0005	1,122,169	1,121,609	1.0005	1,122,170	1,122,169	541	1.0000	541	541
9/30/2007	1,092,055	1.0010	1,093,147	1,088,455	1.0015	1,090,089	1,093,147	473	1.0000	473	473
9/30/2008	1,006,574	1.0040	1,010,603	1,006,574	1.0055	1,012,116	1,010,603	418	1.0005	418	418
9/30/2009	966,631	1.0075	973,897	948,631	1.0100	958,147	973,897	358	1.0025	359	359
9/30/2010	857,581	1.0126	868,347	782,476	1.1413	893,068	868,347	343	1.0286	353	353
3-yr Total			2,852,846			2,863,331	2,852,846				
10-yr Total			12,172,107			12,176,574	12,172,107				

**Shelter General Insurance Company
Private Passenger Auto - Medical Payments
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,124,610	1,457,200	1,454,069	1,430,750	1,424,028	1,422,776	1,422,580	1,420,755	1,420,631	1,420,631
9/30/2002	1,237,053	1,753,402	1,735,824	1,697,775	1,683,565	1,674,951	1,658,791	1,657,818	1,657,400	
9/30/2003	1,460,739	1,928,311	1,916,464	1,884,179	1,888,481	1,884,676	1,882,130	1,882,038		
9/30/2004	1,334,919	1,750,767	1,696,534	1,695,766	1,691,463	1,691,107	1,688,789			
9/30/2005	1,516,745	1,891,855	1,806,236	1,795,200	1,791,221	1,796,286				
9/30/2006	1,749,148	2,055,206	2,003,193	1,981,221	1,964,395					
9/30/2007	1,900,036	2,354,414	2,314,803	2,282,761						
9/30/2008	1,608,505	2,100,765	2,076,412							
9/30/2009	1,771,204	2,098,579								
9/30/2010	2,141,693									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,584,051	1,504,400	1,468,771	1,443,738	1,426,704	1,429,076	1,422,580	1,420,755	1,420,631	1,420,631
9/30/2002	1,842,311	1,809,947	1,762,932	1,712,199	1,687,922	1,677,008	1,660,848	1,657,818	1,657,400	
9/30/2003	2,217,951	1,948,083	1,920,881	1,884,179	1,888,481	1,884,676	1,882,130	1,882,038		
9/30/2004	2,081,627	1,777,189	1,714,798	1,705,166	1,691,463	1,691,107	1,688,789			
9/30/2005	2,312,587	1,902,855	1,806,236	1,799,400	1,796,286	1,792,288				
9/30/2006	2,846,687	2,075,549	2,027,793	1,985,221	1,968,395					
9/30/2007	2,883,917	2,421,139	2,329,358	2,294,261						
9/30/2008	2,612,595	2,130,730	2,086,582							
9/30/2009	2,776,733	2,206,663								
9/30/2010	3,252,731									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,071	1,153	1,159	1,166	1,166	1,168	1,168	1,168	1,170	1,170
9/30/2002	1,319	1,419	1,431	1,433	1,434	1,434	1,434	1,441	1,443	
9/30/2003	1,495	1,607	1,618	1,620	1,620	1,620	1,626	1,626		
9/30/2004	1,698	1,785	1,791	1,794	1,794	1,805	1,805			
9/30/2005	1,731	1,820	1,826	1,828	1,845	1,850				
9/30/2006	1,730	1,824	1,831	1,876	1,879					
9/30/2007	1,609	1,694	1,743	1,748						
9/30/2008	1,193	1,253	1,259							
9/30/2009	1,261	1,317								
9/30/2010	1,434									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)	Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2001	1,420,631	1.0000	1,420,631	1,420,631	1.0000	1,420,631	1,420,631	1,170	1.0000	1,170
9/30/2002	1,657,400	1.0000	1,657,400	1,657,400	1.0000	1,657,400	1,657,400	1,443	1.0000	1,443
9/30/2003	1,882,038	1.0000	1,882,038	1,882,038	1.0000	1,882,038	1,882,038	1,626	1.0000	1,626
9/30/2004	1,688,789	0.9997	1,688,282	1,688,789	0.9997	1,688,282	1,688,282	1,805	1.0000	1,805
9/30/2005	1,792,288	0.9971	1,787,092	1,792,288	0.9971	1,787,092	1,787,092	1,850	1.0000	1,850
9/30/2006	1,968,395	0.9955	1,959,548	1,964,395	0.9955	1,955,566	1,959,548	1,879	1.0010	1,881
9/30/2007	2,294,261	0.9861	2,262,480	2,282,761	0.9878	2,255,003	2,262,480	1,748	1.0030	1,753
9/30/2008	2,086,582	0.9738	2,031,957	2,076,412	0.9789	2,032,703	2,031,957	1,259	1.0075	1,268
9/30/2009	2,206,663	0.9446	2,084,427	2,098,579	0.9661	2,027,490	2,084,427	1,317	1.0126	1,334
9/30/2010	3,252,731	0.7647	2,487,229	2,141,693	1.1955	2,560,359	2,487,229	1,434	1.0693	1,533
3-yr Total			6,603,613			6,620,551	6,603,613			
10-yr Total			19,261,084			19,266,562	19,261,084			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	303,239	329,479	300,975	292,983	287,142	287,103	286,991	286,902	286,824	286,824
9/30/2002	194,956	255,640	248,311	237,448	237,184	237,111	236,979	236,807	236,635	
9/30/2003	286,553	374,218	360,675	346,242	349,223	349,183	348,653	348,561		
9/30/2004	207,824	247,525	235,245	230,557	230,290	230,084	229,966			
9/30/2005	208,316	239,877	226,603	223,269	223,269	223,269				
9/30/2006	155,120	184,650	178,581	179,942	178,808					
9/30/2007	158,615	238,279	238,447	238,019						
9/30/2008	213,198	256,126	254,066							
9/30/2009	147,802	162,188								
9/30/2010	172,574									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	369,434	329,479	300,975	292,983	287,142	287,103	286,991	286,902	286,824	286,824
9/30/2002	277,275	261,640	248,311	240,765	237,184	237,111	236,979	236,807	236,635	
9/30/2003	423,174	374,218	362,492	346,242	349,223	349,183	348,653	348,561		
9/30/2004	305,026	247,525	238,134	230,557	230,290	230,084	229,966			
9/30/2005	310,440	239,877	226,603	223,269	223,269	223,269				
9/30/2006	255,442	188,450	178,581	179,942	178,808					
9/30/2007	251,048	250,479	238,447	238,019						
9/30/2008	311,680	257,225	254,066							
9/30/2009	221,623	166,080								
9/30/2010	247,235									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	218	230	230	231	231	231	231	231	232	232
9/30/2002	237	251	252	253	253	253	253	255	255	
9/30/2003	344	360	360	360	360	360	365	365		
9/30/2004	245	258	260	260	260	262	262			
9/30/2005	237	243	243	244	246	247				
9/30/2006	180	193	193	198	199					
9/30/2007	172	182	190	190						
9/30/2008	122	133	133							
9/30/2009	116	117								
9/30/2010	110									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)	Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2001	286,824	1.0000	286,824	286,824	1.0000	286,824	286,824	232	1.0000	232
9/30/2002	236,635	1.0000	236,635	236,635	1.0000	236,635	236,635	255	1.0000	255
9/30/2003	348,561	0.9998	348,491	348,561	0.9997	348,456	348,491	365	1.0001	365
9/30/2004	229,966	0.9996	229,874	229,966	0.9994	229,828	229,874	262	1.0003	262
9/30/2005	223,269	0.9991	223,068	223,269	0.9989	223,024	223,068	247	1.0008	247
9/30/2006	178,808	0.9986	178,558	178,808	0.9986	178,558	178,558	199	1.0023	199
9/30/2007	238,019	0.9936	236,498	238,019	0.9956	236,973	236,498	190	1.0043	191
9/30/2008	254,066	0.9737	247,393	254,066	0.9787	248,649	247,393	133	1.0083	134
9/30/2009	166,080	0.9299	154,441	162,188	0.9493	153,968	154,441	117	1.0144	119
9/30/2010	247,235	0.7718	190,823	172,574	1.1582	199,870	190,823	110	1.0651	117
3-yr Total			592,657			602,487	592,657			
10-yr Total			2,332,604			2,342,784	2,332,604			

**Shelter General Insurance Company
Private Passenger Auto - Uninsured/Underinsured Motorist
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	718,069	1,572,016	1,892,604	2,023,318	2,146,367	2,160,560	2,299,384	2,313,914	2,313,611	2,312,283
9/30/2002	726,397	1,456,478	1,993,757	2,299,325	2,461,839	2,508,713	2,508,066	2,531,453	2,605,346	
9/30/2003	613,780	1,783,120	2,192,926	2,470,506	2,518,363	2,581,069	2,580,460	2,599,831		
9/30/2004	695,525	1,822,682	2,229,624	2,365,471	2,419,364	2,505,847	2,501,118			
9/30/2005	496,313	1,633,918	2,106,242	2,264,194	2,374,523	2,377,672				
9/30/2006	782,915	1,905,990	2,219,585	2,527,887	2,740,636					
9/30/2007	620,984	1,866,703	2,272,319	2,515,822						
9/30/2008	554,760	1,693,054	2,098,049							
9/30/2009	446,675	1,819,528								
9/30/2010	505,184									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	2,014,362	2,410,229	2,375,836	2,273,818	2,209,867	2,244,060	2,316,884	2,313,914	2,313,611	2,312,283
9/30/2002	2,096,141	2,505,441	2,543,221	2,577,039	2,563,339	2,542,213	2,541,566	2,548,953	2,605,346	
9/30/2003	2,293,525	2,566,970	2,687,681	2,628,006	2,636,363	2,606,069	2,605,460	2,599,831		
9/30/2004	2,262,948	2,622,010	2,660,952	2,590,799	2,545,692	2,513,175	2,501,118			
9/30/2005	2,399,345	2,389,018	2,724,103	2,586,194	2,431,523	2,452,672				
9/30/2006	2,123,405	2,710,904	2,883,175	2,904,887	2,912,221					
9/30/2007	2,435,144	2,743,431	2,753,297	2,834,772						
9/30/2008	2,270,972	2,483,855	2,796,299							
9/30/2009	2,205,273	3,908,298								
9/30/2010	3,222,585									

Companywide Claims with Payment

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	269	336	347	356	359	360	361	361	369	370
9/30/2002	280	361	375	385	388	391	391	405	409	
9/30/2003	251	307	320	324	326	326	341	347		
9/30/2004	247	306	313	317	318	342	346			
9/30/2005	243	305	322	329	357	367				
9/30/2006	193	256	271	312	316					
9/30/2007	229	295	343	351						
9/30/2008	221	253	268							
9/30/2009	205	292								
9/30/2010	217									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
9/30/2001	2,312,283	1.0000	2,312,283	2,312,283	1.0000	2,312,283	2,312,283	370	1.0000	370
9/30/2002	2,605,346	1.0000	2,605,346	2,605,346	1.0000	2,605,346	2,605,346	409	1.0010	409
9/30/2003	2,599,831	1.0000	2,599,831	2,599,831	1.0000	2,599,831	2,599,831	347	1.0010	347
9/30/2004	2,501,118	1.0000	2,501,118	2,501,118	1.0000	2,501,118	2,501,118	346	1.0010	346
9/30/2005	2,452,672	1.0110	2,479,652	2,377,672	1.0110	2,403,827	2,479,652	367	1.0010	367
9/30/2006	2,912,221	1.0268	2,990,186	2,740,636	1.0363	2,840,052	2,990,186	316	1.0085	319
9/30/2007	2,834,772	0.9983	2,830,038	2,515,822	1.0673	2,685,035	2,830,038	351	1.0186	358
9/30/2008	2,796,299	0.9656	2,700,064	2,098,049	1.1977	2,512,789	2,700,064	268	1.0441	280
9/30/2009	3,908,298	1.0191	3,982,861	1,819,528	1.5046	2,737,741	3,982,861	292	1.0942	319
9/30/2010	3,222,585	1.0682	3,442,358	505,184	3.9819	2,011,587	3,442,358	217	1.3568	294
3-yr Total			10,125,284			7,262,117	10,125,284			
10-yr Total			28,443,736			25,209,608	28,443,736			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	86,637	173,874	200,110	233,447	233,248	231,748	239,037	238,779	238,643	238,643
9/30/2002	115,255	168,107	227,881	254,201	254,776	304,558	304,293	303,967	303,667	
9/30/2003	99,640	268,819	359,997	365,521	410,668	410,005	409,607	409,184		
9/30/2004	92,992	173,365	203,996	202,590	200,575	200,098	199,639			
9/30/2005	34,131	169,441	212,251	230,588	244,094	244,094				
9/30/2006	132,889	150,276	166,559	164,940	164,427					
9/30/2007	20,266	84,601	161,153							
9/30/2008	120,839	134,191	164,281							
9/30/2009	21,776	37,723								
9/30/2010	47,796									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	218,137	250,874	278,110	268,447	243,248	241,748	239,037	238,779	238,643	238,643
9/30/2002	222,255	315,607	307,881	304,201	304,776	304,558	304,293	303,967	303,667	
9/30/2003	237,140	379,319	429,497	423,021	428,668	410,005	409,607	409,184		
9/30/2004	272,992	267,365	203,996	202,590	200,575	200,098	199,639			
9/30/2005	281,131	331,441	232,251	230,588	244,094	244,094				
9/30/2006	220,739	298,276	297,559	209,940	164,427					
9/30/2007	176,266	152,601	162,615	161,153						
9/30/2008	171,839	234,191	264,281							
9/30/2009	79,776	121,723								
9/30/2010	209,796									

Arkansas Claims with Payment

Fiscal Year-End	@12	@24	@36	@48	Valuation Period (In Months)		@84	@96	@108	@120
					@60	@72				
9/30/2001	38	46	47	48	48	49	49	49	50	50
9/30/2002	32	38	40	41	41	41	41	43	43	
9/30/2003	31	39	40	40	41	41	45	45		
9/30/2004	38	46	46	46	46	48	49			
9/30/2005	32	36	36	37	39	40				
9/30/2006	23	26	27	33	34					
9/30/2007	24	32	42	42						
9/30/2008	19	21	22							
9/30/2009	14	16								
9/30/2010	24									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
9/30/2001	238,643	1.0000	238,643	238,643	1.0000	238,643	238,643	50	1.0000	50
9/30/2002	303,667	1.0000	303,667	303,667	1.0000	303,667	303,667	43	1.0010	43
9/30/2003	409,184	0.9995	408,979	409,184	0.9995	408,979	408,979	45	1.0040	45
9/30/2004	199,639	0.9985	199,340	199,639	0.9985	199,340	199,340	49	1.0140	50
9/30/2005	244,094	0.9935	242,510	244,094	1.0035	244,947	242,510	40	1.0343	41
9/30/2006	164,427	0.9786	160,909	164,427	1.0286	169,127	160,909	34	1.0519	36
9/30/2007	161,153	0.9492	152,974	161,153	1.0697	172,389	152,974	42	1.0703	45
9/30/2008	264,281	0.8828	233,307	164,281	1.1767	193,309	233,307	22	1.1078	24
9/30/2009	121,723	0.8387	102,084	37,723	1.4120	53,266	102,084	16	1.1742	19
9/30/2010	209,796	1.0232	214,656	47,796	2.6123	124,855	214,656	24	1.3856	33
3-yr Total			550,046			371,429	550,046			
10-yr Total			2,257,068			2,108,520	2,257,068			

**Shelter General Insurance Company
Private Passenger Auto - Collision
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	12,721,175	13,018,937	12,981,646	12,968,304	12,961,476	12,954,600	12,947,079	12,946,431	12,944,706	12,943,022
9/30/2002	13,201,258	13,465,422	13,404,444	13,407,005	13,406,915	13,406,279	13,405,332	13,402,139	13,396,913	
9/30/2003	11,995,646	12,240,935	12,240,163	12,234,603	12,216,103	12,213,496	12,211,188	12,207,817		
9/30/2004	10,462,325	10,547,021	10,514,262	10,501,998	10,498,413	10,494,595	10,491,279			
9/30/2005	10,854,567	10,953,377	10,951,812	10,928,894	10,922,798	10,918,487				
9/30/2006	11,052,492	11,042,077	11,035,570	11,028,538	11,025,627					
9/30/2007	10,956,855	11,271,636	11,260,604	11,254,602						
9/30/2008	11,811,656	12,034,297	12,007,517							
9/30/2009	11,058,515	11,221,535								
9/30/2010	11,908,121									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	14,059,912	13,037,404	12,985,546	12,968,304	12,961,476	12,954,600	12,947,079	12,946,431	12,944,706	12,943,022
9/30/2002	14,758,877	13,480,850	13,420,899	13,415,605	13,410,815	13,410,179	13,409,232	13,402,139	13,396,913	
9/30/2003	13,660,895	12,266,712	12,240,163	12,234,603	12,216,103	12,213,496	12,211,188	12,207,817		
9/30/2004	11,820,535	10,558,020	10,521,843	10,504,880	10,498,413	10,494,595	10,491,279			
9/30/2005	12,228,948	10,968,254	10,956,612	10,943,194	10,922,798	10,918,487				
9/30/2006	12,543,965	11,046,977	11,045,370	11,028,538	11,025,627					
9/30/2007	12,024,282	11,283,699	11,260,604	11,254,602						
9/30/2008	12,763,464	12,039,047	12,007,517							
9/30/2009	12,188,369	11,221,535								
9/30/2010	12,759,685									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	5,853	6,066	6,074	6,081	6,085	6,086	6,091	6,093	6,104	6,105
9/30/2002	6,206	6,378	6,393	6,400	6,401	6,401	6,402	6,411	6,418	
9/30/2003	5,970	6,105	6,112	6,112	6,112	6,113	6,124	6,128		
9/30/2004	5,471	5,584	5,585	5,593	5,594	5,616	5,618			
9/30/2005	5,462	5,580	5,584	5,588	5,613	5,618				
9/30/2006	5,344	5,467	5,469	5,490	5,495					
9/30/2007	5,453	5,603	5,640	5,644						
9/30/2008	5,033	5,134	5,135							
9/30/2009	5,011	5,119								
9/30/2010	5,532									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Reported Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Loss & ALAE (10)	Selected Incurred Loss & ALAE (11)
9/30/2001	12,943,022	1.0000	12,943,022	12,943,022	1.0000	12,943,022	12,943,022	6,105	1.0000	6,105	6,105
9/30/2002	13,396,913	1.0000	13,396,913	13,396,913	1.0000	13,396,913	13,396,913	6,418	1.0000	6,418	6,418
9/30/2003	12,207,817	1.0000	12,207,817	12,207,817	1.0000	12,207,817	12,207,817	6,128	1.0000	6,128	6,128
9/30/2004	10,491,279	0.9998	10,489,180	10,491,279	0.9998	10,489,180	10,489,180	5,618	1.0000	5,618	5,618
9/30/2005	10,918,487	0.9995	10,913,028	10,918,487	0.9995	10,913,028	10,913,028	5,618	1.0003	5,620	5,620
9/30/2006	11,025,627	0.9992	11,016,809	11,025,627	0.9992	11,016,809	11,016,809	5,495	1.0008	5,499	5,499
9/30/2007	11,254,602	0.9981	11,233,231	11,254,602	0.9981	11,233,231	11,233,231	5,644	1.0016	5,653	5,653
9/30/2008	12,007,517	0.9976	11,978,723	12,007,517	0.9976	11,978,723	11,978,723	5,135	1.0026	5,148	5,148
9/30/2009	11,221,535	0.9955	11,171,117	11,221,535	0.9961	11,177,834	11,171,117	5,119	1.0033	5,136	5,136
9/30/2010	12,759,685	0.9171	11,701,411	11,908,121	1.0122	12,053,907	11,701,411	5,532	1.0234	5,661	5,661
3-yr Total			34,851,252			35,210,465	34,851,252				
10-yr Total			117,051,253			117,410,466	117,051,253				

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,983,749	2,009,345	2,012,670	2,012,684	2,012,684	2,012,684	2,011,258	2,011,324	2,011,597	2,011,597
9/30/2002	1,433,247	1,411,685	1,406,214	1,407,020	1,409,912	1,411,415	1,411,931	1,412,211	1,411,719	
9/30/2003	1,341,867	1,379,987	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	
9/30/2004	949,522	985,841	987,213	987,262	987,262	987,262	987,262	987,262		
9/30/2005	958,496	991,922	995,239	995,239	995,653	996,021	995,946			
9/30/2006	1,050,879	1,041,434	1,043,028	1,042,243	1,042,422					
9/30/2007	842,919	844,894	843,781	843,857						
9/30/2008	949,803	958,333	957,956							
9/30/2009	667,588	664,097								
9/30/2010	627,097									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	2,099,376	2,009,345	2,012,670	2,012,684	2,012,684	2,012,684	2,011,258	2,011,324	2,011,597	2,011,597
9/30/2002	1,476,481	1,416,385	1,406,214	1,411,720	1,409,912	1,411,415	1,411,931	1,412,211	1,411,719	
9/30/2003	1,492,888	1,379,987	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	1,376,978	
9/30/2004	1,052,667	985,841	991,913	987,262	987,262	987,262	987,262	987,262		
9/30/2005	1,048,488	991,922	995,239	995,653	996,021	995,946				
9/30/2006	1,142,726	1,041,434	1,043,028	1,042,243	1,042,422					
9/30/2007	906,659	844,894	843,781	843,857						
9/30/2008	1,008,786	958,333	957,956							
9/30/2009	720,588	664,097								
9/30/2010	665,589									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	893	915	916	916	916	916	917	917	918	918
9/30/2002	692	707	708	709	709	709	709	710	710	
9/30/2003	676	688	688	688	688	688	689	689		
9/30/2004	581	590	591	591	591	591	591			
9/30/2005	513	517	518	518	519	519				
9/30/2006	449	462	462	463	465					
9/30/2007	398	401	404	405						
9/30/2008	323	324	324							
9/30/2009	263	268								
9/30/2010	283									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Reported Losses (4)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Loss & ALAE (10)	Selected Incurred Loss & ALAE (11)
9/30/2001	2,011,597	1.0000	2,011,597	2,011,597	1.0000	2,011,597	2,011,597	918	1.0000	918	918
9/30/2002	1,411,719	1.0000	1,411,719	1,411,719	1.0000	1,411,719	1,411,719	710	1.0000	710	710
9/30/2003	1,376,978	1.0000	1,376,978	1,376,978	1.0000	1,376,978	1,376,978	689	1.0000	689	689
9/30/2004	987,262	1.0000	987,262	987,262	1.0000	987,262	987,262	591	1.0000	591	591
9/30/2005	995,946	1.0000	995,946	995,946	1.0000	995,946	995,946	519	1.0003	519	519
9/30/2006	1,042,422	0.9998	1,042,214	1,042,422	1.0000	1,042,422	1,042,214	465	1.0008	465	465
9/30/2007	843,857	0.9998	843,857	843,857	1.0004	844,195	843,857	405	1.0016	406	406
9/30/2008	957,956	0.9998	957,764	957,956	1.0005	958,435	957,764	324	1.0023	325	325
9/30/2009	664,097	0.9998	663,965	664,097	1.0005	664,429	663,965	268	1.0043	269	269
9/30/2010	665,589	0.9398	625,529	627,097	1.0075	631,802	625,529	283	1.0194	288	288
3-yr Total			2,247,258			2,254,667	2,247,258				
10-yr Total			10,916,662			10,924,786	10,916,662				

**Shelter General Insurance Company
Private Passenger Auto - Comprehensive
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	5,883,690	6,276,464	6,307,146	6,302,141	6,302,846	6,299,792	6,299,792	6,299,567	6,299,567	6,299,512
9/30/2002	6,487,630	6,904,191	6,897,030	6,899,379	6,900,712	6,901,164	6,901,402	6,899,007	6,898,648	
9/30/2003	6,851,952	7,188,447	7,197,088	7,203,653	7,203,653	7,203,838	7,204,450	7,204,450		
9/30/2004	5,214,029	5,465,139	5,466,666	5,463,333	5,466,428	5,467,438	5,470,302			
9/30/2005	4,174,403	4,511,017	4,514,810	4,507,642	4,504,956	4,505,054				
9/30/2006	6,926,855	7,104,888	7,117,997	7,114,129	7,114,100					
9/30/2007	4,912,941	5,124,450	5,116,420	5,113,900						
9/30/2008	6,784,218	7,051,436	7,060,725							
9/30/2009	6,392,825	6,644,583								
9/30/2010	6,749,269									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	6,289,564	6,282,851	6,307,146	6,302,141	6,302,846	6,299,792	6,299,792	6,299,567	6,299,567	6,299,512
9/30/2002	6,956,749	6,919,248	6,900,780	6,903,129	6,904,462	6,901,164	6,901,402	6,899,007	6,898,648	
9/30/2003	7,316,020	7,192,347	7,197,088	7,203,653	7,203,653	7,203,838	7,204,450	7,204,450		
9/30/2004	5,442,424	5,465,139	5,466,666	5,463,333	5,466,428	5,467,438	5,470,302			
9/30/2005	4,613,706	4,515,017	4,516,953	4,509,785	4,504,956	4,505,054				
9/30/2006	7,275,805	7,106,165	7,117,997	7,114,129	7,114,100					
9/30/2007	5,152,570	5,128,450	5,116,420	5,113,900						
9/30/2008	7,068,693	7,055,236	7,060,725							
9/30/2009	6,679,363	6,644,583								
9/30/2010	7,116,315									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	4,340	4,623	4,639	4,643	4,643	4,643	4,643	4,643	4,643	4,644
9/30/2002	4,681	4,910	4,916	4,918	4,918	4,920	4,922	4,922		
9/30/2003	5,082	5,259	5,265	5,268	5,268	5,269	5,270	5,270		
9/30/2004	3,956	4,109	4,111	4,113	4,115	4,116	4,118			
9/30/2005	3,613	3,783	3,787	3,787	3,788	3,788				
9/30/2006	4,461	4,600	4,603	4,606	4,606					
9/30/2007	3,534	3,675	3,677	3,680						
9/30/2008	4,123	4,247	4,247							
9/30/2009	4,095	4,224								
9/30/2010	4,502									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE	Cumulative Paid Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE	Selected Incurred Loss & ALAE	Cumulative Paid Claim Count	Ultimate Development Factors	Estimated Incurred Claim Count
(1)	(2)	(3)	(4) = (2) x (3)	(5)	(6)	(7) = (5) x (6)	(8)	(9)	(10)	(11) = (9) x (10)
9/30/2001	6,299,512	1.0000	6,299,512	6,299,512	1.0000	6,299,512	6,299,512	4,644	1.0000	4,644
9/30/2002	6,898,648	1.0000	6,898,648	6,898,648	1.0000	6,898,648	6,898,648	4,922	1.0000	4,922
9/30/2003	7,204,450	1.0000	7,204,450	7,204,450	1.0000	7,204,450	7,204,450	5,270	1.0000	5,270
9/30/2004	5,470,302	1.0000	5,470,302	5,470,302	1.0000	5,470,302	5,470,302	4,118	1.0000	4,118
9/30/2005	4,505,054	1.0000	4,505,054	4,505,054	1.0000	4,505,054	4,505,054	3,788	1.0000	3,788
9/30/2006	7,114,100	0.9999	7,113,389	7,114,100	0.9999	7,113,389	7,113,389	4,606	1.0001	4,606
9/30/2007	5,113,900	0.9998	5,112,878	5,113,900	0.9998	5,112,878	5,112,878	3,680	1.0004	3,681
9/30/2008	7,060,725	0.9996	7,057,901	7,060,725	0.9999	7,060,019	7,057,901	4,247	1.0007	4,250
9/30/2009	6,644,583	1.0005	6,647,903	6,644,583	1.0005	6,647,905	6,647,903	4,224	1.0013	4,229
9/30/2010	7,116,315	0.9999	7,115,599	6,749,269	1.0555	7,124,039	7,115,599	4,502	1.0414	4,688
3-yr Total			20,821,404			20,831,963	20,821,404			
10-yr Total			63,425,636			63,436,195	63,425,636			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,025,823	1,076,487	1,088,127	1,088,246	1,088,246	1,088,246	1,086,746	1,086,746	1,086,521	1,086,466
9/30/2002	939,893	949,756	950,316	951,319	951,319	951,319	951,319	951,319	950,001	
9/30/2003	555,322	588,119	588,119	588,119	588,119	588,119	588,119	588,119	588,119	
9/30/2004	543,600	576,115	575,665	575,665	575,665	575,665	575,665	575,665		
9/30/2005	377,573	402,997	403,427	403,427	403,427	403,427	403,427	403,427		
9/30/2006	561,611	575,625	573,781	573,781	573,781	573,781	573,781	573,781		
9/30/2007	428,753	444,619	442,750	442,750	442,750					
9/30/2008	965,767	955,303	962,947							
9/30/2009	434,230	433,662								
9/30/2010	350,253									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	1,066,649	1,076,487	1,088,127	1,088,246	1,088,246	1,086,746	1,086,746	1,086,521	1,086,521	1,086,466
9/30/2002	976,443	949,756	950,316	951,319	951,319	951,319	951,319	950,001	950,001	
9/30/2003	592,022	588,119	588,119	588,119	588,119	588,119	588,119	588,119	588,119	
9/30/2004	568,316	576,115	575,665	575,665	575,665	575,665	575,665			
9/30/2005	412,223	402,997	403,427	403,427	403,427	403,427	403,427			
9/30/2006	591,618	575,625	573,781	573,781	573,781	573,781	573,781			
9/30/2007	459,924	444,619	442,750	442,750	442,750					
9/30/2008	986,267	955,303	962,947							
9/30/2009	443,330	433,662								
9/30/2010	367,753									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	784	825	827	828	828	828	828	828	828	829
9/30/2002	670	698	698	698	698	698	698	699	699	
9/30/2003	545	565	565	565	565	565	565	565		
9/30/2004	459	473	473	473	473	473	473			
9/30/2005	373	384	384	384	384	384				
9/30/2006	421	437	438	438	438					
9/30/2007	279	287	287	287						
9/30/2008	466	470	470							
9/30/2009	254	256								
9/30/2010	220									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE	Cumulative Paid Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE	Selected Incurred Loss & ALAE	Cumulative Paid Claim Count	Ultimate Development Factors	Estimated Incurred Claim Count
(1)	(2)	(3)	(4) = (2) x (3)	(5)	(6)	(7) = (5) x (6)	(8)	(9)	(10)	(11) = (9) x (10)
9/30/2001	1,086,466	1.0000	1,086,466	1,086,466	1.0000	1,086,466	1,086,466	829	1.0000	829
9/30/2002	950,001	1.0000	950,001	950,001	1.0000	950,001	950,001	699	1.0000	699
9/30/2003	588,119	1.0000	588,119	588,119	1.0000	588,119	588,119	565	1.0000	565
9/30/2004	575,665	1.0000	575,665	575,665	1.0000	575,665	575,665	473	1.0000	473
9/30/2005	403,427	1.0000	403,427	403,427	1.0000	403,427	403,427	384	1.0000	384
9/30/2006	573,781	1.0000	573,781	573,781	1.0000	573,781	573,781	438	1.0000	438
9/30/2007	442,750	1.0000	442,750	442,750	1.0000	442,750	442,750	287	1.0000	287
9/30/2008	962,947	1.0002	963,140	962,947	1.0002	963,140	963,140	470	1.0003	470
9/30/2009	433,662	1.0022	434,617	433,662	1.0022	434,617	434,617	256	1.0008	256
9/30/2010	367,753	0.9822	361,191	350,253	1.0222	358,045	361,191	220	1.0308	227
3-yr Total			1,758,948			1,755,801	1,758,948			
10-yr Total			6,379,157			6,376,010	6,379,157			

Arkansas

Private Passenger Automobile - Bodily Injury
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.a.1)	Projected Ultimate Claims (Exh. B.III.a.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	13,883,902	1,698	8,177	7,814	
3/2008	13,608,399	1,743	7,807	7,797	
6/2008	13,032,380	1,779	7,326	7,780	
9/2008	12,686,980	1,718	7,385	7,763	
12/2008	13,284,283	1,698	7,823	7,747	
3/2009	12,864,092	1,661	7,745	7,730	
6/2009	13,321,277	1,633	8,158	7,714	8,028
9/2009	13,193,920	1,628	8,104	7,697	7,911
12/2009	13,226,397	1,737	7,615	7,680	7,796
3/2010	13,653,559	1,843	7,408	7,664	7,682
6/2010	14,025,875	1,917	7,317	7,647	7,570
9/2010	15,086,571	1,917	7,870	7,631	7,460
Annual Percentage Change				-0.86%	-5.70%
r^2				0.035	0.359

Frequency Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.a.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	1,698	110,699	1.53	1.49	
3/2008	1,743	112,051	1.56	1.50	
6/2008	1,779	113,186	1.57	1.51	
9/2008	1,718	113,928	1.51	1.52	
12/2008	1,698	113,816	1.49	1.52	
3/2009	1,661	113,421	1.46	1.53	
6/2009	1,633	113,074	1.44	1.54	1.49
9/2009	1,628	112,953	1.44	1.55	1.50
12/2009	1,737	113,628	1.53	1.56	1.51
3/2010	1,843	114,522	1.61	1.56	1.52
6/2010	1,917	115,456	1.66	1.57	1.52
9/2010	1,917	116,182	1.65	1.58	1.53
Annual Percentage Change			1.94%	2.00%	
r^2			0.153	0.911	

Severity Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.a.1)	Projected Ultimate Claims (Exh. B.III.a.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	1,148,455	163	7,046	7,351	
3/2008	1,340,142	182	7,363	7,163	
6/2008	1,235,607	185	6,679	6,979	
9/2008	1,213,677	196	6,192	6,799	
12/2008	1,277,924	184	6,945	6,625	
3/2009	1,049,101	157	6,682	6,455	
6/2009	1,101,275	152	7,245	6,289	6,952
9/2009	962,406	132	7,291	6,127	6,538
12/2009	784,101	141	5,561	5,970	6,148
3/2010	827,337	165	5,014	5,817	5,782
6/2010	822,157	160	5,138	5,667	5,437
9/2010	926,024	156	5,936	5,522	5,113
Annual Percentage Change				-9.87%	-21.80%
r^2				0.471	0.487

Frequency Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.a.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	163	8,070	2.02	2.19	
3/2008	182	7,891	2.31	2.22	
6/2008	185	7,753	2.39	2.25	
9/2008	196	7,611	2.58	2.28	
12/2008	184	7,377	2.49	2.32	
3/2009	157	7,090	2.21	2.35	
6/2009	152	6,822	2.23	2.38	2.08
9/2009	132	6,554	2.01	2.42	2.21
12/2009	141	6,339	2.22	2.45	2.34
3/2010	165	6,152	2.68	2.49	2.48
6/2010	160	5,939	2.69	2.52	2.63
9/2010	156	5,739	2.72	2.56	2.79
Annual Percentage Change			5.79%	26.24%	
r^2			0.229	0.721	

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
9/2007	118,691,271	12,237	9,699	9,998	
12/2007	117,135,946	12,159	9,634	10,033	
3/2008	119,307,182	11,915	10,013	10,068	
6/2008	121,903,588	11,696	10,423	10,104	
9/2008	122,759,836	11,630	10,555	10,139	
12/2008	121,777,229	11,583	10,513	10,175	
3/2009	118,063,017	11,379	10,376	10,211	10,358
6/2009	115,754,903	11,236	10,302	10,247	10,316
9/2009	115,432,742	11,252	10,259	10,283	10,274
12/2009	115,517,370	11,308	10,216	10,319	10,233
3/2010	116,077,280	11,340	10,236	10,355	10,192
6/2010	116,729,654	11,518	10,135	10,392	10,151
Annual Percentage Change				1.42%	-1.60%
r^2				0.192	0.901

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
9/2007	12,237	1,355,802	0.90	0.89	
12/2007	12,159	1,362,755	0.89	0.88	
3/2008	11,915	1,371,152	0.87	0.87	
6/2008	11,696	1,378,625	0.85	0.86	
9/2008	11,630	1,386,875	0.84	0.85	
12/2008	11,583	1,394,140	0.83	0.84	
3/2009	11,379	1,399,771	0.81	0.83	0.80
6/2009	11,236	1,406,736	0.80	0.82	0.80
9/2009	11,252	1,411,656	0.80	0.81	0.80
12/2009	11,308	1,415,351	0.80	0.80	0.80
3/2010	11,340	1,417,990	0.80	0.79	0.80
6/2010	11,518	1,420,637	0.81	0.78	0.80
Annual Percentage Change			-4.88%	0.00%	
r^2			0.848	0.000	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity	Selected Frequency	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.1423	1.0000	1.1423
9/30/2007	4/01/2007	3.5000	1.1090	1.0000	1.1090
9/30/2008	4/01/2008	2.5000	1.0767	1.0000	1.0767
9/30/2009	4/01/2009	1.5000	1.0453	1.0000	1.0453
9/30/2010	4/01/2010	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity	Selected Frequency	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

Shelter General Insurance Company

Arkansas

Private Passenger Automobile - Property Damage
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.b.1)	Projected Ultimate Claims (Exh. B.III.b.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	11,472,731	5,172	2,218	2,258	
3/2008	11,670,391	5,205	2,242	2,254	
6/2008	11,346,417	5,139	2,208	2,249	
9/2008	11,320,702	5,021	2,255	2,244	
12/2008	11,444,118	4,996	2,291	2,240	
3/2009	11,192,789	4,874	2,296	2,235	
6/2009	11,340,389	4,944	2,294	2,231	2.255
9/2009	11,336,731	5,054	2,243	2,226	2.239
12/2009	11,390,111	5,209	2,187	2,222	2.223
3/2010	11,538,003	5,325	2,167	2,217	2.207
6/2010	11,948,644	5,495	2,174	2,213	2.191
9/2010	12,210,807	5,483	2,227	2,208	2.176
Annual Percentage Change				-0.81%	-2.81%
r^2				0.131	0.374

Frequency Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.b.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	5,172	110,699	4.67	4.47	
3/2008	5,205	112,051	4.65	4.49	
6/2008	5,139	113,186	4.54	4.50	
9/2008	5,021	113,928	4.41	4.51	
12/2008	4,996	113,816	4.39	4.52	
3/2009	4,874	113,421	4.30	4.53	
6/2009	4,944	113,074	4.37	4.55	4.47
9/2009	5,054	112,953	4.47	4.56	4.49
12/2009	5,209	113,628	4.58	4.57	4.50
3/2010	5,325	114,522	4.65	4.58	4.51
6/2010	5,495	115,456	4.76	4.59	4.52
9/2010	5,483	116,182	4.72	4.61	4.53
Annual Percentage Change				1.10%	0.89%
r^2				0.080	0.919

Severity Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.b.1)	Projected Ultimate Claims (Exh. B.III.b.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	1,152,663	469	2,458	2,433	
3/2008	1,154,673	463	2,494	2,452	
6/2008	1,025,520	435	2,358	2,470	
9/2008	1,010,603	418	2,418	2,489	
12/2008	1,000,398	403	2,482	2,508	
3/2009	933,595	374	2,496	2,527	
6/2009	919,349	354	2,597	2,546	2.702
9/2009	973,897	359	2,713	2,565	2.671
12/2009	990,865	366	2,707	2,584	2.640
3/2010	1,003,988	375	2,677	2,604	2.609
6/2010	960,195	369	2,602	2,623	2.579
9/2010	868,347	353	2,460	2,643	2.549
Annual Percentage Change				3.04%	-4.57%
r^2				0.345	0.347

Frequency Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.b.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	469	8,070	5.81	5.48	
3/2008	463	7,891	5.87	5.52	
6/2008	435	7,753	5.61	5.56	
9/2008	418	7,611	5.49	5.60	
12/2008	403	7,377	5.46	5.63	
3/2009	374	7,090	5.28	5.67	
6/2009	354	6,822	5.19	5.71	5.30
9/2009	359	6,554	5.48	5.75	5.49
12/2009	366	6,339	5.77	5.79	5.70
3/2010	375	6,152	6.10	5.83	5.91
6/2010	369	5,939	6.21	5.87	6.13
9/2010	353	5,739	6.15	5.91	6.36
Annual Percentage Change				2.78%	15.85%
r^2				0.173	0.891

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
9/2007	119,369,031	42,796	2,789	2,782	
12/2007	120,154,493	42,877	2,802	2,798	
3/2008	119,709,780	42,461	2,819	2,813	
6/2008	119,112,263	41,962	2,839	2,829	
9/2008	118,148,427	41,583	2,841	2,845	
12/2008	116,673,942	40,957	2,849	2,861	
3/2009	117,036,158	40,883	2,863	2,877	2.857
6/2009	118,678,847	41,435	2,864	2,893	2.880
9/2009	121,519,473	41,833	2,905	2,909	2.903
12/2009	125,516,796	42,705	2,939	2,925	2.927
3/2010	126,674,805	42,852	2,956	2,942	2.951
6/2010	127,606,308	43,024	2,966	2,958	2.975
Annual Percentage Change				2.25%	3.30%
r^2				0.952	0.947

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
9/2007	42,796	1,355,802	3.16	3.09	
12/2007	42,877	1,362,755	3.15	3.08	
3/2008	42,461	1,371,152	3.10	3.07	
6/2008	41,962	1,378,625	3.04	3.06	
9/2008	41,583	1,386,875	3.00	3.04	
12/2008	40,957	1,394,140	2.94	3.03	
3/2009	40,883	1,399,771	2.92	3.02	2.92
6/2009	41,435	1,406,736	2.95	3.00	2.95
9/2009	41,833	1,411,656	2.96	2.99	2.97
12/2009	42,705	1,415,351	3.02	2.98	2.99
3/2010	42,852	1,417,990	3.02	2.97	3.02
6/2010	43,024	1,420,637	3.03	2.95	3.04
Annual Percentage Change				-1.67%	3.05%
r^2				0.349	0.912

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity	Selected Frequency	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.0932	1.0000	1.0932
9/30/2007	4/01/2007	3.5000	1.0718	1.0000	1.0718
9/30/2008	4/01/2008	2.5000	1.0508	1.0000	1.0508
9/30/2009	4/01/2009	1.5000	1.0301	1.0000	1.0301
9/30/2010	4/01/2010	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity	Selected Frequency	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

Shelter General Insurance Company

Arkansas

Private Passenger Automobile - Medical Payments
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.c.1)	Projected Ultimate Claims (Exh. B.III.c.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	2,199,914	1,602	1,373	1,503	
3/2008	2,202,335	1,482	1,486	1,510	
6/2008	2,064,801	1,324	1,560	1,516	
9/2008	2,031,957	1,268	1,602	1,523	
12/2008	2,031,960	1,270	1,600	1,529	
3/2009	1,997,195	1,254	1,593	1,536	
6/2009	2,052,213	1,311	1,565	1,542	1,548
9/2009	2,084,427	1,334	1,563	1,549	1,547
12/2009	2,176,163	1,395	1,560	1,556	1,545
3/2010	2,136,413	1,445	1,478	1,562	1,544
6/2010	2,243,368	1,511	1,485	1,569	1,543
9/2010	2,487,229	1,533	1,622	1,576	1,542
Annual Percentage Change				1.74%	-0.32%
r^2				0.105	0.002

Frequency Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.c.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	1,602	79,227	2.02	1.71	
3/2008	1,482	80,332	1.84	1.70	
6/2008	1,324	81,296	1.63	1.69	
9/2008	1,268	82,097	1.54	1.69	
12/2008	1,270	82,584	1.54	1.68	
3/2009	1,254	83,024	1.51	1.67	
6/2009	1,311	83,608	1.57	1.66	1.71
9/2009	1,334	84,278	1.58	1.65	1.70
12/2009	1,395	85,230	1.64	1.64	1.69
3/2010	1,445	86,151	1.68	1.64	1.69
6/2010	1,511	86,924	1.74	1.63	1.68
9/2010	1,533	87,488	1.75	1.62	1.67
Annual Percentage Change				-1.82%	-1.76%
r^2				0.045	0.966

Severity Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.c.1)	Projected Ultimate Claims (Exh. B.III.c.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	225,283	158	1,426	1,652	
3/2008	260,271	149	1,747	1,628	
6/2008	223,400	116	1,926	1,604	
9/2008	247,393	134	1,846	1,581	
12/2008	216,015	130	1,662	1,558	
3/2009	175,017	127	1,378	1,535	
6/2009	167,818	137	1,225	1,513	1,223
9/2009	154,441	119	1,298	1,490	1,293
12/2009	170,860	124	1,378	1,469	1,367
3/2010	169,270	120	1,411	1,447	1,446
6/2010	179,132	117	1,531	1,426	1,528
9/2010	190,823	117	1,631	1,405	1,616
Annual Percentage Change				-5.70%	24.98%
r^2				0.137	0.986

Frequency Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.c.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	158	3,925	4.03	3.56	
3/2008	149	3,828	3.89	3.60	
6/2008	116	3,774	3.07	3.65	
9/2008	134	3,711	3.61	3.70	
12/2008	130	3,602	3.61	3.76	
3/2009	127	3,473	3.66	3.81	
6/2009	137	3,345	4.10	3.86	3.88
9/2009	119	3,207	3.71	3.91	3.95
12/2009	124	3,089	4.01	3.97	4.01
3/2010	120	2,973	4.04	4.02	4.08
6/2010	117	2,839	4.12	4.08	4.14
9/2010	117	2,717	4.31	4.13	4.21
Annual Percentage Change				5.63%	6.58%
r^2				0.293	0.386

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.1423	1.0000	1.1423
9/30/2007	4/01/2007	3.5000	1.1090	1.0000	1.1090
9/30/2008	4/01/2008	2.5000	1.0767	1.0000	1.0767
9/30/2009	4/01/2009	1.5000	1.0453	1.0000	1.0453
9/30/2010	4/01/2010	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

Shelter General Insurance Company

Arkansas

Private Passenger Automobile - Uninsured Motorist
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.d.1)	Projected Ultimate Claims (Exh. B.III.d.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	3,132,504	344	9,106	9,132	
3/2008	2,948,261	326	9,044	9,408	
6/2008	2,851,753	300	9,506	9,692	
9/2008	2,700,064	280	9,643	9,985	
12/2008	2,869,172	287	9,997	10,286	
3/2009	3,174,016	288	11,021	10,597	
6/2009	3,228,726	276	11,698	10,917	12,117
9/2009	3,982,861	319	12,485	11,247	12,042
12/2009	3,978,403	328	12,129	11,586	11,967
3/2010	3,909,183	328	11,918	11,936	11,892
6/2010	3,836,156	329	11,660	12,297	11,819
9/2010	3,442,358	294	11,709	12,668	11,745
Annual Percentage Change				12.63%	-2.47%
r^2				0.797	0.188

Frequency Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.d.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	344	96,272	0.36	0.32	
3/2008	326	97,439	0.33	0.31	
6/2008	300	98,457	0.30	0.31	
9/2008	280	99,243	0.28	0.31	
12/2008	287	99,507	0.29	0.31	
3/2009	288	99,650	0.29	0.31	
6/2009	276	99,894	0.28	0.31	0.32
9/2009	319	100,298	0.32	0.30	0.31
12/2009	328	101,246	0.32	0.30	0.31
3/2010	328	102,323	0.32	0.30	0.31
6/2010	329	103,350	0.32	0.30	0.31
9/2010	294	104,137	0.28	0.30	0.31
Annual Percentage Change			0.00%	0.00%	
r^2			0.069	0.000	

Severity Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.d.1)	Projected Ultimate Claims (Exh. B.III.d.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	282,399	43	6,567	7,250	
3/2008	232,941	35	6,655	7,021	
6/2008	183,207	25	7,328	6,799	
9/2008	233,307	24	9,721	6,583	
12/2008	91,764	17	5,398	6,375	
3/2009	139,251	22	6,330	6,173	
6/2009	115,796	19	6,095	5,978	5,236
9/2009	102,084	19	5,373	5,789	5,286
12/2009	130,283	28	4,653	5,606	5,336
3/2010	121,922	28	4,354	5,428	5,387
6/2010	181,557	33	5,502	5,256	5,438
9/2010	214,656	33	6,505	5,090	5,489
Annual Percentage Change				-12.07%	3.84%
r^2				0.297	0.013

Frequency Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.d.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	43	5,533	0.78	0.48	
3/2008	35	5,396	0.65	0.49	
6/2008	25	5,312	0.47	0.51	
9/2008	24	5,223	0.46	0.52	
12/2008	17	5,073	0.34	0.53	
3/2009	22	4,885	0.45	0.55	
6/2009	19	4,702	0.40	0.56	0.40
9/2009	19	4,518	0.42	0.57	0.47
12/2009	28	4,370	0.64	0.59	0.56
3/2010	28	4,238	0.66	0.60	0.65
6/2010	33	4,079	0.81	0.62	0.77
9/2010	33	3,926	0.84	0.64	0.91
Annual Percentage Change			12.28%	93.62%	
r^2			0.091	0.917	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.1423	1.0000	1.1423
9/30/2007	4/01/2007	3.5000	1.1090	1.0000	1.1090
9/30/2008	4/01/2008	2.5000	1.0767	1.0000	1.0767
9/30/2009	4/01/2009	1.5000	1.0453	1.0000	1.0453
9/30/2010	4/01/2010	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

Shelter General Insurance Company

Arkansas

Private Passenger Automobile - Collision
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide						
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.e.1)	Projected Ultimate Claims (Exh. B.III.e.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point	
12/2007	11,791,637	5,484	2,150	2,312		
3/2008	12,189,901	5,340	2,283	2,287		
6/2008	11,829,050	5,214	2,269	2,262		
9/2008	11,978,723	5,148	2,327	2,237		
12/2008	11,895,974	5,136	2,316	2,213		
3/2009	11,030,714	4,974	2,218	2,188		
6/2009	11,200,845	5,031	2,226	2,164		2.198
9/2009	11,171,117	5,136	2,175	2,141		2.157
12/2009	11,043,908	5,286	2,089	2,117		2.116
3/2010	11,290,416	5,532	2,041	2,094		2.076
6/2010	11,283,289	5,676	1,988	2,071		2.037
9/2010	11,701,411	5,661	2,067	2,049		1.999
Annual Percentage Change				-4.30%	-7.32%	
r^2				0.575	0.723	

Frequency Trends - Shelter General Companywide						
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.e.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point	
12/2007	5,484	67,406	8.14	7.52		
3/2008	5,340	68,514	7.79	7.52		
6/2008	5,214	69,476	7.50	7.52		
9/2008	5,148	70,204	7.33	7.53		
12/2008	5,136	70,513	7.28	7.53		
3/2009	4,974	70,586	7.05	7.54		
6/2009	5,031	70,546	7.13	7.54		7.52
9/2009	5,136	70,563	7.28	7.54		7.52
12/2009	5,286	70,860	7.46	7.55		7.52
3/2010	5,532	71,210	7.77	7.55		7.53
6/2010	5,676	71,593	7.93	7.55		7.53
9/2010	5,661	71,912	7.87	7.56		7.54
Annual Percentage Change				0.27%	0.27%	
r^2				0.001	0.924	

Severity Trends - Shelter General Arkansas						
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.e.1)	Projected Ultimate Claims (Exh. B.III.e.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point	
12/2007	857,164	372	2,304	2,787		
3/2008	967,306	366	2,643	2,733		
6/2008	919,847	339	2,713	2,679		
9/2008	957,764	325	2,947	2,627		
12/2008	917,227	310	2,959	2,576		
3/2009	705,497	277	2,547	2,526		
6/2009	720,544	265	2,719	2,477		2.639
9/2009	663,965	269	2,468	2,429		2.514
12/2009	642,108	274	2,343	2,381		2.395
3/2010	649,806	277	2,346	2,335		2.282
6/2010	589,686	289	2,040	2,289		2.175
9/2010	625,529	288	2,172	2,245		2.072
Annual Percentage Change				-7.58%	-17.58%	
r^2				0.371	0.823	

Frequency Trends - Shelter General Arkansas						
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.e.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point	
12/2007	372	3,615	10.29	9.33		
3/2008	366	3,539	10.34	9.43		
6/2008	339	3,496	9.70	9.53		
9/2008	325	3,447	9.43	9.63		
12/2008	310	3,341	9.28	9.73		
3/2009	277	3,191	8.68	9.83		
6/2009	265	3,040	8.72	9.93		8.74
9/2009	269	2,893	9.30	10.03		9.28
12/2009	274	2,771	9.89	10.14		9.86
3/2010	277	2,669	10.38	10.24		10.47
6/2010	289	2,560	11.29	10.35		11.12
9/2010	288	2,458	11.72	10.45		11.81
Annual Percentage Change				4.19%	27.26%	
r^2				0.159	0.994	

Severity Trends - Fast Track Arkansas						
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point	
9/2007	166,224,027	54,934	3,026	3,081		
12/2007	167,244,509	55,173	3,031	3,082		
3/2008	170,338,844	55,210	3,085	3,083		
6/2008	172,462,596	55,004	3,135	3,083		
9/2008	172,446,953	55,048	3,133	3,084		
12/2008	172,318,038	54,821	3,143	3,085		
3/2009	170,821,538	55,027	3,104	3,086		3.096
6/2009	171,374,466	55,549	3,085	3,086		3.089
9/2009	172,404,678	55,996	3,079	3,087		3.082
12/2009	173,898,877	56,740	3,065	3,088		3.075
3/2010	175,438,291	56,976	3,079	3,089		3.068
6/2010	174,492,712	56,996	3,061	3,090		3.061
Annual Percentage Change				0.13%	-0.91%	
r^2				0.006	0.738	

Frequency Trends - Fast Track Arkansas						
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point	
9/2007	54,934	969,553	5.67	5.58		
12/2007	55,173	976,172	5.65	5.59		
3/2008	55,210	982,942	5.62	5.59		
6/2008	55,004	988,374	5.57	5.59		
9/2008	55,048	993,388	5.54	5.59		
12/2008	54,821	997,402	5.50	5.60		
3/2009	55,027	999,903	5.50	5.60		5.50
6/2009	55,549	1,002,449	5.54	5.60		5.54
9/2009	55,996	1,003,757	5.58	5.61		5.59
12/2009	56,740	1,003,907	5.65	5.61		5.63
3/2010	56,976	1,003,193	5.68	5.61		5.67
6/2010	56,996	1,002,422	5.69	5.61		5.71
Annual Percentage Change				0.18%	3.07%	
r^2				0.018	0.963	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.0932	1.0000	1.0932
9/30/2007	4/01/2007	3.5000	1.0718	1.0000	1.0718
9/30/2008	4/01/2008	2.5000	1.0508	1.0000	1.0508
9/30/2009	4/01/2009	1.5000	1.0301	1.0000	1.0301
9/30/2010	4/01/2010	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

Shelter General Insurance Company

Arkansas

Private Passenger Automobile - Comprehensive
Development of Combined Trend and Projection Factor

Severity Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.f.1)	Projected Ultimate Claims (Exh. B.III.f.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	4,758,508	3,335	1,427	1,511	
3/2008	4,998,226	3,392	1,474	1,502	
6/2008	5,213,125	3,428	1,521	1,493	
9/2008	5,138,156	3,370	1,525	1,485	
12/2008	5,171,207	3,418	1,513	1,476	
3/2009	5,195,106	3,444	1,508	1,467	
6/2009	5,231,661	3,461	1,512	1,459	1,486
9/2009	5,162,333	3,490	1,479	1,450	1,464
12/2009	5,233,761	3,664	1,428	1,442	1,443
3/2010	5,081,041	3,747	1,356	1,433	1,422
6/2010	5,676,398	4,051	1,401	1,425	1,401
9/2010	5,954,816	4,184	1,423	1,416	1,380
Annual Percentage Change				-2.34%	-5.74%
r^2				0.308	0.510

Frequency Trends - Shelter General Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.f.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	3,335	70,819	4.71	4.50	
3/2008	3,392	72,015	4.71	4.55	
6/2008	3,428	73,050	4.69	4.61	
9/2008	3,370	73,845	4.56	4.67	
12/2008	3,418	74,213	4.61	4.73	
3/2009	3,447	74,344	4.63	4.79	
6/2009	3,461	74,388	4.65	4.85	4.50
9/2009	3,490	74,496	4.68	4.91	4.55
12/2009	3,664	74,891	4.89	4.97	4.61
3/2010	3,747	75,344	4.97	5.04	4.67
6/2010	4,051	75,809	5.34	5.10	4.73
9/2010	4,184	76,197	5.49	5.17	4.79
Annual Percentage Change				5.30%	5.27%
r^2				0.584	0.949

Severity Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.f.1)	Projected Ultimate Claims (Exh. B.III.f.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2007	353,107	253	1,396	1,517	
3/2008	416,824	247	1,688	1,519	
6/2008	352,696	250	1,411	1,520	
9/2008	377,860	243	1,555	1,522	
12/2008	343,071	217	1,581	1,523	
3/2009	326,591	223	1,465	1,525	
6/2009	337,552	203	1,663	1,526	1,590
9/2009	295,062	195	1,513	1,528	1,569
12/2009	337,506	219	1,541	1,529	1,548
3/2010	298,453	199	1,500	1,530	1,528
6/2010	299,895	204	1,470	1,532	1,508
9/2010	315,926	204	1,549	1,533	1,488
Annual Percentage Change				0.33%	-5.16%
r^2				0.004	0.345

Frequency Trends - Shelter General Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.f.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2007	253	3,650	6.93	6.60	
3/2008	247	3,576	6.91	6.69	
6/2008	250	3,536	7.07	6.79	
9/2008	243	3,488	6.97	6.88	
12/2008	217	3,381	6.42	6.98	
3/2009	223	3,229	6.91	7.08	
6/2009	203	3,075	6.60	7.18	6.63
9/2009	195	2,924	6.67	7.28	6.93
12/2009	219	2,799	7.82	7.38	7.24
3/2010	199	2,695	7.38	7.49	7.57
6/2010	204	2,585	7.89	7.59	7.91
9/2010	204	2,481	8.22	7.70	8.27
Annual Percentage Change				5.77%	19.34%
r^2				0.434	0.809

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
9/2007	71,794,880	70,700	1,015	1,195	
12/2007	72,187,263	70,477	1,024	1,221	
3/2008	78,563,936	72,331	1,086	1,248	
6/2008	145,431,447	93,727	1,552	1,275	
9/2008	151,570,868	94,847	1,598	1,303	
12/2008	155,597,644	94,542	1,646	1,332	
3/2009	155,703,484	94,407	1,649	1,361	1,509
6/2009	99,290,514	75,854	1,309	1,391	1,467
9/2009	114,893,041	81,611	1,408	1,422	1,426
12/2009	117,935,670	84,077	1,403	1,453	1,386
3/2010	117,574,695	85,179	1,380	1,485	1,348
6/2010	112,817,682	85,977	1,312	1,518	1,310
Annual Percentage Change				9.13%	-10.70%
r^2				0.200	0.391

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
9/2007	70,700	993,328	7.12	7.76	
12/2007	70,477	1,000,060	7.05	7.83	
3/2008	72,331	1,006,962	7.18	7.91	
6/2008	93,727	1,012,544	9.26	7.98	
9/2008	94,847	1,017,828	9.32	8.05	
12/2008	94,542	1,022,140	9.25	8.13	
3/2009	94,407	1,024,946	9.21	8.20	8.27
6/2009	75,854	1,027,846	7.38	8.28	8.24
9/2009	81,611	1,029,413	7.93	8.35	8.21
12/2009	84,077	1,029,865	8.16	8.43	8.19
3/2010	85,179	1,029,462	8.27	8.51	8.16
6/2010	85,977	1,028,949	8.36	8.58	8.13
Annual Percentage Change				3.62%	-1.33%
r^2				0.091	0.007

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.0932	1.0000	1.0932
9/30/2007	4/01/2007	3.5000	1.0718	1.0000	1.0718
9/30/2008	4/01/2008	2.5000	1.0508	1.0000	1.0508
9/30/2009	4/01/2009	1.5000	1.0301	1.0000	1.0301
9/30/2010	4/01/2010	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2010 to 1/01/2012	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

**Shelter General Insurance Company
Private Passenger Automobile
Arkansas**

Current Rate Level Factors as of September 30, 2010

The parallelogram method was used to develop the current rate level factors shown below given the following rate change history. The effective dates of the changes shown are for renewal business.

Current Rate Level Factors by Coverage

<u>Fiscal Year Ending</u>	Bodily Injury / Property Damage	Medical Payments	Uninsured Motorist	Collision	Comprehensive	Total
September 30, 2006	1.0580	1.2696	1.0001	0.7989	0.8555	0.9773
September 30, 2007	1.0627	1.2953	0.9502	0.8314	0.9052	0.9940
September 30, 2008	1.0730	1.3550	0.8570	0.9130	1.0370	1.0320
September 30, 2009	1.0730	1.3550	0.8570	0.9130	1.0370	1.0320
September 30, 2010	1.0288	1.1241	0.9350	0.9619	1.0150	1.0129

Rate Change History by Coverage (Percent Changes)

<u>Effective Date</u>	Bodily Injury / Property Damage	Medical Payments	Uninsured Motorist	Collision	Comprehensive	Total
April 17, 2005	3.1 %	12.1 %	0.0 %	-12.6 %	-22.0 %	-3.5 %
March 22, 2007	-1.4 %	-6.3 %	16.7 %	-12.5 %	-17.5 %	-5.3 %
December 29, 2009	7.3 %	35.5 %	-14.3 %	-8.7 %	3.7 %	3.2 %

Shelter General Insurance Company
Private Passenger Automobile
Companywide
Development of Unallocated Loss Adjustment Factor

Exhibit B.VI

Liability, excluding Property Damage

Note: Amounts in 000's	2007	2008	2009	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$18,747	\$19,172	\$19,482	\$57,401
2. Direct Unallocated Loss Adjustment Expense Incurred	\$2,112	\$1,382	\$1,755	\$5,249
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	11.3%	7.2%	9.0%	9.1%

Property Damage Liability

Note: Amounts in 000's	2007	2008	2009	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$11,201	\$11,454	\$11,640	\$34,295
2. Direct Unallocated Loss Adjustment Expense Incurred	\$1,262	\$825	\$1,048	\$3,135
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	11.3%	7.2%	9.0%	9.1%

Physical Damage

Note: Amounts in 000's	2007	2008	2009	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$17,573	\$20,215	\$19,146	\$56,934
2. Direct Unallocated Loss Adjustment Expense Incurred	\$1,989	\$1,606	\$1,525	\$5,120
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	11.3%	7.9%	8.0%	9.0%

Source: Insurance Expense Exhibit

Shelter General Insurance Company

Arkansas

Private Passenger Liability

Calculation of Expected Loss Ratio

Commission and Brokerage (a)		12.0%
Other Acquisition Expense (a)		4.5%
General Expense (a)		8.2%
Arkansas Taxes, Licenses and Fees (b)		2.9%
Profit and Contingencies	5.0%	
Less Investment Credit on Policyholder Funds (c) -	4.1%	
Net Profit and Contingencies		0.9%
Sub-total		28.5%
Available for Losses and Loss Adjustment Expense		71.5%

(a) From attached Companywide Expense Ratios

(b) 2009 Premium Tax ratio in Arkansas

(c) From attached calculation of Investment Income Credit on Policyholder Funds

Shelter General Insurance Company

Arkansas

Private Passenger Liability

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2009		\$ 3,394,541
(2) Mean Unearned Premium Reserve: (1.) x 0.248		\$ 841,846
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	12.0%	
b. 50% of Other Acquisition Expense	2.3%	
c. 50% of General Expense	4.1%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		21.3%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))		\$ 662,533
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2009		\$ 3,394,541
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.724		\$ 2,457,648
3. Expected Mean Loss Reserve: (2.) x 1.242		\$ 3,052,399
C. Net Subject to Investment: A.4 + B.3		\$ 3,714,932
D. Average Rate of Return		0.0507
E. Investment Earnings on Net Subject to Investment: C x D		\$ 188,347
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		5.5%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.753		4.1%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Private Passenger Liability

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Private Passenger Liability, for Calendar Year 2009.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2009	\$	3,394,541
2. Unearned Premium Reserve as of 12/31/2008	\$	886,558
3. Unearned Premium Reserve as of 12/31/2009	\$	795,376
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$	840,967
5. Mean Unearned Premium Ratio: (4.) / (1.)		0.248

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2008	\$	2,430,203
2. Incurred Losses for Calendar Year 2009	\$	2,100,923
3. Loss Reserves as of 12/31/2007	\$	3,127,110
4. Loss Reserves as of 12/31/2008	\$	2,815,292
5. Loss Reserves as of 12/31/2009	\$	2,484,750
6. Mean Loss Reserve 2008	\$	2,971,201
7. Mean Loss Reserve 2009	\$	2,650,021
8. 2008 Ratio: (6.) / (1.)		1.223
9. 2009 Ratio: (7.) / (2.)		1.261
10. Mean Ratio: ((8.) + (9.)) / 2		1.242

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2007	\$	2,323,262,763
2. Cash and Invested Assets 2008	\$	2,173,279,805
3. Cash and Invested Assets 2009	\$	2,200,252,743
4. Net Investment Income Earned 2008	\$	71,699,115
5. Net Investment Income Earned 2009	\$	94,760,616
6. Mean Cash and Invested Assets 2008: (2. + 3.) / 2	\$	2,248,271,284
7. Mean Cash and Invested Assets 2009: (2. + 3.) / 2	\$	2,186,766,274
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)		0.0375
9. Mean Cash and Invested Assets 2000 - 2009	\$	18,071,709,467
10. Net Realized Capital Gains/Losses 2000 - 2009	\$	238,772,756
11. Mean Rate of Return: 10. / 9.		0.0132
12. Total Rate of Return: 8. + 11.		0.0507

Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
Net Investment Income Earned	0.0375	0.211 (A)
Net Realized Capital Gains/Losses	0.0132	0.350
Total	0.0507	0.247

(A) The expected average rate of Federal Income Tax on Net Investment Income was determined by applying the expected 2010 tax rates to the distribution of investment income earned for the years 2008 and 2009. The calculations are shown below:

Type of Investment	Net Income Earned (1)			Tax Rate	Federal Tax
	2008	2009	Total		
Bonds (Taxable)	\$ 26,833,882	\$ 26,571,862	\$ 53,405,744	0.350	\$ 18,692,010
Bonds (Tax Exempt)	\$ 29,608,627	\$ 28,308,850	\$ 57,917,477	0.053	\$ 3,069,626
Stocks	\$ 7,636,174	\$ 35,342,294	\$ 42,978,468	0.210	\$ 9,025,478
Short Term	\$ 1,507,273	\$ 106,948	\$ 1,614,221	0.350	\$ 564,977
Real Estate	\$ 2,528,822	\$ 2,725,164	\$ 5,253,986	0.350	\$ 1,838,895
Other Investments	\$ 3,584,337	\$ 1,705,498	\$ 5,289,835	0.350	\$ 1,851,442
Total	\$ 71,699,115	\$ 94,760,616	\$ 166,459,731	0.211	\$ 35,042,428

(1) Investment deductions have been allocated to the appropriate type in the following manner:

Real Estate	-	Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).
All Other	-	Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter General Insurance Company

Companywide

Private Passenger Liability

Development of Expense Ratios

Note: 000 s omitted.	2007	2008	2009	Total
1.) Direct Commission and Brokerage	\$ 5,842	\$ 5,468	\$ 5,183	\$ 16,493
2.) Direct Written Premium	46,779	46,065	44,964	137,808
Ratio: 1 / 2	12.5%	11.9%	11.5%	12.0%
3.) Other Acquisition Expense	\$ 2,117	\$ 2,164	\$ 1,969	\$ 6,250
4.) Direct Earned Premium	46,708	46,402	44,717	137,827
Ratio: 3 / 4	4.5%	4.7%	4.4%	4.5%
5.) General Expense	\$ 3,810	\$ 3,664	\$ 3,770	\$ 11,245
6.) Direct Earned Premium	46,708	46,402	44,717	137,827
Ratio: 5 / 6	8.2%	7.9%	8.4%	8.2%
7.) Taxes, Licenses and Fees	\$ 1,142	\$ 1,093	\$ 1,054	\$ 3,289
8.) Direct Written Premium	46,779	46,065	44,964	137,808
Ratio: 7 / 8	2.4%	2.4%	2.3%	2.4%
9.) Direct Loss Adjustment Expense	\$ 4,202	\$ 4,598	\$ 4,176	\$ 12,976
10.) Direct Losses Incurred	29,887	28,235	29,749	87,871
Ratio: 9 / 10	14.1%	16.3%	14.0%	14.8%

Source: Insurance Expense Exhibit.

Shelter General Insurance Company

Arkansas

Private Passenger Physical Damage

Calculation of Expected Loss Ratio

Commission and Brokerage (a)		10.9%
Other Acquisition Expense (a)		4.6%
General Expense (a)		8.2%
Arkansas Taxes, Licenses and Fees (b)		2.9%
Profit and Contingencies	5.0%	
Less Investment Credit on Policyholder Funds (c) -	0.8%	
Net Profit and Contingencies		4.2%
Sub-total		30.8%
Available for Losses and Loss Adjustment Expense		69.2%

(a) From attached Companywide Expense Ratios

(b) 2009 Premium Tax ratio in Arkansas

(c) From attached calculation of Investment Income Credit on Policyholder Funds

Shelter General Insurance Company
Arkansas
Private Passenger Physical Damage

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2009		\$ 1,794,916
(2) Mean Unearned Premium Reserve: (1.) x 0.249		\$ 446,934
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	10.9%	
b. 50% of Other Acquisition Expense	2.3%	
c. 50% of General Expense	4.1%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		20.2%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))		\$ 356,653
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2009		\$ 1,794,916
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.734		\$ 1,317,469
3. Expected Mean Loss Reserve: (2.) x 0.035		\$ 46,111
C. Net Subject to Investment: A.4 + B.3		\$ 402,764
D. Average Rate of Return		0.0507
E. Investment Earnings on Net Subject to Investment: C x D		\$ 20,420
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		1.1%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.753		0.8%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Private Passenger Physical Damage

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Private Passenger Physical Damage, for Calendar Year 2009.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2009	\$	1,794,916
2. Unearned Premium Reserve as of 12/31/2008	\$	472,002
3. Unearned Premium Reserve as of 12/31/2009	\$	421,098
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$	446,550
5. Mean Unearned Premium Ratio: (4.) / (1.)		0.249

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2008	\$	1,988,351
2. Incurred Losses for Calendar Year 2009	\$	1,262,902
3. Loss Reserves as of 12/31/2007	\$	47,626
4. Loss Reserves as of 12/31/2008	\$	62,813
5. Loss Reserves as of 12/31/2009	\$	43,014
6. Mean Loss Reserve 2008	\$	55,220
7. Mean Loss Reserve 2009	\$	52,914
8. 2008 Ratio: (6.) / (1.)		0.028
9. 2009 Ratio: (7.) / (2.)		0.042
10. Mean Ratio: ((8.) + (9.)) / 2		0.035

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2007	\$	2,323,262,763
2. Cash and Invested Assets 2008	\$	2,173,279,805
3. Cash and Invested Assets 2009	\$	2,200,252,743
4. Net Investment Income Earned 2008	\$	71,699,115
5. Net Investment Income Earned 2009	\$	94,760,616
6. Mean Cash and Invested Assets 2008: (2. + 3.) / 2	\$	2,248,271,284
7. Mean Cash and Invested Assets 2009: (2. + 3.) / 2	\$	2,186,766,274
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)		0.0375
9. Mean Cash and Invested Assets 2000 - 2009	\$	18,071,709,467
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	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
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All Other	-	Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter General Insurance Company

Companywide

Private Passenger Physical Damage

Development of Expense Ratios

Note: 000 s omitted.	2007	2008	2009	Total
1.) Direct Commission and Brokerage	\$ 3,689	\$ 2,608	\$ 3,532	\$ 9,829
2.) Direct Written Premium	29,649	30,505	30,385	90,539
Ratio: 1 / 2	12.4%	8.5%	11.6%	10.9%
3.) Other Acquisition Expense	\$ 1,341	\$ 1,433	\$ 1,330	\$ 4,104
4.) Direct Earned Premium	29,254	30,373	30,177	89,804
Ratio: 3 / 4	4.6%	4.7%	4.4%	4.6%
5.) General Expense	\$ 2,415	\$ 2,427	\$ 2,547	\$ 7,389
6.) Direct Earned Premium	29,254	30,373	30,177	89,804
Ratio: 5 / 6	8.3%	8.0%	8.4%	8.2%
7.) Taxes, Licenses and Fees	\$ 725	\$ 729	\$ 719	\$ 2,173
8.) Direct Written Premium	29,649	30,505	30,385	90,539
Ratio: 7 / 8	2.4%	2.4%	2.4%	2.4%
9.) Direct Loss Adjustment Expense	\$ 1,968	\$ 1,609	\$ 1,550	\$ 5,127
10.) Direct Losses Incurred	17,572	20,212	19,121	56,905
Ratio: 9 / 10	11.2%	8.0%	8.1%	9.0%

Source: Insurance Expense Exhibit.

**Shelter Insurance Companies
Private Passenger Automobile
Calculation of Factor to Adjust Fixed Costs**

Exhibit B.VIII.a

Quarter Ending	20-Point		12-Point		6-Point	
	Actual	Fitted	Actual	Fitted	Actual	Fitted
Sep-05	196.9	198.5				
Dec-05	197.9	199.6				
Mar-06	198.9	200.7				
Jun-06	202.3	201.8				
Sep-06	203.4	202.9				
Dec-06	201.7	204.0				
Mar-07	203.8	205.1				
Jun-07	207.7	206.3				
Sep-07	208.2	207.4	208.2	210.8		
Dec-07	209.7	208.5	209.7	211.5		
Mar-08	212.1	209.7	212.1	212.1		
Jun-08	216.7	210.9	216.7	212.7		
Sep-08	219.3	212.0	219.3	213.4		
Dec-08	213.1	213.2	213.1	214.0		
Mar-09	212.0	214.4	212.0	214.7	212.0	212.8
Jun-09	214.3	215.6	214.3	215.3	214.3	213.9
Sep-09	215.7	216.7	215.7	215.9	215.7	215.0
Dec-09	216.1	217.9	216.1	216.6	216.1	216.1
Mar-10	217.0	219.1	217.0	217.2	217.0	217.2
Jun-10	218.1	220.4	218.1	217.9	218.1	218.3
r ²		0.872		0.455		0.939
Annual Change		2.2%		1.2%		2.1%
Selected Factor to Trend Fixed Costs						2.0%

Note: Fitted columns are generated using exponential regression...(y=exp^{a+bx}).

**Shelter Insurance Companies
Private Passenger Automobile**

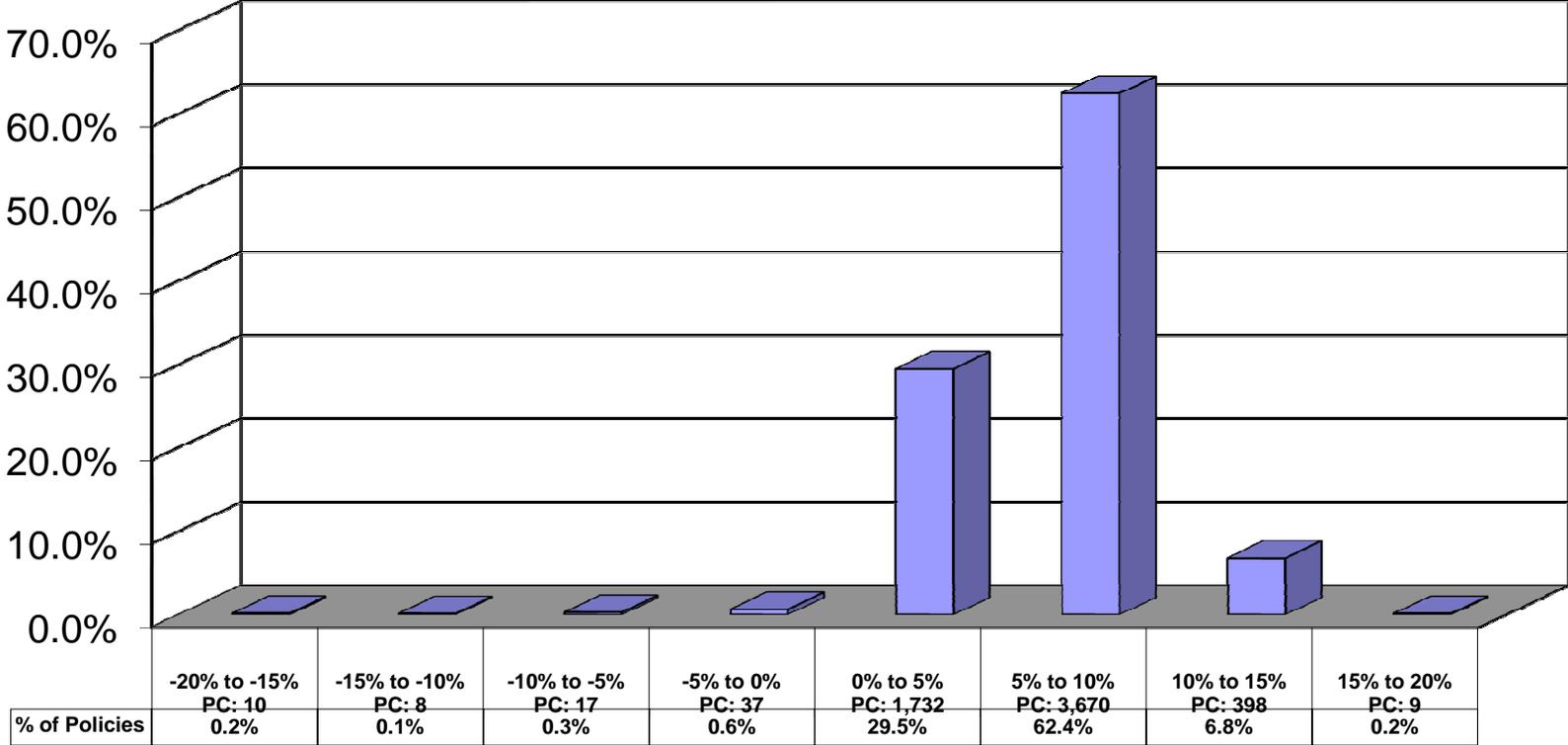
Exhibit B.VIII.b

Trend of Medical Component in the Consumer Price Index

Quarter Ending	20-Point		12-Point		6-Point	
	Actual	Fitted	Actual	Fitted	Actual	Fitted
Sep-05	324.2	326.0				
Dec-05	327.6	329.1				
Mar-06	331.8	332.1				
Jun-06	335.4	335.2				
Sep-06	337.7	338.4				
Dec-06	339.8	341.5				
Mar-07	345.7	344.7				
Jun-07	348.9	347.9				
Sep-07	352.8	351.2	352.8	353.7		
Dec-07	356.8	354.5	356.8	356.6		
Mar-08	361.9	357.8	361.9	359.5		
Jun-08	363.4	361.1	363.4	362.5		
Sep-08	364.5	364.5	364.5	365.5		
Dec-08	366.5	367.9	366.5	368.5		
Mar-09	371.8	371.3	371.8	371.5	371.8	371.1
Jun-09	374.8	374.8	374.8	374.5	374.8	374.3
Sep-09	376.6	378.3	376.6	377.6	376.6	377.6
Dec-09	379.2	381.8	379.2	380.7	379.2	380.8
Mar-10	385.2	385.4	385.2	383.8	385.2	384.1
Jun-10	387.9	389.0	387.9	387.0	387.9	387.4
r ²		0.993		0.986		0.971
Annual Change		3.8%		3.3%		3.5%

Note: Fitted columns are generated using exponential regression...(y=exp^{a+bx}).

Shelter General Insurance Arkansas Automobile Distribution of Rate Changes



Rate Change